

Garrigues

Time to get dressed? Protection in Spain yet to take shape

While there is no legal definition of ‘trade dress’ in Spain, protection can still be obtained through other legal avenues

Trade dress protection as such is still taking shape in Spain. There is no legal definition of the specific concept of ‘trade dress’, which is generally understood as the overall appearance or commercial presentation of a product, including features such as size, shape, colour or colour combinations, texture and graphics. However, this definition appears too narrow for such a broad concept.

Trade dress is protectable in Spain under trademark, design and copyright law, which may overlap to a certain extent. In addition, trade dress infringement may be actionable under the Copyright Law or the Unfair Competition Law.

For obvious reasons – namely, its potentially perpetual nature – trademark registration is the preferred means of protection. It is usually possible to obtain such protection under Article 5(1)(e) of the Trademarks Law, provided that the trade dress is distinctive and does not consist exclusively of a shape that:

- results from the nature of the goods themselves;
- is necessary to obtain a technical result; or
- gives substantial value to the goods.

In other words, a product’s appearance may gain exclusive rights under trademark law if it is non-functional and can serve as an indication of origin.

Design protection is regulated in Spain by the Industrial Design Law (20/2003), pursuant to which a ‘design’ constitutes the appearance of the whole or part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture or materials of the product itself or its ornamentation.

Designs which are new and possess individual character may benefit from design protection, provided that their appearance is not essential to the use or purpose of the article in question and does not affect the cost

or quality thereof. It is not relevant whether the design serves to indicate the origin.

The protection conferred to industrial designs seeks to foster the added commercial value that a specific design can provide, regardless of its aesthetic or artistic quality, or originality. Industrial designs are conceived as a type of formal innovation relating to the appearance of the goods themselves or their ornamentation, encouraging innovation and the development of new products, as well as investment in their production.

Although protection for trade dress may be available under the Industrial Design Law, trade dress more often than not performs the same function as a trademark (ie, it identifies the commercial origin of goods or services by giving them a common distinctive appearance). In addition, the main concern of IP owners regarding lookalike products is that consumers may be confused with regard to the origin of their goods and/or take unfair advantage of their reputation or their commercial efforts.

In Spain, disputes involving trade dress refer primarily to the packaging or get-up of goods. In these cases, action is almost invariably brought under the Unfair Competition Law. This is because the packaging of relevant goods normally contains different word elements which, from a trademark perspective, might be sufficient to exclude a likelihood of confusion on account of the different overall impression of the goods.

This line of reasoning allowed the Madrid High Court of Justice to conclude that the obvious differences in the shapes of two washing-up liquid bottles, and the predominant position of the FAIRY and MISTOL marks which appeared on the bottles’ labels, excluded a likelihood of confusion on the part of the public – even though both bottles used a distinct combination of the

colours red and green.

The Association for Self-Regulation of Commercial Communications reached a similar conclusion with regard to a claim brought by a well-known mineral water brand owner (Solán de Cabras) against a competitor (Gestión Fuente Liviana) in connection with the get-up of a certain mineral water-based fruit juice enriched with vitamins. The association made it clear that as the appearance of the products was similar only in connection with commonplace elements (eg, the font, colours or depictions of fruits used in the products’ packaging), there could be no likelihood of confusion on the part of the public.

Pursuant to the Unfair Competition Law, imitating a third party’s services, business or professional initiatives is permitted, except where the following circumstances apply:

- Earlier exclusive rights exist (eg, trademark, design or copyright);
- There is a likelihood of confusion or association on the part of consumers;
- Unfair advantage of a third party’s reputation or commercial efforts is taken; and
- The systematic imitation of a competitor’s services or initiatives aims to prevent or hinder its position in the marketplace and exceeds what, according to the circumstances of the case, could be deemed a natural market response.

One of the most interesting judgments relating to the protection of trade dress through unfair competition rules was handed down by the Madrid Court of Appeals on September 3 2003. Pret a Manger Europe, a healthy fast-food restaurant chain, brought action against Delinas Iberica for acts of unfair competition and copyright infringement, based on the fact that the trade dress of the

latter's restaurants – including external and interior appearance, décor, menus and servers' uniforms – was virtually identical.

The claim was dismissed because the plaintiff did not operate in Spain and, consequently, the court ruled that the Unfair Competition Law did not apply. However, the appellate court found otherwise.

First, the appellate court considered that requiring the plaintiff to have an actual commercial presence in Spain was contrary to Article 10bis of the Paris Convention, which requires EU member states to assure nationals of other EU member states of effective protection against unfair competition. The court stated that the Unfair Competition Law applies not only where actual effects deriving from unfair acts have taken place, but also where those effects were foreseeable:

“it is evident the situation could arise the moment the British company (Pret a Manger) decided to open an establishment in our country. We may not consider that the protection awarded by the law is intended only to remedy actual damage, excluding the possibility of preventing circumstances that are likely to take place in the future. Should it not be interpreted in such a light, an unfair competitor would be able to foreclose or hinder any attempt of expansion of a foreign successful business concept, because even where he bluntly copied said initiative he would be protected against the foreign company's attempts to stop him, thus securing an undeserved advantageous position in the market.

In brief, even if we accepted that the situation does not currently and directly cause damage to the plaintiff we must recognize that, if DELINAS has benefited from the work of the plaintiff by imitating its entrepreneurial system, it shall have an adverse effect in any attempt PRET A MANGER may make to expand its business to Spain. Consequently, such conduct would hinder what we could consider a legitimate expectation of the British company, which is to expand in favourable conditions to the Spanish market. It follows the acts of the defendant could produce substantial effects in our market and, consequently, we may address the issues raised in the present case.”

The court was persuaded by the weight of the evidence submitted by Pret a Manger, that upon examining the appearance of the establishments, the association thereof was “immediate, material and obvious”.

After making a comprehensive analysis of all the common elements of the restaurants' trade dress, the court concluded that Delinas had slavishly copied in Spain what Pret a Manger exploited commercially in the United



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Kingdom, and deemed its acts to be unfair.

“the association clients could make between the establishments is immediate, as they would hardly be able to tell which is which if their names were concealed. Consequently, we consider the defendant takes unfair advantage of the reputation of company which has opened the market and has grown to become a large fast-food company.

...the plaintiff may not invoke the right of free imitation when it has gone as far as it has, allowing us to conclude that it has completely copied the establishment, its working method, design and entrepreneurial philosophy, including modifications that are in no way substantial. We should keep in mind that albeit acts of confusion generally relate to trad marks and trade names, they may also relate to other business identifiers...such as façades, windows, interior distribution, product get up, packaging, logos, napkins, tablecloths and other elements.”

However, although the unfair competition action was successful, the copyright infringement claim was dismissed because the court did not find the slogans, the references to the nature of the goods, or the designs of the napkins and tablecloths used by the plaintiff to be sufficiently original to benefit from copyright protection.

To the authors' knowledge, the Madrid Court of Appeals is the only Spanish court to have used the expression ‘trade dress’ verbatim. We refer to its judgment of November 11 2005, which considered that the use of the letters ‘JB’ and a diamond-shaped device in connection with alcoholic beverages was competitively unfair and amounted to infringement of Justerini & Brooks' earlier well-known ‘J&B’ trademarks.

In this case, the court saw no reason not to consolidate Justerini & Brooks' trademark and unfair competition claims.

Spanish legislation neither defines nor confers specific protection on trade dress, but this may nonetheless benefit from trademark, design or copyright protection where it qualifies for such protection under the applicable laws.

In practice, unfair competition law constitutes an effective means of protection for trade dress, particularly in cases where the imitation of the packaging or get-up of certain products could take unfair advantage of the legitimate owner's efforts or reputation.

As explained by settled case law, what renders imitation unfair on account of the unlawful advantage taken of a third party's efforts is not the existence of imitation *per se*, but a true reproduction, a mere copy, without any intervening effort on the part of the imitator. 