

# Can retail store designs be protected as trade dress or 3D marks?

As Apple breaks new ground by registering the design and layout of its stores in the United States, this article analyses how the tech giant procured trade dress protection for its stores and discusses how Europe is reacting to the development

On January 23 2013 Apple Inc secured a US service mark registration (Reg 4,277,914) for the interior trade dress of its stores, as depicted in black and white. The mark's description reads as follows:

*Color is not claimed as a feature of the mark. The mark consists of the design and layout of a retail store. The store features a clear glass storefront surrounded by a paneled facade consisting of large, rectangular horizontal panels over the top of the glass front, and two narrower panels stacked on either side of the storefront. Within the store, rectangular recessed lighting units traverse the length of the store's ceiling. There are cantilevered shelves below recessed display spaces along the side walls, and rectangular tables arranged in a line in the middle of the store parallel to the walls and extending from the storefront to the back of the store. There is multi-tiered shelving along the side walls, and a [sic] oblong table with stools located at the back of the store, set below video screens flush mounted on the back wall. The walls, floors, lighting, and other fixtures appear in dotted lines and are not claimed as individual features of the mark; however, the placement of the various items are considered to be part of the overall mark.*

A companion US service mark application for the same mark claiming colour (depicted below) also matured to registration on the same date (Reg 4,277,913).

The mark's description for the colour version reads as follows: *The color(s) steel gray, light brown and black is/are claimed as a feature of the mark. The mark consists of the design and layout of a retail store. The store features a clear glass storefront surrounded by a paneled, steel gray facade consisting of large, rectangular horizontal panels over the top of the glass front, and two narrower panels stacked on either side of the storefront. Within the store, rectangular recessed lighting units traverse the length of the store's ceiling. There are light brown cantilevered shelves below recessed display spaces along the side walls, and light brown rectangular tables arranged in a line in the middle of the store parallel to the walls and extending from the storefront to the back of the store. There is multi-tiered shelving along the side walls, and a light*

*brown oblong table with black stools located at the back of the store, set below video screens flush mounted on the back wall. The walls, floors, lighting, and other fixtures appear in dotted lines and are not claimed as individual features of the mark; however, the colors and placement of the various items are considered to be part of the overall mark. Similarly, the white in the drawing represents background areas and is not part of the mark.*

So how did Apple persuade the US Patent and Trademark Office (USPTO) to allow its store designs to mature to registration on the Principal Register under a claim of acquired distinctiveness? What obstacles did it face along the way? And how is Europe reacting to applications to register the same type of mark?

## USPTO's initial response – mark is not inherently distinctive

The narrative that follows applies to both the black and white and colour versions of the mark. Considering that only one particular USPTO examiner ultimately rendered the decisions in both instances, the factors considered here may not necessarily be equally dispositive in future cases. That said, Apple's applications still give insight into the type and amount of evidence that the USPTO may find persuasive and which way it might swing on similar cases in the future.

On May 12 2010 Apple filed a use-based application for the interior trade dress of its store for "retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics and related accessories, and demonstration of products relating thereto" in Class 35, claiming September 2006 as the date of first use in commerce.

In its application, Apple initially described its mark as a "distinctive design and layout of a retail store". As the application progressed through the course of prosecution, Apple went on to provide the greater level of detail in describing its mark as seen in the eventual registration (above).

The application was initially refused registration in September 2010 on the basis that the mark was not "inherently distinctive" – the USPTO considered it merely "decoration or ornamentation" in the context of Class 35 retail services. Apple was therefore invited to submit evidence that would otherwise demonstrate that the trade dress had acquired distinctiveness under Section 2(f) of the Trademark Act.

Apple's initial attempt to prove this based upon "exclusive and continuous use... for at least the five years immediately preceding the date of its claim of distinctiveness" and through substantive evidence failed. While the USPTO conceded that Apple's retail stores were "wildly



popular and... extremely successful", the evidence did not show that the mark as depicted in the application had acquired distinctiveness. In fact, Apple's own evidence demonstrated that its stores vary considerably in appearance, ranging from "the entirely-glass flagship store in Manhattan, entirely glass-fronted stand-alone stores, entirely silver-panel-fronted stand-alones, and enclosed shopping mall bays of varying widths". The USPTO cautioned Apple that any additional evidence "must clearly relate to the applied-for mark".

Undeterred, in March 2012 Apple submitted the following compelling evidence, which ultimately led to the USPTO's acceptance of Apple's assertion of acquired distinctiveness.

#### Consumer survey evidence

Apple conducted a survey among 180 participants in nine different shopping malls, none of which had an Apple retail store on site. Forty-two per cent of respondents were able to identify Apple by name when presented with a stimulus consisting of Apple's trade dress; the majority of this 42% gave reasons having to do with the design or layout of the store in general, or of a particular feature of the design or layout. Responses included: "It looks like one without the Apple logo. That glass see-through window and how everything is set up is just like their store;" and "Clean design, completely see through. The placement of the furniture."

Apple contended – correctly, in our view – that it was compelling that consumers were able to state "Apple" in the context of the survey.

#### Direct consumer testimony demonstrating distinctiveness of Apple's mark

Apple wisely bolstered its survey evidence with direct testimony from 15 consumers who associated Apple with the very trade dress depicted in Apple's service mark application.

#### Substantial similarity in trade dress among Apple's retail stores

In order to overcome the USPTO's point about the differences among its own store designs within the United States, Apple attested that the appearances of at least 132 of those stores are substantially similar to the applied-for mark. In its response, Apple also included depictions of the subject stores of various cities throughout the country.

While Apple acknowledged that some of its storefronts differ in non-substantive details (eg, their precise dimensions from the applied-for mark), it was quick to point out that "a precise identity of marks is not a prerequisite for the secondary meaning of one mark to transfer to another". Apple further submitted that the overall annual revenue collectively generated by the stores falling into this category was in "the tens of billions of dollars".

#### Media coverage of Apple stores featuring mark's basic design

Making the most of the fact that any unsolicited media coverage is considered evidence of secondary meaning before the USPTO, Apple submitted evidence of unsolicited press that included recognition of the uniformity of its retail stores.

One article included a picture of Apple's store with the following caption: "Every Apple Store follows the same basic floor plan."

Poignantly, that article also provided the following commentary regarding the aesthetic appearance of Apple's retail stores:

*The Apple personality comes through every time the customer*

*encounters the brand, whether on television, in print or outdoor advertising, or through interacting with one of Apple's products. The Apple stores are no different, and Apple is able to project that personality across all these channels by maintaining rigorous consistency of design. With all the brushed metallic surfaces on both the exterior and the interior of the store, you can't help but feel as if you're walking inside a product that came off the same assembly line as a PowerBook or an iPod. The grate over the air-conditioning vents may not exactly match the front panel of the Power Mac Gs, but the resemblance is undeniable. If the bolts on the staircase and railings seem familiar, you may recognize the design from the neck of your flat panel iMac. And of course, the graphic and typographic styles throughout the store perfectly match those you'd find in Apple's software interfaces, packaging, and advertising.*

Apple also cited an unsolicited article that drew special attention to the very aspects of Apple's retail stores depicted in the applied-for mark:

*Ever wonder why those Apple Stores draw in so many customers? Sure, you can say all the bright, shiny gadgets are to blame. But there's also something to be said about the design of the stores themselves. Looking straight out of 2001, the retail locations are just as bright and shiny as the products on the shelves. However, it's not just the streak-free glass and recessed lighting that please the eye ... What looks like a simple retail storefront is actually a carefully designed measured and constructed assemblage of glass, cement, metal and stone whose edges correspond.*

Faced with that level of unsolicited media coverage (which reflected favourably upon the precise trade dress elements for which Apple sought registration), consumer surveys and direct consumer testimony, the USPTO determined that Apple had established a *prima facie* case of acquired distinctiveness.

Apple's service mark application for the black and white version of the mark was therefore approved for publication on April 18 2012 and registered on January 22 2013, while its service mark application for the colour version was approved for publication on April 19 2012 and likewise proceeded to registration on January 22 2013.

#### Apple's international registration for 3D store mark and its European reach

Using the US application discussed above as its home base, in late 2010 Apple filed International Registration (IR) 1060320 for its three-dimensional (3D) store mark (deploying, as it transpired, the following blander description: "the mark consists of a distinctive design and layout of a retail store") for the same Class 35 retail services. That bland description no doubt caused Apple problems in Europe that it could have avoided by way of its ultimately more detailed version that succeeded in the United States, and retail service brand owners should take note of that for future applications to avoid post-application challenges.

The IR designated the following territories within the European Economic Area (EEA): Benelux, Germany, Spain, France, United Kingdom, Italy, Norway, Poland and Sweden.

No Community trademark was designated via the IR, and none is known to have been filed by Apple for the 3D store mark. Perhaps Apple had in mind the locations of its stores across the EEA at the time of filing its IR, reasonably assuming that it would be called upon to prove acquired distinctiveness through use if it were to secure registrations. For the reasons that follow, that caution was not needed.

### Position taken by national trademark offices across EEA

The EU Trademark Directive (2008/95/EC) harmonised trademark law across the European Union (subject to certain rights of derogation not relevant here). The EEA Agreement extended that harmonisation beyond the 27 EU member states to Norway, Lichtenstein and Iceland.

However, as became apparent, Apple's IR designations sharply divided the EEA offices called upon to consider the inherent registrability of the 3D store mark, notwithstanding the directive's harmonising effect.

Each of the Spanish, Italian, French and Polish trademark offices took the position that the 3D store mark was "inherently capable of registration" in the context of its retail services and allowed the designations to mature to registration. Of those, only Spain issued a provisional refusal, which Apple overcame (with thanks to Carlos Pires of Balder IP for his insight).

Conversely, the offices of Germany (unusually, given its generally liberal approach to shape/3D marks), Norway and Sweden issued provisional refusals, in each case on the basis that the 3D store mark was itself devoid of distinctive character. In doing so, each appeared to have taken a stand on the mark being descriptive. Of those designations, Germany and Sweden's refusals remain provisional and Apple has withdrawn (by way of renunciation) in Norway.

The situation in the United Kingdom and Benelux is less clear: 'final' provisional refusals were issued from both offices and then some unknown form of rectification took place (although the World Intellectual Property Offices website does now reveal what has been rectified). The UK IP Office's position is discussed in detail below.

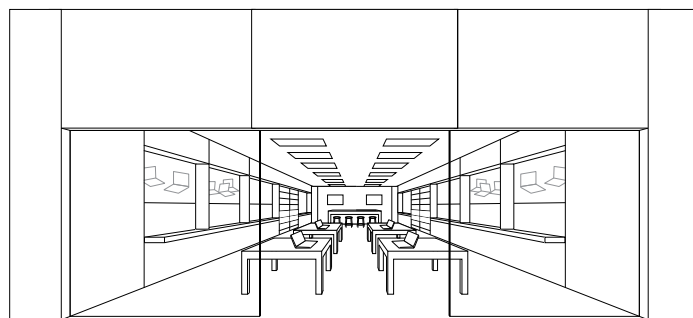
Clearly, the Trademark Directive in its current form is being applied differently across the EEA. That position is odd, as while languages and thus the understanding of word marks may shift between EEA states, 3D/shape marks and their trademark significance should not, as they are by their nature not contingent upon language. For example, a word mark in one particular EEA territory may carry no meaning and thus be capable of registration, but in another EEA territory it may carry a descriptive meaning blocking it from registration. Apple has therefore revealed a significant imbalance across the various registries within the EEA that needs to be addressed.

On a more positive note, and consistent with the position taken by the USPTO, none of the EEA offices called upon to consider the 3D store mark deemed it incapable (ie, "in and of itself") of registration as a trademark. The killer blow under Article 3(1)(a) of the directive (as applied nationally) was thus correctly avoided on the basis that the mark was capable of both "being represented graphically" (a precondition that will shortly fall away under the proposed directive amendments) and "distinguishing the... services of one undertaking from those of other undertakings". So there is consistency on that aspect of the directive.

However, why was there disharmony as to whether the 3D store mark was devoid of any distinctive character under Article 3(1)(b) of the directive (thanks to Article 3(1)(c))/? And which of the EEA offices took the correct position pursuant to European Court of Justice (ECJ) case law? Put another way: why did the United Kingdom, Germany, Norway, Sweden and Benelux consider that evidence of acquired distinctiveness was needed to allow registration (matching the US position), whereas Spain, Italy, France and Poland did not?

### EU Trademark Directive and UK IP Office's position

It remains the position across the EEA that any mark that is not a word, a combination of words or a logo is a novel trademark requiring close scrutiny before it may proceed to publication. This



Apple Inc secured a US service mark registration for the interior trade dress of its stores, as recreated above, in black and white

is certainly the case before the UK IP Office, and rightly so. However, it should be so only to a limited point in this century (which is, after all, the 21st), where we live surrounded by highly sophisticated branding that functions properly to enable consumers to choose one retail service provider over another purely through visual appearance.

With that in mind, according to current statistics disclosed by the UK IP Office, of its currently registered 446,611 marks, only 421 are for shape marks (astonishingly, less than 0.1%). In the authors' view, this does not reflect the reality of a properly functioning trademark regime in the present day. However, it does perhaps help us to understand the deep-rooted suspicion of shape-like applications and hence the position taken by the UK IP Office against Apple's 3D store mark.

Significantly, the UK IP Office could not take issue with 3D store design under Article 3(e) of the directive, which provides shape-specific objections to registrability of a trademark within the EEA: "The following shall not be registered... signs which consist exclusively of: (i) the shape which results from the nature of the *goods* themselves; (ii) the shape of *goods* which is necessary to obtain a technical result; (iii) the shape which gives substantial value to the *goods*" (our emphasis). None of those objections was available, since they relate to the shape of good, not services (the subject of the 3D store mark).

In refusing to allow the 3D store mark to proceed to publication, the UK IP Office clearly saw it as a shape-like application. Unable to object on any of the shape grounds, the UK IP Office recategorised a design and layout shape objection as a "characteristic" objection. The reasoning is apparent from the syntax of the provisional decision that the mark "consisted exclusively of a representation of the *design and layout* of a retail store, *being* a sign which may serve, in trade to designate a *characteristic* of the services listed e.g. the design and layout of the retail environment being provided" (our emphasis).

Moreover, the UK IP Office took the position that this objection, coming under Article 3(1)(c) of the directive ("The following shall not be registered... (c) trade marks which consist exclusively of signs or indications which may serve, in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, *or other characteristics* of the goods or services"), also applied to bar the application under Article 3(1)(b) ("The following shall not be registered... (b) trade marks which are devoid of any distinctive character"), but did not say why.

But is that right? Characteristics of retail services could – in the authors' view – be thought to include 'friendly', 'helpful', 'good value', 'carefully selected' and so on. Does the physical depiction of the store itself, capturing the essence of its distinctive design and layout, really serve to designate any characteristic of the retail services that Apple provides? A moment's thought reveals that it does not. While the physical depiction is descriptive of the 3D store design itself (that is the very point), it does not describe any actual characteristic of the service provided within the retail store, or retail services in and of themselves. That's why trademarks for services do not face the same hurdles that trademarks for goods face under the directive.

When the more detailed description of the 3D store mark is considered carefully, the unique blend of features claimed (certainly in the more detailed description that succeeded in the United States) within the mark itself can be seen to work together, inherently, as a badge of origin for retail services.



The UK IP Office's position was therefore, in the authors' view, flawed. The position taken by France, Italy and Spain appears correct. The 3D store mark is, in and of itself, inherently distinctive.

#### Future of 3D store designs in Europe

National offices that raised objections on the grounds of an inherent lack of distinctiveness have missed a subtle but important point in the world of modern branding. Due to the careful design of core retail branding elements (whether a storefront, its interior layout or even a more complex brand message), consumers can, and do, immediately see a properly functioning trademark, designating the commercial origin of the services themselves. They consume the retail services monopolised by the service trademark because of the 3D store design, as much as they consume the retail services because of the word or logo that may (but does not and need not always) sit outside the store they shop in.

Apple is perhaps the best example of that sort of brand in the world of technology. In other sectors, such as fashion, it is easy to call to mind brands for which store layout, design and even in-store music and smell are critical in terms of enabling consumers to identify the retail services provided in the stores as theirs and theirs alone. Such design elements are at the heart of, for example, US-based Abercrombie & Fitch's retail model. Would anyone who has ever visited or even passed outside an Abercrombie & Fitch store not know that a trademark was at work in the form of the store design (perhaps with an even more complex combined 3D shape, sound and smell mark beating away as well)?

So in reality, we already recognise retail store designs as capable of functioning as trademarks (like perfume bottles). And certain designs will be inherently distinctive as trademarks, not requiring consumer education to acquire distinctiveness.

In the authors' view, the key question should always be (as the ECJ has repeatedly made clear): would a consumer see the 3D store design applied for as a trademark without further education? In answering that question, offices across the EEA need to accept that modern consumers do see those elements as badges of origin and therefore distinctive of a brand's services. While there may be a need to bring evidence to show inherent distinctiveness (rather than distinctiveness acquired through use) on a case-by-case basis, there should be a paradigm shift throughout the EEA IP offices.

Will there be a surge of such retail service marks across the EEA in the coming years? The authors' sense is, 'to a degree, yes'. However, registration will be – indeed should be – open only to brands such as Apple or Abercrombie & Fitch, which can show a truly and inherently distinctive retail service brand in the form of their store design. And even then, what is visually appealing and powerful in terms of brand messaging at one moment can shift quickly; so store designs can and must evolve. [WTR](#)

**Simon Tracey** is senior partner at Bear & Wolf and **Teresa Lee** a partner at Pryor Cashman LLP  
[simon@bearandwolf.com](mailto:simon@bearandwolf.com)  
[TLee@pryorcashman.com](mailto:TLee@pryorcashman.com)

# GORODISSKY & PARTNERS RUSSIA

MOSCOW / ST.PETERSBURG / N.NOVGOROD / KRASNODAR  
SAMARA / EKATERINBURG / KAZAN / PERM / KIEV

Patent Attorneys & IP Lawyers



PATENTS, TRADE MARKS, DESIGNS, UTILITY  
MODELS, COPYRIGHT, LITIGATION, IP DUE  
DILIGENCE, MEDIATION, ANTI-COUNTERFEITING,  
LICENCES, SEARCHES, TRANSLATIONS

#### Head Office:

B. Spasskaya Str., 25, bldg. 3, Moscow 129090, Russia  
Tel.: +7 (495) 937 6116, Fax: +7 (495) 937 6104/6123  
E-mail: [pat@gorodissky.ru](mailto:pat@gorodissky.ru), [www.gorodissky.com](http://www.gorodissky.com)