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Apple, Inc. vs. Deutsches Patent- Und Markenamt: Why The Court Got It Wrong

JOSEPH DZIDA

I. INTRODUCTION

A. Background

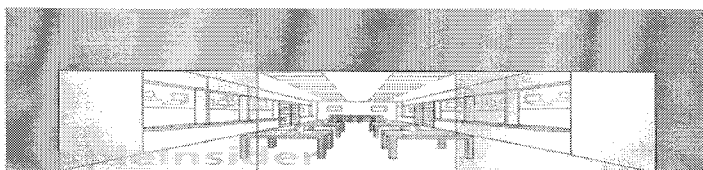
On January 22, 2013, Apple was granted a trademark for its store design layout by the United States Patent and Trademark Office.¹ The trademark is described as follows:

The mark consists of the design and layout as a retail store. The store features a clear glass storefront surrounded by a paneled façade consisting of large, rectangular, horizontal panels over the top of the glass front, and two narrower panels stacked on either side of the storefront. Within the store, rectangular recessed lighting units traverse the length of the store's ceiling. There are cantilevered shelves below recessed display spaces along the side walls, and rectangular tables arranged in a line in the middle of the store parallel to the walls and extending from the store front to the back of the store. There is multi-tiered shelving along the side-walls, and an oblong table with stools located at the back of the store, set below video screens flush mounted on the back wall. The walls, floors, lighting, and other fixtures appear in dotted lines and are not claimed as individual features of the mark; however, the placement of the various items are considered to be part of

1. Mikey Campbell, *Apple Successfully Trademarks Store Design and Layout*, APPLE INSIDER (Jan. 29, 2013), <http://appleinsider.com/articles/13/01/29/apple-successfully-trademarks-apple-store-design-and-layout>.

the overall mark.²

This design, described by Apple as “the distinctive design and layout of a retail store”³ is depicted below:⁴



Apple registered its trademark under Class 35 of the Nice Agreement.⁵ The Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks, or Nice Agreement for short, was designed to organize and classify trademarks as either goods or services on both a national and international level.⁶ Within this framework, Apple received a trademark for services, specifically, “retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics and related accessories and demonstrations of products relating thereto.”⁷ After receiving a trademark in the United States, Apple sought to extend the mark internationally.⁸ Such registration is governed by two treaties: the Madrid Agreement; and the Madrid Protocol.⁹ Together, those treaties constitute The Madrid System, which establishes a system for international registration.¹⁰ One of the primary motives behind the Protocol was to create a system of simple and inexpensive trademark registration.¹¹ Under the Madrid Agreement concerning the International Registration of Marks of April 14, 1891 as revised and amended most recently on September 28, 1979, Apple may secure protection for its United

2. The mark consists of a representation of a store layout. U.S. Patent No. 4277914.

3. Case C-421/13, *Apple Inc. v. Deutsches Patent- und Markenamt*, 2014 E.C.R. I-4, ¶ 9 [hereinafter *Apple Inc.*].

4. *Id.*

5. *Id.* ¶ 8.

6. *About the Nice Classification*, WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/classifications/nice/en/preface.html>.

7. *Apple Inc.*, *supra* note 3, ¶ 8.

8. *Id.*

9. Vicenç Feliú, *International Trademark Law – The Madrid System*, GLOBALEX (Sept./Oct. 2007),

http://www.nyulawglobal.org/globalex/International_Trademark_Law.htm.Dec.

10. *Id.*

11. *Id.*

States trademark by filing it with the International Bureau of Intellectual Property.¹² Upon registration with the Bureau, the mark would receive the same protection in each participating country as if the trademark had been filed there.¹³ Apple followed proper procedure and eventually had its store design layout registered with the Bureau.¹⁴ Though accepted by some countries, the trademark was rejected by the German Patent and Trade Mark Office (“DPMA”), giving rise to this case.¹⁵

B. Apple’s United States Trademark

Before proceeding, it may first be helpful to briefly discuss the trademark that Apple applied for and eventually received in the United States. Beginning in May 2010, Apple set out to receive a trademark for its store design layout in the United States.¹⁶ Interestingly enough, Apple’s application was twice denied by U.S Patent and Trade Mark Registration.¹⁷ The cited reason for rejection was that Apple’s store design layout lacked “inherent distinctiveness.”¹⁸ Apparently, Apple’s applied-for mark consisted of a “non distinctive three dimensional configuration that would not be perceived as a service mark, but only as decoration or ornamentation.”¹⁹ In refuting the application, Apple chose an interesting route. Rather than attempt to make the mark more distinctive or change the design altogether, Apple insisted that the mark had acquired distinctiveness.²⁰ To prove this, Apple submitted declarations demonstrating consumer awareness of the design.²¹ Based on the success of its retail stores, consumer awareness of the store layout, and general awareness of Apple itself, Apple was finally awarded a trademark in its store layout design by The United States Patent and Trademark Office

12. *Madrid Agreement Concerning the International Registration of Marks*, WORLD INTELLECTUAL PROPERTY ORGANIZATION arts. 1, 4, http://www.wipo.int/wipolex/en/wipo_treaties/text.jsp?file_id=283530#a4.

13. *Id.* at art. 4(1).

14. Apple Inc., *supra* note 3, at 965.

15. *Id.* at 956-66.

16. Valentina Palladino, *Apple Store Receives Trademark For ‘Distinctive Design and Layout,’* WIRED (Jan. 30, 2013, 1:39 PM), <http://www.wired.com/2013/01/apple-store-trademark/>.

17. *Id.*

18. David H. Aleskow, *Apple Trademarks in the U.S. Design and Layout of Retail Stores*, OBLON (Feb. 12, 2013), <http://www.oblon.com/apple-trademarks-us-design-and-layout-retail-stores>.

19. *Id.*

20. *Id.*

21. *Id.*

(“USPTO”).²² Apple received U.S. Registration No. 4,277,914 for its store design layout.²³

The case in question, the one upon which this Comment is based, is an international case governed by the Court of Justice of the European Union. The decision of the USPTO is irrelevant insofar as it does not bind any international court in deciding whether or not to award a trademark.²⁴ However, for purposes of this Comment, the decision by the USPTO may be illustrative of another paradigm through which to view the basics of trademark law. This will be discussed later on but, for now, the important point to note is that, in agreeing to award Apple its trademark, the USPTO focused not on the initial application by Apple but by its subsequent proof that Apple had acquired distinctiveness in its store design layout. In other words, it would appear that, as is, Apple’s United States trademark application was not sufficient for registration but required proof of acquired distinctiveness. As will be explained below, in its European Union case, Apple needed no such proof of acquired distinctiveness.²⁵ Though the case below does not definitively establish that Apple’s trademark must stand, it does make it clear that, as is, Apple’s store layout design is one that is capable of being a trademark.²⁶ Thus, as long as it does not fall into one of the exceptions listed under the applicable law (which will be discussed later), Apple’s trademark shall stand, regardless of the notion of acquired distinctiveness that was required in the United States.

As an aside, for purposes of this Comment, the issue of acquired distinctiveness will not be discussed in any further detail. It bears noting that this issue may, under certain circumstances, be relevant, especially as it pertains to Article 3, discussed *infra*. In that regard, acquired distinctiveness may be grounds for rebutting certain arguments that Apple’s trademark should be precluded.²⁷ However, this issue was not one that was presented to the Court in this case.²⁸ Therefore, the Court is precluded from analyzing such issue, as it would be incompatible with

22. *Id.*

23. *Trademarks*, UNITED STATES PATENT AND TRADEMARK OFFICE (Feb. 2015), https://tsdr.uspto.gov/#caseNumber=4277914&caseType=US_REGISTRATION_NO&searchType=statusSearch.

24. *Trademark FAQs*, UNITED STATES PATENT AND TRADEMARK OFFICE (Sept. 11, 2015, 1:49 PM), <http://www.uspto.gov/learning-and-resources/trademark-faqs>.

25. *See* Apple Inc., *supra* note 3.

26. *Id.* at 969.

27. *See* Council Directive 2008/95/EC art. 3, Celex No. 308L0095 (October 22, 2008) [hereinafter *Directive*].

28. *See generally* Apple Inc., *supra* note 3.

the Court's function.²⁹ Thus, for sake of argument, this Comment will proceed under the assumption that Apple has not attained said "acquired distinctiveness."

C. Apple, Inc. v. Deutsches Patent- und Markenamt

After successfully registering its store design layout in the United States, Apple sought to expand the trademark internationally. Though generally accepted in Europe, in January 2013, Germany refused the extension of the three-dimensional trademark on the grounds that the sign depicted in the trademark was nothing more than an essential aspect of the undertaking's business.³⁰ Furthermore, though consumers might view the store as an indication of the quality and price of the products, they would not view it as an indication of commercial origin.³¹ In other words, the design was not sufficient to distinguish it from the stores of other electronics providers. Apple appealed this refusal to the Bundespatentgericht (the German Patent Court), which determined that the design was sufficient to distinguish Apple's store from those of other electronics products providers.³² However, the court determined that the case raised important trademark law issues and so it referred four particular questions to the European Union Court of Justice:

"(1) Is Article 2 of Directive [2008/95] 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 Directive [2008/95] 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 Directive [2008/95] 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?

29. Case C-352/95, *Phytheron International SA v. Jean Bourdon SA*, 1997 E.C.R. I-1729, I-1730.

30. *Apple Inc.*, *supra* note 3, ¶ 11.

31. *Id.*

32. *Id.*

(4) Is Article 2 of Directive [2008/95] to be interpreted as meaning that the scale of the protection afforded by a trade mark for retail services also extends to the goods produced by the retailer itself?"³³

The "Article 2" to which the court refers comes from Directive 2008/95/EC of the European Parliament and is entitled, "Signs of which a trade mark may consist."³⁴ It states: "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."³⁵ With regard to international trademarks, Directive 2008/95/EC is the governing law. Though, in the United States, Apple was granted its trademark, in order to have its protection extended internationally, it must satisfy the conditions of this Directive.

The Court began by answering the second question.³⁶ In order to be capable of constituting trademark under the Directive, the subject matter must satisfy three conditions: 1) it must be a sign; 2) the sign must be capable of graphic representation; and 3) the sign must be capable of distinguishing the goods or services of one undertaking from those of another undertaking.³⁷ According to the Court, it is "absolutely plain" that "designs are among the categories of signs capable of graphic representation."³⁸ Based on this, the Court concludes that a representation consisting of "an integral collection of lines, curves, and shapes" may constitute a trademark as long as it is capable of distinguishing the products or services of one undertaking from those of another.³⁹ Therefore, the Court concludes that such a design satisfies the first and second conditions from trademark registration despite the fact that the design contains no indications of size or proportion of the retail store that it depicts, and thus dismisses the third question.⁴⁰ With regard to "distinguishing the products or services," the Court states, with no analysis, that such distinction may occur "when the depicted layout departs significantly from the norms or customs of the economic sector con-

33. *Id.* ¶ 14.

34. Directive, *supra* note 27, at art. 2.

35. *Id.*

36. Apple Inc., *supra* note 3, ¶ 17.

37. *Id.*

38. *Id.* ¶ 19.

39. *Id.*

40. *Id.*

cerned.”⁴¹ Because it had determined that the store layout might already qualify for trademark registration as a design, the Court found it unnecessary to determine whether the store layout could also qualify as “packaging” under the Directive, thus dismissing the first question.⁴² The Court declares the fourth question inadmissible as having no relation to the subject matter of the proceedings,⁴³ and it will likewise not be addressed in this paper.

The Court notes that simply because the design may qualify for a trademark does not mean it is not precluded under Article 3 of the Directive.⁴⁴ Among the many reasons for preclusion, the Court cites specifically that the design must not be “devoid of any distinctive character.”⁴⁵ In determining whether such preclusion applies, the distinctive character must be assessed “in concreto” by reference to both the goods or services in question as well as the perception of the relevant public, “namely the average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect.”⁴⁶ Additionally, using the same in concreto assessment, the competent authority must determine whether or not “the sign is descriptive of the characteristics of the goods or services” within the meaning of Article 3, or gives rise to any other grounds for refusal under that Article.⁴⁷ Finally, in resolving whether the trademark, if approved, can cover Apple’s services as well, the Court held that the design may be legitimately registered for the goods and the services, “where those services do not form an integral part of the offer for the sale of those goods.”⁴⁸

D. Thesis

In *Apple, Inc. v. Deutsches Patent- unter Markenamt*, the European Union Court of Justice did not resolve the entire matter. Apple is seeking registration of its store design layout as a trademark for “services which comprise various services aimed at inducing the customer to purchase the products.”⁴⁹ As mentioned above, the Court declared

41. *Id.* ¶ 20.

42. *Id.* ¶ 19.

43. *Id.* ¶ 29.

44. *Id.* ¶ 27.

45. Directive, *supra* note 27, at art. 3(b).

46. *Apple Inc.*, *supra* note 3, ¶ 22.

47. *Id.* ¶ 23.

48. *Id.* ¶ 26.

49. *Id.* ¶ 16.

that the trademark application, as an “integral collection of lines, curves, and shapes” is eligible for trademark registration.⁵⁰ In other words, the fact that Apple’s store design layout does not contain any size or proportions is not enough to disqualify it for trademark registration. However, the analysis does not stop here because this declaration only holds that, as a preliminary matter, a store design layout such as Apple’s may be registered. The Court went on to declare that, in order to successfully register as a trademark for services, the design: must satisfy the three requirements under Article 2 of the Directive (including being capable of distinguishing the products or services of one undertaking from those of another undertaking); must not be devoid of any distinctive character; must not be precluded by any other provisions in the Directive; and must not be an integral part of the offer for sale of the goods themselves.⁵¹

This Comment seeks to demonstrate why Apple’s current application for a trademark registration of its store design layout should be rejected. Furthermore, assuming that the Court’s conclusion (noting that, as a preliminary matter, the store design layout may be eligible for trademark registration) was correct, this Comment will demonstrate why, ultimately, the store design layout should be precluded from trademark registration on other grounds. Thus, this Comment will proceed as follows. First, a discussion on the three-step framework of Article 2 used by the court, specifically: 1) whether the design is a sign; 2) whether the design is capable of graphic representation; and 3) whether the design is capable of distinguishing services of one undertaking from those of another.⁵² Next, a consideration of whether Apple’s store design layout is devoid of any distinctive character, or is precluded by any other provisions under the Directive, demonstrates why Apple’s trademark application should be denied. This Comment will provide a basic fundamental explanation of the relevant principles of trademark law by analyzing the case at issue, as well as case law cited by the Court. It will include commentary, law, and even some current news stories, which, though not all binding or specifically applicable to the law in question, will help better form a basis for understanding why, ultimately, Apple’s trademark application should be rejected.

50. *Id.* ¶ 19.

51. *Id.* ¶ 19.

52. *Id.*

II. ANALYSIS

A. Article 2

Under Directive 2008/95/EC, Article 2 describes “Signs of which a trade mark may consist.”⁵³ It states “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.”⁵⁴ Thus, as the court noted, Apple’s store design layout, in order to be considered for trademark registration must satisfy three conditions: 1) it must be a sign; 2) it must be capable of graphic representation; and 3) it must distinguish Apple’s services from other undertakings.⁵⁵

In the Court’s opinion, it deems the first two requirements as satisfied almost immediately.⁵⁶ The fact that the word “design” is included in the list of examples seems to be sufficient to the Court in order to conclude that Apple’s store design layout may presumptively constitute a trademark.⁵⁷ Analysis is clearly lacking on these crucial points and a more appropriate answer may be found in a case cited by the Court.

1. Satisfying Article 2 of the Directive

In *Libertel Groep BV v. Benelux-Merkenbureau*, the Court was determining whether or not a color, specifically a shade of orange, is capable of constituting a trademark.⁵⁸ In its application, the party seeking trademark registration placed an orange colored rectangle and the word “orange” in the description of the applied for trademark.⁵⁹ As it did in the *Apple* case, the Court began by stating that Article 2 did not preclude a color from being registered as a trademark, as long as it is capable of distinguishing the goods and services of one undertaking from that of another undertaking.⁶⁰ However, the Court then went on to analyze the color’s potential of qualifying for trademark, and it is these cri-

53. Directive, *supra* note 27, at art. 2.

54. *Id.*

55. *Apple Inc.*, *supra* note 3, ¶ 17.

56. *Id.* ¶ 18.

57. *Id.*

58. *See* Case C-104/01, *Libertel Groep BV v. Benelux-Merkenbureau*, 2004 E.C.R. I-3793, ¶ 1, 14-16, 21.

59. *Id.* ¶ 10.

60. *Id.* ¶ 6.

teria that should have been applied in the *Apple* case. Whether or not the color could qualify for trademark registration would depend on the context in which it is used.⁶¹

It is the sign's graphic representation that allows a court to determine if a trademark satisfies the conditions of trademark application.⁶² In one case, the Court said that graphic representation requires that the sign be "represented visually, particularly by means of images, lines or characters. . .so that it can be precisely identified."⁶³ It is this idea that the Court seemed to draw on in *Apple* when it stated that Apple's design consisted of "an integral collection of lines, curves and shapes."⁶⁴ Alone, this would appear sufficient to satisfy the Court's holding in *Libertel Groep*, but, unlike the Court in *Apple*, the Court in *Libertel Groep* went on to qualify its requirement, noting that the concern with the application was that "it would not be possible to determine precisely how the colour applied for will appear on the goods. . ."⁶⁵ This concern was translated into an imperative in *Ralf Sieckmann v. Deutsches Patent- und Markenamt*.⁶⁶ There, the Court said that in order to fulfill the requirement of Article 2 of the Directive, the graphic representation must be "known very precisely."⁶⁷ It must be "clear and precise, so that the object of the right of exclusivity is immediately clear" and "it must be intelligible. . . to manufacturers and consumers."⁶⁸ It is with this reasoning that the *Libertel* Court declared that the trademark application for the color orange consisting of the colored rectangle and the word "orange" did not satisfy the requirements of Article 2 and, thus, could not qualify as a trademark.⁶⁹

In *Heidelberger Bauchemie's Trade Mark Application*, the Court was faced with a similar question regarding the trademark of colors.⁷⁰ The Court in *Libertel* noted that a sign must be "clear, precise, self-contained, easily accessible, intelligible, durable and objective."⁷¹

61. *Id.* ¶ 27.

62. *Id.* ¶ 23.

63. Case C-49/02, *Heidelberger Bauchemie's Trade Mark Application*, 2004 E.C.R. I-6152, at 6163.

64. *Apple Inc.*, *supra* note 3, ¶ 19.

65. *Libertel*, *supra* note 58, ¶ 68.

66. Case C-273/00, *Ralf Sieckmann v. Deutsches Patent- und Markenamt*, 2002 E.C.R. I-11754.

67. *Id.* at I-11769.

68. *Id.* at I-11767.

69. *See Libertel*, *supra* note 58, at 3821.

70. *Heidelberger Bauchemie's Trade Mark Application*, *supra* note 63, at I-6158-9.

71. *See Libertel*, *supra* note 58, at 3812.

Though the application in *Libertel* did not satisfy these requirements, if the application had contained an internationally recognized color-code which designated the specific shade of orange, it may have been remedied.⁷²

It is interesting that, despite citing the *Libertel Groep* case as authority, the Court in *Apple* chose not to apply the specific analysis.⁷³ Had it done so, it would have been clear that Apple's store design layout does not qualify for trademark registration. It is true that the design seems to satisfy the initial language the Court uses. However, just as the color orange and description "orange" was not capable of being precisely identified, so too does Apple's design seem to fall short.⁷⁴

Now, to be clear, this does not mean that Apple's store design layout can never be trademarked. As the Court said in *Heidelberger Bauchemie*, though, traditionally, "colours are generally used for their attractive or decorative powers, and do not convey any meaning" they may still be capable of being a sign.⁷⁵ In the same way, the elements of Apple's application (e.g. storefronts, panels, and tables) generally do not convey meaning but, if properly designated and represented, can certainly be capable of constituting a sign. Apple's application consists of many details: "clear glass storefront"; "large rectangular panels"; "two narrow panels"; "rectangular tables"; and "oblong table" just to name a few.⁷⁶ However, none of them is specific enough so that it may be "precisely identified." We know that there is a glass storefront, but how big and thick is it? We know that there are large rectangular panels and narrow panels, but just how large or how narrow? What are the dimensions and sizes of these various tables?

In short, the issue is not that Apple is trying to trademark these various elements, but that these various elements are not "clear, precise, self contained, easily accessible, intelligible, durable and objective." (Though in its trademark application, Apple stated that certain fixtures were not individual features of the mark, it still maintained that they were part of the overall mark.)⁷⁷ It is critical that the use of an international color-code may have been sufficient to remedy the application in

72. *Id.* ¶ 37; *Heidelberger Bauchemie's Trade Mark Application*, *supra* note 63, at I-6152-I-6165.

73. *Apple Inc.*, *supra* note 3, ¶ 17.

74. See *Libertel*, *supra* note 58, ¶ 107.

75. *Heidelberger Bauchemie's Trade Mark Application*, *supra* note 63, ¶ 23.

76. *Palladino*, *supra* note 16, at 2.

77. U.S. Patent No. 4277914.

Libertel.⁷⁸ It is this point that conveys an important requirement. In the realm of colors, the Court notes it is possible to display a “very wide range of shades of colour.”⁷⁹ In much the same way, there is certainly a wide variety of glass storefronts, rectangular panels, and tables. Thus, the Court was wrong to conclude that it is unnecessary to “attribute any relevance to the fact that the design does not contain any indication as to the size and proportions of the retail store that it depicts.”⁸⁰ The reason for this is simple, without even minimal specifications such as those, there is no design; there is only a description of a vast possibility of designs, which is not “clear, precise, self contained, easily accessible, intelligible, durable and objective.” Therefore, Apple’s application should be required to include size and proportions of the various details mentioned. By doing so, Apple would be satisfying the requirements of Article 2. However, it will also ensure that Apple will not unnecessarily restrict the availability of certain elements (e.g. glass storefronts, panels, and tables). As the Court in *Libertel Groep* noted, “regard must be had to the general interest in not unduly restricting the availability of colours for the other traders who offer for sale goods. . . of the same type.”⁸¹ This is an important point that will be discussed in depth later on in this Comment.

To refute this point, Apple may simply refer to the fact that it has provided a fairly intricate representation of its design in its trademark application. As the Court has previously held, the concept of a sign “covers any message which may be perceived by one of the five senses.”⁸² The case this language is quoted from concerns the application by Dyson of a trademark for its vacuum cleaner storage bin design.⁸³ In that case, though it was true that the graphic representation of the design could be perceived visually, ultimately, the Court concluded that it did not satisfy the requirements of Article 2.⁸⁴ The Court reached that conclusion by noting that the subject matter (i.e. the design) of the application was not for a particular type of bin but, rather, for all conceivable shapes of such a collecting bin.⁸⁵ In a similar way, Apple’s application, though it depicts a store, is not a design of a single store but of all con-

78. Heidelberger Bauchemie’s Trade Mark Application, *supra* note 63, ¶ 36.

79. *Id.*

80. Apple Inc., *supra* note 3, ¶ 19.

81. *Libertel*, *supra* note 58, ¶ 60, ¶ 78.

82. Case C-321/03, *Dyson Ltd. v. Registrar of Trade Marks*, 2007 E.C.R. I-697, ¶ 32.

83. *See generally id.*

84. *See id.* at I-711.

85. *Id.* at I-726.

ceivable designs within the broad parameters it provided. Because Apple did not include sizes or proportions in its application, the design, in reality, could take on many different appearances and therefore, theoretically, still be covered by the trademark.⁸⁶ The *Dyson* court noted this obvious problem, stating that, because the design is “capable of taking on a multitude of different appearances” it is not specific.⁸⁷ This holding clearly coincides with that of the one in the *Libertel Groep* Court.⁸⁸ Furthermore, as in *Libertel Groep*, the court addressed a similar issue of identifying the trademark. It was noted that, based on Dyson’s application, “[w]hat consumers can identify visually is not so much the subject matter of the application as two of Dyson’s graphic representations as contained in the application.”⁸⁹ It is true that, in that case, Dyson actually admitted that its graphic representations were “merely examples of [the subject matter of the application],”⁹⁰ but surely the same can be said of Apple’s application. Though, clearly Apple does not claim that its sign is merely an example, its lack of specificity mirrors that of Dyson’s design. The *Dyson* court noted that “the presentation and composition of that subject-matter depend both on the vacuum cleaner models developed by Dyson and on technological innovations.”⁹¹ In other words, Dyson’s application was such that it had plenty of leeway for fitting its changing designs into its trademark as long as they fit within the vague and open specifications. Upon further review of Apple’s trademark application (shown *supra*), it becomes apparent that Apple has just given a description, in the words of the *Dyson* Court, “in a general and abstract manner, [of] all the conceivable shapes”⁹² of its store design layout.

Again, the idea is not that Apple’s store layout should not be capable of receiving a trademark, but that this particular description of it should not. Understandably, Apple was likely purposefully vague in its description so that it may cover as many variations as possible. However, this is unacceptable. A collecting bin is a relatively simple concept, and it is one that is likely to be used and replicated in a variety of ways and manners. Similarly, a store design layout, even one that is limited to the description of Class 35 under the Nice Agreement, is a concept that

86. Apple Inc., *supra* note 3, ¶ 19.

87. *Id.* at I-726.

88. *Libertel*, *supra* note 58, at I-3848-49.

89. *Id.* at I-726.

90. *Id.*

91. *Id.* at I-700.

92. *Id.*

is not only common but necessary for many businesses. In a world where one-store design layout can only be so different from another, to allow Apple to trademark one that is clearly “capable of taking on a multitude of different appearances” would be unwise.

In addition to fulfilling the substantive elements of Article 2, requiring Apple to include size and proportions in its application will ensure that important procedural elements are satisfied as well. As the Court once put it, precision is the “prerequisite of registration under trade mark law.”⁹³ Therefore, “in order to fulfill its role as a registered trade mark, a sign must always be perceived unambiguously and uniformly, so that the function of mark as an indication of origin is guaranteed.”⁹⁴ Specifically, Apple must be clear and precise in describing the elements of its store design (i.e. include size and proportions) so that the relevant authorities may fulfill their obligations in both examining potential applications and publishing and maintaining a precise register of successful applications.⁹⁵ In short, just as the “juxtaposition of two or more colours. . . ‘in every conceivable form’” was considered to “not exhibit the qualities of precision and uniformity”⁹⁶ necessary for trade mark law, so, too, should Apple’s description of its store layout, without regard to size, proportion, or other descriptive measurements, be considered inadequate.

At this juncture, it can be argued that this Comment would place a rather difficult burden upon Apple. Surely, describing with precise particularity is difficult, especially when the subject of description is not merely a two-dimensional sign or picture but a three-dimensional store. Though Apple provides a picture with its application, ultimately, it must describe it through words, which may prove to be tedious and difficult. A similar dilemma arose in another European case. In *Shield Mark BV v. Joost Kist*, a company was attempting to register a sound for trademark.⁹⁷ Now in that case, as with *Apple*, the company had the difficult task of describing in words that which it sought to register, namely certain notes of a song.⁹⁸ The Court held that, in that case, Article 2 is not satisfied “when the sign is represented graphically by means of a description using the written language, such as an indication that the sign

93. Heidelberger Bauchemie’s Trade Mark Application, *supra* note 63, at I-6160.

94. *Id.* at I-6164.

95. Case C-283/01, *Shield Mark BV v. Joost Kist*, 2003 E.C.R. I-14313, ¶ 1.

96. *Id.* ¶ 34.

97. *Id.* ¶ 64.

98. *Id.*

consists of the notes going to make up a musical work . . . without more.”⁹⁹ Obviously, a store design layout is very different from a portion of a song, however, it is when the Court goes on to qualify its ruling that we may begin to draw a similar conclusion with regard to Apple’s case. The Court went on to say that Article 2 is satisfied when “the sign is represented by a stave divided into measures and showing, in particular, a clef, musical notes and rests whose form indicates the relative value and, where necessary, accidentals.”¹⁰⁰ What the Court does here is emphasize the importance of particularity. It would not allow Shield Mark to simply describe the song in words; it had to go further by laying out the particular notes into specific written music that, in a way, confined the trademark only to the particular portion of music in question. Likewise Apple has begun by describing its three dimensional mark in words, but it should be further required to confine its application only to the particular store design that it seeks to protect. This is exactly what might be accomplished if Apple were required to further refine its application in a way that included specific measurements, proportions, and other values.

The final element of Article 2 requires that Apple’s store layout design be capable of distinguishing Apple’s services from other undertakings. Unlike the first two elements of the Article 2 test, this third element is concerned primarily with the proposed trademark solely as it relates to other parties. Even if it were determined that Apple’s store design layout was both a sign and capable of graphic representation, unless it is capable of distinguishing itself from other undertakings, the application must be rejected. Though there are clear policy reasons for this as well (which will be discussed later), the practical reason is that if a company wishes to declare something (in this case, a store design layout) as its own, it should be sufficiently distinguishable from other similar designs so that it may, in fact, be clear that it belongs to that specific company. In the dispute that gave rise to this case, the German Patent and Trademark Office (“DPMA”) determined that Apple’s trademark application should be rejected, among other things, because “it was not sufficiently distinguishable from the stores of other providers of electronic products.”¹⁰¹ Apple appealed the DPMA’s refusal to extend its trademark to the Bundespatentgericht, which agreed with Apple, stating that the design did contain “features that distinguishe(d) it from the usu-

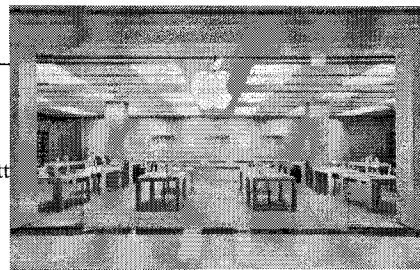
99. *Id.*

100. *Id.*

101. *Apple Inc., supra* note 3, ¶ 11.

al layout of retail stores in that electronic sector.”¹⁰² Because it was not among the specific questions referred to it by the Bundespatentgericht, the European Court of Justice neither analyzed the issue nor looked at any specific facts.¹⁰³ Therefore, because its job was only to interpret the more fundamental questions of trademark, it deferred judgment on that issue to the lower court, stating, “the layout of a retail store may be registered as a trade mark for services. . . provided that the sign is capable of distinguishing the services of the applicant for registration from those of other undertakings. . .”¹⁰⁴ Thus, technically, this element was not at issue in this case. However, for argument’s sake, this Comment will discuss that requirement to demonstrate why, in agreement with the DPMA, Apple’s trademark application may be rejected on yet another separate ground. Before beginning that discussion, it is necessary to note that this element (i.e. that Apple’s store layout design must distinguish Apple’s from that of other undertakings) is very similar to one of the grounds for refusal under Article 3 of the Directive (i.e. trademarks that are devoid of any distinctive character) and there seems to be at least some ambiguity in case law as well.¹⁰⁵ Therefore, in an attempt to separate the two analyses, this Comment will regard the first issue (the element of Article 2) as one requiring a more objective test, while holding the second issue (the section in Article 3) as one requiring a more subjective test, which, as will be explained, focuses more on the perception of the relevant public.

In deciding to refuse extension of Apple’s trademark, the DPMA stated, “while it was true that consumers may perceive the layout of such 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.”¹⁰⁶ It went on to explain that the design “was not sufficiently distinguishable from the stores of other providers of electronic products.”¹⁰⁷ It is this second assertion that will be the focus of this analysis. Thus, the relevant question is what do “stores of other providers of electronic products” look like? For the sake of argument but also practicality, why not look at one of Apple’s greatest competitors? Microsoft.



102. *Id.* ¶ 13.

103. *Id.*

104. *Id.* ¶ 27.

105. See generally Case C-97/12 P, *Louis Vuitton Malletier v. OHIM*, 2014 E.T.M.R. 42.

106. *Apple Inc.*, *supra* note 3, ¶ 11.

107. *Id.*

On the left is a picture of a Microsoft retail store¹⁰⁸; on the right, an Apple retail store.¹⁰⁹ Even at first glance, it is not difficult to see the significant similarities between the two. Some have even described the two as “eerily similar.”¹¹⁰ The similarities extend even further into the services offered and the titles of employees.¹¹¹ However, as mentioned, this section will be analyzed in a relatively objective way. Therefore, why not take a look at the language of Apple’s trademark? “Clear glass store front. . . paneled façade. . . large rectangular, horizontal panels over the top of the glass front. . . rectangular recessed lighting. . . rectangular tables. . . video screens flush mounted.” Clearly, all of these highlighted terms are essentially present in the Microsoft design as well. Now, a prudent observer would begin to note the subtle differences: the pillars in the Microsoft store, or the single-tiered (rather than “multi-tiered” shelving). However, are these minute and subtle differences enough to satisfy the requirements under Article 2?

In *Louis Vuitton Malletier v. OHIM*, the European Court of Justice was ruling on the eligibility of the design of a specific locking device for trademark application.¹¹² In that case, the Court noted that locking devices tend to be “functional items, or as ornamental, or indeed as combining those two functions.”¹¹³ The same can certainly be said of retail stores. At least traditionally, retail stores are not much more than a place in which to house services or items for sale, in other words, they tend to be “functional items.” However, as the Court in *Louis Vuitton* said, this does not mean they are incapable of constituting trademarks.¹¹⁴ If such a design can fulfill its essential function of indicating origin, then it may be eligible for registration, and, according to that case, this requirement is fulfilled when “the mark could be regarded as departing *significantly* from the norm or customs of the sector.”¹¹⁵ To better understand this, let us again take a look at the images of the Ap-

108. *September – 2014*, THE RED ROCKET POD (September 2014), <http://www.redrocketpod.com/2014/09/> (last visited Sept. 30, 2015).

109. *Squirrel Stash On Apple Store*, SQUIRREL NEWS, <http://www.tsquirrel.com/stv/apple-store-1871> (last visited Feb. 2015).

110. Ron, *Weekend Discussion: Apple trademarks its retail store design and layout, should Microsoft be concerned?* WINBETA (Feb. 3, 2015), <http://www.winbeta.org/news/weekend-discussion-apple-trademarks-its-retail-store-design-and-layout-should-microsoft-be>.

111. *Id.*

112. *See generally* *Louis Vuitton Malletier*, *supra* note 105.

113. *Id.* ¶ 25.

114. *Id.* ¶ 5.

115. *See id.* ¶ 25 (emphasis added).

ple store and Microsoft store. Obviously, if asked, one could easily tell which store belongs to which company. But this is only because the company's logo appears above the entrance to the store itself! This is a concern that the Court touched upon in *Wilfer v. OHIM*.¹¹⁶

It noted that, with regard to three-dimensional marks (such as a store design layout), it is much more difficult to establish distinctiveness (than with two dimensional marks) because the average consumer tends not to make assumptions about the origin of a three-dimensional mark in the absence of a graphic or word element.¹¹⁷ Applied to the *Apple* case, were it not for the giant Apple logo (or giant Microsoft logo) appearing above the doorway of the store, customers would not likely be able to distinguish the two. Some have even commented that many retailers will certainly embrace the ruling by the Court in this case.¹¹⁸ They say it will give certain commercial establishments "an additional level of protection" against copycats.¹¹⁹ But even such individuals realize that there will likely be many objections to such trademark applications on the basis that the sign is not inherently distinctive.¹²⁰ This seems to add more credence to this Comment's argument because these individuals recognize that in "many cases" parties will have to rely on the principle of "acquired distinctiveness" mentioned *supra*.¹²¹ This likely means that, by itself, an application similar to Apple's may be likely to fail on its own if it does not have acquired distinctiveness.

The Court went even further in this analysis in the *Libertel Groep* case. In that case, the Court once again established that "the essential function of a trade mark is to guarantee the identity of the origin of the marked goods or service. . ."¹²² However, it then went on to qualify this notion by stating that consumers should be able to distinguish said origin from that of other undertakings "without any possibility of confusion."¹²³ Here, the Court seemed to blend the objective stance this section took with the more subjective, consumer oriented approach, which will be discussed later. Nonetheless, clearly the meaning of this "essen-

116. Case C-546/10, *Wilfer v. OHIM*, 2011 E.C.R. I-127.

117. *Id.* ¶ 53.

118. *Retail Store Layouts Capable of Trademark, Says CJEU*, BIRD & BIRD (July 11, 2014), <http://www.twobirds.com/en/news/articles/2014/global/retail-store-layouts-capable-of-trade-mark-protection-says-cjeu.Feb>.

119. *Id.*

120. *Id.*

121. *Id.*

122. See *Libertel*, *supra* note 58, at I-3816, ¶ 86.

123. *Id.*

tial function” has left very little gray area. It is a strict requirement that the subject of trademarks depart “significantly” from the norm “without any possibility of confusion,” and it is one that Apple has not satisfied with its store design layout.

So in order to determine that Apple’s design is capable of indicating origin (and therefore distinguishing it from the designs of other undertakings) it must be *significantly* different from the design that is the norm in the electronics retail store sector. By comparing the images of the Microsoft store and the Apple store in conjunction with a reading of Apple’s trademark application, it is clear that there exists no significant difference in design.

Looking at the preceding arguments, it is clear that, based on the case law and relevant facts, Apple’s trademark application should not have been deemed to satisfy Article 2. This time, the basis for rejection is not based solely upon Apple’s trademark as viewed in isolation but on the design vis-à-vis the rest of the retail electronics sector, specifically, Microsoft.

B. Article 3

Although the discussion of Article 2 sufficiently demonstrates that Apple’s store design layout should not qualify for trademark application, the discussion does not end there. Thus, for the sake of argument, assuming that Apple’s design does qualify under Article 2, as mentioned above, it must still not be precluded by Article 3 of the Directive. Based on the requirements and the language of Article 3, it is clear that even if Apple can, in fact, satisfy Article 2, its application will be precluded by Article 3. Article 3 is entitled “Grounds for refusal or invalidity” and enumerates specific instances in which a design will be precluded from registration.¹²⁴ This article states, in relevant part:¹²⁵

“The following shall not be registered or, if registered, shall be liable to be declared invalid:

- (a) signs which cannot constitute a trade mark;
- (b) trade marks which are devoid of any distinctive character;

...

- (e) signs which consist exclusively of:

124. Directive, *supra* note 27, art. 3.

125. *Id.*

- (i) the shape which results from the nature of the goods themselves;
- (ii) the shape which is necessary to obtain a technical result;
- ...

1. "(A) Signs Which Cannot Constitute a Trade Mark"

Under Article 3, any applications that fall within one of the enumerated prohibitions "shall not be registered or, if registered, shall be liable to be declared invalid."¹²⁶ Based on the analysis under Article 2, it is clear that the Court, as a preliminary matter, was incorrect in ruling that Apple's store design layout may constitute a trademark. By failing to satisfy the three elements of Article 2, Apple's application should have been rejected or, at least at this point, declared invalid per the language of Article 3. However, because the Court held that Apple satisfied the elements of Article 2,¹²⁷ it certainly would not find it precluded under this section. Despite this holding, as this Comment has already shown, had the Court utilized the proper analysis (similar to that of its other cases mentioned above) and gone on to apply Article 3, Apple's mark application clearly would have been precluded.

2. "Trade Marks Which Are Devoid of Any Distinctive Character"

As mentioned above, though the Court did not specifically analyze this particular subsection of the Directive, it did provide direction for such analysis. The Court stated that "[t]he distinctive character of the sign must be assessed in concreto by reference to, first, the goods or services in question and, secondly, the perception of the relevant public, namely the average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect."¹²⁸ Thus, the Court gave a two-step analysis to this subsection. First, Apple's store design layout must not be devoid of any distinctive character when assessed with reference to the services in question, namely, "retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics, and related accessories and demonstrations of products relating thereto."¹²⁹ Second, the trademark as applied to services must not be devoid

126. *Id.*

127. *See Apple Inc., supra* note 3.

128. *Id.* ¶ 22.

129. *Id.* ¶ 8.

of any distinctive character when assessed by the perception of the average consumer of services such as Apple who is “reasonably well informed and reasonably observant and circumspect.”¹³⁰

To begin, this Court has already addressed similar arguments to the one now proposed. In *Linde AG v. Deutsches Patent- und Markenamt*, the Bundespatentgericht (the court that referred the present case) dismissed a case on the grounds that the trademark application in question was “wholly devoid of distinctive character.”¹³¹ In that case, the party was attempting to trademark the design of motor vehicles, particularly forklifts.¹³² The Court gave various reasons for its dismissal, including: that the representation of the product was “[no]thing more than the product itself and attributes no distinctive function to it;” “[t]he shape of the product does not go beyond the parameters of modern industrial design;” and “it is not so different from standard shapes.”¹³³ We are not dealing with a mere logo or graphic design in this case. Instead of a two dimensional picture, the object of Apple’s trademark is a three-dimensional structure, a structure which, generally speaking is rather simple and very functional. Traditionally speaking, we, as consumers, look to pictures and logos for brand recognition, and this makes sense because that tends to be the sole function of a logo. When a party seeks to trademark an image or logo, it does so for the purpose of separating its brand from that of other brands. However, when the subject of trademark is a building (as is the case here), there is an added functionality to the trademark, and it is this added element that likely creates a larger hurdle for the party seeking the trademark. This idea was expressed in the *Louis Vuitton* case, where it was stated

Average consumers are not in the habit of making assumptions as to 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, and it may therefore prove more difficult to establish the distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark.¹³⁴

However, despite this practical reality, the legal analysis must remain the same. In *Linde*, the Court stressed “[a]s regards Article 3(1)(b)

130. *Id.* ¶ 22.

131. Joined Cases C-53/01 to C-55/01, Proceedings brought by Linde AG, Winward Industries Inc. and Rado Uhren AG, 2003 E.C.R. I-3161.

132. *See id.* ¶ 11.

133. *Id.* ¶ 12.

134. *Louis Vuitton Malletier*, *supra* note 105, ¶ 51.

of the Directive, neither the scheme of the Directive nor the wording of that provision indicates that stricter criteria than those used for other categories of trade mark ought to be applied when assessing the distinctiveness of a three-dimensional shape of product mark."¹³⁵ Nonetheless, this Comment wishes to reinforce the practical reality of determining distinctive character from the standpoint of an average individual consumer.

As mentioned in the previous section, from an objective standpoint, Apple's store design is rather devoid of distinctive character in relation to Microsoft's store design. In using the language of the *Linde* court, it appears that the elements of Apple's trademark do not "go beyond the parameters of modern industrial design."¹³⁶ Rectangular recessed lighting and video screens flush mounted do not appear to deviate from standard practice in store design.¹³⁷ Nor do clear glass store-fronts or rectangular tables seem to be anything more than "the shape of the product itself."¹³⁸

However, Apple may also argue that, as the Court in *Linde* stressed, a stricter test must not be used when judging its three-dimensional mark. Despite the position this Comment takes, it emphasizes that no such stricter test is being used. To help clarify the important point made in *Linde*, let us take a look at another case.¹³⁹ In *Henkel KGaA v. OHIM*, a party was attempting to trademark the design of a rectangular colored soap tablet.¹⁴⁰ After reiterating the ideas mentioned in the *Louis Vuitton* case and the *Linde* case, the Court stated that "the more closely the shape for which 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."¹⁴¹ Therefore, the reason it should be difficult for Apple to register its trademark is not due to technical considerations, but practical ones. Apple's trademark consists of a store that is in the business of selling electronics and other such things.¹⁴² As such, it has many of the necessary items in the store, including tables, store-fronts, shelving, lighting,

135. Joined Cases C-53/01 to C-55/01, *supra* note 131, ¶ 46.

136. *Id.* ¶ 2.

137. Ron, *supra* note 110.

138. Joined Cases C-53/01 to C-55/01, *supra* note 131, at 6.

139. See *id.* ¶ 1.

140. Joined Cases C-456/01 P and C-457/01 P, *Henkel KGaA v. OHIM*, 2004 E.C.R. I-5089, ¶ 26, 27.

141. *Id.* ¶ 78.

142. Apple Inc., *supra* note 3, ¶ 3.

screens, etc.¹⁴³ Thus, it is not the distinctive character test that makes registration difficult for Apple, but the practical reality that companies that are in the business of selling similar such products are likely to have store design layouts that “resemble[] the shape most likely to be taken by the product in question.”¹⁴⁴

Now the second step in the analysis requires viewing Apple’s store design layout from the paradigm of the average consumer, one who is “reasonably well informed, observant, and circumspect.”¹⁴⁵ Based on the images of the Microsoft and Apple stores (seen above), would such a consumer really be able to definitely distinguish between the two, at least in such a way so as to see significant differences and “without any possibility of confusion?”¹⁴⁶ Arguably, some might respond in the affirmative. But why would a consumer be able to make the distinction? Is Apple’s glass storefront more transparent, more imposing, or more glassy than Microsoft’s? Are Apple’s tables more rectangular, or shelves more sturdy? The answers to these admittedly facetious questions are probably no. If the answer were yes, meaning Apple’s store design layout was truly that much more distinct, then why bother placing its large imposing logo on the front? Why must all of the Apple employees and products inside the store bear the name and logo of the Apple company? What would happen if we removed the Apple logo and the Microsoft logo; gave the employees blank shirts; and removed the products from the store shelves? If we stripped these stores bare, and nothing remained but the store design itself (i.e. the trademark) could the average consumer see significant difference “without any possibility of confusion?” This Comment answers that question in the negative. What a consumer sees when they walk inside an Apple store is not the rectangular tables or the multi-tiered shelving. When a consumer walks inside the store they see the trademarked “Apple” logo, the trademarked “MacBooks,” the trademarked “iPods,” and the trademarked “Geniuses” wearing shirts with the trademarked designs. Thus, when all is said and done and Apple’s store design layout is seen only as a store design layout, it is obvious that it is devoid of any distinctive character.

143. Venessa Wong, *How (Not) To Copy Apple’s Iconic Store Design*, BLOOMBERG BUSINESS (Feb. 2015), <http://www.bloomberg.com/bw/articles/2014-07-11/retail-store-design-can-be-among-apples-trademarks-eu-court-decides>.

144. Henkel KGaA, *supra* note 140, ¶ 70.

145. Apple Inc., *supra* note 3, ¶ 22.

146. Libertel, *supra* note 58, at I-3793, ¶ 62.

In a previous section of this paper, Apple's US trademark application was discussed. In that discussion, it was noted that, ultimately, Apple received approval for its trademark upon a showing of "acquired distinctiveness."¹⁴⁷ This is not a point that is refuted by this Comment. In the *Linde* case, the Court recognized that, despite the failure to defeat the "devoid of any distinctive character" requirement, this did not mean "that it cannot acquire distinctive character following the use that has been made of it and thus be registered as a trade mark under Article 3(3) of the Directive."¹⁴⁸ As noted previously, this was an issue that the Court did not need to address. Had the Court ruled properly (i.e. in the way this Comment recommends), then it likely would have analyzed this section of Article 3. Based on previous cases, it might even be possible that the Court could find such distinctiveness had, in fact, been acquired. In *Dyson*, the court left open the question of whether "a mere de facto monopoly can suffice to confer distinctive character."¹⁴⁹ Assuming it could, it might at least be arguable that Apple has acquired such a monopoly in certain markets. However, because the Court did not pursue this route, Article 3(3) of the Directive falls outside the scope of this paper.¹⁵⁰ Nevertheless, it bears noting that another level of analysis can and should exist with respect to Apple's trademark application.

3. "(e) Signs Which Consist Exclusively of: (i) The Shape Which Results From The Nature of The Goods Themselves; (ii) The Shape Which Is Necessary to Obtain A Technical Result"¹⁵¹

The title of this final section comes from subsection e of Article 3 of the Directive.¹⁵² Section e is further subdivided but, for purposes of this Comment, the two relevant subsections, i and ii, will be considered concurrently.¹⁵³ As noted in previous sections, the following analysis is only an additional means of finding Apple's trademark application invalid. As such, assuming that the Court had ruled in accordance with the arguments of this paper, Article 3(1)(e), as an independent ground for refusal, would be unnecessary.

147. Aleskow, *supra* note 18.

148. Joined Cases C-53/01 to C-55/01, *supra* note 131, ¶ 2, 48.

149. *Dyson Ltd.*, *supra* note 82, ¶ 21-22.

150. Directive, *supra* note 27, art. 3.

151. Directive, *supra* note 27, art. 3.

152. *See generally id.*

153. *Id.*

In *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd.*, the Court said “a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result.”¹⁵⁴ It is important to point out that Apple has not trademarked its tables or its glass storefront or its cantilevered shelves, but instead, the collection of those things.¹⁵⁵ Now, had Apple been specific as to the dimensions, measurements or arrangements of these elements of its collection (i.e. the parts that make up its store design layout) then it would have a much stronger argument under this section of the Directive. Instead, Apple limited its application to a list of items contained in its store with little to no actual descriptive detail.¹⁵⁶

In the *Philips* case, the company had attempted to trademark the design of its electric shaver head, which consisted of three circular heads in a triangular configuration.¹⁵⁷ Philips defended its application by arguing that its trademark would impose “no unreasonable restraint on industry and innovation” because the technical result that its design achieved could be obtained by other shapes that are available to competitors.¹⁵⁸ This line of thinking can be readily transplanted into the Apple case as follows: Because other competitors can still create a store design layout using differently shaped tables and perhaps non-cantilevered shelves and differently styled lighting, Apple’s trademark imposes no unreasonable restraint and should thus be approved. Though not illogical, the Court felt that this argument missed the mark. The true purpose behind this subdivision of Article 3 is “to preclude the registration of shapes. . . would limit the possibility of competitors supplying a product incorporating such a function or at least limit their freedom of choice in regard to the technical solution they wish to adopt. . .”¹⁵⁹ Furthermore, “that there are other shapes which could achieve the same technical result” will not overcome grounds for refusal within Article 3(1)(e).¹⁶⁰

Apple’s store design layout consists of a general description of items that are used to run and operate a retail store.¹⁶¹ Tables are used

154. Case C-299/99, *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd.*, 2002 E.C.R. I-5518, ¶ 84.

155. Campbell, *supra* note 1, at 4.

156. *Trademarks*, *supra* note 23, at 1.

157. *Koninklijke Philips Electronics NV*, *supra* note 154, at I-5475, ¶ 3.

158. *Id.* ¶ 67.

159. *Id.* ¶ 79.

160. *Id.* ¶ 81, 86.

161. *Trademarks*, *supra* note 23, at 1.

for storing and displaying items; lighting is used for illuminating the store; shelves are used for further storage and display; stools are used for seating; and video screens are used for communication and advertisement.¹⁶² Apple does not go beyond very basic description of the aforementioned items nor does it require specific placement throughout the store.¹⁶³ These items do not make up Apple's logo nor are they products that Apple sells. Are there other ways that a competitor could accomplish the goals that are accomplished by these tables, shelves, lighting, stools, and screens? Arguably, yes. But, according to the *Philips* case, that doesn't matter. Based on Apple's application, the aforementioned items (due mostly to lack of indication to the contrary) are intended to perform a technical result. Because this is the case, the fact that competitors could use, for instance, square tables rather than rectangular ones, or single layered shelves rather than cantilevered ones is immaterial. Based on the reasoning in *Philips*, Apple's trademark should be declared invalid under this subdivision despite the fact that other design possibilities for a store layout exist.¹⁶⁴

C. Trademark Policy

Based solely on the aforementioned reasons, this Comment has established why the ruling by the European Court of Justice in *Apple, Inc. v. Deutsches Patent- und Markenamt* was both insufficient and incorrect, as well as why the subsequent decision by the Bundespatentgericht (the court that initially referred the matter to the ECJ) should reject Apple's trademark application. However, even in spite of a failure to find the trademark application precluded by the language of the Directive, there still exists one final argument for precluding Apple's trademark application for its store design layout: the policy behind trademark law.

In the United States, more specifically the U.S. Congress and Supreme Court, it has been said that "[t]rademark law serves to protect both consumers from deception and confusion over trade symbols and to protect the plaintiff's infringed trademark as property."¹⁶⁵ In fact, "there is no essential difference between trademark infringement and what is loosely called unfair competition."¹⁶⁶ Granted, the source of this

162. *Id.*

163. *Id.*

164. Koninklijke Philips Electronics NV, *supra* note 154, at I-5475.

165. MARY LAFRANCE, UNDERSTANDING TRADEMARK LAW § 1.01 (LexisNexis Law School Publishing Advisory Board, 2d ed. 2009).

166. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 2:7

commentary is the United States, yet surely these may be considered fairly universal themes within trademark law. Interestingly, when reviewing European case law, particularly those discussed in this paper, there appears to be another separate emphasis. In *Dyson*, the Court noted that trademark law is frustrated when, in some circumstances, it grants its proprietor a monopoly (e.g. when a party is awarded a trademark on “technical solutions or functional characteristics”¹⁶⁷). That Court elaborated that the purpose of some of the requirements within the Directive are “to prevent the abuse of trade mark law in order to obtain an unfair competitive advantage.”¹⁶⁸

The quoted material above advances an important idea that parties should not be allowed to exploit the power of trademarks, its inherent exclusivity.¹⁶⁹ This is the primary policy argument that this paper will proffer, but before delving into that, there is a much more basic and practical policy argument that warrants some mention.

This basic and practical policy argument is nothing more than a basic administrative one. Given that the database of trademarks (and patents and copyrights) is understandably large, precision with regard to applications allows those who are tasked with maintaining, checking, and cross referencing the various systems and databases to do so in a much more definite and particular way. In *Sieckmann*, the Court echoed this sentiment in saying: “the competent authorities must know with clarity and precision the nature of the signs of which a mark consists in order to be able to fulfill their obligations in relation to the prior examination of registration applications and to the publication and maintenance of an appropriate and precise register of trade marks.”¹⁷⁰ Particularly in Europe, there has been a push towards a greater simplification of trademark registration (as seen by the integration of the OHIM into the Madrid System).¹⁷¹ In other words, at the very least, trademarks should be sufficiently precise and specific so as to afford the relevant authorities the ability to properly maintain the register of trademarks.

Now while this first policy justification deals with trademarks with respect to the relevant supervising authorities, the second one (alluded

(4th ed. 2015). (quoting S. Rep. No. 1333, 79th Cong., 2d Sess., 1946 U.S.C.C.A.N 1275).

167. See *Dyson Ltd.*, *supra* note 82, at I-00687, ¶ 19, 33, 83.

168. *Id.* ¶ 44.

169. *Id.* ¶ 38.

170. Ralf Sieckmann v. Deutsches Patent- und Markenamt, *supra* note 66, at I-11737, ¶ 50.

171. See Jörg Weberndörfer, *The Integration of the Office for Harmonization in the Internal Market into the Madrid System: A First Field Report*, 30 EUR. INTELL. PROP. REV. 216, 216-221 (2008).

to above) is more properly focused on those seeking to register trademarks. Generally, as more time passes, we can expect more trademarks to be filed. (In the United States alone in 2014, about 450,000 applications were filed.¹⁷²) Obviously, this means that certain subjects of trademark will subsequently become protected and unavailable for use by others. In most cases, this is an acceptable result. However, what happens when parties begin receiving trademarks for subjects that are not particularly specific or precise and are very general in nature? Though protecting trademarks is certainly an important function of law, providing for their allowance can be just as important. This sentiment was previously echoed by the Court when it stated, "the various grounds for refusal must be interpreted in the light of the public interest underlying each of them."¹⁷³ In fact, some courts, such as the DPMA (the party to the case in question) has refused registration "on the basis that there was a need to preserve availability."¹⁷⁴

Furthermore, as noted in the *Dyson* case, some trademark applications are not actually trademarks, "but rather [] option[s] for an indefinite multitude of possible trade marks that can be formed."¹⁷⁵ This idea is not new either, as this language was drafted before the Apple case and even before the *Dyson* case. In 2002, the German Federal Patent Court made an Order for Reference; it stated that if a design is not specific enough, it encompasses too many options.¹⁷⁶ In that case, the subject at hand was a "multicolored trademark without contours."¹⁷⁷ There, the concern was that, rather than a proper subject matter for trademark, what was actually being offered was merely a "concept" that allowed for an "indefinite multitude of trademarks."¹⁷⁸ Thus, though an important justification for trademark protection is to protect the "plaintiff's infringed trademark as property," just as important is protecting all other parties from losing reasonable access to the design of certain goods due to trademark protection of such "concepts." In the context of something as seemingly basic and necessary as store design layout, reasonable access is imperative.

172. USPTO, *supra* note 23.

173. Henkel KGaA, *supra* note 140, ¶ 45.

174. Joined Cases C-53/01 to C-55/01, *supra* note 131, ¶ 15.

175. Order for reference of the German Federal Patent Court, 33 W (pat) 133/00 (Jan. 22, 2002).

176. *Id.* at 3.

177. *Id.* at 3.

178. *Id.*

Perhaps a satisfactory justification lies within Apple's motivation for seeking such a trademark. Apple may wish to argue that, as the Court laid out in *Koninklijke KPN Nederland NV v. Benelux-Merkenbureau*, "all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use."¹⁷⁹ Obviously, Apple wants to protect its property from the unfair competition that is competitor imitation. The Apple brand alone has an almost countless number of trademarks for both products and services.¹⁸⁰ Many of them are for products that everyone has heard of, and many of them are not. Most of them seem to be perfectly justified as attempts towards protecting Apple from competitor imitation, but many of them do not. At what point does such a justification for trademark lose its value? To be fair, the Court in *Koninklijke* did say the length of time that a mark has been used is of particular importance.¹⁸¹ Apple could argue that it began using its store design layout before any other company did, and perhaps for a much longer time. But, unfortunately for Apple, the Court made another point that diminishes Apple's argument here. In the *Windsurfing Chiemsee* case, the subject of registration was the name of a geographical location.¹⁸² Though the name of the location had not been used by other companies until the point of the case, a party advanced the concern that "there is a serious possibility that [the subject of registration] may in [the] future be used to designate geographical origin in the sector of the goods in question."¹⁸³ The Court seemed to agree with this concern and considered it linked with the policy of preserving availability.¹⁸⁴

Ultimately, the subject matter of this trademark is store design layout; it is nothing new, nothing complicated and, as shown by the images earlier in this paper, other companies have been using very similar designs (and, as this Comment argues, given the description of the trademark, have no choice but to use what must be called similar designs). And though, as the *Koninklijke* Court said, all factual circumstances must be considered, the court went on to stress that "public interest re-

179. *Koninklijke Philips Electronics NV*, *supra* note 154, at I-1667, ¶ 30.

180. *Apple Trademark List*, APPLE (Feb. 2015), <http://www.apple.com/legal/intellectual-property/trademark/appletmlist.html>.

181. *Koninklijke Philips Electronics NV*, *supra* note 154, at I-1667, ¶ 30.

182. Joined Cases C-108/97 and C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v. Boots- und Segelzubehör Walter Huber and Franz Attenberger*, 1999 E.C.R. I-2779.

183. *Id.* ¶ 49.

184. *See id.* ¶ 26.

quires . . . signs or indications which may serve to designate characteristics of the goods. . . remain freely available. . .”¹⁸⁵ Therefore, Apple’s argument for requiring consideration of all factual circumstances should be outweighed by the public interest in keeping store design layout available.

To stress the seemingly contradictory ruling of the Court in the *Apple* case, let us take a look at what others have to say. In fact, some have viewed Apple’s success in this case as “trendsetting for Europe.”¹⁸⁶ Geert Glas, a lawyer in Brussels said, “I see it more as a victory for Apple than anything else at this point.”¹⁸⁷ Though not completely clear, this could mean that what happened in this case was not standard trademark law interpretation. Perhaps, it is “a victory for Apple” because Apple really got away with something here. Or maybe this was simply the next logical step for Apple in legitimately protecting its brand. In 2011, a store in Kunming, China received substantial publicity after being exposed as a fake Apple store.¹⁸⁸ (To be fair, the store did sell genuine Apple products but it was not an officially authorized Apple retailer.¹⁸⁹) Some critics, however, are unconvinced and view the “stupid and sometimes funny patent/trademark wars” as attempts by Apple to cripple the Microsoft stores.¹⁹⁰ This could also just be simple semantics, as some critics see Microsoft as the aggressor, the party attempting to imitate Apple in a “blatant and shameless” way.¹⁹¹ Ultimately, it appears that courts are wary of this type of behavior. The Court in *Libertel* seemed to be of the opinion that the party seeking to register a color per se was really just trying to monopolize that color’s use and reserve all the possibilities that go along with it.¹⁹² Similarly, it is very plausible (and even probable, as this paper suggests) that Apple is really only attempting to monopolize on what is otherwise a very vague description of a retail store, thus acquiring the rights to all the possibilities that go along with it while consequentially limiting the options of its competitors.

185. Koninklijke KPN Nederland NV, *supra* note 154, ¶ 55.

186. Wong, *supra* note 143.

187. *Id.*

188. Loretta Chao & Sue Feng, *Fake Apple Store Clerk Speaks Out*, WALL ST. J. (July 21, 2011, 8:09 PM), <http://blogs.wsj.com/chinarealtime/2011/07/21/china-fake-apple-store-clerk-speaks-out/>.

189. *Id.*

190. Ron, *supra* note 110.

191. Eric Norwood, *Microsoft’s Apple Impression*, APPADVICE (October 25, 2009), <http://appadvice.com/appnn/2009/10/microsofts-apple-impression>.

192. *Libertel*, *supra* note 58, at I-3812, ¶ 63.

To summarize, there appear to be at least two legitimate policy arguments for refusing Apple's trademark application. First, denying Apple's trademark for store layout design (as is) would serve an administrative function. In other words, it would allow for a more smoothly run system in which only clear and precise trademark applications (e.g. in this case, ones with measurements and proportions) were accepted, thus accomplishing the goal of preserving availability as well as the goal of streamlining the trademark collection, identification and preservation process. Second, it prevents holders of trademarks from obtaining an unfair competitive advantage. In the *Dyson* case, that meant preventing a party from precluding its competitors from creating certain types of transparent bins, regardless of their shape.¹⁹³ In the Apple case, it means preventing Apple from obtaining a sort of technical monopoly that precludes its competitors not only from imitating Apple's store specifically, but from imitating a vast majority of designs that merely resemble a type of store. Not only would an approval of Apple's trademark prevent future so-called "imitation," as demonstrated by the images shown previously, it would also hold some companies to already be in violation of the trademark. Though a claim that Apple's goal in registering its trademark is legitimate (i.e. to prevent the type of imitation that has occurred in places like China), ultimately it is outweighed by the other concerns proffered by the European Courts, U.S. government, and commentators alike.

III. CONCLUSION

To reiterate, this case did not technically resolve the holding concerning the store design layout's viability as a trademark. The Court of Justice's role in this case was to answer only the particular questions that were referred to it by the Bundespatentgericht. Though this Comment analyzed the answers that the Court gave to these questions, it took the analysis a step further and, after disagreeing with the Court, went on to explain why, ultimately, Apple's trademark should be rejected. Using both law and policy as its basis, this Comment shows why Apple's trademark application for store design layout should be rejected.

193. See *Dyson Ltd.*, *supra* note 82, ¶ 32.