

# The Sustainability of EU Trade mark law

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## ABSTRACT

The EU Sustainable Development Goals have long been a resemblance of the urgent call for climate action and sustainable development. With trade marks being a valuable source of information for consumers, capable of communicating a green reputation, there is a significant risk of consumer deception through greenwashing. Additionally, trade mark law is also used as a means of fostering sustainable development through a guarantee of quality that a trade mark represents. Consequently, trade mark law is concerned with sustainability. This begs the question to what degree EU trade mark law is tailored to achieve the EU Sustainable Development Goals. To answer this question, a thorough assessment is made of the current legal framework of EU trade mark law. The assessment comprises of a look into the influence on sustainable development, together with the discerning of shortcomings in the way the respective aspects of EU trade mark law can add to the achievability of the EU Sustainable Development Goals. It is concluded that EU trade mark law is to a great extent tailored to achieve the EU Sustainable Development Goals, but that with the help of the suggested remedies, EU trade mark law can become a true catalyst of sustainable development.

## 1. INTRODUCTION

A clean, healthy and sustainable environment is to be recognised as a human right. This is what many UN states have called for in last year's UN General Assembly resolution.<sup>1</sup> A reiteration of what was called for ten years prior and together with this, states were called upon to adopt and implement strong laws that ensure access to information in environmental matters, amongst others.<sup>2</sup> Additionally, the UN resolution reaffirms the commitments made in the UN Sustainable Development Goals (SDGs) and the Paris Agreement.<sup>3</sup> The SDGs reflect a wide array of areas in which sustainable development is necessary in order to negate many of the negative consequences following from everyday behaviour of humans.<sup>4</sup> Recognising a sustainable environment as a human right underlines the gravity of the worldwide crisis of global warming. Next to that, this also reiterates the call for action that has been demanded from states over the last years. This is evidenced by old and new lawsuits against states ensuring the obligations following the Paris Agreement are met.<sup>5</sup>

As a consequence of the awareness of climate change and the increasing dangers it creates, consumers change their purchase preferences to goods and services that are more environmentally sound.<sup>6</sup> On the outset, this is a positive development considering the availability of sustainable goods and services limits damage to the planet, whilst also raising awareness for the need of sustainable development. However, this also invites companies to abuse this desire for sustainability by portraying themselves as sustainable without this being based on facts. This negative development is called 'greenwashing'.

With the increase of attention for one's own ecological footprint, consumers increase the demand for sustainable goods and services. This results in an increase in sustainability related or green EU trade marks (EUTMs), meaning trade mark law has become part of this trend of sustainable goods and services and is used as a tool to meet consumer demand.<sup>7</sup> The increase in green EUTMs as a result of a growing interest in sustainability indicates that EU trade mark law is used as a tool in the shift towards a more sustainable society. Additionally, trade marks have become a way of informing consumers what a brand

<sup>1</sup> UN Resolution A/RES/76/300, 'The human right to a clean, healthy and sustainable environment', adopted by the general assembly on 28 July 2022.

<sup>2</sup> UN Resolution A/RES/66/288, 'The future we want', adopted by the general assembly on 27 July 2012, p. 4.

<sup>3</sup> UN Resolution A/RES/66/288, p. 1 and 5.

<sup>4</sup> All of the goals can be accessed via <https://sdgs.un.org/goals#goals>.

<sup>5</sup> Judgment of 20 December 2019, *Urgenda v. The Netherlands*, Case no. 19/00135, NL:HR:2019:2006; *Carême v. France* App no 7189/21 [ECtHR 29 March 2023]; *Verein Klimaseniorinnen Schweiz and Others v. Switzerland* App no 53600/20 [ECtHR 17 March 2021]; *Duarte Agostinho*

*and Others v. Portugal and 32 Other States* App no 39371/20 [ECtHR 13 November 2020].

<sup>6</sup> Sara Cavagnero, 'Governing the fashion industry (through) intellectual property assets: systematic assessment of individual trade marks embedding sustainable claims' [2021] *Journal of Intellectual Property Law & Practise* 850, 850.

<sup>7</sup> EUIPO, Green EU trade marks – 2022 update, p. 7.

stands for or what impact a company has on for instance society and the environment. This should not come as a surprise given the fact that trade marks are given protection due to the ability of providing consumers with information and assisting purchasing decisions.<sup>8</sup> Other than having the function of providing information, the core function of a trade mark is to guarantee the origin of the product by enabling the consumer to distinguish this product from products with another origin.<sup>9</sup> Through this, companies can portray themselves with trade marks which have a sustainable origin, which resonates with the personal interests of consumers who value environmentally sound products and might even be willing to pay more for them. Looking at the functions of a trade mark of providing information and indicating the origin of goods and services, trade marks are more than capable of being used in the context of conveying a sustainable image to consumers. However, with the aforementioned call for strict laws on providing information on environmental matters, it is important that trade marks are used as transparent means of informing consumers on the sustainability of the good or service. The question that remains, however, is to what degree this is, and more specifically, whether this can assist in the achievement of the SDGs. This article aims at finding an answer to this question.

This article will cover multiple aspects of EU trade mark law. Before discussing EU trade mark law in depth, chapter two focusses on the topic of sustainability and the SDGs. The importance of the central topic of sustainability is highlighted and a working definition of the term 'sustainability' is given (paragraph 2.1). Additionally, the fair balance approach with regards to sustainable development is introduced (paragraph 2.2). The following aspects of EU trade mark law will be discussed: descriptive marks (paragraph 3.1), deceptive marks (paragraph 3.2). In addition to these aspects, greenwashing is discussed at length (paragraph 3.3). Through the new directive on green claims, trade marks are also concerned with this important topic. Before coming to the conclusion, the previously discussed solutions on the identified shortcomings of the EU trade mark legal system are revisited in chapter four, thereby providing concrete suggestions for future developments that can further tailor EU trade mark law to achieve the SDGs.

## 2. SUSTAINABILITY AND THE SDGS

Sustainability is the key topic in this article. Its growing importance is something that has not gone unnoticed by anyone. Naturally, sustainability is at the core of the UN SDGs. Before assessing the achievability of these goals

through EU trade mark law, there must first be a clear overview of why it is of such great importance and how it can be defined.

### 2.1 The importance of sustainability

With the 2015 Paris Agreement and the European Green Deal that followed in 2020, large steps were taken in combatting climate change. Consequently, the improvement of sustainable development had become an issue of great significance.<sup>10</sup> The European Green Deal expanded on this by aiming to put sustainability at the centre of economic policy and the SDGs at the heart of the EU's new policy and legislative measures.<sup>11</sup> Due to the extensive scope of the parties involved, sustainable development and sustainability had become one of the main priorities of states. The importance of sustainability was underlined in a UN Resolution that gave rise to the foundation of the SDGs.<sup>12</sup> In specific, the General Assembly renewed its commitment to sustainable development and ensured the promotion of an economically, socially and environmentally sustainable future for our planet and for present and future generations.<sup>13</sup> With this commitment, the General Assembly confirms the importance of not just sustainability, but also the pillars that shape sustainability. As a result, sustainability is introduced into the day-to-day discussions on international and national policies.<sup>14</sup> The UN has even deemed the roadmap towards sustainability in the shape of the 17 SDGs to be vital to the survival of humanity.<sup>15</sup> The gravity of this cannot go unnoticed. Consequently, one might suggest a larger role for trade mark law on this crucial journey of sustainable development.

On the outset, it is clear that trade mark law was established first and foremost to enable a right holder to protect signs that function as an indicator of origin.<sup>16</sup> Specifically, the proprietor of an EUTM can prevent third-party use of signs that infringe his trade mark.<sup>17</sup> The protection of intellectual property is codified within the CFREU.<sup>18</sup> This means the protection of one's own intellectual creation is deemed to be a fundamental right. Where should this fundamental right be positioned in the paradigm of something that is a threat to humanity? The alarming message of the UN would suggest it is time for a radical change in favour of sustainable development. However,

<sup>8</sup> Giovanni B Ramello, 'What's in a sign? Trademark law and economic theory' [2006] *Journal of Economic Surveys* vol. 20 547, 549.

<sup>9</sup> Judgment of 23 May 1978, *Hoffmann-La Roche v Centrafarm*, C-102/77, EU:C:1978:108, paragraph 7.

<sup>10</sup> See the Paris Agreement, articles 2(1), 4(1), 6, 7(1), 8(1) and 10(5).

<sup>11</sup> European Commission, 'The European Green Deal', paragraph 1.

<sup>12</sup> UN Resolution A/RES/66/288, 'The future we want', adopted by the general assembly on 27 July 2012.

<sup>13</sup> UN Resolution A/RES/66/288, paragraph 1.

<sup>14</sup> Ben Purvis, Yong Mao & Darren Robinson, 'Three pillars of sustainability: in search of conceptual origins' [2019] *Sustainability Science* 681, 682.

<sup>15</sup> UN, *The Sustainable Development Goals Report* [2022], p. 3.

<sup>16</sup> Justine Pila & Paul Torremans, *European Intellectual Property Law* (2nd edition Oxford University Press 2019) 344.

<sup>17</sup> EUTMR, art 9(2).

<sup>18</sup> CFREU, art 17(2).

it would seem illogical to put aside fundamental rights all together in an effort of maximising sustainability. This does not mean there cannot be a place for sustainable development within trade mark law. By analogy, trade mark law can contribute to sustainable development. The question that remains is how this would be possible. Naturally, not all elements of trade mark law are suitable for including sustainable development, as this was not considered when introducing this legal system. Therefore, there should be a detailed look at the individual elements of the system of trade mark law, thereby identifying how sustainable development can be awarded a role, without devaluating the fundamental rights of the right holder. The most suitable way to explore this is by maintaining a fair balance between trade mark law and sustainable development.

The working definition of ‘sustainability’ that is supported throughout this contribution, is based on the point of view that sustainability is a system, given by Ben-Eli: “A *dynamic equilibrium in the process of interaction between a population and the carrying capacity of its environment such that the population develops to express its full potential without producing irreversible adverse effects on the carrying capacity of the environment upon which it depends.*”<sup>19</sup> This definition makes specific mention of an equilibrium. The approach of sustainability through an equilibrium supports positive development, but to the point that adverse effects become present. This paves the road for a fair balance approach, in specific between the achievement of sustainable development via the SDGs and the protection of the rights of a trade mark proprietor.

## 2.2 Sustainability and a fair balance approach

The fair balance doctrine is not special to IPR or trade mark law, as it can also be found in EU copyright law.<sup>20</sup> More specifically, it can be found in the InfoSoc Directive.<sup>21</sup> The doctrine entails an interpretation of the rights at hand while establishing a fair balance between the rights of a proprietor, fundamental rights and the public interest.<sup>22</sup> Specifically, the EU Charter of Fundamental Rights mandates a fair balance approach.<sup>23</sup> The CJEU further developed the fair balance doctrine in a series of rulings on the freedom of expression by the users of copyright protected works versus the fundamental right

of an author to prevent the use of his work.<sup>24</sup> This resulted in the need to ensure a fair balance between the rights of right holders and users.<sup>25</sup> The CJEU stated that the approach of the fair balance can be taken as a result of the limitations and exceptions to the exclusive rights of the author.<sup>26</sup> However, the CJEU has also ruled that in creating a fair balance, the author’s rights should not be limited beyond the limitations and exceptions codified by the lawmaker.<sup>27</sup> As a result, a fair balance must be within the limits of EU law.

Looking at the trade mark law perspective that is taken in this contribution, it should be noted that the dichotomy at hand is between sustainability and the fundamental right of protection of intellectual property pursuant Art. 17 CFREU, creating the legal basis for the rights of the trade mark proprietor in the EUTMR. This would mean the fair balance as found in copyright law cannot be applied in an identical sense as this would presuppose that sustainability is a fundamental right. While it carries great importance, as has been pointed out, sustainability has not been recognised as such. On the other hand, sustainability can undoubtedly be seen as part of the public interest. Moreover, as has been pointed out in the introduction, the right to a sustainable environment is now considered to be a human right by many UN member states. Additionally, the system of EU trade mark law also consists of limitations and exceptions to the rights of a trade mark right holder.<sup>28</sup> By analogy, this also opens up the possibility of a fair balance approach within EU trade mark law. For these reasons, the possibility of a fair balance approach shall be a recurring topic within this article.

## 3. EU TRADE MARK LAW AND RELATED ASPECTS INTERLINKED WITH SUSTAINABILITY

The previous chapter has laid the groundwork for this article by introducing the concept of sustainability and a suitable definition, as well as presenting the fair balance approach as a way of weighing sustainability against the rights of the trade mark proprietor. With this basis, an in-depth assessment can be made of the different aspects of trade mark law.

<sup>19</sup> Michael U Ben-Eli, ‘Sustainability: definition and five core principles, a systems perspective’ [2018] *Sustainability Science* 1337, 1340.

<sup>20</sup> Thom Snijders & Stijn van Deursen, ‘The Road Not Taken – the CJEU Sheds Light on the Role of Fundamental Rights in the European Copyright Framework – a Case Note on the Pelham, Spiegel Online and Funke Medien Decisions’ [2019] *International Review of Intellectual Property and Competition Law* 1176, 1178.

<sup>21</sup> Recital 31 Directive 2001/29/EC.

<sup>22</sup> Judgment of 8 September 2016, *GS Media*, C-160/15, EU:C:2016:644, paragraph 45.

<sup>23</sup> Judgment of 9 July 2020, *Constantin Film*, C-264/19, EU:C:2020:542, paragraphs 35–37; Judgment of 6 December 2017, *Coty*, C-580/13, EU:C:2015:485, paragraphs 34–35.

<sup>24</sup> Judgment of 29 July 2019, *Funke Medien*, C-469/17, EU:C:2019:623; Judgment of 29 July 2019, *Pelham*, C-476/17, EU:C:2019:624; Judgment of 29 July 2019, *Spiegel Online*, C-516/17, EU:C:2019:625.

<sup>25</sup> Judgment of 29 July 2019, *Funke Medien*, C-469/17, EU:C:2019:623, paragraph 70; Judgment of 29 July 2019, *Spiegel Online*, C-516/17, EU:C:2019:625, paragraph 54.

<sup>26</sup> Judgment of 29 July 2019, *Pelham*, C-476/17, EU:C:2019:624, paragraph 60.

<sup>27</sup> Judgment of 29 July 2019, *Funke Medien*, C-469/17, EU:C:2019:623, paragraph 60; Judgment of 29 July 2019, *Spiegel Online*, C-516/17, EU:C:2019:625, paragraph 45; Judgment of 29 July 2019, *Pelham*, C-476/17, EU:C:2019:624, paragraph 62.

<sup>28</sup> EUTMR, art 14.

### 3.1 Descriptiveness

#### 3.1.1 The current legal framework

One of the many facets of EU trade mark law that concerns itself with sustainability is the absolute ground for refusal of descriptiveness.<sup>29</sup> In short, this absolute ground for refusal prescribes that trade marks that are perceived as providing information about the goods or services applied for, cannot be registered as such.<sup>30</sup> Particularly, the EUTMR makes mention of the following characteristics: “the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service”. The CJEU has ruled that these characteristics must be objective and inherent to the nature of the product or service.<sup>31</sup> Additionally, the characteristic must be intrinsic and permanent with regards to the product or service.<sup>32</sup> The characteristics mentioned in Art. 7(1)(c) EUTMR tie in with sustainability as this is evidence of how EU trade mark law and sustainability go hand in hand and here is why. When it comes to quality, a sign can be used to indicate that a product is recyclable. With regards to purpose, a good or service might be introduced to save rainforests or to reduce the amount of required packaging materials. The type of production might indicate that an ingredient is sustainably farmed. This way, trade mark law is connected to sustainability in two ways. The one that is most obvious is the way in which sustainable attributes can be communicated to consumers on packaging or via advertisements. The other connection between trade mark law and sustainability follows from the first one, as it is the way in which companies portray themselves as sustainable or environmentally friendly. This is not completely identical to the use of descriptive signs that relate to sustainability, but this also encompasses, potentially purposely, deceiving consumers with the use of green marks that are not descriptive, but are also not based on fact and therefore constitute greenwashing. This topic shall be elaborated on later in this chapter. The connection with sustainability is also supported by the rationale of Art. 7(1)(c) EUTMR. The rationale is that there should not be exclusive rights for descriptive terms, as this would hinder others from using these words as well.<sup>33</sup> Considering the overall importance and popularity of introducing new sustainable products and services with the help of generic green terms, it would be counterintuitive to allow a proprietor to have exclusive rights over something that is, to some degree, beneficial to whole mankind.

<sup>29</sup> EUTMR, art 7(1)(c).

<sup>30</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 4, paragraph 1.1.

<sup>31</sup> Judgment of 6 September 2018, *NEUSCHWANSTEIN*, C-488/16 P, EU:C:2018:673, paragraph 44.

<sup>32</sup> Judgment of 7 May 2019, *vita*, T-423/18, EU:T:2019:29, paragraph 44.

<sup>33</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 4, paragraph 1.1.

#### 3.1.2 Descriptiveness in practice

When it comes to descriptive marks in relation to sustainability, one could argue there is a certain dichotomy. On the one hand, one might argue marks related to sustainability or ‘green marks’ should be regarded as descriptive on the outset as a result of these marks merely adding a new characteristic and therefore describing goods and services. On the other hand, denying protection for ‘green marks’ would, to some degree, deny companies the opportunity to market sustainable goods and services. Companies might be hesitant to advertise or promote their sustainable goods and services if the accompanied intellectual property is not protected, due to competitors being able to take advantage of this lack of IP protection. Again, this asks for a fair balance approach between different parties’ interests.

The ‘green marks’ that have previously been referred to have also caught the attention of the EUIPO. In a recent study, the EUIPO reports an all-time high in green EUTM filings in 2021 as a result of growing interest in sustainability.<sup>34</sup> The main finding of the study is a direct correlation between the interest in sustainability and an increase in trade mark filings with terms related to environmental protection and sustainability.<sup>35</sup> This underlines the influence of sustainability on trade marks and why trade mark law should concern itself with this topic.

Green EUTMs usually consist of words, graphic elements or a combination thereof.<sup>36</sup> It must be noted that a word is descriptive if it has a descriptive meaning, signifying it describes a quality or characteristic, for the general public or for a specialised public.<sup>37</sup> Additionally, there can be objections against terms that describe desirable characteristics of the goods and services.<sup>38</sup> This category is highly relevant with regards to green trade marks as sustainability is desired by consumers. However, it must be noted that in case of a composite wordmark, the examination shall focus on the meaning of the sign as a whole, and not that of the individual elements.<sup>39</sup>

As mentioned before, if a term describes “an intrinsic characteristic that is inherent to the nature of the goods concerned” it is deemed to be descriptive.<sup>40</sup> This also applies to the use of names of colours as a sign. Particularly relevant in this case would be the use of the name of the colour ‘green’. The application for such a trade mark would be refused as it describes a form of environmen-

<sup>34</sup> EUIPO, Green EU trade marks – 2022 update, p. 7; The full study report is available at [https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document\\_library/observatory/documents/reports/2023\\_Green\\_EUTM\\_report\\_update\\_2022/2023\\_Green\\_EUTM\\_report\\_2022\\_update\\_FullR\\_en.pdf](https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/2023_Green_EUTM_report_update_2022/2023_Green_EUTM_report_2022_update_FullR_en.pdf).

<sup>35</sup> EUIPO, Green EU trade marks – 2022 update, p. 7.

<sup>36</sup> EUIPO, Green EU trade marks – 2022 update, p. 34.

<sup>37</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 4, paragraph 2.1.

<sup>38</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 4, paragraph 2.1.

<sup>39</sup> Judgment of 8 June 2005, *Rockbass*, T-315/03, EU:T:2005:211, paragraph 56.

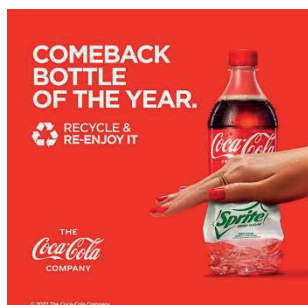
<sup>40</sup> Judgment of 9 December 2008, *Visible White*, T-136/07, EU:T:2008:553, paragraphs 42–43.



tally friendly services.<sup>41</sup> Another point of relevance in this regard pertains to adding a single colour to a descriptive word element, either to the letters themselves or as a background.<sup>42</sup> Should one, for instance, add the colour green to a descriptive wordmark, this mark will remain descriptive. As a result, raising a green image by attempting to get the attention of consumers via green coloured marks is not possible, unless the included wordmark is distinctive.

Another way in which the criterion for distinctiveness plays a role in the use of green trade marks is related to the use of a figurative element that has a direct link with the characteristics of the goods and services. Even in case the figurative element does not represent the goods and services, it will not contribute to a distinctive sign.<sup>43</sup> An example of this could be the use of the universal sign for recycling or a different variety on the Möbius loop, as can be seen in this advertisement of Coca-Cola. The use of the sign of recycling has a direct link to the recyclable soft drink bottles. Should Coca-Cola try to register the word element of “recycle & re-enjoy it” in combination with the figurative recycling mark, this would most likely not result in a distinctive mark.<sup>44</sup> This could also follow from the fact that commonly used figurative elements in relation to goods and services, like the universal sign for recycling for recyclable goods, do not add distinctive character to the mark as a whole.<sup>45</sup> To get a better understanding of which green signs are considered descriptive, it is useful to take a look at case law.

By decision of the BoA of OHIM, the wordmark was deemed descriptive as it would be understood to mean “*environmentally friendly goods or goods produced from environmentally friendly materials or through an environmentally friendly manufacturing process*”, therefore describing a characteristic of the goods.<sup>46</sup> The CJEU shows its willingness to



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**CARBON GREEN**

make use of the room for interpretation left by the legislator with regards to the non-exhaustive list of characteristics. The Court recognises that a word sign must be excluded in case any of its possible meanings can indicate a characteristic of the goods and services.<sup>47</sup> In this case, the CJEU points out that the phrase ‘ecologically perfect’, which follows from the wordmark, can indicate an environmentally friendly origin of the goods and services.<sup>48</sup> Thus, the wordmark describes a characteristic of the goods in question and is deemed to be descriptive.<sup>49</sup> The case at hand is of great value, given the fact that the CJEU does not merely come to the conclusion that the mark is descriptive, but it also points towards the value of environmental compatibility to producers and consumers. In specific, the Court aims to protect the designation of environmental friendliness of goods. As a result of other producers wanting to use this type of indication and consumers paying special attention to it, the Court ensures that it can be used freely by all economic operators.<sup>50</sup> Insofar, one could argue the CJEU blocks the road for the registration of green wordmarks, as granting protection to them would hinder competitors. This could be seen as a positive development, looking at how this can support the increasing attention for sustainability and the ways in which consumers can come into contact with it. On the other hand, when one cannot get trade mark protection for a green wordmark, abundant usage of these types of marks shall follow. As a consequence, manufacturers are at liberty to use green marks freely, as there is no risk of infringing third party trade marks, possibly resulting in deceitful use of said green marks. Strangely enough, the approach of keeping designators of environmental friendliness clear of protection was not retained in the upcoming rulings of the CJEU.

In the case at hand, this word sign was filed for reclaimed rubber, namely recycled carbonaceous materials.<sup>51</sup> The BoA of OHIM stated that the sign as a whole is descriptive of the goods, as they are goods manufactured from carbon obtained in an environmentally friendly manner.<sup>52</sup> The CJEU approves of this interpretation based on how the separate words in the sign would be interpreted by consumers. The registered goods are composed of carbon, meaning the word ‘carbon’ would be perceived as providing information on

<sup>41</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 4, paragraph 2.9.

<sup>42</sup> EUTMDN, Common Communication on the Common Practice of Distinctiveness — Figurative Marks containing descriptive/non-distinctive words [2015], p. 3; full text available at: <https://www.tmdn.org/network/documents/10181/278891cf-6e4a-41ad-b8d8-1e0795c47cb1>.

<sup>43</sup> EUTMDN, Common Communication on the Common Practice of Distinctiveness — Figurative Marks containing descriptive/non-distinctive words [2015], p. 5.

<sup>44</sup> Following the EUIPO database, Coca-Cola has not registered a trade mark that is visible in this advertisement. The picture therefore merely serves as an example.

<sup>45</sup> EUTMDN, Common Communication on the Common Practice of Distinctiveness — Figurative Marks containing descriptive/non-distinctive words [2015], p. 5.

<sup>46</sup> Judgment of 24 April 2012, *EcoPerfect*, T-328/11, EU:T:2012:197, paragraph 8.

<sup>47</sup> Judgment of 24 April 2012, *EcoPerfect*, T-328/11, EU:T:2012:197, paragraph 42.

<sup>48</sup> Judgment of 24 April 2012, *EcoPerfect*, T-328/11, EU:T:2012:197, paragraphs 42–45.

<sup>49</sup> Judgment of 24 April 2012, *EcoPerfect*, T-328/11, EU:T:2012:197, paragraph 47.

<sup>50</sup> Judgment of 24 April 2012, *EcoPerfect*, T-328/11, EU:T:2012:197, paragraphs 47–48.

<sup>51</sup> Judgment of 11 April 2013, *CARBON GREEN*, T-294/10, EU:T:2013:165, paragraph 2.

<sup>52</sup> Judgment of 11 April 2013, *CARBON GREEN*, T-294/10, EU:T:2013:165, paragraph 7.

the composition of the goods.<sup>53</sup> Moreover, the description of the goods shows that they contribute to maintaining ecological balance, meaning there is a specific relationship with the word 'green' and the goods.<sup>54</sup> As a result, the combination of both words would be perceived as an indication of the characteristics of the good, meaning the sign is descriptive pursuant Art. 7(1)(c) EUTMR.<sup>55</sup> This case shows how the CJEU stays close to the meaning of the words of the respective wordmark and what these words indicate regarding the goods and services. However, there does not seem to be any considerations pertaining to the need to ensure terms such as 'green' can be used freely by third parties. With 'green' being one of the most generic terms in reference to environmental friendliness, the CJEU could have underlined the danger of awarding protection to such words.

During court proceedings regarding the application for this figurative mark, the BoA had found that the expression 'we care' would be considered as a promotional slogan for the way in which the goods were manufactured.<sup>56</sup> Additionally, the BoA had stated that the use of the colour green would point towards environmental concerns of the applicant. The CJEU agreed with this approach and stated that the slogan solely had a promotional function.<sup>57</sup> In addition, the CJEU referred to a previous ruling in which it had stated that the colour green is customarily used to designate ecological or environmentally friendly products.<sup>58</sup> As a result, this figurative mark was found to lack distinctiveness.<sup>59</sup> The CJEU did not, however, conclude that this sign was descriptive following Art. 7(1)(c) EUTMR. This can be seen as a result of the examiner not raising this ground for refusal in the first examination of the application. Nevertheless, this case shows the CJEU's attitude towards green marks and how these are not distinctive enough to be awarded trade mark protection. Given the fact that this figurative mark solely consists of the colour green, it is of great importance that the CJEU underlines the inadmissibility of such marks. This is due to the increase in brands using the colour green in trade marks and advertisements or on websites and social media.



### 3.1.3 Shortcomings?

Coming back to achievability of the SDGs, it is important to dissect exactly where the shortcomings are in the current legal framework of the absolute ground for refusal of descriptiveness. As has been pointed out previously, the main overlap between trade mark law and the SDGs follows from the promotion of innovation, safeguarding the use of natural resources and increasing awareness of sustainability. The research into the topic of descriptiveness has shown a clear connection with sustainability, but the connection with the SDGs as such, might not be equally present. Descriptive marks are not granted protection due to the importance of third parties being able to use generic terms. This rationale behind the absolute ground for refusal was confirmed in earlier CJEU case law, but seems to have been put aside as a reason for refusal of descriptive marks. The focus has shifted to what can be deemed a characteristic of a good or service and how a description thereof can point towards a mere description of an essential characteristic. A shortcoming that can be identified as a result, is the lack in clarity in relation to when a sustainability related mark can actually attract trade mark protection. In essence, this requires the fair balance to be restored in such a way that proprietors of distinctive sustainability trade marks can exclude others from using them. Goods or services can be deemed environmentally friendly due to a change in many components of the good or service. It would be fitting to not deem wordmarks related to those environmentally friendly aspects to be characteristics in the sense of Art. 7(1)(c) EUTMR, avoiding the denial of trade mark protection of any mark that uses sustainability related vocabulary. However, this could also result in vague green wordmarks, which would increase the risk of false claims. In order to accomplish transparent promotion of innovation through awarding protection to sustainability related trade marks, trade mark offices could offer clear guidelines on where the line is drawn between distinctive signs and green wordmarks that every party should be allowed to use. This way, the rationale of the absolute ground for refusal of descriptiveness would be respected while still incentivising third parties to innovate sustainable goods and services by granting protection for important aspects of those innovations, such as the signs.

On the other hand, by regarding generic vocabulary related to sustainability as commonplace, the CJEU opens up to the possibility of regarding sustainability commonplace or even as a human right. At the least, by not granting exclusive rights to green mark proprietors, the CJEU ensures that any party that wishes to can promote sustainable goods and services via generic terms and phrases. This is in line with multiple SDGs that seek promotion of sustainability. However, the use of generic terms to inform consumers on sustainability might result in deceptive behaviour in the form of for instance greenwashing.

<sup>53</sup> Judgment of 11 April 2013, *CARBON GREEN*, T-294/10, EU:T:2013:165, paragraph 23.

<sup>54</sup> Judgment of 11 April 2013, *CARBON GREEN*, T-294/10, EU:T:2013:165, paragraph 25.

<sup>55</sup> Judgment of 11 April 2013, *CARBON GREEN*, T-294/10, EU:T:2013:165, paragraph 32.

<sup>56</sup> Judgment of 7 June 2016, *WE CARE*, T-220/15, EU:T:2016:346, paragraph 7.

<sup>57</sup> Judgment of 7 June 2016, *WE CARE*, T-220/15, EU:T:2016:346, paragraph 38.

<sup>58</sup> Judgment of 27 February 2015, *Greenworld*, T-106/14, EU:T:2015:123, paragraph 24.

<sup>59</sup> Judgment of 7 June 2016, *WE CARE*, T-220/15, EU:T:2016:346, paragraph 51.

## 3.2 Deceptiveness

### 3.2.1 The current legal framework

Deceptive trade marks are of great influence on the attainability of the SDGs as these are marks that can deceive the public regarding for instance environmental efforts by a manufacturer or a sustainable image of a company. In particular, this relates to false or vague sustainability, also known as greenwashing.<sup>60</sup> However, it is important to take a close look at the general legal framework of deceptive marks before this crucial topic can be discussed in the next paragraph.

Deceptive marks are not eligible for registration as per the absolute ground for refusal in Art. 7(1)(g) EUTMR. Deceptive trade marks are defined as “*trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service*”.<sup>61</sup> The use of the wording ‘for instance’ indicates that the list of characteristics through which the public can be deceived is non-exhaustive. Moreover, the absolute ground for refusal presupposes existence of actual deceit or a sufficiently serious risk that the consumer will be deceived.<sup>62</sup> In practice, the EUIPO finds that the ground should only be applied in case the list of goods and services is worded in such a way that a non-deceptive use of the trade mark is not guaranteed and there is a sufficiently serious risk that the consumer will be deceived.<sup>63</sup> The rationale behind this interpretation is the perception of the average consumer. Assuming a trade mark would be filed with the intention of deceiving consumers contradicts the level of knowledge of the average consumer, as this person is reasonably attentive and not particularly vulnerable to deception.<sup>64</sup> One could argue this contrasts the absolute character of the ground for refusal due to this reasonably high threshold of deceptiveness. On paper, trade mark proprietors would never knowingly file a trade mark application in order to deceive consumers, knowing this could lead to refusal. However, this intent is hard to prove and therefore allows for the filing of trade marks that have a high likelihood of deceiving consumers, but can also be used in a non-deceptive way.

Another element that is crucial to the examination of a deceptive mark is the relation to the characteristics of the goods and services for which the mark was filed.<sup>65</sup> In principle, this relates to the goods and services that are reflected in a mark. A mark cannot be used as an indication for goods and services that it was not registered for.<sup>66</sup>

As a result, deceptiveness is assessed based on how the relevant consumer would perceive the sign in relation to the goods and services for which protection is sought.<sup>67</sup> Naturally, as in almost all trade mark cases, this is dependent on the circumstances. The following example will create more clarity with regards to how trade marks related to sustainability can be deemed deceptive following Art. 7(1)(g) EUTMR. This example pertains to a refusal by the EUIPO of an EUTM application for a green trade mark.

Registration of the following mark was sought for Nice class 22.<sup>68</sup> The

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sign was used in connection with ramie fibre, raw linen, cotton taw, wadding for padding and stuffing upholstery.<sup>69</sup> Firstly, the EUIPO argued that the average consumer would perceive the mark as providing information that the goods contain silk that is produced in an environmentally sound way. The EUIPO also established that these goods would in reality not be produced with this biological silk. As a result, the mark would deceive consumers with regards to the goods that the mark was filed for.<sup>70</sup>

While consumer deception through green claims has been given more attention over the years, this spike of attention does not seem to have included deceptive trade marks as of yet. This does not necessarily mean that greenwashing through trade marks is not combatted, it merely shows that green trade marks, although potentially deceptive, are not categorised as such.<sup>71</sup> One could identify this as a shortcoming in current EU trade mark law with regards to the achievability of the SDGs.

### 3.2.2 Shortcomings?

Based on the detailed look into the absolute grounds for refusal of descriptiveness and deceptiveness, it seems that the ground for refusal of green marks mostly lies in the descriptiveness of a mark, rather than the deceptiveness of a mark. A possible cause of this is the earlier discussed presupposition of actual deceit or the serious risk of consumer deception. Should this threshold be less high, more cases of sustainability-oriented marks would fall into the scope of Art. 7(1)(g) EUTMR. In order to protect the consumer, one could deem a threshold of a ‘*risk of deception of the public*’ more fitting. This would put more pressure on trade mark applicants to choose unambiguous wording and provide scientific proof for their need to profile themselves with environmentally sound marks. Moreover, actual deceit as a result of the use of

<sup>60</sup> Mohamed Arouri, Sadok El Ghoul & Mathieu Gomes, ‘Greenwashing and product market competition’ [2021] *Finance Research Letters* 42 1, 1.

<sup>61</sup> EUTMR, art 7(1)(g).

<sup>62</sup> Judgment of 30 March 2006, *Elizabeth Emanuel*, C-259/04, EU:C:2006:215, paragraph 47.

<sup>63</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 8, paragraph 1.

<sup>64</sup> EUIPO, Trade Mark Guidelines, Edition 2023, part B, section 4, chapter 8, paragraph 1.

<sup>65</sup> Magdalena Rutkowska-Sowa & Paweł Poznański, ‘Legal aspects of green-branding’ [2022] *Eastern European Journal of Transnational Relations* 57, 62.

<sup>66</sup> Rutkowska-Sowa & Poznański [2022] 57, 62.

<sup>67</sup> EUIPO, Application no. 018128686 ‘*Ecofloor4ever*’ [2020], p. 1.

<sup>68</sup> Nice class 22 comprises the following: “*Ropes and string; Nets; Tents and tarpaulins; Awnings of textile or synthetic materials; Sails; Sacks for the transport and storage of materials in bulk; Padding, cushioning and stuffing materials, except of paper, cardboard, rubber or plastics; Raw fibrous textile materials and substitutes therefor*”.

<sup>69</sup> EUIPO, Application no. 1570508 ‘*BIOSILK*’ [2021], p. 1.

<sup>70</sup> EUIPO, Application no. 1570508 ‘*BIOSILK*’ [2021], p. 1.

<sup>71</sup> Cavagnero [2021] 850, 865.



green terminology would be possible to point out, would there actually be consolidated or legally binding definitions of the words used that fall under the scope of green terminology.<sup>72</sup> Many self-regulating organs or advertising regulatory bodies provide lists with definitions of sustainability related vocabulary.<sup>73</sup> Once trade mark offices draw inspiration from this and provide a clear line between allowable green terminology in trade mark applications, deception through trade marks is less likely to happen.

Further, one could argue that Art. 7(1)(g) EUTMR can be of essential value in the context of the SDGs. The provision, as has been pointed out, provides a non-exhaustive list of characteristics that can point towards a deceptive nature of a sign. The SDGs promote the spread of accurate information regarding sustainability, to avoid confusion and misleading. Consequently, deceptiveness is the designated ground for refusal to avoid this confusion and misleading regarding sustainability through trade marks. To highlight the importance of this ground for refusal and to induce objections based on this ground by trade mark offices, a notable suggestion would be to codify 'sustainability' as one of the characteristics that can spark a deceptive nature of a sign.

### 3.3 Greenwashing

A topic that has been mentioned multiple times and that is of great value to this contribution is greenwashing. The importance of this topic follows from its clear interlinkage between sustainability and trade marks. Examples of green trade marks or environmentally sound trade marks have been discussed. The problem these trade marks pose lies in greenwashing, or *"activities by a company or an organization that are intended to make people think that it is concerned about the environment, even if its real business actually harms the environment"*, to put it in simple words.<sup>74</sup> One of the ways through which companies can do this is via the previously discussed trade marks that concern themselves with sustainability. Another point that has been previously discussed is how the legal framework of descriptive and deceptive trade marks contains a shortcoming in the shape of a lack of concrete objections towards trade marks that are used to misinform consumers or unjustly create a sustainable image. It is worth discussing whether the regulation of greenwashing can help amend this shortcoming or how this can be utilised as inspiration for how EU trade mark law could be bettered to improve the achievability of the SDGs.

#### 3.3.1 The proposed directive on green claims

In order to provide an accurate look into how greenwashing is regulated through EU legislation, it is prudent to look into the most recent legislation on this topic, being the proposal for an EU directive on substantiation and communication of explicit environmental claims (Green Claims Directive).<sup>75</sup> It must be noted that this directive is not specifically aimed at the field of trade mark law. However, as will be shown, trade marks do fall within the scope of the proposed directive, meaning it is still relevant in the scope of greenwashing. The rationale behind this proposal is the call for more transparency with regards to sustainability and the environmental footprint of products.<sup>76</sup> Additionally, the proposed legislative changes are meant to support achieving SDG 12.6, which aims at encouraging companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.<sup>77</sup> This is not the only reference to the SDGs in the proposal, as there is also a clear indication of what this proposed directive aims to achieve in terms of progress towards the SDGs. The proposal is expected to lead to consumers purchasing an increasing number of products which do not deceive consumers regarding their environmental impact, thereby ensuring sustainable consumption and production patterns, as prescribed by SDG 12.<sup>78</sup>

Posing as a bridge between trade mark law and the SDGs, greenwashing and its new regulatory framework confirm why trade mark law should be concerned with sustainability. Firstly, one of the key objectives of the proposed directive is increasing the level of environmental protection and contributing to the overall green transition within the EU.<sup>79</sup> Without specifying a direct link to the SDGs, it is clear that for instance SDG 13, which promotes taking action to combat climate change, is contributed to through the objective of the proposed directive. In addition, it has been confirmed by the EC that sustainable consumption relies on transparent communication. In specific, the proposed directive aims at combatting greenwashing by ensuring that consumers receive reliable, comparable and verifiable information that allows them to make sustainable decisions.<sup>80</sup> Information is also communicated towards consumers via trade marks. Therefore, characterising trade marks as green claims when green terminology is used in the mark, would add to the already expected progress towards sustainable consumption, thus achieving goal 12 of the SDGs. The legislator has left room for this possibility considering an environmental claim is defined as follows: *"as any message or representation, which is not mandatory under Union law or national law, including text, pictorial, graphic or symbolic representation, in any form, including labels,*

<sup>72</sup> Cavagnero [2021] 850, 865.

<sup>73</sup> An example of this is the ICC framework for responsible environmental marketing communications, see: [https://icc.se/wp-content/uploads/2021/11/20211123-Marketing-Environmental-framework\\_2021.pdf](https://icc.se/wp-content/uploads/2021/11/20211123-Marketing-Environmental-framework_2021.pdf).

<sup>74</sup> Definition of the term 'greenwashing' provided by the Oxford Dictionary, see <https://www.oxfordlearnersdictionaries.com/definition/english/greenwash?q=greenwashing>.

<sup>75</sup> Proposal for Directive 2023/0085 COM(2023) 166 final.

<sup>76</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 2.

<sup>77</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 2.

<sup>78</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 17.

<sup>79</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 7.

<sup>80</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 1.



*brand names, company names or product names, in the context of a commercial communication, which states or implies that a product or trader has a positive or no impact on the environment or is less damaging to the environment than other products or traders, respectively, or has improved their impact over time*.<sup>81</sup> When looking at the wording of this definition it is clear that also registered trade marks fall under the scope of an environmental claim as these can be a message or representation that can imply, in short, environmental friendliness. In addition, brand names and company names have even been highlighted as an example of what falls under the scope of an environmental claim. Consequently, trade marks fall under the scope of the proposed directive.

The proposal can be seen as a huge improvement on the current EU legal framework on greenwashing in the shape of the directive on unfair commercial practices.<sup>82</sup> This directive does not discourage the use of green claims, nor does it provide any guidelines or provisions tailored to sustainability related claims or trade marks.<sup>83</sup> However, the proposed directive does not replace the directive on unfair commercial practices, it complements it.<sup>84</sup> The improvement of the legal framework on greenwashing follows from the following changes: firstly, the list of product characteristics regarding which a trader should not deceive a consumer in Art. 6(1) of the directive on unfair commercial practices is amended to include ‘*environmental or social impact, ‘durability’ and ‘reparability’*’.<sup>85</sup> Next, the list of actions which are to be considered misleading in Art. 6(2) of the directive on unfair commercial practices now includes ‘*making an environmental claim related to future environmental performance without clear, objective and verifiable commitments and targets and an independent monitoring system*’.<sup>86</sup> Further, the list of commercial practices considered as unfair now includes greenwashing related practices, such as making a generic environmental claim without being able to demonstrate the appropriate environmental performance.<sup>87</sup>

### 3.3.2 Shortcomings?

When examining the proposed directive closely, it is clear that the EC aimed at tackling the problem of greenwashing with the fair balance approach. A fair balance had to be found between the interests of companies, the protection of consumers and the welfare of the internal market.<sup>88</sup> The search for a fair balance becomes more apparent when one considers that consumer protection and environmental protection are recognised as funda-

mental rights.<sup>89</sup> This opens up to an interesting question pertaining to whether sustainability can be framed within the fundamental rights discourse. It has been previously discussed that following the recent resolution many UN member states consider sustainable development to be a human right.<sup>90</sup> Similarly, the CFREU also prescribes that “*A high level of environmental protection and the improvement of the quality of the environment must be integrated into the policies of the Union and ensured in accordance with the principle of sustainable development.*”<sup>91</sup> In a way, sustainability has already been recognised as a fundamental right based on the evident reference to the principle of sustainable development. A new perspective is provided on the fair balance approach when sustainability is granted a place in the framework of fundamental rights. Consequently, the right to intellectual property following Art. 17(2) CFREU can be directly weighed against the right to sustainability following Art. 37 CFREU.

When looking at the interests at hand, a significant decision in favour of the interest of companies is that the proposed directive does not specify how companies should substantiate the environmental claims they make.<sup>92</sup> Worth noting is that the EC is well aware of the grave impact this can have on the internal market. Not providing a uniform approach for the substantiation of environmental claims could lead to fragmentation of the internal market as a result of the different approaches and different requirements that companies must adhere to throughout the EU. Consequently, this will result in legal uncertainty and increase compliance costs and unfair competition within the EU.<sup>93</sup> Further harmonisation on the topic of substantiation of environmental claims can therefore be of crucial value in future. In this regard, the Product Environmental Footprint (PEF) could have posed as a solution. With this method, companies measure and communicate about the environmental performance of goods and services and organisations across the whole lifecycle, whilst relying on scientifically accurate methods.<sup>94</sup> There even was an extensive pilot period from 2013–2018. Surprisingly, the EC did not implement this method in the proposed directive.

Another pressing matter that arguably was not dealt with in the appropriate fashion is the lack of a complete ban on generic climate claims, specifically pertaining to the scope in which trade marks are included. In the preamble of the proposed directive the EC recognises that climate related claims are particularly prone to ambiguity and deception.<sup>95</sup> Given examples of such claims are ‘cli-

<sup>81</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 2–3.

<sup>82</sup> Directive 2005/29/EC.

<sup>83</sup> Cavagnero [2021] 850, 866.

<sup>84</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 1.

<sup>85</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 5.

<sup>86</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 5.

<sup>87</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 5.

<sup>88</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 8–9.

<sup>89</sup> CFREU, arts 37–38.

<sup>90</sup> UN Resolution A/RES/66/288.

<sup>91</sup> CFREU, art 37.

<sup>92</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 8.

<sup>93</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, p. 8.

<sup>94</sup> European Commission, ‘Environmental Footprint Pilot Guidance document, – Guidance for the implementation of the EU Product Environmental Footprint (PEF) during the Environmental Footprint (EF) pilot phase’ [2016], vol. 5.2, p. 10.

<sup>95</sup> Proposal for Directive 2023/0085 COM(2023) 166 final, preamble [21].

mate neutral', 'carbon neutral' and 'net-zero'. Claims like these beg the question which part of the value chain they pertain to, when climate neutrality will be reached and how this will actually be realised. A full prohibition on climate-related environmental claims does pose as a solution, as has been shown by the French legislator through its amendments of the national Environment Code.<sup>96</sup> The 2022 amendment of the Environment Code contains a prohibition on the use of the terms "carbon neutral", "zero carbon", "with a zero carbon footprint", "climate neutral", "fully offset", "100% Compensated" or any wording of equivalent meaning within advertisements.<sup>97</sup> Moreover, the earlier proposed directive 2022/0092 on unfair practises includes a prohibition of generic environmental claims as well, accompanied by a long list of examples.<sup>98</sup> In case the proposed directive on green claims would have included a comparable prohibition, companies would have more guidance on how to use a climate-related environmental claim and, most importantly, consumers would no longer be exposed to ambiguous and misleading generic claims.

## 4. WHAT IS NEEDED?

### 4.1 General remarks

Throughout the previous chapters, multiple challenges and shortcomings have been pointed out with regards to the discussed aspects of the EU trade mark regulatory system. These shortcomings relate to the overall topic of this article, being the achievability of the SDGs. It has been argued that EU trade mark law is concerned with sustainability due to the ever-growing number of companies using trade marks to promote sustainability and to portray themselves as sustainable. Consequently, the EU trade mark system would benefit from a more thorough incorporation of sustainability in the regulatory system. The identified shortcomings point towards different solutions for the different aspects of the EU trade mark law system. However, some aspects can benefit from the same solutions. Therefore, it is the aim to further elaborate on fitting solutions that can further introduce sustainability into EU trade mark law with the objective of achieving the SDGs. In light of current legislation and the previously discussed legislative proposals, unnecessary regulatory overhauls are not the goal, but rather a last resort. A key element in identifying possible solutions to the highlighted shortcomings is maintaining a fair balance approach. One might be eager to afford protection to

consumers, but this could negatively impact the freedom to conduct business and interfere with the internal market.<sup>99</sup> Therefore, all relevant interests must be weighed against each other.

### 4.2 Possible improvements

When it comes to the topic of descriptiveness, the main shortcoming lies in the application of the rationale behind this ground for refusal, being that third parties should be able to use generic terms. Based on CJEU case law, it has been pointed out that the CJEU has been more attentive to what classifies as a characteristic of a good. In order for the rationale to regain priority, potential registrars would benefit from clarity as to what classifies as a generic term and what the characteristics of goods are pursuant Art. 7(1)(c) EUTMR. By opting for a non-exhaustive list of characteristics, the EU legislator clearly chose to leave the CJEU a margin of interpretation, but on the topic of sustainability it would be valuable if relevant characteristics were outlined, together with examples of what generic environmental terms should be avoided. Inspiration can be drawn from already existing guidance documents<sup>100</sup> on the use of green terminology and the 2022 proposed directive on unfair commercial practises. While most of these guidelines pertain to the use of green terminology in advertising, the examples given do still indicate the importance of not using such terms based on their ambiguous nature. As a result, it would be of value to provide guidelines that prescribe usage of the aforementioned terms that should be avoided in trade marks. Naturally, a non-exhaustive list would be more fitting, due to the large extent of green terminology, but looking at the aforementioned guidance documents, the following terms should definitely be avoided in trade marks: 'eco', 'eco-friendly', 'green', 'environmentally friendly', 'ecologically safe', 'good for the environment', 'sustainable' and 'carbon friendly'.

Looking at the given examples of guidelines, a role can be played by trade mark offices, based on the fact that they can introduce guidelines on this topic. Guidance documents, issued by either trade mark offices or governmental regulatory bodies, can prove to be pivotal as they do not require a regulatory overhaul but can provide the clarity that lacks from regulatory provisions or case law. This is supported when looking into the shortcomings of the other ground for refusal, deceptiveness.

By providing guidelines illustrating which green terminology would be considered misleading, potential registrars are assisted in avoiding consumer deception. This is not only useful for companies and consumers, but this also assists trade mark offices in efficiently assessing registrations containing green terminology. Consequently, all parties' interests are considered and a fair balance can

<sup>96</sup> Code de l'environnement, LOI n° 2021-1104 du 22 août 2021 portant lutte contre le dérèglement climatique et renforcement de la résilience face à ses effets. Available at <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043956924>.

<sup>97</sup> Décret n° 2022-539 du 13 avril 2022 relatif à la compensation carbone et aux allégations de neutralité carbone dans la publicité, art 1. Available at <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000045570611>; translated via [www.deepl.com](https://www.deepl.com).

<sup>98</sup> Proposal for Directive 2022/0092 COM[2022] 143 final, preamble [9].

<sup>99</sup> CFREU, art 16.

<sup>100</sup> UN, Guidelines for Providing Product Sustainability Information [2017], p. 26; ICC, ICC Framework for Responsible Marketing Communications [2021], p. 8.

be struck. A different approach would be a small regulatory change with regards to the threshold of the risk of consumer deception following Art. 7(1)(g) EUTMR. In case this threshold is lowered, registrability of signs is reduced, which would be at the cost of signs not related to sustainability. The suggested amendment would be ‘*risk of deception of the public*’ instead of actual deception of the public. This would be in line with the proposed directive on green claims which aims at mitigating the risk of greenwashing and the risk of misleading consumers.<sup>101</sup> However, it must be noted that this regulatory change would apply to all EUTM applications, meaning the lower threshold of consumer deception would also apply to marks that are not concerned with sustainability or do not contain green terminology. A fitting alternative would be the CJEU recognising ‘sustainability’ as a characteristic that can be misled through. Knowing the list of characteristics in Art. 7(1)(g) EUTMR is non-exhaustive, this provides the CJEU the opportunity to highlight the risk of deception of the public with regards to sustainability-oriented signs. Additionally, this would prevent a regulatory change while it simultaneously underlines the role sustainability plays in EU trade mark law.

One of the discussed topics that recently received a regulatory change is greenwashing. The proposed directive on green claims has been thoroughly discussed and one is inclined to regard the introduced regulatory changes as positive. Most importantly, parties sporting environmental claims now have codified obligations to substantiate these claims. A fitting addition to this regulatory change would be a uniform approach to the substantiation of environmental claims. This could be achieved through guidelines or by reinstating the PEF system. The use of the PEF system would be in line with the recommendation of the EC that promotes usage of this method in “*relevant policies and schemes related to the measurement and/or communication of the life cycle environmental performance of all kinds of products, including both goods and services, and of organisations*”.<sup>102</sup> In this regard, green trade marks could fall under the scope of a communication of the environmental performance of goods and services, making the PEF system a suitable way of substantiating green claims and green trade marks. Consequently, this increases sustainability reporting and consumers are more aware of sustainably produced goods due to the increased availability of sustainability related information. Lastly, with regards to green claims, a complete ban on generic green claims would further eliminate the risk of greenwashing.

<sup>101</sup> Proposal for Directive 2023/0083 COM(2023) 155 final, preamble (27) and (15).

<sup>102</sup> EC, Commission Recommendation on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations, C(2021) 9332 final, p. 3.

## 5. FINAL REMARKS

Coming back to the question of to what degree EU trade mark law is tailored to achieve the EU Sustainable Development Goals, on the first hand it can be pointed out that EU trade mark law does indeed concern itself with sustainability, perhaps more than one would expect at a first glance. Most importantly in this regard is the fact that trade marks are used as a way of communicating sustainability to consumers while also granting a sustainable image to those using sustainability related trade marks.

By refusing registration for generic environmental claims, the absolute ground for refusal of descriptiveness ensures the possibility of third-party use of terms that can promote sustainability, thereby spreading awareness of the importance of sustainability, while at the same time incentivising innovation. Through the absolute ground of deceptiveness, EU trade mark law ensures that awareness is spread in a transparent way. By providing accurate information, consumers’ purchasing decisions will result in sustainable consumption as a result of the environmentally sound products and services they opt to purchase. The need for relevant information and spreading awareness on sustainability is also supported via the proposed directive on green claims. This new product of legislation has the potential to resolve ambiguity created by green trade marks, considering trade marks fall under the scope of this proposed directive. Additionally, claim substantiation and sustainability reporting have now been codified, increasing overall transparency with regards to sustainability related trade marks.

It follows from this that trade mark law is evidently capable of promoting sustainability and is therefore, to a great extent, tailored to achieve the SDGs. The extent to which EU trade mark law can add to the achievability of the SDGs can, however, be improved as evidenced by the identified shortcomings in each of the discussed aspects of EU trade mark law. Without immediately reaching for legislative amendments, this contribution has provided multiple solutions that can further improve the contri-

bution of EU trade mark law to the SDGs. By providing a guideline including a non-exhaustive list of terms that should be avoided when registering a trade mark, trade mark registrars can obtain a sustainable image based on transparency. This transparency serves consumers as they are enabled to consume sustainably as a result of factual information supporting their purchasing decisions. The CJEU can also play an important role by recognising sustainability as a characteristic through which the public can be deceived. With the help of these solutions, EU trade mark law will not merely be tailored to achieve the SDGs, it can become a true catalyst of sustainable development.



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