Trademark and Design Protection of Applied Art

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<thead>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BoA</td>
<td>Board of Appeal of the EUIPO</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUIPO</td>
<td>European Union Intellectual Property Office</td>
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<tr>
<td>CD</td>
<td>Community Design</td>
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<tr>
<td>CJ</td>
<td>Court of Justice</td>
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<td>CJEU</td>
<td>Court of Justice of the European Union</td>
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<td>GC</td>
<td>General Court</td>
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<td>IP</td>
<td>Intellectual Property</td>
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<td>RCD</td>
<td>Registered Community design</td>
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<tr>
<td>TRIPS</td>
<td>The Agreement on Trade-Related Aspects of Intellectual Property Rights</td>
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<tr>
<td>UCD</td>
<td>Unregistered Community design</td>
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<tr>
<td>WIPO</td>
<td>World Intellectual Property Organization</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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1. Introduction

1.1 Background

The term applied art describes the design or decoration of functional objects so as to make them aesthetically pleasing.\footnote{CHILVERS, Ian. The Oxford Dictionary of Art (3 ed.).} In other words, the applied art makes objects (products) of everyday use, which can be practically applied, to be visually attractive for viewers – potential consumers.

Nowadays, design in its wider sense is all around us. Everything is designed, it can be cutlery we use every day, chairs on which we seat, electronic devices such as laptops, desktop computers, televisions, tablets or cell-phones, clothes and shoes, cars, lamps on the streets and so on. However, today designers concern themselves not only with the hardware (the objects themselves), but also with the software.\footnote{BÜRDEK, Bernhard E. Design: History, Theory and Practice of Product Design. p. 8.} Therefore, for instance designs of graphical user interfaces or user environments in our phones or laptops have also become very important in the past decade. It is clear that design accompanies us everywhere on a daily basis.

Applied art encompasses different fields of design, such as industrial design, fashion design, interior design or graphic design. This thesis, however, concentrates mainly on legal protection of products of industrial and fashion design. Therefore, the focus of this thesis lays mostly on the hardware (the objects/products themselves) and not on the software.

Industrial design, in general, refers to improving the aesthetics of mass-produced products to increase their marketability.\footnote{CLARKE, Michael and Deborah CLARKE. The Concise Oxford Dictionary of Art Terms (2 ed.).} Simply said, the industrial design tries to make products of everyday use as attractive as possible for consumers in order to increase sales of these products. The fashion design can be defined as a form of art dedicated to the creation and designing of clothing and other lifestyle and fashion accessories such as handbags, eyewear, boots, shoes etc.\footnote{What is fashion design?. In: FIBRE2FASHION.COM [online]. [cit. 2018-03-04]. Available from: http://www.fibre2fashion.com/industry-article/2860/what-is-fashion-design?page=1.} The purpose of the fashion design is, of course, the same as in case of the industrial design – to increase the demand and sales of the clothing.

It is without any doubt that the appearance of products can significantly influence consumers’ behaviour on the market. A catchy appearance may not only greatly enhance the demand for a product or make consumers more tolerant towards a higher price of that product,
but it can also help to its producer to gain a reputation and become well known among consumers. On the other hand, a less attractive design is capable of causing a low demand for the product and subsequent some significant financial losses. For a company, the design of its products is one of the most important manifestations of its brand and it is increasingly being seen as an important strategic tool in creating preference and deeper emotional values for the consumer. Companies are aware of high importance and strategic business value of design, it has become an instrument of the formation and differentiation of identity. That is why not only big corporations but also small and medium-sized enterprises often desire to legally protect appearance of their products by all available means. Thus, they often contact experts in the field of intellectual property law in order to ensure the best protection possible for their appearance of their products.

In their everyday practice, trademark and design attorneys as well as lawyers and other experts are asked by various companies to protect their products as strongly as possible. On daily basis, these experts must be capable to evaluate which of the available means of protection suit best for protecting every single product of their clients so the competitors of these clients could not make use of that product’s appearance. There are various instruments that can provide protection for appearance of products. These instruments are trademarks (mainly three-dimensional trademarks), designs (registered and unregistered), copyright protection, protection against unfair competition and protection of integrated circuits.

1.2 Purpose and Research Questions

The aim of this thesis is to analyse suitability of trademarks and designs for protection of products’ appearance, name its advantages and disadvantages and identify and discuss conditions that must be fulfilled for an appearance of a product to be protected by each of the two mentioned types of protection. The thesis further aims to ascertain whether it is, in general, more difficult to obtain a trademark or a design protection of products bearing in mind difficulties that may arise during the registration process. The thesis focuses mainly on the European Union trademarks and Community designs.

Further, the scope of protection conferred by both instruments is analysed and evaluated and it should be determined which type of protection confers a wider protection on its owner. The thesis also aims to respond a question “which of the analysed intellectual property law

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5 MILTON, Alex and Paul RODGERS. Product Design. p. 9.
instruments is more suitable and favourable for protecting an appearance of products.” Therefore, based on this thesis, users of trademarks and designs should be able to decide which of these two types of protection they should use in order to protect their products or products of their clients.

1.3 Delimitation

The aim of the thesis is to analyse trademark and design protection thoroughly and in depth. Therefore, mainly due to space constraints, this thesis does not deal with copyright protection, protection against unfair competition and protection of integrated circuits.

Further, it should be once again emphasized that the thesis deals with trademark and design protection of the hardware (the objects themselves) and not of software. It is because a design of graphical user interfaces, user environments and so on constitutes a slightly different branch of design and has some particularities. Therefore, for the sake of the thesis’ consistency, design of software is not dealt with.

1.4 Method and Sources

To delineate basic concepts that are of major importance for the thesis (e.g. applied art, trademark, design etc.), survey methods of descriptive research are applied. For that purpose, various secondary sources such as books, specialized dictionaries and articles are examined.

Further, some basic statistics of the EUIPO are presented and commented in order to illustrate a contemporary trend in use of trademarks and designs and to compare frequency of use of these IP instruments on the EU level.

In order to reach the main aims of the thesis identified in the previous subchapter, the analytical research, that is an analysis and a critical evaluation of primary sources, is conducted. The primary sources encompass especially legislation and the relevant case law of the EUIPO and the CJEU. Therefore, the key part of the thesis is based almost exclusively on the analysis of the said primary sources. Further, in the legal framework section of trademark and design chapters, some key international agreements are mentioned and briefly commented. As an example of a transposition of a directive, a Czech law is quoted as well.

Eventually, in the last chapter, the acquired findings about the trademark and design protection are compared. Their differences and similarities as well as their particularities are
emphasized and commented. Based on that, a conclusion as to which of the two types of protection is more suitable for protection of an appearance of products is drawn.

1.5 Thesis Structure

As mentioned above, this thesis focuses on two particular means of protection of an appearance of products – trademarks and designs. Basic definitions of the above-mentioned instruments are provided and their principal advantages and disadvantages are discussed. The thesis also contains an overview of the EU legal framework of both instruments as well as relevant international treaties.

The thesis is divided into three main chapters. The first chapter focuses on trademarks. A special emphasis is given to 3D trademarks and the most important absolute grounds for their refusal. Further, the acquired distinctiveness is discussed briefly and the scope of protection conferred by 3D trademarks is analysed. The second chapter deals with Community designs. The distinction between registered and unregistered Community designs is drawn and a notion of sufficient disclosure is briefly discussed. Further some requirements for protection of designs - individual character, novelty and ban of purely technical designs are analysed in detail. Eventually, the scope of protection conferred by Community designs is analysed.

The last chapter compares trademark and design protection of products. It is divided into four subchapters each of which deals with one aspect important for comparison of both instruments. These subchapters deal with costs, length and scope of protection and particularities of registration process of both instruments.
2. Trademarks

2.1 Characteristics of Trademarks

In general, trademarks are the most common instrument of the intellectual property protection. It is mainly because their wide usability. They can protect not only words, logos, slogans or colours but also patterns, sounds or shapes. It follows that there is a number of different trademark types. These are for instance word, figurative, combined, shape (2D and 3D), position, sound or hologram trademarks.

In accordance with the EUTMR and the TM Directive, a trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds under two conditions. Firstly, these signs must be capable to distinguish the goods and services of one undertaking from those of other undertakings. Secondly, it is possible for the signs to be represented on a trademark register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor. To put it simply, every distinctive sign which can be represented on a trademark register may form a trademark. The representation does not necessarily have to be graphical since this requirement was removed as a result of the Amending Regulation (EU) 2015/2424.

Trademarks are protected for 10 years and can be renewed every 10 years. The registration of a trademark confers exclusive rights on its owner. In general, the owner is entitled to prevent all third parties from using the trademark on the market without his/her consent.

2.2 Legal Framework

2.2.1 International treaties

2.2.1.1 Paris Convention for the Protection of Industrial Property

The Paris Convention, one of the first intellectual property treaties, was adopted in 1883 and it is administered by the WIPO. It applies to wide range of industrial property instruments such as patents, industrial designs, trademarks, utility models etc. The Paris Convention lays down basic, usually fairly general, rules on the industrial property. Substantive provisions are

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7 Article 4 of the EUTMR and Article 3 of the TM Directive.
8 The right of the owner is subject to several limitations. See e.g. Article 14 of the EUTMR or Article 14 of the TM Directive.
Provisions relevant for trademarks are included in Articles 1(2), 4 A., B. and C., 5C and 6 to 12. For the purpose of this thesis, Article 6 and Article 6\textsuperscript{quinquies} B. 2. Should be briefly mentioned. Article 6 contains conditions of registration. However, it is merely stated that the conditions shall be determined in each country of the Union (meaning each contracting party) by its domestic legislation. Therefore, there are no limitation as regards 3D or shape trademarks.

Further, in Article 6\textsuperscript{quinquies} B. 2., it is stated that trademarks protected in one member country may be denied registration “when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed.” Therefore, the Paris Convention contains the possibility of refusing a trademark application based on its non-distinctiveness or descriptiveness.

### 2.2.1.2 TRIPS Agreement

The agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), effective from 1995, is an international agreement between all members of the WTO. The EU is a member of the WTO as well as all 28 Member States of the EU, which are WTO members in their own right.\textsuperscript{10} The WTO also administers the TRIPS. It encompasses number of different intellectual property forms and stipulates minimum standards for national regulations.

Section 2 of the TRIPS (Articles 15 – 21) deals with trademarks. Article 15 (1) stipulates that “Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.” Further in that Article, examples of such signs are provided. However, the list is not exhaustive. Consequently, the registration of 3D or shape trademarks is not precluded providing they are able to distinguish the goods or services of different undertakings. The same

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Article also provides for a possibility of acquiring distinctiveness through use. There are no specific provisions on absolute grounds for refusal in the TRIPS.

2.2.1.3 Madrid Agreement and the Protocol

The Madrid Agreement Concerning the International Registration of Marks was concluded in 1891, the related Protocol in 1989. Together, they constitute so called Madrid System and all 28 Member States of the EU and the EU itself are members of it. It enables to file an international application of a trademark. To put it differently, protection in all member states of the Madrid System can be sought by a single international application. This enables undertakings to significantly reduce their costs of application process that would be much higher if an application in each state where the protection is sought would be needed. However, later the application “breaks up” and the application process continues separately in each state.

In accordance with Article 5 (1) of the Protocol, each country can declare that the protection cannot be granted to a trademark in their territory. However, “any such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark filed for national registration.” Therefore, the international applications have to be treated in the same way as the national applications and the same grounds for refusal must be applied.

2.2.2 EU legislation

It is possible to register national or EU trademarks within the EU. EUTM’s are governed by the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (EUTMR).

The national trademarks are governed by the 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 (TM Directive). This directive is in force\(^{11}\) and replaces the former Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks which will be repealed with effect from 15 January 2019.\(^{12}\) However, since directives do not have a direct effect, they must be transposed into a national legislation of each Member State. This can be done by various legislative procedures. For example, in the Czech Republic, directives on trademarks are

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\(^{11}\) Except Articles 1, 7, 15, 19, 20, 21 and 54 to 57 which will apply as from 15 January 2019.

\(^{12}\) Article 55 of the TM Directive.
reflected mainly in Law No. 441/2003 Coll., on Trademarks.\textsuperscript{13} The general deadline for national implementations of the TM Directive is 14 January 2019.\textsuperscript{14}

The possibility of registering the shape of goods or of the packaging of goods is enshrined in Article 4 of the EUTMR and also in Article 2 of the Directive 2008/95/EC and Article 3 of TM Directive. The wording of all aforesaid legal acts expressly indicates the shape of goods or of the packaging of goods as an example of a sign that can form a trademark.

The absolute grounds for refusal are provided for in Article 7 of the EUTMR and Article 4 of the TM Directive. In this thesis, two most relevant absolute grounds for refusal of 3D trademarks will be discussed. First relevant absolute ground is a lack of distinctiveness. Both, the EUTMR in Article 7(1)(b) and the TM Directive in Article 4(1)(b), exclude from protection “trademarks which are devoid of any distinctive character”.

Another common absolute ground for refusal of 3D trademarks is enshrined in Article 7(1)(e) of the EUTMR and Article 4(1)(e) of the TM Directive. These Articles exclude from registration “signs that consist exclusively of:

\begin{enumerate}
\item the shape, or another characteristic, which results from the nature of the goods themselves;
\item the shape, or another characteristic, of goods which is necessary to obtain a technical result;
\item the shape, or another characteristic, which gives substantial value to the goods.”
\end{enumerate}

In the Directive 2008/95/EC, the wording regarding this ground for refusal is similar however, it does not contain the reference to “another characteristic” of goods. This reference was added in the TM Directive and is also newly enshrined in regulations concerning EU (formerly Community) trademarks. The reference was included into the former Council Regulation (EC) No. 207/2009 on the Community trade mark by Amending regulation (EU) 2015/2424 which came into force only on 23 March 2016. More thorough analysis of consequences of the mentioned amendment as well as analysis of grounds for refusal enshrined in Articles 7(1)(b) and (e) of the EUTMR is provided in the chapter 2.4 of this thesis.


\textsuperscript{14} Article 54 of the TM Directive.
2.3 (Dis)advantages of Trademark Protection

The appearance of products, their containers or packaging can be protected by 3D trademarks. Therefore, this thesis focuses mainly on 3D trademarks, scope of their protection and the most relevant absolute grounds for their refusal. Despite the fact that trademarks are the most used form of intellectual property protection, when it comes to protection of appearance of products, trademarks are not used very frequently. Undertakings are filing very few applications for such trademarks. That can be easily illustrated by numbers. According to the statistics of the EUIPO, only 573 3D EUTM’s were applied for in 2015. The trend is even decreasing as in 2016 there was only 529 3D applications and in 2017 493.\(^\text{15}\)

The low interest in the trademark protection of shape/appearance of products may arguably be caused by higher requirements of the EUIPO and the CJEU when assessing distinctiveness of 3D trademarks.\(^\text{16}\) It follows from the case law which is discussed later in this thesis that when a shape which is intended to be protected as a 3D trademark closely resembles a typical shape which is commonly used for a product, it is likely that such a shape will be considered non-distinctive and will not be registered. It follows that an investment to a 3D trademark registration could appear too risky for some undertakings and thus, they tend to choose other types of protection for their products such as for instance design or copyright protection. It is very often the case that 3D trademarks are registered only because its applicants successfully proved their particularly high degree of distinctiveness and/or prove that they acquired enhanced distinctiveness in the market by extensive use of the trademarks.\(^\text{17}\) The most relevant absolute grounds for refusal of 3D trademarks are in detail analysed in chapter 2.4.

It should be also mentioned that trademarks are subject to the requirement of genuine use. Registered trademarks must be put to genuine use in connection with the goods or services in respect of which they are registered. This concerns EU trademarks and also national trademarks in the EU member states. The obligation of use is enshrined, for the EU trademarks, in Article 18 of the EUTMR and for the national trademarks in Article 16 of the TM Directive. If a trademark is not used during an uninterrupted period of five years, it shall be subject to several sanctions. For instance, a trademark which is not properly used will not suffice in


\(^{16}\) FRIEDMANN, Danny. The bottle is the message: only the distinctive survive as 3D Community trade marks, p. 36.

\(^{17}\) SOUTOUL Franck and Jean-Philippe BRESSON. 3D Trademarks under French and Community practice. WIPO Magazine (February 2009), p. 7.
opposition proceedings against a later contested trademark. According to Article 47(2) of the EUTMR and Article 44(1) of the TM Directive, in the absence of proof that the earlier trademark was put to genuine use, the opposition shall be rejected. The same applies in connection with invalidity proceedings.\(^\text{18}\) Secondly, any trademark which is not properly used can be revoked in accordance with Article 58(1)(a) of the EUTMR and Article 19(1)(a) of the TM Directive. The claim for revocation for non-use is also often used as a defence in infringement proceedings. Therefore, it is of major importance for owners of trademarks to use them on the market actively in connection with the goods and services in respect of which they are registered.

On the other hand, trademark protection of shapes also brings some benefits to their owners. The most important advantage of the trademark protection is undoubtedly its unlimited term of protection. Trademarks are initially registered and protected for 10 years. However, they can be renewed every 10 years which means that its protection can be, in theory, unlimited in time. This is indisputably a great advantage in comparison with the design and copyright as these types of protection are limited in time. The unlimited term of protection is also the most important reason why undertakings seek to protect an appearance of their products by trademarks.

Further, one could argue that the requirement of formal registration is an advantage of trademarks. Due to the said requirement, the enforcement of rights conferred by trademarks can be considerably facilitated. It is because an existence of earlier rights is proved by the trademark registration itself. Consequently, when there is a valid trademark in infringement proceedings, its existence usually does not have to be proved by any additional evidence. On the contrary, it can be sometimes very difficult to prove an existence of rights conferred for example by copyright since the copyright protection subsists automatically in authorial works and thus, no formal registration is required in the EU member states.

\section*{2.4 Absolute Grounds for Refusal (Requirements for Protection)}

It is very often the case that 3D trademark applications are refused based on one of the absolute grounds for refusal. There are more absolute grounds for refusal of trademarks. Nevertheless, the most frequent grounds for refusal of 3D trademarks are lack of distinctiveness

\(^{18}\) See Article 64 of the EUTMR and Article 46 of the TM Directive.
and special requirements on their shape. In the following chapters, an analysis is provided on how these grounds are assessed in relation to 3D trademarks by the EUIPO and the CJEU.

2.4.1 Lack of Distinctiveness (Article 7(1)(b) EUTMR)\textsuperscript{19}

2.4.1.1 Preliminary Remarks

The provision of the respective Article reads as follows: “The following shall not be registered: trade marks which are devoid of any distinctive character”. Any trademark possesses a distinctive character, if it is capable to identify goods or services in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish those goods from those of other undertakings.\textsuperscript{20} This is closely connected with the essential function of a trademark that is to guarantee the identity of origin of goods or services marked by a trademark to the consumer or end user by enabling him/her, without any possibility of confusion, to distinguish the goods or services from others which have another origin.\textsuperscript{21} The main function is also mentioned, inter alia, in preambles of the TM Directive\textsuperscript{22} and the EUTMR\textsuperscript{23} which read as follows “The protection afforded by an EU/ the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin...”

The essential function of trademarks has been as well incorporated into Article 3(a) of the TM Directive and Article 4(a) of the EUTMR, which provide that signs, which meet other requirements for protection, may only constitute a trademark if they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.\textsuperscript{24} The essential function is also acknowledged in the settled case law.\textsuperscript{25}

It follows that if a trademark is not capable of distinguishing goods or services produced by different undertakings, it does not have the distinctive character and its application should be refused on the basis of the aforementioned Article.

As regards specifically 3D trademarks, the criteria for assessing their distinctive character should be identical with the criteria which apply for other categories of trademarks.\textsuperscript{26}

\textsuperscript{19} As the wording of grounds for refusal is alike in the EUTMR and the TM Directive, references will be made merely to the EUTMR Articles in this thesis.

\textsuperscript{20} C-398/08 P, Audi v OHIM, para. 33.

\textsuperscript{21} See e.g.C-206/01, Arsenal Football Club, para. 48.

\textsuperscript{22} Recital 16 of the TM Directive.

\textsuperscript{23} Recital 11 of the EUTMR.

\textsuperscript{24} Case C-517/99, Merz & Krell, para. 23.

\textsuperscript{25} See e.g. Cases C-39/97 Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer, para. 28 and C-487/07 L’Oréal and Others, para. 58.

\textsuperscript{26} See C-136/02 P, Mag Instrument, para. 30.
However, for the purpose of applying those criteria, the relevant public's perception is not necessarily the same in the case of a 3D trademark consisting of the shape of the product itself as it is in the case of a word or figurative mark consisting of a sign which is independent from the appearance of the products it denotes.\textsuperscript{27} It is because it is not usual for consumers to determine an origin of goods based on their shape. According to the judgment in \textit{Freixenet case},\textsuperscript{28} average consumers do not usually make assumptions about origin of products on the basis of their shape or the shape of their packaging when there are no graphic or word elements included. That is why proving distinctiveness in relation to 3D trademarks can be more difficult comparing to other types of trademarks. Consequently, it can be in general difficult for applicants of 3D trademarks to prove that these trademarks possess inherent distinctiveness.

Finally, it is necessary to emphasize that the distinctive character must be assessed by reference to the goods and services in respect of which the registration has been applied for and also by reference to the perception of the relevant public, which consists of average consumers of the goods in question.\textsuperscript{29} Therefore, it is possible that a sign is regarded distinctive for some goods/services and it is, in the same time, rejected for another goods or services. Also, it should be emphasized that the degree of attentiveness of the average consumer must be assessed in each case. The degree of attentiveness depends, inter alia, on the price of goods or services in question.\textsuperscript{30}

\textbf{2.4.1.2 Assessment of the Inherent Distinctiveness}

When deciding whether a 3D trademark consisting of the shape of goods is distinctive for the purposes of the respective Article, three steps examination should be applied.

Firstly, examination of grounds for refusal enshrined in Article 7(1)(e) of the EUTMR should be undertaken. Under this provision, “\textit{signs which consist exclusively of (i) the shape which results from the nature of the goods themselves, (ii) the shape of goods which is necessary to obtain a technical result and (iii) the shape which gives substantial value to the goods}”, should not be registered. If it was found that there exists one of the aforementioned grounds for refusal in connection with the 3D trademark applied for, such a trademark would, at the same time, fulfil the conditions of Article 7(1)(b) of the EUTMR and would not be allowed for

\textsuperscript{27} C-136/02 P, Mag Instrument, para. 30.
\textsuperscript{28} C-344/10 P, Freixenet v OHIM, para. 46.
\textsuperscript{29} T-547/13, Rosian, para. 37.
\textsuperscript{30} See e.g. T-486/07, Ford, para. 35.
registration. More thorough analysis of the absolute grounds for refusal enshrined in Article 7(1)(e) will be provided further in the chapter 2.4.2.

It is further important to emphasize that it is not obligatory for the EUIPO to assess grounds for refusal according to Article 7(1)(e) first. However, it is advantageous to proceed in this order, since if a trademark application meets one of the criteria for refusal enshrined in Article 7(1)(e), its registration is impossible and assessing of other grounds is no longer necessary. It is because unlike the signs refused on the basis of Article 7(1)(b), it is not possible to gain acquired distinctiveness for signs refused based on Article 7(1)(e). This is also further analysed in chapter 2.4.2.

Secondly, other elements which could provide a 3D trademark with distinctiveness should be identified. These elements can be words, figurative elements, labels etc. Where it is established that a 3D trademark contains such elements and these elements are distinctive and sufficiently dominant, then the 3D trademark as a whole should be regarded distinctive. However, non-distinctive elements or descriptive elements included in a 3D trademark will not confer distinctiveness on that trademark. Further, also elements which are minor, and an average consumer would not easily perceive them, are not capable to furnish a 3D trademark with the distinctive character. The decision in Kangoo case provides us with an example of the extremely minor elements which are not sufficient for a 3D trademark to gain the necessary distinctiveness. In that case, the GC was assessing a trademark application for the following sign.

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31 T-508/08, Bang & Olufsen, para. 44.
32 T-137/12, FunFactory, para. 34-36.
33 T-390/14, KJ Kangoo Jumps XR.
The shown sign contains a figurative element “KANGOO JUMPS” that is placed in both the upper spring layer and the lower spring layer. Further, there are letters “KJ” and “XR” displayed at the ends of the intermediate elastic plastic straps.

The applicant emphasized that the said trademark contained the figurative and word elements which contribute to the distinctive character of the sign. However, the GC stated that these elements are extremely minor and that they are of superficial nature and as such they cannot bring any distinctive character to the trademark applied for as a whole. Consequently, the trademark application was rejected.

To my mind, the mentioned decision is right. The figurative and word elements of the trademark applied for are very difficult to see and the average consumer would not pay attention to them. Moreover, on the first sight, he/she would probably not even notice them. If addition of such minor elements could provide 3D trademarks with the necessary distinctiveness, it would be very easy to circumvent the distinctiveness requirement by simply adding a minor, almost invisible, distinctive element. This would, in my opinion, cause problems in adversarial proceedings since it would provide owners of such 3D trademarks with an unfair advantage. Such trademarks would, in practice, preclude usage of the registered shape even if that shape was not distinctive itself. It is because the distinctive elements of the mentioned trademarks would be so negligible that they would not be able to significantly influence assessment of likelihood of confusion. Therefore, the protection would be conferred on a non-distinctive shape.

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34 T-390/14, KJ Kangoo Jumps XR, para. 21.
35 T-390/14, KJ Kangoo Jumps XR, para. 27.
which would clearly go against the purpose of the Article 7(1)(b). It follows that such a circumvention of the distinctiveness requirement should not be allowed.

Therefore, only distinctive elements such as words or logos, that are sufficiently dominant and visible, can provide 3D trademarks with distinctiveness that is necessary for their registration.

However, it is then disputable, whether such 3D trademarks would really serve their intended purpose (protecting the shape/appearance of a product) and whether they would be useful in adversarial proceedings concerning shapes of products such as opposition, invalidity or infringement proceedings. If the distinctiveness of a 3D trademark was provided only by elements as words, labels etc., its protection would be furnished rather to these elements than to the otherwise non-distinctive shape of a product as such. In adversarial proceedings when such a 3D trademark would be compared with another sign, a global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by them, bearing in mind, in particular, their distinctive and dominant components. Distinctive elements of such a 3D trademark would be the words, labels etc. and not its shape. Therefore, such a 3D trademark would theoretically confer a protection only on the signs and not the shape. Therefore, in such a case, protection of a shape by a 3D trademark would, in my opinion, become unnecessary and needless.

Eventually, when assessing the distinctive character of a 3D trademark, it must be established whether the shape itself is distinctive. In general, it can be said that when a shape forming a 3D trademark is common and it does not differ from a usual shape of product which was intended to be protected by that 3D trademark, such a shape should not be held distinctive. On the other hand, when the shape is substantially different from a common shape of a product protected by it, it will be usually regarded distinctive.

For example, in the Kangoo case, the 3D sign was intended to be registered for goods “Gymnastic and sporting articles not included in other classes”. In its decision, the GC recalled that only a trademark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character. It was further stated that a 3D trademark cannot look as a mere variant of the basic

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36 C-251/95, Sabèl, para. 23.
37 T-390/14, KJ Kangoo Jumps XR, para. 15.
shape of the good in question, commonly used in trade.\textsuperscript{38} In the \textit{Kangoo case}, the goods in question were sporting articles, including rebound boots.

The GC stated that the placement of the rebound device under the rebound boot is normal and not unusual at all (see Picture 1). The GC continued that the position of the rebound device did not confer a distinctive character on the trademark applied for.\textsuperscript{39}

The above-mentioned case well illustrates several criteria which should be applied when assessing the distinctive character of a 3D trademark. For example, a shape should not be considered distinctive if it is merely a basic shape of a product. In the \textit{Henkel Case},\textsuperscript{40} the GC stated that obvious variations on a product’s basic shapes or combinations of typical (obvious) features also cannot function as an indication of the product’s origin and therefore, such signs cannot be considered distinctive.

Further, a shape should differ significantly from a usual shape of a product which is expected by the consumer. According to the \textit{Mag Instrument Case}\textsuperscript{41}, the more closely the shape for which the registration is sought resembles the shape most likely to be taken by the product in question, the greater the likelihood of the shape being devoid of any distinctive character. Only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin, is not devoid of any distinctive character. Also, as pointed out above, the fact that a 3D trademark is merely a variant of a common shape of the product is also not sufficient for that trademark to be held distinctive.\textsuperscript{42}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{38} T-390/14, KJ Kangoo Jumps XR, para. 15.
\item \textsuperscript{39} T-390/14, KJ Kangoo Jumps XR, para. 19.
\item \textsuperscript{40} T-30/00, Henkel, para. 57, 58.
\item \textsuperscript{41} C-136/02 P, Mag Instrument.
\item \textsuperscript{42} C-136/02 P, Mag Instrument, para. 31, 32.
\end{itemize}
\end{footnotesize}
Finally, functional features do not usually contribute to distinctive character of a 3D trademark. It is because they are perceived by an average consumer as such. For example, in the *Hessy case*,43 the application for invalidity was based, inter alia, on the following EUTM.

The BoA stated that the trademark departs from the basic shape only with respect to the holes on the top and side of the upper cover and the figurative element on the black button. The holes were said to serve the functional purpose of aeration44 and therefore, they did not significantly contribute to the distinctiveness of the said trademark and its inherent distinctive character was low. It follows from the foregoing, that for a shape to be distinctive itself, it must significantly differ from common shapes so that an average consumer is able to identify the origin of the product, the representation of which constitutes a trademark, based merely on that shape. In other words, a shape itself possess the distinctive character only when it is able to serve as an indication of a product’s commercial origin. Eventually, it is necessary to add that a capacity of the average consumer to perceive a shape as an indication of the commercial origin of the products is not usually increased by the high degree of attention of the consumer. Although it can be assumed that a consumer with a high degree of attentiveness will be more observant to various technical or aesthetic details of the products, this does not automatically mean that it will perceive these details as having the function of a trademark.45

45 T-351/07, Somm, para. 29.
An exclusion of some shapes from registration can be in some cases also justified by the general interest. For example, in the Unilever case, the distinctiveness of the following trademark application was assessed by the GC.

![Image of trademark application](source: euipo.europa.eu/eSearch)

The application was filed, inter alia, in respect of preparations and substances for laundry use. The GC stated that the number of wash tablet shapes is, for technical reasons, limited and registering shapes which are very close to the commonly-used basic shapes would increase the risk of granting to one operator alone, by means of trade-mark law, exclusive rights which could hinder competition on the market for the goods concerned. The absolute grounds aim on preventing the creation of such monopolies.

To summarize it, when assessing the distinctiveness of a 3D trademark, an examination of grounds for refusal enshrined in Article 7(1)(e) of the EUTMR should be performed first. If the 3D trademark fails to comply with the aforesaid provision, no further assessment must be undertaken and the application for such trademark should be rejected. On contrary, if the 3D trademark fulfils the requirements set in the mentioned provision, the assessment must proceed. The distinctiveness of the 3D trademark can be provided either by other elements contained in the shape (e.g. words, images etc.) or the shape can be distinctive itself. It must be bear in mind that only distinctive and clearly visible elements can provide a shape with the sufficient distinctiveness. To put it differently, as long as the other elements are not descriptive in relation to the respective products (for example word “shoe” in a 3D trademark intended to be protected for footwear) and they are clearly visible in the shape, they are able to provide the 3D trademark with a sufficient level of distinctiveness. If the distinctiveness is not furnished by other elements, the shape must be distinctive itself. It follows from the case law that only very exceptional shapes, which differ significantly from common shapes and are able to indicate a

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46 T-194/01, Unilever.  
47 T-194/01, Unilever, para. 65, 66.
commercial origin of the product to the average consumer should be regarded distinctive itself. To my mind, it is only right that the requirements for registration of 3D trademarks protecting appearance of products are relatively high since designs should remain the main instrument for protecting shape and appearance of products. That is because trademark protection of appearance of products can artificially prolong the term of protection and so the development of new shapes and products on the market could be decelerated and competition hindered.

2.4.1.3 Inherent Distinctiveness in Case Law

Below, some examples of shapes, whose distinctiveness was assessed by the CJEU are provided.

In the First Bang & Olufsen case,\(^{48}\) the distinctiveness of the following 3D trademark application was assessed

![Image](Picture 4 EUTMA No. 3354371 source: euipo.europa.eu/eSearch)

The goods in respect of which the registration was sought were, inter alia, loudspeakers and music furniture. The examiner of the EUIPO rejected the application pursuant to Article 7(1)(b) stating that the trademark applied for consists exclusively of a representation of a loudspeaker and so it was devoid of any distinctive character. The applicant filed a notice of appeal, nevertheless, the BoA dismissed the appeal. It found that, although the shape of the goods constituting the trademark applied for had unusual features, it was not able to perform the trademark’s function, that is to guarantee the origin of goods of different undertakings to average consumers. The applicant brought an action before the GC.

The GC annulled the decision of the BoA and stated that the shape of trademark applied for is truly specific and cannot be considered common.\(^{49}\) It emphasized mainly the vertical,

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\(^{48}\) T-460/05, Bang & Olufsen.

\(^{49}\) T-460/05, Bang & Olufsen, para. 40.
pencil-shaped column that joins to a square base by the pointed end and stated that the whole shape creates an impression that the weight of the whole rests only on the point which barely touches the square base.\(^{50}\) It continued that the appearance of the shape is striking and it departs significantly from the customs of the sector, where the goods falling within the same category generally have straight lines with right angles.\(^{51}\) According to the GC, the trademark applied for had characteristics which are sufficiently specific and arbitrary to retain the attention of average consumers and enable them to be made aware of the shape of the applicant’s goods. The GC concluded that the shape enables the relevant public (average consumers) to distinguish the goods covered by the trademark application from those of another commercial origin.\(^{52}\) Therefore, according to the GC, the said trademark application possessed a sufficient distinctive character. However, it was later rejected in another proceedings on the basis of Article 7(1)(e)(iii) since it was held to be a sign which consists exclusively of the shape which gives substantial value to the goods\(^{53}\) (this ground for refusal is further analysed in chapter 2.4.2.3 of this thesis).

As I see it, the trademark application at hand should have been rejected on the ground of the Article 7(1)(b) as it is not so unusual, and it was not at the application date (which is the relevant day for assessment), that loudspeakers have a long vertical shape. The fact that the vertical column joins to the base only by the pointed end is, in my opinion, not sufficient for consumers to be able to determine the commercial origin of the respective products of the applicant.

The mentioned case also well illustrates that it is advantageous to firstly examine the grounds for refusal enshrined in Article 7(1)(e). If it was done in that case, there would be no need of two proceedings regarding a registration of a one trademark. That would be more economical and the costs for proceedings would be significantly lower for both parties to the dispute - the EUIPO and the applicant.

*In the Flamagas case*,\(^{54}\) the distinctiveness of the following 3D trademark was assessed.

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\(^{50}\) T-460/05, Bang & Olufsen, para. 39, 40.
\(^{51}\) T-460/05, Bang & Olufsen, para. 41.
\(^{52}\) T-460/05, Bang & Olufsen, para. 42.
\(^{53}\) See T-508/08, Bang & Olufsen.
\(^{54}\) T-580/15, Flamagas.
The goods for which the 3D trademark was registered were compressed fuel and lighters for smokers in classes 4 and 34. The trademark was also registered for services advertising, business management, business administration, office functions, including advertising relating to import, export, sole agencies and representation services for lighters of all kinds for smokers in class 35. The trademark was registered in 2006. However, in 2011, an application for declaration of invalidity of the said mark was filed. The application for invalidity was based, inter alia, on the lack of inherent distinctiveness. The Cancellation Division rejected the invalidity application. However, the decision was appealed and the BoA upheld the appeal. It found that the trademark at issue had to be declared invalid inter alia on the basis of Article 7(1)(b) stating that the shape could not be perceived as diverging from the norm or customs of the lighter industry and so it could not indicate the origin of the goods and services which it covers. The owner of the trademark brought an action before the GC. The GC dismissed the action thus, the 3D trademark was declared invalid.

In the reasoning, the GC confirmed the BoA’s opinion that the appearance of the shape of the trademark did not differ significantly from a usual appearance of lighters. The GC also recalled that a professional consumer of the services related to the lighters covered by the mark at issue would not perceive the specific origin of such services, but only a reference to the subject matter of the services covered by the mark at issue or to the field of activities of which those services form part. It was said that in connection with services in class 35, the lighter will be perceived as an object which serves as promotional material for marketing purposes.

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55 T-580/15, Flamagas, para. 75.
56 T-580/15, Flamagas, para. 76.
57 T-580/15, Flamagas, para. 80.
This conclusion was not changed even taking into account the word element “clipper” which is written in the upper part of the lighter. The GC stated that the word element cannot confer a distinctive character on the trademark as it is written in a small font size, it occupies less than one tenth of the front surface of the lighter, and it is insignificant as it is written in a dark grey colour on the light grey background. The GC concluded that the word element is only of a secondary importance in relation to the non-distinctive shape of the lighter and it is of such a superficial nature that it cannot confer any distinctive character on the trademark as a whole.\(^\text{58}\)

In my opinion, the assessment of the BoA and the GC was right and completely in line with the case law in this case. The shape of the lighter was not extraordinary, it did not significantly depart from the norm of the industry. It was also confirmed in this case that word elements which could be easily overlooked by the average consumer cannot confer the distinctive character on 3D trademarks. The trademark at issue could not serve as indication of origin and so it is, to my mind, only right that it was invalidated. Further, it follows from the Flamagas case, that 3D trademarks can be applied also in respect of services (not only goods) and that they may lack distinctiveness also with regard to the services.

In conclusion, it is worth to mention that both the BoA and the GC took account of the owner’s intention when applying for the trademark. It recalled that, by stating its intention to register the 3D trademark without providing further details in the application, the applicant indicated that the essential element of the trademark was the shape of the lighter. The owner of the trademark did not clearly emphasize the importance of the small-size word element for the registration of the trademark.\(^\text{59}\)

In light of that, it could be said that to increase chances for successful registration of a shape trademark, it is convenient to provide the EUIPO with a further description of the trademark applied for. However, then the issue of scope of protection, which is outlined in the chapter 2.4.1 of the thesis, arises. In my opinion, if the owner emphasized the importance of the word element “clipper” in the application, then the scope of protection conferred by such 3D trademark would be significantly narrowed as it would be determined mainly by that word element.

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\(^{58}\text{T-580/15, Flamagas, para. 80, 81.}\)

\(^{59}\text{T-580/15, Flamagas, para. 37, 79.}\)
In the *Rosian case*, the distinctiveness of the following 3D trademark application was assessed.

The goods in respect of which the registration was sought were games, toys; gymnastic and sporting articles not found in other classes; decorations for Christmas trees. The application was also filed in respect of services advertising; business management; business administration; clerical services. In 2013, an EUIPO’s examiner rejected the application for games and toys based on the non-distinctiveness of the sign applied for. The applicant lodged an appeal against the rejection. The BoA then dismissed the appeal and confirmed that the sign was devoid of any distinctive character in respect of the aforementioned goods. The applicant filed an action against the decision of the BoA, claiming that the GC should annul the said decision and order the registration of the sign applied for in respect of all the goods and services.

The GC firstly determined that the level of attentiveness varied from average to high as the respective goods belonged to the category of games and toys and they were intended for a general consumption as well as for professionals and enthusiasts. The applicant’s allegation that the relevant public had only high level of attention was therefore declined. Further, the GC recalled that it is not the EUIPO’s obligation to carry out any economic analysis of the market to establish the degree of attentiveness of consumers. Further, the GC confirmed the BoA’s opinion that the mark applied for does not depart significantly from the norms or customs of the sector. It also added that it is common that parlour games and toys are presented in a rectangular wooden box and that the way of unfolding and assembling the box is usual in the

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60 T-547/13, Rosian.
61 T-547/13, Rosian, para. 42.
62 T-547/13, Rosian, para. 43.
Consequently, the GC held that the sign applied for was not distinctive in the sense that it does not allow the relevant public to identify origin of the goods at issue. In other words, the average consumer would not be able to identify the goods at issue as originating from a specific undertaking and, therefore, to distinguish those goods from those coming from other undertakings. Thus, the GC confirmed the BoA’s decision and the applicant’s action was dismissed in its entirety. The sign applied for was not registered for goods games and toys.

This decision shows that trademarks can, in general, be rejected on the grounds of Article 7(1)(b) not only for all the goods and services applied for but also only for a part of goods or services. To put it differently, a trademark can be distinctive in relation to some sort of goods or services but non-distinctive in relation to other. Another important fact confirmed by this decision is that the EUIPO does not have to carry any analysis of the market, and when assessing the distinctiveness, it is not obligatory for the EUIPO to prove accuracy of well-known facts.

In my opinion, the decision to reject the application in question for games and toys is right. The appearance of the sign is usual and if it was registered as a trademark, it would artificially hinder the competition in the sense that the competitors would not be allowed to use this basic shape for their similar products. It was also right that the trademark was registered for the rest of goods and services as the shape is not anyhow related to those goods and services. However, as I see it, the trademark is almost valueless for these goods and services since it is a question how, in practice, that trademark can be used in relation to goods gymnastic and sporting articles not found in other classes; decorations for Christmas trees and services advertising; business management; business administration; clerical services. It is obvious that the main purpose of the applicant was to use the trademark for games and toys. Given that, it is very likely that the trademark will not be used by the applicant and it is not going to be renewed after the ten years period.

2.4.1.4 Acquired Distinctiveness

In accordance with Article 7(3) of the EUTMR, the lack of distinctiveness during the application process can be overcome by proving that a trademark has acquired distinctive character by its use before its registration. Similarly, pursuant to Article 59(2) of the EUTMR,

63 T-547/13, Rosian, para. 45.
64 T-547/13, Rosian, para. 46.
where a trademark has been registered in breach of the provisions of Article 7(1)(b), it may nevertheless not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered. In other words, a registered trademark which lacked inherent distinctiveness at the time of registration can remain registered provided that it has been proved that the trademark acquired distinctive character after its registration.

The acquisition of a distinctive character through the use of a trademark requires that at least a significant proportion of the relevant section of the public identifies the products or services concerned as originating from a particular undertaking because of the trademark.\textsuperscript{65} There is no exact percentage of consumers for finding of an acquired distinctiveness. This is confirmed, inter alia, in the Oberbank Case,\textsuperscript{66} where the CJ stated that it is not possible to state in general terms, for example by referring to predetermined percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a trademark has acquired a distinctive character through use. When assessing whether a trademark has acquired distinctive character, the following may be taken into consideration: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.\textsuperscript{67} Article 97 of the EUTMR then contains possible means of evidence, however, the list is not exhaustive.

It follows from the foregoing that for the acquired distinctiveness to be found, the relevant public must recognize that the particular goods or services originate from one particular undertaking. Put in other words, it has to be proven that the public makes a link between the goods marked by the trademark and the undertaking which is producing it, based on the trademark. Once again, it must basically be proven that the particular trademark fulfils the essential function of trademarks that is to serve as an indication of the commercial origin.

As regards to trademarks consisting of the appearance of a product, it is probable that such trademarks are likely to acquire the distinctive character only if, following the use which

\textsuperscript{65} T-262/04, BIC, para. 61.
\textsuperscript{66} C-217/13 and C-218/13, Oberbank, para. 48.
\textsuperscript{67} T-378/07, CNH Global, para. 32.
is made of it, the products which bear it have more than negligible share of the market in the products at issue.\(^{68}\)

2.4.2 Shapes of Goods (Article 7(1)(e) EUTMR)

It is firstly important to define the applicability of this Article. Its wording itself implies that it is not applicable on signs which registration is sought in respect of services. This clearly differs from Article 7(1)(b) because the objection of non-distinctiveness can be used also in respect of 3D trademark applications seeking to register that trademark for services.

Further, Article 7(1)(e) is also applicable to 2D representations of 3D shapes as confirmed in the *Pi-Design case*.\(^{69}\) Therefore all possible displays of an appearance of a product can be subject to the assessment under the said Article, its applicability is not limited only to 3D shapes.

The Article excludes from registration “signs which consist exclusively of the shape, or another characteristic, …”. It follows from the wording of the provision that a sign which contains also other elements, such as decorative or imaginative elements, which are important or essential in that sign, cannot be refused from registration based on this Article. However, when the other elements are merely of minor importance and they are not essential in the sign, the reason for refusal enshrined in Article 7(1)(e) cannot be overcome. This is in line with the case law of the CJEU. For instance, in the *Lego Juris case*,\(^{70}\) the CJ stated that the presence of non-essential characteristics is irrelevant for applying the Article at hand. Although the decision relates merely to the second indent of the Article at hand, it is applicable on all three indents.\(^{71}\) Given the above, the presence of one or more minor arbitrary elements in a three-dimensional sign does not alter the conclusion that the sign consists exclusively of the shape of goods.

In view of the above, the essential characteristics of each sign must be identified in every single case. There is no hierarchy between different types of elements and so the identification of the essential elements must be carried out on a case-by-case basis. However, the CJ provides us with some clues on what should be taken into account during the identification. A simple visual analysis of the sign or a detailed examination, including taking into account surveys, expert opinions or previously registered intellectual property rights, can be carried out. It is left

\(^{68}\) C-25/05 P, Storck, para. 76, 77.
\(^{69}\) C-337/12 P, Pi-Design, para. 55.
\(^{70}\) C-48/09 P, Lego Juris, para. 51, 52.
\(^{71}\) See C-205/13, Hauck, para. 20.
to the discretion of the CJEU or the EUIPO which from the aforementioned approaches should be applied however, it may depend mainly on the degree of difficulty of each case.\(^{72}\) Simply said, the essential characteristics of a sign are those elements which are most important in the sign.

To summarize it, when applying grounds for refusal set out in Article 7(1)(e), it is of major importance to identify the essential characteristics of a sign applied for and determine whether all of these characteristics fall under the grounds for refusal set out in that Article. If that is the case, the sign should not be registered. However, if a single essential element of the sign does not fall under the said grounds, the sign should be allowed for registration.

Now that the meaning of the word “exclusively” is clarified, the notion “another characteristic” should be analysed. As it is stated in the chapter 2.2.2 of this thesis, the wording of this Article has been changed recently. The notion “another characteristic” can arguably include not only shapes but also colours or patterns of two dimensional products such as fabric. The question whether Article 7(1)(e)(iii) of the EUTMR should be interpreted as meaning that its scope covers a sign consisting of a two-dimensional representation of a two-dimensional product, including a fabric, was recently referred to the CJEU.\(^{73}\) However, the CJEU have not issue its decision yet. In any event, it is needless to say, that this amendment extended scope of the absolute grounds enshrined in Article 7(1)(e). In other words, more trademarks are currently objectionable under it.

Most of the trademarks that come into conflict with the new wording of the said Article can be as well objected based on other grounds for refusal - their descriptiveness (Article 7(1)(c) of the EUTMR) or non-distinctiveness (Article 7(1)(b) of the EUTMR). However, this change is more important in practice than it may seem. While the descriptiveness and non-distinctiveness objections can, as mentioned in chapter 2.4.1.2, be overcome by proving the acquired distinctiveness of a trademark applied for, an objection under Article 7(1)(e) of the EUTMR cannot. It is because the perception of the sign by the average consumer is not a decisive element when applying the latter ground for refusal.\(^{74}\) This is in contrast with the situation referred to in Articles 7(1)(b) and 7(1)(c), where the perception of the target public

\(^{72}\) C-48/09 P, Lego Juris, para. 70, 71.
\(^{74}\) C-205/13, Hauck, para. 34.
(i.e. average consumers) must be taken into account, since it is essential for the purposes of determining whether the sign filed for registration as a trade mark enables the goods or services concerned to be recognized as originating from a particular undertaking.75

To summarize it, the recently introduced reference to “another characteristic” allows for a wider use of Article 7(1)(e) of the EUTMR. Objections made under this Article cannot be overcome by proving the acquired distinctive character of a sign applied for. This could, in practice, mean that even higher amount of applications for 3D trademarks will be refused, as applicants’ capability to prove the acquired enhanced distinctiveness of these trademarks in the market by extensive use is not sufficient to overcome the said absolute ground for refusal.

It is possible that the essential features of a sign may be covered by more grounds for refusal set out in Article 7(1)(e) however, it must be emphasized that the criteria listed in each indent of Article 7(1)(e) operate independently one from another. Consequently, a sign can be refused, even if only one of the grounds is fully applicable to that sign.76 Below, each indent of Article 7(1)(e) is analysed separately.

2.4.2.1 Shapes Resulting from the Nature of the Goods

Signs which consist exclusively of the shape, or another characteristic, which result from the nature of the goods themselves should not be allowed for registration in accordance with Article 7(1)(e)(i).

Firstly, it follows from the wording of the Article in question that natural shapes of products which have no alternative appearance are excluded from registration under this Article. These can be for example shapes of vegetables or fruits for the respective goods. Secondly, products which must fulfil some requirements given by legal standards should also not be registered.77 If the aforementioned shapes contained also some other essential elements, which would not result from the nature of the goods, such shapes could be registered as trademarks. Additionally, according to the Hauck case,78 the notion of a “shape which results from the nature of the goods themselves” includes also shapes which contain essential characteristics inherent to the generic function or functions of such goods. Therefore, such shapes should also be precluded from registration pursuant this Article. In other words, if a

75 C-205/13, Hauck, para. 33.
76 See C-205/13, Hauck, para. 39, 40 and C-215/14, Nestlé, para. 48.
77 Guidelines, Part B, Section 4, Chapter 6, p. 5; C-205/13, Hauck, para. 24.
78 C-205/13, Hauck, para. 25.
shape consists exclusively of essential elements which are inherent to the generic functions, it should be denied registration.

There are no more specific rules which would clarify when exactly a shape is inherent to the generic functions of goods. However, the AG in his Opinion on the *Hauck case* provides us with some useful examples. According to the AG, for instance legs with a horizontal level in relation to a chair, or an orthopaedic-shaped sole with a V-shaped strap in relation to flip-flops could be considered shapes inherent to the generic functions of goods.

In *Procter & Gamble Case*, the applicant sought registration for the following sign.

![Image of soap bar](source: euipo.europa.eu/eSearch)

The goods in respect of which the registration was sought were soaps. The GC stated that the shape of the soap bends inwards along its length and has grooves which are not result of the nature of the products itself. The GC also pointed out that there are other shapes of soap bar in the trade without those features.

From the aforesaid decision, it seems that an account should be taken also of whether there are also some differently shaped products on the market when assessing the ground for refusal at hand. When there are some other shapes of the same product on the market, it should be, according to the said decision, an argument against usage of this ground for refusal. In my opinion, this can be a valid subsidiary argument. If there were more shapes of the same product on the market, the shape applied for would probably not result from the nature of the goods itself. As I see it, the GC’s decision was right in this case as soaps can be made in a lot of

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79 Opinion of AG on Case C-205/13, para. 59.
80 T-122/99, Procter & Gamble.
81 T-122/99, Procter & Gamble, para. 55.
different shapes. Moreover, the shape also does not contain any essential characteristics which are inherent to the generic function of soaps. That is because soaps with different shapes would be functionable as well.

However, the trademark application in question should be rejected on the basis of Article 7(1)(b) as it, from my point of view, cannot serve as an indication of commercial origin of products. In fact, the GC later indeed rejected the application based on its non-distinctiveness.  

2.4.2.2 Shapes Necessary to Obtain a Technical Result

Signs which consist exclusively of the shape, or another characteristic, of goods which is necessary to obtain a technical result should not be allowed for registration in accordance with Article 7(1)(e)(ii).

All essential characteristics of a shape must perform a technical function in order for the shape to be refused registration. The presence of a non-essential characteristics with no technical function does not preclude usage of Article 7(1)(e)(ii). However, a presence of merely one essential non-functional element in a shape (such as a decorative or imaginative element) ensures that that shape cannot be refused registration based on Article at hand.  

It is because when there is at least one important non-functional element in a shape, then the competitors have an opportunity to design a different shape with the same functional elements but different non-functional elements. In such a case, the competitive shapes will have a dissimilar appearance but the same technical function. That is in line with the trademark law, which, in case of 3D trademarks, seeks to protect the appearance of products but not their technical function.

Given the above, it is always necessary to identify the essential characteristics of a shape. The way of doing that is in detail described in the chapter 2.4.2 of this thesis. Unlike in case of Article 7(1)(e)(i), for the purposes of this provision, the fact that there are some alternative shapes with another appearance does not in itself mean that the conditions for application of the Article at hand were not fulfilled. It is because in some cases, the same technical result may be achieved by various solutions. Therefore, there can be different shapes capable of achieving the same technical result. In other words, the fact that a shape which is

82 See T-63/01, Soap bar shape.
84 See C-48/09 P, Lego Juris, para. 54.
sought to be registered as a trademark is not the only possible shape to reach a technical result of goods does not preclude usage of this ground for refusal.

If it was allowed to register a purely functional shape (in case that there are some alternative shapes), the competitors would be significantly limited in choosing the shape of a product. It is also because trademarks protect not only the registered shape but also other shapes which are confusingly similar. Moreover, if an undertaking registered more purely functional shapes at the same time, such an undertaking could completely prevent other competitors from using a specific technical solution. Therefore, in fact, a technical solution would be protected by means of trademark which goes against the purpose of trademark protection.

Once the essential characteristics were identified, it must be examined whether all of them perform the technical function. The expression “technical function” or “technical result” should be understood broadly. When analysing the functionality of a sign for the purposes of this Article, the essential characteristics of a shape must be assessed in the light of the technical function of the actual goods concerned. Therefore, the assessment of a shape cannot be based merely on its appearance depicted in a TM application as also information on the actual goods which is represented by that trademark must be taken into account. This information can be obtained by carrying out an examination that takes into account all relevant materials concerning the shape and goods in question. As an evidence of functionality of a shape, also previous patent documents describing the functional elements of a shape applied for can be used and should be taken into account. Therefore, where a product was earlier registered as a patent, there is a higher risk that its appearance, providing it does not include any important differentiating elements, will not be granted a trademark protection.

For instance, in the Reddig case, a 3D trademark protecting a shape of a knife was invalidated. The GC took into account an expired American patent of the same knife stating, inter alia, that it was apparent from that patent that the technical effect of the angle between the knife blade and the longitudinal axis of the mother-of-pearl handle was to facilitate cutting. The GC then concluded that the most important elements, i.e. essential characteristics, of the 3D trademark were exclusively functional.

85 C-30/15, Simba Toys, para. 46.
86 T-164/11, Reddig.
87 T-164/11, Reddig, para. 30, 34.
This is also in line with the objective pursued by this Article that is to prevent undertakings from obtaining a monopoly on technical or functional solutions of products by means of the trademark protection. The trademark protection can be prolonged for an unlimited period of time and an infinite protection of technical or functional solutions could seriously hinder further technical development of society.

Eventually, it must be recalled that signs which consist exclusively of the shape of goods which is necessary to obtain a technical result cannot be registered even if they would possess the distinctive character and would be able to distinguish goods or services of different undertakings.\(^{88}\)

### 2.4.2.3 Shapes Giving a Substantial Value to the Goods

Signs which consist exclusively of the shape, or another characteristic, which gives substantial value to the goods should not be allowed for registration in accordance with this Article.

Firstly, it must be noted that the aim of this Article is to prevent undertakings from using trademark protection, which is exclusive and permanent, as a substitute for other means of protection which can be protected only for a limited period of time. These are for example patents, designs or the copyright protection. As in case of the previous indent, the essential characteristics of assessed shapes of products must be identified and each of the essential characteristics should give that product substantial value. However, according to the *Salvatore case*\(^{89}\), it should not be sufficient that a shape is pleasing or attractive for excluding it from registration in accordance with this Article. If that was the case, it would be very difficult for undertakings to register any 3D trademark since an attractive design is the result all designers and companies aim for.

The notion of “value” in the context of this Article should be understood not only as aesthetical value, but also as, for instance, functional value. In other words, this provision is not restricted to the aesthetic value of a shape but can also be applied to its other characteristics which give a product a significant value. It is because if the provision was restricted purely to the aesthetic value, there would be a risk that shapes which have both functional and aesthetic elements would be allowed for registration.\(^{90}\) As mentioned in the previous chapter, Article

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\(^{88}\) See e.g. C-421/15 P, Yoshida, para. 34.

\(^{89}\) R 395/1999-3, Salvatore Ferragamo, para. 33.

\(^{90}\) See C-205/13, Hauck, para. 30-32.
7(1)(e)(ii) excludes from registration only shapes whose all essential characteristics perform a technical function. Therefore, that Article cannot prevent from registration shapes which share both essential functional and aesthetic characteristics. Unlike that Article, Article 7(1)(e)(iii) covers also shapes containing both mentioned kinds of essential characteristics.

Again, the perception of an average consumer is not decisive when applying this ground for refusal, it may be used only as an auxiliary criterion for the competent authority when identifying the essential characteristics of a sign. The assessment criteria which should, among others, be taken into account are e.g. nature of the category of goods concerned, the artistic value of the shape in question, its dissimilarity from other shapes on the market, price difference in relation to similar products, and the way in which the product in question is promoted.91

To summarize it, for a trademark to be rejected on basis of this Article, a shape constituting that trademark must have such substantial value that it can on its own influence the commercial value (selling price) of the product or a consumer’s choice. In other words, where consumers would not buy a product if it had a different shape than the shape applied for trademark protection, such shape should be refused the trademark registration on basis of this Article. This can be illustrated by the decision in the Lindt & Sprüngli case92, where BoA rejected an application for a shape of an Easter bunny (for chocolate goods) stating that the shape of a traditional Easter bunny is in itself the essential element which determines the value of the chocolate goods and that it is highly unlikely that consumers would buy Easter bunnies that do not have traditional features as a present for their children.

As an example of a 3D trademark application which was refused based on this Article, the speaker depicted in the picture 4 of this thesis can be used. The GC in its decision93 stated that the aesthetic characteristics of that shape are emphasized first and that the shape is perceived as a kind of pure, slender, timeless sculpture for music reproduction, which makes it an important selling point. This assessment is, as I see it, questionable. It is not so unusual, and it was not at the application date, that the loudspeakers have a long vertical shape and it would not be perceived as a sculpture. It may be true that the design could be understood as pleasing or attractive however, as mentioned above, that alone is not enough to apply this Article. In my

91 C-205/13, Hauck, para. 35.
93 T-508/08, Bang & Olufsen, para. 75.
opinion, the application should be rejected based on Article 7(1)(b) as it, from my point of view, lacks distinctiveness.

Further, the following trademark was partly cancelled based on this Article (however, the invalidity application was later withdrawn and the trademark is still valid).

Picture 8 EUTM No. 182451 source: euipo.europa.eu/eSearch

The BoA in its decision stated, inter alia, that the shape of the chair exhibits inherent characteristics, in a number of respects, which bestow substantial value on the relevant goods, designer armchairs. In my opinion, the said trademark could, again, be cancelled on basis of Article 7(1)(b) but not based on the Article 7(1)(e)(iii). The shape at hand, from my point of view, is not capable to guarantee the origin of goods. However, the value of essential characteristics of that shape is not such that it can influence selling price of the product or decision making of consumers. In light of the two above mentioned decision, it will be very difficult for undertakings to register any 3D trademark. These decisions are not, in my opinion, in line with the assumption that shapes that are pleasing or attractive should not, in general, be excluded from registration. There is a very blurred line between attractiveness of a shape and substantial value provided by that shape. To my mind, any attractive design is meant to provide a product with an additional substantial value. Therefore, according to that, all shapes, except those which are not very distinctive, should be refused registration. But shapes that are not distinctive should be then refused on basis of Article 7(1)(b). These considerations lead me to the conclusion that or the trademark protection of appearance of products should not be allowed at all or the requirements for obtaining such a protection should be amended. In the present situation, it seems to me that the decision making authorities are not in agreement with legislators on this issue.

From the decision-making practice of the CJEU and the EUIPO, an effort to register as less 3D trademarks as possible is evident in my opinion. That is because the trademark
protection should not serve to extend the life of other IP rights indefinitely. This approach is, as I see it, right. However, given the aforementioned, the question arises whether it should be really possible to protect shapes and appearances of products by trademarks. In my opinion, trademarks should serve merely as an indication of origin. The appearance of products should be protected solely by designs (or in some cases by copyright). In my opinion, broadening of the trademark protection also to the appearance of products is unnecessary and it artificially strengthens protection of products which should be protected by other IP rights.

2.5 Scope of Protection

Once a trademark is successfully registered, the question of scope of protection conferred by it arises. Not all registered trademarks possess the same scope of protection. There are trademarks which are strong and their scope of protection is wide. These can be for example word trademarks where the word element does not have any meaning. Such trademarks are distinctive and there is no risk for them to be descriptive or suggestive. On the other hand, trademarks which contain weaker elements, as e.g. suggestive or non-distinctive elements, will normally provide its owner with lesser degree of protection. It is an established case law that in adversarial proceedings which are based on rights conferred by trademarks, mainly the dominant and distinctive elements of the trademarks are compared and assessed. Suggestive elements should be also taken into account however, as their distinctiveness is lower, they are usually not decisive when comparing trademarks of different undertakings. Non-distinctive elements are usually not taken into account when assessing whether there is a likelihood of confusion between two trademarks/signs.

As illustrated in above chapters, the distinctiveness of registered 3D trademarks is very often provided by adding additional word or figurative elements. Trademarks would be very likely held non-distinctive and excluded from registration without those elements. In view of that, only the word and figurative elements which provide 3D trademarks with distinctiveness should carry the distinctive character. In line with the aforementioned, the scope of protection of such trademarks should be determined mainly by these distinctive elements.

It seems to me that in adversarial proceedings such trademarks protect mainly their distinctive elements, which are very often word or figurative elements, but not shapes of products as such. From the aforementioned the question arises, whether such 3D trademarks really protect shapes of products or rather only the other distinctive elements. In my opinion, in such cases, if the basic principles of trademark law are followed, such 3D trademarks should
not be regarded as protecting the shape itself. And if so, then only very weakly. Given that, undertakings should always thoroughly consider whether it is worth for them to pursue the trademark protection of shapes and whether it can really provide them with a proper protection of appearance of their products.

The opinion above can be supported by several decisions of the CJEU which state that the aim pursued by Article 7(1)(e) is to prevent the exclusive and permanent right which a trade mark confers from serving to extend indefinitely the life of other rights which the EU legislature has sought to make subject to limited periods. These rights can be design, patent or copyright rights. Additionally, the CJ in the Freixenet case stated that average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element. This, to my mind, further supports opinions presented above as it essentially says that 3D trademarks protecting the appearance of products in general possess lower distinctiveness. Further in the Lidl case, the cancelation applicant sought to cancel the following trademark.

![Image of EUTM No. 6543516](source: euipo.europa.eu/eSearch)

It was stated that there may be some arguments as to whether and if at all any of elements of the shoe should be precluded from registration by Article 7(1)(e). However, the BoA said that the crocodile logo placed on the rivet of the strap is sufficient to render Article 7(1)(e) inapplicable. Again, the same question emerges. If it is only the logo that ensures the protection for that trademark, is, in practice, the whole shape of the shoe really properly protected by that trademark? Or is it only the distinctive element of crocodile logo that is protected by such a trademark? In my opinion, given all the aforementioned, in similar cases

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94 See e.g. C-205/13, Hauck, para. 19, 20.
95 C-344/10 P, Freixenet, para. 46.
96 R 3021/2014–5, Lidl, para. 36, 37.
trademarks should confer protection only on the logo and not the shape of the shoe (or another shapes).

However, in rare cases where a shape of products gained the trademark protection and it was considered distinctive itself (its distinctiveness was not provided by any word or figurative element), such a registered shape could provide its owner with quite broad scope of protection. It is because in disputes which are based on trademark rights, signs are assessed from the view of an average consumer. The attention of an average consumer varies depending on kind of goods or services at hand. Nevertheless, the average consumer is in general a person who is reasonably well-informed and reasonably observant and circumspect. However, such person when comparing trademarks rarely has the chance to make a direct comparison between them and places his trust to the imperfect picture of them that he/she has kept in mind. 97 It follows that the average consumer is not an expert in the field and neither has an extensive knowledge of the field.

This is in favour of owners of trademarks as the average consumer is not capable to perceive some smaller differences between two signs. It consequently provides trademark owners with a broader scope of protection than if it was assessed from the view of an expert in the field or an informed user which are obviously more circumspect.98

Further, it should be noted that where an adversarial proceeding is based on a trademark, the signs are compared visually, aurally and conceptually. In view of that, it should be emphasized that it can often be sufficient to add a distinctive element (e.g. word or figurative element) to a later appearance of a product in order to avoid an infringement of an earlier trademark. Therefore, even if a shape of the later product was highly similar, it could fall outside the scope of protection of an earlier trademark if it included some distinctive element (e.g. word or figurative element). Next, it is assessed whether the overall impression conferred by two different trademarks causes a likelihood of confusion on the side of the average consumers. It must be emphasized that this applies also to cancellation proceedings where a cancellation application, that is based on a trademark, is directed against a registered design. In other words, not only trademarks but also designs can be in these certain cases assessed aurally or conceptually.

97 See e.g. C-210/96, Gut Springenheide and Tusky, para. 31 or C-342/97, Lloyd, para. 26.
98 Designs are assessed from the point of view of an informed user, the definition of which is provided in the chapter 3.4.2.2 of this thesis.
3. Designs

3.1 Characteristics of Design

Designs are an IP tool especially intended to protect an appearance of products. In this thesis, a focus is given on Community designs.\(^99\) According to Article 3(a) of the Design Regulation,\(^100\) the notion of design means the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation. Basic requirements for obtaining the design protection according to the CDR are novelty and individual character of designs applied for. Also, designs dictated solely by their technical functions and designs which are contrary to public policy or principles of morality are excluded from protection.\(^101\)

There are two types of Community designs – registered (RCD) and unregistered (UCD).\(^102\) Registered designs are protected as from the date of filing their application. Each RCD can be renewed after every 5 years. The total term of protection can reach up to 25 years.\(^103\) UCD’s are protected from the date on which they were made available to the public. Sufficient disclosure of a design so the design could be considered as “made available to the public” is analysed in Chapter 3.4. The maximal term of protection is 3 years as from the date on which the design was first made available to the public.\(^104\)

Both types of Community designs confer exclusive rights on their owners. Therefore, owners are entitled to prevent any third party not having their consent from using the designs. However, an owner of an unregistered Community design may prevent third parties from using the design merely if the contested use results from copying the protected design. In other words, any eventual infringer had to know about the existence of an unregistered design and had to copy it for the rights to be breached.

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\(^99\) Designs protected in all Member States of the EU.


\(^101\) See Section 1 of the CDR.

\(^102\) Article 1 of the CDR.

\(^103\) Article 12 of the CDR.

\(^104\) Article 11 of the CDR.
3.2 Legal Framework

3.2.1 International Treaties

3.2.1.1 Paris Convention for the Protection of Industrial Property

Provisions relevant for designs are included in Articles 1, 4A, 4C and 5quinquis. However, the Paris Convention contains only basic provisions on designs. Article 1 states designs as one of the objects of industrial property protection, Articles 4A and 4C set down a right of priority which is six months in case of designs. Finally, Article 5quinquis lays down an obligation to protect designs in all countries that are party to the Convention.

3.2.1.2 TRIPS Agreement

Articles 25 and 26 deal with the protection of designs. Article 25 (1) states novelty and originality (it is essentially only a different designation for individual character) as requirements of design protection. Further, it says that the protection cannot be extended to designs dictated essentially by technical or functional considerations. Article 25 (2) is of a particular importance for unregistered designs as it lays down an obligation for parties to the TRIPS Agreement to ensure that requirements for securing textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection. The existence of unregistered Community design helps to meet the requirements of this provision. A success of textile designs is usually dependent on fashion trends which are changing quickly. Therefore, it would not be advantageous for fashion designers to seek a costly registered protection. Instead they can choose to seek merely the unregistered design protection. Also, the period of 3 years is usually sufficient to protect an appearance of clothing. Eventually, Article 26 of the TRIPS Agreement sets down a right of design owners to prevent third parties from using protected designs and minimum duration of protection.

3.2.1.3 Hague Agreement

The Hague Agreement Concerning the International Registration of Industrial Designs governs the international registration of industrial designs. It was first adopted in 1925 and it constitutes so called Hague System which currently counts 68 contracting parties including European Union.\(^{105}\) The system is very similar to the Madrid System that concerns trademarks.

Therefore, by filing a single application, a design protection can be sought in all contracting parties.

3.2.2 EU legislation

Both registered and unregistered Community designs are governed by the Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs.

Further, there is a Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs that regards national designs. This Directive contributed to convergence of national legislations however, the basic principles were not unified within the European Union. It is even stated in Recital 5 of the preamble of that Directive that it is unnecessary to undertake a full-scale approximation of the design laws of the Member States. Therefore, there are still substantial differences in the design protection throughout the European Union.

3.3 (Dis)advantages of Design Protection

When it comes to legal protection of an appearance of products, designs are, naturally, used very frequently. In 2015, EUIPO received 22 654 applications, in 2016 24 608 and in 2017 26 047 applications for Community designs.\(^{106}\) It is apparent that the number of filed applications is increasing every year. Of course, the above-mentioned numbers do not contain UCD’s.

The design protection of products has several important advantages. Firstly, the registration process of RCD’s before the EUIPO is very fast. It is because during the substantive examination, the EUIPO examines merely whether the application really represents the appearance of the whole or a part of a product and whether the application is contrary to public policy or to accepted principles of morality.\(^{107}\) Therefore, the EUIPO does not examine whether design applications fulfil requirements of novelty or individual character or whether they are dictated solely by their technical function. It is left for competitors to file an application for invalidity if they are convinced that an application does not comply with some of the requirements. The invalidity procedure can be launched once a design has been registered but not during the registration process. Consequently, there are very few procedural burdens when


\(^{107}\) See Recital 18 and Article 47 of CDR.
registering a design and so the process is fast. It is not unusual that a design is registered within few weeks from the application date.

Also, it could be argued that the requirement of formal registration is an advantage of RCD’s for the same reasons as in case of trademarks. The enforcement of rights conferred by the RCD’s is facilitated as their existence is proven by the registration itself and there is no need for further evidence. The evidence is, of course, needed in respect UCD’s. Finally, designs are not subject to the requirement of genuine use. In other words, they cannot be invalidated or otherwise disadvantaged based on the fact that they are not used by their holder.

On the other hand, the protection of designs is limited in time. As it is mentioned above, RCD’s can be protected up to a maximum of 25 years and UCD’s up to 3 years. The limited time of protection can, of course, be regarded as a disadvantage of design protection. However, usually the public opinion about what is fashionable is changing quickly. Thus, the 25 years protection could be, in most of the cases, sufficient. As regards e.g. the fashion industry, even 3 years long protection can be sometimes suitable. The requirement of novelty can be deemed another inconvenience. Once an appearance of a product is publicly disclosed, nobody can register it as a design as it lacks novelty. The requirement of novelty is in detail described in the chapter 3.4.1.

### 3.4 Requirements for Protection

Novelty and individual character are two principal requirements for protection of Community designs. Also, designs dictated solely by their technical functions and designs which are contrary to public policy or principles of morality are excluded from protection. Further, it follows from Recital 10 of the CDR that aesthetic quality should not be taken into account when assessing registrability of a design. In the following chapters, novelty, individual character and technical functions of designs will be further analysed.

Novelty, individual character and technical functions of designs are not examined by the EUIPO during registration process. These requirements are assessed only during invalidity proceedings that can be initiated by third parties. When novelty and individual character of CD’s are assessed, these CD’s are always compared with earlier designs (appearance of products) that were disclosed, i.e. made available to the public, before the date of filing of the application for registration or date of priority of the design applied for in case of RCD or before

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108 See Articles 8 and 9 of CDR and Recital 10 of CDR.
the date of disclosure in case of UCD. The existence of earlier designs must be claimed and substantiated by an invalidity applicant.

Bearing in mind the aforementioned, it is necessary to clarify the notion of “disclosure”. It was said that “disclosure” of a design means making the design available to the public. However, there are several exceptions to this simple definition. It should be firstly noted that if a design is disclosed by its applicant (designer), his successor in title or a third person as a result of information provided or action taken by the designer or his successor in title during the 12-month period (so called grace period) preceding the date of filing of the application or the date of priority, such a disclosure shall not be taken into consideration. In other words, such disclosure cannot destroy novelty nor individual character of the design applied for. This obviously applies only to RCD’s as UCD’s are always protected as from the date when they were first made available to the public.

Secondly, when events constituting the disclosure of a design could not reasonably have become known in the normal course of business to the circles specialized in the sector, then the design shall not be deemed to have been made available to the public. Once again, such disclosure of an earlier design cannot impair novelty nor individual character of RCD’s or UCD’s. An example of such disclosure that does not impair novelty nor individual character could be lodging a court application that contains an earlier design. Where such a court application is not made available to the public, the design contained in that application is not considered to be disclosed. On the other hand, a prior national design registration or dated catalogues and magazines usually constitute sufficient evidence of existence of a prior design. In line with the recent decision in Crocs Design Case, also e.g. a display of goods on a website, an exhibition of goods at a show or making the goods available for sale through a distribution and retail network are sufficient for proving that an earlier design was made available to the public.

Eventually, a design is not deemed to have been made available to the public when it has been disclosed to a third person under explicit or implicit conditions of confidentiality.

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109 See Article 7 of CDR.
110 See ICD 000002210, Holdrowicz, para. B.1. (9).
112 T-651/16, Crocs Design, para. 49-52.
113 Article 7(1) of the CDR.
3.4.1 Novelty

Novelty is one of two most important requirements for protection of designs. A CD will be considered new if no identical appearance of product has been made available prior to that CD.\textsuperscript{114} It follows from the aforementioned that once an appearance of a product is publicly disclosed, nobody can register it as a design nor claim protection for it by means of an UCD. What can be considered public disclosure is in more detail analysed in the previous chapter.

The decisive date for examining the novelty of RCD’s is the date of filing of the application for registration or the date of priority (if claimed). The decisive date for UCD’s is the date on which the design for which protection is claimed has first been made available to the public.\textsuperscript{115} Designs must be new globally in order to confer protection on their owners. In other words, when there is an identical design available to public outside of EU, its existence excludes registrability of that design also within the territory of the EU.\textsuperscript{116}

As stated above, the novelty is always assessed only during invalidity proceedings initiated by a third person. Therefore, the third person must substantiate his/her allegations with an appropriate evidence. In accordance with the Senz Technologies case,\textsuperscript{117} a design (an appearance of product) is considered to have been made available once the party that started the invalidity proceedings has proven the events constituting the disclosure. An owner of the contested design may then rebut the presumption of disclosure by proving that the disclosure did not become known in the normal course of business to the circles specialized in the sector concerned. The evidence shall always be dated in order for the EUIPO to be able to examine its priority.

Where features of a later design differ only in immaterial details from an older design/appearance of product, these should be deemed identical. Thus, in such cases, the later design would not be considered novel. An example of an immaterial detail can be a slight variation in the shade of the colour pattern\textsuperscript{118} or an inclusion of a small figurative or word element into the design applied for.\textsuperscript{119} Also, the difference in the shape of the tip of the handle at the point of connection of the handle and the shaft was held immaterial.\textsuperscript{120} It is further necessary to mention

\textsuperscript{114} See Article 5 of the CDR.
\textsuperscript{115} See Article 5 of the CDR.
\textsuperscript{116} To that effect see C-479/12, H. Gautzsch, para. 33.
\textsuperscript{117} T-22/13, Senz Technologies, para. 26.
\textsuperscript{118} R 921/2008-3, Nail files, para. 25.
\textsuperscript{119} See R 216/2005-3, ISOGONA.
\textsuperscript{120} See ICD 9921, Green Lane Designs, para. 18, 19.
that in accordance with settled case law\textsuperscript{121} the framework of the comparison of a CD with an earlier design is limited to the features making up the CD. It is therefore, irrelevant whether or not the earlier design discloses additional features. A CD cannot be new if it is included in a more complex earlier design.

It should be further emphasized that an owner of a design can also impair the novelty of his/her own design. It can be well illustrated by the \textit{Crocs Design case}\textsuperscript{122}, where the GC confirmed the BoA’s decision, which declared the following contested design of clogs invalid.

\begin{figure}[h]
\centering
\includegraphics[width=0.2\textwidth]{crocs_design.png}
\caption{RCD No. 257001-001 \textit{source: euipo.europa.eu/eSearch}}
\end{figure}

The RCD was declared invalid as it lacked novelty. The novelty was destroyed by its owner as he/she made the design available to the public (on the internet, during a show and by distributing it) more than one year before filing the application for the RCD. Therefore, undertakings should be very careful when launching sales of their products. In my opinion, it is useful for undertakings to apply for an RCD even before sales of the products protected by it are launched. By doing so, they can easily avoid a possible inconvenience caused by the lack of novelty of their designs.

In conclusion, it can be said that an RCD is considered new when there was no identical design/ appearance of a product (or a design that differs only in immaterial details) made available before the date of application for registration or the date of priority of that design. An UCD is considered new when there was no identical design/ appearance of a product (or a design that differs only in immaterial details) known before the UCD had been made available to the public. The assessment of novelty is, unlike the assessment of individual character, not made from the point of view of an informed user. The CDR does not specify the reference person and thus, it is the BoA’s task to assess the differences on the basis of an overall appearance of designs in question.\textsuperscript{123}

\begin{flushright}
\textsuperscript{121} See e.g. ICD 10113, Star Security Door, p. 4 or R 0978/2010-3, Part of sanitary napkin, para. 20, 21.
\textsuperscript{122} T-651/16, Crocs Design.
\textsuperscript{123} R 0505/2012-3, Plastic spoon, foldable, para. 22.
\end{flushright}
3.4.2 Individual Character

Individual character is another significant requirement that must be met in order to obtain the design protection. It is enshrined in Article 6 of the CDR. As in case of novelty, it is not examined by the EUIPO whether an RCD applied for possesses the individual character. It is left for third parties to claim lack of individual character in invalidity proceedings. As regards to UCD’s, their holders must be able to prove that their design has the individual character. If they are not able to prove the individual character, they cannot defend their design nor can they use it as a basis of claims during infringement proceedings.

In accordance with Article 6 of the CDR, a design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such user by any design which has been previously made available to the public. Further, Article 6 states that in assessing the individual character, the degree of freedom of the designer in developing the design must be taken into consideration. Thus, it is basically examined whether the overall impression produced on the informed user differs from that produced on him by the existing design corpus (meaning all the designs already available to the public), taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and degree of freedom of the designer in developing the design.124

It follows from the foregoing, that in order to be able to better understand this Article, the concepts of “overall impression”, “informed user” and “degree of freedom of the designer” should be further analysed.

3.4.2.1 The Overall Impression

When assessing the individual character, it must be bear in mind that not all features of designs are of the same importance. It is necessary to identify features that are characteristic for designs and also features which are of minor importance for the overall impression produced by designs. For instance, features that are not visible or visible only with difficulties are less important. That is confirmed inter alia in the Sachi Case,125 where the GC states that a part of a product represented in a design that is outside the user’s field of vision will have no great impact on how the design in question is perceived by that user. On contrary, an example of an important part of a design can be an upper cover of a shoe since the upper cover is well visible

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124 Recital 14 of the CDR.
125 T-357/12, Sachi, para. 56.
during use of that shoe and hence it contributes most to the aesthetic appearance of the product.\(^{126}\)

Further, features which are ordinary or typical to the type of products protected by respective designs will have only minor importance in the overall impression produced by the designs on the informed user. These ordinary features could be for example number of tins in the forks. In the *TREP case*\(^{127}\), the following designs were compared.

![Picture 11 Earlier design](source: decision R 1734/2008-3)

![Contested RCD](source: decision R 1734/2008-3)

The BoA stated that the number of tines on the forks is not a characteristic feature of the fork design and even if the informed user will note the different number of tines, said user will not regard this difference in such an ordinary and commonplace feature as a significant element capable of differentiating the compared designs.\(^{128}\)

Also, in the *Sachi Case*, the GC pointed out that elements which are not fixed to a product represented by the design and that are often sold separately (such as cushions of armchairs in that case) can hardly be considered a significant part of the design. The cushions were held to be merely secondary elements that do not affect the overall impression significantly in that case.\(^{129}\)

Eventually, the number of known designs in a category of products can affect ability of informed user to distinguish one design from another. The more designs are known in a particular field, the more attentive to small details the informed user will be.\(^{130}\) In other words, where there are only a few known designs in the field, the differences between compared designs must be higher in order for a CD to possess an individual character. On the other hand,

\(^{126}\) R 339/2014-3, Hessy, para. 22.

\(^{127}\) R 1734/2008-3, TREP.


\(^{129}\) See T-357/12, Sachi, para. 37, 38.

\(^{130}\) See e.g. T-83/11, Antrax, para. 81.
when there are plenty of known designs in a particular field or category of products, even small differences will ensure that a design has the individual character.

It follows from the foregoing, that when assessing the overall impression produced by designs, it is always necessary to determine which features or elements are characteristic and significant for the compared designs. That is because the overall impression produced by designs is dominated by such features and elements. If a later design differs in these characteristic features from an earlier design, it usually produces different overall impression and the individual character of the later design should be confirmed. On contrary, if a later design differs from the earlier one only in features that are of minor importance, such a design normally does not possess the individual character.

3.4.2.2 The Informed User

The overall impression produced by a design is always assessed from the point of view of an informed user. According to the established case law, the word “user” implies that the informed user uses products in which a design is incorporated, in accordance with the purpose for which those products are intended. The adjective “informed” then indicates that the user knows various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them. However, the informed user is not a designer nor a technical expert and is not necessarily able to distinguish which aspects of the appearance of the products are dictated by its technical function.\(^{131}\) Further, pursuant to the Neuman Case,\(^{132}\) the informed user usually makes a direct comparison between two signs. However, in some cases the direct comparison may be impracticable or uncommon.

The informed user lies between the average consumer (see chapter 2.5) and the sectoral expert, who is an expert with a detailed technical expertise. Consequently, the informed user is a particularly observant user either because of his personal experience or his extensive knowledge of the sector in question.\(^{133}\)

Based on the aforementioned, the following invented examples of informed users can be given. An informed user of tennis rackets may be a hobby tennis player. In case of clothing,

\(^{131}\) See e.g. T-153/08, Shenzhen, para. 46-48.
\(^{132}\) C-101/11 P, Neuman, para. 54.
\(^{133}\) C-281/10 P, PepsiCo, para. 53.
an informed user would be a person with a good sense of and interest in fashion. As regards for example car toys, an approximately 5-10 years old child would be the informed consumer.

3.4.2.3 The Degree of Freedom of the Designer

The degree of freedom of the designer of a particular design which is incorporated in a product must be always taken into account when assessing whether a design has the individual character. Generally, it could be said that the greater is the freedom of the designer, the more substantial must be the differences between compared designs in order for the later design to possess an individual character. \(^\text{134}\)

The designer’s freedom can be limited by features which must necessarily be incorporated into a design due to their technical function or due to statutory requirements. This can result in a standardization of these features so they will be common for all designs of a particular product. \(^\text{135}\) The nature of the product in which a design is incorporated and the industrial sector to which the product belongs should be also taken into account. \(^\text{136}\) In order to determine the product in which the design is incorporated, the indication in the application \(^\text{137}\) and also the design itself should be taken into account. \(^\text{138}\) Therefore, in a hypothetical case where the indication contained in a design application would be clearly different from the actual design itself, also the nature, function and intended purpose of a product represented by that design would have to be taken into account in order to determine the product in which the design is to be incorporated. This is supported by the recent decision in the Easy Sanitary Case, \(^\text{139}\) where the CJ stated that an indication of the products in a design application according to Article 36(3) CDR cannot limit the scope of protection of that design. Also, it was confirmed that the sector concerned within the meaning of Article 7(1) of CDR is not limited to that of the product in which the design is intended to be incorporated or applied. \(^\text{140}\) Therefore, an earlier design incorporated in or applied to a product that is different from a product to which the later design relates is, in principle, relevant for the purposes of assessing the novelty. \(^\text{141}\) It follows that such an earlier design is relevant also when assessing the individual character of a design.

\(^{134}\) See T-9/07, Grupo Promer, para. 72.

\(^{135}\) See T-9/07, Grupo Promer, para. 67.

\(^{136}\) Recital 14 CDR.

\(^{137}\) Indication according to Article 36 (2) CDR.

\(^{138}\) T-9/07, Grupo Promer, para. 56.

\(^{139}\) C-361/15 P, Easy Sanitary, para. 94.

\(^{140}\) C-361/15 P, Easy Sanitary, para. 103.

\(^{141}\) C-361/15 P, Easy Sanitary, para. 104.
3.4.3 Technical Function

The Article 8 (1) CDR prohibits a registration of designs which are solely dictated by their technical function. The ban of protecting designs dictated by their technical function is supported and explained in Recital 10 CDR which states that technological innovation should not be hampered by granting design protection to features dictated solely by a technical function.

The aforesaid Recital continues to state that those features of a design which are excluded from the protection for those reasons (their technical function) should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements of protection. It implies that the fact that a design contains one feature dictated solely by its technical function does not prevent the whole design to be registered, providing it contains also some other features that are not technically dictated. This is confirmed also by a BoA’s decision in the Nordson Case.\(^{142}\) In the said decision, the BoA stated that the fact that a particular feature of a product’s appearance is denied protection because it is solely dictated by its technical function does not mean that the whole design must be declared invalid on the ground that it does not fulfil the requirement of Article 8 CDR. Therefore, a whole design should be declared invalid only if all its essential features were dictated solely by its technical function.\(^{143}\)

It is clear that to be able to ascertain whether all the essential features of a design are solely dictated by a technical function of a product in which the design is incorporated or applied to, first the technical functions of that product must be identified. In line with the decision in Nordson case, not only the relevant indication in an RCD, but also other relevant facts, as for example the nature of a product into which a design is to be incorporated or earlier patent applications, must be taken into account. Also, the design itself, in so far as it makes clear the function of the product should be taken into account.\(^{144}\)

There exist two different approaches in assessing whether an essential feature of a design is dictated solely by a technical function. Existence of alternative shapes must be taken into account when applying the first approach. According to that, if an alternative shape of a certain feature exists, the feature contained in a registered design is not dictated by a technical function. Therefore, pursuant to this test, for a design to comply with the requirement set out in

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\(^{142}\) R 211/2008-3, Nordson.

\(^{143}\) R 211/2008-3, Nordson, para. 36.

\(^{144}\) See T-9/07, Grupo Promer, para. 56.
Article 8 (1), it would be sufficient if its applicant proved that there exists at least one different appearance of the same product fulfilling the same technical function.

The EUIPO, however, uses the second approach, according to which a design is dictated solely by its technical function if every feature of that design was selected merely because of the need to achieve a product’s technical function. Further, it is indecisive whether or not the feature is the only means by which the technical function can be achieved.\(^\text{145}\)

The EUIPO’s approach was recently acknowledged by the CJEU. In the \textit{DOCERAM case}\(^\text{146}\), the CJ clearly stated that Article 8 (1) CDR excludes protection under the law on Community designs for features of appearance of a product where considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features, even if other designs fulfilling the same function exist. Therefore, the CJ confirmed that the existence of alternative designs is not decisive in assessing the requirement enshrined in Article 8 (1) CDR.\(^\text{147}\)

According to the CJ, if a single undertaking applied for and obtained more different possible shapes of a product incorporating features of appearance of that product which are exclusively dictated by its technical function, such an undertaking would in effect obtain an exclusive protection equivalent to a patent protection, but without being subject to the conditions applicable for obtaining the patent protection.\(^\text{148}\) That would be in conflict with the purpose of the design protection and the above-mentioned Recital 10 CDR.

In my opinion, the decision of the CJ is correct, since the first approach facilitates an inadmissible widening of the scope of the design protection which could then cover also the technical solutions. In other words, it enables undertakings to obtain monopolies on technical solutions by using the design protection. That could lead to hindering the competition on the market and hampering the technological innovation which clearly goes against objectives pursued by CDR. These objectives are, among others, encouraging innovation and development of new products and investment in their production.\(^\text{149}\)

\(^{145}\) See e.g. R 2466/2011-3, Blades, para. 15.
\(^{146}\) C-395/16, DOCERAM.
\(^{147}\) C-395/16, DOCERAM, para. 31.
\(^{148}\) C-395/16, DOCERAM, para. 30.
\(^{149}\) See Recital 7 CDR.
Eventually, the CJ stated in the *DOCERAM case*, that when assessing whether features of appearance of a product are solely dictated by its technical function, all the objective circumstances relevant to each individual case must be taken into account. A perception of an objective observer or an informed user (unlike in case of assessing the individual character) is not decisive in assessing this requirement for protection.

### 3.5 Scope of Protection

The scope of protection of CD’s covers all designs that do not produce a different overall impression on the informed producer. As mentioned in the previous chapters, the scope of protection of designs is influenced by various aspects such as degree of freedom of designer, number of features that must necessarily be included in the design or density of the existing design corpus in a particular industrial sector.

If the products to which compared designs are applied are largely standardized and therefore, their designers have a low degree of freedom while developing the designs, smaller differences will be sufficient for a later design to possess the individual character. It follows, that the earlier designs which are applied to such products enjoy a narrower scope of protection compared to designs which are applied to products whose appearance is not dictated or bound by any necessary features. Further, it should be reminded that the more designs exist in a particular industrial sector, the more attentive to small details the informed user will be. Consequently, a design that is applied to a product which occurs in many different variations on the market, will confer a narrower scope of protection on its owner. That is because in such a case the informed user will notice even small differences when comparing the design with a later, possibly infringing, design.

Hereafter, it should be emphasized that the protection granted by a CD extends to the lines, contours, colours, shape and/or texture of products to which it is applied. It does not protect the distinctiveness of a shape. As mentioned in chapter 2.5, the distinctiveness is in most cases provided by word or figurative elements or labels, since average consumers do not usually make assumptions about origin of products on the basis of their shape. In view of the given facts, it is mainly the lines, contours, colours, shape and/or texture that should be taken into account when deciding on scope of protection of a design. On contrary, logos and word

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150 C-395/16, DOCERAM, para. 35 et seq.
151 See Article 10 CDR.
and figurative elements should not be deemed decisive. Therefore, the overall impression produced by two compared designs should be regarded as similar even in cases where shape, colours, contours etc. of both designs are the same but one of the designs include a logo in addition. In other words, a later design should not be regarded as possessing an individual character if it differs from an earlier design only by an added logo. This is in favour of designs as it means they should provide fairly wide scope of protection.

This opinion can be supported by the decision in the *ISOGONA case*. In that case, the following signs were compared.

![Picture 13 EUTM No. 998450 “earlier design”](source: decision R 216/2005-3)

![Picture 14 Contested RCD No. 5269-0001](source: decision R 216/2005-3)

In this decision, the BoA confirmed that the contested RCD did not comply with Article 5 of the CDR as it lacked novelty. It was further stated that the word element “OROLEY” which is included in the earlier design has no design function. It follows from the case at hand that a mere difference in a word element should not be sufficient to influence assessment of novelty or individual character of designs. To put it differently, the earlier design’s protection should extend to all designs with similar shape, colours, contours etc. no matter any additional word elements. This is further confirmed in the *Hessy case*, where the BoA stated that adding a trademark cannot in itself be sufficient to establish individual character although it will not be overlooked.

Bearing in mind the aforementioned, it is clear that the scope of protection conferred by CD’s varies significantly, depending on different particularities of every single case. However, by analysing the individual factors outlined above, applicants can well estimate the scope of protection of each design for which they seek the protection.

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153 R 216/2005-3, ISOGONA.
4. Comparison of Trademark and Design Protection of Applied Art

Before choosing one of the two analysed means of protection of an appearance of products, undertakings and other IP protection users should always thoroughly consider which of the two types is more suitable for their product. Probably the most important aspects while making the decision are price for obtaining the protection and a potential length and strength (scope) of protection. The requirements for protection of trademarks and designs should be also considered. Last but not least, a probability of obtaining the protection should be taken into account. In other words, possible difficulties during the registration process should be considered. Of course, both types of protection can be combined in practice but it can sometimes prove too costly, mainly for physical persons or small and medium-sized enterprises, to use both trademarks and designs in order to protect the appearance of their products.

4.1 Costs

As regards the price, trademarks and designs are both affordable, considering that their protection covers all Member States of EU.\textsuperscript{156} Costs for obtaining national trademarks or designs in every single state of the EU would be in total significantly higher. The official fee for application for an individual EUTM in one class, when filed electronically, is EUR 850. The fee for the second class is EUR 50 and for the third and every other class EUR 150. Trademarks can be renewed every 10 years. The renewal fee is the same as the application fee.

The official fee for basic application for one RCD costs EUR 350 and it can be renewed four times. The renewal fee increases gradually. Therefore, the official fee for the first renewal is EUR 90, the second EUR 120, the third EUR 150 and the fourth EUR 180. The protection of UCD’s is informal and consequently, there are no fees for its registration. It follows that the design protection is significantly cheaper comparing to the trademark protection.

4.2 Length of Protection

Trademarks are initially protected for a period of 10 years. This protection can be prolonged every 10 years and there is no maximal term of protection stipulated. That means that the trademark protection can be prolonged indefinitely, for an unlimited period of time. It is worth to remind that trademarks must be used in order to be maintained,\textsuperscript{157} whereas there is

\textsuperscript{156} Meaning EUTM’s, RCD’s and UCD’s.

\textsuperscript{157} Possible consequences of non-use are described in chapter 2.3.
no such an obligation as regards designs. The initial term of the design protection is 5 years and it can be prolonged four times. Thus, the maximal length of the design protection is 25 years. The fact that the length of the trademark protection is not limited in time could obviously be the main argument for choosing the trademark protection of an appearance of a product instead of the protection by designs. However, the obligation of the genuine use of trademarks must be emphasized as it is not uncommon that trademarks are revoked because they are not properly used.

4.3 Registration Process and Requirements for Protection

As outlined in the previous chapters, it is quite difficult to register a 3D trademark. The grounds for refusal enshrined in Articles 7(1)(b) and 7(1)(e) are thoroughly examined by the EUIPO during the registration process and a considerable amount of the 3D trademark applications is eventually refused. An effort of the CJEU and the EUIPO to register as less 3D trademarks as possible is, in my opinion, evident from their decision-making practice.

On the contrary, the registration process of CD’s is usually smooth since the novelty, the individual character and the technical function of designs are not examined by the EUIPO during the registration process. Therefore, there is much higher chance that an appearance of a product will be registered as a design than as a 3D trademark. However, since the novelty, individual character and the technical function are not examined during the registration process of CD’s, there is a higher chance that a CD will be declared invalid after its registration. This risk can nevertheless be minimized, if designs’ applicants carry out a thorough search on existing design corpus before filing their application. Bearing in mind the aforementioned, the registration process of designs is clearly faster and smoother than the registration process of 3D trademarks.

As regards the requirements for protection, both types of protection have their own advantages and disadvantages. Firstly, trademarks must be distinctive in order to be protected. It is particularly difficult for 3D trademarks to possess an inherent distinctiveness and thus, this requirement is often the reason for rejecting applications for 3D trademarks. Designs do not protect the distinctiveness of shapes and therefore, they do not have to comply with the above stated requirement.

On the other hand, designs must be novel in order to be able to obtain the protection. This requirement relates to objectives pursued by CDR that are to encourage innovation and development of new products and investment in their protection. If there was not the novelty
requirement, the same design/appearance of a product could be registered all over again (after expiration of its earlier registration). That could restrain the innovation and development of new products. As it is mentioned above, the novelty of a design can be impaired also by its owner. Consequently, it is of major importance that applicants for designs are cautious when launching sales of products in which the designs are incorporated.

The novelty requirement does not apply to trademarks. In other words, a trademark can be registered and cannot be cancelled even if it had been known before the date of application. This can prove very useful in some cases. As an example, the Crocs Design case mentioned in chapter 3.4.1 of this thesis can be stated. In that case, the design in question was declared invalid as its novelty was impaired by its owner. However, a 3D trademark of the same owner that has later filing date than the invalidated design is still valid since the novelty requirement does not apply to trademarks. It follows that the fact that trademarks do not have to comply with the novelty requirement is very favourable for owners of trademarks. However, that fact once again raises the question of whether it should be possible to protect an appearance of products by trademarks as it, in my opinion, clearly goes against the innovation and development of new products.

Further, trademarks which consist exclusively of the shape, or another characteristic, which result from the nature of the goods themselves should not be allowed for registration. There is no similar requirement for protection relating to designs. However, it could be said that an appearance of products which results from the nature of the goods is probably not new and does not possess the individual character. Thus, usually it should not be possible to register as designs shapes which result from the nature of the goods.

Next, trademarks which consist of the shape, or another characteristic, that is necessary to obtain a technical result should not be allowed for registration. This requirement essentially equals to the prohibition of registration of designs which are solely dictated by their technical function. Both trademarks and designs can be refused registration only if all essential characteristics of a shape forming a 3D trademark resp. all essential features of a design are necessary to obtain a technical result, resp. are solely dictated by a technical function in case of designs. In the light of recent decisions mentioned in the previous chapters, an existence of alternative shapes is indecisive both when assessing functionality of trademarks and designs. The mentioned requirement aims to ensure that trademarks and designs are not used to obtain

158 EUTM No. 6543516.
a monopoly on technical or functional solutions since such a monopoly should be ensured by patents or utility models.

Another requirement for protection of trademarks is that they cannot consist exclusively of shapes which give a substantial value to the goods. As outlined in the chapter 2.4.2.3, any attractive design is, in my opinion, meant to provide a product with a substantial value. As I see it, this requirement enables the EUIPO and the CJEU to prohibit the trademark protection of a considerable number of shapes. Furthermore, the shapes that cannot be refused based on the aforesaid requirement should be then, as explained in the mentioned chapter, refused based on lack of distinctiveness. Combination of these two grounds for refusal makes it very difficult to register a 3D trademark. However, there is no such a requirement as regards to the design protection. It is understandable since the designs are specifically meant to protect the appearance of products. The appearance can be often extraordinary and as such they can provide the products with a substantial value. Therefore, it is clear that this requirement cannot be applicable to designs as it would be also against the purpose of the design protection. The purpose is, inter alia, to promote the contribution of individual designers to the sum of Community excellence in the field.\textsuperscript{159}

The requirement of individual character that applies to designs is similar to a relative ground for refusal of trademarks enshrined in Article 8(1)(b) of the EUTMR. The mentioned Article stipulates that a trademark applied for shall not be registered if, because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trademarks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trademark. However, the identity and similarity of trademarks are assessed from the point of view of an average consumer and not from the point of view of an informed user as in case of designs. As mentioned in the chapter 3.4.2.2, the informed user lies between the average consumer and the sectoral expert.

It follows that the informed user usually pays attention also to small differences which an average consumer does not perceive. Thus, it could seem that it is in general easier to comply with this requirement when applying for designs as the informed user will notice also small differences between compared designs and thus, he/she will rather distinguish a design application from earlier signs. However, the identity and similarity of trademarks is assessed

\textsuperscript{159} See Recital 7 of the CDR.
visually, aurally and conceptually and therefore, to avoid the similarity with an earlier sign, it should be sufficient to add a distinctive element into a later 3D trademark. On the contrary, this should not be sufficient in case of designs as they do not protect the distinctiveness of shapes as explained in chapter 3.5.

4.4 Scope of Protection

It was mentioned in this thesis that trademarks should protect the distinctiveness of a shape, whereas designs protect primarily lines, contours, colours, shape and/or texture of products to which they are applied. Given that, it is in my opinion easier to circumvent a trademark protection of an appearance of a product than to circumvent the design protection. As explained in previous chapters, in many cases it could be sufficient to add a distinctive sign (for instance a word or figurative element) to a product’s appearance in order to avoid an infringement of an earlier trademark. On the contrary, incorporating a distinctive sign into a later product’s appearance will not in most cases be sufficient to circumvent a protection provided by an earlier CD. It is because adding such a sign cannot, according to the decision quoted in the chapter 2.5, in itself be sufficient to establish the individual character. In view of all aforementioned, it is in my opinion more suitable to use designs rather than trademarks to protect an appearance of a product, since the design protection provides a stronger protection for the appearance of products as such.

However, it must be also taken in account that in adversarial proceedings that are based on a registered trademark, the assessment of the similarity of compared signs is made from the point of view of an average consumer. On the other hand, in adversarial proceedings based on a CD, the point of view of an informed user is relevant. As mentioned in the previous chapters, the average consumer is a person who is reasonably well-informed and reasonably observant and circumspect but only very rarely has the chance to make a direct comparison between two signs and places his trust to the imperfect picture of them that he/she has kept in mind. On the contrary, the informed user lies between the average consumer and the sectoral expert, who is an expert with a detailed technical expertise. The informed user is therefore a particularly observant user either because of his personal experience or his extensive knowledge of the sector in question. Moreover, he/she usually has the chance to make a direct comparison between two designs. It follows that the informed user will be more attentive to slight differences of compared designs than the average consumer. This fact is in favour of the trademark protection as it could be, generally speaking, said that the more attentive the relevant person is, the narrower is the scope of protection of an earlier trademark or design.
Eventually, it must be emphasized that trademarks provide protection only in respect of goods and services they are registered for,\footnote{With an exception of trademarks with reputation that enjoy a broader scope of protection.} whilst the protection conferred by designs is not limited to any specific goods or industrial sector. To put it differently, designs protect all kinds of products in which they are incorporated, no matter their nature.

With regard to all aforementioned, it is clear that both compared types of protection have their advantages and disadvantages. However, after considering all aforesaid important aspects, the design protection is in most cases more advantageous for protecting the appearance of products. The trademark protection can be useful mainly for protecting a highly distinctive appearance of products that are typical for a particular manufacturer. However, protection of such trademarks could be considered as being in breach with Article 7(1)(e)(iii) of the EUTMR.
5. Conclusion

In this thesis, the two possible types of protection of an appearance of products are discussed and analysed. The first chapter focuses on trademarks. The notion of a trademark is briefly explained and the relevant legal framework presented. Further, main advantages and disadvantages of the trademark protection of an appearance of products are identified and statistics are provided in order to demonstrate the frequency of use of 3D trademarks which are the most suitable trademarks when protecting the appearance of products. The statistics revealed that the 3D trademark protection is not used very often and the number of applications per year is even decreasing lately.

The chapter continues by analysing the most relevant grounds for refusal of protection for 3D trademarks. By analysing the case law of the CJEU and the EUIPO, I came to a conclusion that 3D trademark applications are very often subject to refusal and it is difficult to successfully register them. Very common ground for refusal of 3D trademarks is the lack of distinctiveness. Applicants tend to circumvent this ground for refusal by incorporating distinctive signs (usually word or figurative signs) into 3D trademarks. Although it is an effective way to obtain the registration, a scope of protection provided by such trademarks should arguably not be wide.

The scope of protection of 3D trademarks is analysed and assessed in the last subchapter of the trademark chapter. It is stated that the scope of protection of such trademarks is not, or at least should not be, particularly wide. It is inter alia because similarity, in cases based on trademarks, is compared from the visual, aural and conceptual point of view and it is mainly the distinctiveness of trademarks that is protected. Therefore, to avoid a possible infringement of a registered 3D trademark, it should be sufficient to add an ample distinctive sign into a later trademark. Obviously, this is not desirable for owners of the older trademarks and it does not prove the trademark protection of the appearance of products effective.

These conclusions confirm the claim emphasized in several judgments of the CJEU that the trademark protection should not serve to extend indefinitely the life of other intellectual property rights. In the thesis, also a question of whether it should be even possible to protect the appearance of products by trademarks is raised. In my opinion, it is not necessary as there are other means of protection of the appearance such as for instance designs or copyright. As I see it, broadening of trademark protection also to appearance of products is unnecessary and it artificially strengthens protection of products which should be protected by other IP rights.
The second chapter concerns design protection. Its structure more or less copies the structure of the trademark chapter. After explaining the concept of a Community design and presenting the relevant legal framework, advantages and disadvantages of this type of protection are highlighted and again, statistics are used in order to illustrate how frequently the design protection is used. The statistics show that the design protection is used very often for protecting an appearance of products and the number of filed applications is increasing every year. In comparison with 3D trademark applications, the number of design applications is substantially higher.

Further, the main requirements of design protection – novelty and individual character - are identified and analysed. When assessing novelty and individual character, the existing design corpus must be taken into account. It is stressed out that the assessment of the individual character, unlike the assessment of novelty, must be made from the point of view of an informed user of the relevant products. Also, the issue of technical function of designs is dealt with. The CJEU recently stated that a design is dictated solely by its technical function if every feature of that design was selected merely because of the need to achieve a product’s technical function. The existence of other alternative designs is not decisive when assessing the technical function.

It is also emphasized that the registration process concerning CD’s is usually fast and smooth as assessing of novelty, individual character and technical function of designs is performed only during eventual invalidity proceedings but not during the registration process. Eventually, the scope of protection provided by designs is assessed. It is stated that the scope of protection conferred by Community designs varies significantly depending on particularities of each case.

The last chapter provides comparison of trademark and design protection of appearance of products. Costs, length and scope of protection as well as difficulty of a registration process and requirements for protection were taken into consideration. The design protection was found to be preferable as regards costs and mostly also as regards to the scope of protection. Also, the registration process of designs is simpler and faster compared to the registration process of 3D trademarks. On the other hand, the important advantage that is in favour of the trademark protection is the possibly indefinite length of protection of trademarks. It is further emphasized that the requirement of novelty applies only to the design protection and on the other hand, only trademarks must fulfil the requirement of distinctiveness.
Taking into account all the facts mentioned in this thesis, the design protection is, as I see it, usually more suitable and favourable for protecting the appearance of products. Besides, it should be considered whether the possibility to protect the appearance of products by trademarks is necessary, especially bearing in mind that many 3D trademark applications are rejected while other are registered only due to other distinctive elements incorporated in them. Moreover, there are other convenient means of protection of the appearance of products available. A Community design is an instrument intended almost exclusively for that purpose.
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