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### Judgment in Case E-5/16 *Municipality of Oslo*

#### **REGISTRATION AS A TRADE MARK OF A SIGN CONSISTING OF A WORK OF ART MAY EXCEPTIONALLY BE REFUSED ON THE BASIS OF PUBLIC POLICY OR ACCEPTED PRINCIPLES OF MORALITY**

In a judgment delivered today, the Court answered questions referred to it by the Norwegian Board of Appeal for Industrial Property Rights (*Klagenemnda for industrielle rettigheter*; the “Board of Appeal”), on the interpretation of Directive 2008/95/EC to approximate the laws of the Member States relating to trade marks (the “Trade Mark Directive”).

In view of the actual or imminent lapse of intellectual property protection for copyright protected works by some Norwegian artists, Oslo Municipality, which manages several of these rights, applied for trade mark protection for a number of artworks, *inter alia* by Gustav Vigeland, one of the most eminent Norwegian sculptors. The trade mark applications were partially refused by the Norwegian Intellectual Property Office (*Patentstyret*). Upon appeal, the Board of Appeal decided to refer questions to the Court concerning whether, and under which circumstances, it is possible to refuse registration of a trade mark on the basis of Article 3(1)(f) of the Trade Mark Directive, which lays out a ground of refusal on the basis of public policy and accepted principles of morality. The Board of Appeal also referred questions concerning the interpretation of other grounds of refusal set out in the Trade Mark Directive.

The Court noted that in principle, nothing prevents a sign from being protected under both trade mark and copyright law. Trade marks seek to guarantee the identity of the origin of the marked product, their protection ensures market transparency and assumes an essential role in a system of undistorted competition. In order to attain these aims, it is essential that the term of protection for trade marks is, in principle, indefinite. Copyright protection, in turn, provides for an incentive to contribute to the enrichment of the economy and to society at large. The lapse of copyright protection serves the principles of legal certainty and protection of legitimate expectations, by providing a pre-determined time frame after which anyone can draw from ideas and creative content of others without limitation. The Court found that a trade mark based entirely on copyright protected work carries a certain risk of monopolisation of the sign for a specific purpose. The interest in safeguarding the public domain, however, speaks in favour of the absence of individual protection for, or exclusive rights to, the artwork on which the mark is based.

The Court noted that Article 3(1)(f) of the Trade Mark Directive covers two alternatives, which may each serve as an individual ground for refusal of registration as a trade mark. Refusal based on grounds of “public policy” must be based on an assessment of objective criteria whereas an objection to a trade mark based on “accepted principles of morality” concerns an assessment of subjective values.

The Court held that the registration as a trade mark of a sign which consists of works for which the copyright protection period has expired, is not in itself contrary to public policy or accepted principles of morality within the meaning of Article 3(1)(f) of the Trade Mark Directive.

As regards the assessment whether a trade mark would be contrary to “accepted principles of morality”, the Court noted that certain pieces of art may enjoy a particular status as prominent parts of a nation’s

cultural heritage, an emblem of sovereignty or of the nation's foundations and values. A trade mark registration may even be considered a misappropriation or a desecration of the artist's work, in particular if it is granted for goods or services that contradict the values of the artist or the message communicated through the artwork in question. Consequently, the Court held that whether registration for signs that consist of works of art as a trade mark shall be refused on the basis of accepted principles of morality depends, in particular, on the status or perception of the artwork in the relevant EEA State. In that assessment, the risk of misappropriation or desecration of a work may be relevant.

As regards "public policy", the Court found that registration of a sign as a trade mark may only be refused on that basis if the sign consists exclusively of a work pertaining to the public domain and registration of this sign would constitute a genuine and sufficiently serious threat to a fundamental interest of society.

As for the remaining questions referred by the Board of Appeal, the Court held that Article 3(1)(e)(iii) of the Trade Mark Directive, which prohibits trade mark registration of signs which consist exclusively of the shape which gives substantial value to the goods, may apply to two-dimensional representations of three-dimensional shapes, including sculptures. Article 3(1)(c) of the Trade Mark Directive, which prohibits registration of descriptive signs, must also be interpreted as being applicable to two-dimensional and three-dimensional representations of the shape of goods.

The Court noted that where a sign is descriptive within the meaning of Article 3(1)(c) of the Trade Mark Directive, that sign necessarily lacks distinctiveness under Article 3(1)(b). If the sign is not descriptive, its distinctiveness may be assessed in relation to the goods and services covered by it, and in relation to the presumed expectations of an average consumer of the category of goods and services in question, who is reasonably well-informed, observant and circumspect.

The full text of the judgment may be found on the internet at: [www.eftacourt.int](http://www.eftacourt.int).

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