

The General Court has confirmed two decisions of OHIM's first Board of Appeal (BoA), that two CTM applications made by Margarete Steiff are devoid of distinctive character.

On 12 October 2012, Margarete Steiff filed CTM applications for the following marks, both covering *"Hard and soft fabric stuffed animal figures made of felt, fur, alpaca wool, mohair or polyester that have ears"* in class 28.



Description: "It is a position mark: The trade mark protection for a shiny or matt, round metal button is claimed, which is mounted in the central region of the ear of a soft toy. The knob is significantly smaller than the ear, so that the ear protruding on each side of the button. The shape and size of the stuffed animal ear are variable and not

part of the protective claim. The dotted lines are not part of the brand and are only intended to show the position of the mark on the goods. The illustrated by the dotted lines form an animal head is exemplary only and not intended to limit the scope of the mark on this animal head shape."



Description: "It is a position mark: The trade mark protection for a rectangular, elongated fabric flag is claimed, which is attached by a glossy or matte, round metal button in the middle range of a stuffed animal ear. The flag is narrower than the ear, but extends longitudinally beyond it. The button is narrower than

the flag, which protrudes on the sides. The shape and size of the stuffed animal ear are variable and not part of the protective claim. The dotted lines are not part of the brand and are only intended to show the position of the mark on the goods. The illustrated by the dotted lines form an animal head is exemplary only and not intended to limit the scope of the mark on this animal head shape."

Both applications attempted to claim trade mark protection for the positioning of either a shiny or matte round metal button, or fabric flag attached with a shiny or matte round button, in the left ear of a stuffed toy.

Both marks were refused registration by the examiner and OHIM's Board of Appeal, on the basis that they were devoid of distinctive character, and could not act as an indication to the average consumer, deemed to be the general public, of a particular commercial origin. Steiff appealed against both decisions to the General Court, on the basis that OHIM and the Board of Appeal had erred in finding that both marks were devoid of distinctive character.

The General Court dismissed arguments advanced by Steiff that the positioning of a button, or a label and a button on the ear of a soft toy would indicate the origin of the product to consumers. In making this decision, the Court agreed that the distinctiveness of the mark should be considered from the perspective of the average consumer of the products covered by the applications, which was an average member of the general public, with a moderate level of attention.

The Court further agreed with OHIM, finding that buttons and labels are items that are usually affixed to soft toys and would be expected by the average consumer to be attached to the soft toy in numerous different positions. The average consumer would regard the positioning of a button, or a label affixed by a button on the ear of a soft toy as merely a decorative or functional aspect of the product, and would not identify either as an indication of its commercial origin. This was reinforced by the fact that the button and the label were both of a standard size and shape, and did not deviate from the normal configuration of these items in any way. The Court considered that the button, or the button and label would be confused by consumers as part of the product covered by the mark applied for, and that the positioning of these items in the ear of a soft toy, whilst not something done by other manufacturers, was not sufficiently far removed from the norm in the industry to be viewed as an indication of origin by the average consumer; both would be viewed as part of the product in question.

Insofar as the mark including a label element was concerned, the General Court found that labels usually have a function, and convey information to consumers about the product. Consumers do not expect labels to be viewed as an indicator of commercial origin. Steiff argued that labels providing information to consumers would not be affixed by a metal button, as consumers would dispose of a label that contained information regarding the product. The Court found this argument irrelevant, indicating that manufacturers may wish to affix informative labels to their products firmly, by using a metal button. It viewed the label as a commonly used means of conveying information regarding the product to the consumer, and not as an indication of origin. This was particularly pertinent given that, in photos of use of the mark submitted by Steiff, the label element of the mark applied clearly included information regarding the branding of the mark. When Steiff argued that use of the "STEIFF" and "BUTTON IN EAR" branding on the mark was of the sort that increased the distinctiveness of the applied for mark, the Court dismissed this, on the basis that these elements were not included in the graphic representation of the mark applied for, and therefore were irrelevant.

The General Court also dismissed arguments made by Steiff that the positioning of the button, or the label and button, in the left ear of the stuffed animal toy was unusual, asymmetric and was not a positioning employed by any other manufacturer. It found that, even if Steiff was the only entity using this positioning, it was insufficient to demonstrate that the average consumer would interpret it as an indication of the commercial origin of the product in question. The other manufacturers' use was irrelevant; it was merely important whether the average consumer would take the view that either the button or button and label, in that position, were an indication of the origin of the product. Even if put in a more unusual place on the product, the average consumer would still believe that the button, or button and label were merely decorative or functional. This was especially since the average consumer would expect buttons or labels to be affixed to soft toys, on any part of that product.

The General Court dismissed further arguments that the button, and the button and label were different in materials to the material of the soft toys to which they were applied. It found that this did not materially alter the fact that the average consumer would still see these items as being decorative or functional, and not as an indication of commercial origin, and that given that the mark applied for was the positioning of these items, it did not see how this argument could be relevant to demonstrate that the positioning of these items was sufficiently distinctive for trade mark registration.

On this basis, the General Court confirmed OHIM's decision to refuse registration of the mark.

This decision reinforces the difficulty of registering more unusual marks, and the high threshold that must be fulfilled for a three dimensional, or other, more unusual mark, to be capable of fulfilling the requirement that a trade mark must clearly act as an indication of origin to the average consumer. In particular, it is clear that the goods or services for which a mark is applied is of paramount importance when determining its distinctiveness. However, this decision will unlikely be the end of the position mark as numerous positions marks have made it successfully into the CTM register. And for Steiff it will be reassuring that the German Patent and Trade Mark Office, and a significant number of national offices in other countries which Steiff has designated in two international registrations, have registered Steiff's position marks on the basis of inherent distinctiveness. It will be interesting to see whether Steiff will submit an appeal to the Court of Justice.

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This article first appeared on WTR Daily, part of World Trademark Review, in January 2014.

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