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5th Session: Industrial designs and trade marks

Designs - 3D Trademarks: corporate policy and search difficulties

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Abstract

The presentation will mostly address the corporate policies (and difficulties) both of SMEs and of large enterprises when it comes to clearance of 3D marks and designs.

Figurative elements and drawings have been used as trademarks since the early days, alone or in combination with words. The limited number of letters to form words, including invented words, and the clog of the registries, makes figurative marks even more attractive now than before for the businesses. The number of possibilities to create an original, distinctive, and new trademark is in fact statistically higher for figurative marks than for word marks.

Similarly, the design of a product intended as its appearance combining useful and aesthetical features, is nowadays a well acknowledged competitive tool which can determine the success (or the failure) of a business.

The EU trademark law does not define the category of a mark that must be considered as a shape mark and makes no distinction between 2D or 3D shapes, or 2D representations of 3D shapes. Therefore, the clearance of a 3D mark shall not be confined to 3D shapes, but should encompass also to other categories of marks, such as 2D figurative signs representing 3D shapes or to purely figurative marks.

Likewise, considering that *design* means the appearance of a product resulting from its features including its ornamentation, and considering that *product* means any industrial or handicraft item, including inter alia, packaging, get-up, graphic symbols and typographic typefaces, clearing a design should extend not only other designs but also 3D marks, 2D representations of 3D shapes and purely figurative marks.

Further, since both 3D marks, purely figurative marks and designs may enjoy copyright protection, the first action that a business has to put in place when considering the adoption of a certain shape, picture, drawing, image, etc.. as a trademark or as a design, is to make sure that copyright (or other third parties' rights) have been assigned or are accruing to the benefit of that business.

This shall be made by investigating the ownership of copyrights or other third parties' rights at an earlier stage and by formalizing in writing the assignment of these rights from the owners to the business.

Once copyrights or other third parties' rights have been secured, the next step is to clear the subject matter from the point of view of the trademark law.

When it comes to adopt a shape or a picture as a trademark, figurative searches are an essential tool to ascertain, in particular, whether the prospective trademark is inherently distinctive and non-descriptive and whether it does possibly encroach on third party's earlier rights.

Trademark searches on 3D or 2D shapes and on figurative elements, have become more common in recent times. New search technologies, supported by image recognition software and AI, made in fact figurative searches more affordable and thus popular also amongst SMEs. Thanks to the speciality principle in trademark law, trademark searches can be (reasonably) performed only in respect of certain classes of products and services, are by nature limited in scope and relatively easy to perform. Trademark case law is furthermore well established and quite consistent in respect of the assessment of the likelihood of confusion.

However, to avoid major pitfalls, and considering that the conceptual comparison of purely figurative elements can be somehow tricky, figurative trademark searches shall be prudentially accompanied with searches on competitors and with case-law searches. Furthermore, one should have a look at well-known marks and possibly extend the search to community designs and, in particular, to class 32 of the Locarno Classification covering graphic symbols and logos, surface patterns and ornamentation.

On the other hand, design searches are still relatively uncommon, especially amongst SMEs, as they are more difficult to perform and generally more time-consuming than trademark figurative searches.

The notions of *informed user* and *individual character* are yet to be completely clarified, despite the guidance coming from the CJEU. And the novelty test for designs is substantially absolute and applies worldwide with the only limit of the disclosure, that is except where the publication of a certain earlier design *could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community*.

Furthermore, it has been recently clarified by the CJEU that, in design law, the speciality principle as intended in trademark law, does not exist and that, therefore, the *sector concerned* is not limited to that of the product in which the contested design is intended to be incorporated or applied. This means that an earlier design incorporated in or applied to a product that is different from the one to which the later design relates is, in principle, relevant for the purposes of assessing the novelty.

Finally, the same jurisprudence has clarified that to invalidate a design cannot be required two disclosures, the first one to the circles specialized in the sector and the second one to the informed user. This means that to establish whether a design is new or has individual character, it is not necessary that earlier designs, possibly relating to a different product, have been actually known by the sector concerned or by the informed user.

In the end, it seems that design searches have become even more difficult to the extent that one, in theory, should take a look at all registered designs, irrespective of the Locarno class, and irrespective of the products and the sector concerned. Not to forget that design searches should possibly extend to 3D, 2D and figurative marks as well...

However, there are a couple of good news for businesses. The first good news is that the irrelevance of the products and of the sector concerned and the irrelevance of the effective knowledge of the earlier design by the sector concerned or by the informed user, could make life easier for the invalidity applicants charged with counterfeiting.

The second good news is that the disclosure exception provided for by art. 7(1) of the CDR, although to be restrictively interpreted, is still out there and may, hence, still work as a wall against the destructive effects of designs or trademarks in completely different fields for which it would be unreasonable to believe that *they have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community*.

While awaiting that the case-law and the practice shed further light on what is *reasonably disclosed* (and on what is not), businesses should take a more conservative approach when performing design searches, which should therefore prudentially address registered designs in all Locarno classes and extend to products and unregistered designs belonging not only to the same sector but also at least to close sectors.

Upon clearance of the concerned 3D mark or designs, filing policies and strategies would come as a natural consequence of the searches' outcome as well as of the consultations made with local associates in the concerned jurisdictions.

Should the design be new and reasonably equipped with individual character, the business may opt for a design registration. Should the shape outstandingly divert from the shape of the products defining the norms and the standard of the sector, one may even go for a pure 3D mark. The same, if the shape has acquired a secondary meaning through use (although this is next to impossible in the EU).

In case of difficulties, absence of legal requirements, or other impediments descending from local laws or practices, businesses usually opt for corresponding 3D trademark applications embedding a word mark or other distinctive elements, or convert 3D applications in corresponding 2D applications.