

Report Q 148

in the name of the Hungarian Group
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**Three-dimensional marks:
the borderline between trademarks and industrial designs**

I. National law or case law

1. *Legislation in Hungary to protect 3D signs including shapes of goods and packages*

i) *Trademarks*

Article 1, paragraph 2 of the Trademark Law (Law No. XI of 1997) enumerates the marks that can be eligible for trademark protection. In subparagraph (d) two- or three-dimensional forms, including shapes of the goods or of the packaging, are listed.

Article 2, paragraph 2 lists the absolute grounds for rejection, and subparagraph (b) deals with exclusions in case of three-dimensional marks. The protection shall be denied if the mark is inadequate for distinction, especially if it consists only of a shape that follows from the character of the goods, or which is necessary to attain the desired technical effect or which carries the substance of the value of the goods.

Based on such a legal background numerous three-dimensional marks have already obtained trademark protection, and slowly a jurisprudence is going to take shape.

ii) *Industrial designs*

The protection of industrial designs is made possible by the Law-Decree No. 28 of 1978. This rather old law will soon be replaced by a new one harmonised with the recent EU Directive. Preparatory works on an Industrial Design Bill are going on.

2. *The conditions and minimum requirements for the protection*

i) *Trademarks*

The special conditions have been described in point 1 above, i.e. the grounds for rejection applicable to three-dimensional marks which should also satisfy the general requirements of registrability. A feature of a three-dimensional mark is that the Patent Office requires a designation that the mark is three-dimensional, just as the designation for a device mark is also required. In case of packaging there is no need for indication that it relates to a packaging.

ii) *Industrial designs*

The definition for eligibility to protection according to Law-Decree No. 28 of 1978 has two main conditions.

The first one is novelty that includes a certain amount of creativity, since the design is novel if it has not become public to the extent that it could have been made by anyone else. In the practice, this requirement means a not too high level of creativity.

The second requirement is that the design be not excluded from protection under Art. 1, paragraph 4. A design is excluded from protection:

- a) if the design makes the normal use of the product difficult,
- b) if it is exclusively the consequence of the technical solution or of the function of the product,
- c) if it is identical with a design that has an earlier priority or it is similar thereto so that one cannot make distinction between them, or
- d) if its use collides with any law or any accepted moral rule except if the law prohibits only the sale of the product.

3. *Is there any mutual preclusion between protecting the same 3D design by trademark and industrial design?*

No, there is no such preclusion. The two kinds of protection are independent and the conditions for the protection are examined also independently.

4. *If there is no specific legal disposition under 3, can it be understood from national case law that this possibility is excluded?*

No, the two kinds of protection have no counter-relation and one can have both kinds of protection to the same 3D shape if it satisfy both groups of requirements.

5. *Is it possible to accumulate protection on the same shape as an industrial design and as a trademark?*

Yes, it is possible.

6. *Is it possible to claim priority of an industrial design in a trademark application or vice versa, can priority of a trademark application be claimed in an industrial design application?*

No, the Hungarian Group believes that such possibility does not exist, at least there is no direct hint in the respective laws and there has been no practice to it. Such a possibility would be a new issue that would require new interpretation of Article 4, Section A(1) of the Paris Convention.

7. *Can a shape or packaging used in combination with a word mark acquire distinctiveness through use to be protected as a 3D trademark without the word mark?*

The 3D mark should satisfy the requirements for registrability alone. If the use together with the word mark is of wide-scale, it obviously helps acquiring distinctiveness. The answer to the question is, therefore, yes.

8. *Is there any distinction between the protection afforded by a trademark and by a design? In particular:*

- 8.1 *Is there a distinction on what constitutes an infringement and in the remedies available?*

There is a difference. In case of a trademark, an infringement may occur only in connection with identical or similar goods, except trademarks with reputation. In case of a design, the protection refers to the outer shape of a specific industrial product. So the product itself gives a natural limitation for the scope of the industrial design protection. In the remedies the difference is negligibly small, the remedies are almost the same. In practice the non-material damages for trademarks are often higher than in case of industrial designs.

- 8.2 *Is it possible to forbid the two dimensional reproduction of a 3D object protected by an industrial design or trademark registration of such a 3D object?*

In general, not. 3D designs relate to 3D objects. The same applies for 3D trademarks. Nevertheless, in case of very specific shapes, a 2D reproduction of a 3D trademark can be an infringement based on confusing similarity. We have no jurisprudence on this issue.

- 8.3 *Can the use of a 3D sign as an industrial design lead to the loss of distinctiveness of a corresponding 3D trademark?*

This is a very theoretic type of question. In general, it is very difficult to conceive such a degeneration of the trademark by the use of an industrial design. The owner of the right must always keep in mind the problem of dilution and prevent it by all means. With a correct policy the owner of the right can prevent the 3D sign from being diluted.

- 8.4 *What kind of measures can be taken by the owner to avoid dilution?*

Such steps are not different from the general precautionary measures for preventing dilution, i.e. to avoid any behaviour that would render the product generic. The preservation of the connection between the product and the proprietor shall be ensured.

II. Adoption of general rules

The opinion of the Hungarian Group on the issues listed is as follows

1. Such criteria would be beneficial if they were within the general requirements imposed on trademarks and on industrial designs. The basic criteria have already been built in the trademark law and in the design law. We doubt that on a general level further criteria could be found. It is the task of jurisprudence to fill the legal conditions with details.
2. Yes, such proposals could be advantageous. They could be made after sufficient experience has been accumulated.
3. We do not think that such conditions can be done at all and they would be necessary. Both types of protection have their own purpose of existence and conditions, they are not interrelated.
4. Yes, this is an already existing possibility that should be maintained. There is no need for further action, at least in our country.
5. We think that the accumulation of practice is a key factor in the matter of the above issues. In Hungary there has been too few practice with 3D marks.

Summary

In Hungary the new Trademark Law provides an adequate trademark protection for three-dimensional (3D) signs. The law for industrial designs requires updating, however, industrial design protection is available.

The two categories of protection overlap, nevertheless their functions are different and there can be a co-existence between both kinds of protection for the same 3D object, if it satisfies both groups of criteria.

It is the task of jurisprudence to bring up a fine structure of rules of practice that will assist in individual cases when it is difficult to foresee whether a particular 3D object deserves either a trademark or an industrial design protection or both.

Résumé

En Hongrie, la nouvelle loi sur les marques prévoit une protection adéquate pour les signes tridimensionnels. Les règles sur les dessins et modèles devraient être modernisées, mais la possibilité de la protection existe.

Les deux catégories de protection peuvent se couvrir, toutefois leurs fonctions sont différentes et par suite les deux types de protection peuvent parallèlement être accordés, si les critères de chacun des deux types de protection sont remplies.

Il tombe à la jurisprudence d'établir des règles qui sont susceptibles d'orienter la pratique, notamment si le signe tridimensionnel peut être protégé comme marque ou comme dessin ou modèle, ou comme tous les deux.

Zusammenfassung

In Ungarn bietet das neue Markengesetz einen entsprechenden Schutz für dreidimensionale (3D) Zeichen. Die Rechtsregelungen für Geschmacksmuster erfordern zwar eine zeitgemässe Überarbeitung, ein Geschmacksmusterschutz ist jedoch erwerbbar.

Die beiden Schutzformen überlappen sich, obwohl ihre Bestimmungen unterschiedlich sind, und beide Schutzarten können für den gleichen 3D-Gegenstand nebeneinander bestehen, wenn dieser beide Kriteriengruppen erfüllt. Es ist Aufgabe der Rechtsprechung eine feine Struktur von Regeln aufzubauen, die in individuellen Fällen Hilfe leistet, wenn es schwer zu entscheiden ist, ob ein bestimmter 3D-Gegenstand einen Markenschutz oder einen Geschmacksmusterschutz oder beide verdient.