

# Fashion Upcycling and Trademark Infringement

## A Circular Economy/Freedom of the Arts Approach

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### ABSTRACT

Fashion upcycling offers unprecedented opportunities for the sustainable reuse of clothing: using second-hand garments as raw materials for new creations, upcyclers can transform used pieces of clothing into new fashion products that may become even more sought-after than the source material. Considering the overarching policy objective to ensure a circular economy, the use of trademark-protected fashion elements for upcycling purpose can be qualified as a particularly important form of artistic expression. The reference to products of the original trademark owner is made for the socially valuable purpose of providing a vision of better, more sustainable production and consumption practices.

### 8.1 Introduction

Fashion upcycling offers unprecedented opportunities for the sustainable reuse of clothing: using second-hand garments as raw materials for new creations, individuals and businesses can transform used pieces of clothing into new fashion products that may become even more sought-after than the source material.<sup>1</sup> The Merriam-Webster Dictionary defines ‘upcycling’ as the act of ‘recycl[ing] (something) in such a way that the resulting product is of a higher value than the original

<sup>1</sup> For a detailed description of different upcycling practices, see J B Schenerman, ‘One Consumer’s Trash Is Another’s Treasure: Upcycling’s Place in Trademark Law’ (2020) 38 *Cardozo Arts and Entertainment Law Journal* 745, 755–762 (hereafter Schenerman, ‘Upcycling’s Place’). Cf N Q Dorenbosch, ‘Upcycling – op het snijvlak van duurzaamheid en intellectuele eigendom’ (2022) *Intellectuele eigendom en reclamerrecht* 147 (hereafter Dorenbosch, ‘Upcycling’); Andie Bain, ‘“Dank” Customs, Bootlegs, and Reworked Pieces’ (2020) 23 *Journal of World Intellectual Property* 375, 383–384 (hereafter Bain, ‘Customs’).

item: to create an object of greater value from (a discarded object of lesser value).<sup>2</sup> Wikipedia describes upcycling as 'the process of transforming by-products, materials, useless, or unwanted products into new materials or products perceived to be of greater quality, such as artistic value or environmental value'.<sup>3</sup> Obviously, the transformation of pre-existing source materials, such as second-hand clothing in the case of fashion upcycling, lies at the core of upcycling initiatives.

The productive reuse of garment components in upcycling projects is socially desirable in the light of the overarching policy goal to achieve environmental sustainability. With rapid product cycles – new collections each season, at least eight seasons for menswear and womenswear luxury brand designers each year – the fashion industry produces a highly problematic fashion garbage heap every year.<sup>4</sup> Fashion upcycling that adds new value to worn pieces of clothing can contribute to the reduction of fashion waste.<sup>5</sup>

The more individual fashion elements and garment components enjoy trademark protection, however, the more legal obstacles arise. Upcycling may trigger allegations of consumer confusion and unfair freeriding when fashion elements bearing third-party brand insignia become elements of the upcycled product. Once it is assumed that the display of third-party trademarks on upcycled products constitutes an actionable form of use in the sense of trademark law, the exhaustion of trademark rights after the first sale does not necessarily offer a solution because the change and rearrangement of branded garment components may render the first

<sup>2</sup> See 'Upcycle', *Merriam Webster* <<https://www.merriam-webster.com/dictionary/upcycle>>. Cf Dorenbosch, 'Upcycling', above n 1, 147; Martin Senftleben (2022), 'Robustness Check: Evaluating and Strengthening Artistic Use Defences in EU Trademark Law' (2022) 53 *International Review of Intellectual Property and Competition Law* 567, 572 (hereafter Senftleben, 'Robustness'); Bain, 'Customs', above n 1, 383; A M Keats, 'Trendy Product Upcycling: Permissible Recycling or Impermissible Commercial Hitchhiking?' (2020) 110 *The Trademark Reporter* 712 (hereafter Keats, 'Trendy Product'); Elisha Teibel, 'Waste Size: The Skinny on the Environmental Costs of the Fashion Industry' (2019) 43 *William and Mary Environmental Law and Policy Review* 595, 624–625 (hereafter Teibel, 'Waste Size').

<sup>3</sup> See 'Upcycling', Wikipedia <<https://nl.wikipedia.org/wiki/Upcycling>>.

<sup>4</sup> Ashly Riches, 'The Fashion Industry Is Not as "Green" as It Would Like You to Believe' (2022) 33 *Duke Environmental Law and Policy Forum* 83, 84–86; Ariele Elia, 'Fashion's Destruction of Unsold Goods: Responsible Solutions for an Environmentally Conscious Future' (2020) 30 *Fordham Intellectual Property, Media & Entertainment Law Journal* 539, 541–551 (hereafter Elia, 'Fashion's Destruction'); Teibel, 'Waste Size', above n 2, 597–598.

<sup>5</sup> Elia, 'Fashion's Destruction', above n 4, 576–577. See also the examples given by Scheneman, 'Upcycling's Place', above n 1, 755–762.

sale doctrine inapplicable and give the trademark proprietor ammunition to oppose the resale (Part II). Therefore, the question arises whether other defences are available in trademark law to escape the verdict of infringement. In the EU, the referential use defence seems capable of offering a robust basis for upcycling (Part III). To fully develop this defence, however, it is important to go beyond circular economy arguments and include lines of reasoning that consider the particular importance of the message that is conveyed with the sale of upcycled products: the urgent need for a change of production and consumption patterns (Part IV). Despite the societal value of this statement, labelling guidelines are necessary to ensure compliance with the overarching requirement of honest practices in industrial or commercial matters (Part V). By attaching their own logos to upcycled products and clearly displaying these logos in shops, upcyclers can ensure sufficient clarity about the commercial source of their products and successfully rebut allegations of misleading behaviour and misappropriation (Part VI).

## 8.2 Use as a Mark and Exhaustion

Trademark law offers several starting points for trademark infringement actions against the use of trademarked garment elements in fashion upcycling projects. In the EU, general gatekeeper criteria set forth in the Trade Mark Regulation (EUTMR)<sup>6</sup> and the Trade Mark Directive (TMD)<sup>7</sup> – requiring use ‘in the course of trade’ and ‘in relation to goods or services’<sup>8</sup> – may fail to prevent trademark owners from establishing *prima facie* infringement. As the Court of Justice of the European Union (CJEU) applies these general infringement criteria flexibly, they are incapable of providing a reliable shield against allegations of trademark infringement. According to CJEU jurisprudence, the

<sup>6</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1.

<sup>7</sup> Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1.

<sup>8</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2).

requirement of use ‘in the course of trade’<sup>9</sup> implies that unauthorised use is only actionable where it occurs ‘in the context of commercial activity with a view to economic advantage and not as a private matter’.<sup>10</sup> This formula confines EU trademark rights to use that takes place in a commercial context. The use of a trademark for the purposes of private study, political debate, teaching or academic research is unlikely to constitute use in the course of trade as long as it does not occur against a commercial background.<sup>11</sup> If use for upcycling purposes does not enter the commercial sphere, the requirement of use in the course of trade can serve as an effective gatekeeper that blocks access to trademark protection from the outset.<sup>12</sup> However, use of a trademark in an upcycling context will be qualified as use in trade the moment it is combined with a commercial activity.<sup>13</sup> When upcycled fashion products are placed on the market, the assumption of use in the course of trade will be inescapable.<sup>14</sup>

<sup>9</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2).

<sup>10</sup> *Google France SARL, Google Inc v Louis Vuitton Malletier SA*, Cases C-236/08 to 238/08, ECLI:EU:C:2010:159, at [50] (CJEU, March 23, 2010); *Arsenal Football Club plc v Matthew Reed*, Case C-206/01, ECLI:EU:C:2002:651, at [40] (CJEU, November 12, 2002).

<sup>11</sup> Annette Kur and Martin Senftleben, *European Trade Mark Law – A Commentary* (Oxford University Press, 2017) para 5.24–5.25 (hereafter Kur and Senftleben, *European Trade Mark Law*).

<sup>12</sup> Łukasz Źelechowski, ‘Invoking Freedom of Expression and Freedom of Competition in Trade Mark Infringement Disputes: Legal Mechanisms for Striking a Balance’ (2018) 19 *European Research Area Forum* 115, 118–119 (hereafter Źelechowski, ‘Invoking Freedom of Expression’).

<sup>13</sup> See case law on trademark reuse in parody scenarios, such as *Lila Postkarte*, Case I ZR 159/02, 583 (German Federal Court of Justice, February 3, 2005); *Greenpeace v Esso*, Case 06-10961 (French Supreme Court, April 8, 2008); *Greenpeace France and Greenpeace New-Zealand v Areva*, Case 07-11251 (French Supreme Court, April 8, 2008). For commentary, see Źelechowski, ‘Invoking Freedom of Expression’, above n 12, 119–120; Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.59–6.70; Sabine Jacques, ‘A Parody Exception : Why Trade Mark Owners Should Get the Joke’ (2016) 38 *European Intellectual Property Review* 471, 471–472 and 479; Christophe Geiger, ‘Trade Marks and Freedom of Expression – the Proportionality of Criticism’ (2007) 38 *International Review of Intellectual Property and Competition Law* 317 (hereafter Geiger, ‘Proportionality of Criticism’).

<sup>14</sup> Cf Katya Assaf, ‘The Dilution of Culture and the Law of Trademarks’ (2008) 1 *IDEA: The Intellectual Property Law Review* 49, 56, for a similar conclusion based on US trademark law.

This does not mean that the trademark owner will automatically succeed in an infringement lawsuit. In addition to use in the course of trade, EU trademark law also requires use ‘in relation to goods or services’.<sup>15</sup> In principle, this further prerequisite for protection could be understood to require ‘use as a trademark’. It may be applied to confine the scope of trademark rights to instances where another’s trademark is employed as an identifier of commercial source with regard to one’s own goods or services.<sup>16</sup> Following this approach, access to trademark protection in fashion upcycling cases could be confined from the outset.<sup>17</sup> The gatekeeper requirement of ‘use in relation to goods or services’ – understood in the sense of ‘use as a trademark’ – would serve as a filter to exclude claims that do not concern use for the purpose of identifying the commercial source of upcycled products. Trademark infringement claims would be doomed to fail as long as a fashion designer only makes decorative use of fashion elements bearing third-party brand insignia and refrains from including third-party trademarks as indications of the commercial origin of her own, upcycled products.

Instead of adopting this approach, however, the CJEU opted for a much more flexible application of the gatekeeper criterion of use in relation to goods or services.<sup>18</sup> In *Bayerische Motorenwerke AG (BMW) and BMW Nederland BV v Ronald Karel Deenik*, the Court concluded that use for the purpose of informing the public about repair and maintenance services offered with regard to trademarked products satisfied the criterion of ‘use

<sup>15</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2).

<sup>16</sup> *Adam Opel AG v Autec AG*, Case C-48/05, ECLI:EU:C:2007:55, at [24] (CJEU, January 25, 2007), pointed in this direction. The course adopted in this judgment, however, was not followed in further decisions.

<sup>17</sup> Graeme B Dinwoodie and Mark D Janis, ‘Confusion Over Use: Contextualism in Trademark Law’ (2007) 92 *Iowa Law Review* 1597, 1599–1600; S L Dogan and M Lemley, ‘Trademarks and Consumer Search Costs on the Internet’ (2004) 41 *Houston Law Review* 777, 809–811.

<sup>18</sup> Cf Angsar Ohly, ‘Schutz von Kulturgütern durch das Markenrecht?’ in Franz Hacker and Frederik Thiering (eds), *Festschrift für Paul Ströbele zum 75. Geburtstag* (Carl Heymanns, 2019) 335 (hereafter Ohly, ‘Schutz’). For an overview of developments in this area, see Annette Kur, ‘Confusion over Use? – Die Benutzung “als Marke” im Lichte der EuGH-Rechtsprechung’ (2008) 1 *Gewerblicher Rechtsschutz und Urheberrecht – International* 11 (hereafter Kur, ‘Confusion’).

in relation to goods or services' – even though Deenik had not used the trademark BMW to pass off his second-hand cars and repair services as offers stemming from BMW. In advertising, Deenik had merely referred to BMW as the owner of the car brand that was central to his own activities.<sup>19</sup> The CJEU also qualified use in comparative advertising as use in relation to goods or services on the ground that the advertiser made use of a competitor's trademark to distinguish her own products from those of the competitor.<sup>20</sup>

Summarising the current broad notion of 'use in relation to goods or services', the Court stated that for satisfying this precondition for an infringement action, it was sufficient that a link was established with goods or services. This formula can also be found in the fashion-related decision in *Céline SARL v Céline SA* where the Court held with regard to the interface between trademark and trade name rights that once a link was established between the company, trade or shop name and the goods or services offered by the alleged infringer, trademark use in relation to goods or services could no longer be denied – even where the name was not affixed to marketed goods as such.<sup>21</sup> The formula of a link with goods or services, then, became established case law in later decisions dealing with keyword advertising. In *Google France SARL, Google Inc v Louis Vuitton Malletier SA* the CJEU confirmed that relevant use in relation to goods or services existed 'in any event' where a third party used a conflicting sign in such a way that a link was established between that sign and the goods or services offered by the third party.<sup>22</sup> In *L'Oréal SA v eBay International AG*, the Court found that the criterion of a link was satisfied because eBay's advertisements created 'an obvious association

<sup>19</sup> *Bayerische Motorenwerke AG (BMW) and BMW Nederland BV v Ronald Karel Deenik*, Case C-63/97, ECLI:EU:C:1999:82, at [42] (CJEU, February 23, 1999). For an overview of the development of the trademark use requirement in CJEU jurisprudence, see Kur, 'Confusion', above n 18, 1–11.

<sup>20</sup> *O2 Holdings Limited and O2 (UK) Limited v Hutchison 3G UK Limited*, Case C-533/06, ECLI:EU:C:2008:339, at [35]–[36] (CJEU, June 12, 2008). As to keyword advertising on the basis of services offered by a search engine, use of a competitor's trademark as a keyword for a sponsored link with one's own advertising has been found to constitute trademark use on similar grounds. See *Google France SARL, Google Inc v Louis Vuitton Malletier SA*, Case C-236/08 to 238/08, at [71] (CJEU, March 23, 2010).

<sup>21</sup> *Céline SARL v Céline SA*, Case C-17/06, ECLI:EU:C:2007:497, at [23] (CJEU, September 11, 2007).

<sup>22</sup> *Google France SARL, Google Inc. v Louis Vuitton Malletier SA*, Cases C-236/08 to 238/08, ECLI:EU:C:2010:159, at [72] (CJEU, March 23, 2010); *L'Oréal SA v eBay International AG*, Case C-324/09, ECLI:EU:C:2011:474, at [92] (CJEU, July 12, 2011).

between the trade-marked goods which are mentioned in the advertisements and the possibility of buying those goods through eBay'.<sup>23</sup> The CJEU thus adopted a low threshold requirement with regard to the connection with goods or service: a mere 'link' or 'association' is sufficient.<sup>24</sup>

As a result, the gatekeeper criterion of 'use in relation to goods or services' does not prevent a trademark claim against references to the trademark that are only made to identify goods or services as those of the trademark owner and are not perceived by the public as indications of commercial source. The CJEU has brought several forms of referential use – references to the trademark as being the distinctive sign of the trademark owner – within the scope of EU trademark rights.<sup>25</sup> This elastic interpretation can have a deep impact on fashion upcycling. In the absence of a strict requirement of use as a trademark – understood in the sense of use for the purpose of identifying and distinguishing the goods of the fashion upcycler – the threshold criterion of use in relation to goods or services loses its gatekeeper function.<sup>26</sup> The moment a mere link with trademarked fashion elements is sufficient to bring unauthorised use within the scope of trademark rights, the Court erases the boundary line between non-actionable use for upcycling purposes and actionable use as a trademark. A trademark claim can no longer be excluded when upcycled products merely display trademarked fashion elements that have served as raw material (e.g. buttons or parts of dresses bearing the logos of luxury fashion houses), and even when these upcycled products are sold under the prominent mark of the upcycler. In the EU, the mere use of a trademark in some relation to the upcycled product can already serve as a starting point for an infringement claim.<sup>27</sup>

<sup>23</sup> Ibid at [93].

<sup>24</sup> As to the debate on this development, see the summary in Roland Knaak, Annette Kur and Alexander von Mühlendahl (2011), 'Study on the Functioning of the European Trade Mark System', *Max Planck Institute for Intellectual Property & Competition Law Research Paper No. 12-13*, 2011, para 2.178 <[http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm)>.

<sup>25</sup> Cf Ohly, 'Schutz', above n 18, 335; Kur and Senftleben, *European Trade Mark Law*, above n 11, para 5.50–5.54.

<sup>26</sup> Kur and Senftleben, *European Trade Mark Law*, above n 11, para 5.14–5.15 and 5.49–5.56.

<sup>27</sup> Cf Estelle Derclaye and Matthias Leistner, *Intellectual Property Overlaps – A European Perspective* (Hart, 2011) 328; Ilanah Simon Fhima, 'Embellishment: Trademark Use Triumph or Decorative Disaster?' (2006) 28 *European Intellectual Property Review* 321; Kur, 'Confusion', above n 18, 12.

As a result, fashion upcyclers are exposed to confusion and dilution claims that cannot be dismissed as evidently unfounded from the outset. Once the trademark proprietor has surmounted the hurdles of 'use in the course of trade' and 'use in relation to goods or services',<sup>28</sup> she can establish *prima facie* infringement by arguing that the display of brand insignia on upcycled products is confusing because it indicates a commercial connection with the trademark owner.<sup>29</sup> A confusion claim may also be based on post-sale confusion. Even if the true commercial origin is clearly indicated at the point of sale, the trademark owner may argue that confusion may arise once the purchaser leaves the store. The public seeing upcycled goods outside – without a shop environment ensuring clarity about the upcycling – may misinterpret third-party trademarks as indications of commercial source.<sup>30</sup> The trademark proprietor may also argue that use on the upcycled product constitutes unfair freeriding because it exploits the positive image evoked by the third-party brand.<sup>31</sup> In the case of marks with a reputation, this line of argument seems promising. In *L'Oréal SA and Others v Bellure NV and Others*, the CJEU confirmed that, in contrast to blurring and tarnishment, the freeriding branch of the EU dilution doctrine does not require proof of damage<sup>32</sup> – in the sense of providing evidence of a change in the

<sup>28</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2).

<sup>29</sup> *Adidas AG and Adidas Benelux BV v Marca Mode CV and Others*, Case C-102/07, ECLI:EU:C:2008:217, at [30]–[34] (CJEU, April 10, 2008). As to the broad concept of confusion in modern trademark law, cf Anna Tischner and Katarzyna Stasiuk, 'Spare Parts, Repairs, Trade Marks and Consumer Understanding' (2023) 54 *International Review of Intellectual Property and Competition Law* 26, 35–36 (hereafter Tischner and Stasiuk, 'Spare Parts'); Dorenbosch, 'Upcycling', above n 1, 148–149; Keats, 'Trendy Product', above n 2, 713–714 and 718–719; Mark Lemley and Mark McKenna, 'Irrelevant Confusion' (2010) 62 *Stanford Law Review* 413, 414–422.

<sup>30</sup> *Arsenal Football Club plc v Matthew Reed*, Case C-206/01, ECLI:EU:C:2002:651, at [57] (CJEU, November 12, 2002). Cf Dorenbosch, 'Upcycling', above n 1, 148–149; Scheneman, 'Upcycling's Place', above n 1, 766–767 and 778–779; Kur and Senftleben, *European Trade Mark Law*, above n 11, para 5.131–5.146.

<sup>31</sup> *L'Oréal SA and Others v Bellure NV and Others*, Case C-487/07, ECLI:EU:C:2009:378, at [49] (CJEU, June 18, 2009). Cf Tischner and Stasiuk, 'Spare Parts', above n 29, 38–39. As to the additional risk of tarnishing that may arise under specific circumstances, see Keats, 'Trendy Product', above n 2, 719–720.

<sup>32</sup> *L'Oréal SA and Others v Bellure NV and Others*, Case C-487/07, ECLI:EU:C:2009:378, at [47]–[49] (CJEU, June 18, 2009).

economic behaviour of the average consumer.<sup>33</sup> The doors to trademark infringement claims are thus wide open.<sup>34</sup>

To create breathing space for upcycling, it is thus important to explore defences that may immunise upcycling initiatives from allegations of trademark infringement. Considering the specific context in which the use takes place – the reuse of garments that have previously been sold with the consent of the trademark proprietor – the exhaustion of trademark rights after the first sale immediately comes to mind. Article 15(1) TMD and Article 15(1) EUTMR state in this regard that:

[a] trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by the proprietor or with the proprietor's consent.<sup>35</sup>

Evidently, it is tempting to jump to the conclusion that the use of second-hand clothes for upcycling purposes does not amount to infringement in the light of this exhaustion rule. The crux, however, lies in the focus on goods 'put on the market ... by the proprietor'. Rightly understood, the exhaustion rule is intended to cover the resale of goods in the specific form in which these goods have been marketed by the trademark owner. Changes can render the exhaustion doctrine inapplicable.<sup>36</sup> More specifically, Article 15(2) TMD and Article 15(2) EUTMR stipulate that the exhaustion of the rights conferred by a trademark shall not occur:

where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.<sup>37</sup>

<sup>33</sup> *Intel Corporation Inc v CPM United Kingdom Ltd*, Case C-252/07, ECLI:EU:C:2008:655, at [77] (CJEU, November 27, 2008); *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) and Société Elmar Wolf*, Case C-383/12, ECLI:EU:C:2013:741, at [37], [43] (CJEU, November 14, 2013).

<sup>34</sup> Martin Senftleben, *The Copyright/Trademark Interface – How the Expansion of Trademark Protection Is Stifling Cultural Creativity* (Wolters Kluwer, 2020) 156–170 (hereafter Senftleben, *The Copyright Trademark Interface*).

<sup>35</sup> Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 15(1).

<sup>36</sup> Dorenbosch, 'Upcycling', above n 1, 148.

<sup>37</sup> Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 15(2).

This configuration of the exhaustion rule renders the doctrine inapplicable in many upcycling scenarios. As explained above, changes to the goods are inherent in the concept of upcycling. The transformation of pre-existing source materials, such as second-hand clothing in the case of fashion upcycling, lies at the core of upcycling initiatives. As a result, trademark proprietors will often have the opportunity to rebut exhaustion arguments by pointing out that the condition of the goods has been changed or that elements of the original goods have become part of new and different, upcycled goods.<sup>38</sup>

These counterarguments need not always have success. As indicated above, the EU exhaustion rule requires that the trademark proprietor have a 'legitimate reason' for opposing the further commercialisation of the goods after the first sale. Considering the societal interest in a sustainable circular economy, it is conceivable to assume that in upcycling cases, arguments based on the change/transformation of goods must be deemed illegitimate from the outset unless the trademark proprietor manages to substantiate an unusual necessity to oppose the commercialisation of upcycled products containing protected brand insignia. For instance, the trademark proprietor could be obliged to produce evidence of use that deliberately aims at misleading consumers, damaging the mark, denigrating the business of the trademark proprietor etc.<sup>39</sup> This approach could be based on Article 37 of the EU Charter of Fundamental Rights (Charter or CFR) that brings the strong societal interest in environmental protection and sustainable development into focus:

[a] high level of environmental protection and the improvement of the quality of the environment must be integrated into the policies of the Union and ensured in accordance with the principle of sustainable development.<sup>40</sup>

<sup>38</sup> Dorenbosch, 'Upcycling', above n 1, 148–149; A Kur, "As Good as New" – Sale of Repaired or Refurbished Goods: Commendable Practice or Trade Mark Infringement? (2021) 70 *Gewerblicher Rechtsschutz und Urheberrecht - International* 228, 232–233 (hereafter Kur, 'Sale of Repaired Goods'); Keats, 'Trendy Product', above n 2, 715–716. Cf *Gefärbte Jeans*, Case I ZR 210/93, 726 (German Federal Supreme Court, December 14, 1995), stating that the exhaustion rule did not cover the resale of 'stonewashed' second-hand jeans.

<sup>39</sup> Cf *The Gillette Company and Gillette Group Finland Oy v LA-Laboratories Ltd Oy*, Case C-228/03, ECLI:EU:C:2005:177, at [42]–[45] (CJEU, March 17, 2005).

<sup>40</sup> Charter of Fundamental Rights of the European Union [2000] OLJ 364/1 art 37.

Additional support for this approach may follow from the Circular Economy Action Plan<sup>41</sup> which the European Commission adopted in 2020 as a pillar of the European Green Deal – Europe's agenda for sustainable growth.<sup>42</sup> The Action Plan seeks to make the EU economy fit for a green future, strengthen its competitiveness whilst protecting the environment, and give new rights to consumers. An important element of the Action Plan is the objective to establish a legal framework that makes product policies more sustainable, in particular by enhancing the sustainability and repairability of goods in the European market. Evidently, legal solutions that shield upcycling initiatives from allegations of trademark infringement are compliant with these goals.<sup>43</sup>

Nonetheless, doubts about the robustness of this solution remain. Even if particular importance is attached to the objective to protect the environment and support sustainable development, it must not be overlooked that the protection of intellectual property also enjoys protection under the Charter. Article 17(2) CFR explicitly offers protection for intellectual property rights under the umbrella of the right to property.<sup>44</sup> The environmental protection clause in Article 37 CFR, thus, does not constitute a carte blanche for overriding trademark rules. By contrast, it follows from Article 52(1) CFR that limitations of the trademark proprietor's right to property are subject to the principle of proportionality. While Article 37 CFR shows clearly that environmental protection constitutes an objective of general interest in the EU, this interest must be weighed against the trademark proprietor's interest in trademark protection and

<sup>41</sup> European Commission, Communication, 'A New Circular Economy Action Plan for a Cleaner and More Competitive Europe', COM (March 11, 2020)98 (hereafter European Commission, 'Circular Economy').

<sup>42</sup> European Commission, Communication, 'The European Green Deal', COM (December 11, 2019) 640.

<sup>43</sup> European Commission, 'Circular Economy', above n 41, 7–9. Cf Tischner and Stasiuk, 'Spare Parts', above n 29, 28; Charlotte Vrendenbarg, 'IE en de circulaire economie: Stimulans of obstakel?' (2023) *Nederlands Juristenblad* 971, 971–972 (hereafter Vrendenbarg, 'IE').

<sup>44</sup> For a more detailed discussion of this provision, see D J W Jongsma, *Creating EU Copyright Law – Striking a Fair Balance* (Hanken School of Economics, 2019) 163–168; J Griffiths and L McDonagh, 'Fundamental Rights and European IP Law – the Case of Art 17(2) of the EU Charter' in C Geiger (ed), *Constructing European Intellectual Property Achievements and New Perspectives* (Edward Elgar, 2013) 75; C Geiger, 'Intellectual Property Shall Be Protected! Article 17(2) of the Charter of Fundamental Rights of the European Union: A Mysterious Provision with an Unclear Scope' (2009) 31 *European Intellectual Property Review* 113.

the broader societal interest in a well-functioning trademark system.<sup>45</sup> According to the above-described rules of EU trademark law, a change of the condition of branded goods is a standard scenario in which the trademark proprietor has the opportunity to oppose the resale of goods on the basis of the exhaustion doctrine. While the societal goal of environmental protection and sustainable development supports the position of fashion upcyclers in trademark infringement procedures, it is unclear whether this overarching objective, which has found its way into Article 37 of the Charter, will allow upcyclers to prevail routinely in infringement cases.<sup>46</sup> Therefore, it is important to look beyond the exhaustion rule and assess the potential of other defences to provide stronger support for upcycling initiatives.

### 8.3 Referential Use Defence

As the foregoing analysis has shown, general gatekeeper criteria in EU trademark law – use ;in the course of trade; and ;in relation to goods or services<sup>47</sup> – are incapable of immunising fashion upcycling projects effectively against allegations of trademark infringement. In addition, trademark proprietors may have success in demonstrating *prima facie* infringement by relying on broad concepts of confusion and dilution that include confusion about an economic connection with the trademark owner and protection against unfair freeriding. The doctrine of exhaustion can offer only limited support for fashion upcycling. To arrive at a robust solution, however, it would be necessary to declare trademark owner arguments against the further commercialisation of trademarked fashion elements *a priori* illegitimate after the first sale. As upcycled products, by definition, present trademarked fashion elements in an altered and transformed way, the success of this strategy is unclear. Article 15(2) TMD and Article 15(2) EUTMR explicitly afford trademark proprietors the opportunity to oppose the further commercialisation of trademarked goods if their condition has been changed.

<sup>45</sup> For an overview of the rationales of trademark protection, see Kur and Senftleben, *European Trade Mark Law*, above n 11, para 1.06–1.15.

<sup>46</sup> Bain, ‘Customs’, above n 1, 402–403.

<sup>47</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2).

Luckily, EU trademark law contains additional limitations of exclusive rights that may support fashion upcycling projects. The referential use defence and the descriptive use defence are of particular relevance. In line with Article 17 TRIPS which explicitly refers to 'fair use of descriptive terms', Article 14(1)(b) TMD and Article 14(1)(b) EUTMR permit the unauthorised use of:

signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services.

Arguably, the inclusion of trademarked fashion elements in upcycled products can constitute permissible *decorative* use. As long as consumers do not perceive the third-party trademark as an indication of commercial source,<sup>48</sup> the use can be qualified as non-distinctive or descriptive: fashion elements bearing third-party trademarks appear as mere embellishments.

The success of this defence argument, however, is unclear. CJEU jurisprudence indicates that the descriptive use defence is unavailable when a third-party trademark becomes a central element of the very contents of a product. Decorative use of this nature is unlikely to fall within the scope of the descriptive use concept.<sup>49</sup> As the CJEU concluded in *Adidas AG and Adidas Benelux BV v Marca Mode CV and Others*, the purely decorative use of a two-stripe motif on sports clothing 'is not intended to give an indication concerning one of the characteristics of those goods'.<sup>50</sup> Constituting design features, the stripes were not intended to indicate the characteristics of the sports and leisure garments.<sup>51</sup> Similarly, the Court denied descriptive use in *Adam Opel AG v Autec AG* on the ground that the faithful reproduction of the Opel logo on a scale model car could not be regarded as an indication of product characteristics. Instead, the logo became part of the product itself:

<sup>48</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd*, Case C-408/01, ECLI:EU:C:2003:582, at [39]–[41] (CJEU, October 23, 2003); *Adidas AG and Adidas Benelux BV v Marca Mode CV and Others*, Case C-102/07, ECLI:EU:C:2008:217, at [34] (CJEU, April 10, 2008); *Medusa*, Case I ZR 175/09, at [23]–[30] (German Federal Court of Justice, November 24, 2011). Cf Senftleben, *The Copyright Trademark Interface*, above n 34, 158–161.

<sup>49</sup> Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.23–6.27.

<sup>50</sup> *Adidas AG and Adidas Benelux BV v Marca Mode CV and Others*, Case C-102/07, ECLI:EU:C:2008:217, at [48] (CJEU, April 10, 2008).

<sup>51</sup> *Ibid.*

However, the affixing of a sign which is identical to a trade mark registered, *inter alia*, in respect of motor vehicles to scale models of that make of vehicle in order to reproduce those vehicles faithfully is not intended to provide an indication as to a characteristic of those scale models, but is merely an element in the faithful reproduction of the original vehicles.<sup>52</sup>

Quite clearly, this case law may render the descriptive use defence inapplicable in fashion upcycling cases. For example, sewing buttons bearing the Chanel double-C logo onto a distressed denim jacket may be deemed a central element of the product itself, even if the garment clearly bears the logo of a new upcycling designer. According to prevailing CJEU case law, such a use is unlikely to be regarded as a descriptive use.

It is an open question whether the CJEU is willing to give the second branch of Article 14(1)(b) TMD – the non-distinctive use defence – an independent meaning in upcycling cases. The reference to signs or indications ‘which are not distinctive’ in Article 14(1)(b) TMD is the result of the 2015 trademark law reform. It extends the scope of the traditional descriptive use concept to non-distinctive signs and indications. Theoretically, it is possible to qualify the inclusion of third-party trademarks in upcycled products as a form of non-distinctive use.<sup>53</sup> In this specific context, third-party brand insignia only serve non-distinctive, decorative purposes. They are not intended to indicate the commercial source of the product. The CJEU, however, has not clarified the concept of ‘which are not distinctive’ yet.<sup>54</sup> In particular, it remains unclear whether a sign or indication that actually enjoys trademark protection could be found non-distinctive in certain contexts, such as the particular circumstances arising from upcycling.

In the light of these legal uncertainties, it is important to explore further defence arguments, in particular the referential use defence. Referential use arguments may provide stronger and more robust support for fashion upcycling. The defence of referential use is laid down in

<sup>52</sup> *Adam Opel AG v Autec AG*, Case C-48/05, ECLI:EU:C:2007:55, at [44] (CJEU, January 25, 2007).

<sup>53</sup> Cf Tischner and Stasiuk, ‘Spare Parts’, above n 29, 39–40.

<sup>54</sup> For a more detailed discussion of the field of application of this defence, see Senftleben, *The Copyright Trademark Interface*, above n 34, 510–512; Annette Kur, ‘Yellow Dictionaries, Red Banking Services, Some Candies, and a Sitting Bunny: Protection of Color and Shape Marks from a German and European Perspective’ in Irene Calboli and Martin Senftleben (eds), *The Protection of Non-Traditional Trademarks – Critical Perspectives* (Oxford University Press, 2018) 101 (hereafter Kur, ‘Protection of Color’).

Article 14(1)(c) TMD and Article 14(1)(c) EUTMR. It defines referential use as use 'for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark'. For instance, a parody using a trademark to symbolise and criticise the business conduct and policies of the trademark proprietor may fall within the scope of the referential use defence.<sup>55</sup> Prior to the 2015 trademark law reform, EU law only exempted the unauthorised use of trademarks to 'indicate the intended purpose of a product or service'.<sup>56</sup> The law reform broadened the referential use defence substantially. It introduced the more general concept of use for the purpose of identifying and referring to the trademark proprietor's goods or services.<sup>57</sup>

Arguably, the display of trademarked fashion elements on upcycled products can fall within the scope of the referential use defence. To fully develop this line of argument, however, it is necessary to identify the specific message which upcyclers convey when they include third-party trademarks in their creations as decorative references to the original fashion products of brand owners. As the following discussion based on freedom of artistic expression and cultural sciences will show, the statement made with the inclusion of third-party trademarks contributes significantly to the achievement of the societal goal of moving towards a sustainable circular economy.

#### 8.4 Environmental Sustainability and Artistic Expression

As already pointed out, overarching goals of environmental sustainability, including the aim to reduce fashion waste, support freedom of upcyclers to include fashion items even if these items bear third-party trademarks. Article 37 CFR reflects the objective to achieve a high level of environmental protection. Upcycling projects contribute to the realisation of this objective. To cultivate the referential use defence in this

<sup>55</sup> Senftleben, 'Robustness', above n 2, 581–582. For non-infringement arguments based on a parallel between parody cases and upcycling, see Schenerman, 'Upcycling's Place', above n 1, 772–775.

<sup>56</sup> Directive 2008/95/EC of the European Parliament and of the Council of October 22, 2008, to approximate the laws of the Member States relating to trade marks [2008] OJL 299 art 6(1)(c). Cf *The Gillette Company and Gillette Group Finland Oy v LA-Laboratories Ltd Oy*, Case C-228/03, ECJL:EU:C:2005:177, at [49] (CJEU, March 17, 2005).

<sup>57</sup> As to the considerations underlying the broadening of the referential use concept as a result of the trademark law reform, see Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.39–6.41.

context, however, it is necessary to explain why freedom to refer to the goods of third-party brand owners plays a crucial role. If it can be demonstrated that, by reworking fashion elements bearing third-party trademarks, upcyclers make a statement that has particular societal value, it becomes possible to substantially broaden the arsenal of constitutional arguments that can be invoked to support the application of the referential use defence: not only the general goal of environmental protection (Article 37 CFR) but also freedom of artistic expression (Articles 11 and 13 CFR) militate in favour of employing the referential use defence as a legal tool to exempt upcycling from the control of trademark owners.

In literature, the free expression dimension of upcycling has already been pointed out. As Andie Bain explains, upcycling is not only an act of adding particular value to second-hand garments; it also constitutes an act of communication. The reworked goods ‘are reinterpreting the initial communicative act of a trademark’.<sup>58</sup> Therefore, robust defences against allegations of trademark infringement appear desirable not only from the perspective of the goal of environmental protection, but also as a tool to preserve freedom of expression and freedom of the arts.<sup>59</sup> Upcycling goes far beyond a neutral reinterpretation of brand messages. A foray into cultural sciences yields the important insight that the reinterpretation resulting from upcycling has particular societal importance. To explore this societal value, the ‘Aeneous Peer Coat’ created by the Amsterdam-based artist Duran Lantink – sold for €3.500 (Figure 8.1)<sup>60</sup> – can serve as a reference point:

Evidently, the iconic LV logo – stemming from Louis Vuitton leather bags – is featured on this upcycled fashion product. Lantink’s creation

<sup>58</sup> Bain, ‘Customs’, above n 1, 389. As to the initial communicative act to which Bain refers, it has been demonstrated that luxury fashion brands in particular carry important semiotic connotations. Arguably, their recoding can be classed as acts of communicative expression that merit protection in the light of freedom of expression. See David Tan, ‘The Semiotics of Alpha Brands: Encoding/Decoding/Recoding/Transcoding of Louis Vuitton and Implications for Trademark Laws’ (2013) 32 *Cardozo Arts & Entertainment Law Journal* 221 (hereafter Tan, ‘Semiotics’).

<sup>59</sup> Bain, ‘Customs’, above n 1, 406. As to the independent role of the guarantee of freedom of the arts in intellectual property cases, see *Pelham GmbH and Others v Ralf Hütter and Florian Schneider-Esleben*, Case C-476/17, ECLI:EU:C:2019:624, at [29]–[35] (CJEU, July 29, 2019). Cf C Geiger and E Izumenko, ‘The Constitutionalization of Intellectual Property Law in the EU and the Funke Medien, Pelham and Spiegel Online Decisions of the CJEU: Progress, but Still Some Way to Go?’ (2020) 51 *International Review of Intellectual Property and Competition Law* 282, 293–294.

<sup>60</sup> See the information provided at ‘Coats’, Duran Lantink <<https://duranlantink.com/ssaw21>>.



**Figure 8.1** Upcycled coat by Duran Lantink

Credit: Duran Lantink

offers a suitable point of reference because it constitutes not only upcycled fashion but also a work of upcycling art. Its artistic nature opens the gates to aesthetic theory. It raises the question which role art – and freedom of artistic expression – can play in society.

In his aesthetic theory, Theodor Adorno underlines the societal relevance of art. Against the background of the alienation which the individual faces in a fully rationalised, efficiency-driven world, he warns of the affirmative nature of art. An artwork bringing a conciliatory reflection of enchantment into the disenchanted, empirical reality offers comfort in the rationalised world and supports the unbearable status quo.<sup>61</sup> In the light of the inhumanity of the real world, art would make itself an accomplice of present and coming disasters if it sustained positive visions of society and obscured the defects and poorness of reality.<sup>62</sup> With the prospect of a better world which, as an ultimate truth,<sup>63</sup> shimmers through each genuine artwork,<sup>64</sup> art may falsely pretend that existing societal conditions are acceptable. Therefore, art is constantly at risk of becoming guilty of supporting the inhuman status quo and fortifying present ideologies.<sup>65</sup>

On the other hand, art must not be condemned altogether because artworks are capable of unmasking the negativity of present societal conditions. Showing visions of a better, happier life, art can rouse opposition against the existing reality and contribute to necessary societal changes.<sup>66</sup> Artworks can play a decisive role in society because they generate utopian views of a better life that may become drivers of a change for the better. This role of art defines its social character: art is the 'social antithesis' of society.<sup>67</sup> Given this delicate position in the social fabric of modern societies, there is a fine line to be walked: the artist must relentlessly expose the inhumanity of reality without offering any prospect of reconciliation. In doing so, the artist creates genuine works which, by their very nature, offer shining visions of a better life and a better society in spite of the hopelessness reflected in the artworks

<sup>61</sup> T Adorno, *Ästhetische Theorie* (G Adorno and R Tiedemann, eds) (Suhrkamp, 1970)10, 34.

<sup>62</sup> Ibid 28, 503.

<sup>63</sup> Ibid 128, 196–197.

<sup>64</sup> Ibid 199–200.

<sup>65</sup> Ibid 203.

<sup>66</sup> Ibid 25–26, 56.

<sup>67</sup> Ibid 9–10, 19, 53.

themselves.<sup>68</sup> As an antithesis of real-world disasters, art becomes the messenger of an ideal, utopian world.<sup>69</sup>

According to Adorno, there is thus an inescapable dualism in contemporary artistic productions: the sadness of presenting a happier life as a goal that remains unattainable under present societal conditions.<sup>70</sup> To accomplish this task, art must seek to escape tendencies to undermine and neutralise its critical and irrational impetus, such as the efforts of the cultural industry to commercialise and canonise even the most rebellious and resistant works.<sup>71</sup> Reacting to the growing demand for enchantment in the disenchanted, rationalised reality,<sup>72</sup> the cultural industry offers artworks as consumer goods: abstract objects that function as a *tabula rasa* into which the purchaser can project her own feelings and aspirations.<sup>73</sup> As a result, an artwork becomes an echo and confirmation of the viewer's own hopes and attitudes. It becomes an escape from the unbearable real world.

This, however, leads to the 'disartification' of art. Once art is consumed as an object of pleasure that offers comfort in an inhuman world, its critical impetus – the exposure of shortcomings of reality as an impulse for societal changes – is negated.<sup>74</sup> To escape this threat of disqualification, art must insist on its difference and autonomy by refusing claims for rule obedience and resisting the temptation to fulfil societal expectations. It must preserve its opposition and dissonance by producing works of a non-identical and fragmentary nature that negate the unity of traditional productions, fall outside aesthetical categories and bring chaos in the established order.<sup>75</sup> Distancing itself from reality, the world of art must become a counter universe: the last refuge of humanity in an inhuman world that is disfigured by deal and profit maxims.<sup>76</sup> Remaining alien to the world, true art, by definition, is puzzling and gives rise to conflicting interpretations based on internal tension in the work or its connection to conflicts in society.<sup>77</sup>

<sup>68</sup> Ibid 127, 199.

<sup>69</sup> Ibid 55–56.

<sup>70</sup> Ibid 204–205.

<sup>71</sup> Ibid 32.

<sup>72</sup> Ibid 34.

<sup>73</sup> Ibid 33.

<sup>74</sup> Ibid 27–28, 32–33.

<sup>75</sup> Ibid 41.

<sup>76</sup> Ibid 337–338.

<sup>77</sup> Ibid 197–198.

This aesthetic theory makes it possible to develop arguments in favour of freedom of referential use in upcycling cases. In line with Adorno's analysis, the use of third-party trademarks in upcycling projects constitutes a communicative act protected by the freedom of expression with particular value for society: using fabric fragments and embellishments from worn pieces of clothing or parts of unused bags as source materials for new fashion items, upcyclers create important counterpoints to the glamorous, shining world of fashion that causes waste problems. In fact, it has been reported that many luxury brands, including Louis Vuitton, destroy unsold products every year to prevent discount sales and preserve the aura of exclusivity.<sup>78</sup>

Breaking this vicious circle of lavish overproduction and end-of-season destruction, upcycling projects, such as Duran Lantink's activities, create an aura of luxury and exclusivity without using brand-new, polished product components.<sup>79</sup> Instead, source materials can be old and used. It is the inclusion in an art project that lends upcycled fashion products the status of unique masterpieces. Creating this contrast, works of upcycling art mirror current societal conditions and, at the same time, offer a vision of a better society in the sense of Adorno's theory: the use of worn pieces of clothing – instead of new fabrics – reflects the urgent need for a radical change of production and consumption patterns. Upcycling artworks reflect the policy goal of environmental sustainability that has been confirmed in Article 37 CFR. At the same time, they attest to the necessity of limitations of trademark rights that offer breathing space for freedom of expression. For upcycling artists to develop their alternative vision of fashion production and consumption, they must be free to transform worn garment components into new fashion items and offer these new fashion items in the marketplace. Only in this way can they show that there is no need to use – and waste – new raw materials. Creations made from used clothes are equally capable of satisfying the appetite for iconic fashion.

Arguably, this message is particularly clear and strong when fashion upcycling involves the use of trademarked pieces of clothing.

<sup>78</sup> S Kaur, 'Does Louis Vuitton Really Destroy Unsold Bags?', *Luxury Viewer* (December 24, 2020) <<https://luxuryviewer.com/does-louis-vuitton-really-destroy-unsold-bags/>> (hereafter Kaur, 'LV'). See also Elia, 'Fashion's Destruction', above n 4, 547–548, 557–560, who explains as well that luxury brands cause their own, significant environmental problems by destroying unsold items.

<sup>79</sup> For an analysis of the importance and magnetism of this aura, see Tan, 'Semiotics', above n 58, 225–227.

Trademarked fashion elements allow consumers to recognise and identify the second-hand resources that have served as raw materials for the upcycled fashion product. Strong brands play a central role in this context: the more iconic the source material, the sharper the contrast produced by the upcycling project. An upcycled fashion product with LV leather elements is more surprising and has a deeper impact than the transformation of less prestigious or no-name fashion items. The use of iconic brand insignia indicates clearly that the whole sector must rethink and change its production and marketing strategy. The luxury segment is not exempted from the obligation to contribute to more sustainable modes of production and consumption.<sup>80</sup> Instead of fostering and profiting from wasteful materialism and consumerism, the fashion industry as a whole must find new, more sustainable ways of steering and satisfying consumer demand.

Creating this alternative vision of production and consumption, fashion upcycling with trademarked fashion elements reduces the pressure of consumerism and materialism substantially. This insight can be derived from Peter Bürger's analysis of avant-garde movements of the last century. Bürger refers to the central goal of avant-garde movements to organise a new life practice on the basis of art.<sup>81</sup> The avant-garde artists sought to overcome the isolation of art as a societal institution for the preservation of values that had no place in the modern, rationalised world, such as humanity, happiness, truthfulness and solidarity. Criticising the detachment of art from everyday life, they strove for the integration of art in the societal mainstream to transform the inhuman, rationalised world by providing models for a new, better practice of life.<sup>82</sup>

According to Bürger, these avant-garde movements failed: art has not become a transforming factor changing daily life for the better. Instead, a false integration of art occurred. Due to the efforts of the branding industry, everyday products have become more aesthetical. Consumer goods have become more appealing. This aestheticisation of daily life, however, enhances the pressure of consumerism and materialism.

<sup>80</sup> In fact, the fashion waste problem is not only due to the wasteful use of relatively cheap raw material by fast fashion producers. See Elia, 'Fashion's Destruction', above n 4, 547–548, 557–560; Kaur, 'LV', above n 78.

<sup>81</sup> P Bürger, *Theorie der Avantgarde* (Suhrkamp, 1974)28–29, 67 (hereafter Bürger, *Theorie*).

<sup>82</sup> Ibid 67–68.

It intensifies the subjection of the individual to the dictates of the market. Life does not become more human, truthful, solidary and happier. By contrast, the pressure of the rationalised world is further increased. Instead of helping the individual to emancipate herself from the pressure of consumerism and materialism, aesthetical consumer goods are a driving force and stabilising factor behind the rationalisation of daily life. They encourage mainstream consumption patterns. At the same time, they mask the exertion of pressure in the form of enhanced consumerism and materialism by lending mainstream consumption patterns the air of extravagance.<sup>83</sup>

Bürger's analysis can easily be placed in the context of Adorno's theory about works of art showing visions of a better, happier life that can rouse opposition against the existing reality and contribute to necessary societal changes.<sup>84</sup> Considering the ambition of historical avant-garde movements to change life for the better on the one hand, and the risk of aesthetical consumer goods intensifying and obscuring the inhumanity of the status quo on the other, it becomes possible to draw a distinction between 'true' art capable of fulfilling the societal function of providing a stimulus for societal change, and 'false art' making consumer goods more appealing: art that stabilises the modern, rationalised world and does not provide impulses for societal change.

Applying this matrix to fashion upcycling, it can be said that creations, such as Duran Lantink's works, constitute true artworks that deliver on the promise of historical avant-garde movements to impact daily life and change it for the better. Employing LV leather bags as raw material, fashion upcycling reverses the false integration of art that Bürger denounces. Duran Lantink's work does not enhance the pressure of consumerism and materialism. It refrains from adding a false, aesthetic gloss to daily life and concealing the need for reforms. Instead, it employs the gloss of iconic fashion products – exponents of the false integration of art that only makes consumer goods more appealing and amplifies the trend towards wasteful consumerism – to mirror the false, pressure-enhancing aestheticisation of daily life. In this way, fashion upcycling reveals the risk of harmful production and consumption patterns.<sup>85</sup>

<sup>83</sup> Ibid 72–73. As to the magnetism and importance of brand culture, see Tan, 'Semiotics', above n 58, 225–227.

<sup>84</sup> Ibid 60–63, 81–85.

<sup>85</sup> For a detailed description of these risks and the need for a change of production and consumption patterns, see Teibel, 'Waste Size', above n 2, 601–616.

It does not distract from the environmental crisis. By contrast, it points directly at it.

### 8.5 Honest Upcycling Practices

Considering these lessons from cultural sciences, it becomes apparent that strong free expression objectives undergird fashion upcycling.<sup>86</sup> In the quest for environmental sustainability, upcycling projects in the fashion sector provide important alternative visions of production and consumption patterns. With the creation and sale of upcycled fashion products bearing third-party trademarks – and even iconic third-party brand insignia that constitute well-known marks<sup>87</sup> – upcyclers make a critical statement on the wasteful use of resources in the fashion industry.

To allow upcyclers to create this counterpoint to the fashion waste machinery, it is necessary to develop robust defences: defence arguments that are capable of immunising the unauthorised use of third-party trademarks in upcycling projects from trademark infringement claims. The referential use defence laid down in Article 14(1)(c) EUTMR and Article 14(1)(c) TMD can fulfil this function. As explained, the use of trademarked fashion elements plays an essential role. It makes the use of second-hand source material visible to consumers and enables them to understand the upcycled fashion product as an exponent of an alternative, different approach: as a harbinger of an indispensable change of course. The message emanating from upcycled fashion products carries particular weight in the current environmental crisis. It reflects the need for strategies to reduce fashion waste and paves the way for a fundamental change of production and consumption patterns. Rightly understood, the use of third-party trademarks in upcycling projects, thus, is a legitimate form of referring to the original branded fashion items as goods stemming from the trademark owner. It is a specific form of referential use that is legitimate and particularly important in the light of the overarching goal of environmental protection (Article 37 CFR) and the

<sup>86</sup> Cf Scheneman, 'Upcycling's Place', above n 1, 772–775.

<sup>87</sup> *Paris Convention for the Protection of Industrial Property*, WIPO TRT/PARIS/001 (September 28, 1979) art 6bis; Marrakesh Agreement Establishing the World Trade Organization, opened for signature April 15, 1994, 1869 UNTS 299, 33 ILM 1197 (signed April 15, 1994) art 16(2), 16(3). Cf Martin Senftleben, 'The Trademark Tower of Babel – Dilution Concepts in International, US and EC Trademark Law' (2009) 40 *International Review of Intellectual Property and Competition Law* 45, 50–77.

need to protect the fundamental right to freedom of artistic expression (Articles 11 and 13 CFR).

Moreover, fashion upcycling projects allow the societal subsystem of artistic production to emancipate itself from the false integration of art in the fashion industry. Instead of developing aesthetic design to lull the public and distract from the need for reforms, upcycling projects use the gloss of iconic fashion to shake up consumers. With the sharp contrast arising from second-hand use of iconic fashion items, upcycling art points directly to the urgent need for profound change in the light of the environmental crisis. Within the upcycling habitat, individual artistic creations, such as the pieces designed by Duran Lantink, can provide important *haute couture* prototypes for broader upcycling projects. Individual masterpieces offer key impetus and central reference points for broader initiatives leading to the productive reuse of second-hand fashion items on a larger scale.

Therefore, both – the overarching societal objective to attain environmental sustainability and the fashion designer's individual freedom of artistic expression – must be factored into the equation when exposing upcycled fashion products to a trademark infringement analysis. The fact that third-party brand insignia remain visible must not automatically tip the scales against the upcycling project. Both constitutional arguments – environmental protection and freedom of artistic expression<sup>88</sup> – strongly support an interpretation of defences that enables upcyclers to rebut infringement arguments. Both constitutional arguments support the transformation of the referential use defence into a robust bulwark against allegations of trademark infringement. Rightly understood, fashion upcycling constitutes a legitimate form of use for the purpose of identifying and referring to reworked fashion products as those of the trademark proprietor. As a socially desirable and particularly important form of referential use, it falls within the scope of Article 14(1)(c) TMD and Article 14(1)(c) EUTMR.

However, the invocation of limitations of exclusive rights in EU trademark law, such as the exemption of referential use, depends on compliance with honest practices in industrial or commercial matters. This additional, open-ended prerequisite follows from Article 14(2) TMD and Article 14(2) EUTMR. Before jumping to the conclusion that EU trademark law offers sufficiently strong defence arguments for fashion upcycling, it is thus necessary to explore the proviso that the referential use defence 'shall only

<sup>88</sup> Charter of Fundamental Rights of the European Union [2000] OLJ 364/1 art 11, 13, 37.

apply where the use made by the third party is in accordance with honest practices in industrial or commercial matters'.<sup>89</sup>

Unfortunately, this overarching requirement of honest practices can pose substantial difficulties. The CJEU tends to determine compliance with honesty in industrial and commercial matters on the basis of the same criteria that inform the analysis of *prima facie* infringement in trademark confusion and dilution cases.<sup>90</sup> This jurisprudence has led to concerns that the inquiry into honest commercial practices may ignore competing societal values, such as the attainment of environmental sustainability and freedom of artistic expression.<sup>91</sup> Instead of shaping the honest practices test in a way that offers room for competing policy objectives, the CJEU may simply focus on the values underlying trademark protection<sup>92</sup> and replicate standard criteria of the trademark infringement analysis. In *The Gillette Company and Gillette Group Finland Oy v LA-Laboratories Ltd Oy*, for instance, the Court held that use would fail to comply with honest practices in industrial and commercial matters if:

- it is done in such a manner as to give the impression that there is a commercial connection between the third party and the trade mark owner;

<sup>89</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 14(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 14(2).

<sup>90</sup> *Portakabin Ltd and Portakabin BV v Primakabin BV*, Case C-558/08, ECLI:EU:C:2010:416, at [69] (CJEU, July 8, 2010); *The Gillette Company and Gillette Group Finland Oy v LA-Laboratories Ltd Oy*, Case C-228/03, ECLI:EU:C:2005:177, at [49] (CJEU, March 17, 2005). Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.73; Martin Senftleben, Lionel Bently and Graeme B Dinwoodie et al, 'The Recommendation on Measures to Safeguard Freedom of Expression and Undistorted Competition: Guiding Principles for the Further Development of EU Trade Mark Law' (2015) 37 *European Intellectual Property Review* 337, 339 (hereafter Senftleben, Bently and Dinwoodie, 'Recommendation'); Martin Senftleben, 'Adapting EU Trademark Law to New Technologies – Back to Basics?' in C Geiger (ed), *Constructing European Intellectual Property* (Edward Elgar, 2013) 168–169 (hereafter Senftleben, 'Back to Basics'); Ilanah Simon Fhima and Robin Jacob, 'Unfair Advantage Law in the European Union' in Daniel Bereskin (ed), *International Trademark Dilution* (Thomson Reuters Westlaw, 2014) 274; Ilanah Simon Fhima, 'The Role of Legitimacy in Trade Mark Law' (2012) 65 *Current Legal Problems* 489, 501–502.

<sup>91</sup> Senftleben, 'Robustness', above n 2, 588–590.

<sup>92</sup> Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 1.06–1.15.

- it affects the value of the trade mark by taking unfair advantage of its distinctive character or repute;
- it entails the discrediting or denigration of that mark;
- or where the third party presents its product as an imitation or replica of the product bearing the trade mark of which it is not the owner.<sup>93</sup>

While some of these assessment factors can be traced back to EU legislation in the field of comparative advertising,<sup>94</sup> the prohibition of use that gives the impression of a commercial connection with the trademark owner, and the ban on use that damages or takes unfair advantage of the mark's distinctive character or repute, correspond to infringement criteria in the field of trademark protection against confusion and dilution.<sup>95</sup> The risk of circularity is obvious: by copying almost literally the criteria for establishing *prima facie* infringement, the CJEU subjects defences to additional scrutiny in the light of the same criteria that enabled the trademark owner to bring the infringement claim in the first place. This circular line of reasoning may render defence arguments, such as referential use, moot in practice.<sup>96</sup> In the keyword advertising case *Portakabin Ltd and Portakabin BV v Primakabin BV*, for instance, the Court did not find it contradictory to conclude that:

the circumstances under which a trade mark proprietor is, pursuant to Article 5(1) of Directive 89/104 [nowadays Article 10(2)(a) TMD], entitled to prevent an advertiser from using a sign identical with, or similar to, that trade mark as a keyword may [...] easily correspond to a situation in which the advertiser cannot claim that it is acting in accordance with honest practices in industrial or commercial matters, and cannot therefore validly rely on the exception...<sup>97</sup> (comment within brackets added)

<sup>93</sup> *The Gillette Company and Gillette Group Finland Oy v LA-Laboratories Ltd Oy*, Case C-228/03, ECLI:EU:C:2005:177, at [49] (CJEU, March 17, 2005).

<sup>94</sup> Directive 2006/114/EC of the European Parliament and of the Council of December 12, 2006, Concerning Misleading and Comparative Advertising [2006] OJL 376/21 art 4(d), (f), (g), (h). Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.72.

<sup>95</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2)(b), (c); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2)(b), (c).

<sup>96</sup> Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.73, and the further references, above n 90.

<sup>97</sup> *Portakabin Ltd and Portakabin BV v Primakabin BV*, Case C-558/08, ECLI:EU:C:2010:416, at [69] (CJEU, July 8, 2010).

The corrosive effect of this circular approach on defence arguments that could support fashion upcycling is evident. Following the current CJEU approach, the same findings that have led to the verdict of *prima facie* infringement, support the denial of compliance with honest practices. In consequence, the requirement of use in accordance with honest practices in industrial or commercial matters degenerates into a torpedo which the trademark proprietor can employ to neutralise referential use arguments that support the activities of fashion upcyclers. The symmetry of criteria for assessing *prima facie* infringement and determining honesty in industrial and commercial matters can easily lead to a situation where a finding of a likelihood of confusion or unfair freeriding already foreshadows a finding of dishonest practices.

Hence, the question arises whether, despite the described CJEU jurisprudence, it is possible to alleviate the problems arising from a circular approach to the test of honest practices. A first signpost for potential solutions came to light during the debate on the amendment of EU trademark law. Seeking to provide guidance for the 2015 law reform, the 'Recommendation on Measures to Safeguard Freedom of Expression and Undistorted Competition in EU Trade Mark Law'<sup>98</sup> proposed to solve the problem of circularity in the honest practices jurisprudence as follows:

The only way to make sense of the wording would be to clarify that although the basic concepts (likelihood of confusion, abuse of reputation) informing the evaluation of honest business practices are the same as those governing infringement, their application is different in that the leeway for using a basically conflicting mark is much broader where applications or limitations apply, thereby confining the proprietor's right to oppose such use to cases of disproportionate harm.<sup>99</sup>

The argument, thus, runs as follows: even if the assessment of honesty in industrial and commercial matters rests on the same criteria that have previously been used to establish *prima facie* infringement, the outcome can still be different when the criteria are applied in a more flexible way.<sup>100</sup> The required flexibility can be derived from the values underlying

<sup>98</sup> Senftleben, Bently and Dinwoodie, 'Recommendation', above n 90, 341–343. Cf Kur, 'Protection of Color', above n 54, 105; Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.74.

<sup>99</sup> Senftleben, Bently and Dinwoodie, 'Recommendation', above n 90, 339.

<sup>100</sup> Kur, 'Protection of Color', above n 54, 105. Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 6.74; Vincenzo Di Cataldo, 'The Trade Mark with a

the defences in EU trademark law, such as freedom of referring to trademarked fashion elements for the purposes of environmental protection and freedom of artistic expression in cases where fashion upcyclers invoke the referential use defence. Weighing the interests of the trademark owner<sup>101</sup> against the interests of the upcycler and the societal interest in a change of production and consumption patterns in the fashion industry, trademark judges can attach particular importance to the values that support the application of the referential use defence and avoid the verdict of infringement in this way. In the balancing process, the principle of proportionality plays a central role.<sup>102</sup> The scope of the trademark owner's exclusive rights should be confined to cases of disproportionate harm.

Operationalising this approach, one can consider a proposal by Annette Kur in the discussion about the marketing of repaired and refurbished products. She argues for a 'context-sensitive evaluation of infringement'<sup>103</sup> that devotes sufficient attention to the behaviour of the alleged infringer<sup>104</sup> and, in particular, to information surrounding the allegedly infringing product, including labelling that clearly indicates the changed status of the product and the person that has carried out the repair or refurbishment:

This means that *inter alia* account must be taken of accompanying information given by the reseller, as well as of overarching aspects such as the societal goal of preserving resources and reducing waste. It is true that by factoring the reseller's motivation as well as his readiness to provide neutral background information into the assessment of trade mark infringement, the evaluation gradually shifts from a pure trade mark law analysis towards an unfair competition-informed approach. However, that phenomenon is neither new nor unusual.<sup>105</sup>

Reputation in EU Law – Some Remarks on the Negative Condition “Without Due Cause” (2011) 42 *International Review of Intellectual Property and Competition Law* 833, 837 (hereafter Cataldo, ‘Negative Condition’).

<sup>101</sup> Charter of Fundamental Rights of the European Union [2000] OLJ 364/1 art 17(2).

<sup>102</sup> *Ibid* at art 52(1).

<sup>103</sup> Kur, ‘Sale of Repaired Goods’, above n 38, 235–236.

<sup>104</sup> For a further plea for a stronger focus on the concrete behaviour of the alleged infringer, see Lotte Anemaet (2021), ‘Which Honesty Test for Trademark Law? Why Traders’ Efforts to Avoid Trademark Harm Should Matter When Assessing Honest Business Practices’ (2021) 70 *Gewerblicher Rechtsschutz und Urheberrecht – International* 1025, 1037–1038 (hereafter Anemaet, ‘Honesty’).

<sup>105</sup> Kur, ‘Sale of Repaired Goods’, above n 38, 236.

For the development of appropriate labelling rules in upcycling cases, the CJEU decision in *Viking Gas A/S v Kosan Gas A/S* can serve as a reference point.<sup>106</sup> The case concerned composite gas bottles which were intended for reuse a number of times. Against this background, the Court was satisfied that the bottles did not constitute mere packaging, but had an independent economic value which made them goods in themselves. Purchasers would be prevented from fully enjoying this property if the trademark proprietor could restrict their rights even after the first sale with her consent.<sup>107</sup> For this reason, the Court held that the sale of a composite bottle exhausted trademark rights and transferred to the purchaser the right to use that bottle freely, including the right to exchange it, or have it refilled, by an undertaking of his choice, including competitors of the trademark proprietor. As a corollary of this right of purchasers, competitors had the right to refill and exchange empty bottles – as long as they kept their activities within the limits of the honest practices proviso following from Article 14(2) TMD.<sup>108</sup>

Arriving at this conclusion, the CJEU had the opportunity to formulate guidelines for meeting the honest practices test in refill cases. As a general rule, the Court emphasised the obligation to act fairly in the light of the legitimate interests of the trademark proprietor. More concretely, competitors offering refill services had to avoid the erroneous impression of a commercial connection with the trademark proprietor. To assess whether this condition was met, it was necessary to take into account the labelling of the bottles, the circumstances in which they had been exchanged, the practices in the sector concerned, and, in particular, whether consumers were accustomed to empty containers being filled by other dealers.<sup>109</sup> In *Viking Gas*, it had been established that the composite gas bottles at issue bore word and figurative marks made up of the name and logo of the original producer and trademark owner Kosan Gas, and that these marks remained visible when the competitor Viking Gas affixed additional labels indicating that it had refilled the bottles.<sup>110</sup> According to the Court, this additional product labelling

<sup>106</sup> Cf Dorenbosch, 'Upcycling', above n 1, 148–149; Kur, 'Sale of Repaired Goods', above n 38, 235–236.

<sup>107</sup> *Viking Gas A/S v Kosan Gas A/S*, Case C-46/10, ECLI:EU:C:2011:485, at [30]–[33] (CJEU, July 14, 2011).

<sup>108</sup> *Ibid* at [35].

<sup>109</sup> *Ibid* at [39]–[40].

<sup>110</sup> *Ibid* at [11].

constituted a proper means of reducing the risk of an erroneous impression of a commercial connection and escaping the verdict of trademark infringement.<sup>111</sup>

In the more recent decision in *Soda-Club (CO2) SA and SodaStream International BV v MySoda Oy*, the CJEU confirmed these guidelines.<sup>112</sup> In particular, the Court stated again that a finding of non-infringement is possible even if the trademark of the original seller remains visible on the refilled product. As long as additional product labelling ensures clarity about the commercial source of the refilled product in the light of the practices in the sector and consumer awareness, the use can be permitted without prior authorisation of the trademark proprietor.<sup>113</sup>

Applying these guidelines to the fashion upcycling cases, it can be said that the behaviour of the upcycler is decisive. In particular, it is important to assess the effort made to avoid the impression of a commercial connection with the trademark proprietor.<sup>114</sup> Appropriate labelling of upcycled products – clearly indicating the logo of the upcycler – plays a central role. To give fashion upcycling a chance and realise the societal benefits of environmental sustainability and artistic expression based on the reuse of trademarked goods,<sup>115</sup> it can be assumed that upcycling is an accepted and increasingly widespread contemporary practice in the fashion industry.<sup>116</sup> Moreover, it should be assumed that consumers are well aware that second-hand fashion pieces may be reworked and included in upcycled products.<sup>117</sup> Third-party trademarks that remain visible as a result of the productive reuse process may be reminiscent of the original fashion items that served as raw materials. Consumers, however, are unlikely to misinterpret these references to the original products as indications of the commercial source of the upcycled product. They are also unlikely to assume that these upcycled products are in any way

<sup>111</sup> Ibid at [39]–[41].

<sup>112</sup> *Soda-Club (CO2) SA and SodaStream International BV v MySoda Oy*, Case C-197/21, ECLI:EU:C:2022:834, at [54] (CJEU, October 27, 2022). For a discussion of underlying circular economy considerations, see Vrendenbard, ‘IE’, above n 43, 973–974.

<sup>113</sup> Ibid at [54].

<sup>114</sup> Cf Anemaet, ‘Honesty’, above n 104, 1037–1038, 1041.

<sup>115</sup> Charter of Fundamental Rights of the European Union [2000] OLJ 364/1 art 11, 13, 37. As to the need for a proper balance that gives room for circular economy initiatives, see Vrendenbard, ‘IE’, above n 43, 973–974.

<sup>116</sup> For a similar line of argument in the area of repaired goods, see Tischner and Stasiuk, ‘Spare Parts’, above n 29, 35–36.

<sup>117</sup> Cf Tischner and Stasiuk, ‘Spare Parts’, above n 29, 41–42.

approved or endorsed by the original brands.<sup>118</sup> Instead, consumers will look for additional labelling, such as the upcycler's logo on clothes, tags showing the logo on the inside, logos displayed on packaging, in shops etc. Indicating the upcycler's logo clearly on the products themselves and offering appropriate information in connection with their sale, the upcycler can thus dispel concerns about (post-sale)<sup>119</sup> confusion, and avoid the impression of blurring, tarnishment or unfair freeriding.<sup>120</sup> In the light of the overarching policy objective to support environmental sustainability and artistic expression, the assessment must be based on the perception of an average consumer who knows about upcycling and looks actively for indications of commercial origin which the upcycler has added to ensure transparency.<sup>121</sup>

Additional support for this approach can be offered by drawing a parallel with the use of trademarks in appropriation art. In the preceding section, fashion upcycling has already been placed in the context of aesthetic theory and artistic expression. Duran Lantink's creations, for instance, show clearly that upcycling projects can have an artistic nature. Considering this connection with the field of art, it is consistent to rely on honest practice guidelines that can be derived from trademark decisions in appropriation art cases. The decision of the Benelux Court of Justice in *Moët Hennessy* is of particular interest. In this case, the Court reached beyond traditional parody rulings<sup>122</sup> and developed a broader *exceptio*

<sup>118</sup> Schennerman, 'Upcycling's Place', above n 1, 765–766. Admittedly, a study of consumer responses to repaired goods bearing the logo of the original manufacturers yielded mixed results and showed that, in this specific case, consumers may be misled. See Tischner and Stasiuk, 'Spare Parts', above n 29, 53. The situation in the field of upcycled products, however, is different because third-party trademarks will appear on reworked, modified products. It is not the purpose of upcycling to restore the original appearance of products. The consumer perception will thus be different.

<sup>119</sup> Schennerman, 'Upcycling's Place', above n 1, 778–780.

<sup>120</sup> Tischner and Stasiuk, 'Spare Parts', above n 29, 33–34; Kur, 'Sale of Repaired Goods', above n 38, 235; Anemaet, 'Honesty', above n 104, 1037–1038 and 1041; Schennerman, 'Upcycling's Place', above n 1, 766–769; Keats, 'Trendy Product', above n 2, 717–718.

<sup>121</sup> As to the inclusion of normative considerations in the consumer concept and the determination of the consumer's level of knowledge, see Senftleben, *The Copyright Trademark Interface*, above n 34, 352–355; Graeme B Dinwoodie and Dev Gangjee, 'The Image of the Consumer in European Trade Mark Law' in Dorota Leczykiewicz and Stephen Weatherill (eds), *The Images of the Consumer in EU Law: Legislation, Free Movement and Competition Law* (Hart, 2016) 367.

<sup>122</sup> *Mercis BV and Hendrik Magdalena Bruna v Punt.nl BV* (Court of Appeals of Amsterdam, September 13, 2011, ECCLI:NL:GHAMS:2011:BS7825) at [4.19]. For a further example of the successful invocation of the due cause defence in an artistic context, see *Lila Postkarte*, Case I ZR 159/02, 585 (German Federal Supreme Court, February 3,

*artis* that does not require a critical statement in the guise of brand mockery.<sup>123</sup> The case concerned the use of the trademarked Dom Pérignon bottle<sup>124</sup> in stylised form and neon colours in paintings which, according to the artist Cédric Peers, played with pointillism and pop art.<sup>125</sup> To rebut infringement arguments based on blurring, tarnishment and unfair freeriding,<sup>126</sup> Peers invoked the open-ended defence of 'due cause' that is available under Article 2.20(2)(d) of the Benelux Convention on Intellectual Property.<sup>127</sup>

Assessing the unauthorised use of Hennessy's trademark in Peers' artworks, the Benelux Court of Justice stated that artistic freedom – as an aspect of the artist's right to freedom of expression – could constitute a due cause when 'there is an artistic expression that is the original result of a creative shaping process'.<sup>128</sup> The Court added that the artistic expression must not specifically aim at harming the trademark or the proprietor of the trademark.<sup>129</sup> Accordingly, the Court required

2005). Cf Martin Senftleben, 'The Perfect Match – Civil Law Judges and Open-Ended Fair Use Provisions' (2017) 33 *American University International Law Review* 231, 256–265.

<sup>123</sup> *Moët Hennessy Champagne Services v Cedric Art*, Case A2018/1/8, at [9] (Benelux Court of Justice, October 14, 2019). As to the traditional parody requirement of a critical comment, see Geiger, 'Proportionality of Criticism', above n 13, 317.

<sup>124</sup> IR no 323543.

<sup>125</sup> See 'Cedric' (Cedric Gallery) <<https://www.cedricgallery.com/>> for examples.

<sup>126</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2). As to these three anti-dilution actions, see *L'Oréal SA and Others v Bellure NV and Others*, Case C-487/07, ECLI:EU:C:2009:378, at [39]–[41] (CJEU, June 18, 2009). Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 5.182–5.192; Senftleben, 'Back to Basics', above n 90, 152.

<sup>127</sup> As to the due cause defence at EU level, see Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017, on the European Union Trade Mark (codification) [2017] OJL 154/1 art 9(2); Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015, to approximate the laws of the Member States relating to trade marks [2015] OJL 336/1 art 10(2). See also *Interflora Inc and Interflora British Unit v Marks & Spencer plc and Flowers Direct Online Ltd*, ECR I-08625, at [91] (CJEU, September 22, 2011); *Leidseplein Beheer BV and Hendrikus de Vries v Red Bull GmbH and Red Bull Nederland BV*, Case C-65/12, ECLI:EU:C:2014:49, at [54]–[58] (CJEU, February 6, 2014). Cf Kur and Senftleben, *European Trade Mark Law*, above n 11, para 5.265–5.268 and 6.59–6.63; Cataldo, 'Negative Condition', above n 100, 833.

<sup>128</sup> *Moët Hennessy Champagne Services v Cedric Art*, Case A2018/1/8, at [9] (Benelux Court of Justice, October 14, 2019).

<sup>129</sup> Ibid.

evidence of an intention by the artist to harm the trademark or the trademark owner.<sup>130</sup>

Similar to the CJEU approach in *Viking Gas* and *Soda-Club*, this decision brings the behaviour of the appropriation artist into focus.<sup>131</sup> To succeed in a trademark infringement action, merely *some* likelihood of confusion, risk of damage, or a likelihood of exploiting the magnetism of an iconic fashion trademark, would not suffice; more is necessary. The trademark owner must demonstrate that the appropriation artist deliberately aims at causing damage or deriving unfair profit.<sup>132</sup> Applying this assessment standard *mutatis mutandis* to the question of honest practices in upcycling cases, it can be said that the threshold for accepting arguments based on blurring, tarnishment or unfair freeriding is particularly high. Unless the circumstances of the upcycling project indicate clearly that the upcycler specifically aimed at causing harm or exploiting the third-party brand in an unfair manner, no dishonesty can be found.<sup>133</sup>

Again, appropriate labelling is decisive. The use of the upcycler's own logo on garments (typically sewn on as the inside tag), on packaging, in shops etc. can serve as evidence that the upcycler has no intention of bringing damage or deriving unfair profit. Instead, the labelling proves that the upcycler seeks to act fairly and inform consumers about the commercial origin of the upcycled goods. The third-party trademark only serves as a reference to the original fashion product that is made to pave the way for circular sustainable modes of fashion production and consumption. Using customary modes of indicating the commercial origin of fashion products, upcyclers can thus ensure compliance with honest practices in industrial or commercial matters, as required by Article 14(2) TMD and Article 14(2) EUTMR. Achieving this result, they can ensure at the same time that their referential use defence prevails over trademark infringement arguments. The referential use defence, thus, allows upcycling initiatives in the fashion industry to survive allegations of trademark infringement. The productive use of trademarked fashion elements as raw materials does not amount to trademark infringement when customary modes of labelling are used to indicate the true commercial origin of upcycled products.

<sup>130</sup> Ibid.

<sup>131</sup> Cf Anemaet, 'Honesty', above n 104, 1037–1038.

<sup>132</sup> Cf Senftleben, *The Copyright Trademark Interface*, above n 34, 468–469.

<sup>133</sup> Cf Senftleben, 'Robustness', above n 2, 598–600.

The facts underlying the US case *Chanel, Inc. v Shiver and Duke LLC, Edith Anne Hunt and John Does* shed light on the limits of this defence argument. Shiver and Duke sold jewellery incorporating recycled Chanel buttons featuring the famous ‘CC monogram’ consisting of two interlocking back-to-back letter Cs.<sup>134</sup> Seeking to rebut Chanel’s trademark infringement claims, Shiver and Duke argued that the inclusion of buttons displaying the CC monogram in its own products constituted a permissible act of reusing Chanel fashion items. According to Shiver and Duke, the button reuse was intended to contribute to the reduction of fashion waste.<sup>135</sup>

However, even in the light of the described relaxed infringement test that requires deliberately misleading use, or use that deliberately aims at causing damage or deriving unfair benefit from the trademark, Shiver and Duke’s use of the CC monogram can hardly escape the verdict of infringement. In this specific case, the use of Chanel trademarks is a mere pretext for exploiting the magnetism and selling power of the original brand. Instead of conveying the message that consumption patterns in the fashion industry must change to save the planet, the glorification of CC monogram buttons on Shiver and Duke jewellery only confirms the luxury brand message and its problematic environmental implications. A redefinition of Chanel brand insignia in an upcycling context is sought in vain. The distance from the original brand and the contrast with the original brand message are missing. In consequence, consumers will find it difficult to distinguish Shiver and Duke jewellery from Chanel jewellery once the Shiver and Duke shopping environment is left and clear indications of a different commercial origin no longer prevent confusion. The reuse of Chanel buttons in the Shiver and Duke case, thus, cannot be regarded as a valid form of permissible upcycling. The described referential use argument and the accompanying relaxation of infringement criteria are incapable of shielding Shiver and Duke against trademark infringement claims.<sup>136</sup> The use of the CC monogram is merely an

<sup>134</sup> *Chanel, Inc. v Shiver and Duke LLC, Edith Anne Hunt and John Does*, Case 1:21-cv-01277 (Order of Dismissal) (SDNY, August 30, 2022).

<sup>135</sup> See the disclaimer on the Shiver and Duke website, ‘S+D creates unique designs using Authentic buttons and bags to preserve their beauty while reducing waste and its impact on the planet’: ‘Non-Affiliation’ (Shiver + Duke) <<https://shiverandduke.com/pages/non-affiliation>>.

<sup>136</sup> There is no final word on the infringement issue in the United States because of a settlement. See *Chanel, Inc. v Shiver and Duke LLC, Edith Anne Hunt and John Does*, Case 1:21-cv-01277 (Order of Dismissal) (SDNY, November 14, 2022).

attempt to disguise unfair brand exploitation as a legitimate form of fashion waste reduction.

### 8.6 Conclusion

Fashion upcycling is a productive form of reworking second-hand garments that has particular societal importance. Considering the environmental crisis – fuelled by the wasteful use of resources in the fashion industry – it is desirable to develop robust defences that enable fashion upcyclers to prevail in trademark infringement cases. In EU law, the referential use defence has the potential to offer solid support. Rightly understood, fashion upcycling constitutes an important, constitutionally protected form of free expression. Upcyclers use second-hand fashion elements to convey the important message that production and consumption patterns in the fashion sector must change. Considering the overarching policy objective to ensure a circular economy, the use of fashion elements that bear third-party trademarks for this purpose can be qualified as a legitimate form of referential use. The reference to products of the original trademark owner is made for the socially valuable purpose of providing a vision of better, more sustainable production and consumption practices in the fashion sector. Using customary modes of labelling to indicate the true origin of upcycled products, the upcycler can ensure compliance with honest practices in industrial or commercial matters. As a result, the referential use defence can be invoked successfully to rebut infringement arguments – regardless of whether these arguments are based on confusion, blurring, tarnishment or unfair freeriding.