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LOGOS AND NO-GOS

"DESIGN-A-STORE" - RECENT CJEU RULING THAT THE DESIGN OF THE LAYOUT OF A RETAIL STORE CAN POTENTIALLY BE REGISTERED AS A TRADE MARK

The Trade Marks Directive (2008/95/EC) (the Directive) provides, under Article 2 that "*a trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings*".

The CJEU's preliminary ruling related to Apple Inc (Apple)'s application in Germany to register as a trade mark a representation that it described as "*the distinctive design and layout of a retail store*". The German Bundespatentgericht had referred several questions to the CJEU in relation to proceedings between Apple and the German Patent and Trade Mark Office (the DPMA) which concerned the DPMA's rejection of Apple's application to register the representation.

Apple had previously obtained a registration from the United States Patent and Trademark Office for a 3D trade mark consisting of the representation, by a design in colour (metallic grey, white and light brown), of its flagship stores for services within Class 35 which covers "*retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics and related accessories and demonstrations of products relating thereto*".

Apple sought to extend the trade mark internationally under the Madrid Agreement. The extension was accepted in some states and refused in others. On 24 January 2013, the DPMA refused the extension of that international trade mark to the German territory on the ground that it was nothing other than the representation of an essential aspect of Apple's business and that, while consumers may perceive the layout of such a retail space as an indication of the quality and price bracket of the products, they would not see it as an indication of their commercial origin. The DPMA also considered that the design and layout was not sufficiently distinguishable from the stores of other electronic product providers.

Apple appealed and the German Bundespatentgericht stayed the proceedings and referred several questions to the CJEU, including:

1. Is Article 2 of the Directive to be interpreted as meaning that the possibility of protection for the "packaging of goods" also extends to the presentation of the establishment in which a service is provided?

2. Are Articles 2 and 3(1) of the Directive to be interpreted as meaning that a sign representing the presentation of the establishment in which a service is provided is capable of being registered as a trade mark?

3. Is Article 2 of the Directive to be interpreted as meaning that the requirement for graphic representability is satisfied by a representation by a design alone, or with such additions as a description of the layout, or indications of the absolute dimensions in metres, or of relative dimensions with indications as to proportions?

The CJEU reiterated the requirements of Article 2 of the Directive, namely that the subject matter of an application for a trade mark must be:

- a sign;
- that is capable of graphic representation; and
- that must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

As to the first and second requirements, the CJEU said that these were met as it is clear that designs are capable of graphic representation and so a representation that depicts the layout of a retail store by means of an integral collection of lines, curves and shapes, may constitute a trade mark provided that it is capable of distinguishing the products or services of one undertaking from another. This, said the Court, meant it was not necessary for it to attribute any relevance to the fact that Apple's design did not contain any indication as to the size or proportions of the retail store it depicts, or to examine whether

the design could be treated in the same way as "packaging" as it was presentation of the establishment in which the service is provided. In respect of the third requirement of Article 2, the CJEU held that the representation by a design of the layout of a retail store is also capable of distinguishing products or services of one undertaking from those of another.

The CJEU did, however, point out that just because a sign meets the requirements of Article 2 (and so is capable of constituting a trade mark), it does not mean that it necessarily has the "distinctive character" required under Article 3.1 of the Directive which states that, amongst other things, a trade mark which is devoid of any distinctive character cannot be registered. The distinctive character of the sign must be assessed firstly by reference to the goods and services in question and, secondly, by the perception of the average consumer of that category of good and services. It is for the relevant local trade mark authority to assess this.

Finally, the CJEU concluded in response to the second referred question that a sign depicting the layout of the flagship stores of a manufacturer may legitimately be registered not just for the goods themselves but for services that do not form an integral part of the offer for sale of those goods e.g. in-store demonstration seminars, providing that the other requirements of registration are met.

The judgment will be of great interest to retailers who place a lot of branding significance on the design and layout of their selling spaces, particularly their flagship stores. However, retailers will still need to show that their store design and layout is distinctive and is capable of distinguishing their products and services from those of their competitors – a further challenge for the creative minds behind the marketing strategies of the global retailers.

C-421/13, Apple Inc. v Deutsches Patent- und Markenamt

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AUGUST 2014

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