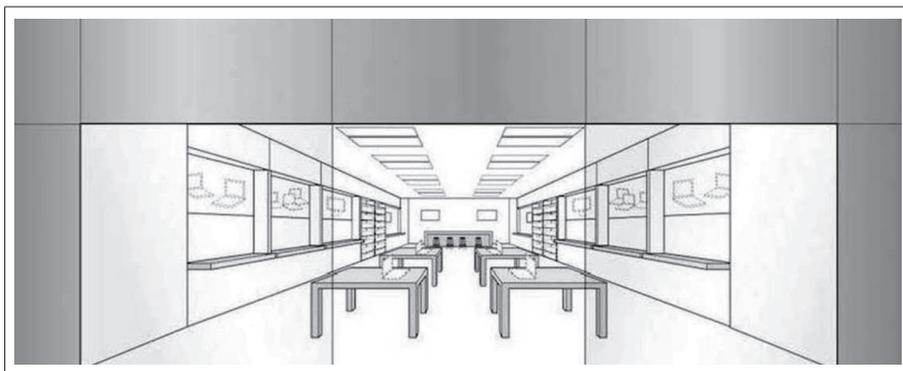


TRADEMARK PROTECTION FOR STORE DESIGNS. ONE TRADEMARK A DAY KEEPS APPLE'S COMPETITORS AWAY

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Picture taken from Apple's international trademark registration, IR 1060321, see e.g. WIPO's international trademark ROMARIN at [www.wipo.int/romarin/].

INTRODUCTION

Companies spend significant sums implementing a special look for their products and brands in order to stand out from the competition. With the competition not only taking place within a country but across the globe the need to give the consumer a unique brand experience is more important than ever. The extension of intellectual property rights and their scope of protection play a vital role in this scenario. In Europe for example, not only has the legislator introduced new means of protection¹ but also

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1. The European legislator introduced amongst others new harmonized rights such as the Database Right (*Directive 96/9/1 EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases*) and the Community Design right

extended the scope of protection of existing intellectual property rights. In the course of the harmonization of the European trademark regime, the Trademark Directive² (“TMDIR”) and the Trademark Regulation³, the European legislator widened the protection offered by trademarks. First of all, the possibility to register a trademark throughout the European Community with a single application extends its territorial scope. Secondly, the term for signs being capable of registration has been extended. Art. 4 of the trademark regulation stipulates the criteria for a sign to be eligible for trademark protection⁴. Said provision introduced new types of trademarks such as color marks⁵, olfactory marks⁶, sound marks⁷ and haptic marks⁸ into the legal system of the EU.

The industries reaction on said extension of trademark law followed in an instant. Hence in both, the U.S. and the EU regime, a more extensive and rigorous use of trademarks can be observed. Companies will equip and up value their products utilizing position marks⁹, color marks¹⁰ and will at least try to obtain protection via shape marks for the products itself¹¹. Often the same products are also registered as designs according to the new EU framework for Design right. Simultaneously their features could also be protected as copyright¹² or according to unfair competition law/passing-off¹³.

(Directive 98/71/EC of The European Parliament and of the Council of 13 October 1998 on the Legal Protection Of Designs).

2. Directive 2008/95/EC of the European Parliament and of the Council of 22nd October 2008 to approximate the laws of the Member States relating to trade marks.

3. Council Regulation (EC) n.º 207/2009 of 26th February 2009 on the Community Trade Mark.

4. The provision reads as follows: “A Community 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”.

5. ECJ Case C-49/02, dated 24th June 2004, „Heidelberger Bauchemie GmbH“, which gives the criteria for a combination of colors.

6. Judgment of the Court of First Instance (Third Chamber), Case T-305/04, 27th October 2005, *Eden v. OHIM*; in said judgment the Court of First Instance denied protection for the olfactory mark “smell of ripe strawberries” due to the lack of sufficient graphical representation; nevertheless the registration for an olfactory mark is possible in theory.

7. ECJ Case C-283/01, dated 27th November 2003 „Shield Mark/Kist“; OHIM 4th Chamber Case R 781/1999-4, dated 25th August 2003, “Roar of a Lion”.

8. German Federal Supreme Court (BGH) Case I ZB 73/05, 5th October 2005, “Tactile mark”.

9. Denied due to lack of distinctiveness CJ 5th Chamber Case T-434/12, 16th January 2014, “Steiff Teddy Bear”; OHIM 1st Chamber Case R 306/2006, 26th September 2007, “Two stripes on sneaker”.

10. United States Court of Appeals for the Second Circuit, *Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, n.º 11-3303-cv (2nd Cir. 5th September 2012); see also the legal battle for the use of the color purple for chocolate packaging in *Societe des Produits Nestlé SA v. Cadbury UK Limited* [2013] EWCA Civ 1174.

11. ECJ Case C-48/09, 14th September 2010, “Lego”, whereas the famous “Lego” brick was held not be registrable; see also ECJ Case C- 299/99, 18th June 2002, “*Philips v. Remington*”.

12. Depending on jurisdiction and the criterion of “own intellectual creation”; for Germany see Federal Supreme Court, 13th November 2013 - I ZR 143/12, “Birthday Train”; for an English summary of the case see e.g. *Gausling*, Journal of Intellectual Property Law & Practice, vol. 9, issue 7, 549 ff.

Besides the practice of cumulative protection for goods offered through the whole arsenal of intellectual property rights, a relatively new phenomenon could be on the rise, at least from an EU perspective: the protection of the get-up of business venues.

This article aims to analyze the legal basis for the protection of a business venue's get-up via intellectual property rights. The analysis focuses on the current framework in the US and in the EU. While it will be shown that the US-American Law has been familiar with the phenomenon of the protection as a "trade dress", the legal evaluation of the protection of business venues in the EU as such is still in its infancy. Finally this article will assess if such protection is desirable¹⁴.

I. IMPLICATIONS OF DESIGNING A BUSINESS VENUE

Especially in recent years the enhanced and sophisticated design of business venues such as retail stores and restaurants alike demonstrate the emphasis on the will to stand out from the competition; furthermore such an advanced design communicates the message of the brand to the consumer¹⁵. It is the ultimate goal of any company to gain a recognition value amongst the target consumers for the design of the business venue. A consumer's positive experience is likely to drive him into a business venue on a more regular basis. In order to successfully gain consumer loyalty, companies make circumspect investments not only financially but also with thought through marketing strategies. In the end a lot of effort and investments are spent on the design of the business venue in order to give the consumer said special brand experience. Due to these investments companies have a well-reasoned urge to protect these investments utilizing intellectual property rights. But due to the crisp details and the comprehensive design of the venue in question it is often not easy to accomplish said protection for the whole design of the business venue. While single features can be protected by design law, copyright and trademark law¹⁶ it proves rather difficult to protect the get-up, the sign of a business venue as whole.

13. Also this depends on the jurisdiction: while it is unlikely that unfair competition will protect competitors from slavish imitations in the UK (e.g. Justice JACOB's statement in *L'Oréal SA & Ors v. Bellure NV & Ors* [2007] EWCA Civ 968 (10th October 2007), para. 161: "So, I think the tort of passing off cannot and should not be extended into some general law of unfair competition. True it is that trading conditions have changed somewhat over time – but I cannot identify any particular change which makes a general tort of unfair competition desirable, still less necessary. If the courts (or indeed Parliament) were to create such a tort it would be of wholly uncertain scope – one would truly have let the genie out of the bottle. Accordingly I would dismiss the 'unfair competition' appeal.), in Germany the courts often come to the opposite conclusion granting protection against slavish imitation by unfair competition law (see, e.g., Federal Supreme Court, 11th January 2007 - 1 ZR 198/04, "Handbags").

14. See *Conclusion*, p. 21 f.

15. MATHESON & COOKE.

16. For further details regarding the protection of such single features see SANDER, GRUR Int., 215.

Despite the legal issues when protecting the get-up of a business venue companies are keen to design their venue with a distinct overall appearance. Companies such as Apple, the German based electronic warehouses Saturn Hansa and MEDIA MARKT, apparel retailers Hollister, Abercrombie & Fitch, Tommy Hilfiger and Restaurant chains McDonalds, Vapiano or Crepes and Waffles emphasize on creating a consumer experience of the same atmosphere, store concept, store design and the same menus¹⁷. The educated customer recognizes these business venues on first sight and even more when entering their facilities.

The following part analyzes the protection of the get-up of these business venues according to the legal institutes of trademark and unfair competition law in the U.S.¹⁸ and the EU.

II. MEANS OF PROTECTION FOR BUSINESS VENUES/STORES

A. US LAW - TRADE DRESS

The protection of trade dresses is well established in the U.S.'s legal system. Section 43 (a) (1) of the Lanham Act defines the protection offered by a trade dress. It reads as follows:

Any person who, on or in connection with any goods or services, or any *container for goods*, uses in commerce any *word, term, name, symbol, or device*, or any *combination thereof*, or any *false designation of origin, false or misleading description of fact*, or *false or misleading representation of fact*, which

a. Is *likely to cause confusion*, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

b. In commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

In General, visual but non-verbal marks are collectively known as trade dress¹⁹. The protection of a trade dress is only historically different to that of trademark protection. Today trade dress protection is coined by the notions of trade mark

17. See for example the homepages of these venues <http://www.saturn.de/>, <http://www.mediamarkt.de/?langId=-3> and <http://de.vapiano.com/de/home/> Last visited 10th September 2014.

18. Unfair Competition Law in the U.S. does offer sufficient protection for trade dresses; for further reading see Henning-Bodewig, p. 621 ff.

19. HILLIARD, WELCH & WIDMAIER, *Trademarks and unfair competition*, § 502, p. 202.

law²⁰. According to the provision mentioned above, the design and shape of the materials in which a product is packaged, the product configuration, the design and shape of the product itself, can be considered as a form of trade dress²¹. The International Trademark Association INTA confirms that a trade dress can be incarnated as the “overall commercial image (look and feel) of a product or service that indicates or identifies the source of the product or service and distinguishes it from those of others. It may include the design or configuration of a product; the labeling and packaging of goods; and/or the décor or environment in which services are provided. Trade dress can consist of such elements as size, shape, color²² and texture, to the extent such elements are not functional. In many countries, trade dress is referred to as “get-up” or “product design”²³.

According to the U.S. law, protection for a trade dress is available, if the feature for which trade dress protection is claimed bears the same source-identifying function as a trademark. The protection of trade dress has raised multiple issues not encountered in word marks. The issues concern amongst others the anti-competitive effects of trade dress protection and its conflicts with other intellectual property rights such as patent law and copyright²⁴.

Although the current legal system in the U.S. offers protection for a trade dress also by registration as a trademark²⁵; practical reasons implicate that most trade dress and product configurations are protected without registration²⁶. If the trade dress is unregistered, the trade dress owner has to overcome the hurdle of precisely demonstrating which features of his product or packaging constitute the trade dress²⁷. Furthermore he has to prove that the alleged trade dress is protectable; he must

20. MCCARTHY, *McCarthy on trademarks and unfair competition*, § 7:54, 7-124.32.

21. See e.g. an overview of the protection of fashion designs as trade dress: Charles E. Colman in *Navigating fashion law*, p. 178 ff.

22. The long standing trade mark rule that a color cannot be a trademark was overruled in the decision *Qualitex Co. v. Jacobson Products Co.*, 524 U.S. 159, 163-64 (1995), see also HILLIARD, WELCH & WIDMAIER, *Trademarks and unfair competition*, § 5.02, p. 203 ff.

23. See the fact sheet on trade dress protection on the homepage of INTA, in: [www.inta.org/TrademarkBasics/FactSheets/Pages/Trade-Dress.aspx]. Last visited 10th of September 2014; also DINWOODIE & JANIS, *Trade dress and design law*, p. 41.

24. HILLIARD, WELCH & WIDMAIER, *Trademarks and unfair competition*, § 5.01, p. 202.

25. Requirements for registration: An application to register trade dress with the U.S. Patent and Trademark Office (USPTO) must include all of the same content as any other trademark application, including a description of the trade dress, identification of the products and/or services to be covered and payment of the appropriate fee. Substantively, the trade dress must be both distinctive (i.e., recognizable to consumers as source identifying) and nonfunctional (i.e., not be essential to the use or purpose of the product or service and not affect the cost or quality of the product or service). Functional trade dress is not registrable even if it is distinctive, see the homepage of INTA, in: [www.inta.org/TrademarkBasics/FactSheets/Pages/Trade-Dress.aspx]. Last visited 10.09.2014.

26. Also most claims for the scope of trade dress protection are crafted in litigation, see DINWOODIE & JANIS, *Trademarks and unfair competition*, p. 128.

27. In regards of the famous General Motors design of the Hummer vehicle the court recognized a claim for “the exterior appearance and styling of the vehicle design which includes the grille, slanted and raised hood, split windshield, rectangular doors, squared edges etc.”.

establish that there is a likelihood of confusion²⁸. The assessment of similarity will be evaluated by comparing the respective trade dress designs. With regards to the other factors to prove likelihood of confusion it should be mentioned that these are in principal the same as when comparing traditional trademarks or logos. In regards to trade dress protection for services it must be assessed whether or not the consumer is predisposed to view the trade dress as a source indicator²⁹.

For both, the registered and the unregistered trade dress, the criteria to be assessed are *distinctiveness*, *non-functionality* and infringement by *likelihood of confusion*³⁰. Furthermore the indication of origin is in the center of trade dress protection: the features that indicate the trade dresses origin are to be protected; ingredients of innovation and creativity cannot be protected by trade dress or trade mark law³¹.

So in what cases does a trade dress offer protection to business venues?³².

1. Case Law - *Two Pesos v. Cabana Inc.*

One of the leading cases in the U.S. covering trade dress protection for a business venue is the Supreme Court decision in *Two Pesos Inc. v. Taco Cabana*³³. The case concerns the protection of the get-up of a Mexican themed restaurant, respectively Taco Cabana. Restaurants of the Taco Cabana chain are designed in a typical Mexican way. Both, the exterior and the interior of these fast food restaurants bear typical distinct Mexican style features and motives. The restaurants of the Taco Cabana chain all incorporate the same features as a matter of their corporate identity. The claim was made against the direct competitor Two Pesos. The defendant Two Pesos utilizes the same style elements in his restaurants as the plaintiff.

The US Supreme Court confirmed the decision of the previous instance. This case demonstrates the assessment of trade dress infringement according to the following criteria:

a. Eligibility for Trade Dress protection

First of all, the get-up of the business venue, the restaurant Taco Cabana, must be eligible for trade dress protection. Due to the fact that Taco Cabana did not register their get-up as trade dress, the competent courts could only judge on a claim for an unregistered trade dress. As mentioned above, the protectable features are defined

28. For a profound analysis of the different tests to assess likelihood of confusion for trade dress infringement see Dinwoodie & Janis, *Trade dress and design law*, p. 214 ff.

29. DINWOODIE & JANIS, *Trademarks and unfair competition*, p. 131.

30. MCCARTHY, *McCarthy on trademarks and unfair competition*, § 7:54, 7-124.32.

31. MCCARTHY, *McCarthy on trademarks and unfair competition*, § 8:1, 8-4; the protection of innovation and creativity are in contrary protected by other intellectual property rights.

32. This question seems more relevant than ever as the number of trade dress cases involving involve settings, methods of doing business and business venues, see JACOBS, LEE, MITCHELL u. a., *U.S. trade dress law*, p. 201.

33. *Two Pesos Inc. v. Taco Cabana Inc.*, 505 U.S. 763 (United States Supreme Court 1992).

as any word, any name, any symbol or devise or any combination thereof that can be used by a person to mark their goods. The legal protection of a trade dress relates especially to the elements that are able to enhance the sale of goods or services³⁴. The U.S. Supreme Court did not comment if the get-up of a business venue is eligible as a unitary mark. Instead the competent Court argued in favor of a strong protection for designs. Trade dress protection shall hence be available a get-up showing the intent to protect the marketing investments made and the resulting value of the business. This includes also the protection of the consumer's ability to differentiate the business of those of competitors³⁵. It was argued that the federal protection of a mark is desirable as such trade dresses would enhance competition and the quality of the businesses output; in this regard the protection would secure the reputation and the good will of the business in question³⁶. Consequently the Supreme Court did not see an issue positioning the get-up of Taco Cabana's business venues under the umbrella of trade dress protection even if the get-up would consist of multiple single features³⁷.

b. Distinctiveness

In order to obtain trade dress protection the relevant feature(s) must be capable of distinguishing the goods and services of the right owner to those of a competitor³⁸. According to the US approach to distinctiveness it must be differentiated between signs that are inherently distinctive and such that acquired secondary meaning³⁹. The get-up of a product or service is only then inherently distinctive if it is *suggestive, arbitrary or fanciful*⁴⁰; a generic or merely descriptive feature can only acquire distinctiveness through secondary meaning⁴¹.

In this regard the defendant in *Taco Cabana v. Two Pesos* stated that the get-up of the plaintiff's business venues was merely descriptive: he argued that the get-up merely constituted an indication of Mexican food being served. The defendant compared the get-up in question to a factual sign stating that Taco Cabana is a "Mexican restaurant". On behalf of the defendant it was consequently argued that the plaintiffs get-up could only be regarded as distinctive if it already acquired secondary meaning.

The U.S. Supreme Court did not accept this argument; he held the plaintiffs get-up to be inherently distinctive. Furthermore the property interests of the plaintiff in his unique and valuable marketing device, the get-up of the restaurants, were to

34. SANDBERG, 29 *Franchise LJ Summer* 10 (2009).

35. U.S. Supreme Court, GRUR Int. 1993, 890, 892 – *Two Pesos Inc. v. Taco Cabana Inc.*

36. U.S. Supreme Court, GRUR Int. 1993, 890, 892 – *Two Pesos Inc. v. Taco Cabana Inc.*

37. GRUR Int. 1992, 318; v. BASSEWITZ, GRUR Int. 2004, 390, 391; Fock (Fn. 96), 896 f.

38. Dinwoodie & Janis, *Trade dress and design law*, p. 42; Sandberg, 29 *Franchise LJ Summer* 10, 12 (2009).

39. U.S. Supreme Court, GRUR Int. 1993, 890, 891 – *Two Pesos Inc. v. Taco Cabana Inc.*

40. See HILLIARD, WELCH & WIDMAIER, *Trademarks and unfair competition*, § 5.03, p. 221; for a further description of these terms see DINWOODIE/JANIS, *Trade dress and design law*, p. 65.

41. U.S. Supreme Court, GRUR Int. 1993, 890, 890 – *Two Pesos Inc. v. Taco Cabana Inc.*

be recognized irrespective of the relevant consumer associations that would prove acquired distinctiveness through secondary meaning⁴². In its judgment the U.S. Supreme Court pointed out that the requirement of an additional secondary meaning could harm competition as it would stifle the start-up phase of small businesses⁴³.

It should be noted that in other cases U.S. courts focussed on secondary meaning in order to grant protection⁴⁴. In a more recent judgment the U.S. Supreme Court pointed out, that in order to obtain trade dress protection acquired secondary meaning must be proven unless the case would concern a get-up constituting the product itself⁴⁵⁻⁴⁶.

c. Functionality doctrine

According to Sec. 43(a) (3) of the Lanham Act⁴⁷ the claimant must prove that the get-up for which protection is sought is not merely functional. From the spirit and the purpose of the provision a merely functional design should be free for all to use and imitate as long as no other intellectual property rights appl⁴⁸. Otherwise the freedom of competition would be too harshly restricted⁴⁹.

Therefore it must be assessed whether or not the features of the get-up in question are essential for the usage or the purpose of the goods or services and

42. U.S. Supreme Court, GRUR Int. 1993, 890, 891 – *Two Pesos Inc. v. Taco Cabana Inc.*

43. U.S. Supreme Court, GRUR Int. 1993, 890, 892 – *Two Pesos Inc. v. Taco Cabana Inc.*
44. Akila Sankar McConnell, *Duke Law Journal*, 1537, 1562 f.

45. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000); see also *Pagenberg*, in *International Review of Intellectual Property and Competition Law*, 832. para. 1.

46. The Appellate Court of the 6th Circuit held that a fast food chain would need to prove that it acquired secondary meaning, see *White Tower Sys. Inc. v. White Castle Sys. of Eating Houses Corp.*, 90 F.2d 67, 69 (6th Cir. 1937).

47. The provision reads as follows: “In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional”.

48. In regards of the reasoning of the functionality doctrine see *DinwoodielJanis*, Trade dress and design law. p. 107 ff.; furthermore see the Judgment in *Qualitex Co. v. Jacobson Products Co.* (93-1577), 514 U.S. 159 (1995): “The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature. It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time, 35 U.S.C. §§ 154 173, after which competitors are free to use the innovation. If a product’s functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity). See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119-120 (1938) (BRANDEIS, J.); *Inwood Laboratories, Inc.*, supra, at 863 (White, J., concurring in result) (‘A functional characteristic is ‘an important ingredient in the commercial success of the product’, and, after expiration of a patent, it is no more the property of the originator than the product itself’) (citation omitted). Functionality doctrine therefore would require, to take an imaginary example, that even if customers have come to identify the special illumination enhancing shape of a new patented light bulb with a particular manufacturer, the manufacturer may not use that shape as a trademark, for doing so, after the patent had expired, would impede competition—not by protecting the reputation of the original bulb maker, but by frustrating competitors’ legitimate efforts to produce an equivalent illumination enhancing bulb. See, e.g., *Kellogg Co.*, supra, at 119-120 (trademark law cannot be used to extend monopoly over “pillow” shape of shredded wheat biscuit after the patent for that shape had expired”).

if these features influence the value or the quality of the goods or service. The functionality of single features does not necessarily lead to the conclusion that the get-up as such is also merely functional. On the other hand the possibility to have a different design or proven distinctiveness does not preclude functionality⁵⁰. In case the feature of the get-up is also protectable as a patent concedes it to be functional even if the patent is exhausted⁵¹.

In *Taco Cabana v. Two Pesos* the U.S. Supreme Court held the plaintiffs get-up not to be functional. This argument is correct in so far, as the design of a business venue is not essential for the service it provides. Even if single features of the get-up, such as the menu, would fulfill the criteria for the functionality doctrine, this does not convey functionality on the get-up as a whole⁵². Even when applying the *Inwood* test the get-up of the plaintiff's restaurant does not directly concern the quality and the pricing of the respective goods and services⁵³. Even if the sophisticated design of the business venue will influence the costs of the offered goods and services this indirect influence was not regarded to be sufficient to reason for functionality.

According to this argument the functionality doctrine will not be an effective hurdle for the get-up of a business venue to obtain trade dress protection.

d. (Reputation of the get-up)

The reputation of the get-up as such is not an obligatory requirement for protection. This becomes even clearer when considering the fact that distinctiveness must not per se be proven through secondary meaning. Nevertheless the threshold for distinctiveness cannot be judged with certainty according to the current legal status. The protected get-up of restaurants such as Dunkin' Donuts and Taco Cabana are mainly operated via franchise systems. The judgment in *Taco Cabana v. Two Pesos* implies that the operation of multiple franchise restaurants with identical design and corporate identity strengthens the distinctiveness because of their presence. Also this conclusion can be drawn from another case involving the get-up of a business venue, respectively a barber shop chain. Here the get-up of the single business venues were not identical and contained slight modifications. The protection of the get-up was regarded as not eligible for trade dress protection due to the above mentioned differences⁵⁴.

49. V. BASSEWITZ, GRUR Int. 2004, 390, 391 f.

50. V. BASSEWITZ, GRUR Int. 2004, 390, 391.

51. SANDER, GRUR Int., 215.

52. *Two Pesos, Inc. v. Taco Cabana, Inc.* (91-971), 505 U.S. 763 (1992).

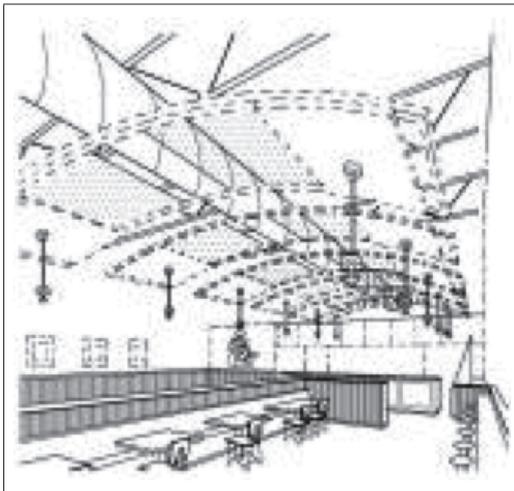
53. *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844 (1982).

54. *John Allan Co. v. Craig Allen Co. LLC*, 505 F. Supp.2d 986, 990 (D. Kan. 2007).

2. Other case Law

The competent court in *Best Cellars, Inc. v. Wine Made Simple, Inc.*, held that the overall décor and the design of the plaintiff's wine retail store constituted protectable trade dress. This decision was made despite the existence of a number of elements that were utilitarian or commonplace in the industry (i.e., the placement of informational cards in front of wine bottles and arranging wine bottles horizontally in racks)⁵⁵.

As for registered trade dresses the fast food restaurant chain “Chipotle” owns a registration for its restaurant layout as shown below; the description reads “a restaurant evoking a neo-industrial feel through the use of unpainted galvanized or stainless steel” with “natural wood finishes as accents on the table and/chair edges, bench seating, wall finishes, and/or chairs”, and the “use of industrial-look light fixtures”. The first illustration shows the registration, the second photograph The illustrative comparison below demonstrates how such a description translates into the interior of a Chipotle restaurant:



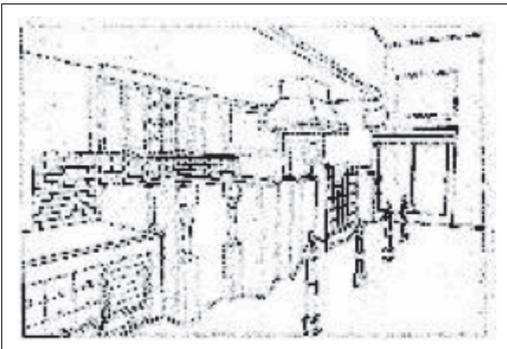
Picture taken from the article by DEVIN COOKE and JULIA ANNE MATHESON, “Is Your Store Design Unique? Trademark It”, last visited 20th September 2014 at [www.finnegan.com/resources/articles/articlesdetail.aspx?news=cec05725-e298-4d22-8025-521e46e99ea0].

55. *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2nd 60 (S.D.N.Y. 2003).



Picture taken from the article by DEVIN COOKE and JULIA ANNE MATHESON, “Is Your Store Design Unique? Trademark It”, last visited 20th September 2014 at [www.finnegan.com/resources/articles/articlesdetail.aspx?news=cec05725-e298-4d22-8025-521e46e99ea0].

The restaurant “Potbelly Sandwich”⁵⁶ also owns trademark registrations covering aspects of its restaurant layout and décor. This includes the U.S. registration No. 3494208. It describes the trade dress mark as “appearance and design of the interior of a restaurant produced by a combination of multiple counters of different heights forming a multi-level counter structure, a built-in glass front drink cooler, cubbyhole-style shelving, banner stanchions with chains/ropes and tile behind serving area. The solid lines show the positioning of the mark in connection with the restaurant and those features claimed by the applicant as its mark”. The illustration below shows said registration:



Picture taken from the article by DEVIN COOKE and JULIA ANNE MATHESON, “Is Your Store Design Unique? Trademark It”, last visited 20th September 2014 at [www.finnegan.com/resources/articles/articlesdetail.aspx?news=cec05725-e298-4d22-8025-521e46e99ea0].

56. See the homepage [www.potbelly.com/]. Last visited 20th September 2014.

The illustration shown above prove demonstrate that registrations of a business venue's get-up do exist and also that it will be difficult to judge an infringement based on these illustrations.

3. *The Apple store case in the US*

Especially when Apple found out that a store in China featured the white Apple logo, among other design details, was so authentic that even salespeople who worked there believed that they worked for Apple, they decided to attempt for further protection⁵⁷.

In early 2013 the U.S. Patent and Trademark Office (USPTO) granted Apple's request for trademark protection for the minimalist design and layout of its retail stores comprised of "a clear glass storefront by a paneled façade" and the signature "oblong table with stools set below video screens flush mounted on the back wall"⁵⁸.

During the two-year trademark examination process, the USPTO was especially concerned with issues related to the functionality doctrine and the criterion of distinctiveness regarding Apples business venue. Apple was requested to explain as to why the claimed store design features were neither functional nor so standard in the industry as to be unprotectable. Furthermore Apple had to demonstrate that the trade dress had come to serve a source identifying function.

Accordingly Apple refined the trade dress features for which it sought protection multiple times. In the course of these arguments Apple also obtained and submitted a consumer survey to support its claim of acquired secondary meaning. The USPTO requested an even narrower description of the relevant features. Finally Apple submitted inquiries with hundreds more pages of documentation of secondary meaning to the USPTO. These included the following evidence: substantial business activity generated by the Apple stores, promotional events that were tied to Apple stores, photographs of the stores on Apple's website, and numerous unsolicited media articles about the store design.

Ultimately, Apple was able to persuade the USPTO to allow its mark to be published for third-party objection. After the deadline for opposition period passed without objection, Apple's marks matured to registration. Apple was able to successfully demonstrate to the USPTO that the get-up of their business venue is non-functional and has acquired distinctiveness sufficient to qualify for registration as a trade dress⁵⁹.

57. See the article by DEVIN COOKE and JULIA ANNE MATHESON, "Is Your Store Design Unique? Trademark It", last visited 20th September 2014 at [www.finnegan.com/resources/articles/articlesdetail.aspx?news=cec05725-e298-4d22-8025-521e46e99ea0].

58. For this registration Apple sought a territorial extension when applying for an extension in the EU; the decision will be discussed in detail below, see 3.2.1.2 ECJ decision – "Apple Store" Case, p. 19.

59. See the article by DEVIN COOKE and JULIA ANNE MATHESON, "Is Your Store Design Unique? Trademark It", last visited 20th September 2014 at [www.finnegan.com/resources/articles/articlesdetail.aspx?news=cec05725-e298-4d22-8025-521e46e99ea0].

B. EU LAW

1. Introduction

The most recent jurisprudence in the EU regarding the protection of get-up of a business venue has its origin from German jurisprudence. The German Federal Patent Court (“Bundespatentgericht”, abbreviated BPatG) referred questions to the ECJ on how to interpret the European Trade mark Law regarding the protection of Apple’s trademark application for its store design⁶⁰. Therefore the following part will discuss the protection of the get-up of a business venue according to German Law. Subsequently the ECJ decision answering the questions of the BPatG will be analyzed⁶¹.

2. Trade dress protection according to German Law

According to German Law the get-up of a store can mainly be protected by trade mark and unfair competition law⁶². Despite the fact that the origins of German Trademark law stems from the Act against unfair competition (“UWG”⁶³) unfair competition law⁶⁴, the former should at least in theory be less woven into unfair competition law as is the case in the U.S.⁶⁵.

a. Federal Patent Court - “Apple store” case

While the former German trade mark law denied the registration for three-dimensional shapes⁶⁶, the current trade mark law explicitly constitutes the possibility to register three-dimensional shapes⁶⁷. Obviously the possibility to register three-dimensional shapes as trademarks raises some concern in regards of an overlap to

60. BPatG, Resolution 8th May 2013 – 29 W (pat) 518/13 “Apple store”.

61. ECJ Case C-421/13 (3rd Chamber), 10th of July 2014 „Apple Inc. v. Deutsches Patent- und Markenamt”.

62. Arguably the get-up of a store could also be protected by design and copyright; in regards of the latter this is especially possible since the Federal Supreme Court lowered the threshold for works applied art, Federal Supreme Court, 13th November 2013 - I ZR 143/12 – “Birthday Train”; for the sake of this article only the protection afforded by trade mark and unfair competition law will be discussed.

63. UWG, Gesetz gegen den unlauteren Wettbewerb.

64. FEZER, A, para. 22.

65. In the U.S. it is understood that both, the trade mark and unfair competition law have the same intention, see McCARTHY, *McCarthy on trademarks and unfair competition*, § 2:7, 2-13 ff.: „The law of trademarks is but a branch of this broader area called Unfair Competition or Unfair Trade Practices. That is, trademark law is a species of the generic law of unfair competition [...] All trademark cases are cases of unfair competition and involve the same legal wrong [...] Therefore, the law of unfair competition covers a greater scope than the law of trademark infringement”.

66. FEZER, § 3, para. 578.

67. See Sec. 3 (1), Sec. 4 No. 1, Sec. 4 Nr. 1 MARKENG (German trade mark act) which is harmonized with the European trademark Directive 2008/95/EC.

other intellectual property rights. Can a technical feature which is contained in a three dimensional shape be registered? If so, how is it justified to have a perpetual monopoly granted by a trademark for a technical invention expressed in a three-dimensional shape if in prior a patent for the feature was obtained?

The same considerations are relevant for the overlap of trademark law and design rights/Copyright law: should a three-dimensional shape be registrable as a trademark if a design right or copyright⁶⁸ protection could be obtained as well?

Shape marks that consist of a patentable innovation or an aesthetic feature protectable as a design right/copyright will make the other intellectual property rights, which offer only a limited term of protection and bear customized protection criteria, superfluous. The European legislator was aware of the issue of overlapping protection. In order to prevent such an unwanted overlap he introduced relevant sections in both, the trademark Regulation and Directive⁶⁹. The wording of Section 3 (1) (e) Trademark Directive⁷⁰ reads as follows:

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

signs which consist exclusively of:

- (i) the shape which results from the nature of the goods themselves;
- (ii) the shape of goods which is necessary to obtain a technical result;
- (iii) the *shape* which gives *substantial value* to the goods⁷¹.

Despite the extension of protection offered by intellectual property rights in recent years the protection for trade dresses is rather a phenomenon occurring in the U.S. Especially when considering that a store design, the performance of a band or the atmosphere of a restaurant are protectable as well. The principal German view on the protection of such features is rather skeptical.

It was only in 2013, where the Federal Court of Patents had to decide on the registrability of above shown store design⁷² by Apple Inc. as a trade mark⁷³. The details of the case can be summarized as follows:

The plaintiff demanded extension of the internationally registered three-dimensional shape mark to the German territory. The color of the illustration is “steel gray and light brown”, illustration as shown in the online accessible database of the USPTO⁷⁴. The illustration shown in the mentioned database is registered for the following services of class 35 of the Nice classification: “Retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics and related accessories, and demonstration of products relating

68. See above footnote 58.

69. Section 3 (1) (e) Trade mark Directive and Section 7 (1) (e) of the Trademark regulation.

70. The Trademark regulation has a similar same wording.

71. This limitation to shape marks can be compared to the functionality doctrine in US trademark law.

72. See the illustration on page 1.

73. BPatG, Resolution 8th May 2013 – 29 W (pat) 518/13 “Apple store”.

74. U. S. Patent and Trademark Office.

thereto". The registration offers the following description: "The mark consists of distinctive design and layout of a retail store"⁷⁵.

The competent department of the German Trademark Office⁷⁶ has denied the protection of said illustration of a retail store reasoning that it would lack inherent distinctiveness. The illustration of the store was held to be exhausted in the illustration of the store and thus in the representation of the core features of the offered services. The design of retail stores and sales facilities is an effective and important marketing tool for the sale of consumer goods. The illustration of the retail store in question was found not to be distinctive from other retail stores offering electronic consumer goods. The difference of the illustration in question to the design of large warehouses specializing in electronic consumer goods would only stem from the latter bigger variety of goods and brands offered to the end consumer. Finally it was held that, the function as indication of origin for retail stores is usually achieved by the use of logos and brand names⁷⁷. Thus perceiving the get-up of a store, the consumer would draw conclusions to the quality and price range of the relevant goods, but not to their source⁷⁸.

Apple submitted a complaint to the BPatG seeking to reverse said decision and reasoned as follows:

The illustration for which protection was assumed to be inherently distinctive as it is unique for the relevant market. Trademark protection for a three-dimensional mark could not be denied with the argument that it is not intellectually separable from the offered services. Instead Apple assumed that it is in the nature of things that a three dimensional mark subsides with the subject matter of the application. They argued that due to the fact that services are immaterial, an illustration cannot be denied trademark protection simply because it illustrates the service itself. A service should not be exhausted in providing said service; it goes further. It is not reasonable to demand a higher threshold for the trademark protection for the get-up of a store than for any other three-dimensional shape. The illustration for which protection is sought must be regarded as inherently distinctive if it is different from the store designs used by competitors. Factually there are a significant number of unique features contained in the store design represented by the illustration: the lack of a recognizable cashier area, the pure presentation of the goods, the use of old style table without the use of retail platforms, the lack of point of sale palettes, the overwhelming strict observance of form and clear symmetric arrangement of the facilities. These details bear a strong recognition value. Even toy manufacturers, when offering a doll house store, officially refer to the model as "Apple Store"⁷⁹.

75. BPatG, Resolution 8th May 2013 – 29 W (pat) 518/13 "Apple store".

76. Deutsches Patent und Markenamt DPMA (German Patent and Trademark Office).

77. OHIM, decision Az. R 0001/03-4 07th July 2004, "Smart-Turm".

78. BPatG, Resolution 8th May 2013 – 29 W (pat) 518/13 "Apple store".

79. BPatG, Resolution 8th May 2013 - 29 W (pat) 518/13 "Apple store".

Furthermore the complainant added the following description to the illustration:

Protection is sought with regards to the colors light brown and steel grey. The mark reflects the design and the arrangement of a retail store. The get-up of the store consists of a transparent glass front, surrounded by a steel grey façade construed by panels. The glass front consists of rectangular oblong panels with slimmer panels attached to the sides. Inside the retail store there is a rectangular lighting system built into the ceiling displayed over the whole length of the retail store.

The walls on the side of the retail store bears light brown cantilever boards for displaying goods. The side walls bear cupboards with multiple racks. The middle section of the retail store features light brown rectangular tables, arranged in a row and parallel to the walls. They are arranged from the beginning to the end of the retail store. In the back of the retail store a rectangular table with bar stools is arranged below the back wall and in the same height of the TV Screens.

Finally the illustration shows dotted lines where products are to be displayed, which are not intended to be covered by the trade mark. Nevertheless the position is regarded to be part of the mark⁸⁰.

Taking the view that the dispute raises fundamental questions concerning harmonized European trade mark law, the BPatG decided to stay the proceedings and to refer the following questions to the 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?
- (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?⁸¹.

80. BPatG, Resolution 8th May 2013 - 29 W (pat) 518/13 “Apple store”.

81. ECJ Case C-421/13, 10th July 2014 „Apple Inc. v. Deutsches Patent- und Markenamt”.

The senate of the Federal Patent Court made the following considerations when referring the questions mentioned above to the ECJ:

The subject matter of the registrability of a three dimensional get-up of a store as a trademark for retail services is not regulated by law nor decided by the German Courts. The target to have streamlined criteria for obtaining a trade mark registration mentioned in the eighth recital of the Directive⁸² stipulates the need to refer this matter to the ECJ.

With regards to the first question the Federal Patent Court made the following considerations:

The senate tends to accept the protectability of the scope extension of the get-up as it takes the view that there are substantial differences to the get-up of competitors. Thus it is relevant for a final decision if the ECJ will regard the criteria of Art. 2 of the TMDIR as fulfilled. The provision does not define the term of a „sign“; however it's non-exhaustive wording⁸³ names the following examples: „words, including personal names, designs, letters, numerals, the shape of goods or of their packaging“. However it does not mention the get-up of a service. This could reflect the intention of the legislator due to the fact that (1) the service mark was known before the introduction of the Directive; and (2) a service is immaterial and thus does not inherently have a get-up of its own.

On the other hand objects that are used to offer the service can be regarded as their embodiment e.g. the vehicle with regards to the service of transportation or as in the case at hand a get-up of a store with regards to retail services. Additionally and as already mentioned the wording of Art. 2 is non-exhaustive. Excluding the protection of the get-up of a service would contravene the intention to harmonize the internal market.

With regards to the second question the Federal Patent Court gave the following opinion:

A sign reflecting the get-up embodying the service must be graphically representable⁸⁴ and capable of distinguishing the services of those of a competitor. Furthermore it must not fall into the categories for absolute grounds for refusal.

82. Recital 8 of the Trademark Directive reads as follows: "Attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark be, in general, identical in all Member States. To this end, it is necessary to list examples of signs which may constitute a trade mark, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings. The grounds for refusal or invalidity concerning the trade mark itself, for example, the absence of any distinctive character, or concerning conflicts between the trade mark and earlier rights, should be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States which should therefore be able to maintain or introduce those grounds in their legislation. Member States should be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trade mark for which there is no provision of approximation, concerning, for example, the eligibility for the grant of a trade mark, the renewal of the trade mark or rules on fees, or related to the non-compliance with procedural rules".

83. ECJ Case C-273/00, 12th December 2002 "Sieckmann", para. 45.

84. This criterion is not included in the new draft of the amendment to the EU Trade Mark Law, see the Study on the Overall Functioning of the Trade Marks System, available at http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf Lastly available 16th September 2014, 2.9, page 65.

Should the ECJ conclude that the get-up of a service falls under the non-exhaustive categories of Art. 2 TMDIR, then this second question is relevant for the issue, if the absolute grounds for refusal in Art. 3 TMDIR also apply to the mark in question.

According to the wording of Art. 3 TMDIR only those signs fall under the absolute grounds for refusal that consists of the *shape* of goods. From the wording alone, this provision does not apply to two dimensional signs. The Senate takes the view, that an extended applicability of these grounds for refusal beyond their wording is only justified in rare cases.⁸⁵ Nevertheless the grounds for refusal should be applicable in the case at hand as the same criteria must be applicable for goods and services alike. Otherwise competition would be distorted and marks consisting of get-up of services would be privileged if the absolute grounds for refusal would not apply⁸⁶.

The ratio of the provision could also speak for an extension of the grounds for refusal: the public interest of free access to goods and services should outweigh the interest of the trade mark owner for a perpetual monopoly if the goods and services in question are already protected by other intellectual property rights, e.g. patent and design law⁸⁷.

In the case at hand it is especially the Art. 3 I lit. e iii of the TMDIR that could constitute an absolute ground for refusal. Ann application will be denied according to Art. 3 I lit. e iii TMDIR if the get-up consists of a shape that adds substantial value to the service. The get-up of a retail store is the main feature in order to judge the quality of the shopping experience. Despite this fact the get-up of the shopping venue does not constitute the most relevant feature of the service “retail store”. To the same extent the shopping experience is to be judged by the quality of the goods and the other relevant services offered in the venue⁸⁸.

The senate asked but tends to deny the question, if a part of the bundle of services is sufficient to apply the absolute grounds for refusal.

With regards to the third question the senate of the Federal Patent Court made the following statements:

The Senate holds the get-up of a retail store as principally able to be a valid trademark. Despite this argument, the illustration in question must also be graphically representable according to Art. 2 TMDIR⁸⁹.

According to the ECJ jurisprudence a sign can be a trade mark, if the illustration at hand is *clear* (not ambiguous), *precise* (e.g. a color cannot merely be described as ‘purple’), *self-contained* (e.g. music notes), *easily accessible* (e.g. the Pantone international database), *intelligible*, *durable* (the graphical representation

85. Grounds for refusal are exhaustive, see ECJ Case C-299/99, 18th June 2002, “*Philips v. Remington*”, para. 74.

86. Arguing in the same line Suthersanen, *Design law*, p. 173, para. 8-008.

87. ECJ Case C-299/99, 18th June 2002, “*Philips v. Remington*”.

88. BPatG, Resolution 8th May 2013 – 29 W (pat) 518/13 “Apple store”.

89. Also see footnote 80.

must remain consistent), and *objective*⁹⁰. The registration system alongside with its guarantee function is only efficient, if these criteria are fulfilled. Only then will there be legal certainty.

The ECJ has yet to decide how in particular the illustration of the get-up of a retail store must be represented in order to fulfill these criteria. In principal an illustration with a perspective of the retail store can be regarded as fulfilling the Sieckmann-criteria, if the scope of protection can be determined when perceiving the illustration.

The illustration of the retail store for which registration is sought shows its facilities. Nevertheless it does not give any certainty or guidelines to the degree of actual size of the retail store, its furniture, facilities and their relation in size to each other. Especially the size of the entrance area in relation to the depth of the retail store cannot be judged by perceiving this illustration. Hence it is only its overall impression that can be assumed when perceiving the illustration.

Subject to these considerations it must be stressed if Apple's application for registration fulfills necessary "Sieckmann" criteria of clarity and precision. Despite these reasonable doubts the senate of the Federal Patent court took the view that an additional measurement chart would suffice to overcome the lack of certainty and precision. It then held a preliminary decision by the ECJ necessary in order to determine the criteria for the graphical representation in question.

With his fourth and final question the senate of the Federal Patent Court asked the ECJ, if the scope of protection of a service mark for retail stores does also cover goods that are produced by the retailer himself.

The ECJ has yet to decide this question, if a retailer can obtain protection only for goods of other traders or if his own label products are also covered by such protection⁹¹. In addition the national courts are yet to decide on this question. The senate took the view that the retailer must refer goods manufactured by third parties in order to obtain trademark protection for these services. Otherwise, in case of own label goods the distribution of such goods is regarded as only a supportive service for which trademark protection is to be available⁹².

Thus the senate opined that only the distribution of goods manufactured by third parties reaches the holy land of trademark protection. The retailer that distributes his own label goods primarily competes with other manufacturers. Hence the protection by trademark law can only cover protection of a trademark for the goods themselves. In case he distributes goods manufactured by third parties he is competing with other distributors. This is the reason that he then only can obtain trade mark protection for the service of distribution.

90. So called "Sieckmann" Criteria, see ECJ Case C-273/00, 12 December 2002 "Sieckmann".

91. See also ECJ Case C-418/02, 7th July 2005 "Praktiker".

92. So far there is no national jurisprudence in this regard; legal commentators interpret the ECJ decision in "Praktiker" that the retailer must either exclusively or primarily sell goods from another manufacturer in order to obtain trademark protection for the service, see Ströbele, GRUR Int 2008, 719, 722, and Grabrucker, GRUR 2001, 623, 627.

On the other hand there a valid argument could be that the distribution of own label goods in a retail store does not necessarily cover the whole range of goods. Instead the retailer often varies his range of offered products towards a certain target group from different regional areas with different taste and purchasing power. It could be argued that this selection also offers a valuable service beyond the mere distribution which would consequently speak for trademark protection.

With regards to all four questions the BPatG found that a preliminary decision of the ECJ was necessary; this decision will be discussed:

b. ECJ decision - “Apple Store” case

The ECJ answered the questions of the BPatG in the “Apple Store Case”⁹³. The decision can be summarized as follows:

In regards of the first three questions the ECJ came to the conclusion that “In the light of all the foregoing considerations, the answer to the first to third questions is that Articles 2 and 3 of Directive 2008/95 must be interpreted as meaning that the representation, by a design alone, without indicating the size or the proportions, of the layout of a retail store, may be registered as a trade mark for services consisting in services relating to those goods but which do not form an integral part of the offer for sale thereof, provided that the sign is capable of distinguishing the services of the applicant for registration from those of other undertakings and that registration is not precluded by any of the grounds for refusal set out in that directive”⁹⁴. In regards of the fourth question the ECJ found that it was inadmissible⁹⁵.

c. German Act against Unfair Competition (“UWG”)

In contrary to the U.S. Law the German Law also offers protection to such three-dimensional designs by the Act against Unfair Competition. Outside of the scope of intellectual property rights a fundamental element of German Law is the basic principle of freedom of competition and imitation⁹⁶. This principle underlines the notion that only intellectual property rights offer protection to creative output. If a creative output is not protected by an Intellectual property right, the output shall be free to copy. As an exception the Act against unfair competition can offer protection against the imitation of products or creative ideas only then, if there is an act of copying *and* an unfair element⁹⁷. The mere act of copying as such should not be regarded as unfair⁹⁸.

93. ECJ Case C-421/13, 10th July 2014, “*Apple Inc. v. Deutsches Patent- und Markenamt*”.

94. ECJ Case C-421/13, 10th July 2014, “*Apple Inc. v. Deutsches Patent- und Markenamt*”, para. 27.

95. ECJ Case C-421/13, 10th July 2014, “*Apple Inc. v. Deutsches Patent- und Markenamt*”, para. 30.

96. Eck. § 4, para 22.

97. See Ohly & Sosnitza, § 9/51.

98. But see e.g. the decision of the Higher District Court Düsseldorf, I-20 U 175/11, 31st January 2012, for further argumentation see also BASSEWITZ, GRUR Int, 390, footnote 57.

The Court of First Instance Münster had to decide on the protection of the get-up of a restaurant chain according to the UWG. The restaurant chain “Vapiano” claimed infringement of the trade dress of their business venue and seek to court to grant a preliminary injunction⁹⁹.

According to the facts of the case the plaintiff operates a system catering chain bearing the name “Vapiano”. All business venues of the plaintiffs chain offer an Italian style cuisine and all venues are identically designed in regards of both, the exterior and the interior. All furniture, decorations and menus are designed by a well-reputed designer. The designs have largely been made exclusively for the plaintiff.

The defendant operates a restaurant in the neighborhood of one of the plaintiff’s venues offering Chinese style fast food with a similar font as the plaintiff use for their trade name. The plaintiff proved that its customers regularly assume that both businesses are connected. Furthermore the plaintiff submitted evidence that the design of its business venue is honored by the press. Especially Vapiano’s atmosphere and the design features experience appreciation¹⁰⁰.

The competent court granted the plaintiff injunctive relief regarding the features of Vapiano’s get-up. It held that the defendants business venue caused a „preventable confusion“ and an „unfair dilution“ according to Sections §§ 3, 4 Nr. 9a and b UWG¹⁰¹.

In an analogous application of the supplementary protection of related rights under competition law the court held that this protection would also cover immaterial features, namely the design concept of the plaintiff’s business venue, which was found to be new and distinctive in comparison to those of competitors in the market. The protection offered by the UWG extends to the design concept as such, that was almost identically copied. The deviations in the offered goods and in the name were found to be only marginal. The relevant market could still assume a business connection between the plaintiff’s and the defendant’s business venue¹⁰².

99. LG Münster, 21 O 36/10, 21st April 2010, “Vapiano”.

100. LG Münster, 21 O 36/10, 21st April 2010, “Vapiano”.

101. The relevant provisions of the German UWG read as follows: Section 3, Prohibition of unfair commercial practices: “(1) unfair commercial practices shall be illegal if they are suited to tangible impairment of the interests of competitors, consumers or other market participants. (2) Commercial practices towards consumers shall be illegal in any case where they do not conform to the professional diligence required of the entrepreneur concerned and are suited to tangible impairment of the consumer’s ability to make an information-based decision, thus inducing him to make a transactional decision which he would not otherwise have made. Here reference shall be made to the average consumer or, when the commercial practice is directed towards a particular group of consumers, to the average member of that group. Reference shall be made to the perspective of the average member of a group of consumers who are particularly vulnerable and clearly identifiable because of their mental or physical infirmity, age or credulity, if it is foreseeable for the entrepreneur that his commercial practice will affect the latter group only. (3) The commercial practices towards consumers, listed in the Annex to this Act, shall always be illegal. *Section 4 Nr. 9 a and b: Section 4:* Unfairness shall have occurred in particular where a person [...] Nr. 9 offers goods or services that are replicas of goods or services of a competitor if he a) causes avoidable deception of the purchaser regarding their commercial origin; b) unreasonably exploits or impairs the assessment of the replicated goods or services”.

102. A German comment on this decision can be found in GRUR-Prax 2010, 373.

CONCLUSION

Both, the U.S. and the German Law system offer protection for the get-up of business venues. Furthermore both systems offer protection for single features of the get-up with their intellectual property system¹⁰³.

According to the U.S. Law the protection of the get-up of a business venue is provided by the institute “trade dress”; a claim for the infringement of a business venue’s get-up based on unfair competition law will not suffice. In order to obtain trade dress protection the get-up of the business venue must be distinctive, either inherently or acquired through secondary meaning. Furthermore the get-up must not be functional. Lastly, a likelihood of confusion must be determined by the alleged infringing get-up.

According to German Law protection can be afforded by both, trademark and unfair competition law. With regards to the ECJ decision in the “Apple Store” it remains to be seen how the BPatG will decide after its questions have now been answered by the ECJ. In its decision the ECJ made clear that the high threshold for shape marks will also be applicable for the get-up of business venues. Only if the get-up is substantially distinctive from the standard design, it will be inherently distinctive. In this regard it remains to be seen how franchises such as “Vapiano” and the “Body Shop” will attempt to register their unique, but not necessarily inherently distinctive store designs. Questions also remain in regard of the enforcement of such trade mark applications. Competitors are not likely to advertise with the illustration from the trademark register, but instead will use single features of the get-up that are shown by the illustration. Complex issues concerning the degree of similarity between the marks could arise. Further it will be difficult to prove an infringing use of the trademark due to the criterion of secondary meaning. The consumer is likely to appreciate the get-up of a business venue in its aesthetic and technical design; despite this it is less likely that he will associate the design with goods and services offered in the business venue¹⁰⁴.

The ECJ decision does give some wiggle room for the BPatG: only such a sign is capable of being a trade mark for retail services, if goods by other manufacturers are to be sold. The protection of the illustration of a store design would then only cover retail with such goods by other manufacturers. Flagship stores as utilized by Apple, Gucci or Nike could not even argue to fulfill the criteria of compulsory use if they only sell their own.

Finally, an excessive protection of get-up and store design does raise some concern. The notion of freedom to copy could be undermined. A perpetual monopoly for designs and get-up would stifle competition. This issue can be solved by raising the threshold for protection, e.g. the level of required distinctiveness. While the court was rather generously accepting inherent distinctiveness of the

103. SANDER.

104. Federal Supreme Court I ZR 177/02, 16th December 2004, “Räucherkatze“.

restaurants designs in the *Taco Cabana v. Two Pesos* case, more recent decisions show a more reluctant assessment. In *Wal-Mart Stores, Inc. v. Samara Brothers* the U.S. Supreme Court leaned towards the assumption that for the protection of a products get-up distinctiveness acquired through secondary meaning must be proven¹⁰⁵. The functionality doctrine also prevents an overlap of protection with design and copyright law. But for business venues such as restaurants it will be not likely that the get-up as a whole will be regarded merely functional. This doctrine should be sharpened in order to lead to cut clear results regarding such trade dress cases. As discussed above, In Germany, § 3 MarkenG¹⁰⁶ limits the protectability of signs that consist of a shape, similar to the functionality doctrine. The protection via the unfair competition law does have a different approach. Thus it is questionable if the set of unfair competition protection is available parallel to trade mark protection¹⁰⁷.

Companies could utilize cumulatively the mentioned intellectual property rights in order to protect their concepts of store design. Sometimes protecting and nurturing the classic elements of one's brand is more efficient than a financial burdensome fight for new means of protections. With the words of designers: "sometimes less is more".

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105. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000); siehe dazu auch Pagenberg, 35 IIC 831, Fn. 1 (2004).

106. In regards of the wording see footnote 65.

107. For a discussion on this topic see KÖHLER, GRUR, 548, and BORNKAMM, grur, 97.

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