

The German approach to 3-d marks

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In the face of increasing competition and lookalike imports from low-wage countries, brand owners in Germany are fighting for consumer attention with use of an increasingly varied product shapes and packaging. The result has been a tremendous increase in applications for the registration of three-dimensional marks, valid for protection under the German Trademark Act of 1995.

The increased flow of applications has required the creation and application of uniform rules in order to differentiate three-dimensional marks from other technical intellectual property rights¹, and protect these rights from infringement. Three-dimensional marks have been the object of numerous decisions with respect to protectability and registrability, and this article examines the approach taken in the German courts with specific reference to the "Torches" decisions.

Pursuant to section (s.) 3 (1) German Trade Mark Act, *"three-dimensional configurations², including the shape or packaging of a product as well as other getups, including colours and compositions of colours, which are capable of distinguishing the goods or services of one undertaking from those of other undertakings, can be protected as trade marks"*. However, signs consisting exclusively of a shape which results from the nature of the goods themselves, or which is necessary in order to obtain a technical result, or which gives substantial value to the product shall not be capable of being protected as marks.³ The mark has to be independent with regard to the product.⁴ Thus, the German system distinguishes between three groups of three-dimensional marks:

- Shapes that do not rely on a product, such as the so-called Mercedes star of Mercedes Benz AG;

¹ I.e. designs.

² The definition is: a shape that does not purely rely on a surface (Stephanie Tewes "Der Schutz der dreidimensionalen Marke nach dem Markengesetz" 1999).

³ Section 3 sub-section 2 German Trade Mark Act

- Shapes of a product or of parts of a product, such as the well-known LEGO tools;
- Shapes used in packaging or in parts of a packaging, such as the bottle of Coca-Cola Corp.

Germany's Federal Patent Court (which also rules on trademarks) assumes the capability of three-dimensional marks to be protected without examining the exceptions of s. 3 (2) German Trademark Act. The court draws attention to s. 8 (2) German Trademark Act and examines whether absolute grounds for refusal, namely the lack of distinctiveness, are given. According to the Federal Patent Court, a three-dimensional mark is devoid of any distinctive character if the three-dimensional shape of the mark does not represent originality, which will be associated with an undertaking.⁵ The necessary degree of originality depends on the variety of the design that is usual with regard to the market of these products and has to exceed the shape, which is necessary from the technical and aesthetical point of view to a considerable extent.⁶

The Torches decision⁷

The German Patent- and Trademark Office (GPTO) had refused the application for registration of the three-dimensional mark "torch" shown below because of a lack of distinctiveness on November 22, 1995.



The shape of the torch applied for.

⁴ Berlit W. "Das neue Markenrecht", 4th Edition 2000, p. 13

⁵ Fezer K.-H., "Markenrecht"-Kommentar, 3rd edition 2001, § 8 Rn. 117 c

⁶ *ibid.*

⁷ Federal Patent Court (BPatG), 14.01.1998, 32 W (pat) 91/97, GRUR 1999, p. 56

In the opinion of the GPTO, the relevant trade circles would not be able to associate the mark with an undertaking. The shape of the trademark does not differ from the variety of design in the relevant market. The request for reconsideration was refused due to the same arguments on April 8, 1997. The decision was appealed with the Federal Patent Court, which also refused the application. As mentioned above, the court assumed the capability of protection, but held that the mark is devoid of any distinctive character. In particular, the court held the following:

The relevant trade circles expect specific design elements. However, the irregularity of the elements is limited to less memorable varieties that are determined by a high degree of arbitrariness.⁸ The elements of the torches are not unusual to such an extent that the relevant trade circles will necessarily refer to the applicant as producer. The assertion is valid for every part of the torches, i.e. the first part with the bulb, the cylindrical centrepiece and the end piece with a holder. Thus, the relevant trade circles will not consider this design as a whole peculiar and memorable enough for the distinctive character of a trade mark to be recognized.

According to the Federal Patent Court, the German Trademark Act shall not bar identical products from being launched, provided that another trademark is used. In comparison, a German design registration prevents an identical product from being launched. Therefore, trade circles will usually not associate the shape of a product with a specific undertaking as they are used to word- and design registrations. As a result, the court more strenuously examines the shape of a product being sought for use as trademark, than it does a word mark that has been applied for.

Following refusal of the shape mark a second time, the case was appealed to the German Federal Supreme Court. This court recognises the protectability of three-dimensional marks in terms of being abstractly qualified to be distinguished pursuant to s. 3 (1) German Trade Mark Act. The court further restricts the exceptions of s. 3 (2) German Trade Mark Act, especially s. 3 (2) no. 2 German Trade Mark Act⁹ and sets up principles to evaluate the capability of three-dimensional marks to be protected with regard to signs, which consist of the shape of the product¹⁰ or of the packaging¹¹. As far as the packaging is concerned, it examines whether the shape embodies an obvious descriptive content, or will be seen as such

⁸ See also BGH GRUR 1997, 527 "Autofelge"

⁹ Fezer, op. cit., s. 8 no. 117j

¹⁰ Please refer to the "Torches"-decision.

¹¹ Federal Supreme Court (BGH), 13.04.2000, I ZB 6/98, GRUR 2001, 56 "Likörflasche"

for various reasons and not be cited as evidence for the origin.¹² Thus, a bottle that does not show descriptive evidence regarding the kind of beverage shall be considered to have a distinctive character. Therefore, the shape of a bottle shall not be considered to be distinctive if the bottle shows evidence or only a label referring to the beverage.¹³

The Supreme Court examined of the "Torches" case¹⁴ on appeal of the decision in the Federal Patent Court¹⁵, which has suspended the proceedings and requested the European Court of Justice to give a ruling on the following questions:

- i) Does article 3 (1) (b) of directive No. 89/104/EEC¹⁶ require a stricter standard with regard to the distinctive character of a three-dimensional mark in comparison to a word mark if the three-dimensional mark displays the shape of the product?
- ii) Does art. 3 (1) (c) of the directive have its own meaning besides art. 3 (1) (e) of the directive with regard to three-dimensional marks, which display the shape of the product?
 - (1) If so, does the interest in keeping the shape free for the public have to be considered in such a way that the registration is usually excluded but possible with regard to three-dimensional marks which are in conformity with art. 3 (3) sentence 1 of the directive with consideration of art. 3 (1) (c) of the above-mentioned directive?
 - (2) If not, is question (1) valid for art. 3 (1) (e)?

The European Court of Justice has not yet reached a decision on these issues. Nevertheless, the Federal Supreme Court assumes that the three-dimensional mark is capable of being protected pursuant to s. 3 (1) German Trademark Act (which corresponds to article 2 of the directive). According to this provision, the trademark applied for has to be capable, in terms of abstractness, of distinguishing goods and services of one undertaking from those of other undertakings, whereas the requirement of being concretely capable of distinguishing goods results from Art. 3 (1) (b) of the directive. In the opinion of the court, the trademark may not be part of the product that has a technical function. It has to exceed the essential technical shape so that it is possible to isolate it from the product, at least theoretically. Thus, the trademark needs to be independent of the product. Hence, the three-dimensional mark has a distinctive character, in terms of abstractness.

¹² Fezer, op. cit., s. 8 no. 117o

¹³ *ibid.*

¹⁴ Federal Supreme Court (BGH), 23.11.2000, I ZB 18/98, MarkenR 2000, p. 71

¹⁵ See 3.a.

¹⁶ Hereinafter referred to as "the Directive"

Moreover, the German Federal Supreme Court wishes to negate the exception of art. 3 (1) (e) of the directive. According to this provision, signs are not capable of being protected as trademarks if they consist of a shape, which results from the nature of the goods themselves or which is necessary in order to obtain a technical result, or which gives substantial value to the goods. The mark applied for contains characteristics that exceed the usual shape of a torch, such as a cylindrical shank as a centrepiece, the taper transition from the shank to the head, the enlarged cylindrical head that has three parts due to grooving and ruffles, as well as the smaller cylindrical shutter in comparison to the shank. Accordingly, it has to be examined whether the trademark is devoid of any distinctive character pursuant to art. 3 (1) (b) of the directive, or whether the trademark is in conformity with art. 3 (1) (c) of the directive. According to the Federal Supreme Court, distinctive character requires the capability of distinguishing goods and services of one undertaking from those of other undertakings in public. Any slight distinction is sufficient.

In the opinion of the court, and with regard to two-dimensional marks, the reproduction of the subject goods is not sufficient for distinguishing the goods and services. Contrary to the Federal Patent Court and the Office for Harmonisation in Alicante¹⁷, the Federal Supreme Court does not make stricter demands on the distinctive character of three-dimensional marks. This is neither justified by the interest of the public in keeping the shape free for other undertakings, nor by a general risk of interference in product design. Furthermore, strict demands are not justified by a comparison of designs, copyrights and trademarks, because designs and copyrights are determined by the creativity of the inventor or author, whereas a trademark is determined by the distinctive character.

In addition, in the Court's opinion, art. 3 (1) (c) of the directive is independently applicable for all marks regardless of art. 3 (1) (e) of the directive.¹⁸ The court tends to consider the prerequisite to keep the shape free for the public in connection with art. 3 (1) (c) of the directive. The consequence of this is that the protection of trademarks would only be possible if the requirements of art. 3 (3) sentence 1 of the directive were fulfilled.

The Design Act offers protection specifically to the product itself, while protection under the Trademark Act requires the use of the mark, but the use of an ageless mark remaining unchanged will monopolise the shape. This is questionable as far as a production line with limited configuration facilities is concerned. Therefore, the interest in keeping the shape free shall be considered in respect of short-lived configurations. Other three-dimensional marks,

¹⁷ The Office refused the application of the "torch" shape as a three-dimensional Community trademark.

¹⁸ This is disputed by the German literature.

which result from the nature of the goods themselves, shall only be protected if they are in conformity with art. 3 (3) sentence 1 of the directive.

It remains to be seen whether or not the European Court of Justice will come to a decision corresponding to the opinion of the Federal Supreme Court, and this author tends to agree with the Federal Supreme Court. The applicant's torch shape has surely acquired a distinctive character because of its use, and the public is able to distinguish the applicant's goods from goods of other undertakings. There is reason to doubt that the public would be able to distinguish the goods if they had not have acquired a certain level of awareness as a consequence of use.