

Protecting Your Shop Interior: What Are the Options?

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Abstract

*This article looks at the various options for protecting the interior design of shops and store fronts. After a quick look back at the CJEU's decision about the Apple store, this article will delve into the possibility of copyright protection for shop interiors, as accepted in the recent Dutch decision in *Shoebaloo v Invert*, and will explore whether the doctrine of unfair competition provides any further options. Subsequently, this article will take a closer look at a number of EUIPO Board of Appeal decisions on *Parfois's* Community Design Right registrations for its store layout. The conclusion will examine the pros and cons of each of these intellectual property rights and claims for the protection of store interiors.*

Introduction

An original look can be a great selling point for a store as well as an easy way for customers to recognise the brand without even looking at the name on the building. However, what if that attractive and recognisable shop front and interior design does not just invite in customers, but also copycats? In other words, how can brand owners keep copycats from running away with their concept? This article explores which intellectual property right is best suited to tackle this problem and whether resorting to the doctrine of unfair competition will provide any benefit in this regard.

Trade marks

Many may remember how some years ago Apple successfully trade marked its iconic store design in several countries. But this was not without a few bumps in the road—including a reference to the Court of Justice of the European Union (CJEU)¹—and still Apple's trade mark for the shop interior was refused in several countries.

As a quick recap, in 2010 Apple successfully obtained a US trade mark registration for a three-dimensional representation of its flagship store. In an attempt to extend that protection to various other countries around the globe, Apple subsequently filed an International Registration, but ran into trouble among others with the German Patent and Trade Mark Office (DPMA).

A referral from the Federal Patent Court (*Bundespatentgericht*) led to a favourable decision by the CJEU. The CJEU first of all established that the simple street-level, one-point perspective drawing of Apple's layout constituted a sign capable of graphic representation.² The fact that neither the size nor the proportions of the store were indicated was of no concern to the court.³

Secondly, the CJEU also confirmed that the layout of a retail store could be capable of distinguishing the goods or services of one company from another and thus of identifying the origin of those goods or services.⁴ Yet, under what circumstances would such a mark be considered distinctive?

In this respect, the court expressed its standard adage that distinctive character must be assessed *in concreto* with reference to (a) the goods or services for which it has been filed; and (b) the perception of the relevant public. The court then looked to the criteria it had previously developed for shape marks.⁵ This meant that the layout of a retail store will be considered distinctive only if it departs significantly from the norm or customs of the economic sector concerned. Although not literally mentioned in the judgment, the CJEU must apparently have been of the opinion that average consumers are not in the habit of making assumptions about the origin of products or services based on the interior design of the store in which they may be purchased.⁶

That this is not an easy test to meet is clear from just one quick glance at the many shape marks and position marks that have been shot down by the CJEU and the General Court over the years.⁷ Indeed, Apple also ran into

* A shorter version of this article was previously published in Bird & Bird DesignWrites.

¹ *Apple v DPMA* (C-421/13) EU:C:2014:2070; [2014] Bus. L.R. 962.

² *Apple* [2014] Bus. L.R. 962 at [18].

³ *Apple* [2014] Bus. L.R. 962 at [19].

⁴ *Apple* [2014] Bus. L.R. 962 at [20].

⁵ With reference to *Storck v OHIM* (C-25/05) EU:C:2006:422 at [28]; and *Louis Vuitton Malletier v OHIM* (C-97/12) EU:C:2014:324; [2014] E.T.M.R. 42 at [52].

⁶ See *Storck v OHIM* (C-25/05) EU:C:2006:422 at [27].

⁷ See for instance *EUIPO v Wajos* (C-783/18P) EU:C:2019:1073; *Lindt & Sprüngli* (C-98/11) EU:C:2012:307; (*Storck v OHIM* (C-25/05); *Birkenstock Sales v EUIPO* (C-26/17) EU:C:2018:714; *Pirelli v EUIPO* (T-81/16) EU:T:2017:463; *Shoe Branding Europe v OHIM* (T-63/15 & T-64/15) EU:T:2015:972.

this further hurdle in many jurisdictions and did not get its much-anticipated registration among others in Germany, Sweden and Norway.⁸

Since the *Apple* case, it seems many other would-be trade mark owners have suffered the same fate. Decisions of both the EUIPO Examination Division as well as the EUIPO Board of Appeal show that it is almost impossible to register a shop front or interior design as a trade mark.⁹

And even if a trade mark registration is obtained, it may be questioned whether it is such an easy type of trade mark to enforce. In the *Apple* case, the European Court of Justice refused to discuss the scope of protection of trade marks such as Apple's application.¹⁰ What is clear, though, is that the lucky proprietor who manages to get a trade mark for its store design will have to be strict in its enforcement efforts. While any trade mark may become generic if not sufficiently enforced, that risk may be said to materialise all the sooner if the trade mark only possesses distinctive character in as far as it significantly departs from the norm or the customs in the sector.

All in all, getting trade mark protection for your store design presents quite a challenge. So, what are the other options for protecting the interior design of your store?

Copyright

A recent Dutch case about the design of a shoe store shows that copyright may be the way to go.¹¹

The Dutch high-end retailer Shoebaloo prides itself on showcasing its collections in unique stores with a signature look and feel. For years now, it has partnered with the renowned architecture and design firm MVSA to deliver a new concept each time Shoebaloo expands its range of stores. For Shoebaloo's Amsterdam and Maastricht stores, MVSA designed a wall layout inspired by the American Antelope Canyons, consisting of layered waves with integrated displays made out of translucent material and an elliptical cut-out at the front of the store (see photo).

Shoebaloo was not too pleased when, shortly after the Amsterdam store's launch, the Belgian company Invert opened a shoe store in Antwerp with a similar interior design. The case was brought before the District Court The Hague, which examined the design heritage and concluded that even if wall displays (partly) consisting

of multiple layers could possibly be considered a given style, MVSA had nonetheless—through the particular combination of features incorporated in the Shoebaloo store—expressed that style in an original manner. The store design was therefore held to merit copyright protection. Because Invert's store contained the same combination of characteristic elements, the court furthermore held that—in spite of a few differences—copyright had been infringed, and it ordered Invert to pay damages.

Interestingly, this case not only shows that copyright can be an excellent option for protecting your store design; it also confirms copyright's pan-European effect. Based on the *Infopaq* judgment of the CJEU,¹² Dutch courts have in the last 10 years frequently accepted jurisdiction to grant cross-border, pan-European injunctions for copyright infringement.¹³

Also in the Shoebaloo case, the judge did not step back from a cross-border injunction. Although Invert was established in Belgium, as was the store in question, the District Court The Hague first of all accepted formal jurisdiction based on the fact that Invert was established as a limited partnership with its main partner living in the Netherlands.¹⁴ Since both Belgian law as well as Invert's articles of incorporation prescribed that partners shall be jointly and severally liable for the partnership's obligations, a separate claim could be brought against Invert's main partner in his country of residence (art.4(2) of the Brussels Regulation (recast)).¹⁵ By consequence, Invert could also be sued in the Netherlands alongside its main partner under art.8 of the Brussels Regulation (recast).

On the point of substantive law, the District Court The Hague looked to *art.8(1) of the Rome II Regulation*¹⁶ and ruled that Belgian law applied as the *lex loci protectionis*.¹⁷ Nonetheless, the court subsequently decided the case entirely on the basis of EU law, without so much as another glance at Belgian law, and gave an injunction with cross-border effect. In doing so, the court confirmed that both the concept of protection under copyright law as well as the concept of infringement has been harmonised at an EU level.¹⁸ Although it is generally accepted that the CJEU's recent *Cofemel* decision¹⁹ did not change the Dutch copyright landscape,²⁰ this CJEU

⁸ See WIPO register for IR reg. No.1060321 and IR reg. No.1060320.

⁹ See for instance EUIPO Examination Division 19 January 2018 and UKIPO 15 March 2018 re IR reg. no. 1368408 (*Floyd's 99 Holdings*); EUIPO Examination Division 10 May 2016 re EUTM appl. no. 014976138; EUIPO BoA 29 March 2016, R 1135/2015-1 (*Kiko SpA*), which later led to a second disappointment for Kiko when later that year also its copyright infringement claim was denied in the Belgian decision of Enterprise Court Liège 6 December 2016, 2016/11619 (*Kiko v Bvmw*).

¹⁰ *Apple* [2014] Bus. L.R. 962 at [29]–[30].

¹¹ *Shoebaloo & MVSA v Invert* ECLI:NL:RBDHA:2019:8166 District Court The Hague.

¹² *Infopaq* (C-5/08) EU:C:2009:465; [2012] Bus. L.R. 102.

¹³ See for instance *Imperial v Çak BIE* 2015/32 District Court The Hague p.152; *Bang & Olufsen v Loewe* ECLI:NL:GHDHA:2013:3356 Court of Appeal The Hague; *Danifè v Satellite Industries* ECLI:NL:RBDHA:2016:2511 District Court The Hague; *Izuskan v B.Loved Fashion* ECLI:NL:RBROT:2016:2045 District Court Rotterdam, but see *Scotch & Soda v Esprit* ECLI:NL:RBDHA:2017:7753 District Court The Hague for discussion of the fact that copyright ownership has not been harmonised throughout the EU.

¹⁴ *Shoebaloo* at [5.1].

¹⁵ Regulation 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).

¹⁶ Regulation 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations.

¹⁷ *Shoebaloo* [5.3]–[5.4].

¹⁸ *Shoebaloo* at [5.5].

¹⁹ *Cofemel v G-Star Raw CV* (C-683/17) EU:C:2019:721.

²⁰ *Philips v Lidl* ECLI:NL:RBOBR:2020:1908 District Court Oost-Brabant at [4.11]; *Krakatau v The Sting* ECLI:NL:GHARL:2020:4773 Court of Appeal Arnhem-Leeuwarden at [3.13].

decision further confirms the European harmonisation and can only strengthen the argument for pan-European injunctions.



Source: ECLI:NL:RBDHA:2019:8166

Unfair competition

In the Netherlands, the doctrine of unfair competition has not yet been fully tested as a means of protecting the design of a shop interior.

In the above-mentioned *Shoebaloo* case, Shoebaloo made a seemingly half-hearted attempt at a claim under the doctrine of slavish imitation as a back-up for the architect firm's copyright claim. However, this was rather quickly shot down by the District Court The Hague, mostly for lack of factual and legal substantiation.²¹

The court's statement that Shoebaloo is in any case a company that markets shoes and not store interiors may lead one to believe that there is also a more principled ground for refusing unfair competition claims in cases surrounding retail interiors. However, it may be doubted whether the Dutch doctrine of slavish imitation should really be interpreted so narrowly.

At any rate, unfair competition is an area of law that is not affected by European harmonisation. Unfair competition may therefore still offer a useful course of action depending on the jurisdiction in question.

Registered design rights

Another option is to file the store design as a registered design right. This strategy was adopted by Parfois when it filed a total of six views of its stores as Community design rights (RCD).

All six of these—as well as 13 RCDs for individual furniture pieces Parfois uses in its stores—were attacked in EUIPO cancellation proceedings by the Portuguese company Fabulous Cipher. Fabulous Cipher argued that Parfois's RCDs for its store layouts and shop fronts lacked novelty and individual character over the stores of, among others, Bottega Veneta, Mulberry, Zara and Uterque.

However, Fabulous Cipher's efforts in filing a plethora of cancellation proceedings did not meet a welcome ear at either the EUIPO Cancellation Division or the EUIPO Board of Appeal, and the validity of all of Parfois's six RCDs was consistently upheld in first instance and on appeal.²²

Although the Board of Appeal ruled that a designer would have a large degree of design freedom in creating a shop interior or shop front²³—and thus greater differences as compared with the prior art are in principle required to establish individual character—the Board nonetheless considered the Parfois designs to be both novel and to have individual character.

In reaching this decision, the Board of Appeal took a highly detailed look at the Parfois registrations as well as the photographs of the Bottega Veneta, Mulberry and Zara stores. The Board closely compared the placing of the shelves and display cabinets, the presence or absence of tables and their positioning, even the lighting system on the ceiling of the Parfois designs, and the question of what kind of goods were on display and how they were distributed around the store. The Board also noted that the Parfois designs had a cold white look, whereas the previous store designs that Fabulous Cipher had invoked had a warmer, yellowish look. It could be debated whether at least in part that last difference was not just due to the lighting of the photographs, rather than the design itself. In any case, according to the EUIPO Board of Appeal these differences together made up a different overall impression; the Parfois designs were considered “dazzling” and cluttered with a wide variety of objects, while each of the prior art examples were considered to have a warmer, less cluttered atmosphere.

While the Board of Appeal's in-depth analysis of the prior art and the RCDs may have saved Parfois's registrations, it also straight away points out the weakness

²¹ *Shoebaloo* at [5.27].

²² EUIPO 26 March 2019, R2582/2017-3 and EUIPO BoA 23 July 2019, R2746/2017-3 through R2750/2017-3 (*Fabulous Cipher v Parfois—Barata & Ramilo*).

²³ EUIPO 26 March 2019, R2582/2017-3 at [36]; EUIPO BoA 23 July 2019, R2746/2017-3, R2747/2017-3, R 2749/2017-3 at [32]; EUIPO BoA 23 July 2019, R2748/2017-3 at [31]; EUIPO BoA 23 July 2019, R2750/2017-3 at [30].

of an RCD, particularly where it is registered as a photo. After all, those detailed differences will not just be taken into account when assessing the validity of the design registration, but also when comparing with a third party's allegedly infringing interior. The EUIPO's Parfois decisions show that specific deviations, such as colour

scheme, specific furniture arrangement, the specific clothing or other items on display, and even the lighting, can already create a different overall impression. It may thus be more difficult to enforce an RCD against alleged copycats, especially where the design is registered as a photo.



Source: RCD no. 003023381-0002

Conclusion—which option to choose?

In this age of fast-growing e-commerce, consumers are increasingly looking for stores that offer them an experience, rather than just a place to purchase goods and services. The look of a store can therefore be expected to become even more relevant in future, and with that the importance of pinning down the design's value and keeping the copycats at bay. This article has shown that there are several options for protecting the design and layout of a shop interior or store front.

However, a word of warning may be appropriate, as not every store design will have the distinctive character, originality or individual character to merit protection by an intellectual property right or a claim under the doctrine of unfair competition. Interior designs that merely represent a certain general style will run into difficulties in trying to obtain protection, whereas designs that are too specific may not be readily enforceable.

In deciding which option—if any—fits a particular store design, it is good to know that each of the options have their own pros and cons:

- *Trade marks* offer a strong and in principle endless protection. However, obtaining an EU trade mark for a store design is not an easy route and will require evidence that the store design departs significantly from what is out there in the market, or, alternatively showing that the store layout has acquired distinctiveness through use, which is potentially an even more impossible feat. Even after registration it will be key to enforce the mark strictly and

stop competitors from using similar interior designs to ensure that the mark remains distinctive.

- *Copyright* has the benefit that it is automatic and no registration is required, although it is of course crucial that the design process is properly documented. Moreover, store owners should ensure that copyright is transferred or licensed to the right party, since depending on the jurisdiction the rights could lie with the design agency instead of the store itself, which could lead to enforcement issues. Finally, if you can find a connection with the Netherlands, copyright may even offer the additional bonus of forming the basis for a pan-European or cross-border injunction.
- *Unfair competition* appears to be the least tested route for protecting the design and layout of a shop interior. Whether or not this route offers any benefits will greatly depend on the national law at issue and the specific circumstances of the case at hand.
- *RCD* protection will generally only be available if you file the design application before the store design has become public. While you will thus have to look carefully in advance at what you want to protect and how, an EU-wide registered right can certainly have benefits when contacting infringers, who may be more impressed by a registered right than by a claim under either copyright law or unfair competition. Upon substantial assessment however,

specific deviations in the set-up of the store
or the use of furniture can thwart successful

enforcement of a design registration.