

**Lord Neuberger gives the Burrell Lecture for the Competition Law Association
Intellectual Property in the UK and Europe
1 April 2014**

Introduction

1. As a comparative latecomer to your world, I feel a little diffident when I come to pontificate about intellectual property, whether in a judgment or in a talk. I had no involvement in any IP case until I became a judge. My practice at the Bar tended to concentrate on land law, so my natural judicial home was the Chancery Division, where I became a judge in 1996. About three years later, I was rung up one morning by the Vice-Chancellor as the Head of the Chancery Division was then known. “David”, he said, “I understand you have a chemistry degree?” “Yes”, I replied, wondering what this was leading to. I soon learnt. “Well”, said the Chancellor, “we need another patents judge, and there is no other judge who knows about patents, but at least you know about science”.
2. So my judicial diet of insolvency, property, company, trust, wills, professional negligence, was supplemented, indeed enriched, by patents, trade marks and other IP. And a very steep learning curve it represented. For a long time I felt as if the IP barristers and solicitors and the patent and trade mark agents who appeared in front of me were standing on a hill in broad daylight with the whole of the IP landscape brightly illuminated all around them. Whereas I was on the hill too, the IP landscape was shrouded in darkness, save that there were a few searchlights showing up the occasional seams or furrows which represented the areas which I was considering or had considered judicially. This meant that I was acutely aware that I risked not seeing issues properly in their context, and that I would be asking questions which revealed the depth of my inexperience. However, there were concomitant benefits: like the innocent child in

the crowd asking about the Emperor's new clothes, I suppose that I was well equipped to challenge the unthinking assumptions which were inevitably made by more experienced IP practitioners.

3. And, gradually, as I tried more and more cases, I started to feel more comfortable as the sun started to shine on ever increasing parts of the landscape. I suppose you might say, at least if you were kind, that, having been an intellectual property lawyer, my experience as a judge has gradually removed the comma, although the extent to which the comma has been erased may be a matter of opinion. At any rate, as actions speak louder than words it appears that I am sufficiently comfortable – or sufficiently rash – to have been able to agree to speak this evening to an impressive collection of real experts, who have long specialised and still specialise in IP.
4. I thought that I would talk this evening about one or two areas in patent and trade mark law involving European issues. I think that this is worth doing partly because IP's European dimension is topical and important to UK business and IP professionals, and is not without problems. But it is also partly because the difficulties or tensions that exist between the UK and the rest of Europe on IP issues seem to me in many ways to be representative of the sort of discomfort which many people in the UK feel about our involvement in the post-World War II European venture, a topic which gives rise to hot debate and strong feelings.
5. I am not intending to express any view as to what the Government's policy should be on the EU, the Human Rights Convention or other European ventures. What I am suggesting as I have suggested in an earlier talk that many of our difficulties about whole-hearted committing to the European venture are attributable to a historical experience and a cultural tradition, both of which differ in significant ways from those of most of the rest of Europe.

6. As for history, no doubt partly because of its island status, Great Britain has suffered no invasion, no revolution, no change of boundaries and no tyranny for well over 300 years, and, less than a century ago, we were the world's top nation, to use the telling words of 1066 And All That, ruling 20% of the world's landmass and population. No other European country has had such good fortune or so much world power – indeed many of them did not even exist 150 years ago, let alone 300 years ago. So we do not feel the same historical need as the rest of Europe does to trade a degree of national autonomy in return for international co-operation and security; our history has given us a degree of self-conscious exceptionalism not shared by other countries, exceptionalism which may sometimes hinder full engagement with other countries on a genuinely equal basis.
7. So far as culture is concerned, we have parliamentary sovereignty, no written constitution, and a common law tradition involving precedent and judge-made law, whereas almost every other European country has a written constitution, which constrains the power of the legislature, and a civilian law system with a complex and detailed code. Somewhat paradoxically, while we are not used to judges overruling parliament, we are proud of what we see as a judiciary which is not merely independent, but a judiciary which is unusually free to develop the law according both to precedent and to the needs of society, rather than by reference to a set of rules.
8. It is at least partly because of these factors that the UK's current attitude to Europe is complex and ambiguous; indeed, the oddity of the attitude is manifested by the very expression “the UK's current attitude to Europe”, as it implies that the UK is not part of Europe. That is a view which reflects what Winston Churchill, an ardent pro-European, said as long ago as 1930, namely, “We are with Europe,

but not of it. We are linked, but not comprised. We are interested and associated, but not absorbed”.

9. The potential for differences between the UK and the rest of Europe in the field of IP is accentuated by the fact that, in any modern democratic and capitalist society, there is a need for the law both to grant and protect IP rights and to ensure that there is maximum competitiveness. Both IP rights and competition law have the same ultimate justification, namely the improvement of life, in the one case by encouraging inventiveness and creativity in relation to goods and services, and in the other case by encouraging high standards and low prices for goods and services.
10. However, according IP rights is obviously in tension with promoting competition, as IP rights involve the grant and enforcement of monopolies, whereas competition involves the prevention and breaking up of monopolies. The perception as to where the correct balance lies will depend objectively on the prevailing economic and political circumstances, and, subjectively on the perceiver’s economic and political opinions. As Sir Robin Jacob’s 2008 Burrell lecture demonstrated, the view as to the correct balance over the past century has varied from country to country and from decade to decade.

The United Kingdom and price-fixing

11. Changes in attitudes and the influence of European free market principles are well illustrated by the changes in approach to competition over the past 150 years or so in the UK. An historical analysis of the case-law and statutes is to be found in the report (not judgment, speech or opinion, as all five Law Lords contributed sections) of the House of Lords in *Norris v United States of America*

[2008] 1 AC 920 given by Lord Bingham. The issue was whether Mr Norris could be extradited to the USA for allegedly taking part in price-fixing agreements; it was undoubtedly a crime in the USA, but Mr Norris could only be extradited on this ground if it had been an offence in the UK at the time. In *Jones v North* (1875) LR 19 Eq 426, Vice-Chancellor Bacon described price-fixing arrangements as “perfectly lawful”, and this view was repeated in a number of cases including *British Airways Board v Laker Airways Ltd* [1985] AC 58, where the principle that price-fixing was lawful in common law was described as “well established” by Lord Wilberforce. As Lord Bingham put it in *Norris*, [w]hile agreements in restraint of trade might be injurious to the public interest”, the view was that they might also confer benefits on the public, as by preventing cut-throat competition, loss of supplies or services or production facilities, lowering of wages or unemployment”.

12. So far as statutory control is concerned, between 1948 and 2000, a series of statutes gave the Government increasing control over price-fixing arrangements, including provisions which enabled certain price-fixing arrangements to be rendered void. It was not till 1976 that a void price-fixing agreement could give rise to a claim for breach of statutory duty by anyone who was thereby harmed. But even then, there was no question of any fine being levied for a void agreement, let alone any criminal sanction. It was only in the Competition Act 1998, which came into force in 2000, that the anti-cartel provisions of the EU, then article 81 and 82 of the EC Treaty, fully became part of UK domestic law. While the 1998 Act provided for substantial fines for those who entered into price-fixing agreements, it had only very limited criminal sanctions, which were related to non-co-operation and destroying or giving dishonest evidence. The 1998 Act has now been repealed and replaced by other legislation which has somewhat more extensive criminal sanctions.

13. With their stormy history, especially in the last century, it is scarcely surprising that the mainland European countries wished to move towards a free market across the various national borders. And, given that different countries may well have different approaches to competition, it is therefore unsurprising that the EU was so interested in stamping on anti-competitive behaviour. With its more stable history and its experience with the Empire, the UK was subject to no such impetus. The EU's competition rules have been substantially more effective than the home-grown UK rules. Indeed, it is to the credit of the EU that its rules have been adopted in many other jurisdictions, and that the UK has not merely adopted the EU rules, but our Competition Appeal Tribunal is based on the CFI in Luxembourg. Accordingly, in competition law, the EU has led the UK. In IP, on the other hand, the UK had been no slouch, and the Europe-UK relationship has been more complex, as is demonstrated by reference to patents to which I now turn.

UK patents and Europe

14. As you know, the European Patent Convention, "EPC", members are not exactly the same as the EU members, and at the moment, the EPC results in a European Patent Office, EPO, as well as, and not, as one might have hoped, instead of, national patent offices and national courts. It is somehow almost inevitable that the invention of a new court which was plainly intended, probably expected, to reduce the number of courts to one has actually increased the total number of courts by one. Furthermore, patents have an EU dimension as well, as the Community Patent Convention ("the CPC") demonstrates, so the drive for European Unity means that the increase in the number of courts is two, as the CJEU has a role to play too. I shall revert to the CJEU's rather controversial contributions in due course, but staying with the EPC for the

moment, the position is as follows. The functions of the national courts and the EPO overlap on issues of validity (but not infringement), and there is room for inconsistent decisions: a European patent held valid at the EPO can be held invalid in national courts, and the courts of different member states can disagree with each other on the issue of validity. But if EPO holds a European patent invalid, that's that.

15. This can all lead to difficult procedural issues where validity is challenged both in EPO and the English court. A number of cases show that it is often a really difficult question whether to hold up or push on with UK European patent proceedings when there are opposition proceedings in the EPO challenging the validity of that very patent. In the recent *Virgin Atlantic* case [2013] 3 WLR 299, para 38, the Supreme Court suggested that the normal approach might well be that the English courts should wait for the opposition proceedings in the EPO to be completed tried to give some guidance on the issue, suggesting that it might normally be right for the domestic proceedings to wait on the completion of the EPO proceedings.
16. That case demonstrates a problem with the twin track jurisdiction. In the English Patents Court the patentee had established that the defendant infringed and that the patent was valid, so a damages inquiry was ordered; however, before the inquiry took place, the EPO held that the patent was, as it were, relevantly invalid. Relying on *res judicata* and supported by a number of earlier English cases, the patentee argued that damages should nonetheless be assessed on the basis of the High Court findings, but we held that the EPO finding of *pro tanto* invalidity disentitled the patentee from claiming damages. The issue whether the English proceedings should await the outcome of the EPO proceedings was thus moot, but one can see why it arose, and why it led us to express the view we did.

But, as we recognised, it was inappropriate for us to express a concluded view, and it may be that in expressing a tentative view as to the appropriate course, we underestimated the unfortunate consequences of the delay which is apparently inherent in any EPO opposition, especially if there is an appeal to the TBA.

17. So far as procedure is concerned, EPO's approach to patent validity disputes is very different from that of the Patents Court in London. A TBA hearing involves a significantly smaller amount of documentation, and far less time than a hearing in our High Court. In this, the EPO practice reflects that of the European national courts. It means that the investigation of the issues tends to be far more thorough in the UK courts, but it is also significantly more expensive. I am not entirely sure whether the benefit of the thorough common law approach is sufficient to justify the considerably greater cost. Certainly, the decisions of the German and Dutch courts are of a very high quality despite involving significantly shorter hearings. I hope that I am not being a green-eyed poacher-turned-game-keeper, or an out of touch judge, ranting about legal costs; I simply wish to warn those who want to maximise the amount of international commercial dispute resolution in this country that the elementary laws of economics apply everywhere.
18. Meanwhile, so far as the UK's substantive patent law is concerned, it has been developing over the past fifty years in a way which is convergent with the law as developed in the EPC, as I hope is the case in other states which have signed up to the EPC. Our law has thereby also tended to converge with patent law as developed in other EU member states which are also EPC signatories (and include France, Italy, Belgium, and, perhaps particularly importantly in terms of technological and jurisprudential expertise, the Netherlands and Germany). Much of the Patents Act 1977, which recast the statutory features of patent law, was enacted to give effect to the EPC.

Somewhat unusually for an Act of Parliament, there is, of course, in section 130(7) a provision which specifically tells you which of the other sections were enacted for that purpose.

19. The courts in this country, especially notably perhaps the House of Lords and now the Supreme Court, have decided a number of cases in a way, as they explained, based on the desirability of following the approach of the TBA (and, even more, the somewhat humorously named Enlarged Board of Appeal), as well as the approach of final domestic courts of appeal in other EPC signatory states. I have heard it suggested that, referring back to what I said at the start of this talk, the House of Lords and Supreme Court has rarely if ever had a judge who had been steeped in patents, like Sir Robin Jacob (if there is or ever has been any judge like Sir Robin) or Lords Justices Kitchin or Floyd, or Messrs Justice Arnold or Birss, and that, either because we are therefore more open-minded or because we are therefore less knowledgeable, we are more prepared to look to European courts which have more experienced patent experts as judges. In fact, I rather think that neither of those explanations is correct. In my view, the real reason for the UK's top court being more prepared to look to Europe is because following an EPC or German court approach will often involve changing our domestic law, and it is normally for the Supreme Court to do that.

20. Since the 1977 Act and its consequences have been absorbed, patent law in this country has indeed changed in a number of respects as a result of the influence of courts and tribunals across the Channel. So far as the EPO is concerned, most recently in *Human Genome Sciences v Eli Lilly* [2012] 1 All ER 1154, the Supreme Court decided to follow decisions of the TBA on an important issue. That issue is: what is required in terms of claimed industrial applicability (ie, at least normally, therapeutic effectiveness) before a nucleotide sequence can be patented. As we saw it, English law had been much

stricter in its requirements than the EPO, and we should fall into line with the EPO practice.

21. I felt a degree of discomfort about deciding the issue, because it seemed to me that there was a great deal of commercial and public interest policy, as opposed to legal principle, in the issue of when a chemical should be patentable on the ground that it has therapeutic potential. And there was no evidence on that point - and it may be that, if there had been, it would not have been admissible. However, it appears to me that there is an important policy point here. If the regime is too strict in requiring the patent applicant to establish specific applicability or potential, then it would discourage drug companies from funding research and development, because they would be reluctant to commit the very large sums of money involved into investigating and testing potential drugs unless and until they know that they have a monopoly over the chemical or, as it almost always is in practice, the class of chemicals in question. On the other hand, if the regime is not strict enough, it will grant a monopoly over a class of chemicals to a single drug company at a stage when it is far more in the public interest that there is a free and competitive market in working and experimenting on those chemicals. So, ultimately, the question which has to be answered is whether the claims of the patent concerned show a sufficient degree of promise so far as industrial applicability is concerned to justify the applicant being granted a monopoly to fence off that class of chemicals, so that the rest of the pharmaceutical industry being kept off, for 20 years.

22. In another recent case, *Schutz (UK) Ltd v Werit (UK) Ltd* [2013] 2 All ER 177, the Supreme Court derived assistance not from a decision or approach of the EPO, but of the Bundesgerichtshof the “BGH” – ie the German Appeal Court - on an issue of what amounts to “making” a patented article. Interestingly, in the German decision on which we relied, the BGH had itself cited and relied on an earlier

decision of Lord Hoffmann the House of Lords on the issue. The notion that national courts in Europe will learn from each other on issues of patent law is encouraging in terms of international judicial comity, and in terms of harmonisation of IP law internationally. There is much to be said for the case-by-case rapprochement of legal principles through judicial decision-making, which after all reflects the common law approach to life, than the civilian law approach of composing international detailed conventions with masses of provisions.

23. Unfortunately, as I have already mentioned, the CJEU, in Luxembourg has also got involved in patent law. I say “unfortunately” which may be a little unkind, but two of its recent decisions are, at least in the eyes of many people, somewhat controversial. In *Brustle v Greenpeace eV* [2012] 1 CMLR 41, the Grand Chamber of the CJEU, basing itself on the Biotech Directive, decided that a patent not itself for using embryonic stem cells was unlawful and could not be granted because the research which led to the invention involved the destruction of a single embryo upstream. Using such cells was said to be “contrary to human dignity” even though the destruction was not only lawful but would have happened anyway. At least according to some commentators, the consequence appears to be that patents will not be available in many vital fields of research. This remarkable decision was based on “human dignity”, a concept which was scarcely explained, let alone examined. Although the court denied that it was concerned with moral judgments, it is hard to see what else drove the decision. The unsatisfactory nature of the decision is further illustrated by a recent judgment of Henry Carr QC in *International Stem Cell Corp v Comptroller General of Patents* [2013] CMLR 14, where he decided to make a reference to the CJEU as to the extent of the meaning of the words in the *Brustle* decision “*capable of commencing the process of development of a human being*”, and in particular whether

they were really intended to extend to non-fertilised human ova whose division and further development have been stimulated by parthenogenesis.

24. The second recent unsatisfactory CJEU decision in patent law concerned Supplementary Protection Certificates, which extend the duration of patents. Until the decision in *Neurim Pharmaceuticals v Comptroller-General of Patents* [2013] RPC 23, it had been made pretty clear that a certificate could not be granted where the product in question had been marketed, but the *Neurim* decision cast doubt on this. Indeed, some might say that the record on the CJEU on these certificates was more consistently inconsistent than I have suggested.

25. The existence of the Community Patent Convention means that matters are further complicated by contributions to patent law by the patent-inexperienced EU court in Luxembourg as well. After decades during which the project lay dormant, indeed some thought dead, towards the end of 2011, the notion of an EU patents court sprang into life. As usual (as is the way with national governments as well), having been fast asleep for thirty years or more, the project was rudely woken, and everyone was told that it had to be signed and sealed in a couple of months. There is now an agreement that this somewhat messy situation will be sorted by an EU Unified Patent Court which is meant to harmonise substantive patent law throughout the EU, and to provide a single court for all EU patent litigation – see decision 2011/167/EU and Regulation 1257/2012. Because of national interests, there will be three so-called Central Division courts in Paris, Munich and London, and an appellate court in Luxembourg. And each member state can have up to four local division courts, and on top of that two or more countries can share a regional division court. So much for a unitary court, some might think. But, to be fair, the general idea, which is to be welcomed, is that this new series of courts will be unitary in the sense that they

will apply the same law and make mutually consistent decisions across the EU.

26. However, while this is fine in theory, as usual the devil is in the detail. Pursuant to regulation 1260/2012, there is to be seven year transitional period (which may be extended) during which existing patentees will be able to opt out of the UPC and to continue to use the domestic courts of member states – so there will be more courts than ever dealing with patents in Europe. Further, in order to deal with the never-ending argument between the Germans and the British as to whether to have a bifurcated system (ie validity and infringement being determined by separate courts), either procedure may be used – thereby ensuring that the argument is still never-ending. In some ways, dare I say it, and no doubt many have already said it, the proposal has much in common with the development of the Euro.

27. I should add that the way that the unitary patent will work is rather unusual, indeed in some respects unique, in terms of EU law. The effective decision to grant the patent which will give rise to the right enforceable in the EU Unified Patent Court will have been made by the EPO, which is not an EU body. Furthermore, the extent of the right granted by a patent is not identified in the EU regulation. Thomas Jaeger of the Max Planck Institute has suggested that this rather unusual structure may not be lawful under EU law, and that it is only explicable by the desire to avoid the CJEU having much involvement with deciding points of patent law – see his editorial in [2013] *International review of Intellectual Property and Competition Law*.

28. What are the lessons? First, as usual the law of unintended consequences triumphs. The European venture has obviously involved aiming for a single unified patent court system across

Europe; yet each stage towards this admirable target has resulted in an increase in the number of European patent courts. I sometimes think that the really cunning policy would be to have as many different courts as possible, as the law of unintended consequences would ensure that the number of courts would thereby reduce. Secondly, and more optimistically and less facetiously, cross-border judicial cooperation and comity is capable of being a reality and should help achieve greater certainty and consistency both of which are so important to business people. Thirdly, the advantage of a genuine unified patents system is obvious in terms of efficiency and predictability, but it also has the advantage of ensuring a cadre of expert judges deciding patent cases at the highest level, and, at least in the view of some people, it will have the benefit of avoiding judges without patent law expertise in the CJEU making decisions in the field of patent law.

Trade Marks and Europe

29. Those comments on the CJEU bring me to my second topic, namely Europe and Trade Marks. Unlike patents, trade marks are simply subject to a coherent (at least in procedural and jurisdictional sense) EU-wide system. Although we have a domestic Trade Marks Act 1994, it is simply meant to bring the relevant Trade Marks Directive (Directive 89/104, now replaced by Regulation 2009/207)) into UK law. Parenthetically, I might add that this is one of the many examples of EU Directives where one wonders why it had to be “translated” into a statute, which largely represents a waste of drafting effort, a waste of paper and a waste of lawyers’ time (which translates to a waste of clients’ money). A UK judge will almost always go straight to the Directive and ignore the Act.

30. In addition to the snappily named Office for the Harmonization in the Internal Market (acronym OHIM) in Alicante, which decides on applications to register European trade marks, every court in the EU is a trade mark court, so that any decision of an EU court is effective across the EU. That brings home the importance of harmonisation and the vital role the CJEU has to play in the field of trade marks. It sounds like a constant refrain, but the CJEU's record on trade mark law is not entirely happy, either in terms of clarity or in terms of consistency. In case you think that this is a disaffected UK judge speaking his mind, I cannot do better than quote from Advocate-General Mengozzi's January 2008 Opinion in *O2 Holdings Limited v Hutchison 3G UK Limited* [2008] EUECJ C-533/06, where at para 20, he said that "the case-law relating to Article 5(1)(a) and (b) of Directive 89/104 ... does not appear, at least at first sight, to be at all consistent as to the conditions on which those provisions apply". And after the CJEU decision in *L'Oreal SA v Bellure SA* [2010] Bus LR 303, the question "who has won?" was seriously asked in the European Intellectual Property Review – see (2009) 12 EIPR 627.
31. Indeed, the Court of Appeal's reaction when the case returned there embodied both the lack of clarity point and the unsatisfactory outcome point - [2010] ETMR 47. At para 2, Jacob LJ (yes, it's that's man again) said, "[n]ot for the first time in intellectual property cases (e.g. *British Horseracing Board v William Hill* [2005] RPC 883, *Arsenal v Reed* [2003] RPC 696, and *Boehringer Ingelheim v Swingward* [2004] ETMR 90) the Court's judgment has left enough room for the parties to disagree about what it means". And at paras 7-8, he said "I have come to the conclusion that the ECJ's ruling is that the defendants are indeed muzzled. My duty as a national judge is to follow EU law as interpreted by the ECJ. I think, with regret, that the answers we have received from the ECJ require us so to hold. ... I have a number of reasons for that predilection. First and

most generally is that I am in favour of free speech – and most particularly where someone wishes to tell the truth.” Indeed, it was an Advocate-General, Maduro, who emphasised the need to balance a trade mark owner’s rights against the freedom of expression of others – see *Google v Louis Vuitton* [2010] ETMR 30, para 102.

32. The development of CJEU jurisprudence on trade marks has indeed given rise to concerns about free speech, and I think that that is all part of the fact that, at least to a UK trade mark lawyer, the CJEU seems to have widened the function of a trade mark, and the rights which it carries considerably beyond that which had been assumed to be the case in domestic UK law. Until European harmonisation, UK lawyers were relatively restricted in their view of the function of a trade mark: it was simply to act as a badge, or guarantee, of origin, and also a guarantee (if an unenforceable guarantee) of quality, for consumers. Thus, according to old UK cases, there was no trade mark infringement if members of the public would not be deceived by the defendant’s use of a mark. However, despite this traditional view of a trade mark’s role, it is only fair to say that in the Trade Marks Act 1938, the UK legislature took a more generous view of the function of a trade mark. There are plenty of dicta in decisions of the CJEU which support the traditional notion of the role of a trade mark - see eg in the parallel import case *Hoffmann La-Roche v Centrefarm* [1978] ECR 1139. But more recently, the CJEU has taken matters rather further. For instance, it has effectively decided that “free riding” on a claimant’s trade mark constitutes infringement of the claimant’s IP rights in decisions such as *Mango v Diknak* [2005] ETMR 5, and in *L’Oreal SA*, a competitor’s use of L’Oreal’s mark merely to identify which of L’Oreal’s products were similar to those of the competitor constituted trade mark infringement.

33. As Lord Justice Jacob put it in *L’Oreal SA* case at para 16, the expansion of trade mark protection by the CJEU represented an interference with the freedom to trade. As he put it “[i]f a trader cannot ... say: ‘my goods are the same as Brand X ... but half the price’” without infringing the IP rights of the owner of the Brand X trade mark, then “there is a real danger that important areas of trade will not be open to proper competition”. A number of academic article and textbook writers agree with him. As Lord Justice Jacob also said at para 8 of *L’Oreal*, “free from the opinion of the ECJ”, one would be inclined “to hold that trade mark law did not prevent traders from making honest statements about their products where those products are themselves lawful”.
34. Not only that, but the CJEU gave little guidance for the future as to what use of a trademark would infringe in cases where the classic purpose of a mark is not under attack. They simply decided that trade mark use by an unauthorised person is permitted only if the use has “due cause” or is not “unfair” – which, some might think, is, to put it mildly, of limited value as any sort of guidance. The CJEU expanded on this in *Interflora v Marks and Spencer* [2012] ETMR 1, by saying that the use would be lawful if it “was within the ambit of fair competition in the sector for the goods or services concerned” – which is a little better – or should I say “little better”?
35. As Jacob LJ pointed out, the result is that “the EU has a more ‘protective’ approach to trade mark law than other major trading areas or blocs”. So, in a nutshell, the CJEU’s decision leaves the law out of step with that in other large trading jurisdictions, arguably unprincipled, possibly undermining freedom of expression and certainly unclear. The difficulty is compounded by the fact that a number of the decisions of the CJEU on trade mark points seem to be rather opaque, and it has been known for a reference to be sent back

on the basis that the answer given by the CJEU is unclear, self-contradictory, or does not address the question asked.

36. In addition, CJEU decisions on exhaustion (not a reference to what some of you might feel at this stage of my talk) in relation to trade marks seem to me to be somewhat inconsistent with the avowed purpose and desire in the EU to maximise consumer choice and competition. If a trade mark-bearing product is placed anywhere in the EU (indeed the EEA) with the proprietor's consent then he has no right to object to its free movement within the EEA – his rights as a trade mark proprietor are to that extent exhausted. But since 2001, it has been clear that, if trade mark bearing products are placed on the market outside the EEA with the proprietor's consent, then, unless and until he gives consent, he can object to those products being placed on the market inside the EEA. Once again, it appears to me that this does not involve giving the trade mark proprietor rights which are connected to the purposes of a trade mark: it has nothing to do with the reputation of the mark, or preventing confusion in the minds of the public. It is economic policy making by a court – and, paradoxically, it is economic policy making by the CJEU which appears to be designed to reduce consumer choice. However, the CJEU was faced with the problem that the Directive expressly provided for Community exhaustion, and was silent on international exhaustion.

37. The conclusions to be drawn from this trot through some of the CJEU case-law on trade marks is that there are aspects of Luxembourg's jurisprudence which are somewhat worrying and unclear. The worrying aspect reflects some concerns which may have existed about the TBA decisions such as *Human Genome*, namely a tendency to extend, rather than to limit, monopolies in the IP world. As I have already mentioned, this may well be a cyclical phenomenon, but when the decisions cut across freedom of

expression and represent a different approach from that of the EU's main competitors, it does represent a cause for concern, especially in the 21st century, with its easy global communications. But more particularly, these decisions seem to some people at any rate to be inconsistent with three of the fundamental rights which some might think that the EU believes that it stands for – freedom of expression, freedom to trade and competitive markets. On top of that, there is a lack of clarity, which is a particularly unfortunate charge to lay against a top court, whose fundamental and avowed duty is to give guidance to lower, or national, courts, and, therefore, to people in their personal and commercial lives, and their advisers. Of course, it is inevitable that any court will stumble from time to time, and I am sure that the UK Supreme Court has been guilty of it. However, if I was to be asked to identify a mission statement for the Justices of our court, it would be to ensure that the law was as clear, as simple, as principled, and as accessible as possible.

38. It is only fair to the CJEU to say that, even in the trade mark field, it has produced a number of clear and helpful judgments and that many of the Advocates-General have produced masterly analyses of the law on trade mark topics, and that I have concentrated on some problem decisions. The contrast with the Advocates-General highlights one reason, and I think that it is an important reason of general application, why decisions of the CJEU are sometimes opaque or worse. That reason is, of course, the CJEU's requirement for a single unanimous judgment. This requirement almost inevitably will lead to some judgments which contain compromises, inconsistencies, or non-answers to the questions posed. A will not sign up to the judgment if it contains a certain statement, and B will only sign up to the judgment if it does not; C will only sign up to a judgment which contains a certain statement and D will only sign up if it contains a contradictory statement; the firm views of E and F on a particular point are

irreconcilable. In each case, there has to be a judgment which they will all sign up to, so there is a fudged statement to keep A and B happy, two mutually inconsistent statements are included to keep both C and D happy, and the court simply does not deal with a point so as to keep both E and F happy. The result? A judgment with which nobody is happy but everyone can live with. Judgment by committee does not appeal to those from the common law tradition.

39. The common law tradition of multiple judgments should, although it doesn't always, ensure that each judge writes a clear and coherent answer because the judge does not need to compromise with any colleague. On the other hand, there are more judgments to read and analyse, and it sometimes happens that it is very difficult to identify the ratio of the decision, as, even where they agree in the result, each of the five judges may have somewhat different grounds for reaching that result. The problem of reconciling concurring judgments is often far greater than that of dealing with dissenting judgments, although it provides much sport for academics and much income for ingenious lawyers. In many cases, it is sensible for the Supreme Court to try and have a single judgment, particularly where clear guidance is needed, whether by national judges or by professionals – or indeed others. However, I accept that where, for instance, we are developing the law in a complex area, there is sometimes much to be said for more than one judgment: while it may muddy the water, it will encourage dialogue with academics, and, as the case-law develops, between judges.

40. Both the CJEU and our UK courts have something to learn from the Strasbourg court, which does not require unanimous judgments, but any concurring or dissenting judgments are almost always commendably short and crisp. These days, at least if you believe what you read in the newspapers, it is unusual to have a speech from

a UK judge praising the European Court of Human Rights, so perhaps I had better stop there.

David Neuberger

1 April 2014