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Playing by its own rules? A quantitative empirical analysis of justificatory legal reasoning in the registered trade mark case law of the European Court of Justice

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Abstract:

This article offers fresh insights into the legal reasoning of the European Court of Justice, using systematic content analysis to explore newly-gathered quantitative data on the justificatory reasoning in the Court's judgments on registered trade mark law. Using a broad sample of trade mark preliminary rulings dating from 1996 to 2018, the analysis tests empirically how far the Court's interpretative practices in fact conform to its own articulated standards for the interpretation of EU laws. The analysis shows that the Court has departed from those standards in a substantial portion of trade mark judgments, in circumstances suggesting strategic omission of modes of reasoning conflicting with the Court's preferred interpretation. This raises questions over the transparency of the

* Senior Lecturer in Intellectual Property Law. This research has been presented at work-in-progress events hosted by the UCL Institute of Brand and Innovation Law, the Centre for Science, Culture and the Law at the University of Exeter and the Northern IP Research Symposium held at the University of Sheffield. Thanks are extended to all attendees for their helpful comments and questions. I would also like to express particular gratitude to Professor Niamh Nic Shuibhne, Professor Hector MacQueen and Dr Lynne Chave for their feedback on earlier drafts of this article.

Court’s judgments as a public statement of its private reasoning, and the extent to which the Court’s stated approach to legal reasoning in fact constrains its interpretative discretion.

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Introduction

Criticism of the legal reasoning of the European Court of Justice (ECJ) is long-standing. The Court’s reasoning has been described as “terse”, “magisterial” and “cryptic”.¹ Recent work has noted concern running “like a red thread” through commentary across legal fields.² As Weiler has noted, however, the ECJ’s decisions must be amply explained and reasoned “if they are to be not only authoritarian but also authoritative”.³

¹ Respectively: T. Tridimas, “The Court of Justice and judicial activism” (1996) 21 E.L. Rev. 119, 210; M. Lasser, *Judicial Deliberations* (Oxford: Oxford University Press, 2004), p.112; J. Weiler, “Epilogue: the judicial *après* Nice” in G. de Búrca and J. Weiler (eds) *The European Court of Justice* (Oxford: Oxford University Press, 2001), p.225.

² M. Adams, H. de Waele, J. Meeusen and G. Straetmans, “Introduction: Judging Europe’s judges” in M. Adams, H. de Waele, J. Meeusen and G. Straetmans (eds) *Judging Europe’s Judges: The Legitimacy of the Case Law of the European Court of Justice* (Oxford: Hart Publishing, 2013), p.8.

³ Weiler, “Epilogue” in de Búrca and Weiler (eds) *The European Court of Justice* (Oxford: Oxford University Press, 2001), p.225.

Many commentators have considered the Court's interpretative approach.⁴ Some assess the Court's legal reasoning on its own terms, engaging in the "rational reconstruction" of the Court's reasoning style.⁵ Others adopt more normative stances on what the Court's approach should be.⁶ Either way, there has been much less work empirically testing in a detailed quantitative way what the Court has said about its approach to interpretation against the Court's actual practice from case to case.⁷ This is particularly so in the (notably under-studied) context of secondary EU law.

⁴ For example: J. Bengoetxea, *The Legal Reasoning of the European Court of Justice* (Oxford: Clarendon Press, 1993); A. Arnall, *The European Union and its Court of Justice*, 2nd edn (Oxford: Oxford University Press, 2006); G. Conway, *The Limits of Legal Reasoning and the European Court of Justice* (Cambridge: Cambridge University Press, 2012); G. Beck, *The Legal Reasoning of the Court of Justice of the EU* (Oxford: Hart Publishing, 2012); S. Sankari, *European Court of Justice Legal Reasoning in Context* (Groningen: Europa Law Publishing: 2013).

⁵ An approach pioneered by Bengoetxea, *Legal Reasoning* (Oxford: Clarendon Press, 1993).

⁶ For example, Conway, *Limits* (Cambridge: Cambridge University Press, 2012).

⁷ Beck considers high-level data on legal reasoning in ECJ decisions in 1999 and 2011: Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.285-289. Other work incorporating quantitative analysis has tended to focus on specific interpretative issues such as the Court's reliance on *effet utile*, use of its own case law or approach to overlapping norms – eg: U. Šadl and Y. Panagis, "What is a leading case in EU law? An empirical analysis" (2015) 40 E.L. Rev. 15; U. Šadl, "The Role of *Effet Utile* in Preserving the Continuity and Authority of European Union Law: Evidence from the Citation Web of the Pre-Accession Case Law of the Court of Justice of the EU" (2015) 8 Eur. J. Legal Stud. 18; U. Šadl and H. Palmer Olsen, "Can Quantitative Methods Complement Doctrinal Legal Studies?"

This article offers fresh insights into the Court’s legal reasoning with newly-gathered quantitative empirical data on the justificatory reasoning provided in the Court’s judgments in the field of registered trade mark law. Intellectual property (“IP”) law has been noted as a “rich and largely untapped body of learning for those working in other jurisdictions and fields”.⁸ Using systematic content analysis, this research codes and quantitatively analyses the methods of justificatory legal reasoning used by the Court in its judgments interpreting the 1988 Trade Marks Directive (“TMD”), 1993 Community Trade Mark Regulation (“CTMR”) and corresponding successor instruments,⁹ using

Using Citation Network and Corpus Linguistic Analysis to Understand International Courts” *Leiden Journal of International Law* (2017), 30, 327; E. Hancox, *Overlapping Norms in the EU Legal Order* (PhD thesis, 2019, Centre for Research Collections, University of Edinburgh).

⁸ J Pila, “Intellectual Property as a Case Study in Europeanization: Methodological Themes and Context” in A. Ohly and J. Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), p.6.

⁹ First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks [1989] OJ L40/1; Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark [1994] OJ L11/1. Both were reissued (Directive 2008/95/EC to approximate the laws of the Member States relating to trade marks (Codified version) [2008] OJ L299/25; Council Regulation (EC) No 207/2009 on the Community trade mark (codified version) [2009] OJ L78/1) and revised again in 2015 (Directive (EU) 2015/2436 to approximate the laws of the Member States relating to trade marks [2015] OJ L336/1 and Regulation (EU) 2015/2424 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for

a sample of preliminary rulings over the 23-year period from 1996 to 2018. Content analysis involves a systematic reading of a body of texts to code and analyse specific features of each text.¹⁰ It is well-suited for examining judicial methods,¹¹ and is gaining interest within the field of European IP law, including in relation to the ECJ's rapidly-growing copyright jurisprudence and the interpretative methods used there.¹² These techniques can complement traditional doctrinal analysis by identifying

Harmonization in the Internal Market (Trade Marks and Designs) [2015] OJ L341/21, changes codified in Regulation (EU) 2017/1001 on the European Union trade mark [2017] OJ L154/1). For ease, all versions of the Directive and Regulation will be referred to collectively as the "TMD" or "CTMR". The Regulation mirrors the Directive on essentially all common substantive issues.

¹⁰ M. Hall and R. Wright, "Systematic Content Analysis of Judicial Opinions" 96 Calif. L. Rev. 63 (2008), 64.

¹¹ Hall and Wright, "Content Analysis" 96 Calif. L. Rev. 63 (2008), 93.

¹² In particular: M. Favale, M. Kretschmer and P. Torremans, "Is there an EU Copyright Jurisprudence? An Empirical Analysis of the Workings of the European Court of Justice" (2016) 79 M.L.R. 31; E. Rosati, *Copyright and the Court of Justice of the European Union* (Oxford: Oxford University Press, 2019), Chapter 2, analyzing different 'standards' in the ECJ's copyright case law. These projects use different coding approaches to this research, but comparisons will be made as appropriate.

previously unnoticed patterns.¹³ Quantitative methods can also provide “empirical evidence to validate hunches and prove legal intuitions correct”.¹⁴

Coding and analysing the Court’s judgments in this way allows us to understand more about the justifications which the Court is prepared to offer up publicly as the reasons for its decisions. Trade mark law provides a rich but unexplored testing ground for investigation of these matters in the context of secondary EU law. IP is the most highly “Europeanised” area of private law,¹⁵ and trade mark law the most mature and comprehensive of the EU’s IP legislative interventions.¹⁶ The TMD has resulted in “almost total” harmonization of previously highly divergent national trade mark laws.¹⁷ With the enactment of the CTMR, the EU also created its first ever new IP right, the Community Trade Mark (now called the “European Union Trade Mark” or “EUTM” for short). A unitary supra-

¹³ Hall and Wright, “Content Analysis” 96 Calif. L. Rev. 63 (2008), 87.

¹⁴ Šadl and Palmer Olsen, “Can Quantitative Methods Complement Doctrinal Legal Studies?” *Leiden Journal of International Law* (2017), 30, 330.

¹⁵ Pila, “Intellectual Property” in Ohly and Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), p.3.

¹⁶ Particularly compared to patents and copyright, where EU legislation is more piecemeal. For more on EU registered trade mark law: A. Kur and M. Senftleben, *European Trade Mark Law* (Oxford: Oxford University Press, 2017); A. von Mühlendahl, D. Botis, S. Maniatis and I. Wiseman, *Trade Mark Law in Europe* (Oxford: Oxford University Press, 3rd ed, 2016).

¹⁷ G. Dinwoodie, “The Europeanization of Trade Mark Law” in A. Ohly and J. Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), p.76.

national property right effective across the whole of the EU, this was a bold innovation necessitating the creation of a complete EU-level substantive legal regime.

Right from the outset, the ECJ played a critical and often controversial role in interpreting the TMD and CTMR. Whether out of willingness to engage or (perhaps more sceptically) motivated by what Tridimas has called “protest through cooperation”,¹⁸ national courts have been prolific adopters of the preliminary reference procedure in this field. The ECJ has decided over 100 trade mark preliminary references as well as many appeals from the General Court in EUTM disputes which started life at the EU Intellectual Property Office. The ECJ’s role has also been substantively immense. The TMD and CTMR defined the subject matter registrable as a trade mark with an open-ended liberalism which was striking at the time, permitting not only conventional trade marks such as words or logos but also “non-conventional” marks such as the three-dimensional shape of goods or their packaging, sounds or colours.¹⁹ The ECJ has played a critical role in setting the boundaries of this innovative definition, and in interpreting the “absolute objections” which set further threshold requirements for registration.²⁰ The ECJ has also been instrumental in interpreting the rules on infringement, defences, jurisdiction

¹⁸ T. Tridimas, “Knocking on Heaven's door: fragmentation, efficiency and defiance in the preliminary reference procedure” (2003) 40 C.M.L. Rev. 9, 39.

¹⁹ Article 2 TMD; art.4 CTMR (now: art.3 TMD 2015; art.4 EUTMR 2017). See further I. Calboli and M. Senftleben (eds) *The Protection of Non-Traditional Trademarks* (Oxford: Oxford University Press, 2018).

²⁰ Article 3 TMD; art.7 CTMR (now: art 4.TMD 2015; art.7 EUTMR 2017). See further J. Pila, *The Subject Matter of Intellectual Property* (Oxford: Oxford University Press, 2017), Chapter 6.

and remedies.²¹ When first enacted, the TMD and CTMR expanded the scope of protection against infringement compared to many pre-harmonisation national laws; the ECJ's case law has taken this further, even openly at variance with the legislative text.²²

This article analyses the justificatory methods used across the Court's trade mark preliminary rulings and poses two key questions. First, what methods of justificatory legal reasoning have been considered by the Court in its judgments on registered trade mark law? And second, how far does the Court's practice conform to its own articulated standards for the interpretation of EU law? The ECJ's reasoning style has been noted for a multi-method approach in which it uses its various interpretative techniques – particularly literal, systemic and purposive reasoning – in a “cumulative” way.²³ How far can we see evidence of this approach in action here?

Supplementing this exercise in content analysis, this article also expands the empirical investigation to explore the transparency of the Court's justificatory reasoning. It poses a third key question: how openly does the Court acknowledge the choices which it makes between methods, particularly when

²¹ Articles 5 and 6 TMD; arts 9-12, 91-94 and 98 CTMR (now: arts 10-14 TMD 2015; arts 9-14, 123-126 and 130 EUTMR 2017). See further M. Senftleben, “Adapting EU trademark law to new technologies: back to basics?” in C. Geiger (ed) *Constructing European Intellectual Property – Achievements and New Perspectives* (Cheltenham: Edward Elgar, 2013).

²² In particular, *Davidoff & Cie SA v Gofkid Ltd* (C-292/00) EU:C:2003:9; [2003] 1 C.M.L.R. 35, an “example of Herculean interpretation despite the clear words of the legislation”: W. Robinson, G. Pratt and R. Kelly, “Trademark Law Harmonization in the European Union: Twenty Years Back and Forth” 23 *Fordham Intell Prop Media & Ent LJ* 731, 743.

²³ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.283.

different methods favour different results? This is a question of “second-order” justification: as MacCormick put it, the justification of “choices between rival possible rulings”.²⁴ The ECJ has not specified, and does not apply, any fixed criteria to govern these kinds of second-order methodological choice. However, if the Court discounts without acknowledgement an interpretative method which, if applied, would have led to a different outcome in the case in hand, then the Court’s judgment cannot objectively be considered a complete public justification of its reasons. In reality, the judgment offers only a partial public justification: it provides the legal reasoning positively relied upon by the Court, but no articulation of which counter-arguments were privately dismissed, or why. It is therefore important to look behind departures from the Court’s multi-method reasoning model to examine their implications for the transparency of the Court’s reasoning.

This article proceeds as follows. The next section introduces the Court’s approach to justificatory legal reasoning and highlights particular challenges arising in the context of EU trade mark law. The third section outlines the process of data collection, and the fourth section presents and analyses the data gathered. The fifth section considers the three key questions noted above and implications for broader debates over the Court’s legal reasoning. As will be seen, the data both confirms and confounds different aspects of how the ECJ’s justificatory reasoning is typically portrayed. Among the core justificatory methods used by the Court, it is notable that it was systemic reasoning, not purposive reasoning, which featured most often and most consistently in decisions across the dataset. There was, however, also a substantial level of non-adherence to the Court’s cumulative multi-method reasoning model. In some instances, the omission of particular interpretative methods was of little substantive significance. However, the Court has also regularly omitted from its judgments modes of reasoning which would have led to results incompatible with its preferred view on the interpretative

²⁴ N. MacCormick, *Legal Reasoning and Legal Theory* (Oxford: Clarendon Press, 1978), 101.

issue in suit. This incompatible “missing” reasoning was particularly acute – and particularly suggestive of strategic silence on the part of the Court - in relation to certain controversial aspects of the Court’s infringement case law. These findings lend force to criticism of that case law among IP lawyers and commentators. More broadly, these findings give wider pause for thought on the transparency of the Court’s judgments as a public statement of its underlying reasons for its decisions, and on the extent to which the Court’s stated approach to legal reasoning in fact operates to constrain its interpretative discretion.

The ECJ’s Justificatory Legal Reasoning

The ECJ uses three principal categories of justificatory argument. It may engage in literal reasoning focused on the wording of the provision requiring interpretation.²⁵ It may use systemic reasoning, looking to the wider legal context – for example, reasoning by reference to the recitals or other provisions of the legal instrument being interpreted, to other EU primary or secondary legislation, to general principles of EU law, by analogy or using other canons of systemic argument.²⁶ It may also use purposive (or “teleological”) reasoning, looking to the purpose and objectives of the legislative

²⁵ Also referred to as “linguistic”, “textual”, “semantic” or “semiotic” reasoning. See: Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.188-190; Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.19.

²⁶ Also referred to as “contextual” or “schematic” reasoning: see Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.191-207.

provision in suit.²⁷ Purposive reasoning in particular is widely regarded as the hallmark of the ECJ's reasoning style.²⁸

Since early decisions such as *van Gend en Loos*, the Court's emphasis has been on considering all three of these modes of reasoning.²⁹ In *CILFIT*, the Court stressed that as well as taking into account literal considerations:

“... every provision of Community law must be placed in its context and interpreted in the light of the provisions of Community law as a whole, regard being had to the objectives thereof and to its state of evolution at the date on which the provision in question is to be applied”.³⁰

²⁷ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.207-210; Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.20.

²⁸ Sankari, *European Court of Justice* (Groningen: Europa Law Publishing: 2013), p.67; J. Bengoetxea, N. MacCormick and L. Soriano, “Integration and Integrity in the Reasoning of the European Court of Justice” in G. De Burca and J. Weiler (eds), *The European Court of Justice* (Oxford: Oxford University Press, 2001), p.58 (teleological arguments used by the Court ‘*par excellence*’).

²⁹ *NV Algemene Transport- en Expeditie Onderneming van Gend en Loos v Nederlandse Administratie der Belastingen* (Case 26/62) EU:C:1963:1; [1963] C.M.L.R. 105, 129.

³⁰ *CILFIT Srl and Others v Ministro della Sanita'* (Case 283/81) EU:C:1982:335; [1983] 1 C.M.L.R. 472 at [20].

In an important early trade mark case, the ECJ ruled out a purely literal approach to the TMD, emphasising that the Directive “*must not* be interpreted solely on the basis of its wording, but also in the light of the overall scheme and objectives of the system of which it is a part”.³¹ The Court has repeatedly asserted that literal, systemic and purposive considerations must all be considered in the interpretation of the TMD and CTMR,³² and indeed across EU IP law.³³

In this research, literal, systemic and purposive reasoning are treated as the Court’s core methods. However, the ECJ may also have recourse to further options. Purposive reasoning is considered a form of “dynamic” reasoning,³⁴ and the Court may use other dynamic methods, in particular consequentialist reasoning (looking to the real-world or juridical consequences of a particular interpretation),³⁵ or functional reasoning (directed to ensuring that the law functions effectively, and including reference to the principle of effectiveness).³⁶ The Court may also refer to its own case law:

³¹ *Davidoff* (C-292/00) EU:C:2003:9; [2003] 1 C.M.L.R. 35 at [24] (emphasis added).

³² For example more recently: *Louboutin v Van Haren Schoenen BV* (C-163/16) EU:C:2018:423 at [20].

³³ For example: *Brüstle v Greenpeace e.V.* (C-34/10) EU:C:2011:669; [2012] 1 C.M.L.R. 41 at [31] (patents); *Deckmyn v Vandersteen* (C-201/13) EU:C:2014:2132 at [19] (copyright).

³⁴ Bengoetxea, *Legal Reasoning* (Oxford: Clarendon Press, 1993), pp.251-252.

³⁵ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.212; Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.20.

³⁶ Bengoetxea, *Legal Reasoning* (Oxford: Clarendon Press, 1993), p.254; Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.210-212.

although not strictly bound by previous decisions, as Arnall has noted the Court has “recognized for many years that its decisions may have value as precedents in other cases”.³⁷ The Court may also engage in what is variously called “historical”, “originalist” or “genetic” interpretation, looking at the intentions of the legislators or the broader understanding of legal terminology at the time of the adoption of the legislative provision in dispute.³⁸

Of course, these methods may at times be hard to distinguish, may overlap and may be categorized in different ways.³⁹ The particularity of the ECJ’s reasoning style is said to lie in what Beck has called its “cumulative” approach,⁴⁰ in which it uses its various methods without the hierarchical or sequential relationship between them found in other systems.⁴¹ As well as representing an articulation of this

³⁷ Arnall, *Court of Justice*, 2nd edn (Oxford: Oxford University Press, 2006), p.626.

³⁸ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.217-219; Conway, *Limits* (Cambridge: Cambridge University Press, 2012), pp.20-21.

³⁹ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.289; J. Komárek, “Legal Reasoning in EU Law” in D. Chalmers and A. Arnall (eds), *The Oxford Handbook of European Union Law* (Oxford: Oxford University Press, 2015), p.45. For example, as well as being an example of functional reasoning (the approach taken here) Beck notes that the principle of effectiveness may also be regarded as a systemic criterion: Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.211.

⁴⁰ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.283.

⁴¹ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.280.

approach, with case law such as *CILFIT* setting the rules on *acte clair*,⁴² the cumulative multi-method model is also the standard which the Court has set for other players – notably national courts - in the EU legal system. Quantifying the Court’s compliance with this cumulative multi-method model serves to evaluate how strongly the Court’s decisions have been justified on the Court’s own terms: as Bengoetxea explained:

“If particular Court decisions deviate from that model then they can be said to be weakly justified, and if they closely match the model then they can be considered ‘normal’, ‘regular’ or adequate justifications”.⁴³

Some commentary suggests that the ECJ’s decisions adhere relatively well to the cumulative multi-method model. Suggesting that this is evident as much in cases involving secondary EU legislation as primary EU law,⁴⁴ Beck has argued that the ECJ considers *topoi* from “at least two or all three principal types of arguments – literal, systemic and purposive – *as a matter of course*”.⁴⁵ Research

⁴² *CILFIT Srl and Others v Ministro della Sanita'* (Case 283/81) EU:C:1982:335; [1983] 1 C.M.L.R. 472 at [21].

⁴³ Bengoetxea, *Legal Reasoning* (Oxford: Clarendon Press, 1993), p.140. Bengoetxea refers to the reasoning model which he constructed from the Court’s case law, but his comment stands for all analysis testing the ECJ’s judgments against a benchmark based on the Court’s own approach.

⁴⁴ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.283.

⁴⁵ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.312 (emphasis added).

into the ECJ's copyright rulings also notes cumulative use of the Court's methods.⁴⁶ Whether this is evident in trade mark law will be explored further here.

There is also the additional – and under-explored - complexity that the Court's various interpretative methods may not lead to the same result on any given question. This is undoubtedly an issue in trade mark law. The operative provisions of the TMD and CTMR were not always clearly drafted, and their recitals do not always assist.⁴⁷ Trade mark law also struggles inherently with the challenge of value pluralism, looking to balance the competing interests of trade mark owners, competitors, consumers and the public interest. Unlike other IP rights, a registered trade mark may remain the subject of monopoly rights in perpetuity: provided that the registration is regularly renewed and avoids being revoked, it will never fall back into the public domain. There is, as a result, a particular sharpness to concerns about over-extension of the trade mark monopoly. At the same time, the field is riven at a fundamental theoretical level between conservative and expansionist perspectives on what, normatively, registered trade mark law should protect.⁴⁸ As generally conceived from a law-and-economics perspective, trade marks are protected because of the informational role which they play in the marketplace in permitting consumers to distinguish between the goods and services of different undertakings and for the consequent market efficiencies – in particular, the reduction of consumer

⁴⁶ Favale *et al*, "An EU Copyright Jurisprudence?" (2016) 79 M.L.R. 31, 69-70.

⁴⁷ The TMD's recitals "talk a lot about the need for harmonization, but little about the content of that harmonization": Dinwoodie, "Europeanization" in Ohly and Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), p.96.

⁴⁸ See for example: J. Davis, "To protect or serve? European trade mark law and the decline of the public interest" (2003) 25 E.I.P.R. 180.

“search costs” - which they thereby facilitate.⁴⁹ The conservative view sees this so-called “essential” or “origin” function of a registered trade mark – that is, its ability to function as an indicator of origin for the goods or services to which it is applied - as the key to the scope of the trade mark monopoly.⁵⁰ On this view, it is only unauthorised uses that would cause consumer confusion which should constitute infringement. In contrast, expansionist theories argue in favour of much broader proprietary rights, extending the trade mark monopoly even to non-confusing situations in which “brand value” may be harmed by adverse impacts on further trade mark functions such as their capacity to act as vehicles for communication, investment, and advertising.⁵¹

This combination of contested theoretical underpinnings, value pluralism and oftentimes unclear legislative drafting provides all of the ingredients for a real test of the ECJ’s interpretative approach. It is by no means certain that literal, systemic, purposive or other methods will provide consistent outcomes when tackling interpretation of the TMD and CTMR. In many of the cases that have come

⁴⁹ For example, S. Dogan and M. Lemley, “A search-costs theory of limiting doctrines in trademark law” in G. Dinwoodie and M. Janis (eds) *Trademark Law and Theory – A Handbook of Contemporary Research* (Cheltenham: Edward Elgar, 2008), pp.66-70.

⁵⁰ Described as the “grundnorm” of EU trade mark law (J. Phillips, “Trade mark law and the need to keep free” (2005) 36 I.I.C. 389, 397), in EU law this concept dates back to early pre-harmonisation ECJ case law on trade marks and free movement of goods: I Simon, “How does “essential function” doctrine drive European trade mark law?” (2005) 36 I.I.C. 401, 402.

⁵¹ Arguments to this effect dating as far back as the seminal 1920s article by Frank Schechter arguing that the value of a mark lies in its “selling power”: F. Schechter, “The Rational Basis for Trademark Protection” 40 Harv. L. Rev. 813 (1927), 831.

before it, the ECJ will have had to make second-order interpretative choices, preferring the outcome reached by one interpretative method over another.

Data Collection

This research uses as its case law sample the preliminary rulings of the ECJ published in English interpreting the TMD, CTMR and successor instruments from the Court's first decision in 1996 to the end of the calendar year 2018, excluding rulings on the parallel import provisions of the TMD/CTMR. Those parallel import provisions embody principles developed by the Court in decisions which long pre-date harmonisation, and are better seen as continuation of that jurisprudence rather than as an exercise in attempting de novo interpretation of the TMD or CTMR.⁵² The sample covers a total of 101 preliminary references decided over a period of 23 years. Decisions in EUTM appeals from the General Court were not included in the dataset, as initial analysis indicated a marked difference in reasoning patterns across a substantial portion of the appeals reviewed: it was concluded that, for present purposes at least, EUTM appeals could not be sampled in a way which would allow a suitably homogenous overall sample of preliminary references and appeals to be formed.⁵³

⁵² Article 7 TMD and art.13 CTMR (now art.15 TMD 2015 and art.15 EUTMR 2017). The Court itself has emphasised that these provisions correspond to its earlier case law and that that case law should still be applied: *Bristol-Myers Squibb v Paranova* (Joined Cases C-427, 429 and 436/93) EU:C:1996:282 at [31], [36] and [41].

⁵³ Working from a purposive sample of appeals cited in the leading UK intellectual property text, L. Bently, B. Sherman, D. Gangjee and P. Johnson, *Intellectual Property Law* (Oxford: Oxford

Within the case law sample many judgments dealt with more than one interpretative issue, such as issues relating to separate provisions of the TMD/CTMR, or to distinct parts of multi-part legal tests. Coding each whole judgment as single unit of analysis would have made it impossible to understand how (or how thoroughly) each such individual interpretative issue was dealt with by the Court. Focusing on the operative part of the judgment,⁵⁴ each preliminary ruling was therefore broken down into the various distinct interpretative issues addressed by the Court during the course of its ruling.⁵⁵ Each of those issues was used as the core unit of analysis.

University Press, 2018), it was found that appeals on certain relative objections to registration (see n.65) tended to generate ECJ judgments which were particularly thinly reasoned. The arguments in those cases were framed more as a series of attacks on the General Court's reasoning than as raising questions on the interpretation of the CTMR - eg: *Il Ponte Finanziaria SpA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-234/06 P) EU:C:2007:514 at [24]-[67].

⁵⁴ The standard introductory background sections of the Court's judgments which outline the general legal context, facts and history of the main proceedings and questions referred were not included. From within the operative part of the judgment, passages which did not deal with substantive issues of interpretation (for example, passages discussing admissibility or procedure) were also not included, nor were any individual issues relating to parallel imports (see n.52 and the main text above).

⁵⁵ As detailed in the copy of the dataset available online (n.56). An exercise of judgment was necessarily entailed in breaking down the rulings in this way, although in most cases the issues were already clearly delineated in the structure of the Court's judgments. Where the Court moved back and forth between issues or made comments relating to more than one separate interpretative point,

Overall, this gave 205 issues to be coded into the dataset.⁵⁶ Carrying out a close reading, each issue was coded for literal, systemic, purposive or other dynamic reasoning, as well as any references to drafting history (as a form of historical reasoning) or to the Court's own prior case law.⁵⁷ An issue was coded as featuring a relevant method if there was at least one instance, explicit or implicit, of that method being considered by the Court in the relevant section of its judgment. Respecting that interpretative methods may overlap,⁵⁸ where more than one method was engaged the Court's reasoning was coded against all relevant categories. For example, a discussion of purposive considerations based on guidance in the recitals of the TMD/CTMR was coded as involving both purposive and systemic reasoning. Similarly, the citation and repetition of reasoning from earlier case law was coded as involving consideration of both prior case law and the reasoning method(s) repeated from the earlier judgment.

Throughout, the emphasis was on identifying and coding instances of each justificatory method under consideration in the Court's judgment, whether positively relied upon by the Court or considered but

relevant passages were coded against the corresponding issue or issues as appropriate. In one case (*Matratzen Concord AG v Hukla Germany SA* (C-421/04) EU:C:2006:164) the Court merged two provisions of the TMD inseparably throughout: as one of those provisions (art.3(1)(c) TMD) is determinative of the other (art.3(1)(b) TMD), the judgment was taken as directed to the interpretation of art.3(1)(c) TMD.

⁵⁶ Accessible at <https://doi.org/10.7488/ds/2968>.

⁵⁷ Some judgments included case context-specific observations or reference to trade mark first principles, but this is not considered further as such reasoning tended to be relatively basic.

⁵⁸ n.39 above

ultimately discounted (for example, because the method was felt to be of no assistance on the point in suit, or in favour of other methods). Taking a different approach to some earlier work,⁵⁹ it was not considered sufficient in coding literal reasoning if the Court merely mentioned or recited the legislative provision in suit: some evidence of the Court substantively examining or engaging with its wording was required.⁶⁰ To capture detail, sub-categories for different types of systemic reasoning were coded.⁶¹ In terms of purposive reasoning, decisions were coded for reference to the essential or other functions of a trade mark, or any other purposive arguments articulated by the Court, including certain well-known quasi-factual assumptions regularly used by the Court which, although presented in the language of fact, are not evidentially based and in effect pursue normative purposes.⁶² In terms

⁵⁹ For example, Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.285-286.

⁶⁰ Similarly, with the standard background sections in the Court's judgments not included in the coding (n.54), the mere mention of a recital, legislative provision or other instrument in those introductory background sections without any actual consideration in the operative part of the judgment was not treated as an example of systemic reasoning for the purpose of this analysis.

⁶¹ See n.26 above. References to intellectual property law treaties (such as the Paris Convention or TRIPS) were also included as an additional form of systemic reasoning. Given their very high degree of substantive commonality, unless substantively divergent on the point in suit, the TMD and CTMR were treated a single set of rules for systemic reasoning purposes.

⁶² The first of these is that consumers are "not in the habit" of basing their understanding of the origin of goods or services on non-conventional marks, such as the colour of goods or their three-dimensional shape: *Libertel Groep BV v Benelux-Merkenbureau* (C-104/01) EU:C:2003:244; [2005] 2 C.M.L.R. 45 at [65]; *Henkel KGaA v Deutsches Patent- und Markenamt* (C-218/01) EU:C:2004:88 at

of the Court's own case law, reflecting the focus of this research the coding concentrated on precedent-style reasoning in the form of reference to earlier rulings which were substantively relevant to the interpretative issue in dispute:⁶³ general procedural or methodological case law references were not relevant. If the Court explicitly endorsed reasoning from the Advocate General's Opinion, the relevant method(s) adopted by the Court from the Opinion were included in the coding.

For each issue, various items of descriptive data were also recorded. The subject matter of each issue was coded into categories reflecting the main constituent elements of the trade mark system: what falls within the definition of a registrable mark;⁶⁴ absolute objections to registration; revocation;

[52]. Normatively, this raises the registrability threshold for such marks and thus keeps them available to other users: L. Anemaet, "The public domain is under pressure – why we should not rely on empirical data when assessing trade mark distinctiveness" (2016) 47 I.I.C. 303, 313 and 321. The second assumption coded as an example of purposive reasoning is the assumption that, in assessing conflict between marks, the better known the earlier mark the greater is the likelihood of confusion or other detriment: *Sabel BV v Puma AG* (C-251/95) EU:C:1997:528; [1998] 1 C.M.L.R. 445 at [24]. Commentators have argued that, in reality, the position is likely to be the quite the reverse: J. Phillips, "Strong trade marks and the likelihood of confusion in European law" (2006) 1 J.I.P.L.P. 385, 386 and 392-393. This assumption embodies an underlying normative objective to grant stronger protection to better-known marks.

⁶³ Including, where appropriate, cross-references by the Court to answers given earlier in its judgment.

⁶⁴ Including certain related questions on the specification of goods and services for which marks can be registered.

infringement;⁶⁵ defences; and enforcement. The dataset also covered a range of miscellaneous issues. To explore the transparency of the Court’s reasoning, the content analysis described here was supplemented with further coding of “missing” reasoning from issue to issue, as described further below.

Data and Analysis

Overall the dataset divided broadly between issues relating to the definition of a registrable trade mark, absolute objections and revocation on the one hand (44.9% of issues reviewed) and infringement, defences and enforcement on the other (50.2%).⁶⁶ After a gentle start, the number of issues addressed by the Court each year jumped up sharply in the early 2000s and, from 2002 onwards, fluctuated between 5 to 18 issues per year. Across the dataset, 23.9% of issues were dealt with by the Grand Chamber (or, in a few early cases, the full Court),⁶⁷ with all ten further Chambers also involved.

⁶⁵ The infringement rules are mirrored by “relative objections” to registration which regulate conflicts between trade mark filings in essentially the same way as conflicts between a registered mark and infringement. Relevant ECJ case law is equally applicable to both; for simplicity, this paper includes all issues relating to relative objections under the label of infringement.

⁶⁶ Miscellaneous issues accounted for a further 4.9% of the sample.

⁶⁷ For comparison, in 2015-19, 10.1% of cases were heard by the Grand Chamber: Court of Justice of the European Union, Annual Report 2019 - Judicial Activity, 167 at

This section analyses the data further with reference to the three questions identified in the introduction above. The first sub-section examines the justificatory methods featuring across the Court's decisions. The second sub-section analyses the Court's adherence to its cumulative multi-method reasoning model and the transparency of its second-order interpretative choices.

The Court's justificatory methods

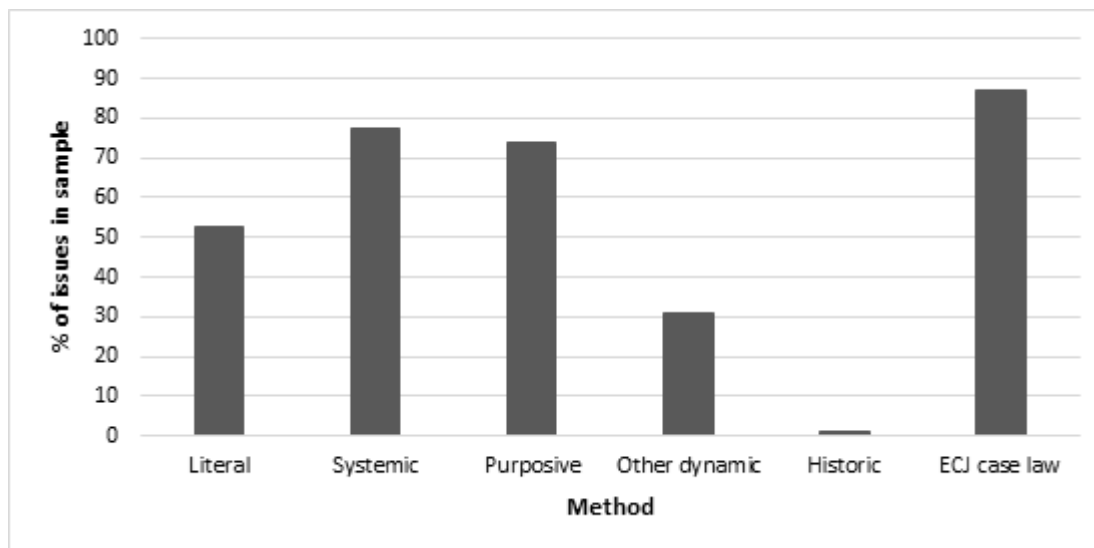
What do we see from data in terms of the Court's engagement with its various justificatory methods?

Figure 1 shows the percentage of issues across the dataset in which the Court's judgment featured at least one instance of consideration by the Court of the various coded methods.⁶⁸

<https://curia.europa.eu/jcms/upload/docs/application/pdf/2020-05/qd-ap-20-001-en-n.pdf> (last visited 9 November 2020).

⁶⁸ Figure 1 data: literal reasoning – 52.7%; systemic – 77.6%; purposive – 73.7%; other dynamic – 30.7%; historic – 1.0%; reference to prior ECJ case law – 86.8%.

Figure 1: Justificatory methods considered - whole sample



As Figure 1 shows, among the Court's core literal, systemic and purposive methods, systemic reasoning was considered most often, in 77.6% of issues in the dataset. The ECJ most often considered the sources of systemic guidance to be found within the TMD/CTMR, rather than elsewhere: in 59.0% of issues reviewed, the Court considered other operative provisions of the TMD/CTMR,⁶⁹ and in 31.2% the recitals of the TMD/CTMR. Other EU law instruments, general principles of EU law and international treaties were referred to less often in, respectively, 19.0%, 15.6% and 8.8% of issues reviewed. This contrasts with the ECJ's reasoning in other contexts, where

⁶⁹ For example, comparing different absolute objections to registration (e.g. *Merz & Krell GmbH & Co v Deutsches Patent- und Markenamt* (C-517/99) EU:C:2001:510 at [35]-[36]) or contrasting different grounds of infringement (e.g. *Sabel* (C-251/95) EU:C:1997:528; [1998] 1 C.M.L.R. 445 at [20]-[21]; *Davidoff* (C-292/00) EU:C:2003:9; [2003] 1 C.M.L.R. 35 at [18]-[21]).

general principles of EU law have in particular been highlighted for their important role.⁷⁰ Here, in terms of general principles of EU law the Court referred most often to the principle of uniform application which was used to justify the development of autonomous and uniform concepts of EU trade mark law.⁷¹ Unlike in the ECJ's copyright case law, there was no reference to the principle of proportionality and only one reference to fundamental rights.⁷²

After systemic reasoning, as Figure 1 shows, from among the Court's other core methods purposive reasoning was next most considered by the Court, in 73.7% of issues in the dataset. Some (albeit limited) purposive assistance was available from the preambles to the TMD/CTMR, and there is therefore some overlap between the Court's systemic and purposive reasoning.⁷³ However, much of

⁷⁰ Noted as “the instrument of choice for the Court to introduce and spell out... normative standards into and within the EU legal order and to fill gaps left by the Treaties”: J. Mazák and M. Moser, “Adjudication by Reference to General Principles of EU Law: A Second Look at the *Mangold* Case Law” in M. Adams, H. de Waele, J. Meeusen and G. Straetmans (eds) *Judging Europe's Judges: The Legitimacy of the Case Law of the European Court of Justice* (Oxford: Hart Publishing, 2013), p.68.

⁷¹ For example: *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) EU:C:2003:145; [2005] 2 C.M.L.R. 36 at [26].

⁷² *Nikolajeva v Multi Protect OU* (C-280/15) EU:C:2016:467 at [43]. On copyright, see Rosati, *Copyright* (Oxford: Oxford University Press, 2019), pp.38-39, 46-50 and 57-60.

⁷³ Consistent with observations on systemic/purposive overlap by Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.214.

the Court's most important purposive reasoning was based on purposive considerations not mentioned in the TMD or CTMR, and instead identified and articulated by the Court of its own motion.⁷⁴

The last of the Court's core methods, literal reasoning, was considered notably less, in 52.7% of issues in the dataset. Other dynamic methods (consequentialist and functional reasoning) were considered in 30.7% of issues. There were only two instances of reasoning by reference to drafting history, amounting to 1.0% of issues reviewed.⁷⁵ In contrast, there were very high levels of reference by the Court to its own prior case law: 86.8% of issues contained at least one reference to a substantively relevant prior ruling. The overall split of methods engaged with by the Court was

⁷⁴ On registrability, for example, it was the Court which identified and articulated the purpose of the requirement of 'graphic representation' (*Sieckmann v Deutsches Patent- und Markenamt* (C-273/00) EU:C:2002:748; [2005] 1 C.M.L.R. 40 at [47]-[54]), the objective underlying the requirement for a 'sign' (*Heidelberger Bauchemie GmbH's Trade Mark Application* (C-49/02) EU:C:2004:384 at [24]) and the various public interests said to underpin the absolute objections to registration (e.g. *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v Boots- und Segelzubehör Walter Huber and Franz Attenberger* (C-108/97 and C-109/97) EU:C:1999:230 at [25]-[26]; *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* (C-299/99) EU:C:2002:377; [2002] 2 C.M.L.R. 52 at [77]-[80] and [82]; *Libertel* (C-104/01) EU:C:2003:244; [2005] 2 C.M.L.R. 45 at [51]-[55]).

⁷⁵ There were also three issues (not included in these figures) in which the Court refused, as a matter of principle, to engage with reasoning based on a set of Joint Statements issued by the Commission and Council at the time of enactment of the TMD and CTMR: *Libertel* (C-104/01) EU:C:2003:244; [2005] 2 C.M.L.R. 45 at [24]-[25]; *Heidelberger Bauchemie* (C-49/02) EU:C:2004:384 at [16]-[17]; *Leno Merken BV v Hagelkruis Beheer BV* (C-149/11) EU:C:2012:816 at [46].

broadly consistent across the time period covered in the dataset. Mirroring the sharp increase in issues considered by the Court in the early 2000s, from 2002 onwards (with only one minor exception) the Court's own case law was, alone or jointly with another method, its most commonly-considered method each year; literal reasoning lagged generally behind the Court's other principal methods throughout the time period under review, with systemic reasoning either alone or jointly the most-used of the Court's methods in the majority of years in the dataset.

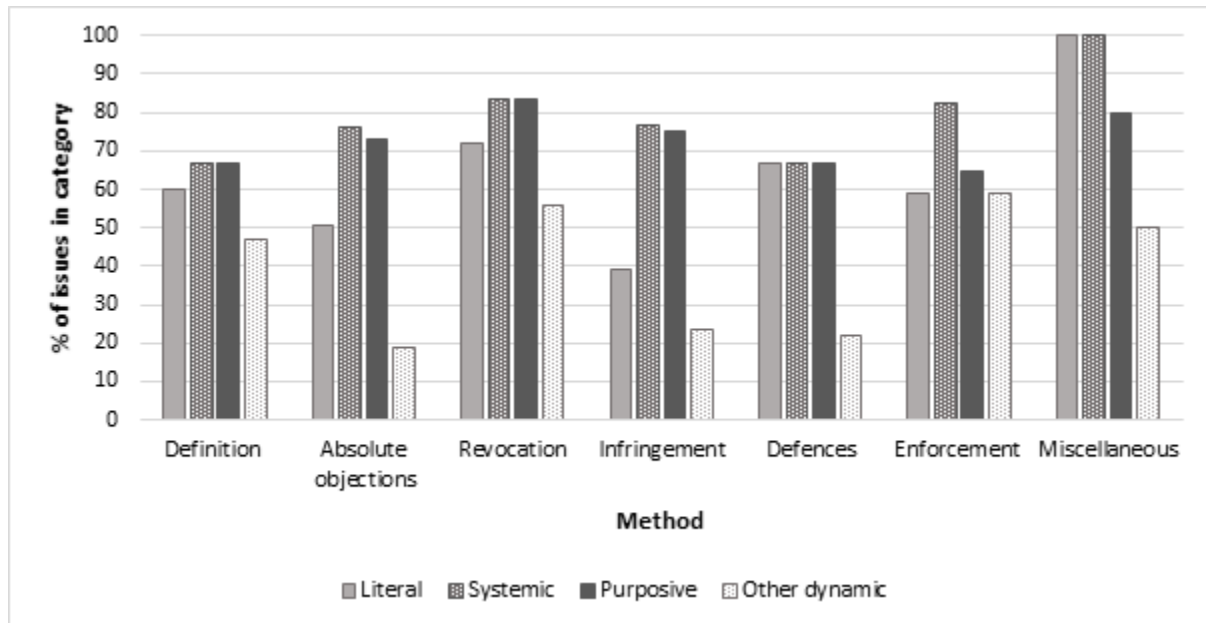
How should we explore the dataset in more detail? Analysis of the ECJ's copyright rulings has shown particular interest in the impact of individual Advocates General, *juge rapporteurs* and Chambers, reflecting the recent rapid expansion of this case law under the remit of a relatively narrow group of individuals in their various capacities at the Court.⁷⁶ This is, however, less relevant to the Court's trade marks case law, which has developed over a longer period of time through many more decisions emanating from every Chamber of the ECJ and involving no fewer than 20 Advocates General across the dataset alone.

For registered trade mark law, a more useful avenue for further analysis is the subject matter of the dispute. As noted above, each issue was coded by subject matter into the principal categories which make up the EU trade mark regime. With each subject matter category spanning rulings issued over periods of many years, such analysis allows investigation of patterns of reasoning over broad lines of cases over time. How did the ECJ's justificatory reasoning compare across the various subject matter categories? Discounting historic reasoning (because it was so rare) and reference to case law (because it was so ubiquitous), Figure 2 illustrates the percentage of issues in each category which the Court's

⁷⁶ For example, Favale *et al*, "An EU Copyright Jurisprudence?" (2016) 79 M.L.R. 31.

judgment featured at least one instance of consideration of literal, systemic, purposive or other dynamic reasoning.⁷⁷

Figure 2: Justificatory methods considered - by subject matter category



As Figure 2 shows, the Court’s consideration of dynamic methods other than purposive reasoning varied considerably, from only 18.6% of issues on absolute objections up to 58.8% of issues on

⁷⁷ Figure 2 data: definition of a registrable mark – literal 60.0%, systemic 66.7%, purposive 66.7%, other dynamic 46.7%; absolute objections to registration – literal 50.8%, systemic 76.3%, purposive 72.9%, other dynamic 18.6%; revocation – literal 72.2%, systemic 83.3%, purposive 83.3%, other dynamic 55.6%; infringement – literal 39.0%, systemic 76.6%, purposive 75.3%, other dynamic 23.4%; defences – literal 66.7%, systemic 66.7%, purposive 66.7%, other dynamic 22.2%; enforcement – literal 58.8%, systemic 82.4%, purposive 64.7%, other dynamic 58.8%; miscellaneous – literal 100.0%, systemic 100.0%, purposive 80.0%, other dynamic 50.0%.

enforcement. This is, however, perhaps not unexpected: in the context of trade mark law, cases may engage consequentialist and functional criteria to varying degrees. Some consequentialist considerations may be subsumed within purposive reasoning, for example:⁷⁸ if the Court were to reason purposively that a particular act should constitute infringement in order to achieve certain policy objectives, then the consequence is that that act will be an infringement and thus prohibited. Not all cases will give rise to further, independent consequential considerations.

Aside from these dynamic methods, the greatest variation was in the Court's consideration of literal reasoning, featuring in as little as only 39.0% of issues dealing with infringement up to 100% of issues in the miscellaneous category. Levels of systemic and purposive reasoning varied less, for systemic reasoning ranging from 66.7% to 100% by category, and for purposive reasoning from 64.7% to 83.3%.

Comparing the profile of the Court's reasoning from category to category, the category with the widest divergence between levels of literal, systemic and purposive reasoning was the Court's case law on infringement. This raises questions which can be explored by breaking this category down further. In EU trade mark law, there are three separate grounds of infringement. The first ("double identity" infringement) arises where the infringing sign and the goods or services for which it is used are identical to those registered - this "core zone" of protection is (at least as classically conceived)

⁷⁸ Conway notes the potential for convergence between purposive and consequentialist reasoning: Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.20.

based on the assumption that the infringement must in such cases be confusing to consumers.⁷⁹ The second ground of infringement covers a broader zone in which the infringing sign or goods/services may be similar rather than identical, but imposes the additional requirement that a likelihood of consumer confusion must be shown. The third ground of infringement covers use of the same or a similar infringing sign for any goods or services – whether the same, similar or dissimilar to those registered – but is only open to marks with a “reputation” where there is, without due cause, detriment to or the taking of unfair advantage of the registered mark’s distinctive character or repute.⁸⁰

All three of these grounds of infringement have, at various times, formed part of the battleground between the conservative and expansionist approaches to trade mark law highlighted earlier. In one of its earliest infringement decisions, the ECJ took a conservative stance, rejecting arguments that the second ground of infringement extended beyond origin-based “likelihood of confusion” to give broader protection against signs creating an unauthorised “association” with the registered mark.⁸¹ Since then, however, between the various interpretative positions open to it, the ECJ’s tendencies have been more expansionist. In its case law on ‘marks with a reputation’, this has manifested itself

⁷⁹ A. Griffiths, “The trade mark monopoly: an analysis of the core zone of absolute protection under Art 5(1)(a)” (2007) I.P.Q. 312, 317; Senftleben, “Adapting” in Geiger (ed) *Constructing European Intellectual Property* (Cheltenham: Edward Elgar, 2013), pp.138-139.

⁸⁰ Initially limited to uses of the infringer’s sign for goods or services dissimilar to those registered, the Court overrode this in its early decision in *Davidoff* (C-292/00) EU:C:2003:9; [2003] 1 C.M.L.R. 35, holding that these claims could also lie against use of an infringing sign for goods or services the same as or similar to those registered.

⁸¹ *Sabel* (C-251/95) EU:C:1997:528; [1998] 1 C.M.L.R. 445.

through an oftentimes relaxed interpretation of the requirements for an actionable claim.⁸² On “double identity” infringement, the Court has more recently reframed the infringement test so as to explicitly protect against harm to non-origin, brand-related functions, as well as in the cases of assumed origin confusion that had been thought by many to be the focus of this provision.⁸³ In trade mark law, expansive tendencies are not necessarily positive, however: over-extension of the trade mark monopoly can strengthen market dominance,⁸⁴ as well as potentially endangering freedom of expression.⁸⁵

Alongside these three categories of infringement, there is also a further sub-category of infringement case law dealing with the prior question of what kind of “use” the infringer must be making of his sign to be found liable on any of the three specific infringement grounds. This rather dry-sounding question conceals fundamental debate over the scope and reach of trade mark law. Should infringement be limited to cases in which infringer is using his sign as a trade mark to indicate the

⁸² Senftleben, “Adapting” in Geiger (ed) *Constructing European Intellectual Property* (Cheltenham: Edward Elgar, 2013), pp.145-153.

⁸³ Senftleben, “Adapting” in Geiger (ed) *Constructing European Intellectual Property* (Cheltenham: Edward Elgar, 2013), pp.153-154.

⁸⁴ Dogan and Lemley, “A search-costs theory” in Dinwoodie and Janis (eds) *Trademark Law and Theory* (Cheltenham: Edward Elgar, 2008), p.66; A Griffiths, *An Economic Perspective on Trade Mark Law* (Cheltenham: Edward Elgar, 2011), 123; P. Loughlin, “Trade marks: arguments in a continuing contest” (2005) I.P.Q. 294, 299-301.

⁸⁵ Senftleben, “Adapting” in Geiger (ed) *Constructing European Intellectual Property* (Cheltenham: Edward Elgar, 2013), pp.156-157.

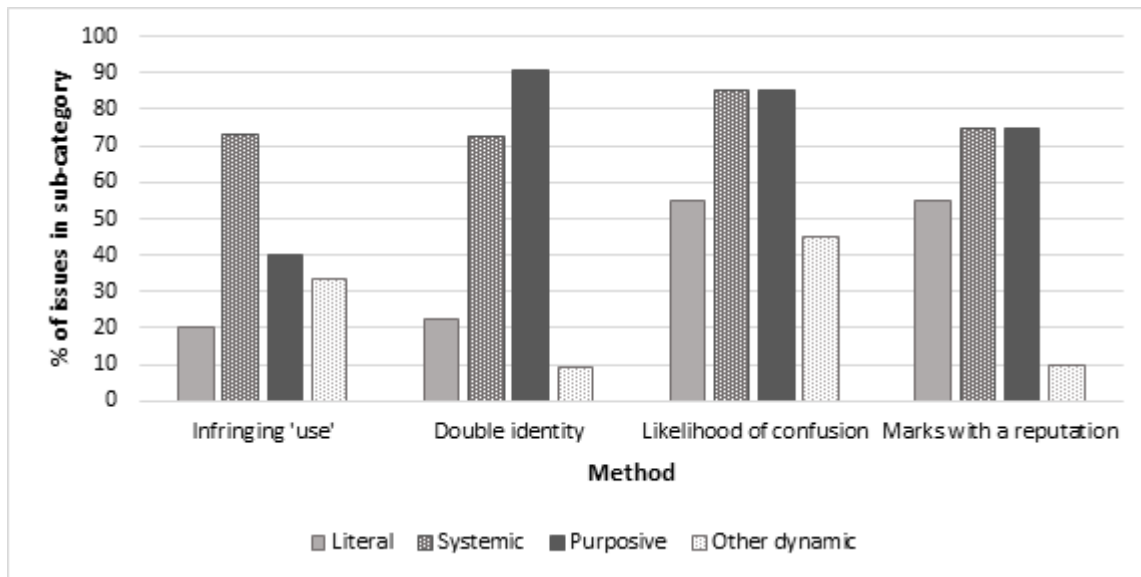
origin of his own goods or services, or should it extend to capture “non-trade mark” uses of a sign (for example, as part of decoration on a product) or even “referential” or “nominative” use of a mark accurately to refer to the goods or services of the trade mark owner? And how should different players in the physical and online chain of distribution be treated? For example, should the operation by online search engines of keyword-triggered advertising constitute infringing “use” of a mark if infringing keywords are selected by advertisers? In essence, taken together these questions ask whether certain potentially infringing acts should be “immunised” from liability by complete removal from the infringement regime.⁸⁶

Given what is at stake, it is surprising to see that the Court’s infringement case law was the most unevenly justified category in the dataset. Scrutinising the Court’s reasoning further, Figure 3 illustrates the consideration by the Court of literal, systemic, purposive and other dynamic reasoning across the four infringement sub-categories just described - infringing “use”, double identity infringement, likelihood of confusion and protection for marks with a reputation.⁸⁷

⁸⁶ L. Porangaba, “A contextual account of the trade mark functions theory” (2018) I.P.Q. 230, 234-238 in particular.

⁸⁷ Figure 3 data: infringing ‘use’ – literal 20.0%, systemic 73.3%, purposive 40.0%, other dynamic 33.3%; double identity – literal 22.7%, systemic 72.7%, purposive 90.9%, other dynamic 9.1%; likelihood of confusion – literal 55.0%, systemic 85.0%, purposive 85.0%, other dynamic 45.0%; marks with a reputation – literal 55.0%, systemic 75.0%, purposive 75.0%, other dynamic 10.0%.

Figure 3: Justificatory methods considered - infringement sub-categories



As Figure 3 shows, the Court’s consideration of these methods was even more starkly uneven both within and between these four sub-categories. Systemic reasoning was the only method which achieved a consistent showing. Consideration of literal reasoning was particularly low in the issues addressing infringing “use” (20.0%) and double identity infringement (22.7%). Although higher in other sub-categories, consideration of purposive reasoning was also low in the issues on infringing “use” (40.0%).

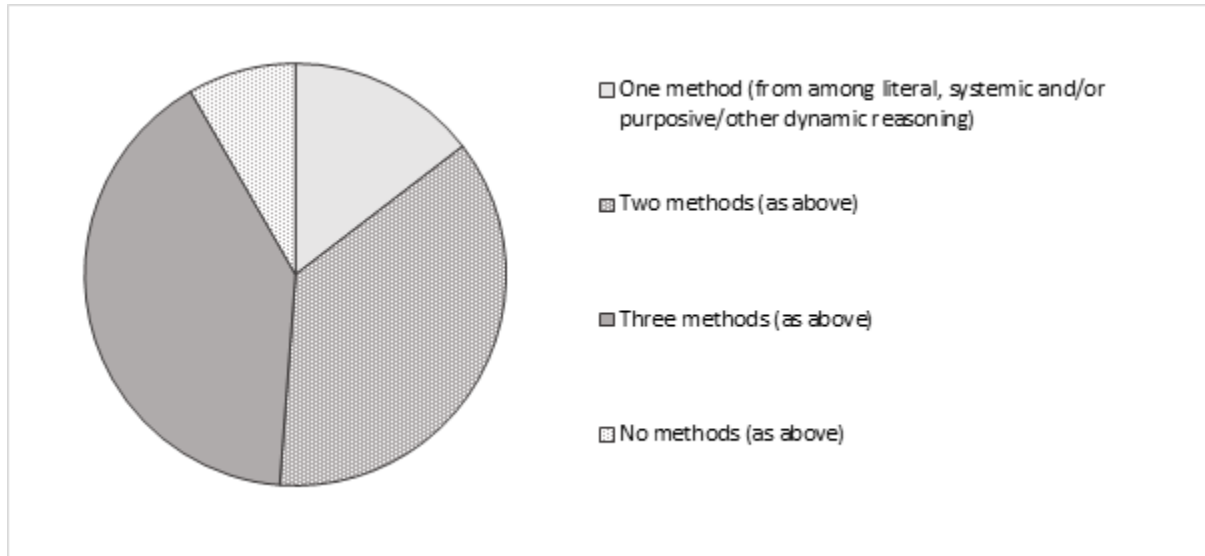
The Court’s cumulative multi-method model and transparency of second-order choices between methods

Although the data illustrated above suggests that many issues in the dataset were relatively thoroughly reasoned, it is also clear that a significant portion must have been addressed by the Court without full adherence to its cumulative multi-method reasoning model.

This can be explored further. Each issue in the dataset was allocated a value of between one and three depending on whether the Court’s justificatory reasoning considered one, two or three methods from

among literal, systemic and dynamic reasoning, taking purposive, consequentialist and functional reasoning together within the “dynamic” category.⁸⁸ Instances in which the Court considered none of these methods were given a value of zero. Figure 4 shows how this analysis breaks down for the dataset as a whole.⁸⁹

Figure 4: No. of justificatory methods considered per issue - whole sample



As Figure 4 shows, a proportion of issues in the dataset (8.3%) were addressed without any consideration of literal, systemic or dynamic methods. 14.6% of issues were addressed by considering only one of these methods. 36.6% of issues considered two and 40.5% considered all three. Of course, all of the data in Figure 4 comes alongside the Court’s extensive reference to its own earlier

⁸⁸ Given variation in the consideration of consequentialist and functional reasoning discussed above, it was considered unrealistic to expect these kinds of other dynamic reasoning in all cases.

⁸⁹ Figure 4 data: one method (from among literal, systemic or dynamic reasoning) – 14.6% of issues reviewed; two methods – 36.6%; three methods – 40.5%; none – 8.3%.

case law, including on all but one of the issues disposed of without any reference to literal, systemic or dynamic methods. However, those case law-only justifications will have been sparse in nature, citing only the prior finding of the Court rather than any of the earlier underlying reasoning: had the Court considered any literal, systemic, purposive or other reasoning from the earlier ruling, this would have been coded as involving those methods as well as the citation of prior case law.

Either way, the overall picture portrayed in Figure 4 is at some distance from the Court's stipulations in *CILFIT* and other cases noted earlier on the approach to be taken to interpreting EU laws.⁹⁰ It is also at some variance with the contention, quoted above, that the Court considers at least two methods from among literal, systemic and purposive/dynamic reasoning "as a matter of course".⁹¹ Approaching a quarter (22.9%) of the issues in the dataset were addressed with reference to only one of these methods or none at all. This cannot be explained away simply on the basis of lack of significance or difficulty: those issues included substantively challenging and important rulings by the Court.⁹²

What, then, of the gaps in the application of the Court's cumulative multi-method approach? This ties into the third key question posed in this article, on the transparency of the second-order interpretative

⁹⁰ See n.29-33 above.

⁹¹ n.45 above.

⁹² For example: *Philips* (C-299/99) EU:C:2002:377; [2002] 2 C.M.L.R. 52 at [57]-[65] (acquired distinctiveness); *Henkel* (C-218/01) EU:C:2004:88 at [48]-[53] (distinctiveness of three-dimensional shape marks); *Google France Sarl v Louis Vuitton Malletier SA* (C-236/08) EU:C:2010:159 at [50]-[59] (liability of keyword search providers).

choices made by the Court. What methods were “missing” from the Court’s judgments and were they compatible with the Court’s ruling?

There was some evidence of a degree of transparency in the Court’s handling of methods which would, if applied, have led to results which conflicted with the Court’s conclusion. 24 issues (11.7% of the dataset as a whole) involved some kind of transparently-articulated second-order choice in which the Court openly considered a particular method before discounting it in favour of another. The Court most often engaged in this sort of explicit second-order choice when discounting a literal reading of the provision in suit.⁹³ This resulted in some major de facto revisions to the terms of the TMD/CTMR: expanding the scope of infringement of marks with a reputation in the face of what the Court acknowledged were explicit limitations in the legislative text;⁹⁴ introducing rules to govern the drafting of trade mark specifications while acknowledging that there were no such rules in the legislation itself;⁹⁵ even finding in an (admittedly unusual) de-branding scenario that it “makes no difference” to the infringement analysis that there was no “use” of the contested mark within the jurisdiction, even though all infringement provisions in the TMD/CTMR require an act of “use” by

⁹³ In 14 issues reviewed. The ECJ considered but discounted systemic arguments based on the recitals of the TMD/CTMR in eight issues and other provisions of the TMD/CTMR in four, purposive considerations in five, other dynamic considerations in two and prior case law in one.

⁹⁴ *Davidoff* (C-292/00) EU:C:2003:9; [2003] 1 C.M.L.R. 35 at [23]-[24]; see also n.80 above.

⁹⁵ *Praktiker Bau- und Heimwerkermärkte AG v Deutsches Patent- und Markenamt* (C-418/02) EU:C:2005:425; [2006] 3 C.M.L.R. 29, at [28]-[29]; *Chartered Institute of Patent Attorneys v Registrar of Trade Marks* (C-307/10) EU:C:2012:361 at [38].

the infringer as the basis for any claim.⁹⁶ Overall, however, the total number of issues in the dataset in which the Court engaged in this sort of open discussion of competing interpretative considerations was small. The Court's willingness explicitly to weigh up interpretative arguments which would lead to conflicting results was not evident elsewhere, as the further coding and analysis on the transparency of the Court's justificatory reasoning reveals.

How was this investigated, and what did the data reveal? Picking up from the exercise of content analysis which has formed the basis of discussion so far, the empirical framework was expanded to explore further the justificatory methods omitted by the Court. The starting point was to identify the justificatory methods that had not featured in the Court's reasoning, focussing for present purposes (given the particular importance of these methods to the Court) on those issues in which literal, systemic and/or purposive reasoning had been omitted.⁹⁷ For each such issue, the "missing" method(s) were identified from the content analysis, and then analysed and coded for the compatibility (or otherwise) of the outcome to which those methods would have led compared to the interpretation settled on by the Court - for missing literal reasoning by reviewing the text (in English) of the provision in suit, for missing systemic reasoning by focusing on what could be taken from the other provisions and recitals of the TMD/CTMR, and for missing purposive reasoning by identifying the underlying purpose of the disputed provision (or, where appropriate, conflicting possible underlying purposive perspectives).⁹⁸

⁹⁶ *Mitsubishi Shoji Kaisha Ltd v Duma Forklifts NV* (C-129/17) EU:C:2018:594 at [50].

⁹⁷ Noting the variations in consequentialist or functional reasoning already discussed, it was (again) considered unrealistic to expect to see such reasoning in all cases.

⁹⁸ Explanatory coding notes are provided in the copy of the dataset available online (n.56).

The aim was to identify the extent to which, from issue to issue, the “gaps” in the application of the Court’s cumulative, multi-method reasoning model might, fairly, be said to be problematic in terms of the transparency of the Court’s justificatory legal reasoning. On the one hand, there were missing methods that would have led to a conclusion supportive of the Court’s interpretation or would have been of no assistance either way, for example because of textual silence or ambiguity. A reasonable inference in such cases is that the reasons for the omission of the methods in question are relatively innocuous: given the volume of the Court’s trade mark (and wider) case load, taking a pragmatic view it is understandable that the Court might skip elements of reasoning in its judgments where they duplicate points already made or could not assist in supplying meaningful answers.

On the other hand, there were also missing methods which, if applied, would have led to a result incompatible with the Court’s interpretation, for example because a textual or systemic reading clearly pointed away from the Court’s conclusion. Such omissions are self-evidently less innocuous: if we assume that the Court engages in a full process of private deliberation then, in these cases, the incompatible missing reasoning must, unanimously or through an exercise in majority decision-making, have been discounted in the Court’s internal deliberations, yet without that being acknowledged in the Court’s judgment. The coding here included issues decided without any consideration of purposive reasoning but where clearly conflicting purposive stances were possible (such as the conflicting expansive and conservative purposive stances described earlier), such that – had purposive reasoning been engaged with - a choice would have had to be made between them and the incompatible purposive stance discounted by the Court.⁹⁹

⁹⁹ There were also other matters upon which there was scope for substantial purposive disagreement. An example is *Philips* (C-299/99) EU:C:2002:377; [2002] 2 C.M.L.R. 52, a dispute over registration

Overall, there were 125 issues (61.0% of issues in the dataset) in which at least one of literal, systemic or purposive reasoning was missing from the relevant section of the Court's judgment.¹⁰⁰ In 51.2% of those issues, the missing method or methods would, if applied, have led to a result compatible with the Court's interpretation or would have been of no assistance either way. In 48.8% of those issues,

of the three-dimensional shape of Philips' three-headed rotary electric shaver. One of the issues referred concerned the rule (then at art.3(3) TMD) which permits an inherently non-distinctive mark (which cannot in and of itself indicate the origin of goods) to be registered if it can be shown that "following the use which has been made of it, it has acquired a distinctive character". The Court ruled that such acquired distinctiveness could only arise if there had been use of the mark "as a trade mark". Not only is there nothing in the text mentioning this requirement, there are also conflicting purposive considerations at stake. On the one hand, a purposive focus on the anti-competitive impacts of allowing inherently non-distinctive marks to be registered too easily favours the Court's interpretation, which makes it harder to demonstrate acquired distinctiveness. On the other hand, a purposive focus on the need to avoid the consumer confusion that might arise from allowing third parties to use marks which consumers do already understand as a trade mark belonging to someone else would support a contrary view, in which the actual acquired distinctiveness of the mark is critical and it does not matter how that has come about. On this issue in *Philips*, the Court did not mention any purposive considerations, but implicitly must have rejected the latter approach.

¹⁰⁰ There were also two further issues in the dataset in which the Court made no use of literal, schematic or purposive reasoning but in both the Court was applying a ruling made in an immediately earlier part of the judgment, so these were not treated as having reasoning "gaps" in a meaningful sense and are not included here: *Sieckmann* (C-273/00) EU:C:2002:748; [2005] 1 C.M.L.R. 40 at [56]-[73]; *Shield Mark BV v Kist (t/a Memex)* (C-283/01) EU:C:2003:641 at [42]-[64].

however, at least one missing method, if applied, would have led to a result which was incompatible with the Court’s ruling as described above.

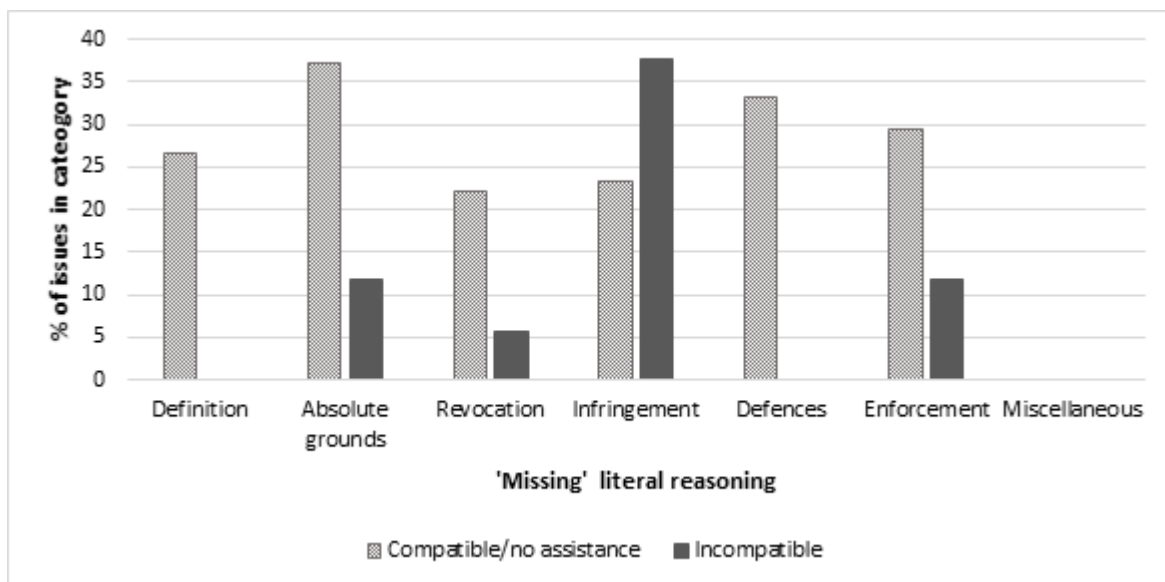
Table 1 shows the number of instances in which each of literal, systemic or purposive reasoning was “missing” across the dataset and, for each method, the number and percentage of such instances in which the missing reasoning was compatible or incompatible with the Court’s interpretation. As Table 1 shows, incompatible missing reasoning was most concentrated among literal and purposive reasoning.

Table 1 – Incompatible “missing” reasoning – by method

Missing method	No. of instances	Missing reasoning compatible/no assistance		Missing reasoning incompatible	
		No. of instances	% of instances of missing method	No. of instances	% of instances of missing method
Literal	95	56	58.9%	39	41.1%
Systemic	44	39	88.6%	5	11.4%
Purposive	52	24	46.2%	28	53.8%

Concentrating first on “missing” literal reasoning, Figure 5 shows the percentage of issues in each subject matter category in the dataset involving missing literal reasoning compatible or incompatible with the Court’s interpretation.¹⁰¹

Figure 5: “Missing” literal reasoning - by subject matter category



As Figure 5 shows, particularly high levels of incompatible missing literal reasoning arose in relation to infringement. Within that, the most starkly notable pattern was in the Court’s case law on double identity infringement. Over a stream of preliminary rulings spanning the period from 2002 to 2011,

¹⁰¹ Figure 5 data: definition of a registrable mark – compatible/no assistance 26.7%, incompatible 0.0%; absolute objections to registration – compatible/no assistance 37.3%, incompatible 11.9%; revocation – compatible/no assistance 22.2%, incompatible 5.6%; infringement – compatible/no assistance 23.4%, incompatible 37.7%; defences – compatible/no assistance 33.3%, incompatible 0.0%; enforcement – compatible/no assistance 29.4%, incompatible 11.8%; miscellaneous – compatible/no assistance 0.0%, incompatible 0.0%.

the Court persistently omitted to address the (contrary) literal wording of the relevant provisions of the TMD/CTMR.¹⁰² This was despite the fact that that wording is unambiguous and expansive in terms of the protection conferred: read literally, all that is required for a finding of infringement in double identity cases is that the infringer's sign be identical to the registered mark and be used in relation to identical goods or services.¹⁰³ The ECJ has, however, shifted back and forth between expansionist and conservative positions: having initially treated the double identity rules as conferring strict absolute protection consistent with their wording (albeit not mentioning as much), in this stream of subsequent cases the Court pulled back from that by requiring damage to the origin function of the mark, then extended the scope of protection by allowing reliance on damage to other, brand-related trade mark functions, before backtracking by making it harder to demonstrate that those brand-related

¹⁰² *Holterhoff v Freiesleben* (C-2/00) EU:C:2002:287; *Arsenal Football Club Plc v Reed* (C-206/01) EU:C:2002:651; [2003] 1 C.M.L.R. 12; *Adam Opel AG v Autec AG* (C-48/05) EU:C:2007:55 at [14]-[25]; *Celine Sarl v Celine SA* (C-17/06) EU:C:2007:497 at [16] and [25]-[28]; *L'Oréal SA v Bellure NV* (C-487/07) EU:C:2009:378 at [51]-[65]; *Google France* (C-236/08) EU:C:2010:159 at [75]-[98]; *Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmüller GmbH v Guni* (C-278/08) EU:C:2010:163 at [29]-[37]; *Portakabin Ltd v Primakabin BV* (C-558/08) EU:C:2010:416 at [23]-[36]; *L'Oréal SA v eBay International AG* (C-324/09) EU:C:2011:474 at [88] and [94]-[97].

¹⁰³ Article 5(1)(a) TMD simply required use in the course of trade of “any sign which is identical with the trade mark in relation to goods or services which are identical to those for which the trade mark is registered”; see also art.9(1)(a) CTMR.

functions had been harmed.¹⁰⁴ None of these rulings acknowledged the wording of the legislative text. Only finally in *Interflora* in 2011 did the Court finally acknowledge the literal wording of the double identity provisions, before immediately discounting that in favour of the position which it had by then established through its case law.¹⁰⁵ Substantively, some might argue that it is no bad thing that the Court has moderated the absolutist stance of the literal wording by adopting a more purposive, harm-focused approach. From a legal reasoning perspective, however, while Arnall has argued that it is a “parody” to suggest that the Court persistently ignores the text to pursue an agenda of its own,¹⁰⁶ this is undoubtedly what has happened in this line of case law. It was only after the Court’s case law development of “functions theory” had become well-entrenched over several years of decisions that the Court felt inclined to acknowledge the literal wording of the legislative text.

The picture is different again in relation to missing purposive reasoning. Figure 6 shows the percentage of issues in each subject matter category which involved missing purposive reasoning that

¹⁰⁴ See, in particular, the case law shifts from *Bayerische Motorenwerke AG v Deenik* (C-63/97) EU:C:1999:82; [1999] 1 C.M.L.R. 1099, to *Arsenal* (C-206/01) EU:C:2002:651; [2003] 1 C.M.L.R. 12, *Bellure* (C-487/07) EU:C:2009:378, and *Google France* (C-236/08) EU:C:2010:159. Commentary has noted the “meandering” course of this case law: A Kur, “Evaluation of the functioning of the EU trademark system: the Trademark Study” in C Geiger (ed) *Constructing European Intellectual Property – Achievements and New Perspectives* (Cheltenham: Edward Elgar, 2013), p.132.

¹⁰⁵ *Interflora Inc v Marks & Spencer Plc* (C-323/09) EU:C:2011:604 at [36]-[38].

¹⁰⁶ Arnall, *Court of Justice*, 2nd edn (Oxford: Oxford University Press, 2006), p.620.

was compatible or incompatible (wholly, or on at least one of possible conflicting purposive interpretations) with the Court’s interpretation.¹⁰⁷

Figure 6: “Missing” purposive reasoning - by subject matter category

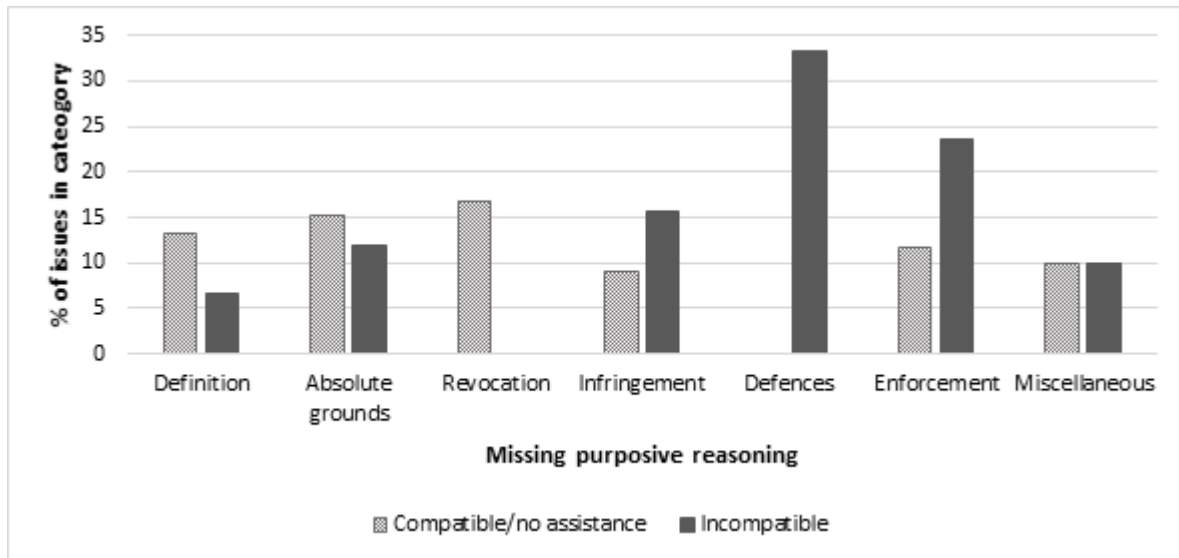


Figure 6 indicates a more persistent spread of such incompatible missing purposive reasoning across subject matter categories, although as Figure 6 shows, the highest levels were most concentrated in infringement, defences and enforcement. In absolute numbers, the number of problematic issues in the last two of these categories was low – defences and enforcement are relatively small categories within

¹⁰⁷ Figure 6 data: definition of a registrable mark – compatible/no assistance 13.3%, incompatible 6.7%; absolute objections to registration – compatible/no assistance 15.3%, incompatible 11.9%; revocation – compatible/no assistance 16.7%, incompatible 0.0%; infringement – compatible/no assistance 9.1%, incompatible 15.6%; defences – compatible/no assistance 0.0%, incompatible 33.3%; enforcement – compatible/no assistance 11.8%, incompatible 23.5%; miscellaneous – compatible/no assistance 10.0%, incompatible 10.0%.

the dataset and, although striking in Figure 6, only a small number of problematic issues translates into a relatively high category percentage.¹⁰⁸ However, this cannot be said of the infringement category, which encompasses many more issues in the dataset and for which the picture is more concerning.¹⁰⁹

The difficulties were most concentrated in the issues addressing infringing “use”: 53.3% of issues within that infringement sub-category involved missing purposive reasoning that was wholly, or on at least one of possible conflicting purposive interpretations, incompatible with the Court’s ruling. Perhaps the most striking of these are the cases on the liability of intermediaries (such as Google and eBay) for infringements committed by their customers via their services. The ECJ has, in effect, granted immunity from trade mark liability to actors such as search engine operators and the operators of online marketplaces in relation to the unauthorised use of registered trade marks in various aspects of their businesses.¹¹⁰ This is a major step, but one reached without any mention of purposive considerations. The Court appears to have been motivated by a wish to remove these entities from the

¹⁰⁸ In absolute numbers, for defences there were only three problematic issues (33.3% of the category total of 9 issues) and for enforcement only four (23.5% of the category total of 17 issues).

¹⁰⁹ For infringement, there were 12 problematic issues (15.6% of the category total of 77 issues).

¹¹⁰ See *Google France* (C-236/08) EU:C:2010:159 at [50]-[59] and *eBay* (C-324/09) EU:C:2011:474 at [98]-[105]. See also *Frisdranken Industrie Winters BV v Red Bull GmbH* (C-119/10) EU:C:2011:837.

reach of trade mark liability in relation to key aspects of their services,¹¹¹ presumably in order to ease perceived regulatory burden which might inhibit their activities. It is not possible for the Court to have settled on the interpretation of the TMD/CTMR favoured in these cases without implicitly having this underlying purpose in mind. It is, however, by no means self-evident that the business interests of actors such as Google and eBay should prevail in all cases, or that consumer or public interests favour what is, in effect, a defined but complete trade mark law deregulation of certain of their activities. There are fundamental normative considerations relevant to whether the notion of infringing “use” should be used to immunise liability in this way,¹¹² but the ECJ’s silence in terms of purposive reasoning has allowed it to duck out of justifying its own purposive stance in the face of the counter-arguments in this debate.

Critical Discussion

This article opened by asking three key questions. First, what methods of justificatory legal reasoning has the ECJ considered in the decisions across the dataset? Second, how far has that complied with the Court’s cumulative multi-method interpretative model? And third, what does the data tell us about

¹¹¹ J. Cornwell, “Keywords, case law and the Court of Justice: the need for legislative intervention in modernising European trade mark law” *International Review of Law, Computers & Technology* 2013, 27(1–2), 85, 88, on *Google France* (C-236/08) EU:C:2010:159 in particular.

¹¹² See further (from a US law perspective, but making points of universal relevance): G. Dinwoodie and M. Janis, “Confusion Over Use: Contextualism in Trademark Law” *Iowa Law Review*, 2007, 92(5), 1597; G. Dinwoodie and M. Janis, “Lessons from the Trademark Use Debate” *Iowa Law Review*, 2007, 92(5), 1703.

the transparency of the Court's judgments in terms of second-order choices between methods leading to conflicting results? The responses to these questions are inter-related.

On the first question, some data presented here reinforces existing commentary on the Court's interpretative style. As Figure 1 showed, there was almost no reasoning based on drafting history in the dataset, aligning with a generally-identified unwillingness on the part of the Court to rely on historical considerations.¹¹³ Figure 1 also showed a high level of reliance on the Court's own case law. This matches up with other empirical data on the Court's reasoning in IP and other fields.¹¹⁴ There is, however, clear potential for further research into *how* the ECJ has used its own case law. It has been noted that the use of "building blocks" in the judgments may create an impression of continuity which, in fact, masks change or evolution in the Court's stance;¹¹⁵ the Court may even cite precedents

¹¹³ Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.255; Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.218.

¹¹⁴ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.234; Favale *et al*, "An EU Copyright Jurisprudence?" (2016) 79 M.L.R. 31, 56; H. Kalimo, T. Meyer and T. Mylly, "Of Values and Legitimacy – Discourse Analytical Insights on the Copyright Case Law of the Court of Justice of the European Union" (2018) 81 M.L.R. 282, 304.

¹¹⁵ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.245-249.

that do not support its decisions as if they did.¹¹⁶ There was evidence in the dataset to suggest at least some degree of this kind of instrumentalism.¹¹⁷

Figure 1 also showed that, as among the Court's core literal, systemic and purposive methods, it was literal reasoning which was considered least often. This is consistent with the view that literal reasoning has comparatively lesser status in EU law, linked to the complexities posed by the EU's official multilingualism and the linguistic vagueness which is said inherently to exist in EU law (and in other systems).¹¹⁸ That said, at least in English, 41.1% of instances of "missing" literal interpretation involved a textual reading which was in itself clear, but incompatible with the Court's preferred outcome. Even without exhaustively considering all other language versions of the TMD/CTMR, this clearly included points upon which there was also no linguistic variance or inherent textual ambiguity on the issue in hand, such as the "double identity" case law highlighted above. The

¹¹⁶ Šadl and Panagis, "What is a leading case in EU law?" (2015) 40 E.L. Rev. 15, 18.

¹¹⁷ For example, *Google France* (C-236/08) EU:C:2010:159, recalibrating (without acknowledgement) the case law test for damage to the origin function in the context of double identity infringement, and citing case law in support of its new position which did not deal with the point in suit: T. Bednarz, "Keyword advertising before the French Supreme Court and beyond - calm at last after turbulent times for Google and its advertising clients?" (2011) 42 I.I.C. 641, 660.

¹¹⁸ Komárek, "Legal Reasoning" in Chalmers and Arnull (eds), *The Oxford Handbook of European Union Law* (Oxford: Oxford University Press, 2015), p.49; Tridimas, "Court of Justice" (1996) 21 E.L. Rev. 119, 204; E. Paunio and S. Lindroos-Hovinheimo, "Taking Language Seriously: An Analysis of Linguistic Reasoning and Its Implications in EU Law" (2010) 16 *European Law Journal* 395, 399-400; Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.189 and 291-293.

issues in the dataset in which the Court explicitly discounted literal considerations also included instances of clear override of the legislative text, even in relation to aspects of the TMD which were optional for Member States reflecting an absence of consensus at the political level.¹¹⁹ The issue in such cases was not that the legislative text was unclear, but that it embodied normative choices which were, in the eyes of the Court, thought to be wrong. Nonetheless, the Court intervened, notwithstanding that it must not “rewrite” secondary EU law.¹²⁰

Reflecting on the first of the three questions posed in this article, what is perhaps most unexpected is that, as among the Court’s core methods, it was systemic reasoning, not purposive reasoning, which featured most often in the Court’s decisions. As noted earlier, there is a degree of overlap between systemic and purposive reasoning. Nonetheless, the emphasis in the literature is generally very much on purposive reasoning as the hallmark of the Court’s style. The “central importance” which the CJEU attaches to underlying purposes is said to be as evident for secondary EU legislation as primary

¹¹⁹ Dinwoodie, “Europeanization” in Ohly and Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), pp.84-86, highlighting *Davidoff* (C-292/00) EU:C:2003:9; [2003] 1 C.M.L.R. 35 for the ECJ’s “zeal” for harmonisation which it displays.

¹²⁰ K. Lenaerts, “The Court’s Outer and Inner Selves: Exploring the External and Internal Legitimacy of the European Court of Justice” in M. Adams, H. de Waele, J. Meeusen and G. Straetmans (eds) *Judging Europe’s Judges: The Legitimacy of the Case Law of the European Court of Justice* (Oxford: Hart Publishing, 2013), p.26.

EU law.¹²¹ IP commentators have argued that the ECJ “(almost) always refers to the purpose of the rule as a source of legitimacy of its own interpretation”.¹²²

It was therefore expected that purposive reasoning would dominate. As shown in Figures 1 to 3, however, it was systemic reasoning which was considered most often – and most consistently – by the Court. In her work analysing the Court’s justificatory reasoning in citizenship cases, Sankari set out with a similar expectation that dynamic reasoning would dominate; nonetheless, she also found instead that it was systemic reasoning which was most relied upon by the Court.¹²³ Here, in contrast to the deeply purposive picture painted in the literature, just over a quarter (26.3%) of issues in the dataset were dealt with without the Court offering any purposive justificatory reasoning. As Figure 3 illustrates, the Court’s silence on purposive considerations was particularly marked in its reasoning on infringing “use”.

It is both surprising and highly undesirable to see such non-engagement with purposive reasoning. It has been argued that purposive interpretation is particularly suited to EU law;¹²⁴ it is also particularly

¹²¹ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), pp.209.

¹²² V. Cassiers and A. Strowel, “Intellectual property law made by the Court of Justice of the European Union” in C. Geiger, C. Nard and X. Seuba (eds) *Intellectual Property and the Judiciary* (Cheltenham: Edward Elgar, 2018), p.197.

¹²³ Sankari, *European Court of Justice* (Groningen: Europa Law Publishing: 2013), pp.154 and 251. Bengoetxea has highlighted this as an important finding: J. Bengoetxea, “Text and Telos in the European Court of Justice – Four Recent Takes on the Legal Reasoning of the ECJ” *European Constitutional Law Review*, 11: 184-216, 2015, 200.

¹²⁴ Tridimas, “Court of Justice” (1996) 21 *E.L. Rev.* 119, 205.

suited to the field of IP law. IP laws, including registered trade mark law, represent the embodiment of purpose-driven legislation, creating and delineating monopoly rights in order to achieve certain policy objectives said to justify the constraints on third party freedoms which follow from the grant of the power to sue for infringement. Views may differ on how those policy objectives should be framed or achieved, but every aspect of IP protection should be capable of some form of purposive justification: IP monopolies should not be carved out of the public domain, or rights of action against third parties conferred, if we cannot - or are not prepared to – articulate the underlying purposes for doing so.

This is not to say that systemic reasoning is not important or useful. However, in the context of registered trade mark law at least, it has its limitations. Relevant international treaties are generally broad-brush;¹²⁵ other EU instruments, including the Treaties, are of little substantive assistance.¹²⁶ The much-referred to principle of uniformity, while promoting the growth of autonomous concepts of EU trade mark law, gives no substantive guidance as to what the correct interpretation of individual legislative provisions should be. The preambles to the TMD/CTMR were generally pitched in high-

¹²⁵ Dinwoodie notes the substantive incompleteness of intellectual property treaties and the latitude afforded in their implementation: Dinwoodie, “Europeanization” in Ohly and Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), pp.78-79.

¹²⁶ The most referenced other source of EU law in the dataset was the Treaties, but that was limited to the (much-repeated) observation that trade marks play an “essential role in the system of undistorted competition which the EC Treaty seeks to establish” – eg: *Sieckmann* (C-273/00) EU:C:2002:748; [2005] 1 C.M.L.R. 40 at [35]; *Arsenal* (C-206/01) EU:C:2002:651; [2003] 1 C.M.L.R. 12 at [48]; *Henkel* (C-218/01) EU:C:2004:88 at [30]. Substantively, this adds little.

level terms;¹²⁷ systemic reading of the operative provisions of the TMD/CTMR can also only take the Court so far. Take, for example, the three grounds of infringement discussed earlier. The Court has often related these to each other in a systemic manner,¹²⁸ but this can at most only serve to position these categories of infringement relative to each other. It cannot guide the Court on what the specific scope and reach of each individual ground of infringement should be, where exactly the boundaries lie between them or how far (at its outermost reaches) the overall “universe” of trade mark infringement should extend. This is only possible with a purposive approach which conceptualises and articulates the objectives of the trade mark monopoly and its various different sub-divisions.

¹²⁷ And may even justify inconsistent decisions, given their lack of specificity. The reference at recital 10 TMD to “absolute” protection and description of the function of a mark as being “in particular” to designate origin is a good example: on double identity infringement in *Arsenal* (C-206/01) EU:C:2002:651; [2003] 1 C.M.L.R. 12 at [50]-[51], this was taken as consistent with a narrow focus on damage to the origin function, but in *Bellure* (C-487/07) EU:C:2009:378 at [58]-[59], it was taken as supporting an expansive approach protecting further, non-origin functions as well. Dinwoodie notes consensus among commentators that this recital has “not proved to be a reliable lodestar for the development of European trade mark principles”: Dinwoodie, “Europeanization” in Ohly and Pila (eds) *The Europeanization of Intellectual Property Law* (Oxford: Oxford University Press: 2013), p.96.

¹²⁸ n.69 above.

It is outwith the scope of this work to comment on the substantive persuasiveness of each individual line of reasoning put forward by the Court from issue to issue.¹²⁹ By necessity, the methodology outlined here also records a simplified overall picture of the Court’s justificatory legal reasoning - it does not, for example, capture where the Court added depth to its reasoning by layering multiple literal, systemic, purposive or other arguments. It is, however, nonetheless clear that there is scope for concern about how far the Court has (or has not) taken different methods into account. This ties into the second key question posed in this article, which asked how far the ECJ adheres to its cumulative multi-method model of justificatory reasoning. The data shows a substantial degree of non-compliance: only 40.5% of issues in the dataset received some level of examination of all of the Court’s core literal, systemic and dynamic methods; just under a quarter (22.9%) considered only one core method or none at all. As Figure 3 indicates, the sub-categories of case law on infringing use and double identity infringement can in particular hardly be said to display the profile of, as Bengoetxea put it, “normal”, “regular” or “adequate” exercises of justification on the Court’s own terms.¹³⁰ The Court’s selectiveness in considering different methods in different cases and the markedly different levels of intensity of its justificatory reasoning are particularly striking when we recall that all of the cases in the dataset have been generated by what is, in effect, one single set of EU law rules.

Some commentary has taken a generous view of gaps in the Court’s reasoning, noting that, even where the Court “treat[s] the reader to absolutely no statement as to the criteria it has had regard to”,

¹²⁹ Which have, at times, been undoubtedly perfunctory – e.g. *Holterhoff* (C-2/00) EU:C:2002:287 at [16] (noting purposively that the disputed act did not infringe “any of the interests which Article 5(1) [TMD] is intended to protect”, but without identifying what those interests were).

¹³⁰ n.43 above.

the Court “is likely impliedly to have considered the wording and also often the relevant purposive and systemic factors”.¹³¹ The difficulty with accepting that the Court may not fully articulate its reasoning is, however, what that may conceal from case to case. This links into the third and final question posed in this research on transparency of the Court’s judgments in terms of second-order interpretative choice. As previously explained, it was only in a small number of issues that the Court dealt explicitly with choices between interpretative methods leading to conflicting results.¹³² In just under half (48.8%) of issues in the dataset involving missing methods of reasoning as coded above, those gaps concealed at least one missing mode of reasoning which was incompatible with the conclusion reached by the Court.

In his early work, Bengoetxea argued that the Court’s reasoning model “works as a straight-jacket [sic] for discretion”: from case to case, “whatever the next decision will be it will have to be justified in a certain way”.¹³³ On the data presented here, however, it seems unrealistic to contend that the Court’s cumulative multi-method model is – at least as put into practice by the Court - fully operating to constrain the Court’s discretion. Across the dataset, the Court has chosen as it sees fit to consider three, two, one or even none of its core methods; the Court has, it seems, also regularly chosen simply to omit reference to modes of reasoning leading to outcomes incompatible with its preferred approach where convenient to do so. This is consistent with the findings of Kalimo *et al* that, in the copyright

¹³¹ Beck, *Legal Reasoning* (Oxford: Hart Publishing, 2012), p.313.

¹³² Favale *et al* report just one occurrence of the Court explicitly assessing different approaches against each other in its copyright case law: Favale *et al*, “An EU Copyright Jurisprudence?” (2016) 79 M.L.R. 31, 55.

¹³³ Bengoetxea, *Legal Reasoning* (Oxford: Clarendon Press, 1993), p.140.

case law reviewed by them, discourses associated with contrary legal arguments and values “tended to be suppressed”.¹³⁴

In recent writing, Beck has argued that the Court’s “ultra-flexible” approach “minimises methodological constraint” and “affords the CJEU almost complete freedom of interpretation”, to such an extent that it might even be said to operate “lawlessly” in the sense of operating without genuine interpretative methodological constraints.¹³⁵ The data presented here must raise significant concerns about tactical silence and lack of justificatory transparency in at least a portion of the Court’s trade mark case law. Sankari has argued that the omission of an interpretative method or methods is a form of judicial “silence” which reflects a “higher than normal probability” of judicial activism.¹³⁶ That suspicion is concretized here in the finding that so many silences in the dataset reflect one or more missing modes of reasoning which were not supportive of the interpretation of the TMD or CTMR adopted by the Court. It seems little coincidence that the Court’s infringement case law – most specifically the issues addressed on infringing “use” and double identity infringement discussed above– should prove to be the most acutely problematic in the dataset. These have proved to be the most contentious aspects of the Court’s trade mark jurisprudence, and the data presented here - pinpointing these most controversial rulings as having particularly high levels of methodological weakness - reinforces concerns over how the controversial outcomes in these cases have in fact come about.

¹³⁴ Kalimo *et al*, “Values and Legitimacy” (2018) 81 M.L.R. 282, 304.

¹³⁵ G. Beck, “Judicial Activism in the Court of Justice of the EU” (2017) 36 U. Queensland L.J. 333, 353.

¹³⁶ Sankari, *European Court of Justice* (Groningen: Europa Law Publishing: 2013), p.78.

Where does the analysis lead in terms of reflections of broader relevance on the Court's legal reasoning? Normative positions on the ECJ's legal reasoning are often framed in terms of conflict between those who favour teleological or textual approaches; this is in turn characterised as a divide between "creatives" and "conservatives" and, relatedly, between those who see no issue in judicial activism and those who favour judicial restraint.¹³⁷ In relation to the Court's Treaty-level case law, this has been all but elevated into a test of faith in the EU project – those supporting the ECJ's reasoning style, particularly the emphasis on teleological reasoning, being characterised as more *communautaire* in their conception of the EU as a *sui generis* supranational legal order, while those who are more critical are said to be looking for a "deference-based, restrained direction" that sees the EU legal order merely as "international, inter-governmental law".¹³⁸

Without stepping into these debates, this characterisation of different positions on the Court's legal reasoning seems unhelpful for discussion of the ECJ's approach to secondary EU law such as the TMD and CTMR. To the extent that one might frame the Court's trade mark law case law in terms of the (highly contested) notions of judicial "activism" and "restraint",¹³⁹ there is no easy fit between the data presented here and the typical "activism" critique: it is, after all, purposive interpretation which is

¹³⁷ Bengoetxea, "Text and Telos" *European Constitutional Law Review*, 11: 184-216, 2015, 184-185.

¹³⁸ Bengoetxea, "Text and Telos" *European Constitutional Law Review*, 11: 184-216, 2015, 185.

¹³⁹ The concept of judicial activism is said to be vulnerable to subjectivity reflecting different standpoints and backgrounds: Tridimas, "Court of Justice" (1996) 21 *E.L. Rev.* 119, 200; M. Bobek, "Legal Reasoning of the Court of Justice of the EU" (2014) 39 *E.L. Rev.* 418, 426. See also: M. Dawson, "How Does the European Court of Justice Reason? A Review Essay on the Legal Reasoning of the European Court of Justice" (2014) 20 *European Law Journal* 423, 423.

most commonly linked to activism charges,¹⁴⁰ but, as the data above has shown, if anything the concern is that not that the Court has been too purposive but that it has, at times, been insufficiently so. Polarised positioning on the Court's reasoning also overlooks the role played by systemic reasoning in the Court's case law. The difficulties in the Court's legal reasoning presented here cannot be simplified into the kind of "teleological vs textual" methodological stand-off that permeates much of the literature - the issue is not that the Court has been unduly purposive or unduly textual, but that it has not been consistent in its methods or transparent in the justificatory reasoning which it has offered up in an important portion of its judgments. In short: when we match up what the Court says and does not say, the Court has not been playing transparently by its own rules. The Court's methodological flexibility and strategic use of silence have allowed it to be selective in what it has said and has chosen not to say to justify an important portion of its decisions, in a way which has permitted the Court to keep obscure its underlying thinking and to skim over modes of reasoning which stand in the way of its preferred substantive positions.

It is, of course, not suggested that the ECJ is responsible for the challenges inherent in interpreting the TMD and CTMR. In an ideal world, one might have hoped that the EU legislators could have avoided at least some of the issues which have arisen. Interpretative choices have had to be made, however, and it has fallen to the ECJ to act as the ultimate arbiter of what those choices should be. To express

¹⁴⁰ Sankari, *European Court of Justice* (Groningen: Europa Law Publishing: 2013), p.154; Paunio and Lindroos-Hovinheimo, "Taking Language Seriously" (2010) 16 *European Law Journal* 395, 408. Purposive reasoning is *per se* regarded by some as activist - eg: Beck, "Judicial Activism" (2017) 36 *U. Queensland L.J.* 333, 337; F. Terpan and S. Saurugger, "Assessing judicial activism of the CJEU the case of the court's defence procurement rulings", (2019) 41 *Journal of European Integration* 543, 545-546.

concern about how the ECJ has responded to this challenge through its legal reasoning is not to undermine or doubt the EU project as a *sui generis* supranational legal order: in the context of secondary EU law, it is possible to conceive of the EU as a *sui generis* legal order and, at the same time, to advocate for the ECJ to take a more consistent and transparent approach to interpretation of the legislative text before it – which is, after all, entirely a product of the EU’s own legislative process.

This article argues in favour of more open dialectical reasoning on the part of the Court, to make the exercise of second-order choices explicit and to require full justification for the exercise of interpretative discretion.¹⁴¹ Even in its present collegiate form (and without arguing for dissenting judgments), it is within the reach of the Court to acknowledge more consistently the arguments which it has considered and discounted in reaching its published decision, identifying the reasons for favouring the approach which the Court, or its majority, has settled upon. After all, in at least some cases in the dataset here, the Court has done exactly this.

This is an entirely reasonable call in the context of secondary EU law, where the legal instrument being interpreted is the product of the EU legislative process, and where meta-questions over the fundamental nature of the EU project are not so closely intertwined with the Court’s choice of interpretative methods in the same way as in Treaty-level case law. Each of literal, systemic and purposive reasoning has a role to play in the interpretation of EU trade mark law. Literal interpretation offers an approach which aligns with the needs of legal certainty, and respects the rule of law, democratic law-making process, and separation of powers within the EU.¹⁴² Systemic reasoning

¹⁴¹ Conway, *Limits* (Cambridge: Cambridge University Press, 2012), pp.161-162.

¹⁴² Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.144.

provides a set of checks and balances which can iron out inconsistencies in the overall legislative scheme and counterbalance the risks of an overly mechanical, acontextual literal approach. Purposive reasoning also requires underlying normative choices to be made explicit, and makes it impossible for sensitive or controversial interpretations to be “disguised” behind purely linguistic arguments.¹⁴³

For the Court openly to address all of these modes of reasoning in its judgments would enhance the consistency of the Court’s actual justificatory practice with the interpretative standards which it has set for all players, including itself, in the EU legal system. More dialectical reasoning, openly considering alternative possible interpretations, can reduce arbitrariness and subjectivity.¹⁴⁴ It can enhance legal certainty, and could even indirectly assist in reducing the Court’s workload: a reasoning style of deductive inevitability which simply omits counterarguments does not provide national courts or private actors with adequate guidance,¹⁴⁵ leaving members of the legal interpretative community speculating over the status and impact of omitted arguments and thereby increasing the likelihood of further preliminary references. Perhaps most importantly, greater transparency in the Court’s reasoning would also serve to enhance the legitimacy of the Court’s judgments. As Kalimo *et al* observe, while it is natural for a court to argue strongly in the defence of the stance which it takes, “authority can also be *increased* by a diverse representation of views”; conversely, “the absence of countering narratives” may weaken a judgment’s legitimacy.¹⁴⁶ While defending the Court’s

¹⁴³ Paunio and Lindroos-Hovinheimo, “Taking Language Seriously” (2010) 16 *European Law Journal* 395, 411.

¹⁴⁴ Conway, *Limits* (Cambridge: Cambridge University Press, 2012), p.161.

¹⁴⁵ Kalimo *et al*, “Values and Legitimacy” (2018) 81 M.L.R. 282, 283.

¹⁴⁶ Kalimo *et al*, “Values and Legitimacy” (2018) 81 M.L.R. 282, 305.

reasoning, Lenaerts too has noted that transparency of reasoning is linked to the “internal legitimacy” of the Court’s rulings.¹⁴⁷ Now more than ever, taking care to maintain and enhance the legitimacy of its judgments must be important for the Court and its standing in the eyes of all those impacted by its rulings.

Conclusion

Using systematic content analysis, this article has analysed newly-gathered quantitative empirical data on the ECJ’s justificatory legal reasoning in a broad longitudinal sample of preliminary rulings interpreting the TMD, CTMR and successor instruments dating from 1996 to 2018.

The data both confirms and confounds different aspects of how the ECJ’s justificatory reasoning is often portrayed. Among the core justificatory methods used by the Court, it has been found that systemic reasoning, not purposive reasoning, featured most often in decisions across the case sample. There was, however, also a substantial level of departure from the Court’s cumulative multi-method reasoning model. Exploring further the departures from that model by examining the core “missing” modes of justificatory reasoning, it has been established that, through unarticulated exercises of second-order interpretative choice, the Court has regularly omitted from its judgments particular modes of reasoning which did not support its preferred interpretation of the provision of the TMD or CTMR in suit.

The extent of this missing reasoning is particularly notable, and suggestive of strategic silence on the part of the Court, in relation to aspects of the Court’s infringement case law which have also been

¹⁴⁷ Lenaerts, “The Court’s Outer and Inner Selves” in Adams, de Waele, Meeusen and Straetmans (eds) *Judging Europe’s Judges* (Oxford: Hart Publishing, 2013), 14.

substantively highly controversial. These findings give pause for thought over the transparency of the Court's judgments as a public statement of its private reasoning, and over the extent to which the Court's stated approach to reasoning in fact operates to constrain its interpretative discretion. In the justifications which it has been prepared to offer up publicly for its decisions, the Court has often not played transparently by its own rules. More open dialectical reasoning on the part of the Court, including the acknowledgment of interpretative arguments considered but discounted, would enhance the consistency of the Court's justificatory practice with its own articulated standards and the overall legitimacy of its judgments.