



## **Key CJEU trade mark registration judgments for Apple, Inc and Netto Marken-Discount AG**

**Who:** Apple, Inc and Netto Marken-Discount AG

**Where:** Germany and the Court of Justice of the European Union ("CJEU")

**When:** July 2014

**Law stated as at:** 12 August 2014

**What happened:**

**Apple edged one step closer to registering their interior store design as a German trade mark and Netto obtained a positive ruling on their application to register their trade mark for 'the service of bringing together other services'.**

### ***Apple's 3D trade mark***

Apple's interior store design has come one step closer to being registered as a trade mark in Germany. In January 2013, Apple successfully registered a U.S. trade mark for the 3D image of the store layout of their flag ship stores (see the below graphic). Apple then attempted to extend this registration across the European Union. However, they met a stumbling block when the German Patent and Trade Mark Office (the "Office") refused Apple's German trade mark application on the basis that the design is not capable of distinguishing trade origin.



Apple appealed to Germany's Federal Patent Court. Before it could rule on Apple's appeal, the Court decided guidance was required on how to interpret Directive 2008/95/EC (the "Directive"), which harmonises national trade mark law across EU Member States, in relation to a trade mark application for a design. The Court therefore referred questions to the CJEU.

The CJEU has held that graphical representations depicting the layout of retail stores (such as Apple's) **are** capable of being registered as trade marks, provided that they are capable of distinguishing the goods or services of the applicant from those of another.

### **Netto: the service of bringing together other services**



Netto filed a German trade mark application back in September 2011 with the Office, but the Office rejected the application for the following services:

*"Services in the retail and wholesale trade, particularly the bringing together, for the benefit of others, of a variety of services enabling customers conveniently to purchase those services, particularly services provided by retail stores, wholesale outlets, through mail order catalogues or by means of electronic media, for example websites or television shopping programmes, in relation to the following services: in Class 35: Advertising; business management; business administration; office functions."*

The Office held that these services could not be clearly distinguished from others in either their substance or scope. Netto appealed to the German Court. Again, the Court referred the question of how this issue should be interpreted under the Directive to the CJEU.

The CJEU ruled that the service of "bringing together services so that the consumer can conveniently compare and purchase them" can come within the concept of services in the Directive. However, any trade mark application must make it clear which specific services are being brought together.

#### **Why this matters:**

##### ***The good news for Apple, Inc***

Layout designs are now one step closer to trade mark protection in the EU. This case is currently only being heard at national level, but the ruling has come from the CJEU in respect of the Directive and, as such, Member States should apply the CJEU ruling when considering trade mark applications for layouts under their national laws. Similarly, applications for Community Trade Marks will be interpreted in light of this CJEU ruling. Layout trade marks may now become an important part of a company's intellectual property portfolio.

Retailers that adopt a signature interior layout are now able to seek registration for their unique layouts, especially where that layout departs significantly from the customs of the sector concerned. Stores such as Hollister or American Apparel that adopt a unique layout across all of their stores are well placed to apply for such trade marks. This principle will apply not just to retailers, but also to other businesses such as restaurants and hotels.

#### **Some caution:**

Apple have not yet been granted a German trade mark for the store design – this still needs to be decided by the Court when they apply the CJEU's ruling. At the moment, the CJEU have only held that such marks are **capable** of registration but only where they are *capable of distinguishing the goods or services of the applicant from those of another*.

The importance of the last element of the CJEU's ruling cannot be over-emphasised; consumers are used to trade marks denoting the origin of goods, but are less used to shop layouts distinguishing the origin of the goods or services within that store as coming from a specific source.

Given the high costs involved in developing and implementing a unique and distinctive store layout, the expense involved in seeking trade mark protection for the layout are likely to be regarded by many larger retail chains as a worthwhile business expense.

The, as yet untested, area for any trade mark registrations for layouts is enforcement. Given the recent incidences of fake Apple stores, Apple may lead the way on enforcement also.

Watch this Apple shaped space.

### ***Netto's service of bringing together services***

In this digital age, consumers are accustomed to seeing websites that offer a central location to readily access and compare various services. As such, the concept of bringing together various services for the customer to conveniently review and purchase from one location, is far more relevant now than it would have been a decade or two ago. As with Apple's trade mark application for their layout, this is a national case but has resulted in a CJEU ruling on the interpretation of the Directive and, as such, has an EU wide affect.

For those retailers and website operators that provide such a service, the ability to obtain this form of trade mark will be welcome news, as it tailors the trade marks protection available to their specific operations.

**George Garrard**  
**IP Trainee**  
**Osborne Clarke**  
**george.garrard@osborneclarke.com**