

Trade Dress Protection in Europe

**Report prepared by
the Europe Subcommittee of the Trade Dress Committee 2004-2005**

and by

**the Europe Subcommittee of the Non-Traditional Marks Committee
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TABLE OF CONTENTS

	Page
Contributors.....	3
Introduction.....	4
European Union.....	6
Austria.....	20
Bulgaria.....	24
Cyprus.....	27
Czech Republic.....	29
Denmark.....	31
France.....	33
Germany.....	36
Greece.....	39
Hungary.....	41
Ireland.....	44
Italy.....	48
Poland.....	50
Russia.....	53
Slovak Republic.....	57
Spain.....	59
Sweden.....	67
Switzerland.....	73
United Kingdom.....	76
Balkan Countries.....	84

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INTRODUCTION

This report provides an overview of the current legal framework of Trade Dress in the EU, EU Member States, and elsewhere in Europe. Trade Dress is regarded as product design and packaging together with product configuration and shape. As a rule, relevant legislation does not provide a statutory definition of Trade Dress, and although definitions arise from case law these definitions vary from jurisdiction to jurisdiction. Another factor leading to dissimilar definitions is the applicability of various relevant laws such as Trademark Law, Unfair Competition Law, Copyright Law and Design Law. An essential question deriving from that is whether Trade Dress should be, or is sufficiently, protected under Trademark Law and whether additional explicit rules on Trade Dress protection should be introduced especially with regard to the possibility of harmonization on the European level.

Despite the variances of Trademark Law of the Member States, harmonized Community Trademark Law has developed on an EU level. Protection under Community Trademark Law will only be available for Trade Dress (i.e. features of the visual appearance of a product or its packaging) if the specific requirement of distinctiveness is met. The ECJ has stressed that the standards to be applied in the assessment of distinctiveness are the same for all forms of marks and that higher demands must not be made even in relation to three-dimensional signs than those relevant to other trademark types. However, it must be emphasized that the ECJ finds that three-dimensional shapes are less likely to convey a message of commercial origin than, for example, word marks. The requirement that Trade Dress must be distinctive in order to enjoy trademark protection may be considered a weakness of protection under Trademark Law.

In addition to Community Trademark Law, Trade Dress and all features of visual appearances of Trade Dress can also be protected under Unfair Competition Laws of the Member States. Since Unfair Competition Laws differ among the EU Member States, the protection of such features of visual appearance differs as well. Moreover, in some Member States Unfair Competition Laws are only applied to a very limited extent. In other words, it might be possible to obtain Trade Dress protection according to the Unfair Competition Law of one Member State and yet not according to the Unfair Competition Law in another. Therefore, it seems that in relation to Trade Dress protection, there is a need for harmonization of Unfair Competition Law within the EU.

Another important factor to consider in the protection of Trade Dress in the EU is the possibility to use Design Laws. Both at Community level and at national level Trade Dress protection can be achieved by acquiring Design Rights. The obvious advantage of the Design Right protection is that the owner of the Design Right does not need to prove any distinctiveness and the only requisite is that the design is new (meaning that has not been disclosed before) and possess individual character (meaning that the overall impression it produces on the informed user differs from the overall impression produced on

such a user by any design which has been made available to the public). However, Design Rights, like all rights which are modelled after Patent Rights, suffer an inherent weakness as they have a limited period of duration.

A final form of protection of Trade Dress can be achieved through Copyright protection. Copyright is, however, an extremely difficult protection to achieve in the EU. While both the Design Directive and the Community Design Regulation allow for the overlapping of their protection with Copyright protection, current European Copyright Laws differ substantially particularly with regard to what "work" satisfies the threshold for Copyright protection. In one Member State a particular Trade Dress might be considered "artistic" or "creative" enough to enjoy Copyright protection whilst in another the same Trade Dress may be found totally lacking the elements which are necessary for Copyright protection. In the absence of any harmonization which sets principles to clarify what deserves Copyright vis-à-vis what does not, the protection of Trade Dress solely on the basis of Copyright is inadequate.

As seen above, Trade Dress may get protection, according to the circumstances, mainly under Trademark and/or Community Design Laws. However, if Trade Dress protection is sought by means of a Community Design Registration it shall last only 25 years, while if a Trade Dress owner tries the trademark route, as long as the Trade Dress is used, protection may last forever.

Some brand owners use a combination of both trademarks and designs when protecting Trade Dress. This appears especially useful if the owner has to show acquired distinctiveness to obtain Trademark Rights as Design Right protection can protect the Trade Dress whilst acquired distinctiveness is being acquired by use. Design Rights, however, are modelled on Patent Rights and it is arguable that following expiry of the Design Right protection period the design falls into the public domain and is free for all to use. If this is the case then extension of the period of protection by use of Trademark Laws appears to be an abuse of process. This apparent contradiction has not yet been considered by the ECJ.

The Europe Subcommittee of the INTA Non-Traditional Marks Committee has noted a wide discrepancy of opinions among its members with some convinced of the possibility of temporarily overlapping protection (trademark and designs) but also of consecutive protection of first Design Right protection and following expiry of that, Trademark protection, whilst others convinced that such concurrent or consecutive protection is not permissible under national and Community laws.

It is, therefore, the recommendation of this Subcommittee to the INTA that it studies and analyzes whether or not it is possible to use Trademark and Design Right Laws concurrently and/or consecutively in the protection of the same Trade Dress. The Subcommittee notes that the ECJ has not yet faced this issue and until it does we will not have a definitive answer. However, a preliminary study of this issue may become an important tool and eventually assist the Court in its evaluation.

EUROPEAN UNION

1) Legal definition of trade dress

“Trade dress” refers to the features of the visual appearance of a product or its packaging. It is generally accepted both within the EU and outside the EU that trade dress can be divided into different categories of features of the visual appearance of a product, for instance the shape of a product, the shape of a packaging of a product, the colour of a product and even the visual appearance of a shop front or the decor of a restaurant.

2) Rationale

The rationale behind the protection of trade dress depends on the legal basis under which protection is sought. Under trademark law theories, trade dress having secondary meaning is protected against confusion, because the public identifies in the trade dress the source of the product rather than the product itself. Under design law theories, trade dress which is new and has individual character is protected against copying and imitation because it promotes the contribution of individual designers to the sum of Community excellence in the field, and encourages innovation and development of new products and investment in their production.

3) Mechanisms of Protection

3.1) Under Harmonization Directive and Community Trademark Regulation

Pursuant to Article 4 of the Council Regulation (EC) No. 40/94 on the Community trademark (the Regulation), shapes of goods or of their packaging are registrable as Community trademarks as long as they are capable of distinguishing the goods to which they apply from those of other undertakings. Article 2 of the Council Directive (EEC) No. 89/104 to approximate the laws of the Member States relating to trademarks (the Directive) contains a similar provision. The signs to be registered may be either inherently distinctive pursuant to Article 7(1)(b) (Article 3(1)(b) of the Directive), or have acquired distinctiveness through use pursuant to Article 7(3) (Article 3(3) of the Directive). Thus, in all EU countries it is accepted, as a matter of principle, that three-dimensional shapes of products or their packages can be inherently distinctive, i.e. they can be registered without having to establish distinctiveness acquired by use.

Under EU trademark law, protection of three-dimensional shapes as trademarks is subject to special provisions.

First of all, shapes of products and packagings of products are excluded from protection under certain conditions which are set out in Article 7(1)(e) of the Regulation (Article 3(1)(e) of the Directive). Pursuant to Article 7(1)(e), signs are excluded from protection if they exclusively consist of a shape which results from the nature of the goods themselves, or consist of a shape which is necessary to obtain a technical result, or consist of a shape which gives substantial value to the goods.

Secondly, even if the shapes of products and shapes of packagings do not fall under the absolute exception in Article 7(1)(e) it has to be considered whether such three-dimensional shapes have to meet specific requirements distinguishing them from other categories of trademarks. The Regulation does not set out a particular test to assess the distinctiveness relating to the features of the visual appearance of a product. Neither does the Directive. However, the test of distinctiveness does seem different from that of word marks and figurative marks, cf. the examination and interpretation of EU-case law on trade dress protection in Section 3.

The Regulation and the Directive do not contain provisions relating to the registrability of the colours of a product. Neither do they address whether it is possible to register the decor of a restaurant and a shop front as trademarks.

3.2) Under Design Law

Trade dress in the EU is protectable through design laws. Both at Community level, through the Community Design, introduced by the Regulation n. 6/2002 of 12 December 2001 or at national level, where individual legislations are harmonized as a result of the Directive 98/71 of 13 October 1998, trade dress protection can be achieved by acquiring design rights over the trade dress. The obvious advantage of the design protection is that the owner of the design right does not need to prove any distinctiveness and the only requisite is that the design is new (meaning that it has not been disclosed before) and possesses individual character (meaning that the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public). In addition, design rights are valid irrespective of the goods to which the design is applied.

Design protection is available by means of two different instruments: unregistered designs and registered design. Unregistered design rights on trade dress might be available in consideration of the fact that some products may have a short market life where protection without the burden of registration

formalities is an advantage and the duration of protection is of lesser significance. Unregistered designs thus are only protected for three years and constitute a right only to prevent copying and protection does not extend to design products which are the result of a design arrived at independently by a second designer.

Registered designs on the other hand are protected for twenty-five years and confer on its holder the exclusive right to use it and to prevent any third party not having his consent from using the design. The exclusive right covers, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes, irrespective from the third party's knowledge of the existence of the registered design. However, at the end of the protection period, the design falls into public domain and competitors could be free to use such design and the trade dress, thus exploiting the efforts and the resources which the owner of the trade dress might have employed in the course of time to build brand loyalty and consumers' appreciation.

Finally, it should be noted that the Design Regulation does not preclude the application to designs protected by Community designs of the industrial property laws or other relevant laws of the Member States, such as those relating to design protection acquired by registration or those relating to unregistered designs, trade marks, patents and utility models, unfair competition or civil liability.

4) Accumulation of Rights

In the absence of the complete harmonization of EU copyright law, accumulation of protection for trade dress is, in theory, possible under design and copyright law, although EU Member States are free to establish the extent of copyright protection and the conditions under which such protection is conferred.

At the EU level, double protection is currently available for trade dress under trademark and design law. However, each one has its advantages, limits and problems.

In order to achieve trademark protection the trade dress must be distinctive enough to pass the quite elevate standards set by the ECJ. But once registration is achieved protection is potentially unlimited in time. On the other hand design rights, can be more easily obtained, so long as the trade dress is new and possesses individual character. However, like all rights which are modelled after patent rights, design rights suffer an inherent weakness: limited validity in time. Unlike trademarks which, subject to use, are rights of potentially unlimited duration, design rights lapse after 25 years (in the case of Registered Community Designs) and cannot be extended. After the expiry of such a period, the design falls into public domain and it is free for use by anyone.

An examination of both the CTM and the RCD Registries show the existence of an overlapping between the two instruments since there are several community trademarks which have also been granted registration as community designs. However, at this time the validity and availability of both, simultaneously, has not been tested. Another question which also arises concerns about the possibility of an accumulation of rights between design and trademark protection time wise, i.e. first by means of design protection and then, at the end of the period of protection, by means of trademark protection claiming acquired distinctiveness through use.

5) Enforcement / Case law

Although the term “trade dress” has not been used by the European Court of Justice (ECJ) and the Court of First Instance (CFI), except for the Danish translation of the CFI-case T-123/00, paragraph 98 in which the term “trade dress” was used in relation to a medical product for which a Community marketing authorisation was sought, both the ECJ and the CFI have to a certain extent applied the trademark rules within the Regulation and the Directive to several – but not yet all – kinds of visual appearances of products.

In particular the ECJ and the CFI have dealt with the protection of trade dress in relation to protection of shapes of products, packagings of products and colours of products. The most important judgments relating to trade dress protection laid down by the ECJ and the CFI will be dealt with below.

5.1) Protection of shapes of products

5.1.1) Case C-299/99, Philips/Remington

Philips had sold three-headed electric shavers for some time and had registered a trademark being a drawing showing a representation of the three heads in a triangular configuration. Remington also made a three-headed electric shaver and Philips sued for infringement of the trademark.

In the first instance, the trademark registration was considered invalid due to lack of distinctive character and because the sign consisted exclusively of a shape necessary to obtain a technical result. The Court of Appeal also considered that the trademark was invalid but referred a number of questions to the ECJ for a preliminary ruling under Article 234 of the EC Treaty.

The ECJ stated that in order to be capable of distinguishing, a shape mark does not require any capricious addition, such as an embellishment that serves no functional purpose. As concerns the interpretation of the requirement according to which a shape of a product cannot obtain trademark protection if the mark consists exclusively of the shape which is necessary to obtain a technical result the ECJ stated that this requirement must be interpreted to mean that a sign consisting exclusively of the shape of a product is unregistrable if it is established that the essential functional features of that shape are attributable only to the technical result.

Moreover, it was stated by the ECJ that this ground for refusal or invalidity cannot be overcome by establishing that there are other shapes which produce the same technical result. In other words, Article 7(1)(e) does apply even if it can be shown that other shapes can be used to achieve the same technical result. In this case the ECJ rejected the “no alternative approach” which had been applied when assessing the second ground for exclusion in Article 7(1)(e) of the Regulation in most of the EU-countries. Thus, the ECJ seemed more willing to apply Article 7(1)(e) than the courts and authorities of the different member states of the EU.

5.1.2) Joined cases C-53/01 - C-55/01, Linde, Winward and Rado

In the first case (C-53/01) Linde, a German company producing fork-lift trucks, had applied for registration of a vehicle as a three-dimensional trademark for motorised field transport vehicles and other vehicles with a driver cab, in particular, fork-lift trucks. In the second matter (C-54/01), Winward had filed an application for registration of a torch light as a three-dimensional mark. The third case (C-55/01) dealt with the company Rado's trademark application for its already internationally registered trademark consisting of a photographic representation of a watch-bracelet.

All applications were rejected by the German Patent and Trademark Office on the basis of lack of distinctive character. The appeals in all three cases, which were filed with the German Federal Patent Court did not succeed either. The Federal Supreme Court saw a need to refer the legal questions relevant in the three matters to the ECJ for a preliminary ruling as the decision on the appeals depended on the interpretation of provisions in the Directive.

The ECJ emphasised that the standards to be applied in the assessment of distinctiveness are the same for all forms of marks. Thus, according to the ECJ, when appreciating the distinctiveness of a three-dimensional sign constituted by the shape of the product itself, higher demands must not be made than those that are relevant to the other trademark types.

However, the ECJ stressed that in the perception of the buying public, three-dimensional shapes are less likely to convey a message about commercial origin than other more usual forms of marks, like in particular word marks and figurative marks.

5.1.3) Joined cases C-473/01 – C-474/01 P, Procter and Gamble / OHIM

Procter & Gamble applied to OHIM for registration of three-dimensional shapes of dishwasher and washing machine tablets as Community trademarks. The applications were refused on the ground that the shapes were devoid of distinctive character. The CFI upheld the decision. Procter & Gamble appealed the judgment to the ECJ. The ECJ emphasized that while only a minimum degree of distinctiveness is required to warrant registration of a sign as a Community trademark, this applies only where the public perceives the sign as a trademark. The ECJ found it appropriate to take account of the presumed expectations of the average consumer when assessing the question of distinctiveness.

The ECJ stated that the level of attention given by the average consumer to the shape and colours of washing machine or dishwasher tablets is not high. On this ground the ECJ stressed that only arbitrary and fanciful shapes and colours would warrant registration. Since the overall impression of the combined shape and colours of the tablets did not allow the relevant public to distinguish the products from those of other undertakings, the ECJ chose to affirm the CFI's judgment.

5.1.4) Case 136/02 P, Mag Instrument / OHIM

Mag Instrument Inc (Mag) filed five Community trademark applications for the shape of flashlights in respect of flashlights, parts and accessories. The application was rejected by both the Examiner and the OHIM Board of Appeal on grounds of lack of distinctiveness. Mag appealed the decision to the CFI but the appeal was unsuccessful. Finally, Mag appealed to the ECJ.

In the case before the ECJ, Mag argued that the mere fact that a shape was a variant of a common shape of a type of product was sufficient for it to be distinctive within the meaning of Article 7(1)(b) of the Regulation. However, according to the ECJ this was not the correct test for examining the distinctiveness of shape marks.

The ECJ emphasized that although the criteria for assessing the distinctiveness of shape marks are the same as those that apply to other categories of marks, consumers are not used to making assumptions about the origin of a product on the basis of its shape.

The ECJ stated that the more closely the shape applied for resembles the shape most likely to be taken by the product in question, the greater is the likelihood that the shape will be devoid of distinctive character. Thus, only marks which depart significantly from the norm or customs of the sector and which therefore fulfill the essential function of indicating origin will not be devoid of distinctive character.

According to the ECJ, the fact that the shape is enjoying broad international recognition is not material for determining whether that design has origin-indicating function.

5.1.5) Case C-286/04 P, Eurocermex /OHIM

Eurocermex filed a Community trademark registration with the OHIM relating to the shape of a clear bottle, filled with beer, with a long neck in which a “slice of lemon with a green skin” is placed, in respect of beers and various services. OHIM refused registration. The decision was appealed to the CFI (case T-399/02), which upheld the refusal and stressed that the shape applied for comprised only features devoid of any distinctive character and was therefore likely to be commonly used in trade to present the claimed goods. The CFI’s judgment was appealed to the ECJ.

The ECJ confirmed the CFI’s findings and referred to the fact that the only way to serve the bottle with a lime slice was to plug the slice into the neck of the bottle. Therefore the combination was devoid of any distinctive character, not only for the beverages claimed, but also for the claimed restaurant and bar services, whose aim was the commercialisation of the products concerned.

5.1.6) Case C-24/05, August Storck KG/ OHIM

August Storck AG, the manufacturer of Werther’s Original sweets, applied to register as a community trademark a three dimensional mark in the form of a light-brown sweet. The application was rejected on the grounds that it was devoid of distinctive character and had not acquired distinctiveness through use. By its decision the Fourth Board of Appeal of OHIM and the CFI confirmed the examiner’s decision. Storck appealed to the ECJ. The ECJ dismissed the appeal.

The Court stated that the criteria for assessing the distinctive character of three-dimensional marks consisting of the appearance of the product itself are no different from those applicable to other categories of trademark. Nonetheless the relevant public’s perception is not necessarily the same in the case of a three-dimensional mark, which consists of the appearance of the product itself, as it is in the case of a word or figurative mark, which consists of a sign unrelated

to the appearance of the products it denotes. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark. Only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94.

A three-dimensional mark may in certain circumstances acquire distinctive character through use even if it is used in conjunction with a word mark or a figurative mark. Such is the case where the mark consists of the shape of the product or its packaging and where they systematically bear a word mark under which they are marketed. However, it must be stressed that a three-dimensional mark is essentially different from its two-dimensional graphic representation. It follows that where, as in the present case, a picture of the product features on the packaging, consumers do not actually see the mark itself, being the mark consisting of the three-dimensional form of the product. It is possible, however, that the two-dimensional representation of such a mark may in certain circumstances facilitate awareness of the mark by the relevant public where it enables the essential elements of the three-dimensional shape of the product to be perceived.

It follows that in order to assess whether a mark has acquired distinctive character through use all the circumstances in which the relevant public may see that mark must be borne in mind. That means not only when the decision to purchase is made but also before that point, for example as a result of advertising, and when the product is consumed.

Nonetheless, it is when making his choice between different products in the category concerned that the average consumer exhibits the highest level of attention, so that the question whether or not the average consumer sees the mark at the time of purchase is of particular importance for determining whether the mark has acquired distinctive character through use.

5.2) Protection of shapes of packagings

5.2.1) Case T-146/02 to T-153/02, Deutsche SiSi-Werke / OHIM

Sisi-Werke had filed eight applications for Community trademark registration of stand-up convex foil drinks packaging in respect of fruit drinks and fruit juices. OHIM refused the applications on

the ground that the shapes were devoid of distinctive character under Article 7(1)(b) of the Regulation. Sisi-Werke appealed the decision to the CFI.

The CFI stated that the marks that fall foul of Article 7(1) are the marks which from the point of view of the relevant public are commonly used in trade, for the presentation of the goods or services concerned or with regard to which there exists, at the very least, concrete evidence justifying the conclusion that they are capable of being used in that manner. The CFI held that fruit drinks and fruit juices were necessarily packaged for sale and that the public would be likely to perceive the sign not as a mark but first and foremost as a packaging. The CFI stressed that a packaging could only possess distinctive character if „it may be perceived immediately as an indication of the commercial origin of the goods or services in questions.“

The CFI's judgment has now been appealed to the ECJ.

The ECJ in its judgments of January 12, 2006 dismissed the appeal in Case C-173/04 P *Deutsche SiSi v OHIM* regarding the registrability of Deutsche SiSi's drinks packaging. The ECJ concluded that CFI had conducted the distinctiveness analysis correctly, examining whether that shape of container was commonly used at present.

The ECJ confirmed that in case of three-dimensional trademarks consisting of the packaging of goods, such as liquids, which are packaged in trade for reasons linked to the very nature of the product, the average consumers of the goods in question, who are reasonably well informed and reasonably observant and circumspect, distinguish the product concerned from those of other undertakings without conducting an analytical or comparative examination and without paying particular attention.

Article 7(1)(b) of Regulation No 40/94 is intended to preclude registration of trademarks which are devoid of distinctive character which alone renders them capable of fulfilling the essential function of a trademark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

It is apparent from the judgment under appeal that, irrespective of whether stand-up pouches are capable of being used for fruit drinks and fruit juices, the CFI found that the trademarks applied for were devoid of any distinctive character on the ground that that form of packaging is already in general use in the Community for liquids for human consumption and that, therefore, it is not sufficiently unusual for the average consumer to perceive it, per se, as an indication of the specific commercial origin of a product within that category.

The Court of First Instance thus reached that conclusion on the basis not of the possibility that stand-up pouches may be commonly used in future in the sector of liquids for human consumption – which it used as the framework for its analysis – but of the finding that they are already commonly used. In so doing, the Court of First Instance based its conclusion on a proper criterion.

5.2.2) Case C-25/05, August Storck KG/ OHIM

Storck applied to register as a community trademark a figurative mark consisting of a two-dimensional representation of a sweet in a gold-coloured wrapper with twisted ends. As with C-24/05, the application was rejected on the grounds that it was devoid of distinctive character and had not acquired distinctiveness through use. By its decision the Second Board of Appeal of OHIM and the CFI confirmed the examiner's decision. Storck appealed to the ECJ. The ECJ dismissed the appeal.

The reasoning was partly the same as in the case C-24/05, according to which the criteria for assessing the distinctive character of three-dimensional marks consisting of the appearance of the product itself are no different from those applicable to other categories of trademark. Nonetheless, for the purpose of applying those criteria, the relevant public's perception is not necessarily the same in the case of a three-dimensional mark, which consists of the appearance of the product itself, as it is in the case of a word or figurative mark, which consists of a sign unrelated to the appearance of the products it denotes. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark. Only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94. That case-law, which was developed in relation to three-dimensional trademarks consisting of the appearance of the product itself, also applies where, as in the present case, the trademark applied for is a figurative mark consisting of the two-dimensional representation of that product. In such a case, the mark likewise does not consist of a sign unrelated to the appearance of the products it covers.

The market share held by the mark is therefore an indication which may be relevant for the purposes of assessing whether that mark has acquired distinctive character through use. Such is the case, in particular, where, as in the present case, a mark consisting of the appearance of the product in respect of which registration is sought appears to be devoid of any distinctive character because it does not depart significantly from the norm or customs of the sector. It is

probable, in such a case, that such a mark is likely to acquire distinctive character only if, following the use which is made of it, the products which bear it have more than a negligible share of the market in the products at issue. For the same reasons, the share of the amount of publicity for the market in the products in dispute represented by advertising investment in promoting a mark may also be relevant for assessing whether the mark has acquired distinctive character through use. It follows that a mark can be registered under Article 7(3) of Regulation No 40/94 only if evidence is provided that it has acquired, through the use which has been made of it, distinctive character in the part of the Community in which it did not, *ab initio*, have such character for the purposes of Article 7(1)(b). The part of the Community referred to in Article 7(2) may be comprised of a single Member State.

5.3) Protection of colours of products

5.3.1) Case C-104/01, Libertel

Libertel applied to the Benelux Trademark Office for registration of a colour trademark for telecommunication-related goods and services. In the space on the application form for describing the trademark, Libertel had placed an orange rectangle and the word "orange", but had not referred to any colour code. The Office refused the application, saying that without proof of acquired distinctive character, the colour was devoid of distinctive character. Libertel appealed this decision to the Hoge Raad der Nederlands, which referred various questions about the distinctiveness of colours to the ECJ.

The ECJ stressed that although a colour is normally a simple property of things it may, depending on the context in which it is used, constitute a sign. The ECJ held that a colour sample for instance on a piece of paper is not durable and does therefore not satisfy Article 2 of Directive 89/104. However, as stated by the ECJ, if a colour sample together with a verbal description is unsatisfactory, this may, depending on the facts, be remedied by adding a reference to an internationally recognized colour code.

The ECJ emphasized that when assessing the distinctiveness of a colour, regard should be had to the need for other traders to make use of the colour in question in the interests of free competition. As stated by the ECJ, this general principle is particularly important for colours since there are only a limited number of colours available.

The ECJ stressed that the public is used to seeing word and figurative marks as denoting origin, but not accustomed to seeing colours as indicating origin because they are not used to identify origin in current commercial practice. Therefore, colours per se are not distinctive except in ex-

ceptional circumstances e.g. where colour is only claimed for a very restricted number of goods in a very specific market. However, the ECJ acknowledged that colours can acquire distinctiveness after the normal process of familiarisation with the relevant public has taken place.

5.3.2) Case C- 49/02, Heidelberger

Heidelberger had applied to the German Patent and Trademark Office for registration of a colour trademark in respect of building trade products such as solvents and paints. The representation of the trademark consisted of a piece of paper, the upper part of which was blue and the lower part of which was yellow. The description read “The trademark applied for consists of the applicant’s corporate colours which are used in every conceivable form, in particular on packaging and labels. The specification of the colours is: RAL 5015/HKS 47 – blue, RAL 1016/HKS 3 – yellow”.

The application was rejected on grounds of incapability to distinguish the goods of one trader from those of another. Heidelberger appealed to the Bundespatentgericht, which referred several preliminary questions to the ECJ.

The ECJ referred to its reasoning in the Libertel-case. The ECJ emphasized that there was a public interest in not unduly restricting the availability of colours for general use because colours were often used for decorative purposes or to attract the attention of consumers without conveying any meaning.

Furthermore, the ECJ stated that the graphic representation must always be so clear and precise that it would be perceived unambiguously and uniformly. The ECJ held that a colour combination which has not been spatially delimited is not a registrable trademark because it is not sufficiently precise that competitors can see from the register exactly what is protected. In the view of the Court, this type of mark would encompass too many possible combinations and interpretations, and it was impossible to say that a consumer would be able to remember each one so as to repeat with certainty the experience of a purchase. This could be accomplished only if the arrangement of colours in a colour combination mark was systematic, predetermined and uniform.

5.3.3) Case C-447/02 P, KWS Saat / OHIM

KWS Saat (KWS) had sought to register the colour orange as a Community trademark against a variety of goods and services relating to agricultural, horticultural and forestry. Both OHIM and the Board of Appeal refused the application on the basis that it was devoid of distinctive character. The case was appealed to the CFI, which allowed the mark to proceed in relation to consul-

tancy services but maintained the objection in relation to any seed-related installations or products. KWS appealed to the ECJ on the grounds that the CFI had incorrectly applied more stringent criteria in assessing its mark which was inconsistent with the manner in which other marks were to be assessed.

The ECJ upheld the CFI's findings in relation to the treatment of seeds and installations stating that orange was frequently used by breeders to indicate that the seeds had been treated. Therefore, the colour was not sufficiently distinctive.

Furthermore, the ECJ stressed that the relevant public may identify word or figurative marks as badge of origin relating to certain goods and services but will find it more difficult to recognize signs which rely on part of a product's appearance. The ECJ stated that since the colour orange was frequently used for agricultural machinery it did not allow the customers to distinguish the company's goods from those of others. Thus, the ECJ agreed with the conclusions of the CFI.

5.4) Other features of visual appearance

5.4.1) Case C-321/03, Dyson Limited

In 2007 the ECJ considered the registrability of concept marks in a reference for a preliminary ruling from the High Court of Justice of England & Wales in Case C-321/03 Dyson Limited. Dyson had applied to register a trade mark in the United Kingdom consisting of the description "the mark consists of a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner as shown in the representation". The description was accompanied by images of two versions of such bagless vacuum cleaners. The applicant did not seek registration of a shape trade mark but rather registration of the concept of such a bin irrespective of its actual shape. The application was initially refused and an Appeal was filed in the High Court. The High Court referred questions to the ECJ regarding the registrability of marks in circumstances where their acquired distinctiveness derived from a *de facto* monopoly in use.

The ECJ however addressed the unasked question as to whether the mark filed by Dyson was inherently registrable. The Court ruled that a trade mark registration which relates to all conceivable shapes for transparent bin or collection chamber forming part of the external surface of a vacuum cleaner, is not a "sign" in the meaning of Article 2 of First Council Directive 89/104/EEC of 21 December 1988 and therefore is not capable of constituting a trade mark within the meaning thereof. This ruling is important in determining the status of concept marks in European case law.

5.4.2) No other case law

The ECJ has not yet considered whether it should be possible to obtain trade mark protection in relation to other features of visual appearance than the above treated features. Therefore, it is still unknown whether trade mark protection could be granted to for instance the visual appearance of a shop front or of the decor of a restaurant.

If trade mark law is not applicable in such matters, another legal basis for challenging trade dress is that of unfair competition. This concept has principally developed in civil law countries with a law of unfair competition. When applying un-fair competition law to infringement of trade dress, the test is whether the manufacturer of the second product took the expressed idea from the manufacturer of the first product in order to un-fairly exploit the goodwill of the first product. Thus, when applying un-fair competition rules, the honesty and integrity surrounding the features of visual appearance of a product is questioned.

AUSTRIA

1) Legal definition of Trade Dress/Look-Alikes

There is no legal definition of look-a-likes in Austrian law.

There is no legal definition of trade dress or look-alikes in Austria. However, *Sec 9 (3) of the Austrian Act against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb – UWG)* in the context of (trademark) protection for unregistered signs (if acquired distinctiveness can be shown) points to the get-up of products, their packaging or wrapping.

2) Rationale

The rationale behind protection of trade dress depends on the legal basis, under which protection is sought. It does not seem adequate to define an overall rationale. Protection of trade dress rather depends on whether it corresponds to the rationale of the legal basis under which protection is sought. Courts then usually discuss the rationale in the specific context.

3) Mechanism of Protection

3.1) Trademark Protection

A distinctive, non-functional design of a product can receive trademark protection under the *Austrian Trademarks Act (Markenschutzgesetz – MSchG)* if registered as a trademark.

In addition, such design – even if not registered – can receive protection as a trademark based on use, if it can be established that such design has become a source identifier within the relevant public (acquired distinctiveness/Verkehrsgeltung). Such protection – along with the protection of other forms of unregistered signs – is provided for in *Sec 9 (3) UWG*.

The principles of protection have to follow the guidelines established by the ECJ and the CFI.

3.2) Protection under Unfair Competition Law

Apart from trademark protection, the copying of the design of a product has been held by the courts as an act of unfair competition under the general clause prohibiting bad faith behaviour (*Sec 1 UWG*). Not only the identical copying of a design is actionable, but also the intentional appropriation of a similar design, which is distinctive, has gained a certain (minimum) degree of recognition on the market, if different design alternatives had been available and the use of the design leads to a likelihood of confusion (doctrine of “avoidable creation of likelihood of confusion”/ ”vermeidbare Herkunftstäuschung”). A line of court decisions has found for infringement, applying such doctrine.

In certain cases the use of an identical or similar design could also be actionable as unfair exploitation of the (famous) design of a competitor (passing off).

3.3) Copyright and Design Protection

In addition, designs receive protection as copyrightable works when meeting the threshold for copyright protection (original creation, non-functionality).

Naturally, also design protection laws offer protection of registered and unregistered designs (Unregistered Community Design) if the respective conditions are met (novelty, individual character, non-functionality).

4) Accumulation of Rights

There is no formal rule prohibiting protection under one regime if protection could be claimed under another. As regards protection under unfair competition law, such will generally be available even if registered rights or other specific regimes for protection are also available. However, some or all of the bases for protection under unfair competition law might fall away, if a specific right (design, trademark, copyright) fell away.

5) Enforcement / Case Law

Under trademark law (including the protection of unregistered trademarks as provided for in *Sec 9 (3) UWG*), the issue regularly is whether the design is distinctive (and not just perceived as an embellishment) and not functional. For certain elements of trade dress (eg. colours) an additional issue will arise

as to use of such elements in a trademark sense (as a badge of origin) or just as an embellishment by the infringer.

Injunctive and monetary relief is available, whereby for injunctive relief no fault on the side of the infringer has to be shown. Preliminary injunctions provide fast protection. Infringement of registered trademarks, of design rights and copyright infringements are also punished as criminal offences.

Example cases under Unfair Competition Law:

- OGH 10.03.1987, 4 Ob 315/87 – Komfortverschluss

The specific form (and colour) of a bottle cap was at issue in this case. The Austrian Supreme Court held that the bottle cap in question only forms a weak trademark with only a small scope of protection, because of its mainly technical-functional shape.

- OGH 20.01.2004, 4 Ob 222/03f – Vöslauer

The question at issue was whether a bottle design infringed the shape of a bottle which was registered as a trademark. The Austrian Supreme Court held for an infringement. Certain elements which it identified as distinctive (the long, slim shape of the bottle and the wavelike indents on it) had been taken over by the other design. An interesting point was that the Austrian Supreme Court did not consider the (prominent) label of the bottle as excluding likelihood of confusion.

- OGH 30.11.2004, 4 Ob 239/04g – Goldhase

The specific design of chocolate Easter bunnies in a golden wrapping was at issue here. The Austrian Supreme Court held that the overall impression of the prior three-dimensional trademark was dominated by the sitting position of the Easter bunny, the golden colour of the wrapping and the red bow. As all these elements were also incorporated into the later Easter bunny, the likelihood of confusion between the two trademarks has been affirmed.

Example cases under Unfair Competition Law:

- OGH 13.05.1997, 4 Ob 117/97b – Schokobananen

The case concerned the design for the packaging of chocolate bananas. The Austrian Supreme Court found for infringement.

- OGH 03.10.2000, 4 Ob 210/00m – Norwegerpullover

In this case the issue was the design of pullovers. The Austrian Supreme Court held for infringement.

- OGH 21.12.2004, 4 Ob 201/04v – Alles in Dosen

The question at issue was the imitation of coloured and painted storage tins. The Austrian Supreme Court found for infringement as the imitations had a competitive character and would have been seen as part of the series of the original product.

- OGH 20.06.2006, 4 Ob 67/05s – Perlinger

In this decision the Austrian Supreme Court confirmed the opinion of the lower instances that two labels of food packaging were confusingly similar.

BULGARIA

1) Legal definition of Trade Dress/Look-Alikes

Bulgarian law does not comprise a legal definition of trade dress.

The *Act on Marks and Geographic Names* only provides that "the shape of the good or its packaging", as well as "combination of colours" are possible forms of registrable trademarks. Similarly, the *Act on Industrial Design* defines design as "the visible appearance of a product or part of a product determined by the characteristics of the shape, lines, ornaments, colour combination or combination of those".

The *Bulgarian Act on Protection of Competition* prohibiting imitation as a form of unfair competition also refers to the appearance of a good as well as its packaging even if it is not registered as mark or industrial design.

2) Rationale

Generally, rationale is related to protection of the trade dress owner and his good will. In addition, protection of consumers and their freedom of choice, ensuring their right not to be deceived or misled when purchasing goods or services, is also brought into focus.

3) Mechanism of Protection

3.1) Trademark Law

Trade dress may receive protection under the *Act on Marks and Geographic Names*. To be registered as trademark it must be distinctive or must have acquired distinctiveness as a result of use. The Act on Marks and Geographic Names also comprises a legal definition of "imitation of a mark" being "a sign not differing significantly from a registered mark". Thus, in the practice of the courts and of the Bulgarian Patent Office similar marks are those that do not differ significantly from each other. The similarity between the marks is proved by applying the "likelihood of confusion" test.

3.2) Design Protection

Trade dress may also be registered as industrial design if it meets the requirements of novelty and originality of the Act on Industrial Design.

3.3) Protection under the Unfair Competition Law

The *Act on Protection of Competition* expressly prohibits imitation as an act of unfair competition. It prohibits the offering or advertisement of goods or services with appearance, packing, marking, name or other signs which mislead or could mislead regarding their origin, the producer, the seller, the way and the place of production, the source and the place of acquisition or using, the consumer qualities and other substantial characteristics of the good or service. There is no need for the appearance, the packing or marking to be protected under industrial property law. In addition, the Act prohibits the use of marks or identification signs (i.e. trade dress protected under industrial property law), identical or similar to those of other persons, in a way which could lead to harming the interests of the competitors and/or of the consumers.

4) Accumulation of Rights

The *Act on Protection of Competition* expressly provides that it does not apply to relations governed by the legislation in respect of protection of industrial property, copyright and the neighbouring rights, inasmuch as they are not used to restrict or breach competition. It can be inferred from this provision that accumulation of rights is possible in Bulgaria. There is no hierarchy in claiming a particular right. Thus, protection may be parallel provided that the legal requirements are met. However, if the claim is grounded on the *Act on Protection of Competition*, it must be filed in front of a special administrative organ (the Commission on Protection of Competition) and not in court where claims based on trademark or design protection are filed.

5) Enforcement / Case Law

Under the *Act on Marks and Geographic Names* the similarity between the marks is determined by assessing the likelihood of confusion, error or of misleading of the consumers while taking into account all elements of the marks. The approach under the *Act on Industrial Design* involves an assessment of the similarity of the design elements as well as of the overall impression produced on consumers.

Under the *Act on Protection of Competition* there is a need to prove that the plaintiff and the defendant act on the same market and are competitors as well as that the act constituting unfair competition is undertaken when conducting business activity. Whether registered or unregistered trade dress is concerned, the extent of similarity (phonetic, visual, semantic) is assessed and if the similarity may create confusion regarding the identity of the product. In addition, actual harm or likelihood to harm the interests of the competitors and/or of the consumers must be proved.

Injunctive and monetary relief is available. Infringement of registered trademarks and designs are also punished as criminal offences.

CYPRUS

1) Legal definition of Trade Dress/Look-Alikes

There is no legal definition of Trade Dress or Look-alikes as such in Cyprus legislation. The protection of the external appearance of a particular product or a get-up is governed by *The Trademarks Law (Cap. 268) as amended by Law No. 63/62, Law No. 69/71 (Certification Trademarks) and Law No. 206/90 (Service Marks)*

2) Rationale

The rationale will be in function of the Act upon which protection is claimed, either *The Trademarks Law (Cap. 268) as amended by Law No. 63/62, Law No. 69/71 (Certification Trademarks) and Law No. 206/90 (Service Marks)*, *Designs (Law-4(I)/2002, as amended by Law 70(I)/2003 on Protection of Industrial Designs and Models)* or *Unfair competition/Passing Off (Trade Descriptions Law 1987)*

3) Mechanism of Protection

Trade dress and look-alikes are protected as both registered and non registered trademarks under the Trademarks Law.

4) Accumulation of Rights

Trade Dress can be enforced by any of the above-mentioned legal provisions or by all of them at the same time provided that the defendant tries to obtain an illegitimate commercial advantage by using the plaintiff's trade dress rights.

Criminal actions (torts) are also actionable, but in this later case the matter will be referred to the Criminal Jurisdiction.

5) Enforcement / Case Law

Legal remedies are the same as for TM's: cease and desist actions, seizure, compensation of damages.

Enforceability is dealt by Civil or Criminal Courts depending on the cause of action.

CZECH REPUBLIC

1) Legal definition of Trade Dress/Look-Alikes

Also in the Czech law, there is no definition of look-alikes or trade dress. Protection against look-alikes is provided on the basis of trademark law and unfair competition law.

2) Rationale

As a rule the concept of trade dress does not exist in the Czech Republic. However, the visual appearance of a product or its packaging may be protected by the *Czech Trademark Act* or unfair competition law.

The rationale behind trade dress protection is the protection of the rightful owner of the trade dress and his exclusive right to use the trade dress commercially. On the other hand it is the protection of consumers against being misled as to the origin of the goods or services related to a given trade dress.

3) Mechanism of Protection

Trade dress may be protected as a trademark, copyright or a design, provided that it specifically fulfills requirements.

4) Accumulation of Rights

The accumulation of Intellectual Property rights is possible. Trade dress may be registered as an industrial design but also as a trademark or copyright. The protection may be parallel and there is no hierarchy of intellectual property rights in the Czech Republic.

It is also possible to claim protection against imitation on the basis of both the *Czech Trademark Act* and unfair competition law.

5) Enforcement / Case Law

Rights in trade dress can be enforced on the basis of trademark law or provisions of the unfair competition law. There is no case law regarding trade dress in the Czech Republic.

DENMARK

1) Legal definition of the concept of trade dress

Danish law does not comprise a legal definition of Trade Dress. However, trade dress is recognized to be understood as the overall get-up of a product and/or its packaging. Trade dress is regarded to consist of a combination of elements such as the used mark, colour, shape of the product and/or packaging etc.

2) Rationale

The rationale behind protection of trade dress depends on the legal basis, cf. item 3) below, under which protection is sought. The focus in relation to protection under the Marketing Practices Act will be on protecting the time and money that the trade dress owner has invested in making the trade dress, including in the marketing, advertisements etc. related to the promotion of the trade dress. Also, as is the case in relation to protection for trade dress under the Trade Marks Act, the focus will be on preventing consumers from being deceived and misled.

3) Mechanism of protection

Trade dress will according to Danish law basically be protected as well under the Danish Marketing Practices Act (kind of an unfair competition act) as under the Trademarks Act. Usually the court will decide a case concerning trade dress taking both sets of rules into account. Protection under the Trademarks Act requires that the trade dress is considered to pose the necessary distinctiveness whereas protection under the Marketing Practices Act requires that the trade dress poses kind of an originality/distinctiveness and position in the market place.

Also, trade dress or elements thereof may be protected under the Copyright Act or the Designs Act provided of course the trade dress meeting the requirements for protection under those acts i.e. being capable of being considered a work of (industrial) art or being novel and original.

According to the Trademarks Act and the other intellectual property laws, i.e. the Copyright Act and the Designs Act, the comparison will take place on an objective level, whereas the Marketing Practices Act, being kind of an unfair competition act, often will concentrate more on the subjective elements of a case.

4) Accumulation of Rights

There is no rule prohibiting protection under one regime if protection could be claimed under another, nor is there any rule prohibiting claiming protection at the same under the different available regimes, cf. item 3) above.

5) Enforcement/Case Law

All above mentioned rights can be enforced by way of civil action and relief by way of a preliminary injunction is available also.

Case law shows that a preliminary injunction is a very efficient measure in cases relating to trade dress infringement. In a preliminary injunction case the plaintiff only has to *render it likely* to the court that he has a right and *render it likely* that this right is infringed, full evidence is not required in preliminary injunction proceedings. A preliminary injunction, if issued, has to be confirmed by the higher instance in a so-called confirmatory action.

There is a vast amount of case law rendering protection to a variety of trade dress examples:

- a special packaging to kitchenware consisting of a bag of natural-colored cloth affixed the trade mark
- a bottle for salad dressing
- the shape of a snack/chips (Bugles)
- furniture (lamps, chairs, book shelves, tables)
- clothing
- a soap container
- a toaster

FRANCE

1) Legal definition of Trade Dress/Look-Alikes

The *French Intellectual Property Code (CPI)* does not provide a legal definition of “trade dress”. The *CPI (Law No. 92-597 of July 1, 1992 (as last amended by Law No. 96-1106 of December 18, 1996))*, provides in

Art L.711-1(b) that “audible signs such as: sounds, musical phrases”

and in

Art L.711-1(c) that “figurative signs such as: devices, labels, seals, selvages, reliefs, holograms, logos, synthesized images; shapes, particularly those of a product or its packaging, or those that identify a service; arrangements, combinations or shades of color”

may be protected as a trademark or service mark.

French law does not provide any specific protection against look-a-likes. The same laws and mechanisms described above relating trade dress protection apply to the protection against look-a-likes.

2) Rationale

French law does not provide trade dress protection, per se. From the information available, there is no general rationale behind trade dress protection other than what may be derived from the law. The law protects aspects of what constitutes a trade dress, such as colors and shapes, for example, which are protected under French trademark law. In addition, other aspects of what constitutes a trade dress may be protected under design or patent laws.

French law has also recognized that the imitation of a competitor's business “get up” or appearance in the market place (or any other action to that matter) can be damaging to that competitor's business or the purchasing public. Such acts have been prohibited under unfair competition laws.

In that sense, it seems apparent that the rationale of trade dress protection is not only the protection of the purchasing public against source confusion, but also to protect market participants against competitors, inventors, authors or designers against the theft of their inventions, creations or any other intellectual property.

3) Mechanism of Protection

A trade dress may be protected under different laws or aspects thereof, such as

Trademark law (Art L.711-1 et seq.),

Design law (Art L.511-1 et seq.),

Copyright law (Art L111-1 et seq.), and

Unfair Competition, embedded in Articles 1382 - 1384 of the French Code Civil.

If the trade dress is sufficiently distinct, it may be registrable as trademark or protectable under French Unfair Competition laws. If it is an original work of authorship, it may be protected under French copyright law, etc.

In France, trade dress protection, per se, may therefore not be available under the law. Due to the broad definition of a trademark, and the availability of other intellectual property rights, it is possible to seek protection for the individual features that may constitute a “trade dress” under French trademark law (*Art L.711-1 et seq.*), design laws (*Art L.511-1 et seq.*), copyright law (*Art L111-1 et seq.*), as well as the rules of unfair competition (conurrence déloyale) that were developed by the courts based upon the general principles of “personal (civil) responsibility” embedded in Articles 1382 - 1384 of the *French Code Civil*.

The French courts have developed four categories of unfair competition:

- (a) Acts that disrepute a competitor
- (b) Acts of imitating a competitor for personal gain by causing confusion in the market place
- (c) Acts of so called “parasite commercial practices”, which differ from imitating a competitor in that the culprit does not intend to cause consumer confusion but merely attempts to trade upon the reputation of the competitor.
- (d) Unlawful interference with an established enterprise

With respect to the protection of a work under copyright law, it should be noted that since protection attaches once a work has been created without the need for registration, it is advisable to file documents with specific entities (e.g. a notary public) in order to be able to prove the date of creation.

4) Accumulation of Rights

There appears to be no claim preclusion under French law. In particular, *Art. L 716-3 of the French Intellectual Property Code* states:

“Civil proceeding relating to marks shall be heard by the First Instance Courts as also any proceedings involving both a matter of marks and related matter of industrial designs or unfair competition.”

5) Enforcement / Case Law

Based upon the above, an alleged violation of a trade dress, as such, may not be enforced, but the cumulative enforcement of the aforementioned provisions of the *French Intellectual Property Code* and the provisions for unfair competition may provide protection that is sufficiently broad to come close to trade dress protection.

A plaintiff may bring a civil action for infringement under *Art L. 716 CPI* that shall be instituted at the First Instance Courts relating to trademark infringement and/or related matters of industrial designs. A plaintiff may also bring a civil action based upon *Art. 1382 Code Civil for Unfair Competition (Art L.716-3 CPI)*. These actions may be brought in one law suit whereby the plaintiff has to provide prima facie evidence of each alleged legal basis for his law suit.

In case of alleged trademark infringement, for example, a plaintiff has to show that he owns a registered mark (unless the mark is well-known under *Art 6bis Paris Convention*) and that his right has been infringed. The same applies if a plaintiff claims infringement of a copyright or design.

In case of a claim of unfair competition under *Art 1382 et seq. Code Civil*, a plaintiff has to show that the defendant is at fault or acted intentionally, that he is damaged and that defendant's actions have been the cause for plaintiff's damages.

A plaintiff may request injunctive relief as well as damages.

GERMANY

1) Legal definition of Trade Dress/Look-Alikes

There is no legal definition of Trade Dress or Look-Alikes in Germany.

2) Rationale

As far as published decisions give indications as to why a trade dress is protected against imitation, especially under the *Act Against Unfair Competition*, the focus is on protecting time and money, that the trade dress owner has invested to obtain a new result, to create an innovation or an extraordinary product. Although most of these wordings relate to new products, which can enjoy protection against imitations, this case law applies as well to products with a particular design.

A second aspect mentioned repeatedly is to prevent consumers from being deceived as to the source of origin, a rationale that applies to both trademark protection for trade dresses and protection under the *Act Against Unfair Competition*.

3) Mechanism of Protection

A trade dress can enjoy protection as a registered industrial design provided it meets the requirements of novelty and originality of the *Act On Industrial Designs*.

A trade dress may also enjoy protection as a three-dimensional trademark provided it is distinctive or the applicant can prove acquired distinctiveness through intensive use. To be distinctive the shape of a product must differ significantly from other product shapes or get-ups in that field.

If neither trademark protection nor protection as a registered design is available, the plaintiff may rely on protection under the *Act Against Unfair Competition*. It prohibits the offering of products or services, that consist of copies of products or services of competitors, provided that the consumers are deceived as to the origin of the goods or services and such a deception could have been avoided, or it would take unfair advantage of, or would be detrimental to, the repute of the copied goods or services.

4) Accumulation of Rights

It is possible, to have a trade dress registered as a three-dimensional trademark and as a design at the same time, provided that the legal requirements are met. An infringement action can be based on both, trademark protection and design protection, if available.

Claims based on the *Act Against Unfair Competition* will only become relevant if there is neither trademark protection nor design protection available. If the design in question had once been protected as a registered design, but design protection has now expired, the courts will be reluctant to grant further protection under unfair competition aspects.

5) Enforcement / Case Law

All above mentioned claims can be enforced by way of civil action. Preliminary injunction proceedings are available, too.

Example Casesⁱ

- Parfums Miracle/Pink Wonder, Preliminary Injunction of District Court of Berlin, Sept. 30, 2004 (Yes, Unfair Competition Law)
- Parfums Phobia/Mania, Preliminary Injunction of District Court of Berlin, Sept. 30, 2004 (Yes, Unfair Competition Law)
- Parfums NOA/Sweet Pearls, Preliminary Injunction of District Court of Berlin, Sept. 30, 2004 (Yes, Unfair Competition Law)
- Set of Barbie dolls; Judgement of Fed. Sup.Court of Oct 28, 2004 (No protection for idea of composing dolls and various fittings therefore under Unfair Competition Law, protection might be awarded to a specific design or, under certain circumstances, to a specific combination of features)

- Inflatable beds, Judgement of District Court of Hamburg Nov 26, 2003 (Yes, infringement of un-registered Community Design)
- Parfums Drakkar Noir/ Pure Black, Preliminary Injunction not granted by District court of Berlin (No protection under Unfair Competition Law) (YES: court decided in favour of protecting the trade dress involved in the case)

GREECE

1) Legal definition of Trade Dress/Look-Alikes

In Greece, neither the *Trademarks Act* nor the *Unfair Competition Act* provides a definition of Trade Dress.

2) Rationale

Not available.

3) Mechanism of Protection

In Greece, Trade Dress might be protected by trademark and unfair competition legislation; in particular, *Articles 18 and 26 of the Trademarks Act 2239/1994* and *Articles 13 and 1 of the Unfair Competition Act No. 146/1914*. In particular, *Article 13 of the Unfair Competition Act* protects, among others, unregistered distinctive elements of products, such as the trade dress, which have become known in the relevant circle of consumers and territorial boundaries (inside Greece) as distinctive signs of the goods and/or entity that markets them. As a general rule, consistently applied by the Greek courts, the risk of consumer confusion is always required. It is only under *Article 1 of the Unfair Competition Act* that the risk of confusion may, under exceptional circumstances, NOT be a requirement of protection. *Article 1* is a general clause that prohibits unfair practices contrary to good faith, engaged in with the intent to compete with a rival. The exploitation of someone else's reputation, which may be the result of the unauthorized use of a trade dress, incorporating distinctive elements of a famous product, is an act of unfair competition falling within the scope of *Article 1*. The degree of market recognition/reputation and originality of the earlier distinctive element (which is copied) determines to a great extent whether or not article 1 of the Unfair Competition Act is applicable in a particular case.

4) Accumulation of Rights

Not available.

5) Enforcement / Case Law

Unfair Competition plays a significant role in relation to 'classical' IP elements, since it protects all un-registered distinctive signs of a product's appearance, as well as the reputation and advertising value of an IP asset against unfair exploitation.

There are several court decisions granting protection against 'look-a-like' products on the ground of confusing similarity to an earlier trademark or unregistered distinctive sign.

The basic civil remedies comprise

(i) an injunction prohibiting the defendant from carrying out the infringing activity, (ii) the seizure of the infringing goods/materials,

(iii) the publication of the court's opinion and

(iv) a threat of a penalty in case of violation of the terms of the injunction.

Compensation may be sought by means of an action for damages, under *Articles 914 and 919 of the Greek Civil Code*. It should be emphasized, however, that Greek courts are usually reluctant to award significant amounts of damages in IP infringement cases. Under such strict approach, the problem of quantification of damages is often insurmountable.

There is no Greek Marketing Practices Act. The equivalent to a Marketing Practices Act is the *Unfair Competition Act No. 146/1914*.

HUNGARY

1) Legal definition of Trade Dress/Look-Alikes

In Hungary, there is no legal definition for trade dress. The packaging, a new product design, or other visual elements of a product may be protected as a design or as a trademark (three-dimensional).

According to *Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices*

Section 6: „Without the express prior consent of the competitor, goods or services (hereinafter jointly referred to as: goods) may not be produced, placed on the market or advertised with such typical outside appearance, packaging or marking (including the indication of origin); or any such name, marking or indication of goods may not be used by which the competitor or its goods are normally recognized”.

2) Rationale

Hungarian law does not provide specific trade dress protection. In Hungary trade dress may be protected by the *Act XI of 1997 on the Protection of Trademarks and Geographical Indications*, the *Act LVII of 1996 on the Prohibition of Unfair Trading Practices and Unfair Competition*, *Act XLVIII of 2001 on Designs* or the *Act LXXVI of 1999 on Copyright*. There is no general rationale behind the trade dress protection, as it depends on the legal basis used for protecting the trade dress.

3) Mechanism of Protection

A trade dress may be protected under the following laws:

Trademark law

Design law

Copyright law

Unfair Competition law

According to *Act XI of 1997 on the Protection of Trademarks and Geographical Product Markings* a sign could be registered as a trademark (trade dress) if according to *Section 1* it can be graphically represented and is suitable for distinguishing goods and services from other goods and services.

1. A trademark may consist of any of the following signs:

2. [...]

3. *c) designs, graphics;*

4. *d) flat or three-dimensional figures, including the shape of the goods or packaging.*

Furthermore, a trade dress might be protected as a design according to *Act XLVIII of 2001 on Designs* if it is new (novelty) and has individual character.

4) Accumulation of Rights

The accumulation of Intellectual Property rights is possible and there is no hierarchy in claiming a particular right. In Hungary it is possible to have a trade dress registered as a three-dimensional trademark and as a design simultaneously and also to claim copyright protection. An infringement action can be based on both, trademark protection and unfair competition.

5) Enforcement / Case Law

According to Hungarian laws trade dress rights could be enforced through a trademark or design infringement action.

It is also possible for claimants to assert claims simultaneously on two separate legal grounds, trademark infringement and unfair market practices (passing-off). This often happens in practice as well. Pursuant to trademark law, only the trademark has to be compared with the allegedly infringing mark when assessing infringement. If the trademark holder has used other elements besides the trademark which are not covered by its trademark right, the application of unfair competition law may provide the remedy.

Competition law complements industrial property rights in those cases where industrial property rights (e.g., trademark, design) do not adequately ensure fair market practices among competitors.

A claimant has to take into account the fact that different circumstances must be proven depending on the selected grounds of action. From a competition law perspective, pursuant to court practice, the following have relevance when assessing whether passing-off has occurred:

- (i) whether the imitated product has a characteristic appearance;
- (ii) whether said characteristic appearance is known by the consumers; and
- (iii) whether the appearance of the competing product is identical with, or similar to, the imitated product to such an extent that consumers would associate the competing product with the original and, for instance, whether there exists a risk of confusion.

On the other hand, in a trademark or design infringement lawsuit, it is sufficient to rely on the respective trademark/design.

IRELAND

1) Legal definition of Trade Dress

There is no specific legal concept of Trade Dress in Ireland.

2) Rationale for Protection of Trade Dress

As there is no specific legal concept of Trade Dress in Ireland, there is no specific legislation. It is possible, however, to rely on other forms of Intellectual Property protection such as Registered and Un-registered Design Rights, Copyright and Trademark Laws. It is also possible to seek protection through the common law remedy of Passing Off.

The rationale behind the protection of Trade Dress and all Intellectual Property rights is to protect innovation and creative endeavour. The remedy of Passing Off seeks to protect the goodwill and reputation of a business from unfair trading that is likely to mislead the public or likely to deceive or confuse them into believing that the merchandise or business concerned belongs to a different person.

3) Mechanisms for Protection of Trade Dress.

Trade Dress can be protected by a number of Intellectual Property rights as summarised below:-

- 3.1) Registered Designs are governed by the *Industrial Designs Act 2001* (the "IDA 2001") and its Regulations.

The *IDA 2001* provides that a design is registrable if it is new and has individual character. Under *Section 2 of the IDA 2001*, a design is defined as '*the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colour, shape, texture or materials of the product itself or its ornamentation*'. *Section 2 of the IDA 2001* also defines product as '*any industrial or handcraft item, including parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographical typefaces, but not including computer programs*'.

A design registration is not restricted to 3-D products and it could cover, for example, surface decoration. The Act confers protection upon the design itself (not a particular article) and it also extends to

non-physical products such as get-up and graphic symbols.

3.2) Registered and Unregistered Community Design Rights:

Protection is also available for *Registered and Unregistered Community Design under Council Regulation 6/2002/EC*. A Registered Community Design affords protection throughout the European Union. An Unregistered Design right allows the right holder to prevent third parties from using the same or similar design. The design must be novel and protection runs for three years from the date on which the design was first made available to the public.

3.3) Copyright:

Copyright is governed by the *Copyright and Related Rights Act 2000 (the "CRA 2000")*. This Act provides a comprehensive and "state of the art" legal framework for the protection of copyright in this jurisdiction. The *CRA 2000* harmonised the pre-existing laws on copyright and introduced new protections for computer programmes, original databases and moral rights. Protection is also afforded to original literary, dramatic, musical or artistic works; sound recordings, films, broadcasts or cable programmes; the typographical arrangement of published editions and original databases.

Section 2 (1) of the CRA 2000 defines artistic works as including "(a) photographs, paintings, drawings, diagrams, maps, charts, plans, engravings ... or similar works ... (b) works of architecture ... and (c) works of artistic craftsmanship", irrespective of their artistic quality. The key point is that the artistic work must involve the exercise of original thought or expression.

Accordingly, any design which can be considered an artistic work may benefit from copyright protection. The most common term of copyright for an artistic work lasts for a period of 70 years after the death of the author, however, if an artistic work is mass produced copyright only subsists for 25 years. Copyright may not be considered adequate protection for some designs as breach of copyright only occurs when there is 'copying', whereas the design right also applies to any design which does not produce on the informed user a different overall impression.

The overlap between protection by means of artistic copyright and protection by means of a registered design has been addressed - the *IDA 2001* incorporates the principle of cumulative protection while, under the *CRA 2000*, design documents may be afforded protection by way of artistic copyright. The effect of the overlap is minimised as the copyright in a design registered under the *IDA 2001* shall expire 25 years after the filing date of the application for the registered design or on the date of expiration of the copyright under the *CRA 2000*, whichever is the sooner.

3.4) Trademarks:

The primary legislation dealing with *Trademarks is the Trademarks Act 1996*. A trademark is defined by *Section 6* of this Act as being '*any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings*'. Therefore a trademark may be obtained for the shape of goods or their packaging and two or three-dimensional marks.

3.5) Passing Off:

This is a Tort actionable at common law. Similar to the position in the UK, there are five characteristics necessary to create a valid cause of action for passing-off: a misrepresentation; made by a trader in the course of trade; to prospective customers of his or ultimate consumers of goods or services supplied by him; which is calculated to injure the business or goodwill of another trader; and which causes (or will probably cause) actual damage to a business or goodwill of the trader by whom the action is brought.

4. Accumulation of Rights

There is no specific legal concept of trade dress in Ireland. However, one may seek to protect trade dress through various mechanisms including registered design rights; unregistered design rights; artistic copyright; trade mark protection and the law of passing off.

It would appear that trade dress can be protected through one or more of the above mechanisms provided, of course, that the relevant legal rights can be claimed. There is no specific rule prohibiting protection under one regime if protection could be claimed under another.

In particular, the Industrial Designs Act 2001 has addressed the overlap between protection through artistic copyright and protection by way of registered design. This Act recognises a principle of cumulative protection which leads to two distinct rights (copyright and registered design). However, the effect of this overlap has been minimised by the Copyright and Related Rights Act 2000 which provides that a registered design or artistic copyright expires either 25 years from the filing of the design registration or the expiry of the copyright, whichever is sooner.

It is also recognised that there is an overlap between registered design protection and trade mark protection (in the shape of goods and their packaging and in two and three dimensional marks), as the

Industrial Designs Act 2001 may also afford protection to non-physical products, for example 'get-up' and graphic symbols.

5. Examples / Case Law

There is limited Irish case law in this area, however, it is worth noting that English case law, while not binding, is of persuasive value in this jurisdiction.

The Commercial Court, a division of the Irish High Court, was introduced two years ago, in response to the growing recognition in recent years of delays occurring in commercial litigation. Of particular interest is the fact that the definition of commercial proceedings includes proceedings in respect of all Intellectual Property matters, regardless of the value of such claims.

There have been no specific Trade Dress cases in Ireland.

ITALY

1) Legal definition of Trade Dress/Look-Alikes

Italian law does not provide for a legal definition of trade dress, although trade dress is generally understood as the overall appearance of a product and/or its packaging.

2) Rationale

Since in Italy a trade dress can be protected as a two or three-dimensional trademark, as a design, or under unfair competition law, the rationale will depend on the legal basis under which protection is sought.

3) Mechanism of Protection

In Italy distinctive shapes can be protected under *Article 7 of the Italian Code of Industrial Property*, provided, as per Article 9, that they do not give substantial value to the product.

As designs the shapes can be protected if they are new and have an individual character under *Articles 31, 32 and 33 of the Code of Industrial Property*.

A shape can also be protected under unfair competition law under *Article 2598 (1) of the Italian Civil Code*, which prohibits the use of distinctive signs that are likely to be confused with another's unregistered lawfully used mark and, in particular, the slavish imitation of competitors' products.

In some rare instances shapes can be protected also under copyright law

In Italy a trade dress can be protected as a two or three-dimensional trademark - including the shape of the goods or their packaging - under trademark law (*Article 7 of the Code of Intellectual Property*), as a design under design law if it is new and has an individual character (*Articles 31, 32 and 33 of the Code of Intellectual Property*) or under unfair competition law, in particular *Article 2598 (1) of the Italian Civil Code*, which prohibits the use of distinctive signs that are likely to be confused with another's unregistered lawfully used mark and, in particular, the slavish imitation of competitors' products.

4) Accumulation of Rights

There are no clear provisions as to accumulation of rights. However, it is now generally accepted in Italy that a shape or a product configuration can enjoy protection both under design law and copyright law.

Protection both under trademark law and design law can be granted under certain conditions.

5) Enforcement / Case Law

In the event that the trade dress is protected as a trademark or as a design, it will be possible to enforce such trade dress rights through a trademark or design infringement action (by means of an ordinary litigation) based on the respective registered trademark or design. The (trademark or design) registration certificates will prove the trade dress rights.

As to unregistered trade dress rights, to seek protection under the unfair competition provision mentioned above, an ordinary litigation will have to be initiated before the Italian judicial courts and in such event the trade dress owner will have to prove that he and the defendant are competitors, that its trade dress is sufficiently distinctive and known among the relevant consumers and that there exists a risk of confusion.

POLAND

1) Legal definition of Trade Dress/Look-Alikes

In Poland there is no legal definition of look-alikes. Protection against look-alikes is provided on the basis of Art. 3, 10 and 13 of the Law of April 16, 1993 on Combating Unfair Competition as well as Art. 296 of the Law of June 30, 2000 on Intellectual Property.

In Polish law there does not exist a legal definition of trade dress. The visual appearance of a product or its packaging of may be protected as a trademark, an industrial design or copyright provided that it fulfills specific requirements.

2) Rationale

Trade dress is protected by the *Industrial Property Law* and/or the *Unfair Competition Act* or the *Copyright and Neighboring Rights Act* and the rationale behind it protection is the same as regards the protection of trademarks, industrial designs or copyright.

It is the protection of the rightful owner of the trade dress and his exclusive right to use the trade dress commercially. On the other hand it is the protection of consumers against being misled as to the origin of the goods or services related to a given trade dress.

3) Mechanism of Protection

Trade dress may be protected as a trademark, an industrial design or copyright.

Under the Law on Industrial Property the protection of trade dress in the manner of a trademark is possible if the designation is distinctive (although distinctiveness acquired through use is accepted) and nonfunctional. The definition of a trademark is very broad and includes among others shapes, packaging, three-dimensional trademarks.

The same Law provides for the protection of trade dress as an industrial design if it fulfills the requirements of novelty and individual character of the design.

Trade dress can be also protected under *Copyright and Neighboring Rights Act* in the manner of copyright provided that it is an original artistic work.

Also protection of unregistered trade dress known through use is possible under the *Law on Combating Unfair Competition*, especially under the general clause.

The protection of look-a likes provided by the Law on Combating Unfair Competition is very broad. The general clause defines an unfair competition act as any action contrary to law or fair conduct that threatens or infringes the interest of another trader or consumer. The acts of unfair behaviour are specifically misleading customers as to the origin of the goods due to a similarity between products (look-alikes), misleading designation of products, dishonest advertisement or misleading designation of enterprise.

Unregistered trademarks enjoy protection against look-alikes on the basis of *Art. 10* and unregistered designs on the basis of *Art. 13*. In order to take action against look-alikes on the basis of the Law on Combating Unfair Competition it is required to prove priority on the market, similarity between the products and the risk of confusion.

It is important that the evaluation of the similarities between the original and the copied product under this law must be carried out in the light not only of mere similarities but such similarities which might result in a danger of consumers being misled as to the origin of the products. While comparing the packaging one must take into account the overall general appearance of the product.

The *Law of June 30, 2000 on Intellectual Property* protects registered trademarks against look-alikes but there is the need to prove the risk of confusion. The similarity between the registered trademark and the look-alike must be such that it may result in associations among the consumers who would be misled as to the origin of the products.

As regards the protection against look-alikes in case of well-known and famous it is required to prove that the use of the look-alike could bring unfair advantage to the user or be detrimental to the mark's distinctiveness or renown.

Under the *Law on Industrial Property* the protection of trade dress in the manner of a trademark is possible if the designation is distinctive (although distinctiveness acquired through use is accepted) and nonfunctional. The definition of a trademark is very broad and includes among others shapes, packaging, three-dimensional trademarks.

The same Law provides for the protection of trade dress as an industrial design if fulfills the requirements of novelty and individual character of the design.

Trade dress can be also protected under *Copyright and Neighboring Rights Act* in the manner of copyright provided that it is an original artistic work.

Also protection of unregistered trade dress known through use is possible under the Law on Combating Unfair Competition, especially under the general clause.

4) Accumulation of Rights

In Poland the accumulation of Intellectual Property rights is possible. Trade dress may be registered as an industrial design but also as a trademark. It may qualify as a copyright (which is not registered in Poland) as well. The protection may be parallel and there is no hierarchy of intellectual property rights in Poland.

Protection under the *Unfair Competition Act* refers to unregistered rights mostly but it is possible to claim protection against imitation on the basis of both the *Unfair Competition Act* and the Industrial Property Law.

5) Enforcement / Case Law

The Polish law does not provide for trade dress infringement, however, enforcement through an action for infringement of a trademark and design registration is possible, as well as copyright and unregistered trademark and design infringement is possible, all through civil court action.

In order to prove trade dress infringement in the manner of a trademark the risk of confusion between the designations, including especially the risk of association with the previous mark must be showed.

To prove infringement of a design it is necessary to show that the overall impression produce on an informed user by the designs in question in respect of the registered products is similar.

In case of the copyright infringement the substantial taking of the original copyright must be proved.

As far as unregistered trade dress is concerned, there is the need to prove that the plaintiff and the defendant act on the same market, that they are competitors and that the plaintiffs goods were first launched on the market, as well as that there is the likelihood of confusion on the part of the consumer.

RUSSIA

1) Legal definition of Trade Dress/Look-Alikes

There is no definition of look-alikes in Russian law. However, a look-alike is understood to be a form of product imitation where an infringing product is confusingly similar to a legitimate product due to various elements that bear similarity with the legitimate product, such as the trademarks used, colours used and/or likeness between the appearance of the products or their packaging, but in a way which leaves room for argumentation that there is no infringement due to various differences, typically minor.

Russian law does not comprise a legal definition of the concept of trade dress. Trade dress is understood here as packaging of the goods (2 or 3-dimensional) or a get-up of the product itself.

2) Rationale

Since in Russia a trade dress can be protected as a trademark, as a design, as a copyright or under unfair competition law, the rationale will depend on the legal basis under which protection is sought.

3) Mechanism of Protection

In Russia protection against look-alikes is provided through the framework of four laws: the *Trademark Law*, the *Patent Law (industrial designs)*, the *Copyright Law* and the *Competition Law* (a kind of unfair competition act).

Trade dress or a separate element of the trade dress (both 2 and 3-dimensional) might be registered as a trademark in case if it is distinctive enough or has acquired distinctiveness. Furthermore, it might be registered as a design (2 or 3-dimensional) provided that it is novel (worldwide novelty). Non-registered trade dress might be protected on the basis of unfair competition only.

There are two ways to protect one's products against look-alikes: through court proceedings and via the Federal Antimonopoly Service (administrative proceedings). The number of court cases in Russia related to trade dress is insignificant. Furthermore, there is no statutory requirement that the Federal Antimonopoly Service publish its decisions in unfair competition cases. Therefore, at present it is rather difficult to generalize judicial and FAS practice on trade dress issues.

The bottom-line assessment in look-alike cases focuses on the similarity between the look-alike and registered trademarks and designs, as well as the possibility that consumers are being misled.

The approach taken under the Trademarks Law consists of assessment of the trademark elements involved and whether they can be said to be confusingly similar or not. The approach taken under the Patent Law consists of assessment of all essential features of a design and whether or not they all are used in the look-a-like. The Competition Law focuses more on whether consumers are being misled about the products, methods and place of production, consumer properties, quality and quantity, and manufacturer. Furthermore, illegal use of trademarks and designs also may be subject to protection under the Competition Law. However, protection against look-alikes on the basis of unfair competition is very undeveloped in Russia. Based upon the above, combined enforcement of the aforementioned laws may provide protection against look-alikes.

4) Accumulation of Rights

The accumulation of Intellectual Property rights is possible. Trade dress may be registered as an industrial design and as a trademark but also protected as a copyright. The protection may be parallel and there is no hierarchy of intellectual property rights in Russia.

It is also possible to claim protection against imitation on the basis of both the Russian Trademark Law and the unfair competition law.

5) Enforcement / Case Law

If a trade dress or its element is registered as a trademark or a design, then the registration certificates apparently prove the trade dress rights. The approach under The Trademarks Law consists of the assessment of the trademark elements involved and whether they can be said to be confusingly similar or not. The approach under the Patent Law consists of the assessment of all essential features of a design and whether they all are used in the conflict trade dress.

In the instance a trade dress is not registered, the owner would need to prove the priority, duration and intensity of use of the trade dress. Furthermore, the owner should prove that there is a real conflict in the market. The Competition Law will concentrate more on whether consumers are misleading about the nature, methods and place of production, consumer properties, quality and quantity of goods and manufacturers thereof. Furthermore, illegal use of trademarks and designs also might be protected under the Competition Law. The approach under the Competition Law will be the assessment whether

consumers associate the trade dress with the owner's name and that the conflict goods mislead the consumers.

There are two ways to enforce the trade dress rights. First one is a court proceeding. The second is administrative proceeding with the *Federal Antimonopoly Service (FAS)*. There is no significant amount of court cases concerning trade dresses in Russia. Furthermore, *FAS* does not mandatory publish the decisions on the unfair competition cases. Therefore, at present it is rather difficult to generalize the court and *FAS* practice on trade dress issues.

Example Cases

- OAO "Kalina" v. OAO KO "Svoboda"

In 1998 OAO "Kalina" filed an action with the Arbitration Court against OAO KO "Svoboda" for protection of their right to the word mark FTORODENT (in Cyrillic and in Latin) registered for toothpaste. In response Svoboda made a counterclaim for protection of their copyright for the trade dress of the FTORODENT toothpaste. Furthermore, Svoboda filed a cancellation action with the Russian Patent Office and the Office cancelled the registration for the word mark on the basis of the trademark transformation into a designation that is generally used as a designation of a certain type of goods because this toothpaste was produced by different fabrics of the former USSR starting 1979. As for the design part of the mark, in 2000 after several court trials it was established that the copyright for FTORODENT toothpaste belongs to Kalina. However, the court did not prohibit Svoboda the use of their FTORODENT trade dress, because Svoboda's trade dress is not identical to Kalina's trade dress. Therefore, now both companies use the very similar trade dresses of the toothpaste (please see attachments). Moreover, now the some other companies produce the FTORODENT toothpaste using the analogous trade dresses.

- OOO "Gzhelka" v. TPG "Kristall"

OOO "Gzhelka" is a related company to a very big company LIVIZ, which produces alcoholic products. In June 2004 OOO "Gzhelka" filed an action with the Arbitration Court against TPG "Kristall" for prohibition of use of the Kristall's trademarks registered for vodka (reg. No. 110933 and 239002 for GZHELKA & Design). Copies of the marks are attached. The claim was based on the copyright for the image of the bird "Gzhel" which included in the above trademarks. In October 2004 the court prohibited TPG "Kristall" using of the marks containing the bird "Ghel".

- Ferrero S.p.A. v. OOO Bastion m.s.

In 2003 Ferrero S.p.A. filed an action with the Arbitration Court against OOO Bastion m.s. for prohibition of use of the trade dress for Bastion's chocolate eggs "Baby Surprise". According to Ferrero S.p.A. their trademarks registered in classes 28 and 30 (Int. Reg. No. 462160, 462161, 551072, 666549 are attached) are confusingly similar to the above trade dress. However, it appears that OOO Bastion m.s. has an industrial design patent No. 52739 "Packing-sheet for a chocolate product" (priority date - July 18, 2002). Image of the design is below. In May 2004 the Moscow court of cassation decided that the plaintiff's trademarks and the defendant's patent both contain the image "Animated egg" and, therefore, they are confusingly similar. The court prohibited the use of Bastion's trade dress. Moreover, the court stated that the inclusion of the image "Animated egg" as an essential feature in the industrial design patent can be qualified as an illegal use of the plaintiff's trademarks.

- OAO KBK "Cheremushki" v. the Russian Patent Office (third party - OAO MBK "Kolomeskoe")

In 2000 OAO KBK "*Cheremushki*" filed an action with the Arbitration Court against *the Russian Patent Office* for cancellation of the allowance decision issued by the Russian Patent office in respect with the industrial design application No. 2000500175 "Advertising billboard" in the name of OAO MBK "*Kolomeskoe*". The image of the design is attached. This design contains the word trademark "In work-days and in holidays (in Russian)" (in the top left corner of the billboard), which belongs to OAO KBK "*Cheremushki*" (Reg. No. 185549). In 2003 the Moscow court of cassation stated that "issuing of the allowance decision cannot be considered as a violation of a trademark right" and rejected the case.

SLOVAK REPUBLIC

1) Legal definition of Trade Dress/Look-Alikes

As to the Slovak Republic, look-alikes are not dealt with in the Slovakian law. Accordingly, there is no legal definition of the term. Rights can be enforced on the basis of trademark law or provisions of the *Commercial Code on Unfair Competition*, namely the provision regarding likelihood of confusion.

Trade dress is not dealt with in the Slovakian law. Accordingly, there is no definition of the term.

2) Rationale

Trade dress is protected by the Trademark Law or the *Commercial Code* on unfair competition. Trade dress that meets requirements of a design can be subject to design protection.

It is the protection of the rightful owner of the trade dress and his exclusive right to use the trade dress commercially. On the other hand it is the protection of consumers against being misled as to the origin of the goods or services related to a given trade dress.

3) Mechanism of Protection

Trade dress may be protected as a trademark, as design or copyright.

Protection for trade dress can be achieved through a trademark registration or through extensive use of trade dress on goods or services in business connection.

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4) Accumulation of Rights

Accumulation of rights is possible. The right holder can base its claims on all rights included in the trade dress. If trade dress is subject to copyright (not registered under the Slovakian law) an author of the trade dress or other claimant can claim copyright. Provided the right holder is the proprietor of a

design which forms a trade dress (trade dress on products) he or she can claim that, as well. There is no hierarchy in claiming a particular right, however registered rights are easier to be claimed as they can be more easily proven.

5) Enforcement / Case Law

Rights in trade dress can be enforced on the basis of trademark law or provisions of the *Commercial Code* on unfair competition, namely the provision regarding likelihood of confusion. In case of a conflict the rights in trademark or intensive and extensive use of the unregistered trade dress in commerce on the territory of the Slovak Republic shall be evidenced.

SPAIN

1) Legal definition of Trade Dress/Look-Alikes

There is no legal definition dealing specifically with look-alikes in Spain.

Protection is provided in the same way already commented on the Trade Dress paper, depending on whether it is a registered get-up, pattern, shape.. or not.

Registered Rights:

-TM Act 17/December 7th, 2001; for the distinctive and non-functional designs

-Designs Act 20/ July 7th, 2003; for designs bearing substantial value

Non Registered Rights:

-Unfair Competition – Unfair Competition Act 3/ January 10th, 1991

In those cases where there is no earlier registered right to oppose, the *Unfair Competition Act* may apply provided that:

- 1) Both signs are being used in the course of trade
- 2) Likelihood of misleading consumers on the origin of products.

Case Law has pointed out that the mere possibility of misleading consumers is enough.

Art. 6 and 11 of the before-mentioned Law regulate “acts of confusion and imitation” as any behavior that may mislead consumers on the origin of products/services, including the risk of association.

Case Law has repeatedly pointed out that the approach of the Unfair Competition regulation to these behaviors must be very much a factual one, considering all time what effects have or may have in the

market the collision of both signs and what alternatives the other side had available in order to avoid misleading consumers.

In Spain there is no legal definition of Trade Dress as such. The protection of the external appearance of a particular product or a get-up is therefore governed by same set of laws that other IP rights and furthermore by the *Unfair Competition Act*.

2) **Rationale**

The protection of trade dress is governed by same set of laws that other IP rights and furthermore by the *Unfair Competition Act*. The rationale behind will therefore be in function of what can protection is granted: for IP rights protection of TM owners and consumers for Unfair Competition cases, transparency of market transactions.

3) **Mechanism of Protection**

Trade Dress might be protected by any of the following ways, already commented in my earlier paper:

-Registered Trademarks – TM Act 17/December 7th, 2001

-Designs (registered or not) – Designs Act 20/ July 7th, 2003

-Unfair Competition – Unfair Competition Act 3/ January 10th, 1991. From now onwards UCA

This latest Act works as a closing system for those cases of non-registered trade dress.

The Unfair Competition System is intended to protect loyal trade practices (*Art. 5*) and to this purpose the Law forbids different practices which can be deemed as Unfair: acts of confusion, imitation or exploitation of third party's reputation. Protection of non-registered trade dress will fall in any of these conducts.

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4) Accumulation of Rights

Accumulation in practice is a quite complicate option, since the Spanish TM sets forth a prohibition of registration as TM's for those shapes with an intrinsic value. (*Art. 5, e. TM Act.*) The reasoning behind this is to avoid the extension of protection for an unlimited period of time for shapes that are in deed Industrial Designs with aesthetical value per se.

However the law does not forbid in practice such accumulation provided that the concerned shape fulfils the requirements of protection for both modalities. This latter option will be in any case of very little interest for economic operators if the aesthetical value must play a lower role in the consumer's decision to deserve protection as a TM, because the concerned shape would already enjoy the broadest protection possible as a TM.

Beyond this formal prohibition applicable to new shapes or signs, a further option is still available to accumulate both protections, the secondary meaning gained through an intensive use in the course of trade.

5) Enforcement / Case Law

Enforceability of Trade Dress is done depending on whether it is registered or not. If it is, conventional TM or Design protection applies following the prescriptions of each Act. If not, *UCA* would come to scene.

It is important to note that Spanish Case Law has made clear in the past that Unfair Competition mechanisms will only play a significant role in enforceability as long as there are no earlier registered IP right's in conflict. This is due to the so called by the Case Law "supplemental character of the *UCA*", that is intended to cover the lack of registered rights.

In this later case, *UCA* will not provide for protection without further requirements a non-registered trade dress: defendant must prove the existence of the trade dress, the use in the course of commerce and the possibility of misleading consumers by the third party's activity. Courts have also stressed the fact that *UCA* cannot be used to claim protection of packaging, get-ups or shapes that are expressly excluded from protection by other substantive regulations, as for example absolute grounds for refusal of Trademarks

Legal remedies are very much the same for both registered and non-registered trade dress and include cease and desist actions, seizure, compensation of damages and the adoption of necessary measures to prevent the continuation of the infringement. Also preliminary measures to gather evidences from the defendant and injunctions may be adopted.

Enforceability is dealt by Civil or Criminal Courts depending on the cause of action.

Example Cases

- DANONE, S.A. VS CENTRAL LECHERA ASTURIANA

Danone is a company that markets yogurt and has had an international trademark and a three-dimensional trademark of "BIO" since 1988. Subsequently, Central Lechera Asturiana began to market yoghurt, reproducing on the containers of their products the word "BIO" and attempting to register the trademark "BIO Central Lechera Asturiana".

Danone sued Central Lechera Asturiana stating that the latter's' actions were unfairly competitive and that the attempt to register the trademark of "BIO" would be an infringement of Danone's trademark. Furthermore, they claimed that Central Lechera Asturiana was taking improper advantage of Danone's reputation in the trademark "BIO".

The lawsuit regarded the well-respected name of the brand Danone. The court compared the containers of the "BIO Danone" products and those distributed by Central Lechera Asturiana and considered that the defendant was using containers that bore great resemblance to those used by Danone for the marketing of the same product. In particular was the use of the very important lettering of "BIO" which was integral to the trademark registered in favour of Danone.

Although Central Lechera Asturiana used its own company name on their containers, this was done in small letters while the word "BIO" was stressed and was in much larger lettering so that it was the identifying name on the product.

Therefore the courts held that Central Lechera Asturiana's actions were unfairly competitive. The company was ordered to cease the distribution of the products and remove those products marked "BIO" from the market. Furthermore the court declared that the trademark "BIO Central Lechera Asturiana" be voided to prevent Central Lechera Asturiana from assuming the unlawful advantage of the reputation of the trademark of BIO belonging to Danone. The court ordered compensation to be paid to Danone for the harm and damage caused by Central Lechera Asturiana's actions.

- LACASA S.A., CHOCOLATES LACASA INTERNACIONAL, S.A. Y COMERCIAL CHOCOLATES LACASA, S.A. VS CHOCOLATES AMALIA, S.L.

LACASA is one of the premier national producers of not only chocolates, but also of children's sweets, nougat, candy and caramels. In 1982 LACASA began to market "Lacasitos" and five years later "Conguitos" (peanuts covered by chocolate), both products became very popular. LACASA registered the trademarks of Conguitos and also Lacasitos.

CHOCOLATES AMALIA S.L. is also dedicated to the production of chocolates and sweets, and began to market their product "Bongositos" in a container similar to that used by LACASA.

LACASA sued CHOCOLATES AMALIA claiming that the latter's use of the containers and the labels with which the products are marketed under the product "Bongositos" constituted a violation of the three dimensional trademark rights and that it constituted an act of unfair competition.

The containers of both products are cylindrical, transparent, of the same size and, in both cases, contain chocolate coloured spherical sweets. The labels on the containers are similar and they both have golden lettering.

The presentation of the product "Bongositos" with the above characteristics left no doubt that they would be likely to cause confusion amongst consumers, there existed a risk that the products origin would be associated with those products of the brand of LACASA.

The Court considered the complaint and ruled that the actions of CHOCOLATES AMALIA constituted a violation of the three dimensional trademark rights belonging to LACASA, furthermore this constituted an act of unfair competition. The tribunal demanded that CHOCOLATES AMALIA cease marketing their product "Bongositos" in the containers and the said packaging similar to that used by LACASA.

- KIRKBI, A/S (LEGO) VS FAMOSA COMERCIAL, S.A. Y RITVIK HOLDINGS Inc.

Famosa S.A. is a company that imports and markets toys called "Mega Blocks" in Spain. These products are manufactured by a Canadian Company, Rivtvik Holdings Inc., the games contain pieces for construction in a similar form to the building blocks of LEGO.

In Spain, the company Kirkbi A/S registered a three-dimensional trademark regarding the graphic representation of the building blocks of LEGO.

Famosa and Rivtvik sued Kirkbi stating that the three-dimensional trademark that had been registered in Spain was void as it contravened the trademark laws as prescribed by the Ley de Marcas 32/1988. The claimants alleged that the three-dimensional form of the product lacked the distinctive characteristics that were necessary for such registration and that the reasons for the shape were purely due to functionality.

The claimants suggested that the three-dimensional trademark consisting of the shape of three-dimensional building blocks in, in particular the building blocks of the toys marketed as Lego, were not capable of registration because the blocks needed to be of a particular shape in order that they fulfill their function. All toy building blocks must be of the same design in order to fulfill this function. The trademark "Lego" itself is such that consumers identify all toy building blocks as belonging to the holders of the trademark.

The claimants alleged that the defendants had sought the three-dimensional trademark in order to gain a permanent monopoly of the toy building block market; such action would restrict legitimate and lawful competition.

The courts held that the three-dimensional trademark registered in Spain in favour of Kirkbi was not suitable for distinguishing toy building blocks. Furthermore, the structure and shape of the blocks were purely functional and the courts construed that such a shape was necessary to obtain the desired technical function. Infringements of the trademark rules in this manner it was held were absolutely prohibited under Articles 1 and 11.1 (d) of the Ley de Marcas.

The courts held that the three-dimensional trademark registered in favour of Kirkbi S/A was invalid and thus cancelled the registration and annulled the trademark.

- DESTILERÍAS LA NAVARRA VS DESTILERÍAS SAN FERMÍN S.A.

The company "Destilerías La Navarra" has produced and marketed the liquor pacharán since 1981 with the label – trademark of "ETXEKO". The product is sold in a container, the model of which has been registered. In 1987 "Destilerías San Fermín" began to market the liquor pacharán with the same name ETXEKO and sold the product in a bottle in the same shape as that used by Destilerías La Navarra. At that date the product ETXEKO was well known in the market place. Destilerías La Navarra sued Destilerías San Fermín for marketing and selling the liquor pacharán ETXEKO with the same label and in the same shaped bottle to that which the former had been marketing. Destilerías La Navarra claimed that this was an act of unfair competition and that it violated their priority trademark rights. The courts decided that the lawsuit concerned the marketing of the same product (the pacharán liquor) and that as a result of Destilerías San Fermín using the same name on the labels of their products and using the same shaped of bottle, it was likely to cause confusion amongst the average consumer. Therefore, the defendants, who were not the holders of the trademark that they had been using (this had belonged to the claimant since 1981), had carried out actions of imitation that were unfair by generating association with the products marketed by Destilerías La Navarra. As a result of the use of the same name on the bottles and the similarities between the shapes of these, there was an obvious risk of confusion by the consumer. As a consequence of the courts' decision, Destilerías San Fermín were ordered to cease the acts of unfair competition resulting from the marketing and sale of their pacharán labelled "ETXEKO". The courts also ordered that the defendants compensate the claimants for the damage and harm caused by these actions.

- INDUSTRIAS BURMAR S.A. VS EUROFLAX 97 S.L.

INDUSTRIAS BURMAR S.A. are the owners of the three dimensional trademark protecting the liquid sweets called ZUMROK. The product is sold in a container in the shape of a small water bottle with a red top with grooves around the rim and a flap that allows the liquid to be squirted out. The label is in the centre of the container and the name ZUMROK is written in black lettering on a yellow background. The said lettering is framed between two dark green lines; this same colouring outlines the entire label.

From 2001, the company EUROFLAX 97 S.L. possessed the three-dimensional trademark CHIROFLAX, the company used this for the marketing of liquid sweets in a transparent container with a red top.

INDUSTRIAS BURMAR S.A. sued CHIROFLAX 97 S.L. as a result of the latter's marketing of this product claiming that this was an act of unfair competition and a violation of their trademark rights.

The courts decided that this did not amount to unfair competition despite there being coincidences between the products, taking a view of the products together, it was possible that the products could co-exist, the court claimed that they were two separate three-dimensional trademarks. It also stated that in the particular market (of liquid sweets), the use of the "water bottle" type of container was not unusual.

The court held that the containers for the two products were similar however they were not identical, with one being oval and the other octagonal, this applied also to the labels of the respective products. The court also stated that the contents were different and indeed the names of the products ZUMROK and CHIRIFLAX allowed the products to be distinguished from one another.

Therefore the court held that that there was no unfair competition, and that EUROFLAX 97 S.L. had not taken advantage of the reputation of INDUSTRIAS BURMAR S.A., furthermore the products would not provoke confusion amongst consumers.

SWEDEN

1) Legal definition of Trade Dress/Look-Alikes

Trade dress protection is used for protecting new set ups of packages and products. The aim is to protect a businessman's investment in new trade dresses as well as consumers from being misled by copies.

2) Rationale

Since in Sweden a trade dress can be protected as a two or three-dimensional trademark or a design, and as also protection can be claimed according to the *Swedish Marketing Act*, the rationale will depend on the legal basis under which protection is sought.

3) Mechanism of Protection

A trade dress can be protected as a registered design provided it meets with the novelty requirements.

A trade dress may also enjoy protection as a two-dimensional or three-dimensional trademark. Two-dimensional trademarks can be protected such as the front side of a package or a can. Three-dimensional trademarks are not that easy to protect as they have to differ considerably from the every day design which should be free for anybody to use. There exists, however, a number of three-dimensional trademark registrations in Sweden even though the Trademark Office practice is very strict. An extensive use of the three-dimensional trademark will also help registration.

A plaintiff may also rely on protection under the *Swedish Marketing Act* which prohibits products from being copied by competitors. For protection in such cases, however, the trade dress or product has to be original and also well-known among the public.

Also copyright protection is available but not possible to register.

4) Accumulation of Rights

In Sweden it is possible to have a trade dress registered as a trademark and design simultaneously and also to claim copyright provided that the legal requirements for the different rights are met. In infringement cases it is also possible to accumulate one's trademark, design and copyright rights in one

single court action. If, however, also the *Swedish Marketing Act* is referred to it has to be done in a separate court action due to the different constitution of the courts, where the court in marketing cases has another assembly of judges than in trademark, design or copyright cases.

5) Enforcement / Case Law

When a trade dress is protected as a trademark or design it is possible to enforce such rights by taking infringement action before the relevant civil courts based upon the registered rights. Also unregistered trademark and design rights can be enforced by civil action but is much more difficult as the plaintiff then has to prove that his claimed rights exist.

Depending on the circumstances also protection awarded by the *Swedish Marketing Act* can be referred to when a trade dress is copied, but only in cases where the trade dress is original and simultaneously also well-known among the general public.

If protection under the *Swedish Marketing Act* is claimed combined with request for damages, the action has to be started before the City Court of Stockholm, the decision of which can be appealed to the Market Court. If no damages are claimed, the plaintiff can go directly to the Market Court as the first and only instance in order to stop the infringement.

Example Cases

- MD 2002:28 - Santa Maria AB ./. Sven P. Matkompaniet

Santa Maria is a company which produces, amongst others things, Mexican food. Santa Maria AB's Mexican products have had the same packaging/trade-dress since 1992 and the products have a market share of 60 %.

Sven P. Matkompaniet (Matkompaniet) is a company that is active within the food industry concentrating on flavourings. One of Matkompaniet's products is "meat with a Mexican flavour". Santa Maria sued Matkompaniet for passing off on their well established trade dress.

The Market Court stated that most companies that are in the Mexican food business have chosen the colours red and yellow on their packaging. Due to this Santa Maria can not have sole right to these colours in their marketing. The yellow spikes surrounding the red and the rectangle, can not by them-

selves achieve designative character. However, a combination of these elements and the extensive marketing of the products is enough for the packaging obtaining distinctive character. The Court also stated that the risk of confusion has to be based on an overall impression.

Matkompaniet's package does not have a background colour, but it has a red label with yellow spikes surrounding it. The label becomes an important point in this case and even though there are significant differences between the two forms of packaging, the overall impression is that they are remarkably similar. The consumer could easily confuse the packaging with each other or assume that Matkompaniet's product originates from Santa Maria.

Due to the fact that Santa Maria is well established among the consumers and that the packaging does have distinctive character, The Market Court considered Matkompaniet's packaging as attempting to passing off.

- MD 2003:23 - Vaasan & Vaasan Oy ./. Fazer Bröd Aktiebolag

The company Vaasan & Vaasan OY (Vaasan) are the market leader in the specific segment of "sour cracker" (surskorpor). Vaasan has used the same colours on packaging since the 1950's and the shape has been the same for ten years. It has gone from a local product to global product, and is active in 30 countries.

Fazer Bröd Aktiebolag (Fazer) has produced sour crackers since 1958. In 2001 they started to sell sour crackers in red boxes. These have been sold in Finland and globally. Vaasan sued Fazer for passing off.

The Market Court stated that if misleading confusion should be considered to arise it requires that the imitation can easily be confused with another undertaking's well known and distinctive product or products. The judgement of there being a risk for a misleading confusion has to be based on an overall impression. Even if the products when placed next to each other doesn't create confusion, the judgement must be based on whether there is a risk for the consumer to confuse the products when seen separately in a department store.

Vaasan's box is red and made of cardboard. On upper half of the box there is a picture of three sour crackers. On one of the cracker there is a radish and some cottage cheese. Due to this composition of different components the Market Court consider that the box achieves distinctive character.

When comparing these boxes with each other, the Fazer box looks similar when considering shape, colour, the use of the word “crisp” in white and the existence of sour crackers with a radish on both boxes. The overall impression is that these boxes are in fact very similar.

Due to the fact that Vaasan has a market share of 68 % and is well known and because of the similarity of the boxes and design, The Market Court consider this to be passing off.

- MD 2003:7 – LU Sverige AB ./. Göteborgs Kex AB

LU Sverige AB (LU) market digestive biscuits under the trademark LU Digestive. They package their biscuits in the shape of a cylinder. LU has a market share of 56 % and has existed more than 30 years.

Göteborgs Kex AB (Göteborgs) market digestive biscuits using the trademark Digestive Oliv, also in a cylinder shaped package. Göteborgs Kex is the leading producer of crackers in Sweden and has existed since 1888. They started to produce digestive crackers in 1910. In 2000 they introduced their “Digestive Oliv”. The product gained a lot of attention. LU sued Göteborgs for passing off on their distinctive and well established trade dress.

The Market Court stated that LU's have marketed their digestives with a consequent choice of colour. It has been red for over ten years. It is shaped as a cylinder and has a glossy red surface. The material is foil. On the package the word “digestive” is written in white. On the left side two ears of rye are placed by the letter ‘D’. Due to this specific composition this package has achieved distinctive character.

The risk for confusion has to be based on an overall impression. Göteborgs package differs from LU's when considering details such as trademark, the band on the left side which says “ Bakad med Olivolja”. However, similarity exists concerning shape, colour, and the word “Digestive” in white. There are also ears of rye on both packages. The overall impression in this case is that they are very similar. This constitutes a great risk of confusion for the consumer, and The Market Court consider this to be passing off.

- MD 2004:23 – LEGO System A/S ./. Biltema Sweden Aktiebolag

LEGO is a company which produces toys for children in the shape of plastic building bricks. The building bricks were first manufactured in 1953. They exist in varying shapes and colours and a character-

istic of that there is at least one plastic knob on the upper side. These knobs make it possible to couple the building bricks together. LEGO sell the bricks in boxes which have pictures and instructions on how to use them on the outside.

Biltema was established in 1963 as mail-order company that sold spare parts for cars. Their selection of products has increased over the years and today includes building-bricks that sell under the name of COKO. The building bricks have the shape and dimension which allows them to be coupled together just like LEGO's building bricks. COKO's bricks are also sold in boxes with instructions and pictures on them. LEGO sued Biltema for passing off on their designative and well established trade dress.

The Market Court stated that LEGO's bricks are clearly recognisable by their shape, construction and functionality. The Court noted that mainly functional designs are not protected under the Market Practise act. However, there is a certain element in the COKO bricks that appears to have been added to make it a more design-pleasant shape. It is of course important that the bricks do not restrict competition and that does then mean that it should be permitted for competitors to make bricks with the exactly the same colour, shape etc.

It is clear from the investigation that, due to the fact, that LEGO has existed on the market since 1953 and 95 % of the consumers associates base building brick with LEGO. It is therefore according to the Market Court clear that LEGO has, due to the specific and typical and characteristic shape, achieved distinctive character.

The risk for confusing should be based on an overall impression. The Market Court observed in this case that the bricks were practically identical. It is not just easy to confuse them; it is hard to tell them apart. 84 % of the consumers associated the COKO bricks with LEGO ones. This was a case of passing off.

- MD 2002:33 – Hästens Sängar AB ./ Unistar Oy, Vesor AB

The company Hästen produces and markets beds and bedding under the trademark "Hästen" and "Hästens Sängar" (Hästen Beds). The business started in 1917. Hästens goal has always been to offer the best of quality and durability. The so called "Hästen rutan" (Hästen square) was introduced in 1978, and was at that point an unknown design for beds.

Unistar Oy (Unistar) is a Finnish company which also produce and market beds. Unistar is active in the Swedish market. Unistar has sold beds in Sweden through a Swedish retailer, Vesor AB (Vesor). The 10 of March 2001 saw a Vesor advertisement in the paper Avisa. The bed in the advertisement

had blue and white squares. Hästen sued Unistar and Vesor for passing off on their distinctive and well established trade dress.

Whether the blue and white squares, that Hästen use as a trade dress for their beds can be considered to achieve distinctive character has been investigated in many cases before (MD 2001:16 and MD 2002:24). In these cases the Market Court came to the conclusion that, due to the fact that this particular square was so well known to the consumer as the "Hästen rutan", it should be considered to achieved distinctive character.

The Unistar squares differ, in this case, with regard to the size of the squares, the Unistar square is smaller. The overall impression is however that they look strikingly similar to the "Hästen square". It should therefore be considered as a case of passing off according to 4 § and 8 § Marketing Practise Act.

- MD 2002:27 – GB Glace Aktiebolag ./. Åhus Glass Aktiebolag

Since 1986, GB has sold an "ice cream cake" under the name of VIENETTA in Sweden. The ice cream cake consists of several layers if ice cream which are separated by crispy thin layers of cocoa. The outer parts of the cake are wave shaped and a layer of crispy cocoa runs on the cake's upper side. On the short side, which is smooth, you can see all the layers. The product has been shaped to give a characteristic and aesthetic unique design. On the packaging for the ice cream cake there is a picture of the cake.

During the year 2000, Åhus started to sell and market an ice cream cake under the name of "d.sign". The cake consists of several layers which are separated by crispy thin layers of cocoa. The outer parts are waved shaped and the upper side has a thin layer of cocoa. GB sued Åhus for passing off on their well known and distinguished product.

The Market Court stated first of all that the boxes were totally different considering the colours and the trademarks. The products did, according to the court, look similar. However, it would be unfair competition if one company would have the sole right to make ice cream cakes with layers if ice cream and cocoa. The GB ice cream cake could not be considered to have achieved distinctive character. Based on an overall impression, the Market Court did not consider Åhus to pass off on GB.

SWITZERLAND

1) Legal definition of Trade Dress/Look-Alikes

In Switzerland, there is no legal definition of “trade dress” (in German: “Ausstattung”). However, in court cases and literature the term “Ausstattung” is used for the entity of those elements which present a product in a form or Packaging capable for selling (without, however, representing itself the essence/character of the product).

2) Rationale

In Switzerland, there is no specific protection of trade dress as such. Protection is given, either if a specific trade dress qualifies for protection under any relevant intellectual property right act or if the use of a trade dress is qualified as unfair under the *Unfair Competition Act*. Hence, there is *no general rationale* for protecting trade dress. The rationale will depend on the *specific* legal basis used for protecting a trade dress:

The rationale for protecting trademarks is twofold. On the one hand, trademark law shall protect the function of trademarks to indicate the source of a certain product. On the other hand, it shall protect a trademark's function to distinguish products.

Both patent rights and design rights shall give the owner of such rights protection for the investments made in creating a technical invention (patent rights) or a product design (design right). The same basically applies to copyright protection. There, however, an additional rationale is relevant, as the copyright protection shall also protect the relationship of the author / creator to the work she/he has created.

The purpose of the *Unfair Competition Act* is to ensure fair and undistorted competition. It shall take into account the interest of all parties involved (i.e., competitors and consumers).

3) Mechanism of Protection

It is acknowledged that trade dress, in principle, can qualify for protection under the relevant intellectual property right laws, provided that it fulfils the legal requirements for the relevant protection. This may include (i) copyright protection (provided the trade dress has an individual character), (ii) design protection (provided it is a technical invention) and (iv) trademark protection (provided the trade dress is distinctive and does not represent the nature of the product).

Alternatively, a trade dress can be (indirectly) protected under the *Unfair Competition Act* (in particular *art. 3 let. d*), provided it is distinctive. Such distinctiveness can be either inherent or be gained through use. A trade dress can lose such protection if, in the view of the average consumer, it loses any individualisation.

A trade dress (or elements thereof) may qualify for trademark protection if it is distinctive and if it does not represent the nature of the product. The distinctiveness can either be inherently or be gained through use. Protection can be indefinite, as the ten year period of protection can be renewed.

In order to be protected as a registered design, the trade dress has to be both novel and original. A trade dress lacks originality if the overall impression it produces defers only in minor characteristics from a design which could be known to those active in the relevant field in Switzerland (*Art. 2, par. 3 of the Designs Act*). Protection is granted for five years and may be extended for four periods of five years each.

In order to be protected under the Copyright Act, a trade dress must be an intellectual creation in the field of literature and art and have an individual character (*Art. 2, par. 1 of the Copyright Act*). This applies irrespective of the purpose or value of the work and includes works of applied art (such as trade dress). The protection ends 70 years after the author's death.

The protection requirements for patents are (i) novelty, (ii) non-obviousness and (iii) industrial application. If these requirements are fulfilled, an invention can be registered and has protection for 20 years.

The main requirement of trade dress to have indirect protection under the Unfair Competition Act (in particular *Art. 3 let. d*) is distinctiveness. Such distinctiveness can be either inherent or be gained through use. A trade dress can lose such protection, if, in the view of the average consumer, it loses any individualisation.

4) Accumulation of Rights

There are no legal provisions or court decisions which would give a clear guidance for the accumulation of intellectual property rights issue. The opinions of legal writers are inconsistent. However, it appears that the prevailing opinion is that an accumulation of rights is possible. Hence, for example, the fact that a trade dress is registered as a design or as a trademark would not exclude the protection under the *Copyright Act*. Equally, if a trade dress is registered as a design, it would still be possible to claim trademark protection (both in parallel or after the period of protection under the *Designs Act*). There are, however, dissenting opinions suggesting that there is a hierarchy of intellectual property rights and that design right protection would, for example, exclude trademark protection.

Basically, the protection under the *Unfair Competition Act* should be independent from the protection under any specific intellectual property right act. However, particularly where an intellectual property right act explicitly allows certain business practices, courts will be reluctant to grant alternative protection under the unfair competition act.

5) Enforcement / Case Law

To the extent a trade dress is protected as an intellectual property right it is easier to claim infringement. The court will compare the registered trade dress (trademark, design or patent) with the allegedly infringing trade dress. Evidence on use or the awareness level, however, is useful or, if the trade dress lacks inherent distinctiveness, even necessary.

In an unfair competition case, the owner of the trade dress will have to provide evidence which shows either that the trade dress is inherently distinctive (e.g. by providing samples of the trade dress of competitors) or that the trade dress has gained distinctiveness through use (e.g., by sales figures, material showing marketing efforts or data on the recognition level).

UNITED KINGDOM

1) Legal definition of Trade Dress/Look-Alikes

There is no specific legal concept of Trade Dress in the UK.

2) Rationale

Although there is no specific legislation protecting trade dress, it is possible to rely on trademark, design right, copyright law and the common law of passing off. The aim is to protect business' investment in new trade dress and to protect consumers from being misled by copies.

3) Mechanism of Protection

Trade dress, or elements of it, can be protected using existing trademark, copyright and registered and unregistered design right laws and by the common law of passing off.

If relying on passing off it is necessary to prove goodwill in the UK, misrepresentation by the infringer that causes damage. Because of these requirements passing off cases are expensive compared to trademark infringement cases.

4) Accumulation of Rights

It is possible to register trade dress, or elements of it, as a three or two dimensional trademark and also rely on registered or unregistered design right, copyright and the common law right of passing off provided that the legal requirements for the different rights are met.

A proviso to the statement above is the situation covered by *sections 51 and 236 of the CDPA 1988* which state:

Section 51: Design documents and models.

51.-(1) It is not an infringement of any copyright in a design document or model recording or embodying a design for anything other than an artistic work or a typeface to make an article to the design or to copy an article made to the design.

(2) Nor is it an infringement of the copyright to issue to the public, or include in a film or communicate to the public, anything the making of which was, by virtue of subsection (1), not an infringement of that copyright.

(3) In this section-

"design" means the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article, other than surface decoration; and

"design document" means any record of a design, whether in the form of a drawing, a written description, a photograph, data stored in a computer or otherwise.

Section 236: Infringement of copyright.

236. Where copyright subsists in a work which consists of or includes a design in which design right subsists, it is not an infringement of design right in the design to do anything which is an infringement of the copyright in that work.

5) Enforcement / Case Law

Normally all rights would be raised and relied upon in a single case heard by the same court.

Example Cases

- Temporary Roadways & Access Co Limited -v- Trax Portable Access Limited 2002 WL 1876325

This was an application for an interim injunction. The complaint involved allegations of passing off. The Claimant was a manufacturer and supplier of temporary roadways and access ways, used for people and vehicles at both public and private events. The product protected the ground allowing people and particularly heavy vehicles to pass over sites without damaging the ground underneath.

The Claimant used the trademark "Trac" but it also adopted a distinctive livery on its vehicles. The Claimant's vehicles were painted in dark blue with the words "Trac" in bold uppercase lettering in an orangey or golden colour.

The Defendant had an extremely similar livery also using the same dark blue colour and their trademark "Trax" also in an orangey or golden colour.

There were some differences. The Claimant's "Trac" had thin straight lines from the extremities of each letter meeting at a point just above the name. This was described as a "receding roadway effect as if to give the impression that the word " Trac" had emerged from some distant point. The Defendant did not copy this feature and instead used three small white triangles appearing, one each just above, just to the right of and just below the letter "X" of "Trax".

There was also evidence that in addition to copying the Claimant's livery on vehicles, the Defendant also made use of promotional material, literature and a website where these features appeared.

The Court concluded that the Claimant was able to establish the necessary goodwill and reputation in the use of their mark "Trac" combined with the distinctive get-up for its vehicles so as to support an action in passing off. It also concluded that on the evidence there was a serious likelihood of confusion given the close similarities between the Claimant's overall get-up and that of the Defendant.

Deciding that the balance of convenience lay in favour of the granting of an interim injunction, the Court granted the Claimant's application for an injunction.

- Bargain Pages Limited -v- Midland Independent Newspapers Limited 2004 FSR 6

This was essentially a dispute concerning the scope and enforceability of a Tomlin Order. A Tomlin Order is essentially a contract sanctioned by the Court. It is enforced by way of a claim for breach of contract rather than fresh intellectual property proceedings. The argument was whether or not the Tomlin Order could be extended to cover parent and associated companies reflecting changes in the Defendant's corporate structure since the original proceedings were brought.

In 1990 Bargain Pages had launched a free ads newspaper in the West Midlands under the name of Bargain Pages. It had a distinctive get up comprising, a yellow background with a yellow and red banner across the top of the front page. In May 1994 Bargain Pages Limited extended the area of its operation specifically to Coventry. In January 1993 Midland Independent Newspapers started to publish a free ads newspaper called Bargain Finder initially distributed in Birmingham, Sutton Coldfield and Solihull. It extended its area of distribution to Coventry provoking a claim for passing off.

Bargain Pages claimed that its newspaper had become well known and recognised by the public by reference to the word "Bargain" and in addition claimed substantial goodwill in the get-up of the publication comprising the following features in combination:

- (a) The use of yellow background colour for the publication pages;
- (b) The use of yellow and red across the banner or title portion on the front page;
- (c) The use of a rondel on the front page to display a slogan;
- (d) The use of a series of coloured rectangles or similar shaped boxes on the front page as a guide to contents;
- (e) The use of the slogan "Best Selling Free Ads Paper";
- (f) The use of the word "Bargain" in the title.

The initial proceedings were compromised by way of a Tomlin Order. It provided a transitional period within which the Defendant could continue to sell but to effect necessary changes. After, the expiry of that transitional period Midland Independent Newspapers should not at any time bear features of get-up comprising:

- (a) A trading title comprising as its dominant part the word "Bargain";
- (b) The use of yellow background colour for the publication pages;
- (c) The use of yellow and red across the banner or title portion of the front page of the publication;
- (d) The use of a rondel to the front page to display a slogan;
- (e) The use of a series of coloured rectangles or similar shaped boxes on the front page as a guide to contents;
- (f) The use of the slogan "Best Selling Free Ads Paper".

The decision in relation to the scope and extent of the Tomlin Order is not relevant for our purposes but the Court was asked to decide whether or not the effect of the original Order was to disallow any newspaper containing any of the six identified features or whether it was necessary for all of those features to be present in combination before the Order was breached. The Court concluded that the Tomlin Order precluded use of each feature whether or not used in combination with any other.

- Wyeth Holdings Corp -v- Alparma Limited 2003 WL 22936797

This was an application for an interim injunction in an action brought by the Claimant for both patent infringement and passing off.

For some ten years the Claimant had manufactured and sold a drug called Minocycline under the trademark "Minocin-MR". The drug was an anti-biotic used in particular in the treatment of acne. Minocin-MR had been sold for the ten year period in substantially the same get-up. It was supplied in cardboard boxes containing fifty-six capsules. Each box contained on it a number of dark blue or black

panels on which the word "Minocin" was printed in white and the letters "MR" were printed in orange. Inside the box were blister packs, each containing fourteen capsules. On the foil in the blister packs the days of the week were printed and also the words "Minocin-MR".

The capsules within the blisters were in two colours, one end was orange and the other dark brown.

The Defendant's product was called "Sebomin MR". It was an alternative product to the Claimant's. The box used by the Defendant was quite different to the box used by the Claimant. Similarly, inside the box were four blister packs each containing fourteen capsules but printed on the foil besides the days of the week were the words "Sebomin 100mg MR capsules", under that was a reference to Al-pharma, the Defendant.

Inside the Sebomin blister packs were capsules which were substantially identical to the Minocin-MR capsules. They used substantially the same shades of orange and brown.

For reasons relating to where the balance of convenience lay, the Court granted the Claimant's application for an interim injunction but in doing so indicated that the Claimant had an arguable case in passing off notwithstanding that the boxes and blister packs being used were substantially different.

- Mars UK Limited -v- Waitrose Limited 2004 WL 1372539

This was a case involving an application by the intended Claimant for pre-action disclosure of documents relating to the preparation of the intended Defendant's cat food and dog food products. It was said that those documents relating to the preparation and design of the get-up of the intended Defendant's products might reveal an intention to design and produce that get-up so as to make it colourably similar to the intended Claimant's products, so as to persuade the shopping public to buy the intended Defendant's products thinking them to be those of the intended Claimant.

The Court had the benefit of photographs showing shelves in a store belonging to the intended Defendant where their pet food products were all displayed. The Court found that whilst it was true that the intended Defendant's products were all sold in tins or packs of a familiar size and type, that the packs described the contents as dog food or cat food, that on the tins of both the intended Claimant and the intended Defendant there were pictures of cats and pictures of dogs respectively albeit not similar and that the products had coloured labels where the colours used by the intended Defendant shaded into colours used by the intended Claimant, looking at these similarities as a whole it did not seem that the similarity of the get-up as such would induce purchasers wishing to buy the intended Claimant's products by mistake to buy those of the intended Defendant.

The application was dismissed.

- Mars UK Limited -v- Burgess 2004 WL 1476759

This was an application for an interim injunction by the Claimant to restrain the sale of the Defendant's cat food consisting of packaging and get-up alleged to be confusingly similar to that of the Claimant.

The Claimant's cat food, known as "Whiskers", was a dry cat food in various flavours. They were sold in resealable bags. Most of the surface of the bags was printed in purple, which was a colour common to all Whiskers' products. On the front of the package there was a picture of a silver grey tabby cat - head and front paws only. Below was the name "Whiskers" in white over a symbol referred to as a cat mask. Below that, and below more of the background purple, on the right was a representation of vegetables and other ingredients and then of the cat food in a cat bowl. On the left there was a area of blue colour with text printed in black to show what the bag contained.

The Defendant's product has bands of a dark colour at the top and bottom, common to all varieties. This was variously called purple and maroon. It was not the same as the Whiskers purple. The bands of colour go all around the package. Between them, and also going all around the pack, was a wide band of a contrasting colour - the colour being dependent upon the flavour of the products inside the bag. On the top band of maroon or purple, was the name "Burgess" in white and below that in a oval the words "Supa Cat". The band of colour at the top was fairly wide. The band at the bottom was fairly narrow. On the variety specific band in the middle, in white, was the name of the particular variety, then a picture of a black and white cat - head and front part of the body and right front paw extended down, and below that, to the right a representation of the food in a pink coloured cat bowl.

The evidence showed very large sales of Whiskers products in the UK and an extensive campaign to promote the use of purple in conjunction with Whiskers products. An application to register purple as a trademark in relation to cat food was pending.

The Defendant contended that the evidence did not demonstrate a seriously arguable prospect that the Claimant would succeed at trial. At the interlocutory stage there was no evidence of actual confusion having arisen and the Court had to decide on its own observation and assessment.

In deciding that the necessary test of whether there was a likelihood of deception in a get-up case was to consider the item as a whole and ask whether, in the ordinary course of things, a person with reasonable apprehension and with proper eyesight would be deceived. This is not done by examining two packages minutely side by side in Court with a care not normally applied by a shopper, but rather taking such a shopper, possibly pressed for time, knowing the Claimant's product and seeing the Defen-

dant's on the shelves, perhaps at a distance from the Claimant's or possibly in the absence of the Claimant's.

In applying this test the Court decided that no customer, reasonably alert and with reasonable eyesight, would mistake the Defendant's products for Whiskers; nor would he draw the conclusion of some commercial association.

In concluding that the Claimant had not shown a seriously arguable case that the Defendant's packaging would be taken by shoppers as an indication that their product was associated in some way with that of the Claimant, the Court dismissed the application for an interim injunction. Furthermore the costs were assessed and ordered to be paid by the Claimant to the Defendant within fourteen days.

- Red Bull GmbH -v- Mean Fiddler Music Group Plc

This was an application for an interim injunction. The Claimant sold the well known energy drink, Red Bull. The packaging on the cans consisted of four trapezoidal quadrilaterals in silver and blue with a strong diagonal slant. The centre of the can contained an image of two charging Red Bulls separated by a gold solar disc and the brand name Red Bull also in red. The bottom of the can had a horizontal strap line bearing the words "Taurine Vitalises Body and Mind".

The Defendant operated numerous music venues and music festivals. The evidence showed that one of the Claimant's employees went to a bar operated by the Defendant and on a number of occasions ordered a Red Bull. Instead of being supplied with the Claimant's product, the employee received a drink manufactured by the Defendant called "Sinergy". On many occasions the bar staff did not explain that despite asking for a Red Bull an alternative was being supplied. Indeed, on one occasion a receipt was provided indicating that Red Bull had been purchased.

Sinergy used for its packaging the same colours as Red Bull ie. very similar tones of blue, silver and red. The can had the same dimensions and used the same quadrilateral pattern. There was a difference in that the quadrilateral were rectangles rather than trapezia and they were asymmetrically placed on the front of the can. The brand name was placed in the centre of the tin and there was also a red disc in the bottom left-hand quadrant. Sinergy also had a horizontal strap line at the base of the can with the words "Mean Energy.com".

Initially, the main thrust of the complaint revolved around the switch selling. The evidence of the Claimant's employee seemed to provide a strong prima facie case. However, the Defendant had offered undertakings to the Court to the effect that they would not in response to a request from any person for a product under or by reference to the name "Red Bull" or any name including "Red Bull", sup-

ply or sell a product not being or containing Red Bull without first using best endeavours to make it clear that the product was not or does not contain Red Bull and second asking the person making the request for his consent to being served with a product other than Red Bull.

The Defendant also undertook to reprogram their tills so as to avoid receipts being printed bearing the name Red Bull. The Defendant also caused a poster to be displayed prominently in its bars making it clear that they did not stock Red Bull and that Sinergy was not a Red Bull product.

The Court when comparing the two cans side by side concluded that there was a striking similarity in the design of the can. However, the brand names Red Bull and Sinergy were prominent but the Court accepted that at a distance it was very difficult to distinguish the two.

The Court, in deciding whether there was a relevant misrepresentation, decided that the circumstances of the sale needed to be considered. Sinergy was not sold in shops or supermarkets where a variety of different products were displayed together. It was only sold at venues operated by the Defendant. The target clientele was the group of 18-30 year olds out for a night's entertainment. This was a section of the public which was acutely brand aware. In the vast majority of cases the drink would be asked for by name.

The question which the Court asked was whether or not the Defendant had done enough to distinguish Sinergy from Red Bull. The prominence of the brand name on the can, coupled with the disclaimers, dispelled deception. In these circumstances the injunction was refused.

BALKAN COUNTRIES

1. Legal Definition of Trade Dress/Look-Alikes

There is no legal definition of trade dress.

2. Rationale of Protection

To the extent that trade dress is not a concept which has been developed in these jurisdictions as a complementary way of protecting the overall appearance of a product or service or packaging, and that this type of protection is mainly to be obtained by means of trademark and design registration, there are not particular reasons for trade dress protection other than those for trademark /design.

As far as the imitation of a trade dress is considered as an act of unfair competition, this protection is conferred on a twofold basis: on the consideration that acts contrary to honest business practices are to be prohibited and to prevent that consumers be deceived as to the origin of the product.

3. Mechanism of Protection

If one seeks trade dress protection through trademark or industrial design registration, the requirements are the standard ones for these IP rights: to be registered as a trademark, a trade dress must be inherently distinctive or have acquired distinctiveness through use (“secondary meaning”); and the novelty and originality test will be applied to industrial design applications.

Trade dress infringement is regarded as an act of unfair competition if the imitation creates confusion with any products or services of the competitor. Croatian Courts have indicated that only an act that can truly cause damage can be characterized as an act of unfair competition.

4. Accumulation of Rights

As in other European jurisdictions, it is possible to protect trade dresses through trademark and industrial design at the same time, provided that the corresponding legal conditions are met.

Accumulation of grounds (trademark infringement and unfair competition) is possible within the same civil action.

Regarding trade dress protected through industrial design, which has expired, there is no relevant case law in the Balkan countries, and therefore it is unclear whether the Courts would grant protection under unfair competition rules.

5. Enforcement / Case Law

Croatia

From Croatia it has been reported that trade dress protection and infringement can be one of the thorniest issues to tackle. Protectable trade dress is infringed when a “likelihood of confusion” exists between the defendant’s trade dress and the plaintiff’s trade dress. The factors which a court will weigh to determine likelihood of confusion are, among others: the strength or distinctiveness of the trade dress; the intent to copy and “cash in” on the plaintiff’s reputation and goodwill; the similarity in products; degree of care exercised by buyers; and the market place, manner and degree of concurrent use.

With respect to Court decisions, one such case concerns look-alikes and unfair competition, in which The High Commercial Court of Croatia affirmed the decision of the Commercial Court of Zagreb and dismissed the plaintiff’s claim for unfair competition.

The plaintiff, a manufacturer of “Labello” lip balm stick, sued the manufacturer of another lip stick which was sold under the trademark “Lip balsam” by using a trade dress that was similar to Labello’s. It is important to mention that Labello lip stick, which is originally manufactured by a German manufacturer and which has been manufactured by a major Croatian pharmaceutical company under license of a German manufacturer, was the first lip balm stick available on the Croatian market and was marketed in Croatia for a considerably long period of time. This is why the Labello trademark and its trade dress enjoys a considerable level of recognition among Croatian consumers.

The court accepted the plaintiff’s argument that both products were similar in appearance. However, the court stated that all cosmetic and pharmaceutical products which were available on the Croatian market were similar in appearance in the sense that they all had similar shapes and similar colours. The distinguishing elements of such products, according to the court, were their trademarks and manufacturer’s trade names.

The court did not accept the plaintiff’s argument that an average consumer can distinguish two products only by paying special attention because the plaintiff’s product clearly displayed the trademark

“Labello” whereas the defendant’s product also clearly displayed its trademark “Lip balsam”. In addition, the Court stated that the defendant’s product had an additional identifying element, that is, a drawing of lips, which the plaintiff’s product did not have.

Furthermore, the Court did not accept the plaintiff’s argument that both products were usually offered for sale in baskets located near the cash desks of supermarkets and that competing lip balm sticks were usually mixed in such baskets which forces consumers to pay special attention to distinguish between both products. The Court compared such a situation with the market for chewing gum, stating that chewing gum was usually marketed with a trade dress in the same or similar colours and that manufacturers of chewing gum clearly displayed their trademarks just to identify their products.

Similarly, the Court rejected the plaintiff’s arguments highlighting the similarities between both products as far as shade of colours were concerned. The Court stated that most manufacturers of such products employed various colours of trade dress in order to associate their products with ingredients employed in production of their lip balm sticks. In this particular case, the plaintiff’s product was green which is associated with chamomile, whereas the defendant employed the same colour in respect of aloe vera. Furthermore, the Court stated that as far as cosmetic products were concerned, the colour yellow is associated with the sun, and both plaintiff and defendant employed that colour on trade dress of respective lip balm sticks which were intended to be used during the summer, on sunny weather. Thus, the court stated, colour cannot be the identifying element of a cosmetic product.

Finally, the Court stated that the defendant’s activity was not contrary to the good practices of trade or with respective provisions on unfair competition. Only an act that can truly cause damage, according to the court, can be characterized as an act of unfair competition.

Serbia and Montenegro

During court proceedings on infringement of a protected trade dress, the plaintiff must prove the existence of the likelihood of confusion between the parties’ trade dress. The following factors in particular will be examined to assess the likelihood of confusion: similarities in appearance, the relatedness of goods or services, the areas in which the parties operate or use the trade dress, the channel of trade in which the parties advertise and sell their goods and services, the strength of the trade dress, including the extent and manner of plaintiff’s uses.