

Court of Justice of the European Union

Cour de Justice de l'Union Européenne

L – 2925 Luxembourg

Re: C-361/22 *Industria de Diseno Textil, S.A. (Inditex) v. Buongiorno Myalert, S.A.*

September 29, 2022

Amicus Submission – International Trademark Association

The International Trademark Association (**INTA**) has prepared this Submission in relation to Case C-334/22 *Industria de Diseno Textil, S.A. (Inditex) v. Buongiorno Myalert, S.A.* pending before the Court of Justice of the European Union (**CJEU**), request for a preliminary ruling under article 267 of the Treaty on the Functioning of the European Union (**TFEU**) referred by the *Tribunal Supremo* of Spain (Supreme Court, Madrid, Spain).

The case concerns the interpretation of Article 6(1)(c) of Directive 89/104/EC of 21 December 1988 (to approximate the laws of the Member States relating to trademarks) (**Old Directive**) in conjunction with Article 14(1)(c) of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 (Recast) (**New Directive**).

A. INTA's interest in the case

1. INTA is not a party in the case and acknowledges that the CJEU does not have a procedure for accepting an *amicus curiae* intervention *stricto sensu*. INTA, however, believes that the case is significant to the development of trademark law and presents itself as a “friend of the court” in this matter and as done in the past (*cf. Annex A* listing previous amicus interventions by INTA before European courts and bodies).

2. This submission was prepared by INTA's International Amicus Committee – Europe Amicus Subcommittee, under the direct supervision of INTA's Executive Committee of the Board of Directors, following a strictly independent procedure. In particular, and in order to maintain INTA's independence, the preparation of the enclosed submission took place confidentially.

INTA did not disclose its deliberations to either of the parties and did not consult with the parties on the issues in the case.

3. INTA hopes that its comments may be of assistance to the Court.

B. About INTA

1. The International Trademark Association (INTA) is a global association of brand owners and professionals dedicated to supporting trademarks and complementary intellectual property (IP) to foster consumer trust, economic growth, and innovation, and committed to building a better society through brands. Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association's global trade mark resources, policy development, education and training, and international network. Founded in 1878, INTA, a not-for-profit organization, is headquartered in New York City, with offices in Beijing, Brussels, Santiago, Singapore, and Washington, D.C. Metro Area, and a representative in New Delhi. For more information, visit inta.org.

2. An important objective of INTA is to protect the interests of the public by the proper use of trademarks. In this regard, INTA strives to advance the development of trademarks, related IP and unfair competition laws and treaties throughout the world, based on the global public interest in avoiding deception and confusion. INTA has been an official non-governmental observer to the World Intellectual Property Organization ("WIPO") since 1979 and actively participates in all trademarks related WIPO proposals. INTA has influenced WIPO trademark initiatives such as the Trademark Law Treaty and is active in other international arenas, including the Asia Pacific Economic Cooperation Forum ("APEC"), the Association of Southeast Asia Nations ("ASEAN"), the European Union (EU) and the World Trade Organization ("WTO").

3. INTA provides expertise concerning trademark and other IP-related laws to courts and intellectual property offices around the world through the submission of *amicus curiae* ("friend of the court") briefs or similar filings, playing a neutral role and addressing only the legal issues. Since 1916, INTA has intervened as *amicus curiae* ("friend of the court") in the US and in other jurisdictions, including before the CJEU and the General Court of the EU. A list of some of these submissions is attached as **Annex A** to this Submission.

4. The present brief was drafted by INTA independently of the parties in the case at issue.

5. Question referred to the CJEU:

Must Article 6(1)(c) of Directive 89/104/EC be interpreted as implicitly including within the limitation on trade mark rights the more general conduct now referred to in Article 14(1)(c) of Directive (EU) 2015/2436, namely use of 'the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark'?

C. Reasons why INTA is submitting this brief

The case relates to limitation on the effects of a trademark. The case pending before the Spanish Supreme Court deals, in particular, with referential use, which trademark owners are often confronted with, and to what extent such referential use must be tolerated by the trademark owner.

The interpretation of the provisions on the limitation of trademark rights under both the Old and New Directive might have a significant impact on the scope of trademark rights in the EU. INTA considers it important for it to intervene to put the matter into the right perspective and avoid a ruling going against the established interpretation of Article 6(1)(c) of Old Directive, which might prevent the enforcement of legitimate trademark rights in pending trademark infringement proceedings.

Furthermore, INTA deems it important to emphasise that the question posed by the Spanish Supreme Court is very narrow, i.e. whether the Old Directive should now be interpreted as if the wording of the New Directive had been added; and to advocate that the court should answer the question narrowly and in a manner that does not require an interpretation of the actual wording of the New Directive.

Lastly, INTA would like to stress that in any case the application of the limitation at stake – also in the new wording – is subject to the condition of the compliance with “honest practices in industrial and commercial matters”. Meaning that even though the scope of Article 14(1)(c) has widened, it must still meet the threshold of honest business practices, with the consequence that this criterion might be sufficient to rule out the application of the provisions on the limitation of trademark rights.

D. Background

Buongiorno Myalert is a company that provides information services via the internet and mobile telephony. In 2010, Buongiorno Myalert launched an advertising campaign for subscription to a multimedia messaging service which it marketed under the name ‘Club Blinks’, as part of which it offered free entry into a draw in which one of the prizes was a ZARA gift certificate card of EUR 1,000.

The webpages providing participation in the prize draw could be accessed by clicking on banners with the ZARA sign inserted on other web pages. The ZARA sign was prominently displayed and shown in a rectangle, reminiscent of the design used on cards issued by banks, large stores, and other entities.

Participation in the prize draw was conditional upon a paid subscription to the messaging service for at least 30 days.

Inditex asserted this use of its ZARA logo to be infringing its trademark rights under Spanish law (article 37 of the Ley de Marcas). Buongiorno Myalert argued that its use of the ZARA sign was referential use and therefore allowed.

In two instances, Buongiorno Myalert prevailed and Inditex’ claims were denied. Inditex then appealed to the Spanish Supreme Court, which led to the pending request for a preliminary ruling of the CJEU.

E. INTA's analysis

At the outset, INTA notes that in the national proceedings the plaintiff (Inditex) had also alleged an act of unfair competition and that the summary of facts provided by the referring Spanish court suggests broadening the review of the legal background capturing also the application of Article 14(2) of the New Directive (i.e. whether the complained of use is “in accordance with honest practices in industrial or commercial matters”).

It therefore appears that a decision on the question referred may not be “necessary” in the sense of Article 267 TFEU, as a proper interpretation of Article 14(2) may enable the referring court to give judgment in its case without the need to consider the scope of Article 14(1)(c) New Directive.

Therefore, we will hereinafter address the Interpretation of both paragraphs (1)(c) and (2) of Article 14 of the New Directive.

1. Interpretation of Article 14(1)(c) of the New Directive

- a) INTA submits that the amended wording of Article 14(1)(c) of the New Directive is clearly **broad**er than the wording of Article 6(1)(c) of the Old Directive. The New Directive explicitly widens the scope of Article 6(1)(c), by adding a limitation to the exclusive trademark rights, i.e.: use by a third party *“for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark”*.
- b) Article 14(1)(c) of the New Directive then goes on to stipulate that as such allowed (new) referential use, in particular qualifies the use which was described in Article 6(1)(c) Old Directive, i.e. *“use which is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts”*. This demonstrates that the first sentence of Article 14(1)(c) New Directive has a wider scope than Article 6(1)(c) Old Directive and therefore allows for a broader exception to the rights of the trademark owner than was the case under Article 6(1)(c) Old Directive.
- c) The intention to widen the scope of the provision is confirmed by the Max Planck Study on the overall functioning of the European Trade Mark System of February 15, 2011 (hereinafter referred to as the “Max Planck Study”)¹, as well as by the considerations of the New Directive.
- d) The Max Planck Study described the *status quo* as follows: *“under current law, the use of a trade mark as a correct identification of the trade mark owner’s own products (referential use) has been held to be use of the mark in relation to the third party’s own products (O2). Furthermore, it was held that Article 5 (1) (a) not only protects the essential function of*

¹ In October 2009 the Commission entrusted the Max Planck Institute for Intellectual Property and Competition Law of Munich with the task of carrying out “an in-depth assessment of the overall functioning of the trade mark system in Europe as a whole including both at the Community and at the national level. The aim is to analyse current performances and to identify potential areas for improvement, streamlining and future development of this overall system to the benefit of users and the society as a whole”. This study (available at : <https://op.europa.eu/en/publication-detail/-/publication/5f878564-9b8d-4624-ba68-72531215967>) is the basis of the EU Trade Mark Reforms and is therefore a fundamental tool to interpret the new provisions.

indicating origin but also other functions such as the quality, investment, or communication function (L'Oréal). As a result, many cases of referential use may come within the scope of Article 5 (1) (a) TMD and Article 9 (1) (a) CTMR. The protection afforded by this provision, however, is "absolute" in the sense that it does not depend on any balancing of interests, apart from a functional analysis. Although many cases of "**honest referential use**" will constitute comparative advertising and will hence come under Article 4 of Directive 2006/114/EC, the present state of law is unsatisfactory" (see point 2.259 of the Study; emphasis added). To balance the various interests at stake, the Max Planck Study suggested the adoption of "a broader clause exempting 'honest referential use' from infringement, i.e. cases where the protected trade mark is used as a reference to the proprietor's goods or services" (see to that effect point 2.258 of the Study). In particular, the Study suggested that "**The new provision should refer generally to 'referential use' and list as examples use for purposes of indicating replacement or service, currently in Article 6 (1)(c) TMD and Article 12 (c) CTMR ... The use would be allowed to the extent that it does not contravene principles of honest practices in industrial and commercial matters.** Referential use for purposes of comparative advertising would be lawful if it complies with the applicable provisions of Community law, as currently set out in Directive 2006/114 EC" (see to that effect point 2.258 of the Study; emphasis added).

- e) Moving to the considerations of the New Directive, the first consideration states that "A number of amendments should be made to Directive 2008/95/EC (...). In the interests of clarity, that Directive should be recast," making it clear that the amendments in the New Directive are indeed "amendments" to the Old Directive and not a mere clarification, thereby 'recasting' the Old Directive. For that reason alone, the amendments in the New Directive cannot and should not be considered to have already been implicitly included in the Old Directive.

Recital 27 of the New Directive also states that "the proprietor should not be entitled to prevent the fair and honest use of the mark for the purpose of identifying or referring to the goods or services as those of the proprietor. Use of a trade mark by third parties to draw the consumer's attention to the resale of genuine goods that were originally sold by, or with the consent of, the proprietor of the trade mark in the Union should be considered as being fair as long as it is at the same time in accordance with honest practices in industrial and commercial matters."

- f) It follows from the above that there was a clear intention of the European Parliament and the Council to broaden the scope of the Old Directive, so as to include within this set of limitations to exclusive trademark rights only "honest referential use."

2. Interpretation of Article 14(2) of the New Directive

- a) The wording of Article 14(2) of the New Directive has changed as well. In the Old Directive, the reference to honest business practices under Article 6(1)(c) has been placed as a prerequisite to the list of situations in which the proprietor of the used mark cannot prohibit use of its mark:

"....provided that he uses them in accordance with honest practices in industrial or commercial matters."

In the New Directive, this prerequisite has been moved to a new and separate paragraph which conveys a similar message. Further, the language has become stricter in that this paragraph appears expressly as a bar to the exemptions listed under Art. 14(1)(c):

“Paragraph 1 shall only apply where the use made by the third party is in accordance with honest practices in industrial or commercial matters.”

INTA concludes from this (bar to the bar-) construction that, in order to fall within the set of limitations to exclusive trademark rights, the alleged referential use should meet a two-pronged test: first it must fall with the scope of the acts set out in Article 14(1), and second it must be in accordance with honest practices in industrial and commercial matters as quoted in Article 14(2). Both prongs need to be answered in the affirmative, meaning that if one provision fails to apply, the trademark proprietor is entitled to exercise its prohibition rights.

- b) The above conclusion is further supported by the Max Planck Study that – as mentioned above – suggested the inclusion within the limitations to exclusive trademarks’ rights **“honest referential use”**; i.e., a use which, in addition to being referential, complies also with the “honest practices in industrial and commercial matters”.
- c) Moreover, it appears that the new provision of Article 14(1) New Directive may capture even further situations of “fair use”. Recital 27 of the New Directive quotes fundamental rights and freedoms, the freedom of expression and in particular the freedom of artistic expression which cannot be brought under the subparagraphs a), b) or c) of Article 14(1). However, again one can take from this (below) quote an express notion of the honest practices in industrial or commercial matters to form a counter-principle to the widening of the bar of fair use in general:

“Use of a trade mark by third parties for the purpose of artistic expression should be considered as being fair as long as it is at the same time in accordance with honest practices in industrial and commercial matters. Furthermore, this Directive should be applied in a way that ensures full respect for fundamental rights and freedoms, and in particular the freedom of expression.”

- d) Looking at the effect of re-invoking the prohibition-rights of the trademark proprietor under Article 10(2) and (3) Old Directive, the exercise of these rights sanctions a breach of honest practices in industrial and commercial matters. In this regard, the enforcement of trademark rights appears to foster and strengthen the principles of fair competition.²
- e) The case-law of the Court of Justice has always underpinned the equal necessity to also carefully investigate the conformity of an alleged “fair use” with “honest practices”. In its

² The interplay between the protection of individual trade mark rights and general honest practices has been addressed for example in CJEU Judgment of 7 January 2004, *Gerolsteiner Brunnen*, C-100/02, EU:C:2004:11, Paragraph 24: *In answering that question, the only test mentioned in Article 6(1) of Directive 89/104 is whether the indication of geographical origin is used in accordance with honest practices in industrial or commercial matters. The condition of ‘honest practice’ constitutes in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner (BMW, cited above, paragraph 61).*

judgment of November 16, 2004, *Anheuser-Busch*, the court has rightfully pointed out the impact of Article 17 TRIPS Agreement in that regard.³

- f) In light of the above, the case at hand appears to involve a referential use which typically can be considered in breach of honest business practices. As a general observation, INTA notes that in particular famous and well-known marks are particularly vulnerable to an over-excessive referential use to take advantage of their attractiveness and repute as the relevant public may possibly not be confused, but however attracted and thus associating the user with the source of the brand.⁴
- g) Although the word “necessary” does not qualify the entirety of Article 14 (c), INTA would suggest that determination of the line of demarcation between “necessary” and “over-excessive” use, by the Court of Justice in its *Gillette*-judgment still provides guidance when it comes to assessing whether the use is in accordance with honest business practices; i.e. that the use in practice must be the only means to communicate the referential purpose.⁵ With this in mind and turning to the case at hand, it appears that the use of the ZARA-logotype was not the only means to communicate the character of a ZARA gift-card, as the use of the ZARA word mark would have served the same purpose. Using the logo in a repeated and prominent way in advertising therefore appears to be aimed at taking an unfair advantage of the repute of the ZARA mark. In this respect an important point to also bear in mind that the relevant public, as a matter of experience, is far more likely to perceive a logotype as a source identifier than as something that is merely referential.
- h) INTA also questions where a gift card is offered as a prize in a competition what the motives are for the choice of a branded gift card and for undertaking an advertising campaign making prominent reference to said branded gift card. Indeed, INTA takes the view that very decision of awarding a branded gift card or any other product bearing a famous brand with a view of using that branded gift card/product to advertise its own goods/services is highly likely to be contrary to honest business practices, as it looks as a mere escamotage to try and exploit the attraction of the brand on the card/product.

INTA submits that it is therefore not relevant whether Buongiorno Maylert’s use of the ZARA logo also falls under the exceptions of the New Directive or whether the wording of the New Directive can be considered as implicitly included in the Old Directive, as if, on remand, the Spanish courts determine that the use was not compliant with honest business practices, then its use should be barred, under either the New Directive or Old Directive.

³ See Judgment of 16 November 2004, *Anheuser-Busch*, C-245/02, EU:C:2004:717, Paragraph 82 with further quotations as to the relevant case-law.

⁴ CJEU. Judgment of 23 October 2003, *Adidas-Salomon and Adidas Benelux*, C-408/01, EU:C:2003:582, Paragraph 27 et seq

⁵ CJEU Judgment of 17 March 2005, *Gillette Company and Gillette Group Finland*, C-228/03, EU:C:2005:177, Paragraph 35 «*In addition, it is sufficient to note that such use of a trade mark is necessary in cases where that information cannot in practice be communicated to the public by a third party without use being made of the trade mark of which the latter is not the owner* » (see, to that effect, *BMW*, paragraph 60). As the Advocate General has pointed out in points 64 and 71 of his Opinion, that use must in practice be the only means of providing such information.

Conclusion

INTA's view on the question referred by the Supreme Court, Madrid, Spain is as follows:

Article 6(1)(c) of Directive 89/104/EC must **not** be interpreted as implicitly including within the limitation on trademark rights the more general conduct now referred to in Article 14(1)(c) of Directive (EU) 2015/2436, as this would be tantamount to making the New Directive retroactive in this respect, which would not be acceptable.

Furthermore, INTA suggests giving additional advice⁶ on the possible application of Article 14(2) as follows:

The provision of Article 14(2) of Directive (EU) 2015/2436 is of equal importance to Article 14(1) und must be examined with equal care and attention, taking into consideration that:

- (1) The purpose of "referential use" under Article 14(1)(c) of the New Directive is information communicated in the course of trade and to a broad public.
- (2) The need for clarity is even stronger in the case of well-known marks which are subject to a particular risk of association.
- (3) Referential use should therefore be restricted to formats which communicate as much distance from the source of the used mark as possible. Usually this is a neutral use of the mere wordmark. Typical colours, logotypes, or other source-identifiers which the addressed public may associate with the "aura" of the used mark, in particular with a reputed and well-known mark, must be omitted.
- (4) The same applies to a format of use which highlights the referenced brand in comparison to the rest of the respective communication to trigger a particular attention to the brand.
- (5) In addition to being referential, the relevant use must comply also with "honest practices in industrial and commercial matters".

⁶ The court is not strictly bound to the questions of the referencing court as expressly addressed for example in the judgment of November 16, 2004, C-245/02, Anheuser-Busch, para 75: *"It should be remembered that it is for the Court to provide the national court with all the elements of interpretation of Community law which may be of assistance in adjudicating on the case pending before it, whether or not that court specifically refers to them in its questions (see Case C-456/02 Trojani [2004], (...), paragraph 38 and the case-law cited there."*

ANNEX A

INTA has filed the following *amicus*-type submissions in cases before European courts:

- Letter of Submission on September 1, 2022, in the case Audi AG v. GQ (C-334/22)
- Letter of submission on January 10, 2022, in the case *Harman International Industries, Inc v. AB SA* ([C-175/21](#))
- Letter of submission on December 2, 2021 in the case *Monz Handelsgesellschaft International mbH & Co. KG vs. Büchel GmbH & Co. Fahrzeugtechnik KG* ([C-472/21](#)).
- Letter of submission on August 16, 2021, in the Judgment of 2 June 2022, *Classic Coach Company*, C-112/21, EU:C:2022:428
- Letter of submission on June 28, 2021, in the Order of 11 January 2022, *Leinfelder Uhren München*, C-62/21, EU:C:2022:35
- Letter of submission on December 23, 2020, in Judgment of 3 March 2022, *Acacia*, C-421/20, EU:C:2022:152
- Letter of submission to Novartis AG on September 28, 2020, in Joint Cases C-254/20 *Novartis AG v. Impexeco NV* and C-254/20 *Novartis AG v. PI Pharma NV* ([C-253/20](#) and [C-254/20](#))
- Letter of submission to Novartis AG on August 27, 2020, in Joint cases C-147/20, *Novartis Pharma GmbH v. Abacus Medicine A/S* and C-224/20, *Merck Sharp & Dohme B.V. et al. v. Abacus Medicine A/S et al.* ([C-147/20](#) and [C-224/20](#))
- Statement of Intervention on January 6, 2016, in the Order of 20 April 2016, *DHL Express (France) v EUIPO*, T-142/15, EU:T:2016:268
- Statement of Intervention on April 25, 2014, in the Judgement of 7 May 2015, *Voss of Norway v OHIM*, C-445/13P, EU:C:2015:303
- Written Observations on March 16, 2010, in the Order of 11 January 2011, *Nokia*, C-495/09, EU:C:2011:9
- Letter of submission to Specsavers International Healthcare Limited on August 23, 2012 in the trade mark case *Specsavers International Healthcare Limited & others vs Asda Stores Limited* ([C-252/12](#)).
- Letter of submission to Intel Corporation on September 5, 2007, in the trademark Judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655
- Letter of submission to Adidas and adidas Benelux on June 12, 2007, in the trade mark Judgment of 10 April 2008, *Adidas and adidas Benelux*, C-102/07, EU:C:2008:217
- Letter of submission to SARL Céline on April 25, 2006, in the trade mark Judgment of 11 September 2007, *Céline*, C-17/06, EU:C:2007:497

- Submission as intervener to the English Court of Appeals on October 16, 2006, in the case *Special Effects v L'Oreal SA* (HC 05C012224, Court of Appeal 2006 0744).
- Letter of submission to Bovemij Verzekeringen N.V. on June 17, 2005 in the Judgment of 7 September 2006, *Bovemij Verzekeringen*, C-108/05, EU:C:2006:530
- Letter of submission to Schering-Plough Ltd. on December 5, 2003, in the trade mark Order of 5 December 2007, *Schering-Plough v Commission and EMEA*, T-133/03, EU:T:2007:365
- Letter of submission to Merck Inc. on April 4, 2003, in the trade mark case *Paranova A/S v. Merck & Co., Inc, Merck, Sharp & Dohme B. V. and MSD (Norge) A/S* (EFTA Court E-3/02).
- Letter of submission to Praktiker Bau - und Heimwerkermarkte AG on March 20, 2003 in the trade mark Judgment of 7 July 2005, *Prakiker Bau- und Heimwerkermärkte*, C-418/02, EU:C:2005:425
- Letter of submission to Shield Mark on November 1, 2001, in the trade mark Judgment of 27 November 2003, *Shield Mark*, C-283/01, EU:C:2002:641
- Letter of submission to Libertel Groep B.V. on July 6, 2001, in the trade mark Judgment of 6 May 2003, *Libertel*, C-104/01, EU:C:2003:244
- Letter of submission to Glaxo Wellcome Limited on October 10, 2000, in the trade mark Judgment of 23 April 2002, *Boehringer Ingelheim and Others*, C-143/00, EU:C:2002:246