

EIP



The European Court of Justice's Advocate-General solves the Rubik's Cube (trademark) puzzle

The Rubik's Cube is currently protected by a 3D trademark across the EU (Registration No. 162784), but perhaps not for much longer as the Attorney General of the Court of Justice of the European Union recently opined the trademark must be declared invalid on the basis it covers the generic function of the product and would allowing it to survive the cancellation action would promote an unfair competition advantage.

The Mark

On 1 April 1996, Seven Towns filed a community trademark application for registration of a trademark formed by a three-dimensional sign for "three-dimensional puzzle" in Class 28 – to protect the Rubik's Cube. The application matured into a registration on 6 April 1999.

Proceedings at the EUIPO

In 2006, a German toy-manufacturing company called Simba Toys applied to the EUIPO (the OHIM, as it was then) to have the 3D mark cancelled and based its action on a number of grounds, including:

"Article 7

1. 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”

Simba went further than this in its pleading, stating that the registration contained a technical solution consisting of a rotating capability which should be protected by a patent, not a trademark. However, the EUIPO disagreed, and the Cancellation Division rejected the request.

Not satisfied with the outcome, Simba proceeded to file an appeal in 2008 with the Second Board of Appeal; who, unfortunately for Simba, upheld the previous court’s decision. The Second Board of Appeal reasoned its decision by stating that: (i) the shape in question did not obviously embody the form of a puzzle and it cannot be considered that the shape results from the nature of the goods themselves; and (ii) that the essential features of the shape (and in particular the “the cubic grid structure”) gave no indication as to its function, or even whether it had any function.

The General Court Registry

Undeterred, Simba lodged further legal proceedings, this time before the General Court Registry on 6 November 2009 to annul the EUIPO’s decision. However, on 25 November 2014, the General Court refused Simba’s application for a declaration of invalidity of a three-dimensional trademark and held that the graphical representation of the shape of a Rubik’s Cube did not have a technical function such as to preclude it from being registered as a trademark.

Court of Justice

Simba persevered and in a search for justice appealed the General Court’s decision to the Court of Justice – who is yet to hand down its judgment.

Ahead of the Court of Justice’s decision, the Advocate-General published his opinion on the matter on 25 May 2016 and from the outset, he gives a flavour of what direction he was leaning towards:

“The provisions contained in Article 7(1)(e) of Regulation No 207/2009 make it impossible to monopolise the basic characteristics of a product by preventing a trade mark right from being exercised for a purpose which is incompatible with it.

While in recent years the Court has interpreted those provisions on several occasions, the application thereof continues to generate controversy.

...

The justification for those rules arises from the axiological grounds for the system of trade mark protection. That system serves primarily to provide the bases for fair competition by enhancing market transparency.”

In reaching a conclusion, the Advocate General opined that, in his view, the General Court, had failed to assess the essential characteristics of the sign in light of the technical function inherent in the Rubik’s cube.

He further reasoned that a sign which consists of a shape of a product that merely performs a technical function - without the inclusion of significant non-functional elements - cannot be registered as a trademark. This is because competitors would be prevented from putting shapes, with the same technical solution, on the market. Which would be contrary to the public interest; a rights holder should not be able to extend their monopoly to characteristics of goods which perform not only the function of the shape in question but also other, similar functions.

On that basis, the Advocate-General proposed that the Court of Justice should set aside the judgment under appeal (of the General Court) and the Second Board of Appeal of the EUIPO decision be annulled.

No doubt to Simba’s delight, the Advocate-General also proposed that the Court of Justice should order the EUIPO and Seven Towns to pay the costs of the proceedings before the General Court and the Court of Justice.

Comment

The Advocate-General’s opinion has obviously been welcomed by Simba – who have hard fought this battle for 10 years. However, it remains to be seen if the Court of Justice will be swayed by the Advocate-General’s opinion.

If it is, the message to the public is clear from the Advocate-General’s take-home message that “shapes with essential characteristics which are inherent in the generic function or functions of the goods concerned must be denied registration.” So those trying to abuse the trademark filing system (when they should perhaps be using a patent or a design to protect their rights) will be denied registration because, after all, trademark protection is potentially perpetual as long as renewal fees are paid. Whereas, patents and design rights have an expiry date.

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