

Registration of Layout of a Store as Trademark

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I. Introduction

Could design and layout of a retail store be registered as a three-dimensional trademark? Apparently yes.

Apple Inc. triggered an examination on that front before the Court of Justice of the European Union (“the CJEU”) when the German Patent and Trademark Office (“the DPMA”) rejected the company’s trademark application of “*distinctive design and layout of a retail store*” and the company appealed this rejection decision before German Federal Patent Court (*Bundespatentgericht*, “the Court”), which ultimately led the Court to ask for a preliminary ruling from CJEU on the matter.

The Court laid out theoretical questions that does not bear the specific merits of the case but would help resolve the dispute (*whether design and layout of a retail store be registered as a three-dimensional trademark and if so, what requirements are sought for such registration*) and the CJEU gave its preliminary ruling¹ further to these questions. The gist of ruling, to wit of the CJEU’s assessments on this issue, is provided hereunder.

II. CJEU’s Ruling on the Matter

In a nutshell, Apple Inc. requests registration of a sign that is the depiction of its flagship store, which can be identified as “presentation of the establishment in which a service is provided”. So basically the matter at hand pertains to whether how one presents its place of business/establishment/store, in which a service is rendered, can be registered as trademark and actually, in a way, be considered as “packaging” of a product.

The first issue that needs to be handled is to establish whether the layout of a store is eligible for being a trademark, and there are three conditions that are in play here:

¹ CJEU (Third Chamber) Case: C-421/13

- (1) The subject matter of the trademark application must be a sign.
- (2) That sign must be such that it can be presented graphically.
- (3) That sign must be such that by virtue of it, the goods and services of one undertaking can be distinguished from those of other undertakings.

Design and layout of a retail store is basically a representation, bearing integral collection of lines, curves and shapes. Such design and layout therefore satisfies the first and second conditions cited above. There is no need for this design, or layout, to contain any indication as to the size and proportions of the store it depicts. This means that the layout does not have to be a perfectly measured depiction, a representation of what stands where and how those stands suffices.

Whether the design and layout of a store is distinguishable, to wit distinctive, depends on whether the layout has noteworthy features that are quite different and stands out as far as the norms and customs of the relevant economic sector is concerned. So basically, the layout must have such innovative and novice elements that put the design of the store in a completely different place from the stores in which similar services are provided. This is judged by the goods and services in question and the perception of the relevant public. So the conclusion is that design and layout of a store has the potential to distinguish the undertaking/company that provides services in that store.

Consequently, as long as the design and layout of a store meet all the foregoing criteria, registration thereof is possible;

- (i) for the goods that are presented under that design/layout and grants the same trademark protection as the “packaging” of the goods enjoy,
- (ii) for the services relating to the goods that are presented under that design/layout as long as such service is not an integral part of offering the goods for sale.

The above conclusions of the CJEU show that there is a minor distinction when it comes to registration of design and layout of a store for services. The design and layout need to be such that those do not belong to an integral part of the way that the goods in questions are sold.

III. Assessment of CJEU’s Ruling in Light of the DPMA’s Reasoning

The reasoning behind the DPMA’s rejection on Apple Inc.’s trademark application of “*distinctive design and layout of a retail store*” relies on the ground that depiction of a store in which products are offered for sale is merely a representation of an integral part of business. The DPMA also concludes that, regardless the possibility that one may have an idea about the price range and quality of the products that are put in display by simply looking at the design and layout, one cannot perceive commercial origin of the products in question.

The DPMA has a point in its reasoning since the primary function of a trademark is introduced as “showing commercial origin” in various decisions of the CJEU and that is actually why the DPMA rejects the trademark application, as it concludes that the design and layout do not look distinctive enough to make one have a perception, or assumption, about the commercial origin.

The ruling of the CJEU shows that design and layout of a retail store can be registered as trademark as long as this design/layout is so unique that it actually screams the commercial origin of the products. An assessment on that front requires an examination on merits of each specific case, therefore the CJEU’s theoretical conclusions work only to a certain extent for Apple Inc.’s case. The remaining, and actually the main issue in that case revolves around whether the design and layout of Apple Inc.’s flagship store is so distinctive and unique that when one sees it one immediately associates it with Apple products.

To sum up, although it is theoretically possible, as the CJEU establishes, for design and layout of a retail store to be registered as trademark, the level of distinctiveness that design and layout of a retail store must have is subject to quite a high threshold in order for that design/layout to be registered as trademark. In connection to that, even if there is such distinctiveness, the commercial origin of that design/layout must be well-known before relevant consumers as this is the main point for the design/layout in question to create a perception on commercial origin.

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