



3D marks and industrial designs

IN SUMMARY

—Although many countries afford protection to three-dimensional trademarks and industrial designs, there is no universal agreement on definitions or on the registration requirements for each type of rights, or on the relative advantage of each.

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International Protection

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An open question that is still the subject of enduring debates throughout the international legal community, in the industrial powerhouse markets and developing economies alike, is whether it is advisable, if possible at all, to seek concurrent protection of an object both as a three-dimensional shape trademark and as an industrial design (or, as entitled in some jurisdictions, design patent). A logically related problem pertains to the optimal conduit for this intangible asset protection if only one type of rights can or may be selected.

Continuous discussions on this issue were held during the 1990s, both by national legislative bodies as well as professional organisations of intellectual property owners and practitioners, including such intellectual property community leaders as INTA and AIPPI. Although nowadays many countries afford protection to three-dimensional trademarks and industrial designs, including cumulative protection, there is no universal accord on definitions or on registerability requirements for each type of rights and the relative advantage of each doctrine.

For example, Australia has recognised shape (three-dimensional) trademarks only in the 1995 Trade Marks Act. The governing opinion beforehand was that three-dimensional marks were not registerable since a mark was perceived as a sign to be

affixed to the goods or their container, and that a three-dimensional object could not be used to function as a trademark. The consensus at the time was that such objects could be protected as industrial designs, provided all other requirements therefore were met. Similarly, China has commenced registering three-dimensional trademarks only in late 2001, upon amendment of its Trademark Act.

On the other hand, there are still a certain number of jurisdictions, for example Egypt, whose laws and regulations do not allow registration of three-dimensional marks, and they can be protected, besides the industrial design option, only as a two-dimensional drawing mark.

In view of the above, an understanding and analysis of fundamental requirements and advantages of three-dimensional trademark protection versus industrial design coverage will facilitate proprietors' decision on the type of rights to be sought.

Definitions

A trademark is a visual embodiment that may consist of a word, phrase, letter, logo or shape, or combination thereof, and is intended to identify the source of goods to consumers and to distinguish such goods from those emanating from other parties.

A trademark is usually a two-dimensional sign, but it can also take the form of a three-

dimensional object, such as a baby shampoo container, provided all other requirements for trademark protection are met, including, at least, recognition of three-dimensional marks under national legislative regime.

Yet, a three-dimensional trademark may be acceptable “on paper” under trademark law provisions, but due to stringent rules of examination it may take years for such law to “take shape” and turn into practice. Even such a global leader as Japan is not exempt from this barrier – though its Trademark Law officially has allowed registration of three-dimensional objects as trademarks since 1997, it took the Intellectual Property High Court more than 10 years to render its first decision unequivocally recognising registerability of a three-dimensional mark.

An industrial design, or a design patent, is the visual form of an article of industrial or handcraft manufacture that consists of ornamental characteristics embodied in or applied to such article. An industrial design can represent a final product or the component in a composite object. For example, an aesthetically shaped armchair or an artful perfume bottle can be protected as an industrial design if it satisfies all other requirements under national law and regulations.

An industrial design can be both a three-dimensional or a two-dimensional pattern and, when its protection is sought, the usual approach is that each registration can encompass only one design. Peculiarly, in certain jurisdictions, for example the European Community, an application and the resulting registration may protect several designs as long as they encompass the same Class as defined under the Locarno Agreement, even though upon registration such designs would constitute separate rights and can be individually alienated.

Standards of Registerability

Functionality

The litmus test for protection common equally to three-dimensional trademarks and industrial designs is the functionality of their shape.

The rationale behind this requirement is that it would be inequitable to grant exclusive rights to any party over an object whose shape is dictated not by its author’s imaginative effort and comprehension of aesthetics, but by mere functional utility of such object.

This is one of the foremost distinctions between industrial designs (design patents) and utility patents, with the latter being

specifically reserved for protection of functionally designed (i.e., useful) objects.

The legal consensus is that though a design can contain functional elements, it will not be protected if its overall appearance is dictated by its function. For example, a shoe horn that includes certain functional features but is aesthetically “carved” may be protectable, but much would depend on legislative or court perception in the given jurisdiction of the overall weight of such functional elements, their impact on the non-functional components and the product price, and whether competitors would be barred from adopting the functional facets, if such item is allowed to enjoy the full scope of protection for both functional and non-functional elements.

As far as three-dimensional trademarks are concerned, similar logic should apply. Functionality of shape trademarks is usually found by answering the two-prong question – whether the form of such mark is essential to the use or purpose of the article and if a grant of exclusivity would put competitors at a significant disadvantage.

A trademark that is purely functional, e.g., the design of a toothpaste container whose form may be dictated by the manner of its use and characteristics of its contents (the act of squeezing paste on a brush dictates the container’s shape) is likely to be rejected on the functionality grounds in the absolute majority of jurisdictions that allow three-dimensional marks protection in principle.

Novelty

A factor unique to industrial designs/design patents (as well as utility patents), besides design originality, is the novelty requirement. The rationale behind that requirement is that it would be unfair to bestow exclusive rights upon a party that uses (tests) the design for a significant period of time, indirectly soliciting competitors to adopt similar lines of products, and only later on secures a registration, thus barring third parties from continuing use or adoption of such shape.

Novelty of a design can be destroyed due to virtually any form of its use and commercialisation by a third party or even by its owner if application therefore is not sought within a statutory prescribed period of time, such as the priority claim period of six months afforded by the Paris Convention or within similar periods stipulated by the national legal regime.

Usually, such “grace period” varies from six months (for instance, in Brazil and South

Africa), thus positioning designs in the same group as trademarks that also enjoy the six-month period for claiming Paris Convention priority, to 12 months, which is the Paris Convention priority period as well as commonly acceptable novelty period for utility patents, thus bridging design patents with utility patents. In the countries that follow this 12-month window approach, for example, the US, industrial designs are often referred to as design patents, further suggesting the connection between these two types of rights. Another example is the European Community Design that allows a 12-month grace period if disclosure was by the author or its successor in title.

On the other hand, many jurisdictions either impose additional restrictions on the type of allowed disclosure, creating a narrowly set list, such as disclosure at officially recognised exhibitions (China, Taiwan, New Zealand), or even follow an absolute novelty approach, stipulating that public disclosure anywhere in the world would destroy novelty (for example, the Russian Federation).

Thus, much caution should be exercised by the design owner in allowing its publication or use without seeking its timely protection or claiming Paris Convention priority, if applicable.

Interestingly, where registered protection of an industrial design was not sought, certain jurisdictions afford rights to an unregistered design, though for a significantly shorter period of time (discussed further below) as opposed to the term of protection for registered industrial designs. For example, in the European Community and Japan rights can subsist in an unregistered industrial design for up to three years from the date on which it was first made publicly available, and its owner may effectively enforce such rights against third parties. While not the perfect solution, in certain countries where registration of the design may be either impractical or impossible, this type of quasi “common law” right in the industrial design born by its mere creation and adoption for use would offer its owner at least some (limited) term of protection.

Distinctiveness

Though there is still no international consensus on whether three-dimensional shapes should be afforded trademark protection, a requirement maintained throughout the spectrum of jurisdictions recognising such type of protection, besides

the usual tests for trademark registerability, is that a three-dimensional mark must be either inherently distinctive due to its unique features or must possess acquired distinctiveness.

In most cases, laws and their application by Trademark Offices and courts, in Common Law and Civil Law countries alike, clearly lean towards rigid interpretation of mark's inherent distinctiveness and dictate the need to establish distinctiveness attained through use.

This is the approach in such Civil Law jurisdictions as Japan where, as referenced above, it was not until after 10 years upon introduction of the law recognising three-dimensional trademarks that the High Court has rendered its first decision (the *MagLite* case) acknowledging registerability of such marks and also reaffirming the high benchmark for establishing acquired distinctiveness, let alone inherent distinctiveness.

This is also the practice in such geographically distant but practice-wise close Common Law jurisdictions as Israel and Singapore. In a very recent case in Israel (*Ein Gedi Cosmetics*), the Supreme Court refused registration of a three-dimensional trademark, affirming Registrar's decision that for a shape to be registered as a trademark it must be either inherently distinctive or acquire distinctiveness as to the source of goods and services through use, to be established by applicant's evidential effort. The court has further referred to its earlier and more draconian verdict that a product shape, whether functional or aesthetic, cannot be registered, effectively refusing recognition of an inherently distinctive shape *in toto* and its ability to function as a trademark.

Similarly, in a recent *Société des Produits Nestlé S.A.* decision rendered by the Singapore Registrar (presently under appeal to the Singapore High Court) on a request for review of the mark's initial rejection, it was held that design of a red coffee mug is devoid of distinctive character in the trademark sense, and it cannot be protected without any additional distinguishing features or unless the applicant establishes distinctiveness acquired through local use in its three-dimensional, rather than two-dimensional, form.

In view of the above, it seems that the prevalent approach in recognising rights in a three-dimensional shape as a trademark, without such shape being merged or combined with additional common trademark attributes such as words or logos, is that it

must be inherently distinctive. However, since it appears that few shapes can be found inherently distinctive per se, the practical approach would be to establish marks' acquired distinctiveness.

Since many countries implement a very strict policy in examining elements of the acquired distinctiveness claim, it may well be a daunting task (if not outright impossible, if only recently adopted or narrowly used) to have the shape registered as a three-dimensional trademark. Thus, the rights owner may rather opt for its registration as an industrial design, provided such pattern meets all other required elements, including novelty discussed earlier herein.

Limited Term of Protection

All intellectual property rights may persist for only a set period of time and, even if seemingly unrestricted, are subjected to certain conditions and requirements.

The rationale behind such globally recognised approach is that principles of freedom of trade, prevention of marketplace restrictions, as well as basic fairness, dictate that the freedom to copy can be restricted by awarding exclusivity in intellectual property rights for only a limited time span. Beyond that period, such restriction on competition would be counterproductive to the market in general and will be simply inequitable.

For example, utility patents that protect the functional side of the invention, whether a device or a method, usually enjoy a rigidly set period of exclusivity protection, in most cases 20 years, with a limited possibility of extension.

The commonly acceptable philosophy appears to be that a utility patent conveys the functional side of invention, and its protection should benefit the society in general. It is important both to award the inventors for creating an object (whether a medical formula for pharmaceutical preparations or an electronic device employed in everyday life) with a relatively long term of exclusive protection and to foment certain expectation in the society in connection with functional application of such invention. On the other hand, such rights should phase out in time in order to encourage competition and allow further progress.

Industrial Designs

In comparison to utility patents, industrial designs (covering the artistic side), usually enjoy a more limited period of protection, the rights or the design creator being balanced

against the rights of its competitors and the general good of the society who would benefit from such freedom of copying. The industrial design, being an artistic expression of the invention, in other words - its form, merits period of protection shorter than that of a utility patent.

For example, in the US a design patent can be protected for 14 years; in India such period of industrial design protection may not exceed 15 years, in five year increments; and perhaps the only "generous" period of protection is provided by the European Community Design, stipulating an initial period of five years, renewable thereafter up to the total duration of 25 years.

As opposed to trademarks, another justification for a limited term of protection granted to industrial designs is that the latter, once registered, are an absolute right and, for example, are not vulnerable to non-use expungement.

Trademarks

Protection of a trademark is virtually unrestricted time-wise as long as it is periodically renewed or another technical maintenance requirements are met. Each registration period varies from 10 to 20 years, with the global tendency to standardise this term to 10 years, already followed under most national trademark regimes as well under regional and global arrangements (e.g., European Community marks, International Registrations under Madrid System, OAPI, etc.), though with exceptions (e.g., Canada, providing for 15 years periods of protection).

The idea behind such extended period of protection is to fend off consumers from the risk of confusion as to the origin of goods, as long as the mark serves as such source identifier.

Hence, since by definition a trademark identifies the source of goods, in order not to cease performing its function as the origin indicator, the mark must be used on goods encompassed by the registration. The vast majority of countries, with a very



limited number of exceptions (e.g., Chile), mandate that a registered trademark would become vulnerable to cancellation if it is not continuously used for a period of time of usually three to five years, depending on the jurisdiction, such failure to use effectively constituting abandonment of the mark, extinguishing its owner's exclusive rights thereto.

Moreover, in the vast majority of countries it is not necessary to use the mark in order to obtain an *ab initio* trademark registration and only a very limited group of jurisdictions impose the requirement to declare mark's use or intent to use (e.g., Mexico, India) or to actually use the mark in commerce in order to have it registered (for instance, United States and Canada).

In view of the earlier discussed rigid temporal limitations imposed on industrial designs as opposed to virtually indefinite protection of trademarks, it seems that this policy would provide a striking and probably unfair advantage to owners of three-dimensional shape trademarks, that do not substantively differ from shapes protected by the former type of rights.

Since there is no "discrimination" between different types of trademarks, whether these are "traditional" word marks or even sound marks, many an owner of such shape or pattern would be tempted to forego the industrial design protection option, especially if it was already exposed to public eye and would not pass the novelty threshold, and opt to secure their creation under the trademark ensign.

Thus, in taking a fundamental position on whether a shape should merit protection as a three-dimensional trademark, the factor of virtually infinite exclusivity may serve as one of the common considerations for restricting or imposing stringent requirements for registration of such shape trademarks, *inter alia*, by introducing the distinctiveness requirement and strictly interpreting same. This latter point should be taken into account by the rights' owners, when deciding if registration of the shape

should be sought as an industrial design, a trademark, or both.

Test for Infringement

Another important factor in electing the path for shape protection under one (or both) of the discussed types of intellectual property rights is the issue of enforcement and, more specifically, the test for establishing alleged infringement in the course of such enforcement.

Though remedies for infringement should be analogous in trademark and industrial design cases, the test for their infringement is different and comprehension of this sometimes subtle distinction may *a priori* dictate to the owner whether to seek protection of its creation as a trademark or as an industrial design, provided simultaneous coverage of both avenues is unavailable.

Infringement of a trademark as a proprietary right is found upon establishing the likelihood of confusion in the mark as the source of goods encompassed by the registration. Thus, with exception of such scenarios as famous (well-known) trademarks, defendant's use of a confusingly similar or even identical mark on unrelated goods may not constitute trademark infringement if no risk of confusion is found.

Unlike trademarks, infringement of an industrial design is not decided upon finding the likelihood of confusion as to the origin of goods, but rather upon showing that the form of the allegedly infringing design is identical or confusingly similar to the protected shape. Also, the question of copying the protected design is irrelevant to the finding of infringement, and the independent creation argument cannot serve as defence. In other words, unlike trademarks, protection of a registered design or design patent is more of an absolute, quasi utility patent type, with respect to the registered form, regardless of its contents or application.

Though seemingly this test should encourage the proprietor to seek

protection of the shape under the industrial design umbrella, multiple factors, including those discussed above, should be taken into consideration. If applicable, the issue of cumulative protection should be considered.

Contemporaneous protection

Cumulative protection of both three-dimensional trademarks and industrial designs is possible in certain scenarios. Even though it is not a universal practice, it appears that the majority of countries that recognise both types of rights would allow concurrent registration thereof, provided, of course, all usual requirements for trademarks and industrial designs are met.

The gradual legislative changes during the last decade in many countries towards recognition of three-dimensional trademarks are a clear indicator that these rights may coexist and provide an additional layer of protection to their owner. Of course, the question of desirability of such "double security" layer is not finally resolved, though a probable answer should be that the rights can co-exist independently and, for example, once the shorter industrial design rights expire, the trademark rights in such a shape may still enjoy protection as long as all other requirements are fulfilled. Equally, if three-dimensional trademark rights are expunged, the industrial design rights should not be impacted to the detriment by this count alone.

For example, although industrial designs and trademarks represent related but different types of rights, no impediment (as a matter of public policy and market interest in general) should preclude protection of the unique Dior J'adore perfume bottle both as an industrial design with respect to the form of the bottle and as a trademark with respect to perfumes, as in fact evidenced by their cumulative protection in certain countries, including the US.

On a bottom line note, provided multi-dimensional shapes can be protected in the given jurisdiction as both trademarks and industrial designs, it should be the owner's decision which type of protection to seek, depending on the legal, business and, ever-important, cost considerations.

It seems that this is the position of most market players in this field – trademark and design owners and legal practitioners, as well as the professional organisations – and with time we will witness further shift towards this practice, balancing both sides of the societal interest of protection of the rights' owners and protection of freedom of trade. 

