

Dyson

☛ *Technological innovation is a concept not a sign*

Barbara Cookson asks if there is a need to rewrite the law on registerability of Functional Shapemarks?

Sir James Dyson believes the house-proud cleaner should see the fruits of their labours. His cleaning machines have transparent bins to collect the dust.

*"The bin, of course, would be transparent. This was perhaps the single most important feature. The most Brunellian thing of all"*¹ says his autobiography. His company now claims that to see a cleaner with a transparent bin is to recognise their product and only their product. They claim to have the evidence to prove it and they want a trademark registration. So far so simple. But this 'ask' now challenges the UK trademark appeal process and may rewrite the law on registerability of functional shape marks as well as UK practice on series marks.

The Story So Far

In December 1996, trademark application 2118079 was filed at the UK Trademarks Registry. It was for a series of marks. Eventually, it became just a series of two marks each having a description that read: *'the mark consists of a transparent bin or collection chamber forming part of the external surface of the vacuum cleaner as shown in the representation'*. The two different marks in the series had different images. Within the priority period, on 17 February 1997, community trademark application 522144 was filed at OHIM. You cannot file a series mark at OHIM. Therefore the mark was represented differently, and originally contained only a descriptive text. This immediately caused problems over the graphic representation and OHIM refused to give it a filing date. This resulted in an appeal decided by the First Board of Appeal on 27 January 1999². That difficulty was resolved, mainly because OHIM had inadvertently managed to issue a formal notification that a filing date had been accorded and the Board felt that having done so, that was final. Not so the Advocate

General, (more of that later). The application proceeded with various photographic views of a specific design of bin but without its claim to priority.

July 2002 proved momentous for Dyson. Mr Alan James in the UK registry and the First Board of Appeal at OHIM³ both refused the registration. Dyson appealed. The UK case moved relatively swiftly to a judgement on 15 May 2003 by Mr Justice Patten. He would have confirmed the refusal there and then, but for a tiny point as to whether a sign could acquire distinctiveness even absent actual promotion of the sign as a trademark. He therefore referred a question to the ECJ⁴. The ECJ suspended consideration of the question until its lower chamber, the CFI, had decided the appeal from OHIM.

In both the UK and OHIM there was an objection under the provision that defines a trademark as *"Any sign capable of being represented graphically, which is capable of distinguishing goods and services of one undertaking from those of other undertakings."*⁵ In the UK, the examiner only concerned himself with the final distinguishing provision. Both UK judgements elided consideration of this issue with the objection that the mark was devoid of distinctive character or descriptive. In OHIM the emphasis was placed on graphical representation. The Board of Appeal held that: *"the applicant is not entitled to apply for just the concept of any clear bin, which forms part of the external surface of a vacuum cleaner."* The European Commission intervened in the proceedings. Gill Smith of Dyson's legal department says that they felt that they had been railroaded into withdrawing the CTM case and its appeal on 1 March 2005. This allowed the apparently more promising ECJ case to continue.

Review or Rehearing

When Mr Justice Patten heard the appeal from the Trade Marks Registry, he was asked to consider whether it should be a review or re-



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hearing. He decided to follow the now well established practice of the Court of Appeal decision in *Bessant v South Cone Incorporated (Reef)*⁶ and conduct only a review. Following the encouragement of the European commission's intervention, French Advocate General Philippe Léger felt that it was the duty of the ECJ to interpret all provisions of community law, which national courts need in order to decide the action that is pending before them. Therefore, he regarded it as appropriate to re-examine the application as a preliminary matter. If the court follows this interpretation, it is effectively telling Mr Justice Patten that he missed a distinct and material error of principle in the registry process.

Sign or Concept

Freed from the inhibition of the question referred by the court, the Advocate General suggests that to allow this registration would be an abuse of trademark law in order to obtain an unfair competitive advantage. He considers the Dyson application to cover only a concept that appeals only to the imagination. Since a concept, when developed, can lead to the creation of a wide range of objects, it cannot be a sign capable of fulfilling a trademark's distinguishing function. Nowhere does the Advocate General indicate that he appreciates the fact that the UK trademark application is for a series and therefore shows two different signs. Series marks are often used to show different embodiments of a trademark concept. It is possible that UK Examiner saw two distinct signs, but the Advocate General sees only a concept. He was influenced by Dyson's own submissions that emphasised the sign's conceptual nature by saying that it lay not in a shape, but in a transparent collection bin, and that it was not for a colour, but for the absence of a colour, transparency. That would be clear, then?

Graphical representation

Lack of clarity in its graphic representation was, ironically, a stumbling block for Dyson's trademark application according to the Advocate General. His previous cases include *Libertel*⁷ and *Heidelberger Bauchemie*, which both deal with the colour as a trademark. Graphic representations are there to allow determination of the precise subject of the protection afforded by the registered mark. The opinion holds that a concept which is capable of taking on a multitude of appearances cannot be

regarded as a sign capable of being represented graphically within the meaning of the Directive.

Distinctive character

Gathering speed and enthusiasm, the Advocate General concludes that such a concept can have no distinctive character. Firstly, because, as in *Libertel*, you do not know exactly what the sign is. Secondly, a concept cannot constitute a sufficiently precise indication for the consumer. This opinion is forthrightly asserted without even a passing glance to the voluminous evidence gathered by the applicant in support of its UK application as to the perception of numerous consumers.

Shape

If all these new grounds of objection were not enough, the Advocate General, believes that the mark should have been rejected because it *consists exclusively of the shape of goods which is necessary to obtain a technical result*. This provision, he says, must be interpreted in the light of the underlying public interest. The provision is there to reflect the legitimate aim of not allowing individuals to use registrations in order to acquire or perpetuate exclusive rights relating to technical solutions. Although the bin is only part of the appearance of the product, the presence of "exclusively" in the provision does not assist Dyson, when this public interest interpretation is used. The significance of a ground of refusal under this provision is that Dyson could have the best evidence in the world, but would not be able to overcome the objection. It does not give way to acquired distinctiveness.

In the present case, the UK Examiner had raised such an objection, but had waived it after Dyson made submissions that their mark was not a shape. The UK court accepted this. Indeed, the judge framed his question to the ECJ with a specific assertion that the mark was not a shape. Clearly, this Advocate General is not so easily diverted.

The opinion ends with a dire warning that it is to be feared that some people will seek, through trademark rights, not to protect a distinctive sign, but to protect industrial creations or innovations. These should be covered by other intellectual property rights whose term of protection is generally limited in time. Relenting slightly, he admits that Dyson may legitimately be rewarded for its research and innovation work and can claim to enjoy exclusive

rights to exploit its invention, but only through the grant of a patent and not through a trademark.

He concludes his opinion with the suggestion that the court should tell the High Court that: *Article 3 (1) (e) second indent of the Directive precludes registration as a trademark of a visible functional feature of a product*. If they do so, he will have rewritten the law in English eyes.

For Gill Smith, Dyson's in-house trademark attorney, one of the most frustrating aspects of this latest development is that the ECJ haven't seen fit to answer the questions asked. Dyson thought they were making very good progress and would dearly love to reach a conclusion. She commented that the principal cost had been the collection of the evidence. The difficulty is that the judge felt that it was not clear that the sign had actually attained in the minds of the public trademark significance. Rather, the evidence disclosed a two-stage process in which clear bins were associated with bagless cyclonic vacuum cleaners, and then such cleaners were associated with Dyson as a result of his *de facto* monopoly. Surely after 10 years it would not have been unreasonable for the Advocate General to continue and decide that point for the benefit of other trademark owners who have graphically represented signs which are not functional shapes, but nevertheless have enjoyed a *de facto* monopoly. For what it's worth, it seems to me that whether the consumer's perception is arrived at in two steps or one step is irrelevant. What really matters is whether the sign serves to signal origin or not. However, if the ECJ is to sanction the Advocate General's broad non-literal interpretation of the prohibition of registration of functional shape marks, there is probably nowhere for Dyson to go in extending its trademark protection as regards the appearance of its products. ☹

Notes

- 1 Against the Odds, James Dyson, Orion Business Books copyright 1997 Giles Coren, page 201.
- 2 R78/1998-1
- 3 R655/2001-1 2 July 2002
- 4 Case-C321/03, 24 July 2003
- 5 Section 1 (1) and Section 3(1)(a) and of the Trade Marks Act 1994 and Article 4 and Article 7(1)(a) CTMR
- 6 [2002] EWCA Civ 763
- 7 Case C-104/01