



Legal aspects of green-branding

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Abstract. Trade mark law reflects economic and social trends. With the shift towards an economy based on sustainable development, the rise of environmental awareness among consumers, and the growing popularity of eco-marketing, marks containing indications such as „green”, „eco” or „bio” appear increasingly on the market. Such labels can inform and assist consumers in purchasing products that comply with the eco-requirements, strengthen the competitiveness of producers by promoting the least environmentally damaging products, offering higher quality products, and consequently encouraging both parties to act in an eco-friendly manner. Their registration is possible, but more difficult than for „classic trade marks” submitted for protection before the patent offices. This text is intended to provide an overview of the registration requirements of so-called „green trade marks”. The study mainly used the formal-dogmatic method. Based on an analysis of the European Union Intellectual Property Office practice and the judgments of the Court of Justice of the European Union, authors indicate the applicable interpretation of EU trade mark law. They analyze binding restrictions taking into account the interests of both individual market players and the public. This issue has not yet been commented on by the doctrine. Eco-labels and symbols, which can be used by entities meeting criteria that are defined by certification bodies are outside the scope of this review.

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INTRODUCTION

Measures to design a global green deal are implemented in multiple ways. Firstly, they are directed by lawmakers, who create policies in many areas of law related to green innovation on the international, local and national level. From a global perspective, it is worth noting that on July 28, 2022, member states of the United Nations General Assembly voted overwhelmingly to adopt a historic resolution recognizing that a clean, healthy and sustainable environment is a human right. The resolution¹ calls upon states, international organizations, and business enterprises to scale up efforts to ensure a healthy environment for all.

From a local perspective, there are many endeavors undertaken by the European Union bodies. The European Commission has launched numerous initiatives to mitigate the negative consequences of climate change and reinforce energy transition. One of the most important examples is the European Green Deal, announced on 11 December 2019². The Green Deal is the EU's climate policy reform project with the aim to make Europe the first climate-neutral continent and prosperous society by 2050. Its key objectives are to reduce greenhouse gas emissions, eliminate air, water and soil pollution, protect and restore neutral ecosystems. It points out that it is not possible to bring about changes in industry, agriculture or the energy sector without making changes in law, shaping new lifestyles and reviewing the everyday decisions of EU citizens. It is assumed that green IP, including green trade marks - as an expression of innovative solutions that protect the environment better than before - can stimulate investments in this area and thus be an ally in the fight against pollution, climate change and the destruction of the Earth's diverse ecosystems (EUIPO, 2022a).

The need to work at the grassroots level is also emphasised. There is no doubt that environmental education and awareness of climate issues can influence market realities. Above all, they translate into purchasing decisions. There is an ever growing segment of eco-conscious consumers, who are willing to pay more for “sustainably-made” products, check the origin, production method, composition of goods and show concern about the environmental impact of the products they buy. Their number seems to increase independently of political initiatives mentioned above. According to a report published by Deloitte (2021), a growing number of citizens of Poland are worried about the progressing climate changes in the past years. Between 2015 to 2021, the number of Poles who see climate changes as a serious problem increased from 56 to 69%. In another survey carried out in June 2021, 81% of respondents admitted that they were worried about climate changes, among which 35% were very concerned and 46% somewhat concerned.

The consistency of answers regarding the need to protect the climate in the Deloitte's report gives hope that the climate concerns will change consumer behaviour. Despite the ‘green’ gap between expressed and actual behaviour (Bararossa & Pastore, 2015; White *et al.*, 2019), enterprises and marketers need to consider how to attract the attention of such relevant public. They have responded to growing consumer demand for environment-friendly products in several ways, each of which is a component of so-called green marketing. These include: 1) promotion of the environmental attributes of products; 2) introduction of new products specifically for those concerned about

¹ Resolution no. A/RES/76/300 adopted by the General Assembly of United Nations from 28 July 2022, available at: <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N22/442/77/PDF/N2244277.pdf?OpenElement> (visited 16 August 2022).

² Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions ‘The European Green Deal’. COM (2019) 640 final, 11 December 2019, available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640> (visited 16 August 2022).

energy efficiency, waste reduction, sustainability, and climate control, and 3) redesign of the existing products for the benefit of these consumers (USLEGAL). Each of these activities involves creation of new brands, advertising slogans and logos including those with the potential to be registered as a trade mark. Indeed, there is no doubt that eco-friendly and sustainable products and services have no commercial value until they are marked. Trade marks seem to be the main instruments that allow to reach the relevant public to persuade them that goods or services have reduced, minimal, or no harm on the environment. Many would like to communicate directly that their offer is ecological, production methods respect the environment and use natural ingredients confirming that their business is part of a sustainable economy. In the following section, we outline the main challenges faced by the applicants who wish to file a trade mark application related to green innovation.

TRADE MARK - DEFINITION

Trade marks are signs used in trade to identify products or services, to distinguish ones those of from competitors. As legally defined in art. 4 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, trade mark is a sign capable of distinguishing the goods or services of one undertaking from those of other undertakings; and being represented on the Register of European Union trade marks, in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor³. The trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, sounds or a combination of images and sounds⁴.

The EU trade mark gives its proprietor a uniform right applicable in all member states of the European Union on the strength of a single procedure. Their protection is not absolute, being territorially and temporarily limited. The protection can be renewed every 10 years, but will expire in the absence of payment for the next period. Furthermore, marks are registered only for the goods and services designated in the application, which are classified under one of the classes of the Nice Classification.

It is important to point out that the list of goods and services itself can be considered a valuable source of knowledge about the environmental stance of the right holder. The study, carried out by the European Union Intellectual Property Office⁵ through the European Observatory on Infringements of Intellectual Property rights, examined the increasing frequency with which goods and services specifications of EU Trade Marks reflect issues related to environmental protection and sustainability. The goods and services descriptions in the 2 million European Union trade marks⁶ applications filed at the EUIPO since it began operation in 1996 were analysed for the presence of terms that appeared related to the protection of the environment and sustainability. Examples includes terms such as 'photovoltaic', 'solar heating', 'wind energy', 'recycling'. The filings of "green" EUTMs increased both in absolute figures and as a proportion of all EUTM filings (European Union Intellectual Property Office, 2021). An algorithm searched through the more than 65 million terms used in the EUTM applications filed since 1996 found that in 1996 the EUIPO received 1,588 filings relating to sustainability. In 2020, that number rose to nearly 16.000 (see Figure 1). This represents a proportional increase: in 1996, green filings made up less than 4% of the overall. In 2020, more than 11% of filings contained one or more of the identified keywords (The Chartered Institute of Trade Mark Attorneys, 2021). This proves that environmental considerations are increasingly important for brand owners

³ OJ L 154, 16.6.2017, p. 1–99, further as EUTMR.

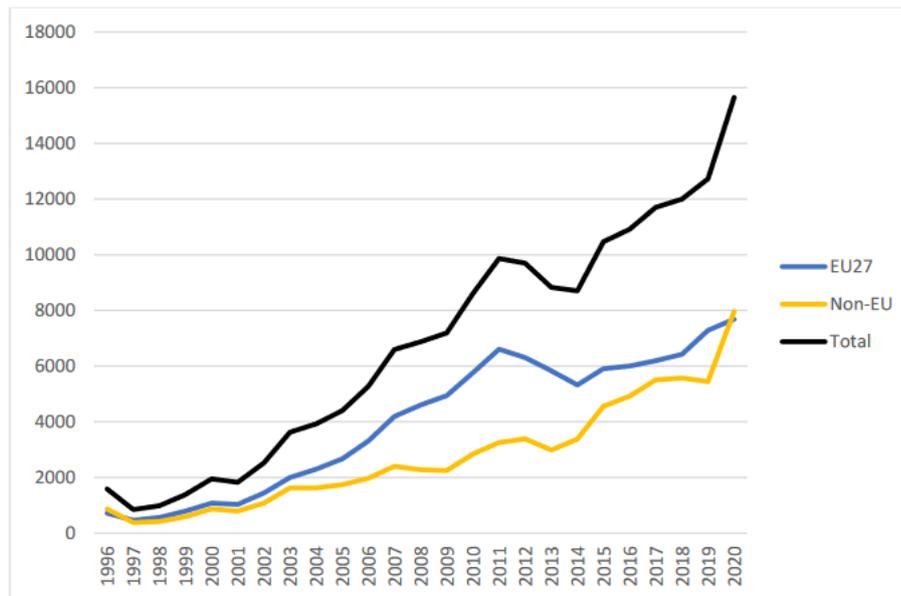
⁴ The text focuses on the interpretation of European Union law, hence the EUTM definition is quoted, bearing in mind that trade mark law is one of the more harmonized laws, and definitions and the same protection procedures apply in the various Member States. The analogical definition is set forth in the art. 120 of the Polish Industrial Property Act of 30 June 2000 (further as IPA). The legal interpretation provided in the text is valid for national legislation.

⁵ Further abbreviated: EUIPO, previously Office for Harmonization in the Internal Market (OHIM).

⁶ Further abbreviated: EUTM.

filing trade mark applications as “green communications” may be perceived by consumers as determining the purchase of their goods and services.

Figure 1. Green EUTM fillings, 1966-2020



Source: European Union Intellectual Property Office. (September 2021). *Green EU trade marks. Analysis of goods and services specifications, 1996-2020*, p. 6.

THE ABSOLUTE GROUNDS FOR REFUSAL OF REGISTRATION

The study cited in the previous paragraph proved that applications for the registration of green innovation-related terms for all kinds of goods and services had been received by EUIPO for a long time. At the same time, at a very early stage, the office began to classify (in particular word and word-figurative) trade marks with terms suggesting the concept of being green, ecological, bio or sustainable as either devoid of the distinctive character or describing a characteristic of the goods and services concerned in this way. It thus considered that there were absolute grounds for refusal their registration (Melgar, 2020). This position has been established by the courts.

Trade mark legislation lays down several rules and conditions that must be satisfied before a trade mark may be registered. To obtain protection, absolute and relative⁷ grounds for refusal cannot be realized. Absolute grounds are the characteristics of a sign, as defined by law, which exclude its registration as a trade mark. Unlike relative obstacles to registration, the motive for establishing absolute grounds for refusal is not to protect individual interests that might be affected by the registration, but the general interest in seeking to register such signs that can adequately fulfill the function of a trade mark without unduly restricting the freedom of other traders. In other words, the role of absolute obstacles to registration is to ensure a fair balance between the freedom of choice of a sign to be registered as a trade mark and the need of the availability of the sign in question to other operators in the market (Szczepanowska-Kozłowska, 2017).

⁷ Relative grounds for refusal are examined upon request, during opposition proceedings. They are always in connection with earlier trade marks and their related rights. They will remain outside the scope of the study.

Absolute grounds of refusal are listed in art. 7(1) of EUTMR. They are examined by the EUIPO *ex officio* during the registration procedure. The following text will discuss the three most raised grounds for refusal of the application of “green trade marks”, namely non-distinctiveness, descriptiveness and deceptive character.

NON-DISTINCTIVE TRADE MARKS (ART. 7(1)(B) EUTMR)

Distinctive character is the rationale examined in the first instance, excluded before the parenthesis of the other grounds for refusal of registration (Szczepanowska-Kozłowska, 2017). Distinctiveness relates to one of the main functions of trade mark: designating the commercial origin of the goods and/or services for which registration is sought. Distinctiveness within the meaning of Article 7(1)(b) EUTMR means that the sign serves to identify the goods and/or services for which registration is sought as originating from a particular undertaking, and thus to distinguish those goods and/or services from those of other undertakings⁸. Such distinctiveness can be assessed only by reference to the goods or services for which registration is sought and, in relation to the perception of the relevant public⁹ (EUIPO, 2022b).

The distinctiveness of individual elements of a mark may vary. During the distinctive character test, an assessment is therefore made as to whether an element of a mark is completely devoid of the distinctive character or has a little distinctive character, or whether it has a high distinctive character. It is presumed that an element of a mark will lack distinctive character if it merely describes the goods and services themselves or makes note of a particular characteristic or item, such as quality, value, intended purpose, the origin of the goods, or consists of terms customarily used during trade for such goods and services. Trade marks are devoid of any distinctive character if their semantic content will first and foremost be perceived by the relevant public as a means for conveying information rather than as an indication of the commercial origin of the goods and services¹⁰.

Determining the relevant public is a matter of identifying the addressees of the goods or services bearing the trade mark and should be done with regard to their nature. The addressees of the goods and services will be deemed to be all those persons who are likely to purchase the goods or avail themselves of the services at the subsequent stages of distribution. They will be primarily the final recipients of the goods and services, as well as other persons involved in their production or distribution. It is generally accepted that the average consumer of a certain category of products is deemed to be reasonably well-informed and reasonably observant and circumspect¹¹. Adopting such a definition means that the average consumer is a person with a certain knowledge of the world, with the capacity to absorb information, but who approaches it with a certain degree of criticism, due to an awareness of the commercial role of the trade mark (UPRP, 2020). His level of attention can vary according to the category of products or services in question¹².

EUIPO recently refused European Union trade mark applications due to non-distinctiveness for i.e. ECOSMART SOLUTION (EUTM 018631307), ECOMELT (EUTM 018644802), GREEN PREMIUM (EUTM 018672909), Pharmaceutically Green (EUTM 018598016), "Najlepsze probiotyki dla Ciebie - polecam, TwojeZdrowie" (EUTM 018565223), B. sustainable (EUTM 018539434) or WE EMPOWER SUSTAINABLE PROGRESS (EUTM 018386137).

⁸ Judgment of 29 April 2004, C-468/01 (Procter & Gamble - tablets for washing machines), ECLI:EU:C:2004:259, § 32; Judgment of 21 October 2004, C-64/02 P (Das Prinzip der Bequemlichkeit), EU:C:2004:645, § 42; Judgment of 08 May 2008, C-304/06 P (Eurohypo), EU:C:2008:261, § 66; Judgment of 21 January 2010, C-398/08 P (Vorsprung durch Technik), EU:C:2010:29, § 33.

⁹ Judgment of 12 July 2012, C-311/11 P (Wir machen das Besondere einfach), EU:C:2012:460, § 24.

¹⁰ Judgment of 03 July 2003, T-122/01 (Best Buy), EU:T:2003:183, § 30.

¹¹ Judgment of 22 June 1999, C-342/97 (Lloyd Schuhfabrik Meyer), ECLI:EU:C:1999:323, § 26.

¹² Judgment of 05 March 2003, T-194/01 (Soap device), EU: T: 2003: 53, § 42; Judgment of 03 December 2003, T-305/02 (Bottle), EU: T: 2003: 328, § 34.

DESCRIPTIVE TRADE MARKS (ART. 7(1)(C) EUTMR)

The second absolute ground, probably raised as frequently as the previous one is the descriptiveness of the sign. Within the meaning of Article 7(1)(c) EUTMR a sign must be refused as descriptive if it has a meaning that is immediately perceived by the relevant public as providing information about the goods and services applied for. This is the case where the sign provides information about, inter alia, the quantity, quality, characteristics, purpose, kind and/or size of the goods or services. The relationship between the term and the goods and services must be sufficiently direct and specific¹³, understood without further reflection¹⁴. The public interest underlying the prohibition on the registration of purely descriptive signs derives from the need to prevent such signs from being monopolised in favour of a single entity, thereby guaranteeing freedom of access to them for all market participants¹⁵. It should be underlined that art. 7(1)(c) EUTMR applies to words in any of the official languages of the European Union, regardless of the size or population of the respective country and to transliterations (EUIPO, 2022c).

Art.7(1)(c) EUTMR was the basis for refusing registration of, inter alia, the following trade marks: ECOPRENEUR (EUTM 018523206), ECOSTORAGE (EUTM 018229930), Green Diamonds (EUTM 018572203), CLEAN GREEN (EUTM 017236704), BIO HOLDINGS (EUTM 018503071) or PRO SMART CHOICE SUSTAINABLE (EUTM 017996924).

The rejection by the EUIPO can be possibly avoided by taking special care in the wording of the list of goods and services or by adding a non-descriptive term or original figurative element to the trade mark.

The descriptiveness of a trade mark can be overcome in consequence of the use which has been made of it according to Article 7(3) of the EUTMR (Kirchner-Freis & Kirchner, 2013, p. 71). It occurs when at least a significant proportion of the relevant public has, owing to the use made of it on the market, come to see it as identifying the goods and services claimed in the trade mark application as originating from a particular undertaking. In this way, a sign originally unable to be registered can acquire new significance, and its connotation are no longer purely descriptive or non-distinctive. The mark develops a “secondary meaning”, becomes distinctive on its own and functions as a “source indicator” (a trade mark) which allows it to overcome those absolute grounds for refusal of registration as a trade mark. The acquired distinctiveness is not an abstract theory if we consider trade marks related to green issues. There are examples of trade marks, where acquired distinctiveness was proven, i.e. for trade mark ecoPOWER (W01141382), EVERGREEN (EUTM 000386060), BIOGEL (EUTM 000200808), BIO-PUMP (EUTM 000207126), BIO-OIL (EUTM 011638327). These trade marks were registered more than 5 years previously and it is not clear whether currently they would be considered to have acquired distinctiveness to gain registration.

Deceptive trade marks (art. 7(1)(g) EUTMR)

Trade marks which by their very nature are likely to mislead the public, in particular as to the nature, quality or geographical origin of the goods or services (Article 7(1)(g) EUTMR) are also excluded from registration. A misleading sign is a sign that, in its content layer, conveys information concerning the goods which may mislead (e.g., suggests the presence of a particular ingredient or raw material in the goods). The assessment of the misleading character of a mark requires reference to the specific goods or services indicated in the application. On the other hand, the subject of the assessment is not the manner of use of the mark, and therefore the assessment of the possibility of confusion should be made separately from hypothetical ways of using the mark and focus only on the relationship between the mark (its structure) and the goods or services indicated in the application. The relevant

¹³ Judgment of 20 July 2004, T-311/02 (Limo), EU:T:2004:245, § 30; Judgment of 30 November 2004, T-173/03 (Nurseryroom), EU:T:2004:347, § 20.

¹⁴ Judgment of 26 October 2000, T-345/99 (Trustedlink), EU:T:2000:246, § 35.

¹⁵ Judgment of 4 May 1999 Joined cases C-108/97 and C-109/97. (Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots- und Segelzubehör Walter Huber and Franz Attenberger. References for a preliminary ruling: Landgericht München I – Germany; Judgment of 23 October 2003, C-191/01 (OHIM v. Wrigley), ECLI:EU:C:2003:579.

model for determining the confusing character of a mark is that of the average purchaser of those goods or services (Promińska, 2014). During the evaluation, EUIPO makes two assumptions:

1. there is no reason to assume that a trade mark application has been filed with the intention of deceiving customers. No objection based on deception should be raised if a non-deceptive use of the mark is possible vis-à-vis the goods and services specified — that is to say, an assumption is made that non-deceptive use of the sign will be made if possible;
2. the average consumer is reasonably attentive and should not be regarded as particularly vulnerable to deception¹⁶. An objection will generally only be raised where the mark leads to a clear expectation that is patently contradictory to, for instance, the nature or quality or geographical origin of the goods so that there is a sufficiently serious risk that the consumer will be deceived.

An objection should, therefore, be raised when the list of goods/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 (EUIPO, 2022d).

EUIPO recently refused i.a. the following European Union trade mark applications due to deceptiveness: BIOSILK (W01570508), Ecofloor 4ever (EUTM 018128686), ECOLAM (EUTM 018185682).

COURT'S POSITION ON THE REGISTRATION OF GREEN TRADE MARKS

Currently it is not easy to register a trade mark including the word elements 'eco', 'green' or 'bio', but it is not impossible either. Sometimes it requires the addition of an original graphic element not related to the green theme. If there is a lack of distinctiveness, components of the sign that clearly point to the sustainability of the product or service will be less important than those added distinctive components during the assessment of overall impression of the particular trade mark (Fromlowitz & von Barga, 2021). In some cases, even if initially the trade mark seems uncharacteristic and descriptive, it will be registered due to the acquired distinctiveness confirmed by use in the market. Recently, however, one can observe not only an increase in the number of trade mark applications with word elements related to environmental themes, but also disputes concerning such marks. Jurisprudence confirms a broad understanding of the indicated grounds for refusal of registration, safeguarding 'green marks' against monopolization.

ECO- TRADE MARKS

One of the landmark 'eco-trade marks' cases, concerned an application for the word mark ECOLOGIC for passenger cars and structural parts for them (Class 12). The Court¹⁷ noted that although there are other terms in the English language with the same meaning ('ecofriendly', 'environment-friendly', 'ecological'), this does not change the fact, that the term 'ECOLOGIC' covered by the application has a clear meaning, which will be obvious to the relevant public of the goods applied for without further consideration. The public will understand the term covered by the application in connection with the goods applied for, as an indication of their characteristics, namely as a description of the environmental friendliness of those goods for the environment. The environmental impact was considered to be an essential characteristic of the goods covered by the application. It was underlined that the potential damage to the environment caused by the use of motor vehicles, and in particular the associated emissions of nitrogen, carbon dioxide and other pollutants, is an extremely topical subject within the public debate on the

¹⁶ The Joint report on the online workshop Trade Mark Law and Artificial Intelligence, Ferrero Guillen (2022) indicates that it is possible to divide consumers into two groups: those who process the information unconsciously, fast and automatically (what occurs more frequently) and those who are doing so consciously, slowly and in thoughtful manner (which occurs less frequently). That first group may be more vulnerable for deception. That report suggests that there is more than one model of the average consumer. The entire report is available through that link: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3975286.

¹⁷ Judgment of 28 September 2009, R 0186/2009-4 (ECOLOGIC), ECLI:EU:T:2017:295.

environment. It raises ethical questions, but also has economic implications, e.g., it affects the tax rate on motor vehicles. The Fourth Board of Appeal refused to register the mark.

Since that decision, the Court of Justice of the European Union have issued more than 100 refusals for marks with the prefix "eco" or the word "ECOLOGIC" accepting the same meaning (Melgar, 2020).

In another case the word mark EcoPerfect¹⁸ was applied for various goods in class 21, mainly equipment and materials for cleaning and sanitation. The decision to refuse registration was taken based on art. 7(1)(b) and (c) of Regulation No 207/2009. The Court confirmed the Board's decision, finding that the neologism EcoPerfect would be understood without a second thought as meaning "ecologically perfect". The EcoPerfect mark is not just a suggestive label, but also conveys a direct descriptive meaning and immediately informs consumers about the environmentally friendly origin or use of the goods in question.

Another example worth citing concerned the ECO DOOR mark, that was applied for various goods in Classes 7,9 and 11. OHIM found that the relevant public consists of average English-speaking consumers. It considered that this public would distinguish in the mark applied for, on the one hand, the element 'eco', which it would understand as 'ecological', and, on the other hand, the element 'door', meaning 'door'. Consequently, in the opinion of the Board of Appeal, the mark applied for will be perceived by the public as meaning 'ecological doors' or 'doors whose construction and functioning are ecological'. Moreover, since the goods referred to in the application may contain doors and consume energy, the mark applied for provides information about their energy efficiency and their ecological character and consequently constitutes a description of their nature, purpose and character within the meaning of Article 7(1)(c) of Regulation No 207/2009.

As the expression 'ecodoor' is a reference to the fact that the marked goods are equipped with an ecological door, it was not, in the Board of Appeal's view, capable of distinguishing the applicant's goods from those of other undertakings and consequently lacks distinctive character. The General Court held that the Board of Appeal could legitimately conclude that, in the perception of the relevant public the mark applied for describes the essential characteristic of the goods, namely their ecological nature, as it describes the ecological properties of the characteristics of the doors with which they are equipped. As the Court has emphasised, consumers are paying increasing attention to the environmental performance of goods, including their energy efficiency, as well as whether their production process is environmentally friendly. This judgment was confirmed by the Court of Justice.

GREEN - TRADE MARKS

In the Carbon green case¹⁹ the application was for a word mark referring to goods in Class 17, namely: 'Reclaimed rubber, namely recycled carbonaceous materials, namely, plastic, elastomeric, or rubber filled materials obtained from pyrolyzed tyre char and plastic, elastomeric, or rubber compounds formulated using such filler material'. The Court indicated that "the sign CARBON GREEN has a sufficiently direct and specific relationship with the goods at issue and enables the relevant public immediately to perceive, without further thought, a description of those goods and their characteristics". It confirmed that the word 'green' means ecological benefits, and these were directly indicated in the actual list of goods, which refers to 'recovered' and 'recycled' goods, and therefore the feature of the goods is that they contribute to the maintenance of ecological balance. The Court upheld the decision of the Boards of Appeal to refuse the registration.

An even broader understanding of the term green was adopted in the Greenworld case²⁰. The application concerned a word mark for goods in class 4 and services in classes 35 and 39, for, inter alia, gas fuels, fuels, electric power, gas for lighting, retail services in the areas of fuels, transmission and transport of electrical energy, heat, gas

¹⁸ Judgment of 24 April 2012, T - 328/11 (EcoPerfect), EU:T:2012:197, § 25.

¹⁹ Judgment of 11 April 2013, T-294/10 (Carbon green), EU:T:2013:165.

²⁰ Judgment of 27 February 2015, T-106/14 (Greenworld), EU:T:2015:123.

or water. The Court upheld the Board's decision to refuse registration, stating that: "the word 'greenworld' as a whole, in connection with the goods in question, which consist in particular of fuels and electricity, and the services in question relating to the supply and distribution of fuels, electricity, gas, heating and water, clearly and unequivocally identifies goods and services that contribute to environmental protection in general". The Court emphasised that "the term 'green' does not refer exclusively to the colour green, but also means 'environmentally friendly' and this is a very common meaning. A good or service described as green is usually considered to be an environmentally friendly good or service or at least less harmful to the environment".

BIO- TRADE MARKS

Another case concerned the application for a word trade mark Biolatte²¹. The application was filed for goods in class 5 such as dietary supplements for humans and animals. EUIPO rejected the application, founding that it is descriptive and devoid of distinctive character. The applicant appealed but the Board of Appeal dismissed the appeal and upheld the refusal. The applicant then brought an action to the Court, which had its final in the judgment of the First Chamber on 5 June 2019.

By its complaint, the applicant submitted that the general Italian-speaking public will understand the sign Biolatte as consisting of two terms. One indicates that the goods concerned contain probiotics, which corresponds to the term 'bio', and the other, indicates that the goods are provided by the founder of the brand, Mr. Delatte, which corresponds to the term 'latte'. Moreover, according to the applicant, dairy products and dietary supplements are sold in different establishments. In his opinion, they are found on different shelves where they are offered for sale by the same traders. In the applicant's view, that particular feature precludes the existence of an association, in the mind of the relevant public, between those two types of goods.

The Court dismissed that action concerning Biolatte trade mark. The Court confirmed the finding of the Board of Appeal that level of attention of the relevant public is high when it concerns goods and services related to health. Furthermore, the sale of products in different places does not preclude an association from being made by the Italian-speaking part of the relevant public between those goods.

The Court emphasized that according to the case-law, the use of the word element 'bio' as a prefix or suffix has acquired a highly suggestive connotation, which may be perceived in different ways according to the product offered for sale, but which, in general, refers to the idea of environmental protection, the use of natural materials or even ecological manufacturing processes. The Court stated that there is no syntactically unusual juxtaposition in the combination of the elements 'bio' and 'latte' and that those elements will be understood by the Italian-speaking part of the relevant public as referring to: for the first element, the 'organic' production process and, as regards the second element, to the food stuff 'milk' which is commonly consumed in households.

One of the last judgments of the Third Chamber of the Court²² concerned an application for a figurative trade mark 'biomarkt' for wide range of goods and services, *inter alia*, cosmetics, supplements, clothing, food and beverages. EUIPO refused the application claiming that the trade mark for which the protection is sought is non-distinctive and descriptive. The applicant appealed to that decision, but the Board of Appeal dismissed the appeal.

The applicant claimed that the term 'biomarkt' is a neologism and a fanciful term which it had created and which was used only by itself and by the retailers linked to it since 2008 in the BioMarkt-Verbundgruppe, so that it was distinctive and not descriptive. Moreover, the applicant referred to several already registered figurative marks including the term "bio". The applicant claimed that the EUIPO had created a consistent administrative practice in

²¹ Judgment of 5 June 2019, T-229/18 (Biolatte), ECLI:EU:T:2019:375.

²² Judgment of 15 July 2022, T-641/21 (BioMarkt), ECLI:EU:T:2022:446.

this regard which the applicants, in accordance with general principles of administrative law, should be able to rely on.

The applicant did not convince the Court with his arguments. In the view of the Court, the word element 'biomarkt', taken as a whole, is a simple combination of two German words which are easily understood by the German-speaking part of the relevant public. Consequently, it will be perceived by that public as referring to a sales outlet, such as a supermarket, or to a shop specialising in organically produced products, in particular foodstuffs, and products produced using natural substances and ecological production processes.

The Court indicated that the combination of those two words was not unusual in its structure, since the structure is known in German. In result, since the sign at issue consisted, as a whole, of a combination of terms that corresponded to the grammatical rules of the German language, the juxtaposition of those terms did not produce an overall impression which was different from the sum of those elements. Therefore it was not capable of diminishing their descriptive character regarding the goods and services at issue.

The Court emphasized that if the word element of a mark is descriptive, the mark is, as a whole, descriptive. In particular it occurs if the graphic elements of that mark do not enable the relevant public to be diverted from the descriptive message conveyed by the word element.

MARKET USE OF TERMS SUCH AS 'BIO', 'ECO', 'ORGANIC'

When considering the registration of a 'green trade mark', it should also be considered that even the successful registration of trade marks containing word elements such as 'bio', 'eco', 'organic', or other terms that suggest organic and natural properties of products does not always automatically entitle the market use of them. Foremost, at the European level, their use for products originating from agriculture is regulated by Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labeling of organic products. Its aims to protect those entrepreneurs who actually make the effort to produce organic food and to prevent consumers from losing confidence in organic labeling on packaging. Above mentioned terms shall not be used anywhere in the Community and in any Community language for the labeling, advertising and commercial documents of a product which does not satisfy the requirements set out under this Regulation, unless they are not applied to agricultural products in food or feed or clearly have no connection with organic production. Furthermore, any terms, including terms used in trade marks, or practices used in labeling or advertising liable to mislead the consumer or user by suggesting that a product or its ingredients satisfy the requirements set out under this Regulation shall not be used.²³

An entity that labels its products in violation of the law may have to withdraw them immediately from the market and will also be forced to change the labelling of its products to one which is not misleading (Lech, 2017). Examples of this type of unplanned rebranding on the tea market in Poland, included:

- the BIO ACTIVE brand that was renamed BIG ACTIVE.
- the EKOLAND brand changed to EKLAND.
- and the BIO FIX brand was amended to BIFIX²⁴.

The types and specific rules for the use of eco-labels are laid down by certification bodies which can be administrative units, industry associations, trade associations, scientists and consumer organizations.

²³ Further Use of terms referring to organic production – art. 23.

²⁴ Regarding the consequences of the unlawful use of terms such as bio, eco or organic, these are indicated in national law in Poland in Ustawa z dnia 23 czerwca 2022 r. o rolnictwie ekologicznym i produkcji ekologicznej (Dz.U. 2022 poz. 1370) (Act of 23 June 2022 on organic farming and production (Journal of Laws 2022, item 1370)).

GREENWASHING

Strategic changes and public education as activities that can contribute to a more conscious use of natural resources, including rationalisation of consumer decisions, should be viewed positively. However it cannot be overlooked that the accentuation of green demands in the public space creates room for abuse. The use of labels with the element bio-, eco-, green- is not always supported by data and most often is imprecise.

As mentioned before, the EUIPO, when examining a trade mark application, as a general rule has no reason to believe that the mark has been filed with the intention of deceiving consumers. However, green trade marks may be one of a form of a manifestation of so-called greenwashing. It is defined by Oxford Dictionary as 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 (Oxford Learners Dictionaries, 2022). It is a form of misleading marketing, where products, services or company are presented as better in respect to environment and climate change without proper evidence to support these claims.

Greenwashing is not a new phenomenon but recently it has been the subject of interest from the EU legislator. In January 2021 a European Commission study found that 42% of sustainability claims published by EU businesses in a variety of online contexts are potentially in breach of EU law. The “sweep” analysed green online claims from various business sectors such as garments, cosmetics and household equipment. National consumer protection authorities had reason to believe that in 42% of cases the claims were exaggerated, false or deceptive and could potentially qualify as unfair commercial practices under EU rules. The study indicated that ‘greenwashing’ had increased as consumers increasingly seek to buy environmentally sound products (European Commission, 2021) In March 2022 The European Commission adopted a proposal for a Directive on consumer empowerment in relation to the green transition (European Commission, Proposal for, 2022). The legislation is primarily intended to ensure that consumers can make informed and environmentally friendly choices when purchasing products, as well as to strengthen consumer protection against unreliable or false environmental claims, by banning ‘greenwashing’ to set minimum requirements for sustainability logos and labels.

The Commission also proposed several amendments to Directive 2005/29/Econ on unfair commercial practices. Firstly, extending the list of product characteristics about which a trader must not mislead consumers to include information on environmental or social impact, as well as durability and repairability. It also added new practices that are considered misleading after individual assessment, such as making claims about future environmental impact without clear, objective and verifiable commitments and targets and without an independent monitoring system.

When drafting the proposal, the Commission consulted more than 12,000 consumers, as well as businesses, consumer experts and national authorities. It noted that verification of the reliability of environmental claims on products was seen as the biggest obstacle to consumers to engage in the green transition. Research showed that consumers face unfair commercial practices that actively prevent them from making sustainable choices. Commonly indicated practices were mainly: misleading environmental claims (‘greenwashing’), non-transparent and non-credible sustainability labels or sustainability information tools.

The proposed amendments aim to provide legal certainty for traders, but also to facilitate enforcement in greenwashing cases. The authors intend to enable consumers to choose products that are actually better for the environment, by ensuring the integrity of environmental claims.

CLOSING REMARKS

The registration of trade marks with a bio-, eco-, green- element should be a manifestation of a strategically guided vision for the development of an enterprise, in which behind the suggestively designed verbal and graphic layer of a sign, there is content and real actions supporting activities that preserve or improve the environment. Patent offices are not in a position to verify the veracity of the messages (semantic layer of the signs). However, they

appear to be overly cautious in registering such designations. This practice is detrimental to entrepreneurs spending large sums of money to promote and build their brands. In fact, it hinders the protection of marks expressing this market trend, communicating the conformity of the products/services marked with the features or values sought by recipients. It is not uncommon for rulings to be detached from the public's actual perception of the goods. Whereas, nowadays, it should be recognized that both entrepreneurs and, above all, the increasingly environmentally conscious consumer can verify eco-messages (Cybulka, 2022). Accustomed to the large number of such signs on the market, they do not attribute the prefixes eco-, bio-, green- to a single entity and on the contrary, recognize that the trade marks, especially with graphical elements, perform the function of distinguishing the goods or services of one company from those of other companies.

It seems clear that green-branding is an area that will come under increasing scrutiny from regulators and consumers in the near future. Entrepreneurs will be forced to intensify their real environmental and sustainability efforts and exclude fake green actions and commitment. If their activities involve the launch of new goods and services, new trade mark applications will follow.

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