

Court of Justice EU, 14 March 2019, *Textilis v Svenskt Tenn*



TRADE MARK LAW

Article 7(1)(e)(iii) EUTMR (Regulation No. 207/2009, as amended by Regulation No. 2015/2424) is not applicable to trade marks registered before the entry into force of the amendment to that Regulation (23 March 2016)

- In the present case, it is common ground that Regulation No 2015/2424, which entered into force on 23 March 2016, does not contain any provision expressly providing that Article 7(1)(e)(iii) of Regulation No 207/2009, as amended, is applicable to EU trade marks registered before that date.

32 Moreover, it is not apparent from either the purpose or the scheme of Regulation 2015/2424 that the EU legislature intended to confer retroactive effect to Article 7(1)(e)(iii) of Regulation No 207/2009, as amended. Such an interpretation also emerges from recital 12 of Regulation 2015/2424, which recalls the importance which the EU legislature attaches to the principle of legal certainty.

Sign consisting of two-dimensional decorative motifs, which are affixed to goods, such as fabric or paper, does not ‘consist exclusively of the shape’, within the meaning of article 7(1)(e)(iii) CTMR (Regulation No. 207/2009 prior to its amendment by Regulation No. 2015/2524)

- Although it is true that, in the main proceedings, the sign under consideration represents shapes which are formed by the external outline of drawings representing, in a stylised manner, parts of geographical maps, the fact remains that, apart from those shapes, that sign contains decorative elements which are situated both inside and outside those outlines.

41 Furthermore, that sign highlights words, in particular the word Manhattan.

42 In any event, it cannot be held that a sign consisting of two-dimensional decorative motifs is indissociable

from the shape of the goods where that sign is affixed to goods, such as fabric or paper, the form of which differs from those decorative motifs.

43 For those reasons, the view cannot be taken that a sign such as that at issue in the main proceedings consists exclusively of the shape, within the meaning of Article 7(1)(e)(iii) of Regulation No 207/2009.

44 Accordingly, the exclusion laid down Article 7(1)(e)(iii) of Regulation No 207/2009 cannot apply to such a sign.

That the sign is also protected by copyright has no bearing on whether or not it consists exclusively of a ‘shape’

- In that regard, it must be pointed out that the fact that the sign at issue in the main proceedings is also protected by copyright has no bearing on whether or not it consists exclusively of a ‘shape’, within the meaning of Article 7(1)(e)(iii) of Regulation No 207/2009.

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Court of Justice EU, 14 March 2019

(E. Regan, President of the Chamber, C. Lycourgos, E. Juhász (Rapporteur), M. Ilešič and I. Jarukaitis)
JUDGMENT OF THE COURT (Fifth Chamber)

14 March 2019 (*)

(Reference for a preliminary ruling — EU trade mark — Concept of ‘*shape*’ — Shape giving substantial value to the goods — Two-dimensional mark — Figurative mark also constituting a work for the purpose of copyright — Regulation (EC) No 207/2009 — Article 7(1)(e)(iii) — Regulation (EU) 2015/2424)
In Case C-21/18,

REQUEST for a preliminary ruling under Article 267 TFEU from the Svea hovrätt, Patent- och marknadsöverdomstolen (Svea Court of Appeal, Patents and Market Court of Appeal, Stockholm, Sweden), made by decision of 14 December 2017, received at the Court on 11 January 2018, in the proceedings

Textilis Ltd,
Ozgur Keskin

v

Svenskt Tenn AB,
THE COURT (Fifth Chamber),
composed of E. Regan, President of the Chamber, C. Lycourgos, E. Juhász (Rapporteur), M. Ilešič and I. Jarukaitis, Judges,

Advocate General: G. Pitruzzella,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– Svenskt Tenn AB, by B. Eliasson and M. Jerner, jur. kand.,

– the European Commission, by É. Gippini Fournier, K. Simonsson, E. Ljung Rasmussen, J. Samnadda and G. Tolstoy, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion, gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 7(1)(e)(iii) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the [European Union] trade mark (OJ 2009 L 78, p. 1) and of that provision of Regulation No 207/2009, as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21) (*'Regulation No 207/2009 as amended'*).

2 The request has been made in proceedings between, on the one hand, Textilis Ltd and Mr Keskin Ozgur and, on the other, Svenskt Tenn AB concerning the marketing by the applicants of goods for interior decoration which infringe the mark of which Svenskt Tenn is the proprietor.

Legal context

Regulation No 207/2009

3 Article 4 of Regulation No 207/2009, *'Signs of which [an EU trade mark] may consist'*, provides:

'A[n EU] trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

4 Article 7 of that regulation, entitled *'Absolute grounds for refusal'*, provides, in paragraph 1(e) thereof:

'The following shall not be registered:

...

(e) signs which consist exclusively of:

(i) the shape which results from the nature of the goods themselves;

(ii) the shape of goods which is necessary to obtain a technical result;

(iii) the shape which gives substantial value to the goods.'

Regulation No 207/2009, as amended

5 Recital 12 of Regulation No 2015/2424, which amended Regulation No 207/2009, states:

'In order to ensure legal certainty and full consistency with the principle of priority, under which a registered earlier trade mark takes precedence over later registered trade marks, it is necessary to provide that the enforcement of rights conferred by an EU trade mark should be without prejudice to the rights of proprietors acquired prior to the filing or priority date of the EU trade mark. ...'

6 Article 7(1)(e) of Regulation No 207/2009, as amended, provides:

'The following shall not be registered:

...

(e) signs which consist exclusively of:

(i) the shape, or another characteristic, which results from the nature of the goods themselves;

(ii) the shape, or another characteristic, of goods which is necessary to obtain a technical result;

(iii) the shape, or another characteristic, which gives substantial value to the goods.'

7 It is clear from Article 4 of Regulation 2015/2424 that that regulation entered into force on 23 March 2016.

The dispute in the main proceedings and the questions referred for a preliminary ruling

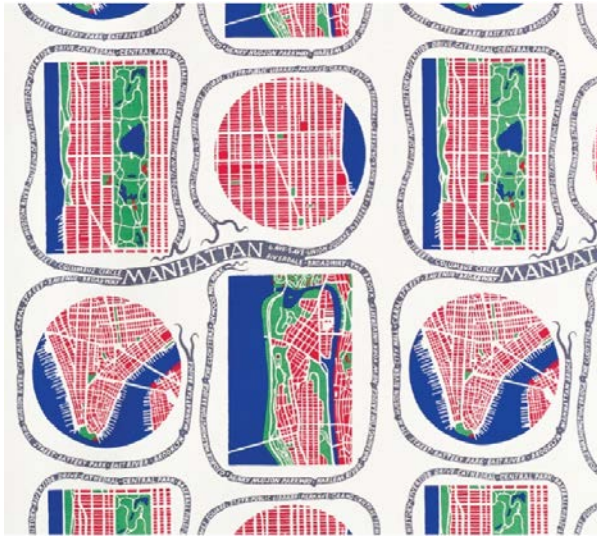
8 Svenskt Tenn markets and sells furniture and furnishing fabrics and other decorative accessories.

9 During the 1930s, Svenskt Tenn started to work with the architect, Joseph Frank, who designed various patterns for furnishing fabrics for it, including a pattern called MANHATTAN, which it markets and sells and in respect of which Svenskt Tenn claims to be the holder of rights under copyright law.

10 On 4 January 2012, Svenskt Tenn filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO). That figurative mark, designated MANHATTAN, was registered under number 010540268.

11 The goods and services for which that mark has been registered are in Classes 11, 16, 20, 21, 24, 27 and 35 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to inter alia, lampshades (Class 11), table cloths, table napkins of paper; coasters of paper; wrapping paper; writing or drawing books (Class 16), furniture (Class 20), household or kitchen utensils and containers; brushes; glassware, porcelain and earthenware not included in other classes (Class 21), textiles and textile goods, not included in other classes; bed and table covers (Class 24), carpets; wall hangings (non-textile); wallpaper (Class 27), retail services connected with the sale of furniture, cushions, mirrors, wallpaper, carpets, lamps, textile fabrics, textile products, fancy goods, household and kitchen utensils and containers, tableware, glassware, porcelain, earthenware, candlesticks, paper napkins, bags, jewellery, books and magazines (Class 35).

12 The figurative mark MANHATTAN is represented as follows:



13 Textilis is a company incorporated under English law, owned by Mr Keskin, whose online trading activity began in 2013. The company has marketed fabrics and goods for interior decoration bearing patterns similar to those of the figurative mark MANHATTAN.

14 Svenskt Tenn brought an action for infringement of the trade mark MANHATTAN of which it is the proprietor and an action for infringement of its copyright against Textilis and Mr Keskin before the Stockholms tingsrätt (District Court, Stockholm, Sweden). It also applied for an order that Textilis and Mr Keskin, on pain of a penalty, be prohibited, first, from marketing or distributing in any other way to the Swedish public certain designated objects and, second, from using that mark in Sweden for fabrics, cushions and furniture.

15 In response to those actions, Textilis and Mr Keskin brought before that court a counter-claim for a declaration that the trade mark MANHATTAN is invalid, in that, first, it lacks distinctive character and, second, having regard to the way in which it is used, it is made up of a shape which gives substantial value to the goods, within the meaning of Article 7(1)(e)(iii) of Regulation No 207/2009.

16 The Stockholms tingsrätt (District Court, Stockholm) dismissed the counterclaim, inter alia on the grounds that, first, under Article 4 of Regulation No 207/2009, all signs capable of being represented graphically, in particular drawings may be EU trade marks, provided that they have a distinctive character and, second, the mark MANHATTAN is not a shape within the meaning of Article 7(1)(e)(iii) of that regulation.

17 The Stockholms tingsrätt (District Court, Stockholm) ruled that Textilis and Mr Keskin had infringed the trade mark MANHATTAN and, moreover, had infringed the copyright of which Svenskt Tenn was also the proprietor.

18 Textilis and Mr Keskin appealed against that judgment before the Svea hovrätt, Patent- och marknadsöverdomstolen (Svea Court of Appeal, Patents and Market Court of Appeal, Stockholm), seeking, inter alia, a declaration, on the basis of Article

7(1)(e)(iii) of Regulation No 207/2009, that the trade mark MANHATTAN is invalid.

19 In support of their appeal, they argue that a sign consisting of the pattern on a fabric cannot be registered as a trade mark without subverting the principle of the limitation in time of copyright protection. They are of the view that this is why Article 7(1)(e)(iii) of Regulation No 207/2009 precludes the registration as a trade mark of signs which consist exclusively of a shape which gives substantial value to the goods.

20 Conversely, Svenskt Tenn contends that signs consisting of the shape of patterns may be registered as EU trade marks, such as the figurative mark MANHATTAN.

21 The Svea hovrätt, Patent- och marknadsöverdomstolen (Svea Court of Appeal, Patents and Market Court of Appeal, Stockholm) seeks to ascertain whether a figurative mark such as MANHATTAN, which consists of the two-dimensional representation of two-dimensional goods, such as fabric, can be regarded as a shape within the meaning of that provision. It underlines in this respect that it is clear from Article 7(1)(e)(iii) of Regulation No 207/2009 that the ground for invalidity provided for in that provision applies to three-dimensional and two-dimensional marks representing three-dimensional shapes, such as, for example, the representation of a sculpture or a vase, as held by the EFTA Court, in paragraphs 110 to 115 of its judgment of 6 April 2017, *Norwegian Board of Appeal for Industrial Property Rights* — appeal from the municipality of Oslo (E-05/16), or, as the Court of Justice held in [the judgment of 18 June 2002, Philips \(C-299/99, EU:C:2002:377\)](#).

22 It is unsure, however, whether such a ground of invalidity may apply to two-dimensional marks that represent two-dimensional goods, such as, for example, a pattern on a fabric or the reproduction of a painting. In that regard, it observes that it would be paradoxical not to accept such a ground for refusal of registration for such cases, in so far as there is no justification for a difference in treatment between sculpture, which is three-dimensional, and painting, which is two-dimensional.

23 It states that, unlike the mark at issue in the case which gave rise to [the judgment of 12 June 2018, Louboutin and Christian Louboutin \(C-163/16, EU:C:2018:423\)](#), which consisted of a colour applied to the sole of a shoe, the figurative mark MANHATTAN at issue in the case pending before it is a work protected by copyright.

24 It queries whether the amendment of Article 7(1)(e)(iii) of Regulation No 207/2009 by Regulation No 2015/2424, under which registration is refused not only for signs which consist exclusively of ‘the shape’, but also ‘another characteristic of the goods’, which gives substantial value to it, is capable of altering the assessment to be made by virtue of that ground for invalidity. In that regard, it wishes to know whether, in the case before it, Regulation No 207/2009 or Regulation No 207/2009, as amended, taking account

of the fact that the date of registration of the mark MANHATTAN, like that of the application for a declaration of invalidity and that of the judgment at first instance under appeal, is prior to 23 March 2016, the date of entry into force of Regulation 2015/2424.

25 It states that, in any event and whatever the applicable version of Article 7(1)(e)(iii), if it is accepted that that provision applies to two-dimensional marks representing two-dimensional goods, the question arises as to the criteria for determining whether a sign such as that at issue in the main proceedings, may be regarded as consisting ‘*exclusively of the shape which gives substantial value to the goods*’ where the registration of that sign as a trade mark relates to a number of classes of goods and that the mark is designed in such a manner that it can cover the whole or substantial parts of the goods or be used as a logo.

26 In that regard, it points out the difficulty in assessing such a ground of invalidity, since the applicant for the trade mark is required only to indicate the goods for which it intends to use the mark and not to specify the practical conditions of use of the sign for which it seeks protection.

27 Thus, as the case may be, a mark may be affixed to the goods as a whole, like, for example, a furnishing fabric, paper or a tray, so that it becomes a key feature of the goods themselves and, in many of those cases, there is identity between the trade mark and the goods, or it may occupy a minor position on the goods, in particular where the mark is used as a logo.

28 In the light of those facts, the Svea hovrätt, Patent- och marknadsöverdomstolen (Svea Court of Appeal, Patents and Market Court of Appeal, Stockholm) decided to stay the proceedings and refer the following questions to the Court for a preliminary ruling:

‘1. Is Article 4 of [Regulation 2015/2424] to be interpreted as meaning that Article 7(1)(e)(iii), in its new wording, is applicable to a court’s assessment of invalidity (under Article 52(1)(a) of the Trade Marks Regulation) that is made after the entry into force of the amendment, namely after 23 March 2016, even if the action concerns a declaration of invalidity where the action was brought before that date and therefore concerns a trade mark registered before that date?

2. Is Article 7(1)(e)(iii) of [Regulation No 207/2009], in the version applicable, to be interpreted as meaning that its scope covers a sign which consists of the two-dimensional representation of a two-dimensional product, for example fabric decorated with the sign in question?

3. If the answer to question 2 is in the affirmative, according to what principles is the wording ‘*signs which consist exclusively of the shape (or another characteristic) which gives substantial value to the goods*’ in Article 7(1)(e)(iii) of [Regulation No 207/2009, as amended,] to be interpreted, in a situation where the registration covers a wide range of classes of goods and goods and the sign may be affixed in different ways to the goods? Is the assessment to be made in accordance with more objective/general

criteria, for example with the starting point of how the mark appears and how it is possible to affix it to different goods, that is to say without regard to the manner in which the trade mark proprietor may de facto have affixed or may intend to affix the sign to various goods?’

Consideration of the questions referred

The first question

29 By its first question, the referring court asks, in essence, whether Article 7(1)(e)(iii) of Regulation No 207/2009, as amended, must be interpreted as meaning that it is applicable to marks registered before the entry into force of that amended regulation.

30 It follows from the settled case-law of the Court that, in order to ensure observance of the principles of legal certainty and the protection of legitimate expectations, the substantive rules of EU law must be interpreted as applying to situations existing before their entry into force only in so far as it clearly follows from their terms, objectives or general scheme that such effect must be given to them (see, to that effect, [judgment of 14 July 2011, Bureau national interprofessionnel du Cognac, C-4/10 and C-27/10, EU:C:2011:484](#), paragraph 26 and the case-law cited).

31 In the present case, it is common ground that Regulation No 2015/2424, which entered into force on 23 March 2016, does not contain any provision expressly providing that Article 7(1)(e)(iii) of Regulation No 207/2009, as amended, is applicable to EU trade marks registered before that date.

32 Moreover, it is not apparent from either the purpose or the scheme of Regulation 2015/2424 that the EU legislature intended to confer retroactive effect to Article 7(1)(e)(iii) of Regulation No 207/2009, as amended. Such an interpretation also emerges from recital 12 of Regulation 2015/2424, which recalls the importance which the EU legislature attaches to the principle of legal certainty.

33 Consequently, the answer to the first question is that Article 7(1)(e)(iii) of Regulation No 207/2009, as amended, must be interpreted as meaning that it is not applicable to marks registered before the entry into force of that amended regulation.

The second question

34 By its second question, the referring court asks, in essence, whether Article 7(1)(e)(iii) of Regulation No 207/2009 must be interpreted as meaning that a sign such as that at issue in the main proceedings, consisting of two-dimensional decorative motifs, which are affixed to products, such as fabric or paper, consists ‘*exclusively of the shape*’, within the meaning of that provision.

35 In that regard, and given that Directive 207/2009 provides no definition of the concept of ‘*shape*’, the meaning and scope of that concept must, as the Court has consistently held, be determined by considering its usual meaning in everyday language, while also taking into account the context in which it occurs and the purposes of the rules of which it is part (see, to that effect, with regard to Directive 2008/95/EC of the European Parliament and of the Council of 22 October

2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25), [judgment of 12 June 2018, Louboutin and Christian Louboutin, C-163/16, EU:C:2018:423](#), paragraph 20 and the case-law cited).

36 In the context of trade mark law, the concept of ‘*shape*’ is usually understood as a set of lines or contours that outline the product concerned ([judgment of 12 June 2018, Louboutin and Christian Louboutin, C-163/16, EU:C:2018:423](#), paragraph 21).

37 In applying those considerations, the Court has held that the application of a particular colour to a specific location of a product does not mean that the sign at issue consists of a ‘*shape*’, within the meaning of Article 3(1)(e)(iii) of Directive 2008/95, whose wording is similar to that of Article 7(1)(e)(iii) of Regulation No 207/2009, where it is not the form of the product or part of the product that registration of the mark seeks to protect, but only the application of that colour in this specific location ([judgment of 12 June 2018, Louboutin and Christian Louboutin, C-163/16, EU:C:2018:423](#), paragraph 24).

38 Indeed, as the European Commission pointed out in its observations, it is common ground that, unlike a sign relating to a colour per se, the sign at issue in the main proceedings, which is made up of two-dimensional and decorative motifs and which is affixed to goods such as fabric or paper, contains lines and contours.

39 However, that sign cannot be regarded as consisting ‘*exclusively of the shape*’, within the meaning of Article 7(1)(e)(iii) of Regulation No 207/2009.

40 Although it is true that, in the main proceedings, the sign under consideration represents shapes which are formed by the external outline of drawings representing, in a stylised manner, parts of geographical maps, the fact remains that, apart from those shapes, that sign contains decorative elements which are situated both inside and outside those outlines.

41 Furthermore, that sign highlights words, in particular the word Manhattan.

42 In any event, it cannot be held that a sign consisting of two-dimensional decorative motifs is indissociable from the shape of the goods where that sign is affixed to goods, such as fabric or paper, the form of which differs from those decorative motifs.

43 For those reasons, the view cannot be taken that a sign such as that at issue in the main proceedings consists exclusively of the shape, within the meaning of Article 7(1)(e)(iii) of Regulation No 207/2009.

44 Accordingly, the exclusion laid down Article 7(1)(e)(iii) of Regulation No 207/2009 cannot apply to such a sign.

45 In that regard, it must be pointed out that the fact that the sign at issue in the main proceedings is also protected by copyright has no bearing on whether or not it consists exclusively of a ‘*shape*’, within the meaning of Article 7(1)(e)(iii) of Regulation No 207/2009.

46 Consequently, the answer to the second question is that Article 7(1)(e)(iii) of Regulation No 207/2009 must be interpreted as meaning that a sign such as that at issue in the main proceedings, consisting of two-dimensional decorative motifs, which are affixed to goods, such as fabric or paper, does not ‘*consist exclusively of the shape*’, within the meaning of that provision.

47 In view of the answer given to the second question, it is not necessary to reply to the third question.

Costs

48 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Fifth Chamber) hereby rules:

1. Article 7(1)(e)(iii) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the [European Union] trade mark, as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015, must be interpreted as meaning that it is not applicable to marks registered before the entry into force of Regulation No 207/2009, as amended by Regulation 2015/2424.

2. Article 7(1)(e)(iii) of Regulation No 207/2009 must be interpreted as meaning that a sign such as that at issue in the main proceedings, consisting of two-dimensional decorative motifs, which are affixed to goods, such as fabric or paper, does not ‘*consist exclusively of the shape*’, within the meaning of that provision.

[Signatures]