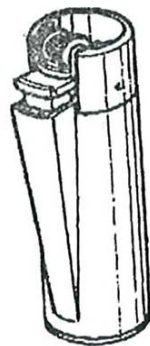


## **The Barcelona Court of Appeal recognizes the three-dimensional trade mark of the lighter “CLIPPER”**

**Titulo corto:** 3D trade marks

On 29 March 2009 the Barcelona Court of Appeal passed a judgement upholding the claims of FLAMAGAS, S.A. regarding the infringement of its three-dimensional trade mark, which consists of the shape of its lighter “CLIPPER” (trade mark nº 2012203, class 34), reproduced below:



The judgment rejects the invalidity allegation brought by the defendant EUROESTANCO Y EUROBEBIDAS, S.A. (EUROESTANCO) against said three-dimensional trade mark.

This judgement is interesting because, besides revising the ECJ case law regarding likelihood of confusion and unfair advantage of other trademarks' reputation, it also deeply analyzes some of the grounds of refusal for not allowing a three-dimensional shape to be registered as a trade mark.

The background of the case is as follows: FLAMAGAS sued EUROESTANCO and DISTRIBUIDORA DE ENCENDEDOROS DE BARCELONA, S.L. (DISTRIBUIDORA) for trade mark infringement of its CLIPPER lighter three-dimensional trade mark, as a consequence of the importation and commercialization by said companies of similar lighters under the name RASTA.

FLAMAGAS based the three-dimensional trade mark infringement on Article 34.2.b) of the Spanish Trade Marks Act (TMA), because the defendants' RASTA lighters generate likelihood of confusion with the FLAMAGAS three-dimensional trade mark, and on Article 34.2.c) TMA, because with their products the defendants were taking unfair advantage of the reputation of said three-dimensional trade mark, as well as damaging the well known and distinctive character of said trade mark. Apart from said action, FLAMAGAS also brought unfair competition actions against the mentioned companies for displaying their lighters in a tray which constituted an unfair imitation of the trays used by FLAMAGAS for the same purpose (Art. 11 of the Spanish Unfair Competition Act - UCA) and also used a trade dress, which was confusing with the one used by FLAMAGAS for its products (Art. 6 UCA).

DISTRIBUIDORA failed to appear and was declared to be in default. EUROESTANCO replied to the lawsuit and argued the invalidity of FLAMAGAS' three-dimensional trade mark. Said invalidity allegation was based on two of the grounds of refusal for the registration of a trade mark regulated in Article 5.1.e) TMA, specifically, in the fact that, according to EUROESTANCO, the

FLAMAGAS three-dimensional trade mark consists exclusively of (i) a shape which gives substantial value to the goods and (ii) a shape which is necessary to obtain a technical result. Apart from said invalidity grounds, EUROESTANCO also argued that the trade mark should be invalid because the shape in question was previously protected through a registered industrial design, which already expired.

The Commercial Court No. 3 of Barcelona appraised the unfair competition actions of FLAMAGAS regarding the exhibitors' trays used by the defendants (Art. 11 UCA) and the confusing trade dress of their products (Art. 6 UCA), but dismissed the infringement of the three-dimensional trade mark, because it upheld the invalidity allegations of EUROESTANCO. The Court concluded the lack of distinctiveness of the three-dimensional registered sign (prohibition of Article 4.1 TMA, which was not invoked by the defendant) and stated that it *"reproduces the shape which was the subject matter of the expired Industrial Design"* and that *"a technical solution which is in the public domain cannot be registered as a trade mark"*.

The judgement was appealed by FLAMAGAS regarding the validity and infringement of its three-dimensional trade mark.

With its recent judgment of 29 March 2009 the Barcelona Court of Appeal has revoked the first instance judgement, thus rejecting the invalidity allegation of

EUROESTANCO and upholding the trade mark infringement on the grounds of Articles 34.2.b) and c) TMA.

Basically, the reasons given by the Court of Appeal to reject the invalidity allegations against the three-dimensional trade mark are as follows:

- (i) The first instance decision was incongruent in concluding the lack of distinctiveness of the three-dimensional trade mark, which was not argued at any moment by the defendant. In any event and in light of the evidence in the proceedings, the three-dimensional sign is fully distinctive, not only because it has different characteristics which make the external appearance of the lighter particular enough, but also because it creates an overall impression which enables the registered formal configuration to be distinguished from the ones normally used for lighters.
  
- (ii) The fact that the shape in question was previously protected through an expired industrial design does not prevent it from constituting a valid three-dimensional trade mark, provided that it meets the requirements of the TMA and it is appropriate for distinguishing the business origin of the products that it identifies. The Court of Appeal says in this respect that nothing prevents a three-dimensional sign from being protected under the Trademarks Act, the Copyrights Act and the Industrial Designs Act if it fulfils the requirements established

by each of them. The Court clarifies in its judgment that this protection can be simultaneous, or, as in the present case, subsequent or posterior in time.

- (iii) The three-dimensional trade mark registered by FLAMAGAS is not a necessary shape to obtain a technical result, neither does it monopolize a technical rule. On the contrary, it is a shape that, even though it is “technically determined”, can be arbitrarily chosen, which means that it provides a technical effect that can also be achieved with other different shapes.
  
- (iv) This three-dimensional shape does not give a substantial value to the product in terms of Article 5.1.e) TMA because, although it is peculiar, it does not give such substantial value to the lighter so as to prevent it from being connected with its business origin, and neither does it constitute the decisive factor for its purchase, which is what the Law forbids.

After rejecting the invalidity allegations against FLAMAGAS' three-dimensional trade mark, the Court of Appeal has declared its infringement by the defendants due to the existence of a likelihood of confusion (Article 34.2.b) TMA) between their RASTA product and said trade mark, the products (lighters) being identical, the signs (shapes) being very similar and, as a consequence,

there being a risk that the consumer be misled in thinking that said similarity is a consequence of an economical or legal agreement between the companies.

Apart from that, the Court of Appeal has concluded that the defendants were taking an unfair advantage of the well known character of FLAMAGAS three-dimensional trade mark (well known character which was not disputed at any moment and is deemed proved by the Court of Appeal) and are damaging the distinctive character of this trade mark, because with the use of a similar three-dimensional sign to identify identical products, they obtained or expected to obtain an unlawful profit of the distinctive and well known character of said registered trade mark. With regard to this, the Court of Appeal states that the RASTA lighters are ideal for making the consumer establish an association or a connection with the plaintiff's products, caused by the connection that said similarity in the shape generates. According to the Court, these connections and associations have been deliberately sought, for the aim of obtaining an unfair advantage and thus provoking the dilution of the trade mark.

Upholding the trade mark infringement action, the Court of Appeal has recognised the right of FLAMAGAS to claim damages from the defendants for the consequential loss, the loss of profits and the moral damage for loss of prestige.