

## Protection of Non-Traditional Trade Marks in Lithuania

### *(Contradictions in the Practice)*

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In this article we are willing to discuss about the protection of non-traditional trade marks in Lithuania, namely the difficulties of registration of three-dimensional and colour trade marks in Lithuania.

To begin with, trade marks are traditionally perceived as words, numbers, pictures, symbols or combinations of these elements. However development of marketing and promotional strategies has broadened the scope of what is considered to constitute a trade mark. Therefore, colours, shapes, moving images, holograms, even sounds, scents and tastes nowadays may serve as marks distinguishing the goods and services of one person from those of another. Consequently although under numeral disputes, the description of non-traditional mark (also referred as nonconventional or special marks) is accepted worldwide. On the other hand registrations of such marks face serious difficulties in practical registration procedures.

Most usual of the unusual trade marks and perhaps most widely applied for are shape marks or the three-dimensional (hereinafter - 3D) marks. Still the 3D marks are facing challenges in passing the examination on absolute grounds in Lithuania. Notably, three-dimensional form (the shape of products, their packaging or containers) is included in the list of marks with respect to which legal protection under Trade Mark Law of Lithuania (hereinafter - Law) is applicable. Yet in the practice application of a plane 3D shape without any other wordy or figurative distinctive elements is generally sentenced to fail first examination in the SPB and is provisionally refused in most cases. However recent decisions of the Appeal Division of the Patent Bureau of Lithuania (hereinafter - SPB) have brought some eligibility and identified the actual criteria applied for the 3D marks.

With the decision of September 28, 2011 the Appeal Division has satisfied appeal filed in the name of applicant Kabushiki Kaisha Yakult Honsha due to the registration of 3D trade mark - bottle device, depicted in Figure 1. The mark is applied for "milk; yogurt; fermented milk; fermented milk with lactic acid; milk drinks with lactic acid; milk products; cream (milk product); condensed milk; skim milk; milk powder" in class 29 and „mineral water, aerated water, fruit juice, vegetable juice, soft drinks" in class 32. The decision to refuse the registration was based on the argumentation that the trademark applied is devoid of any distinctive character.

The appeal was supported by the arguments that the 3D mark shown in Figure 1 is an original form created in 1965 and introduced on the market in 1968. The form distinguishes by the specific features: the body of the bottle is visually divided by straight lines into four parts of different dimensions - oblique neck of the bottle, straight part of the body, narrowed middle of the body and straight body again at the bottom. Hereby the bottle repeats the lines of woman's figure in a very stylized way. This form is not common in a particular market of goods of classes 29 and 32 in Lithuania.

In the decision of the above appeal the Appeal Division has stressed out that the same criteria of the evaluation of the distinctive character shall be applied for all kinds of marks listed in the Law. However at the same time it does not mean that the relevant part of public will perceive the 3D mark in the same way as the word or figurative mark. And following analogous practice of the ECJ it has been pointed that 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.

In response to Examiners claim that because of the availability of bottles of various shapes on the market, the producer of the goods may only be identified according to the label or any other additional marks placed on the bottle or other package, the Appeals Division stated that this argument is unfounded and inadequate to the provisions of the Law which provide that a mark might be constituted of a 3D form per se.

Moreover it has been disagreed with the argumentation of the Examiner that distinctive features of the mark applied are not substantial and original enough to discern the applied 3D mark from similar goods and individualize the producer of the goods since they are the consequence of the technical necessity to package the goods. The Appeal Division stated that when assessing whether the 3D form has distinctive character it is essential to evaluate whether the said form is common and presumptive packaging of the said goods or, on the contrary, the form differs from the common examples and practice of the market. It is also necessary to evaluate common impression of the bottle appearance as such as the features of the form applied can not be evaluated as the mere composition of different elements since the way of presentment of these elements allows reaching entire esthetical result.

The Examiner has failed to support his arguments by the relevant evidences. Contrary, according to the evidences filed on behalf of the Applicant the conclusion has been made that the packages of the goods applied available on the market are characterized by more streamlined, rounded lines, whereas the mark applied consists of strict straight lines and proportions. Although some of the packages shown in the said evidences also has a concavity in the middle of the body, however it is necessary to assess common appearance of the mark and not only separate elements. Moreover the bottle itself is small enough and the concavity in the body of the bottle is also too small to state that it has a functional purpose to carry or to pour handy.

Consequently The Appeals Division has summarized that the 3D form applied cannot be evaluated as absolutely common and presumptive in the particular market sector, because the indicated features of the 3D mark are specific enough to attract attention of the ordinary customer. It is neither one of the form ordinary on the relevant market nor the simple version of it. The mark differs from the norms and practice on the said market and therefore is capable of performing the essential function as an indication of origin. Considering all the circumstances stated the conclusion has been made that the 3D mark applied has distinctive character and shall be registered.

Therefore the following characteristic points may be crystallized from the above decision of the Appeal Division and these should be taken into account when filing 3D mark application in Lithuania:

- Plane 3D shape without any other additional elements may constitute a trade mark per se, i. e. no supplementary word or figurative elements should be required for the registration to be accepted.
- Nevertheless the 3D mark should also significantly differ from the common examples and practice of the market.

- When estimating distinctiveness of the 3D mark, it is essential to evaluate the whole shape and common impression presented by the mark, since the way of presentation of various elements allows reaching entire esthetical result.
- Neither 3D shape of packaging (containers, bottles, etc.) nor separate elements of it (handle, cap, etc.) shall be deemed to be consisted of the shape which is necessary to obtain a technical result on the mere fact that it's initial purpose is technical - to store, convey, lift, carry, outpour. Instead it is crucial to evaluate the originality and distinctiveness of the specific form and not the object itself.

On the whole it is apparent that former ambiguous practice of the State Patent Bureau gets settled and observes practice of the OHIM and the Court of Justice of the European Union. Thus filing of 3D trade marks becomes more lucent in Lithuania.

Another type of non-traditional trade marks are colour marks, which appears even more complicated to pass through the registration requirements. The Law defines a mark which may be registered as a trade mark quite liberally. *Colours or combinations of colours and their compositions* are covered under provision of applicable marks by the Law. However the Rules on Examination of Trade Marks ZR/03/2004 constrict this provision by stating that a mark shall be declared devoid of any distinctive character if it consists of only one colour either two colours (especially basic ones) represented in basic geometrical shape (usually in a square) unless the mark conforms to the following provisions set in the same Rules:

- i) the colour has obtained secondary meaning among consumers;
- ii) the colour does not bear any functional or practical value in relation to the goods/services concerned;
- iii) the colour does not possess any competitive need within the market of the goods/services concerned.

Therefore, in principle allowed for registration, in practice colour marks meet strict requirement of acquired distinctiveness to be fulfilled though. Taking into account the above provisions, it is transparent why only a narrow number of colour mark applications are awarded a registration in the SPB. Below you may find not comprehensive summary chart of colour trade mark registered and refused by the SPB.

One of the latest decision of the Appeal Division on the discussed issue rejected the above requirements had been fulfilled. A registration was sought for orange colour. Applicant uses the colour applied in Lithuania and some other countries on the packages of magnetic data carriers, recording discs, computer equipment and some other goods of class 9.

Commenting on the inherent distinctiveness of the applied colour mark the Appeal Division stated that public concerned in relation to the goods applied is an average consumer, as these goods may be purchased in general shopping centres (for example, computer mouses, compact discs, headphones and etc.) as well as in specialized shops. It is common in present trade that the related goods are produced in various colours and the orange colour namely is neither unusual nor unique in the market of goods covered by class 9. Moreover the average consumer is deemed to be not accustomed to identify origin of the goods by the colour of their packaging. Usually assumptions on the origin of the goods are made according to graphic or word elements placed on the package. And the Applicant has failed to prove contrary. Therefore it has been concluded that registration of the given colour mark would determine monopolization of orange colour and would provide the Applicant with the unfair competition advantage and would contradict to the general principle not to restrict the availability of colours for the other traders who offer for sale goods of the same type.

Hereby it has been upheld the provision that a colour *per se* do not have a distinctive character. Thus in essence while registering a colour mark one faces a main problem of establishing acquired distinctiveness of the mark applied. Meanwhile the Appeal Division is under obligation to comprehensively examine the provided arguments and evidences concerning use of the mark and to determine if these are sufficient the acquired distinctiveness to be proved.

In the appeal filed it has been provided a considerable amount of evidentiary material which demonstrated that the Applicant is the biggest data storage devices and computer accessories provider in the Baltic States. The orange colour mark applied had been started to use in 2006 and since then it has been used in all over Lithuania as a distinctive element of packages of goods provided by the Applicant. The provided documents showed trade volumes and intensive promotion in 2006 - 2010. However the accurate market share and the exact amount invested in promotion of the colour mark in question could not be estimated due to the objective technical reasons and therefore it was presented data concerning overall advertising expenses incurred by the Applicant. The latter was adversely criticized by the Appeal Division.

Furthermore the Appeal Division has noted that the provided promotional material shows that not only the colour mark in question is advertised but instead it is used together with other word trademark of the Applicant and as a complex part of overall trade dress. And only combination of the orange colour and other trade marks as a whole supposes distinctive character. Thus it has been made a conclusion that this material do not proves separate and individual use of the mark applied. Therein the Appeal Division has quoted decision of the Supreme Court of Lithuania issued on October 19, 2010 which has stated that "the mark used must maintain independency and individuality".

However it must be emphasized that the decision of the Supreme Court of Lithuania, which was used as a basis for the above statement, had been issued in the case examining different factual and legal situation, namely - the conflict between trademarks and the question of the cancelation on the non-use grounds. Furthermore the above statement contradicts to the established practice of the European Court of Justice which has numerously acknowledged that "identification, and thus acquisition of distinctive character, may be as a result both of the use, as part of a registered trade mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark. In both cases it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service, designated exclusively by the mark applied for, as originating from a given undertaking" (C-353/03). Moreover the Appeal Division itself has followed the analogous provision in numerous cases. For instance, in decision No. 2Ap-1318 concerning acquired distinctiveness of some applied mark, the Appeal Division has criticised the Examiner for "not taking into consideration evidences solely on the ground that in these evidences the mark was presented together with other wordy or figurative elements. <...> This does not necessarily mean that the mark applied must be used separately and individually".

With the decision of June 20, 2012 the Appeal Division has rejected the appeal filed in the name of applicant "Humana people to people Baltic" due to the registration of colour trade mark – yellow and blue color combination, depicted in Figure 2.

The applicant indicated that in this particular case the Appeal Division did not take into account the fact that the application was for two colour combination. The Appeal Division has noted that there are the same evaluation criteria for combined colours applications.

In September 2012 this particular decision was appealed to the Vilnius Regional Court.

Summarizing the above it should be pointed out that although it is still arguable if the colour mark in questions has actually acquired distinctiveness through use or not, the major obstacle for clear registration of colour marks in Lithuania today is unsettled and even contradictory practice of the Appeal Division of the SPB as concerns registration of the colour mark. Unfortunately this obvious instability leads applicants into disorientation and even loss of their legitimate rights.



Figure 1



Figure 2

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