

II. Distinctive signs, the Community design and the conflict between them

A. *The notion of a distinctive sign*

Distinctive signs lack a legal definition. In the literature, they have been described as signs used in relation to commercial activities which have a distinctive character, i.e. are capable of distinguishing goods or services of one undertaking from those of other undertakings, thereby allowing the customers for the identification of the source of those goods or services.¹⁴ However some authors do not limit the definition only to commercial activities and source-identifying function. Hildebrandt includes those signs which have a distinguishing function regardless of the matter that is being distinguished, thereby including trade marks – as distinguishing between the products, company indicia – as distinguishing between the companies, titles of works – as distinguishing between works, geographical indications – as distinguishing between the regions from which the products originate and names – as distinguishing between different persons.¹⁵

A sign as such also lacks a legal definition. The ECJ has only stated that it should be perceivable with one of the five senses.¹⁶ In the design context, this must be limited to the eligibility for perception by sight, as a design is the appearance of a product.¹⁷

14 Jūratė Truskaitė, *Problems of legal protection of distinctive signs, Summary of doctoral dissertation*, Vilnius 2009, 7; MPI Study on the Overall Functioning of the European Trade Mark System, available at: http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_a_llessbach-study_en.pdf (last visited June 5, 2012) 50-51.

15 Ulrich Hildebrandt *Marken und andere Kennzeichen. Handbuch für die Praxis* [2010] Carl Heymanns Verlag 2010, 1-2, (hereinafter: Hildebrandt); this approach seems to have been taken by the OHIM, see: The Manual concerning the Examination of Design Invalidity Applications, available at: http://oami.europa.eu/ows/rw/resource/documents/RCD/guidelines/manual/design_invaliditiy_manual.pdf (last visited June 5, 2012), (hereinafter: *Community Design Invalidation Manual*), C.7.1., which includes in the notion of distinctive signs registered trade marks, as well as signs which can be relied on in the context of Art. 8(4) CTMR, these in turn include unregistered trade marks, other signs used in the course of trade, trade names, company names, business designations, titles and geographical indications, as described in the Manual of Trade Mark Practice, available at: http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partc_nonregisteredrights.pdf (last visited June 5, 2012), C.4.5.3.1.

16 ECJ Case C-321/03 - *Dyson v Registrar of Trade Marks*, 2007 ECR I-0068707, para. 29-30.

17 Art. 3(a) CDR.

It seems that the most relevant aspect of a sign's distinctiveness is that it allows the consumers to distinguish between goods, services and undertakings, therefore enabling them to differentiate between the source of goods or services or between traders. With respect to distinctive signs other than registered trade marks, the OHIM includes in their characteristics the fact that they are based on use, are trade or business related and not merely personal, serve a distinguishing function in the course of trade and are of exclusive nature, i.e. confer ownership or an ownership-like position.¹⁸

In that respect the likely ground for the application of Art. 25(1)(e) CDR will be the conflict with prior trade marks, rights of similar character such as company symbols, trade names, work titles¹⁹ other names, and signs which can be protected under unfair competition provisions. While geographical indications and domain names can be seen as distinctive signs in a broad sense, they either do not point to a single commercial source of the goods or services (geographical indications), or do not incorporate a proprietary right to prohibit the use (in the case of domain names)²⁰ and therefore go beyond the scope of this thesis. Designs cannot be qualified as distinctive signs because they are protected as such, not as indicators of origin.²¹

The Community trade mark is a unitary right governed by a single legal act²² and national trade mark laws have been harmonized by the TMD. Other distinctive signs remain in the competence of the national legislators.

1. Trade Mark

a) General remarks

Trade marks are any signs that are capable of being represented graphically and of distinguishing the goods or services of one undertaking from those of other undertakings.²³ This distinctive character, i.e. recognisability among the relevant consumers is defined as “capacity of a trade mark to (...) be retained in the

18 The Manual of Trade Mark Practice, available at: http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partc_nonregisteredrights.pdf (last visited June 5, 2012), C.4.5.3.1.

19 Special protection for work titles is a German peculiarity. Under §5(3) MarkenG their function is to identify the work as such, rather than its source, Franz Hacker, *Markenrecht. Das deutsche Markensystem* [2011] Carl Heymanns Verlag 2011, 302 (hereinafter: Hacker).

20 Hildebrandt *supra* note 15, §1 para. 1, 1.

21 Uma Suthersanen, *Design law: European Union and United States of America* [2010] Thomson Reuters (Legal) Limited, 166 (hereinafter: Suthersanen).

22 Art. 2(2) CTMR.

23 Art. 4 CTMR, Art. 2 TMD, §3 MarkenG.

memory and to be recognized again”.²⁴ Therefore a sign constituting a trade mark is not protected as such, but only as an indicator of origin²⁵ being an instrument allowing for a communication on the market between the competitors and consumers.²⁶

This origin – indicating function²⁷ has been recognized²⁸ as the essential of a trade mark. However, as the development of law has shown, it is not the only ground for the protection of trade marks, as further functions have been accepted. They are founded on the trade mark’s essential function²⁹ and include the guarantee of quality of the goods or services,³⁰ advertising function,³¹ communication and investment functions.³² For further remarks on the trade mark functions in the context of infringement – see Chapter III C. 1. b.

The trade mark system in the EU consists of the Community trade mark,³³ which requires registration and grants its owner a unitary right valid for the entire EU and the national laws harmonized under the TMD, which provides for normalisation concerning the requirements for the grant of protection³⁴ and scope³⁵ of the exclusive right. Therefore in the EU, there are 28 (Community and 27 national) systems of protection of trade marks, which are to a large extent corresponding.

- 24 Reinhard Ingerl and Christian Rohnke, *Markengesetz* [2003] C.H. Beck, §14 para. 320, (hereinafter: Ingerl/Rohnke), English translation from Hager, *Infringement of Shape Trademarks* [2003] IIC 403, 416 (hereinafter: Hager). Unless indicated otherwise, all translations included in this thesis are made by the author.
- 25 Arnaud Folliard-Monguiral and David Rogers *The Protection of Shapes by the Community Trade Mark* [2003] E.I.P.R. 169.
- 26 Karl-Heinz Fezer *Entwicklungslinien und Prinzipien des Markenrechts in Europa Auf dem Weg zur Marke als einem immaterialgüterrechtlichen Kommunikationszeichen* [2003] GRUR 2003, 457, 461.
- 27 Recital 8 CTMR, Recital 10 TMD.
- 28 in ECJ Case 102/77 - *Hoffmann-La Roche & Co. AG v Centrafarm*, 1978 ECR 01139, para. 7, confirmed i.a. in ECJ Case C-206/01 – *Arsenal Football Club plc v Matthew Reed*, 2002 ECR I-10273, para. 48.
- 29 Andrew Griffiths, *The Trade Mark Monopoly: An Analysis of the Core Zone of Absolute Protection under Art. 5.1(a)* [2007] I.P.Q. 312, 322.
- 30 ECJ Case C-39/97 - *Canon Kabushiki Kaisha and Metro-Goldwyn-Meyer Inc.*, 1998 ECR I-05507, para. 28; ECJ Case C-206/01 – *Arsenal Football Club plc v Matthew Reed*, 2002 ECR I-10273, para. 48.
- 31 ECJ Case C-337/95 - *Christian Dior BV v Evora BV*, 1997 ECR I-06013 para. 45, ECJ Case C-59/08 - *Copad SA v Christian Dior Couture SA et. al.*, 2009 ECR I-03421 para. 37, ECJ Case C-487/07 - *L’Oreal v Bellure*, 2009 ECR I-05185, para. 58.
- 32 ECJ Case C-487/07 - *L’Oreal v Bellure*, 2009 ECR I-05185, para. 58.
- 33 Art. 1 CTMR.
- 34 Recital 7, Art. 2–4 TMD.
- 35 Recital 9, Art. 5–7, 9–11 TMD.

As a result the trade marks that can conflict with a Community design include registered Community trade marks, registered national trade marks and unregistered national trade marks, which is possible due to the fact that TMD foresees a minimum harmonization.³⁶ In particular §4 No 2 MarkenG allows for trade mark protection of signs as long as they have been used as an origin indicator for specific goods or services and as such have acquired recognition among the relevant public,³⁷ registration not being a condition for such protection.

Consequently even though the national laws of the Member States of the EU show some divergences as far as the catalogue of signs protectable under the trade mark law is concerned,³⁸ once they come to existence, they are granted the same scope of protection³⁹ and therefore will be described together in Chapter III of this thesis.

b) Trade marks that may conflict with a Community design

Subject to the limitations regarding certain characteristics of a sign,⁴⁰ the law does not provide any exceptions to eligibility for trade mark protection as far as the type of sign is concerned. The respective provisions of Art. 4 CTMR and Art. 2 TMD provide mere lists of examples of such signs, including i.a. words, designs and shape of goods or of their packaging. In particular, as the ECJ has stated, the requirements for grant of protection for the three-dimensional marks do not differ from those applicable for other types of marks, although the relevant consumer does not usually perceive the product forms as indicative of source.⁴¹

36 Recital 4 TMD.

37 Hacker, *supra* note 19, 93.

38 e.g. Danish law protecting unregistered trade marks acquired through use on the one hand and the French law requiring compulsory registration— on the other, Urszula Promińska, *Znaczenie prawne wcześniejszego używania znaku towarowego w świetle regulacji prawa znaków towarowych* [2007] PPH, 6, 7.

39 with the exception of the Benelux Countries who were the only Member States providing for additional trade mark protection by implementing Art. 5(5) TMD in Art. 2.20(1)(d) Benelux IP Treaty. For detailed analysis see: Tobias Cohen Jehoram, Constant van Nispen and Tony Huydecoper, *European Trade mark Law. Community Trade mark Law and Harmonized National Trade mark Law* [2010] Wolters Kluwer, 320-324 (hereinafter: Jehoram/van Nispen/Huydecoper).

40 Art. 7–8 CTMR, Art. 3–4 TMD.

41 ECJ Combined Cases C-53/01 - *Linde AG*, C-54/01 - *Winward Industries Inc.* and C-55/01 - *Rado Uhren AG*, 2003 ECR I-03161, para. 46, 48.

The trade marks which are most likely to be conflicting with a design are the three-dimensional signs, in particular product shapes,⁴² product surfaces or trade dress. A further example are two dimensional signs, which will be in conflict upon the use in a two dimensional design, e.g. a pattern,⁴³ but also upon a reproduction of such mark in a three-dimensional design of a product.⁴⁴ The case law provides also examples of invalidation based on a prior word mark⁴⁵ and a figurative mark.⁴⁶ Due to the characteristics of a position mark,⁴⁷ which determines a specific use of a sign, it is also likely to be successfully used as ground for invalidation.

2. Signs protected under unfair competition law

a) General remarks

In some countries (e.g. France and Belgium) the distinctive signs are required to be registered if they are to be granted protection and no additional safeguard is available to protect a trader's reputation. Other regimes, e.g. British and Ger-

- 42 ICD 000007030 - *AM Denmark A/S v Kuan-Di Huang*, OHIM Invalidity Division Sept. 17, 2010, available at: <http://oami.europa.eu/ows/rw/pages/RCD/caseLaw/decisionsOffice/invalidity.en.do> under the ICD number; Case R 1310/2005-3 - *Galletas United Biscuits S.A. v Arluy S.L.*, OHIM Third Board of Appeal Nov. 28, 2006, available at: http://oami.europa.eu/search/legaldocs/la/EN_boa_index.cfm under the case number.
- 43 Case R 211/2007-3 - *Burberry Ltd. v Jimmy Meykranz*, OHIM Third Board of Appeal March 3, 2008, available at: http://oami.europa.eu/search/legaldocs/la/EN_boa_index.cfm under the case number.
- 44 e.g. GC Case T-148/08 - *Beifa Group Co. Ltd. v OHIM*, 2010 ECR II-01681.
- 45 Case R 137/2007-3 - *Zygmunt Piotrowski v Compagnie Gervais Danone*, OHIM Third Board of Appeal Sept. 18, 2007, available at: http://oami.europa.eu/search/legaldocs/la/EN_boa_index.cfm under the case number; ICD 000004133 - *Henkel KGaA v Jeas Polska Sp. z o. o.*, OHIM Invalidity Division Dec. 20, 2007, available at: <http://oami.europa.eu/ows/rw/pages/RCD/caseLaw/decisionsOffice/invalidity.en.do> under the ICD number; Case R 609/2006-3 - *Honeywell Analytics Ltd v Hee Jung Kim*, OHIM Board of Appeal May 3, 2007, available at: http://oami.europa.eu/search/legaldocs/la/EN_boa_index.cfm under the case number.
- 46 Case R 137/2007-3 - *Zygmunt Piotrowski v Compagnie Gervais Danone*, OHIM Third Board of Appeal Sept. 18, 2007, available at: http://oami.europa.eu/search/legaldocs/la/EN_boa_index.cfm under the case number; ICD 000003333 - *Calvin Klein Trademark Trust v Youssef el Jirari Ziani*, OHIM Invalidity Division Oct. 24, 2007, available at: <http://oami.europa.eu/ows/rw/pages/RCD/caseLaw/decisionsOffice/invalidity.en.do> under the ICD number.
- 47 Hager, *supra* note 24, 411.