

Fashion Upcycling

The Problem of Overlapping Intellectual Property Rights and How to Solve It

Martin Senfleben

13.1 INTRODUCTION

Fashion upcycling offers unprecedented opportunities for the sustainable reuse of clothing: using secondhand 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.¹ The productive reuse of garment components in upcycling projects is socially desirable in the light of the overarching policy goal to achieve environmental sustainability.² However, the more individual fashion elements are protected by IP rights, the more legal obstacles arise. Fashion items may enjoy cumulative copyright, industrial design, and trademark protection.³ Accordingly, infringement claims may be based on multiple IP rights and upcyclers may have to rebut infringement arguments stemming from different IP domains.

¹ See the overview of upcycling practices provided by Jolie Brett Schenerman, ‘One Consumer’s Trash Is Another’s Treasure: Upcycling’s Place in Trademark Law’ 38(3) *Cardozo Arts and Entertainment Law Journal* (2020) 755–762. Cf. Martin R. F. Senfleben, ‘Developing Defences for Fashion Upcycling in EU Trademark Law’ 73(2) *Gewerblicher Rechtsschutz und Urheberrecht – International* (2024) 102; Taina Pihlajarinne, ‘Repairing and Re-using from an Exclusive Rights Perspective: Towards Sustainable Lifespan as Part of a New Normal?’ in Ole-Andreas Rognstad and Inger Berg Ørstavik (eds.), *Intellectual Property and Sustainable Markets* (Edward Elgar, 2021), Helsinki Legal Studies Research Paper No. 61, available at <https://ssrn.com/abstract=3648912> (accessed 31 July 2023) 9; Andrew Bain, “‘Dank’ Customs, Bootlegs, and Reworked Pieces” 23 *Journal of World Intellectual Property* (2020) 383–384; Anthony M. Keats, ‘Trendy Product Upcycling: Permissible Recycling or Impermissible Commercial Hitchhiking?’ 110 *Trademark Reporter* (2020) 712; Elisha Teibel, ‘Waste Size: The Skinny on the Environmental Costs of the Fashion Industry’ 43(2) *William and Mary Environmental Law and Policy Review* (2019) 624–625.

² Elena Izyumenko, ‘Intellectual Property in the Age of the Environmental Crisis: How Trademarks and Copyright Challenge the Human Right to a Healthy Environment’ 55(6) *IIC – International Review of Intellectual Property and Competition Law* (2024) 882–887; Martin R. F. Senfleben, ‘The Unproductive Overconstitutionalization of EU Copyright and Trademark Law – Fundamental Rights Rhetoric and Reality in CJEU Jurisprudence’ 55(9) *IIC – International Review of Intellectual Property and Competition Law* (2024) 1477 and 1506–1507; Péter Mezei and Heidi Härkönen, ‘Monopolising Trash: A Critical Analysis of Upcycling under Finnish and EU Copyright Law’ 18(5) *Journal of Intellectual Property Law & Practice* (2023) 364–365; Anna Tischner and Katarzyna Stasiuk, ‘Spare Parts, Repairs, Trade Marks and Consumer Understanding’ 54(1) *IIC – International Review of Intellectual Property and Competition Law* (2023) 28; Charlotte Vrendenburg, ‘IE en de circulaire economie: stimulans of obstakel?’ (14) *Nederlands Juristenblad* (2023) 971–972.

³ Case C-683/17, *Cofemel – Sociedade de Vestuário SA v G-Star Raw CV*, CJEU, ECLI:EU:C:2019:721, paras. 48 and 30–35; Case C-237/19, *Gömböc Kutató, Szolgáltató és Kereskedelmi Kft. v Szellemi Tulajdon Nemzeti Hivatala*, CJEU, ECLI:EU:C:2020:296, paras. 51–53. Cf. Estelle Derclaye, ‘A Model Copyright/Design Interface: Not an Impossible and Undesirable Task?’ in Estelle Derclaye (ed.), *The Copyright/Design Interface: Past, Present and Future* (Cambridge University Press, 2018) 422–428; Peter K. Yu, ‘The Changing Contours of International Protection for Trade Dress’, *Texas A&M University School of Law Legal Studies Research Paper No. 25-04* (2025), available at:

Seeking to pave the way for large-scale upcycling initiatives in the circular economy, it is crucial against this background to develop robust defences that are applicable across different protection regimes.⁴ The following analysis sheds light on avenues that could lead to cross-cutting defences in EU IP law.⁵ As a first step, it introduces a distinction between cumulative protection at product level and protection overlaps at the level of protected subject matter (Section 13.2). Turning to decisions of the Court of Justice of the European Union (CJEU), it highlights the preconditions for applying defences across IP regimes and the urgent need for a sufficiently robust infrastructure of corresponding defences across industrial design, copyright, and trademark law (Section 13.3). A closer look at existing limitations reveals that the current protection systems only offer incongruent defences that are either not available in all protection regimes involved or differ substantially in scope (Section 13.4). Against this background, the discussion provides theoretical groundwork for a new approach to protection overlaps that would oblige rights holders to safeguard the effectiveness of defences for upcycling across all IP regimes in which they have obtained protection (Section 13.5). The CJEU's 1997 *Dior v Evora* decision could pave the way for the practical implementation of this alternative approach (Section 13.6).⁶ Concluding remarks summarize the key findings of the analysis (Section 13.7).

13.2 OVERLAP PROBLEM

In the fashion industry, the invocation of multiple IP rights to protect fashion design is a standard scenario.⁷ At *product level*, cumulative industrial design, copyright, and trademark protection is available with regard to the outward appearance of products.⁸ A Louis Vuitton handbag, a Diesel

<https://papers.ssrn.com/abstract=5085305> (accessed 26 May 2025) 17–19; Martin R. F. Senftleben, 'Signs Eligible for Trademark Protection: Dysfunctional Incentives and a Functionality Dilemma in the EU' in Irene Calboli and Jane C. Ginsburg (eds.), *Cambridge Handbook on International and Comparative Trademark Law* (Cambridge University Press 2020) 220–225.

⁴ Sabine Jacques, 'A Parody Exception: Why Trade Mark Owners Should Get the Joke' 38(8) *European Intellectual Property Review* (2016) 480–481; Martin R. F. Senftleben, 'Overprotection and Protection Overlaps in Intellectual Property Law: The Need for Horizontal Fair Use Defences' in Annette Kur and Vytautas Mizaras (eds.), *The Structure of Intellectual Property Law: Can One Size Fit All?* (Edward Elgar, 2011) 180–181.

⁵ For a more detailed discussion, see Martin R. F. Senftleben, *The Copyright/Trademark Interface: How the Expansion of Trademark Protection Is Stifling Cultural Creativity* (Kluwer Law International, 2020) 477–504.

⁶ Case C-337/95, *Parfums Christian Dior SA and Parfums Christian Dior BV v Evora BV*, CJEU, ECLI:EU:C:1997:517, paras. 42–44. As to the potential of this decision in sustainability contexts, see Simon Geiregat, 'Trading Repaired and Refurbished Goods: How Sustainable Is EU Exhaustion of Trade Marks?' 73(4) *GRUR International* (2024) 297–298.

⁷ Cf. Yu (n. 3) 17–19; Senftleben (n. 3) 218–222; 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 R. F. Senftleben (eds.), *The Protection of Non-traditional Trademarks: Critical Perspectives* (Oxford University Press, 2018) 101–104; Derclaye (n. 3) 422–428; Estelle Derclaye and Matthias Leistner, *Intellectual Property Overlaps: A European Perspective* (Hart Publishing, 2011) 239; Ansgar Ohly, 'Von einem Indianerhäuptling, einer Himmelscheibe, einer Jeans und dem Lächeln der Mona Lisa – Überlegungen zum Verhältnis zwischen Urheber- und Kennzeichenrecht' in Louis Pahlow and Jens Eisfeld (eds.), *Grundlagen und Grundfragen des Geistigen Eigentums, Festgabe für Diethelm Klippel zum 65. Geburtstag* (Mohr Siebeck, 2008) 215; Graeme B. Dinwoodie, 'Trademark and Copyright: Complements or Competitors?' in Jane C. Ginsburg and June M. Besek (eds.), *Adjuncts and Alternatives to Copyright: Proceedings of the ALAI Congress June 13–17, 2001* (Kernochan Center for Law, Media and the Arts, Columbia University School of Law, 2002) 504–505.

⁸ As to the possibility to acquire both copyright and design protection, see Article 23 of Directive (EU) 2024/2823 of the European Parliament and of the Council of 23 October 2024 on the legal protection of designs, *Official Journal of the European Union* L 18.11.2024 (DD) and Article 96(2) of Regulation (EU) 2024/2822 of the European Parliament and of the Council of 23 October 2024 amending Council Regulation (EC) No. 6/2002 on Community designs, *Official Journal of the European Union* L 18.11.2024 (EU Design Regulation, EUDR). As to trademark protection, see the explicit inclusion of shapes and packaging in Article 4 of Regulation (EU) 2017/1001 of the European Parliament and

jeans, a Rip Curl T-shirt can be eligible for protection as industrial designs under specific EU design law and, at the same time, as works of applied art under EU copyright law. EU design law explicitly establishes: 'the principle of cumulation of protection under specific law for registered designs protection and under copyright law, whereby designs protected by design rights should also be eligible to be protected as copyright works, provided that the requirements of copyright law are met.'⁹ In *Cofemel*, the CJEU clarified that fashion design was capable of classification as a protected work within the meaning of EU copyright law, if it met the standard originality test and, in particular, the requirement of free creative choices.¹⁰ For awarding protection, it could not be made a prerequisite that, over and above its practical purpose, a fashion design generates a specific, aesthetically significant visual effect.¹¹ The Court added that the extent of copyright protection did not depend on the degree of creative freedom exercised by the fashion designer. Copyright protection for industrial design was not inferior to the protection awarded to any other work falling within the scope of EU copyright law.¹² In *Mio and konektra*, the CJEU confirmed that there was no relationship of rule and exception between industrial design and copyright protection. While free, creative choices in the sense of copyright law could not be inferred readily from an aesthetically or artistically significant visual effect, the standard originality test had to be applied as in the case of other work categories.¹³ The outward appearance of a fashion item can thus enjoy cumulative industrial design and copyright protection. The logo or word mark attached to the product adds trademark protection to the equation. Design elements that function as distinctive signs capable of distinguishing the fashion item from other products in the sector may also enjoy protection as shape marks or position marks.¹⁴ In other words: different aspects of a fashion item may be eligible for different types of IP protection.

The requirements for obtaining multiple IP rights are more complex at *subject-matter level*. If the fashion manufacturer seeks to protect a specific design element on the basis of different IP rights, a 'true' overlap scenario arises: the logo affixed to the product enjoys not only trademark but also copyright protection; a specific design feature satisfies the criteria for obtaining both copyright and industrial design rights; the shape of the fashion item is eligible for cumulative industrial design, copyright, and trademark protection. With regard to protection overlaps at

of the Council of 14 June 2017 on the European Union Trade Mark (codification), *Official Journal of the European Union* 2017 L 154, 1, and Article 3 of 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, *Official Journal of the European Union* 2015 L 336, 1 (Trademark Directive, TMD).

⁹ Recital 12 DD. See also recital 36 EUDR; Article 23 DD; Article 96(2) EUDR.

¹⁰ *Cofemel* (n. 3) paras. 48 and 30–32.

¹¹ *Ibid.*, para. 56. Cf. Heidi Härkönen, 'A Narrative Approach to the Standard of Originality in EU Copyright Law: The Story of a Dress' 56(2) *IIC – International Review of Intellectual Property and Competition Law* (2025) 309–310.

¹² *Cofemel* (n. 3) para. 35.

¹³ Cases C-580/23 and C-795/23, *Mio AB and Other v Galleri Mikael & Thomas Asplund Aktiebolag and konektra, GmbH and Others v USM U. Schärer Söhne AG*, CJEU, ECLI:EU:C:2025:941, paras. 55–58, para. 37. Cf. Lionel Bently, Estelle Derclaye, Caterina Sganga, Alexander Peukert, Thomas Margoni, and Tatiana Synodinou, 'The Protection of Works of Applied Art under EU Copyright Law – Opinion of the European Copyright Society in *Mio/konektra* (Cases C-580/23 and C-795/23)' 56(4) *IIC – International Review of Intellectual Property and Competition Law* (2025) 804–808.

¹⁴ Case C-218/01, *Henkel KGaA*, CJEU, ECLI:EU:C:2004:88, paras. 49–52; Cases C-84/17 P, C-85/17 P and C-95/17 P, *Société des produits Nestlé SA and Others v Mondelez UK Holdings & Services Ltd*, CJEU, ECLI:EU:C:2018:596, paras. 78–80. Cf. Senfleben (n. 3) 211–212 and 221–222; Annette Kur, 'Alles oder Nichts im Formmarkenschutz?' 53(9) *GRUR International* (2004) 755; Adrien Bouvel, 'Qu'importe le Flacon ... Le Droit des Marques Malmené par les Emballages' (13) *Propriétés Intellectuelles* (2004) 863; Ruth Arnet, 'Markenschutz für Formen' 8(11) *sic! – Zeitschrift für Immaterialgüter-, Informations- und Wettbewerbsrecht* (2004) 829; Jochen Pagenberg, 'Trade Dress and the Three-Dimensional Marks: The Neglected Children of Trademark Law?' 35(1) *IIC – International Review of Intellectual Property and Competition Law* (2004) 7; Senta Bingener, 'Das Wesen der Positionsmarke oder Wo die Positionsmarke hingehört' (2004) *Markenrecht* (2004) 377.

subject matter level, IP law sets forth specific provisions that can make the acquisition of overlapping IP rights more difficult. EU trademark law, for instance, contains an outright exclusion of protection covering the shape of a fashion product, or another characteristic, ‘which gives substantial value to the goods’.¹⁵ This aesthetic functionality doctrine bans trademark rights categorically, even if the design at issue has acquired distinctiveness through use in trade.¹⁶ In *Hauck v Stokke*, the CJEU developed a whole catalogue of assessment factors that can support the exclusion of fashion elements on the ground that they add substantial value to the goods.¹⁷ The CJEU explained in this context that the functionality doctrine in trademark law served the purpose of preventing the exclusive and permanent right which a trademark confers ‘from serving to extend indefinitely the life of other rights which the EU legislature has sought to make subject to limited periods’.¹⁸

However, this clarification did not inhibit the CJEU from pointing out in *Gömböc* that the objective to prevent the evergreening of IP rights with a limited term of protection did not automatically preclude the evolution of overlapping protection. The Court stated that ‘such an objective does not mean that EU intellectual property law prevents the coexistence of several forms of legal protection’.¹⁹ The Court also confirmed that the shape of a product could benefit from protection under trademark law if it fulfilled the conditions for registration as a trademark.²⁰ Despite the flexible substantial value criteria established in *Hauck v Stokke*,²¹ the CJEU thus gives fashion designers the chance of cumulating industrial design, copyright and trademark protection. This approach is in line with the legislative framework. EU trademark law explicitly recognizes that ‘the shape of goods or of the packaging of goods’ may attract trademark protection.²² Hence, there is room for protection overlaps not only at product level but also at subject matter level.

In addition, fashion products, such as sportswear and outdoor clothing, may incorporate technical solutions that enjoy patent protection.²³ The domain of patent law, however, is shielded from overlaps with other IP regimes to a large extent.²⁴ Technical features are excluded from EU industrial design, copyright, and trademark protection.²⁵ While patent protection can still play a role at product level, overlapping protection at subject matter level appears as an outlier scenario. The following discussion thus focuses on industrial design, copyright, and trademark protection.

¹⁵ Article 4(1)(e)(iii) TMD; Article 7(1)(e)(iii) EUTMR.

¹⁶ Article 4(4) TMD; Article 7(3) EUTMR.

¹⁷ Case C-205/13, *Hauck GmbH & Co. KG v Stokke A/S and Others*, CJEU, ECLI:EU:C:2014:2233, para. 35. Cf. Graeme B. Dinwoodie, ‘Overlap and Redundancy in the Intellectual Property System: Trade Mark Always Loses’ in Graeme W. Austin, Andrew F. Christie, Andrew T. Kenyon, and Megan Richardson (eds.), *Across Intellectual Property: Essays in Honour of Sam Ricketson* (Cambridge University Press, 2020) 31; Ansgar Ohly, ‘Schutz von Kulturgütern durch das Markenrecht?’ in Franz Hacker and Frederik Thiering (eds.), *Festschrift für Paul Ströbele zum 75. Geburtstag* (Carl Heymanns, 2019) 327.

¹⁸ *Hauck v Stokke* (n. 17) paras. 19–20.

¹⁹ *Gömböc* (n. 3), para. 51.

²⁰ *Ibid.*, paras. 52–53.

²¹ *Hauck v Stokke* (n. 17) para. 35.

²² Article 3 TMD; Article 4 EUTMR. See CJEU, 12 February 2004, Case C-218/01, *Henkel* (n. 14) paras. 49–52; *Nestlé v Mondelez* (n. 14), paras. 78–80. Cf. Senftleben (n. 3) 211–222.

²³ Krystyna Szczepanowska-Kozłowska, ‘Patents in the Fashion Industry’ in Eleonora Rosati and Irene Calboli (eds.), *The Handbook of Fashion Law* (Oxford University Press, 2025) 442–453.

²⁴ Senftleben (n. 5) 209–220; Mark P. McKenna, ‘(Dys)Functionality’ 48(4) *Houston Law Review* (2011) 828–830.

²⁵ Article 7(1) DD; Article 8(1) EUDR. Cf. Case C-395/16, *DOCERAM GmbH v CeramTec GmbH*, CJEU, ECLI:EU:C:2018:172, paras. 26–30. Article 7(1)(e) EUTMR; Article 4(1)(e) TMD. Cf. Case C-299/99, *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd.*, CJEU, ECLI:EU:C:2002:377, paras. 78–80; Case C-48/09 P, *Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), CJEU, ECLI:EU:C:2010:516, para. 43. As to copyright law, see Case C-833/18, *SI and Brompton Bicycle Ltd v Chedech / GetzGet*, CJEU, ECLI:EU:C:2020:461, paras. 24–27 and 34–36.

13.3 INCREASED INFRINGEMENT RISK

As the analysis in the previous section has shown, a fashion item can be eligible for cumulative industrial design, copyright, and trademark protection. The existence of multiple IP rights does not imply that fashion upcycling automatically amounts to infringement in all protection regimes involved. Each protection system sets forth specific infringement criteria.²⁶ The rights holder must substantiate infringement with regard to each individual right. The necessity to substantiate each individual infringement claim can reduce the number of rights which the upcycler is facing. For instance, it is conceivable that appropriate labelling – clearly indicating that the upcycler is the commercial source of the circular economy product – dispels concerns about trademark infringement.²⁷

Whenever the rights holder manages to substantiate more than one IP claim, however, the problem scenario arises that has previously been described: the upcycler must rebut not only one but several infringement arguments. The freedom of upcycling granted in one protection regime may be undermined by a co-existing IP right belonging to a different protection system.²⁸ During the last decennium, the CJEU has adopted an approach to overlapping IP rights that does not support the universal application of defences across different protection regimes.²⁹ In *Ford Motor Company*, the car manufacturer brought a trademark infringement lawsuit against Wheeltrims, a supplier of replacement parts for various motor vehicles, including Ford cars. Wheeltrims marketed wheel covers showing a faithful reproduction of the Ford trademark without authorization.³⁰ Seeking to defend its unauthorized use of the Ford trademark, Wheeltrims invoked the ‘repair clause’ in EU design law,³¹ which permits the use of a protected design for the purpose of repairing a complex product and restoring its original appearance.³² The crucial question, therefore, was whether the repair clause known from industrial designs law could serve as a cross-cutting defence capable of shielding Wheeltrims not only against a finding of industrial design infringement but also against Ford’s trademark rights.³³

²⁶ Articles 2–4 of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001, on the harmonization of certain aspects of copyright and related rights in the information society, *Official Journal of the European Communities* 2001 L 167, 10; Articles 9 and 16 DD, Articles 10 and 19 EUDR; Article 10 TMD, Article 9 EUTMR.

²⁷ Case C-46/10, *Viking Gas A/S v Kosan Gas A/S*, CJEU, ECLI:EU:C:2011:485, paras. 39–41; Case C-197/21, *Soda-Club (CO2) SA and SodaStream International BV v MySoda Oy*, CJEU, ECLI:EU:C:2022:834, para. 54. Cf. Senfleben (n. 1) 109–110; Irene Calboli, ‘Pushing a Square into a Round Hole? Intellectual Property Challenges to a Sustainable and Circular Economy, and What to Do about It’ 55(2) *IIC – International Review of Intellectual Property and Competition Law* (2024) 245–246; Nina Q. Dorenbosch, ‘Upcycling – op het snijvlak van duurzaamheid en intellectuele eigendom’ 18 *Intellectuele eigendom en reclamerecht* (2022) 148–149; Annette Kur, ‘“As Good as New”: Sale of Repaired or Refurbished Goods: Commendable Practice or Trade Mark Infringement?’ 70(3) *Gewerblicher Rechtsschutz und Urheberrecht – International* (2021) 235–236; Vrendenbarg (n. 2) 973–974; Lotte Anemaet, ‘Which Honesty Test for Trademark Law? Why Traders’ Efforts to Avoid Trademark Harm Should Matter When Assessing Honest Business Practices’ 70(11) *GRUR International* (2021) 1037–1038.

²⁸ Cf. Senfleben (n. 5) 12–24.

²⁹ *Ibid.*, 477–504.

³⁰ Case C-500/14, *Ford Motor Company v Wheeltrims srl*, CJEU, ECLI:EU:C:2015:680, paras. 21–22.

³¹ Article 14 of Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs, *Official Journal of the European Communities* 1998 L 289, 28; Article 110 of Council Regulation (EC) No. 6/2002 of 12 December 2001 on Community designs, *Official Journal of the European Communities* 2002 L 3, 1, as in force at the time of the decision. As to the current version of the repair clause, see Article 19(1) DD; Article 20a(1) EUDR.

³² *Ford Motor Company* (n. 30) para. 24.

³³ Tischer and Stasiuk (n. 2) 32–33; Annette Kur and Martin R. F. Senfleben, *European Trade Mark Law: A Commentary* (Oxford University Press, 2017) para. 6.38.

Raising this issue in its reference to the CJEU, the District Court of Turin wondered whether the repair clause involved only a derogation from the protection afforded to a design and not from any other industrial property right, particularly a registered trademark. The Turin District Court outlined an approach, according to which the repair clause constituted a general clause applicable across all domains of industrial property law.³⁴ It indicated that such a broad understanding may be necessary to enable a manufacturer of replacement parts to operate on the market on an equal footing with the original producer – irrespective of the type of protection invoked by the latter. Evidently, a repair clause capable of shielding Wheeltrims against industrial design and trademark rights alike would allow the reproduction of the original part with all its aesthetic and functional features, including elements enjoying trademark protection.³⁵

However, the CJEU was reluctant to hold that the same limits of exclusive rights – in this case the repair clause – had to be observed not only in industrial design law but also in trademark law. Instead, the Court pointed out that the repair clause imposed certain limitations ‘only on protection as designs, without any reference to protection as trade marks’.³⁶ The Court also emphasized that the repair clause in EU design law did not contain any derogation from the provisions in harmonized EU trademark law.³⁷

As to the underlying objective of undistorted competition, the CJEU was satisfied that EU legislation in the field of trademark law already took this concern into account by providing for certain limitations of exclusive rights that prevented impediments of the free movement of goods and services while, at the same time, allowing trademarks to fulfil their essential role in a system of undistorted competition.³⁸ The provisions on exclusive rights and limitations in EU trademark law had the effect of a complete harmonization of the scope of trademark protection which left no room for the importation of additional limitations from other fields of IP, such as EU design law.³⁹ Wheeltrims, thus, could not rely on the repair clause stemming from EU industrial design law as a defence against the trademark rights which Ford had asserted.⁴⁰ As a rule of industrial design legislation, the repair clause did not provide a basis for Wheeltrims to make unauthorized use of the Ford trademark to restore the original appearance of Ford cars.⁴¹

In its more recent judgment in *Audi v GQ*, the CJEU confirmed this approach. The case concerned the sale of spare parts for Audi models from the 1980s and 1990s. GQ offered grilles that contained an element designed for the attachment of the protected Audi emblem.⁴² In line with its earlier judgment, the Court clarified in this context that the repair clause in EU industrial design law ‘imposes certain limitations only on protection conferred on designs and applies without prejudice to the provisions of EU law relating to trade marks. That provision therefore contains no derogation from EU trade mark law.’⁴³ Rather than recognizing the repair clause as a universal defence that has emerged in industrial design law but applies to other IP rights

³⁴ As to theoretical groundwork for such an approach, see David Lange, ‘Reimagining the Public Domain’ 66(1) *Law and Contemporary Problems* (2003) 478–479.

³⁵ *Ford Motor Company* (n. 30) paras. 27–28. Cf. Tischner and Stasiuk (n. 2) 32–34.

³⁶ *Ford Motor Company* (n. 30) para. 39.

³⁷ *Ibid.*, para. 42.

³⁸ *Ibid.*, para. 43. See the provisions in Article 14 EUTMR and Article 14 TMD. Cf. Case C-63/97, *Bayerische Motorenwerke AG (BMW) and BMW Nederland BV v Ronald Karel Deenik*, CJEU, ECLI:EU:C:1999:82, para. 62; Case C-228/03, *The Gillette Company and Gillette Group Finland Oy v LA-Laboratories Ltd Oy*, CJEU, ECLI:EU:C:2005:177, para. 29.

³⁹ *Ford Motor Company* (n. 30) para. 44. Cf. Senftleben (n. 2) 1493–1504.

⁴⁰ Kur and Senftleben (n. 33) para. 6.38.

⁴¹ *Ford Motor Company* (n. 30) para. 45.

⁴² Case C-334/22, *Audi AG v GQ*, CJEU, ECLI:EU:C:2024:76, paras. 7–8.

⁴³ *Ibid.*, para. 27.

as well,⁴⁴ the Court thus limited the scope of the repair clause to the specific area of IP law in which it has been embedded. In practice, this case law indicates that a fashion upcycler who is confronted with a cumulative infringement claim based on copyright, industrial design, and trademark protection will have to find valid defences in each of these protection regimes. The CJEU judgments in *Ford* and *Audi* demonstrate that the Court is hesitant to universalize the field of application of defences. These decisions do not offer starting points for assuming that in upcycling cases, the Court would take a different approach.

13.4 NEED FOR CORRESPONDING DEFENCES

For upcyclers, it can be particularly challenging to identify corresponding defences in different IP regimes. EU IP legislation does not set forth specific upcycling rules.⁴⁵ It is thus necessary to ascertain whether existing, more general exceptions to exclusive rights – that were not introduced with a focus on upcycling – can be interpreted in a way that exempts upcycling from the control of rights holders.⁴⁶

In favour of a flexible interpretation of defences, the policy objective of environmental sustainability can be taken into account. With rapid product cycles – new collections each season – the fashion industry produces a highly problematic fashion garbage heap every year.⁴⁷ Circular economy projects seeking to produce new garments by reworking second-hand and unsold fashion items have particular societal value against this background. EU law explicitly recognizes the importance of environmental protection projects in Article 37 of the Charter of Fundamental Rights (CFR):⁴⁸ ‘[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.’⁴⁹ Additional support for sustainable fashion reuse follows from the Circular Economy Action Plan,⁵⁰ which the European Commission adopted in 2020 as a pillar of the European Green Deal – Europe’s agenda for sustainable growth.⁵¹ 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 reparability of goods in the European market.⁵² Evidently, legal solutions that support fashion reuse have particular relevance in the light of these goals.

⁴⁴ For a discussion of approaches that would lead to this result, see Senftleben (n. 5) 477–504.

⁴⁵ Calboli (n. 27) 246–247.

⁴⁶ Jacques (n. 4) 480–481; Senftleben (n. 4) 180–181.

⁴⁷ Ashly Riches, ‘The Fashion Industry Is Not as “Green” as It Would Like You to Believe’ 33(1) *Duke Environmental Law and Policy Forum* (2022) 84–86; Arielle Elia, ‘Fashion’s Destruction of Unsold Goods: Responsible Solutions for an Environmentally Conscious Future’ 30 *Fordham Intellectual Property, Media & Entertainment Law Journal* (2020) 541–551; Teibel (n. 1) 597–598.

⁴⁸ CFR of the European Union, *Official Journal of the European Communities* 2000 C 364, 1.

⁴⁹ Article 37 CFR.

⁵⁰ European Commission, Communication ‘A New Circular Economy Action Plan for a Cleaner and More Competitive Europe’, 11 March 2020, COM(2020) 98 final.

⁵¹ European Commission, Communication ‘The European Green Deal’, 11 December 2019, COM/2019/640 final.

⁵² European Commission (n. 49) 7–9. Cf. Tischner and Stasiuk (n. 2) 28; Vrendenburg (n. 2) 971–972. As to the broader international dimension of the sustainability debate, see Yu (n. 3) 14; Calboli (n. 27) 239–240; Matthew Rimmer, ‘Shane Rattenbury, the Productivity Commission, and the Right to Repair: Intellectual Property, Consumer Rights, and Sustainable Development in Australia’ 37(3) *Berkeley Technology Law Journal* (2022) 1009–1025; Aaron Perzanowski, ‘Mandating Repair Scores’ 37(3) *Berkeley Technology Law Journal* (2022) 1137–1144.

Initiatives, such as fashion upcycling,⁵³ add new value to worn or unsold pieces of clothing and contribute to the reduction of fashion waste.⁵⁴ To support the sustainable reuse of fashion items in the shadow of overlapping IP rights, it is thus consistent to adopt a flexible interpretation of existing limitations of exclusive rights. Interestingly, the CJEU has already recognized the need to reconcile IP rights – falling within the scope of the right to property in Article 17 CFR – with competing fundamental rights and values.⁵⁵ The Court held that it was necessary to strike a ‘fair balance’ between competing rights and interests,⁵⁶ and enable the ‘effectiveness’ of exceptions to exclusive rights as balancing instruments.⁵⁷ Limitations of exclusive rights conferred ‘rights’ on users seeking to achieve legitimate goals, such as freedom of expression and freedom of information.⁵⁸ A line of argument that could lead to a flexible interpretation of limitations in favour of sustainable reuse, is thus available.

With regard to defences that could support fashion upcycling, however, a restrictive approach has prevailed so far. In the aforementioned *Audi* decision, the CJEU denied not only the extension of the repair clause to trademark law but also a flexible interpretation of the referential use defence which the spare parts manufacturer had invoked as a more general limitation of trademark rights.⁵⁹ The referential use defence exempts use ‘for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark’.⁶⁰ Arguably, a car repair including the affixation of the car manufacturer’s logo refers back to the original producer. It identifies the repaired car as a product stemming from a specific car manufacturer, such as Audi. Similarly, the referential use concept can cover fashion upcycling. Reworked fashion elements bearing third-party trademarks make the use of second-hand or unsold source material visible to consumers and enable them to understand the circular economy product as an exponent of an alternative, different approach: as a harbinger of an indispensable change of production and consumption patterns in the fashion industry.⁶¹ Referring back to the original producer, upcycled products with third-party insignia make a

⁵³ ‘Upcycling’ can be understood as ‘the process of transforming by-products, waste materials, useless, or unwanted products into new materials or products perceived to be of greater quality, such as artistic value or environmental value’. See <https://en.wikipedia.org/wiki/Upcycling> (accessed 26 May 2025).

⁵⁴ For a description of different upcycling practices, see Schenerman (n. 1) 755–762; Calboli (n. 27) 243; Dorenbosch (n. 27) 147; Pihlajarinne (n. 1) 9; Bain (n. 1) 383–384; Elia (n. 47) 576–577.

⁵⁵ Senftleben (n. 2) 1477–1478. See Case C-240/18P, *Constantin Film Produktion GmbH v European Union Intellectual Property Office* (*Fack Ju Göhte*), CJEU, ECLI:EU:C:2020:118, para. 56; Joined Cases C-403/08 and C-429/08, *Football Association Premier League Ltd and Others v QC Leisure and Others*, CJEU, ECLI:EU:C:2011:631, paras. 162–164; Case C-145/10, *Eva-Maria Painer v Standard VerlagsGmbH and Others*, CJEU, ECLI:EU:C:2011:798, para. 132; Case C-201/13, *Johan Deckmyn and Vrijheidsfonds VZW v Helena Vandersteen and Others*, CJEU, ECLI:EU:C:2014:2132, para. 26; Case C-469/17, *Funke Medien NRW GmbH v Bundesrepublik Deutschland*, CJEU, ECLI:EU:C:2019:623, paras. 67–76; Case C-401/19, *Poland v Parliament and Council*, CJEU, ECLI:EU:C:2022:297, para. 66.

⁵⁶ *Painer* (n. 55) para. 134.

⁵⁷ *Ibid.*, para. 133. *Deckmyn* (n. 55) paras. 23–26; Case C-117/13, *Technische Universität Darmstadt v Eugen Ulmer KG*, CJEU, ECLI:EU:C:2014:2196, paras. 31–32; *Funke Medien* (n. 55) paras. 70–71; Case C-476/17, *Pelham GmbH and Others v Ralf Hütter and Florian Schneider-Esleben*, CJEU, ECLI:EU:C:2019:624, paras. 32–34; *Football Association Premier League* (n. 55) paras. 162–164.

⁵⁸ Case C-516/17, *Spiegel Online GmbH v Volker Beck*, CJEU, ECLI:EU:C:2019:625, paras. 50–54; *Funke Medien* (n. 55), paras. 65–70. Cf. Christophe Geiger and Elena Izyumenko, ‘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!’ 51(3) *IIC – International Review of Intellectual Property and Competition Law* (2020) 292–298.

⁵⁹ Senftleben (n. 2) 1498–1499.

⁶⁰ Article 14(1)(c) EUTMR; Article 14(1)(c) TMD.

⁶¹ Martin R. F. Senftleben, ‘Fashion Upcycling as Protected Free Speech in Trademark Law’ 31(2) *University of Miami International and Comparative Law Review* (2024) 361–367. Cf. Calboli (n. 27) 237–238; Bain (n. 1) 389.

critical statement on current marketing strategies and reflect the need for circular production methods that reduce fashion waste.⁶²

However, the CJEU preferred a restrictive interpretation. Discussing whether the marketing of Audi grille spare parts could be regarded as a legitimate form of referential use, the CJEU drew a distinction between, on the one hand, a situation where the alleged infringer incorporated a conflicting sign into spare parts intended for repair and, on the other hand, a situation where the alleged infringer, without affixing the conflicting sign to the spare parts themselves, merely used the trademark to indicate that they were compatible with the trademark owner's cars.⁶³ According to the Court, permissible referential use could only be found in the latter situation: '[t]he affixing of a sign identical with, or similar to, the trade mark on the goods marketed by the third party exceeds [...] the referential use referred to in Article 14(1)(c) of Regulation 2017/1001 and therefore does not fall within any of the situations covered by that provision.'⁶⁴ Quite clearly, this restrictive interpretation can thwart the invocation of the referential use defence when the sign triggering the infringement action becomes an element of the product offered by the user invoking the defence. This approach can have a deep impact on reuse in the circular economy. It minimizes the chances of having success with referential use arguments when a third-party trademark remains visible on repaired or upcycled products.⁶⁵ A comparison with developments in the area of descriptive use further darkens the horizon. Before the *Audi* decision, the CJEU already held that the descriptive use defence was inapplicable when a third-party trademark became a central element of the very contents of a product.⁶⁶ In *Adidas v Marca* – a case about allegedly infringing use of decorative elements similar to the famous three stripes logo – the Court concluded that the use of a two-stripe motif on sports clothing was 'not intended to give an indication concerning one of the characteristics of those goods'.⁶⁷ Constituting design features, the stripes were not intended to indicate the characteristics of the sports and leisure garments.⁶⁸ Similarly, the Court denied descriptive use in *Opel v Autec* 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.⁶⁹

This CJEU case law does not give much hope that defences in trademark law, such as the referential use defence, will be applied broadly to support upcycling initiatives. This is a missed opportunity to develop congruent defences for sustainable reuse across different domains of protection. As a result of the design law reform in the EU, the referential use defence known from trademark law has also become available in industrial design law. The design law counterpart exempts 'acts carried out for the purpose of identifying or referring to a product as that of the design right holder'.⁷⁰ As previously explained, upcycling could be regarded as use for the purpose of identifying the relevant design element as a product feature stemming from the original design right holder. Including third-party design elements, the upcycler makes the use of second-hand or unsold source material visible to consumers. Considering the reference to

⁶² Senftleben (n. 61) 366–367; Yu (n. 3) 14–15.

⁶³ *Audi* (n. 42) para. 57.

⁶⁴ *Ibid.*

⁶⁵ Izyumenko (n. 2) 873–874.

⁶⁶ Article 14(1)(b) EUTMR; Article 14(1)(b) TMD. Kur and Senftleben (n. 33) para. 6.23–6.27.

⁶⁷ Case C-102/07, *Adidas AG and Adidas Benelux BV v Marca Mode CV and Others*, CJEU, ECLI:EU:C:2008:217, para. 48.

⁶⁸ *Ibid.*, para. 48.

⁶⁹ Case C-48/05, *Adam Opel AG v Autec AG*, CJEU, ECLI:EU:C:2007:55, para. 44.

⁷⁰ Article 18(1)(d) DD; Article 20(1)(d) EUDR.

the source product of the design right holder, they can understand the circular economy product as an exponent of a different – sustainable – production and consumption model in the fashion industry.⁷¹

In the context of industrial design law, this elastic interpretation appears consistent. Design protection concerns the outward appearance of fashion products.⁷² For a limitation of protection to be effective, it seems necessary that users invoking the limitation as a defence can make use of this protected outward appearance and, as in the case of the repair clause,⁷³ include protected design elements in their own products. The traditional distinction in trademark law between the product and the mark attached to it as a source identifier does not make sense in industrial design law.⁷⁴ Importing the narrow interpretation of referential use from the *Audi* trademark decision into design law, the CJEU would introduce an outlier concept from a different field of IP and curtail the scope of the referential use concept in design law in an inconsistent way. However, the recital accompanying the design law exponent of the referential use defence gives the example of ‘referential use in the context of comparative advertising’.⁷⁵ This example does not prevent the CJEU from drawing a parallel with the concept the Court has developed in trademark law.⁷⁶ The inclusion of third-party designs in comparative advertising is one of the situations where users refer to a product of the design rights holder without including protected design elements in their own products. Hence, it cannot be ruled out that the CJEU extends the narrow understanding of the referential use concept known from trademark law to industrial design law. Instead of establishing a robust infrastructure of flexible defences for upcycling,⁷⁷ this restrictive harmonization of the concept across design and trademark law would render the referential use defence inapplicable in upcycling cases.

Looking for alternatives, it is noteworthy that the design law reform also introduced defences for ‘acts of reproduction for the purposes of making citations’,⁷⁸ and ‘acts carried out for the purposes of comment, critique or parody’.⁷⁹ Quite clearly, these exceptions to exclusive design rights cover situations where users incorporate third-party designs in their own products. In the famous *Darfurnica* case, Louis Vuitton sued artist Nadia Plesner for the inclusion of an ‘Audra’ handbag – a handbag showing the famous LV logo in ‘multicolor canvas’ design – in a drawing of an undernourished African child holding not only the designer handbag but also a chihuahua dog. Mixing cruel reality with show business insignia known from Paris Hilton, Nadia Plesner sought to criticize insufficient media attention for problems and disasters that truly matter. With her work, she wanted to point to ‘people who actually deserve and need attention’.⁸⁰

For this purpose, Plesner had started a campaign including the sale of ‘Simple Living’ T-shirts and posters showing – and thus incorporating – the undernourished child with the protected Audra handbag. With the proceeds of sales, she supported victims of the war in Darfur. Louis

⁷¹ Senftleben (n. 61) 366–367.

⁷² Article 2(3) DD; Article 3(1) EUDR.

⁷³ Article 19(1) DD; Article 20a(1) EUDR.

⁷⁴ As to this distinction, see Senftleben (n. 5) 215–217 and 230.

⁷⁵ Recital 31 DD; recital 18 EUDR.

⁷⁶ Kur and Senftleben (n. 33) para. 6.42–6.54.

⁷⁷ For an interpretation of referential use defences that would place use in this area outside the scope of exclusive rights form the outset, see Krystyna Szczepanowska-Kozłowska, ‘Referential Use: A Limitation or Expansion of the Right to a Trademark’ 56(4) *IIC – International Review of Intellectual Property and Competition Law* (2025) 795–796.

⁷⁸ Article 18(1)(c) DD; Article 20(1)(c) EUDR.

⁷⁹ Article 18(1)(e) DD; Article 20(1)(e) EUDR.

⁸⁰ District Court of The Hague, 4 May 2011, Case ECLI:NL:RBSCR:2011:BQ3525, *Nadia Plesner v Louis Vuitton*, para. 2.6.

Vuitton, however, feared that the association with an armed conflict could corrode its prestigious brand image.⁸¹ In the absence of a comment, critique, or parody defence in the industrial design legislation in force at the time, the District Court of The Hague invoked the fundamental right to freedom of expression in Article 10 of the European Convention on Human Rights,⁸² and concluded that Plesner's use of Louis Vuitton's handbag design did not amount to infringement.⁸³ After the design law reform, comparable cases can now be solved on the basis of the new defence for 'comment, critique or parody'.⁸⁴ In the light of the need to reconcile IP protection with freedom of expression,⁸⁵ it would be highly inconsistent to assume that the breathing space for criticism created by this new provision did not encompass situations where users incorporate protected design elements in their own products. This approach would render the defence moot in standard parody scenarios, such as the Nadia Plesner case involving the production of 'Simple Living' T-shirts and posters. Applying this insight to upcycling cases, it can be said that the new design law defence for comment, critique, and parody has the potential to cover the incorporation of third-party design elements into upcycled circular economy products. As already explained, the upcycled product, featuring third-party design elements, reflects a critique of the wasteful use of resources resulting from current production patterns in the fashion industry and underlines the need for strategies to reduce fashion waste.⁸⁶

Interestingly, this line of reasoning could also tip the scales in favour of the upcycler from a copyright perspective. With regard to the right of quotation in EU copyright law,⁸⁷ the CJEU stated that for a quotation to be justified, it was necessary that a work be used 'for the purposes of illustrating an assertion, of defending an opinion or of allowing an intellectual comparison between that work and the assertions of that user'.⁸⁸ A user invoking the right of quotation must have the intention of entering into 'dialogue' with that work.⁸⁹ The right of quotation may thus offer refuge to upcyclers if the act of including copyrighted design elements in a circular economy product can be seen as a legitimate form of setting up a dialogue,⁹⁰ in the described sense of creating a contrast with wasteful production and consumption patterns in the fashion industry

⁸¹ See the facts reported in *ibid.*, para. 2.1–2.8. Cf. Senftleben (n. 5) 187–188.

⁸² As to the invocation of fundamental rights as external limitations of intellectual property rights outside the canon of exceptions and limitations in specific intellectual property legislation, see Izyumenko (n. 2) 895–897; Christophe Geiger and Elena Izyumenko, 'Freedom of Expression as an External Limitation to Copyright Law in the EU: The Advocate General of the CJEU Shows the Way' 41(3) *European Intellectual Property Review* (2019) 131–133; Jens Schovsbo, "'Mark My Words': Trademarks and Fundamental Rights in the EU" 8 *UC Irvine Law Review* (2018) 571–573; Dirk Voorhoof, 'Freedom of Expression, Parody, Copyright and Trademarks' in Ginsburg and Besek (n. 7) 639–645.

⁸³ District Court of The Hague (n. 80) para. 4.4–4.8. Cf. Dirk J. G. Visser, 'Darfumsica: modellenrecht versus kunstvrijheid' *Nederlands Juristenblad* (2011) 740–742.

⁸⁴ Article 18(1)(e) DD; Article 20(1)(e) EUDR.

⁸⁵ *Painer* (n. 55) paras. 133–134; *Deckmyn* (n. 55) paras. 23–26; *Funke Medien* (n. 55) paras. 70–71; *Pelham* (n. 57) paras. 32–34. Cf. Geiger and Izyumenko (n. 58) 287–292; Łukasz Zelechowski, 'Invoking Freedom of Expression and Freedom of Competition in Trade Mark Infringement Disputes: Legal Mechanisms for Striking a Balance' 19 *ERA Forum* (2018) 115–135.

⁸⁶ Senftleben (n. 61) 366–367; Yu (n. 3) 14–15. See also Sabine Jacques, 'Just My Reimagination, Just Your Intellectual Property' in Péter Mezei and Heidi Härkönen (eds.), *The Handbook of Intellectual Property and Upcycling* (Cambridge University Press, 2026) 302–303.

⁸⁷ Article 5(3)(d) ISD. Cf. Tanya Aplin and Lionel Bently, *Global Mandatory Fair Use: The Nature and Scope of the Right to Quote Copyright Works* (Cambridge University Press, 2020) 156–222; Daniël J. W. Jongsma, *Creating EU Copyright Law: Striking a Fair Balance* (Hanken School of Economics, 2019) 203–213; Martin R. F. Senftleben, 'Quotations, Parody and Fair Use' in P. Bernt Hugenholtz, Antoon A. Quaedvlieg, and Dirk J. G. Visser (eds.), *A Century of Dutch Copyright Law: Auteurswet 1912–2012* (deLex, 2012) 374–381.

⁸⁸ *Pelham* (n. 57) para. 71.

⁸⁹ *Ibid.*, para. 71.

⁹⁰ CJEU, 12 September 2019, Case C-683/17, *Cofemel* (n. 3) paras. 30–35, 48, and 56.

and emphasizing the need for a change of course. The success of this argument depends on how strict the dialogue criterion is interpreted.⁹¹ If upcycled products are deemed impermissible unless the upcycler comments upon specific aspects of integrated third-party material, the right of quotation loses its potential to serve as a broad basis for sustainable reuse. While the act of upcycling can be seen as a general critique of wasteful modes of fashion production,⁹² it seems much more difficult to establish that the upcycled product makes a specific comment on incorporated designs. This will only be different if the upcycler, like Nadia Plesner in the *Darfurnica* case, creates a specific contrast with lifestyle messages, attitudes, policies, or other information associated with the selected third-party designs.

Similar conclusions can be drawn with regard to trademark law. If the upcycled product can be seen as a specific comment or critique of policies associated with incorporated third-party brand insignia, the defence of ‘due cause’ can be invoked that constitutes an inherent limit of EU trademark protection in the area of dilution.⁹³ So far, the CJEU has not had the opportunity to decide cases involving the invocation of the trademark due cause defence with regard to artistic expression.⁹⁴ National decisions in EU Member States, however, attest to the potential of the due cause defence to safeguard artistic freedom of expression.⁹⁵ The case *Lila Postkarte* of the German Federal Court of Justice, for example, concerned the marketing of postcards that alluded ironically to trademarks and advertising campaigns of the chocolate producer Milka.⁹⁶ Weighing Milka’s concerns about a disparagement of the trademarks against the fundamental guarantee of the freedom of art, the Court concluded that the freedom of art had to prevail in light of the ironic statement made with the postcard.⁹⁷ The use of Milka trademarks was found to have taken place with ‘due cause’.⁹⁸ The German Federal Court of Justice also permitted the use of the expression ‘gene-milk’ in connection with products bearing the trademarks ‘Müller’, ‘Weihenstephan’, ‘Sachsenmilch’, and ‘Loose’ to make consumers aware of the risks of genetically modified milk in milk products.⁹⁹ The French Supreme Court allowed the use of the trademark ESSO for the purposes of an environmental campaign which Greenpeace had organized to criticize environmental policies of the company on the basis of the trademark caricature ‘E\$\$O’.¹⁰⁰

However, national case law also shows the limits of the due cause defence when the use has a commercial background. In the decision *Styriagra*, the Austrian Supreme Court prohibited the

⁹¹ As to proposals for a relaxation of the dialogue requirement in quotation cases, see Aplin and Bently (n. 87) 156–222; Martin R. F. Senftleben, ‘Internet Search Results: A Permissible Quotation?’ 235 *Revue Internationale du Droit d’Auteur* (2013) 85–91.

⁹² Senftleben (n. 61) 366–367.

⁹³ Article 10(2)(c) TMD; Article 9(2)(c) EUTMR. Cf. Jacques (n. 4) 474–481.

⁹⁴ For an overview of decisions addressing the due cause defence, see Kur and Senftleben (n. 33) para. 5.250–5.272.

⁹⁵ *Ibid.*, paras. 5.267 and 6.59–6.70. Cf. Wolfgang Sakulin, *Trademark Protection and Freedom of Expression: An Inquiry into the Conflict between Trademark Rights and Freedom of Expression under European Law* (Kluwer Law International, 2010) 282–288; Martin R. F. Senftleben, ‘Free Signs and Free Use: How to Offer Room for Freedom of Expression within the Trademark System’ in Christophe Geiger (ed.), *Research Handbook on Human Rights and Intellectual Property* (Edward Elgar, 2015) 368.

⁹⁶ German Federal Court of Justice, 3 February 2005, Case I ZR 159/02, ‘Lila Postkarte’, 107(7) *Gewerblicher Rechtsschutz und Urheberrecht* (2005) 583.

⁹⁷ *Ibid.*, 584–585.

⁹⁸ *Ibid.*, 585.

⁹⁹ German Federal Court of Justice, 11 March 2008, Case VI ZR 7/07, ‘Gen-Milch’, 61(28) *Neue Juristische Wochenschrift* (2008) 2110.

¹⁰⁰ French Supreme Court, 8 April 2008, Case 06-10961, *Greenpeace v Esso*. See also French Supreme Court, 8 April 2008, Case 07-11251, *Greenpeace v Areva*. ESSO is a trademark of the Exxon Mobil Corporation which, in this case, was caricatured by replacing the double ‘S’ with ‘\$’ to insinuate that the company is only caring for money but not for the environment.

marketing of pumpkin seeds with blue frosting under the trademark STYRIAGRA.¹⁰¹ As the blue frosting and the trademark called to mind Pfizer's well-known VIAGRA trademark and the blue Viagra pills, the Court was convinced that the defendant sought to profit unfairly from the strong reputation of Pfizer's trademark as a vehicle to draw the attention of consumers to his pumpkin product.¹⁰² In this context, the Court rejected the argument that the use had taken place with due cause.¹⁰³ As the defendant conducted his business in the Austrian state Styria, the trademark STYRIAGRA could be understood as an ironic blend of the name of the Austrian state where the pumpkin seeds came from, and the VIAGRA trademark of the plaintiff.¹⁰⁴ To further support this parody argument, the defendant had also pointed out that his ironic play with Pfizer's trademark and pill colour created a sharp contrast between chemical and natural means to treat erectile dysfunction.¹⁰⁵ The Austrian Supreme Court, however, remained unimpressed.¹⁰⁶ While conceding that the due cause defence could be invoked to justify an artistic trademark parody, it held that in these specific circumstances, the intention to take unfair advantage of the magnetism of Pfizer's highly distinctive trademark was predominant.¹⁰⁷ Pfizer's interest in trademark protection thus prevailed over the defendant's free speech interests.¹⁰⁸

The analysis thus yields mixed results similar to the copyright discussion. If the incorporation of third-party designs enjoying trademark protection is seen as a valid general comment on wasteful modes of production in the fashion industry, upcyclers may successfully invoke the due cause defence. If, by contrast, a more targeted comment is required – focusing on specific lifestyle messages, attitudes, policies, or other information associated with individually selected brand insignia – the potential of the due cause argument to shield upcyclers from trademark infringement claims is reduced substantially. Moreover, the commercial nature of large-scale upcycling projects may render the due cause defence inapplicable, as in the Austrian *Styriagra* case.

Finally, the limited scope of the due cause defence must be taken into account. A valid due cause argument only neutralizes blurring, tarnishment and unfair freeriding claims in the area of trademark protection against dilution.¹⁰⁹ However, infringement claims based on confusion, such as the argument that the upcycled product causes post-sale confusion,¹¹⁰ remain unaffected. Even if judges are willing to accept due cause arguments in upcycling cases, fashion reusers in the circular economy thus still face confusion-based infringement claims that require a different defence strategy. In particular, it is an open question whether appropriate labelling is sufficient to rebut (post-sale) confusion arguments.¹¹¹

¹⁰¹ Austrian Supreme Court, 22 September 2009, Case 17Ob15/09v, 'Styriagra', para. 3.4.

¹⁰² *Ibid.*, para. 2.

¹⁰³ *Ibid.*, para. 2.

¹⁰⁴ *Ibid.*, para. 2.

¹⁰⁵ *Ibid.*, para. 2.

¹⁰⁶ *Ibid.*, para. 3.4.

¹⁰⁷ *Ibid.*, para. 3.4.

¹⁰⁸ *Ibid.*, para. 3.4.

¹⁰⁹ As to these different anti-dilution claims, see Case C-487/07, *L'Oréal SA, Lancôme parfums et beauté & Cie SNC and Laboratoire Garnier & Cie v Bellure NV, Malaika Investments Ltd and Starion International Ltd.*, CJEU, ECLI:EU:C:2009:378, paras. 39–41 and 49; Case C-252/07, *Intel Corporation Inc. v CPM United Kingdom Ltd*, CJEU, ECLI:EU:C:2008:655, para. 29; Case C-323/09, *Interflora Inc. and Interflora British Unit v Marks & Spencer plc and Flowers Direct Online Ltd.*, CJEU, ECLI:EU:C:2011:604, para. 76. Cf. Kur and Senftleben (n. 33) para. 5.231–5.249.

¹¹⁰ Case C-206/01, *Arsenal Football Club plc v Matthew Reed*, CJEU, ECLI:EU:C:2002:651, para. 57. Cf. Senftleben (n. 1) 101; Dorenbosch (n. 27) 148–49; Schenerman (n. 1) 766–767 and 778–779; Kur and Senftleben (n. 33) para. 5.131–5.146.

¹¹¹ *Viking Gas* (n. 27) paras. 39–41; *Soda-Club* (n. 27) para. 54. Cf. Senftleben (n. 1) 109–110; Dorenbosch (n. 27) 148–149; Kur (n. 27) 235–236; Vrendenburg (n. 2) 973–974; Anemaet (n. 27) 1037–1038.

In sum, the current CJEU approach to defences in cases of overlapping IP rights is wanting. In line with the *Audi* judgment, it seems necessary to build a valid defence argument in each IP system that the rights holder activates. The foregoing analysis demonstrates that this can be a challenging task. If upcycling is seen as a valid general critique of wasteful production and consumption patterns in the fashion sector, defence arguments based on freedom of artistic expression may have success across industrial design, copyright, and trademark law. However, this defence strategy makes it necessary to connect the dots between the referential use defence in EU design law, the right of quotation in EU copyright law, and the due cause defence in EU trademark law – and apply all these defences broadly. A restrictive interpretation requiring a targeted comment on messages conveyed by upcycled third-party design elements considerably reduces the scope of this cross-cutting defence strategy to cases where the upcycler selects a third-party fashion item specifically for criticizing the marketing strategy of the original rights holders.

Before turning to alternative, less burdensome regulatory approaches, it is important to address the exhaustion doctrine as a well-established limitation of EU industrial design, copyright, and trademark protection.¹¹² By definition, upcycling concerns the productive reuse of fashion items after the first sale under the control of the rights holder.¹¹³ At first glance, the exhaustion rule thus appears as an ‘ideal’ vehicle to establish a defence infrastructure that shields upcyclers from infringement claims across industrial design, copyright, and trademark law.¹¹⁴ However, the exhaustion doctrine poses its very own conceptual challenges and practical difficulties.

Conceptually, the exhaustion rule rests on the basic consideration that, once a fashion item has been made available to the public, the rights holder should not be able to exercise any last-ing control over the further distribution of this one copy of the product. By limiting the distribution right in this way, IP law aims to ensure the marketability of the individual copy sold under the control of the rights holder (resale theory). Furthermore, the sale of a fashion item gives the rights holder sufficient opportunity to obtain appropriate remuneration for the intellectual, creative work, and marketing efforts invested in the distribution of that copy (reward theory). Finally, there is the need to reconcile IP rights with real world ownership of the individual copy for which the customer has paid. The exhaustion rule strikes a balance by restricting IP rights attached to a fashion item in favour of the free exercise of the right of ownership of the product sold (theory of ownership).¹¹⁵ From these rationales, the principle of exhaustion can be derived: once the first sale or other transfer of ownership of a fashion item is made by the rights holder or with her consent in the internal market, the further distribution and resale of that copy no longer depends on the rights holder’s authorization.¹¹⁶

¹¹² Article 4(2) ISD; Article 20 DD; Article 21 EUDR; Article 15(1) TMD; Article 15(1) EUTMR.

¹¹³ Mezei and Härkönen (n. 2) 363; Schenerman (n. 1) 755–762.

¹¹⁴ Mezei and Härkönen (n. 2) 364–366; Calboli (n. 27) 245; Bernardo Calabrese, ‘Economia circolare e principio di esaurimento del marchio’ *Rivista Orizzonti del Diritto Commerciale* (2023) 473–482. See also Bernardo Calabrese, ‘Trademark Law and Upcycling: Tailoring “Old-Fashioned” Principles’ in Mezei and Härkönen (n. 86) 93–99.

¹¹⁵ Cf. Tomasz Targosz, ‘Exhaustion in Digital Products and the “Accidental” Impact on the Balance of Interests in Copyright Law’ in Lionel Bently, Uma Suthersanen, and Paul Torremans (eds.), *Global Copyright* (Edward Elgar, 2010) 340–345; Andreas Wiebe, ‘The Principle of Exhaustion in European Copyright Law and the Distinction between Digital Goods and Digital Services’ 58(2) *GRUR International* (2009) 114; Séverine Dusollier, *Droit d’auteur et protection des oeuvres dans l’univers numérique* (Larcier, 2005) 353; Heinz Stefan, *Urheberrechtliche Gleichbehandlung von alten und neuen Medien* (Beck, 2006) 78; Peter Ganea, ‘Ökonomische Aspekte der urheberrechtlichen Erschöpfung’ 54(2) *GRUR International* (2005) 104–105; Christian Berger, ‘Die Erschöpfung des urheberrechtlichen Verbreitungsrechts als Ausprägung der Eigentumstheorie des BGB’ 201 *Archiv für die civilistische Praxis* (2001) 418–423; Philipp Koehler, *Der Erschöpfungsgrundsatz des Urheberrechts im Online-Bereich* (Beck, 2000) 53; Ulrich Joos, *Die Erschöpfungslehre im Urheberrecht* (Beck, 1991) 51.

¹¹⁶ Cf. Mezei and Härkönen (n. 2) 360.

All exhaustion rules in EU IP law reflect these basic rationales. From the outset, EU copyright law places the principle of exhaustion in the specific context of the right of distribution.¹¹⁷ EU design law stipulates that, after the first sale, the exclusive rights acquired through registration do not extend to acts relating to a product incorporating the protected design.¹¹⁸ EU trademark law leaves no doubt that the focus is on the product bearing the trademark as sold by the rights holder. Where the condition of the product is changed or impaired after it has been put on the market, this change may give the rights holder a legitimate reason to oppose the further commercialization.¹¹⁹

In practice, this means that the exhaustion doctrine is a less reliable safe harbour for upcycling than one may think. Considering the specific context in which the use takes place – the reuse of clothing that has previously been sold with the consent of the rights holder it is tempting to jump to the conclusion that the use of second-hand clothes for upcycling purposes does not amount to copyright, design, or trademark infringement in the light of the exhaustion rule that is applicable horizontally across these protection regimes.¹²⁰ The crux, however, lies in the focus on the fashion item in the specific form in which it has been placed on the internal market by the rights holder.¹²¹ 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.¹²² However, product changes that are inherent in upcycling can render the exhaustion doctrine inapplicable because they lead to an altered object that no longer constitutes the original object placed onto the market with the consent of the rights holder from a copyright perspective,¹²³ constitute acts of use that no longer relate to the product incorporating the original design in the sense of design law,¹²⁴ or give the rights holder legitimate reasons for opposing the resale under trademark law.¹²⁵

This is not to say that the exhaustion doctrine is incapable of providing a valid defence for upcycling.¹²⁶ But the potential of this legal solution to offer a universal answer across industrial design, copyright, and trademark law must not be overestimated. As in the case of the more specific limitations of exclusive rights discussed above, the final outcome depends on whether judges are willing to interpret the exhaustion rule broadly in the different protection systems involved. According to the open-ended exhaustion formula in EU design law:

[t]he rights conferred by a design right upon registration shall not extend to acts relating to a product in which a design included within the scope of protection of the design right is incorporated or to which it is applied, when the product has been placed on the market in the Union by the holder of the design right or with the holder's consent.¹²⁷

Taken to the extremes, this wording can be understood to indicate that the design right relating to the sold product is exhausted altogether. In consequence, the exhaustion rule in EU design law would permit all kinds of uses in upcycling contexts. In copyright law, by contrast, there can

¹¹⁷ Article 4(2) ISD.

¹¹⁸ Article 20 DD; Article 21 EUDR.

¹¹⁹ Article 15(2) TMD; Article 15(2) EUTMR.

¹²⁰ See the examples given by Schenerman (n. 1) 755–762.

¹²¹ Case C-419/13, *Art & Allposters International BV v Stichting Pictoright*, CJEU, ECLI:EU:C:2015:27, para. 45. See the critique by Mezei and Härkönen (n. 2) 362–363.

¹²² Ibid., 363; Calboli (n. 27) 243; Schenerman (n. 1) 755–762.

¹²³ *Art & Allposters International* (n. 121) paras. 45–46. Cf. Mezei and Härkönen (n. 2) 361–362.

¹²⁴ Article 20 DD; Article 21 EUDR.

¹²⁵ Dorenbosch (n. 27) 148–149; Kur (n. 27) 232–233; Keats (n. 1) 715–716; Senftleben (n. 61) 354–357. Cf. German Federal Supreme Court, 14 December 1995, Case I ZR 210/93, ‘Gefärbte Jeans’, 45(6) *GRUR International* (1996) 726, stating that the exhaustion rule did not cover the resale of ‘stonewashed’ secondhand jeans.

¹²⁶ For a broad interpretation assuming exhaustion as long as the upcycler does not reproduce the original object but only reuses what the original rights holder has put on the market, see Mezei and Härkönen (n. 2) 362.

¹²⁷ Article 20 DD.

be little doubt that exhaustion only concerns the right of distribution,¹²⁸ and does not justify acts of adaptation or reproduction.¹²⁹ As upcycling implies product changes, it is an open question whether the copyright manifestation of the exhaustion principle can be employed as a vehicle to shield upcyclers successfully from allegations of copyright infringement.¹³⁰ Trademark law seems to take a position between these poles. If no legitimate reasons for opposing product changes exist,¹³¹ the resale of trademarked fashion items in altered, upcycled form is permissible (design law approach). If the trademark owner can oppose the resale due to changes made in the course of upcycling, no altered versions of the original product can be sold (copyright approach). Considering this fragmentation of the legal consequences, the exhaustion doctrine is unlikely to immunize upcyclers universally against infringement claims in industrial design, copyright, and trademark law. As other limitations of exclusive rights, it can hardly be expected to provide a solid basis for large-scale upcycling initiatives when it is deemed necessary to produce a valid defence with regard to each individual IP right that is asserted against an upcycling project in the circular economy.¹³²

13.5 THEORETICAL GROUNDWORK FOR A CHANGE OF COURSE

To enhance legal certainty for upcyclers, it is thus of particular importance to explore alternative avenues leading to a more robust defence infrastructure across IP regimes. Interestingly, the preconditions for accepting the cumulation of different IP rights provide useful signposts. Besides literature statements that readily accept the cumulation of IP rights as a corollary of formal eligibility for protection under several protection systems,¹³³ seek to justify the amalgamation of different IP rights in the light of different functions and objectives of the underlying protection regimes,¹³⁴ or purported economic benefits,¹³⁵ the debate also led to proposals for more nuanced approaches that can be put to good use in the current context.

Annette Kur stated that the cumulation of different IP rights was only unproblematic as long as the individual protection regimes involved were balanced in the sense that the prerequisites for obtaining protection were appropriately aligned with the contents and limits of exclusive rights.¹³⁶ The decision on overlapping protection required a thorough scrutiny of

¹²⁸ Article 4(2) ISD.

¹²⁹ *Art & Allposters International* (n. 121) paras. 45–46 and 49.

¹³⁰ Mezei and Härkönen (n. 2) 362–363, and for a discussion of different views in this debate.

¹³¹ Article 15(2) TMD; Article 15(2) EUTMR. Cf. Senftleben (n. 61) 354–357; Calboli (n. 27) 245; Calabrese 2023 (n. 114) 473–482.

¹³² Senftleben (n. 61) 356–357.

¹³³ Tobias Cohen Jehoram, Constant J. J. C. van Nispen, and J. L. R. Toon Huydecoper, *European Trademark Law* (Kluwer Law International, 2010) 556.

¹³⁴ Ohly (n. 17) 332; Jane C. Ginsburg, 'Intellectual Property as Seen by Barbie and Mickey: The Reciprocal Relationship of Copyright and Trademark Law' 65 *Journal of the Copyright Society of the U.S.A.* (2018) 261–264; Annette Kur, 'Gemeinfreiheit und Markenschutz – Bemerkungen zur Entscheidung des EFTA-Gerichtshofs im Vigeland-Fall' 119(11) *Gewerblicher Rechtsschutz und Urheberrecht* (2017) 1086; Jane C. Ginsburg, 'Licensing Commercial Value: from Copyright to Trademarks and Back' in Irene Calboli and Jacques de Werra (eds.), *The Law and Practice of Trademark Transactions: A Global and Local Outlook* (Edward Elgar, 2016) 60–63; Alexander Peukert, *Die Gemeinfreiheit* (Mohr Siebeck, 2012) 111–113; Derclaye and Leistner (n. 7) 314–315 and 320.

¹³⁵ Gideon Parchomovsky and Peter Siegelman, 'Towards an Integrated Theory of Intellectual Property' 88 *Vanderbilt Law Review* (2002) 1474–1475 and 1499–1505. Cf. the critique by Mark P. McKenna, 'An Alternate Approach to Channeling?' 51 *William and Mary Law Review* (2009) 884–890.

¹³⁶ Annette Kur, 'Does/Should Trademark Law Prohibit Conduct to Which Copyright Exceptions Apply?' in Ginsburg and Besek (n. 7) 596–599. See also Ohly (n. 17) 332, who emphasizes the need to limit the scope of protection in accordance with the specific functions of trademark law. In the US, McKenna (n. 135) 884, expresses a similar view.

the checks and balances offered by the protection regimes involved. If these checks and balances were sufficient to prevent excessive protection that obstructs competition, the cumulation of rights was acceptable.¹³⁷ If not, overlapping protection raised the problem of ‘asymmetric convergence’ and required appropriate countermeasures.¹³⁸

Feer Verkade expressed concerns about the corrosive effect of overlapping protection on the specific balance and structure of individual protection systems. Instead of affording rights holders the opportunity to always enjoy the ‘best of both worlds’, they should be bound to accept the ‘one world’ offered by each individual law.¹³⁹ Potentially indefinite trademark protection should not be available as a vehicle to undermine the limited term of copyright protection; the absence of formalities in copyright law should not allow the circumvention of the registration requirement in Benelux trademark law.¹⁴⁰ Seeking to prevent one protection regime from blurring the conceptual contours of the other, Verkade proposed to determine case-by-case which protection regime should take precedence in the light of the specific circumstances of the dispute and the harm flowing from the allegedly infringing use.¹⁴¹

These nuanced approaches pave the way for tailor-made solutions. Instead of bright-line rules, the acceptance of overlaps depends on appropriate measures to preserve the checks and balances of the protection systems involved. Only if a sufficient arsenal of legal safeguards against excessive protection is available, it is possible to afford IP owners the opportunity to combine exclusive rights from different protection regimes.¹⁴²

The crucial question then is who must carry the burden of ensuring that, in overlap scenarios, all protection regimes involved – with their individual mechanisms for achieving a proper balance between exclusive rights and user freedoms – remain intact. Traditionally, this task of policing the borders between different IP domains has been assigned to lawmakers and judges: the legislator must implement appropriate safeguards against undesirable overlaps. The judiciary must use these safety valves effectively to avoid dysfunctional overprotection. In line with this traditional approach, private parties benefiting from protection overlaps – holders of mixed IP portfolios – are free to exercise and enjoy multiple exclusive rights as long as IP law does not preclude or terminate the overlap situation.

A more recent proposal, however, imposes the burden of preventing corrosive effects of protection overlaps on the private parties benefiting from the overlap situation: the rights holders themselves.¹⁴³ This approach follows the maxim that the cumulation of IP rights entails the parallel cumulation of obligations to ensure the proper functioning of all affected protection regimes. As a corollary of the acquisition of multiple IP rights, rights holders must take on the responsibility to keep intact the IP system in general, and each individual protection regime in

¹³⁷ Annette Kur, ‘Funktionswandel von Schutzrechten: Ursachen und Konsequenzen der inhaltlichen Annäherung und Überlagerung von Schutzrechtstypen’ in Gerhard Schricker, Thomas Dreier, and Annette Kur (eds.), *Geistiges Eigentum im Dienst der Innovation* (Nomos, 2001) 44.

¹³⁸ *Ibid.*, 42–44.

¹³⁹ D. W. Feer Verkade, ‘The Cumulative Effect of Copyright Law and Trademark Law: Which Takes Precedence?’ in Jan J. C. Kabel and Gerard J. H. M. Mom (eds.), *Intellectual Property and Information Law: Essays in Honour of Herman Cohen Jehoram* (Kluwer, 1998) 72.

¹⁴⁰ *Ibid.*

¹⁴¹ *Ibid.*, 73.

¹⁴² For a similar approach, see Ohly (n. 7) 205–208, who is confident that the absolute grounds for refusal and the requirements for establishing infringement in trademark law provide an adequate arsenal of legal tools to arrive at appropriate solutions, case by case. Dinwoodie (n. 7) 518–521, also argues for a policy-based development of tailor-made solutions and ‘doctrinal mediation’. See also Derclaye and Leistner (n. 7) 306–308, 313–314, and 328, who follow in the footsteps of Kur’s approach.

¹⁴³ Senftleben (n. 5) 550.

particular.¹⁴⁴ IP owners must acquiesce in the *quid pro quo* – the checks and balances – of each individual branch of protection.¹⁴⁵ In particular, they must avoid corrosive effects of IP right combinations that would render individual protection regimes dysfunctional or cause imbalances in the IP system as a whole.¹⁴⁶

In line with this approach, IP owners face a new situation: instead of paving the way for a *maximization of benefits*, the cumulation of IP rights leads to a *minimization of protection* that is readily available.¹⁴⁷ Only the common denominator of all protection tools in a rights holder's portfolio – those rights and interests that are compatible with the configuration of all IP systems involved – remains available. The more protection regimes are included in an IP portfolio, the smaller the common ground of shared rights and interests, and the lower the resulting common denominator.¹⁴⁸

13.6 HORIZONTAL APPLICABILITY OF DEFENCES

With regard to limitations of exclusive rights that can serve as defences for upcyclers, this means that IP overlaps lead to an accumulation of obligations to tolerate privileged unauthorized use. The field of application of any defence that is available in a given protection regime is automatically extended to all other protection systems in which a fashion manufacturer has secured protection. A rights holder who acquires cumulative industrial design (A), copyright (B), and trademark protection (C) must ensure that all limitations of protection in these IP regimes remain intact. Instead of neutralizing a limitation of exclusive rights in protection regime A by invoking exclusive rights under protection regime B or C, the fashion manufacturer holding cumulative rights must accept a minimization of the scope of protection due to horizontal applicability of all limitations (A+B+C) in the three IP systems involved.¹⁴⁹

Following this approach, only the smallest common denominator of exclusive rights – the scope of protection after subtraction of all forms of permissible unauthorized use – remains available.¹⁵⁰ If an upcycling practice is permissible under the flexible exhaustion rule in EU design law,¹⁵¹ this implies that the rights holder is obliged to ensure that overlapping copyright or trademark protection does not stifle this breathing space for upcycling. Hence, the rights holder must tolerate the permissible form of upcycling not only in industrial design law but also in copyright and trademark law. If the design law defence for 'acts carried out for the purposes of comment, critique or parody' is deemed capable of exempting certain forms of upcycling,¹⁵² this obliges the rights holder to leave this upcycling freedom intact in copyright and trademark contexts as well.

CJEU jurisprudence prior to the *Audi* decision provides support for this approach. The 1997 *Dior v Evora* decision concerned the advertising of parallel imports of Dior perfumes sold in

¹⁴⁴ Ibid.

¹⁴⁵ Ibid., 7, 79–80, 274–275. Cf. U.S. Supreme Court, 2 June 2003, *Dastar v Twentieth Century Fox*, 539 U.S. 23, 33–34 (2003); German Federal Constitutional Court, 31 May 2016, Case 1 BvR 1585/13, 'Sampling' 118(7) *Gewerblicher Rechtsschutz und Urheberrecht* (2016) 690, para. 87; EFTA Court, 6 April 2017, Case E-5/16, Municipality of Oslo ('Vigeland'), para. 66.

¹⁴⁶ Senftleben (n. 5) 551–554.

¹⁴⁷ Ibid., 550.

¹⁴⁸ Ibid., 550–551.

¹⁴⁹ Ibid., 553.

¹⁵⁰ Ibid., 550–551.

¹⁵¹ Article 20 DD; Article 21 EUDR.

¹⁵² Article 18(1)(e) DD; Article 20(1)(e) EUDR. Senftleben (n. 61) 366–367; Yu (n. 3) 14–15.

Kruidvat drugstores owned by Evora. Given the presentation of the luxury perfumes in regular Kruidvat advertising brochures, Dior was concerned about potential negative effects on its prestigious brand image. It asserted cumulative copyright and trademark protection relating to the perfume packaging and bottles to stop the advertising and shield its exclusive distribution network of official Dior dealers.¹⁵³

Seeking to safeguard freedom of competition, the CJEU underlined the need to reconcile the fundamental interest in the protection of trademark rights with the fundamental interest in the free movement of goods within the internal market.¹⁵⁴ Weighing these fundamental interests, the Court arrived at the conclusion that the trademark proprietor was not entitled to oppose the use of the trademark by a reseller who habitually marketed articles of the same kind, but not necessarily of the same quality, as long as the reseller used ways of advertising that were customary in their sector of trade. A reseller was free to use the trademark in advertising to inform the public about the further commercialization of branded goods, unless it was established that, given specific circumstances, the use for this purpose seriously damaged the reputation of the mark.¹⁵⁵

As Dior had also relied on parallel copyright protection,¹⁵⁶ the case posed the additional question whether the fundamental interest in free competition would prevail in copyright law as well. In this respect, the CJEU contented itself with a reference to earlier case law, according to which an exhausted copyright could not be invoked to prevent or restrict the importation of protected works which had been lawfully marketed in another EU Member State.¹⁵⁷ The Court held that the protection conferred by copyright as regards the reproduction of protected works in a reseller's advertising may not, in any event, be broader than that which was conferred on a trademark owner in the same circumstances.¹⁵⁸ Hence, the Court limited copyright protection in the same way as it had limited trademark protection. Holding that the copyright claim could not be stronger than the trademark claim, the CJEU *de facto* aligned the limits of copyright protection with the limits of trademark protection.

Obviously, this *Dior v Evora* approach differs markedly from the approach taken in *Ford* and *Audi*. In *Dior v Evora*, the CJEU developed a solution which, in line with the proposal for minimizing the corrosive effect of protection overlaps, may be described as cross-cutting analogous application of IP limitations.¹⁵⁹ After concluding that the allegedly infringing use did not amount to trademark infringement, the CJEU stated that the outcome could not be different in copyright law. Hence, the Court automatically converted the protection limit identified in trademark law into a limit of copyright protection. In consequence, the decision led to full congruence of copyright and trademark limitations with regard to the use at issue. This outcome did not depend on corresponding limitations of exclusive rights in the IP regimes involved. The CJEU simply posited that it was necessary to set the same limits to copyright and trademark protection.

Admittedly, the objective to ensure the free movement of goods in the internal market occupied centre stage in *Dior v Evora*.¹⁶⁰ However, the focus on this central freedom in primary EU law need not thwart an extension of the *Dior v Evora* approach to upcycling cases. As previously

¹⁵³ *Dior v Evora* (n. 6) para. 4.

¹⁵⁴ *Ibid.*, paras. 42–44.

¹⁵⁵ *Ibid.*, paras. 48 and 54.

¹⁵⁶ *Ibid.*, para. 4.

¹⁵⁷ Joined Cases 55/80 and 57/80, *Musik-Vertrieb membran GmbH and K-tel International v GEMA – Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte*, CJEU, ECLI:EU:C:1981:10, para. 15.

¹⁵⁸ *Dior v Evora* (n. 6) para. 58.

¹⁵⁹ *Geiregat* (n. 6) 297–298.

¹⁶⁰ *Ibid.*, paras. 42–44.

explained, the objective to protect the environment and support sustainable modes of production is a fundamental interest that has been recognized in primary EU law as well.¹⁶¹ Article 37 CFR leaves no doubt that environmental protection and the principle of sustainable development are core values that must be safeguarded in IP contexts. Individual fundamental rights that are affected by the climate crisis, in particular the right to life, respect for private and family life, and the right to property (Articles 2, 7, 17 CFR), must also be taken into account.¹⁶² Judges must apply EU design, copyright, and trademark law in a way that strikes a proper balance between the right to (intellectual) property (Article 17(2) CFR) and these competing fundamental rights and objectives.¹⁶³

Against this background, the *Dior v Evora* approach cannot be confined to cases concerning the free movement of goods. If the CJEU adopts the *Dior v Evora* approach to protect the primary EU law objective to ensure the free movement of goods, it is appropriate to take the same step with regard to the primary EU law objective to protect the environment and safeguard the right to a healthy environment. As previously demonstrated, the fragmentation of defences that could support sustainable reuse in the circular economy can pose insurmountable hurdles to upcycling initiatives when rights holders apply an amalgam of multiple IP rights. In overlap scenarios, judges must develop appropriate counterbalances. Hence, it would be wrong to restrict the *Dior v Evora* approach to cases involving the free movement of goods. Rightly understood, it is a legal solution that is available whenever IP protection must be reconciled with competing objectives that have been formulated in primary EU law. From this perspective, it is consistent to employ the *Dior v Evora* approach to solve the overlapping rights dilemma described in the preceding sections.

However, a final remark is necessary with regard to the distinction between the cumulation of IP rights at product and subject matter level. The *Dior v Evora* judgment concerned Eau Sauvage, Poison, Fahrenheit, and Dune picture trademarks which Dior had acquired for perfumes. The CJEU explained that: '[t]hose marks consist of illustrations of the packaging in which the bottles containing the perfumes bearing those names are sold. In addition, Dior France has copyright in both that packaging and those bottles and in the packaging and bottles of products marketed under the name of Svelte.'¹⁶⁴ Hence, the *Dior v Evora* case concerned a situation where a protection overlap had arisen at subject matter level. Dior could invoke cumulative copyright and trademark protection with regard to the packaging and bottles. This fact pattern raises the question whether the *Dior v Evora* approach can be extended to cumulative protection at product level. An example would be a situation where the word mark FAHRENHEIT displayed on a perfume bottle enjoys trademark protection; the bottle as such, however, only enjoys copyright protection.

Arguably, the answer to this extension question lies in the overarching objective to support sustainable reuse in the circular economy. If the rights holder could frustrate the upcycling freedom evolving from the exhaustion rule in EU design law (or the new design law defence for comment, critique, and parody) by pointing out that, as regards the word mark that remains visible on the upcycled product, the subject matter of industrial design protection is not fully congruent with the subject matter of trademark protection, the described alternative approach to protection overlaps – obliging rights holders to keep limitations of protection intact across all

¹⁶¹ Senftleben (n. 1) 99–100.

¹⁶² Izyumenko (n. 2) 882–887.

¹⁶³ Pelham (n. 57) paras. 32 and 62. Cf. Geiger and Izyumenko (n. 58) 287–292.

¹⁶⁴ *Dior v Evora* (n. 6) para. 4.

protection regimes involved – would remain incomplete. Rights holders could use cumulative protection at product level as a loophole to escape the obligation to safeguard the checks and balances of all protection systems in their portfolio. Hence, it must be decisive that the outward appearance of the original product contains both protected industrial design and trademark elements and leads to an amalgam of IP rights that can easily thwart socially valuable reuse in the circular economy. In this situation, the fashion manufacturer must ensure that the upcycling freedom granted in industrial design law also prevails in trademark law. In the light of the overarching goal of environmental protection, the *Dior v Evora* approach, thus, must cover both cumulative protection at product level and protection overlaps at subject matter level.

13.7 CONCLUSION

Cumulative industrial design, copyright, and trademark protection at product and/or subject matter level constitutes a standard protection strategy in the fashion industry. For upcyclers seeking to reuse protected fashion items in the circular economy, this amalgamation of IP rights poses particular difficulties. In line with current CJEU jurisprudence, an infringement claim based on two or three IP rights requires a valid defence in each IP regime involved. As the current system of exceptions to exclusive rights and exhaustion rules in EU IP law is highly fragmented, a robust infrastructure of congruent, corresponding defences for upcycling is sought in vain. As a result, overlap scenarios expose upcyclers to an increased risk of infringement that can easily thwart the reduction of fashion waste.

As a way out of the dilemma, the rules governing protection overlaps could be recalibrated. As a corollary of the cumulation of different IP rights, rights holders could be obliged to keep intact the checks and balances of each individual protection regime involved. Following this approach, only the smallest common denominator of exclusive rights – the scope of protection after subtraction of all forms of permissible unauthorized use – remains available. If upcycling is permissible under an exception to exclusive rights or the exhaustion rule in one protection regime, the rights holder is obliged to ensure that overlapping rights in other IP domains do not stifle this breathing space. Practically speaking, this leads to the universal applicability of a defence for upcycling across the different domains of IP law. Instead of maximizing protection on the basis of different IP rights, the rights holder must tolerate the permissible form of upcycling in all protection regimes that are part of a mixed protection portfolio. The 1997 *Dior v Evora* decision of the CJEU could serve as a catalyst for the implementation of this recalibrated approach to overlapping protection in practice.