

**Where copyright ends, trade mark may begin: the EFTA  
Court allows relay races of intellectual property rights over  
artworks**

Journal:	<i>Journal of Intellectual Property Law and Practice</i>
Manuscript ID	Draft
Manuscript Type:	Current Intelligence
Date Submitted by the Author:	n/a
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## Current intelligence

### Where copyright ends, trade mark *may* begin: the EFTA Court allows relay races of intellectual property rights over artworks

EFTA, 6 April 2017, Case E-5/16, *Municipality of Oslo*

**In April 2017, the EFTA Court confirmed that out-of-copyright works can be registered as trade marks without - in principle - being in breach of the public policy or morality exclusions, as long as the sign is neither descriptive nor lacking distinctiveness.**

## Legal context and facts

The municipality of Oslo manages the rights vested in the works of various Norwegian artists, not least of all, the famous sculptor Gustav Vigeland. Shortly before the lapse of the copyright protection covering these works, the municipality applied to register as trade marks close to ninety pieces of visual art and sculptures. A number of these applications - notably those seeking to register photographs of Vigeland's sculptures - were rejected by the Intellectual Property Office of Norway (NIPO). According to NIPO, the municipality's applications fell foul of the absolute grounds laid down by Article 3 of the Trade Mark Directive,<sup>1</sup> namely: the lack of distinctive character of the mark (Article 3(b)); the descriptive nature of the mark (Article 3(c)); and the limitation placed upon shapes which grant substantial value to the goods (Article 3(c)). The refusal was appealed by the municipality of Oslo before the Board of Appeal for Industrial Rights who then referred the case to the EFTA Court. The latter holds a similar function with regard to EFTA countries (Iceland, Liechtenstein, Norway, and Switzerland) the ECJ holds towards EU Member States.

The referral seeks the EFTA Court's interpretation of Article 3 of the Trade Mark Directive in relation to works of art that have recently entered the public domain. In their request, the Board of Appeal stresses the potential contradiction between the registration of such signs as trade mark and the 'public policy' or 'morality' exclusions found under Article 3(f) of the directive, raising thereby a fourth ground for refusal.

This deferral by NIPO was made against the backdrop of a German judicial precedent known as the *Mona Lisa* case (Case 24 W (pat) 188/96, GRUR 1998, p. 1021) in which the German Patent Court rejected the registration as trade mark of Leonardo Da Vinci's *Mona Lisa* for it lacked distinctiveness due to its frequent use in advertising and trade. In the Norwegian dispute, the Board of Appeal noted that if distinctiveness was to be the only condition standing in the way of registering well-known pieces of art under trade mark law, the possibility to register the same material at a later date remained as distinctiveness can be secured through use. In this logic, it would only be a matter of time before popular creative works can be reclaimed from the public domain by trade mark rights, following the expiry of the copyright term. To address this concern, NIPO proposes in their referral request to envisage the limitations provided by Article 3(1)(f), broadening the scope of the public policy or morality exclusions to avoid the creation of new monopolies on out-of-protection works.

## Analysis

The Board of Appeal submitted six questions, to which the Norwegian's government added a seventh by challenging the admissibility of a referral to the EFTA Court coming from a sub-section of NIPO (33-34).<sup>2</sup> Starting with the last, the Court quickly dismissed the argument according to which the case should have been heard by a national court before reaching the EFTA judges in accordance the terms of the agreement establishing its jurisdiction (34).<sup>3</sup> They concluded that the notion of "court or tribunal" was to be given an autonomous meaning in the context of the EFTA agreement (36), and that in many regards the Board of Appeal did operate in a fashion similar to a judicial body, and as such, satisfied the procedural conditions of referral before the EFTA Court (38-40).

*Article 3(1)(f)*

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3 The EFTA Court then moved to whether the registration of works “for which the copyright protection  
4 period had expired, under certain circumstances, conflict with the prohibition in Article 3(1)(f) of the  
5 Trade Mark Directive on registering trade marks that are contrary to “public policy or...accepted  
6 principles of morality”; whether the popularity or cultural value of the artworks at stake should be  
7 taken into account in such assessment; and whether any other factors should be included when  
8 applying such test (31). The Court began their analysis by stressing that exclusions on the basis of  
9 ‘public policy’, and exclusions on the basis of ‘morality’ were distinct grounds for exclusions (85). As  
10 such, each ground hold its own standards ; public policy is described as requiring an objective  
11 assessment whilst morality would operate on the basis of “subjective values” (86).

### 12 *Principles of morality*

14 For a sign to be regarded as contrary to principles of morality, the signs must be “in and of themselves  
15 offensive” in the eyes of “reasonable consumers with average sensitivity and tolerance thresholds”  
16 (90). In this case, the Court considers that this threshold is not met but the judges do not rule out the  
17 hypothesis where the registration of a cultural work could offend the sensitivity of consumers and be  
18 sanctioned for it under Article 3(1)(f). The EFTA Court refers to situations where the pieces of art at  
19 stake “may enjoy a particular status as prominent parts of a nation’s cultural heritage” or the  
20 registration of such pieces be regarded as a “misappropriation or a desecration of the artist’s work”  
21 (92) as hypotheses where the registration could be regarded as contrary to principles of morality by  
22 national authorities (92). The EFTA panel confirmed that such test is bound to be applied on a case-  
23 per-case basis taking into consideration national circumstances (93).

### 24 *Public policy*

25 The EFTA judgment reasserts that the exclusion based on “public policy” is also to be interpreted in  
26 light of national perspectives (95) and remains limited to “serious and genuine threat[s] to certain  
27 fundamental values, or where the need to safeguard the public domain, itself, is considered a  
28 fundamental interest of society” (96). Whether these conditions are verified in the present dispute is a  
29 matter for the NITO to decide (93). In the absence of national circumstances, registering a work  
30 belonging to the public domain on the basis of copyright law is not in itself contrary to public policy  
31 (88, 102). This is in part, according to the EFTA Court, because the respective functions of copyright  
32 and trade mark differ - copyright is dedicated to safeguarding and emulating creativity whilst trade  
33 mark “guarantee[s] the identity of the origin of the marketed product” and “ensure [...] undistorted  
34 competition” (63,67). As a result, the two bodies of law cannot contradict each other *per se*, so much  
35 so that the two kinds of intellectual property rights may lawfully relay each other when one ends (62).

36 On this basis, the EFTA Court concluded that “[a] sign that consists of works for which the copyright  
37 protection period had expired as a trade mark is not itself contrary to public policy or accepted  
38 principles of morality” as per the terms of the Trade Mark Directive (88, 102).

### 39 *Shapes that gives substantial value to the goods*

40 NITO also sought the guidance of the EFTA Court with regard to the applicability of the limitation  
41 found under Article 3(1)(e)iii of the Trade Mark Directive which excludes the registration of signs  
42 whose “shape” confers substantial value to the goods. Whilst the limitation most readily applies to  
43 three-dimensional marks, the Board of Appeal enquired whether the term “shape” could also include  
44 two-dimensional signs, such as the photographic reproductions of three-dimensional artworks - here  
45 photographs or drawings of sculptures. The Court responded to the affirmative (115), holding that the  
46 directive “makes no distinction between three-dimensional shapes, two-dimensional shapes or two-  
47 dimensional representations of three-dimensional shapes” (112) in its provision for it provides no  
48 definition of the word (“shape”) that would be specific to Article 3(1)(e)iii (112).

### 49 *Descriptiveness and distinctiveness*

50 The EFTA also confirmed that Article 3(1)(c), limiting the registration of signs descriptive of the  
51 goods or services they are associated with in the application, applies to both three-dimensional signs  
52 and two-dimensional representations of three-dimensional items (127). That said, the descriptive  
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3 nature of the photographic reproductions of Vigeland's sculptures would bar registration only if the  
4 latter is sought in relation to goods or services the average consumer would relate to the cultural or  
5 creative sector (see, European Copyright Society, *Trade mark protection of public domain works: A*  
6 *comment on the request for an advisory opinion of the EFTA Court* (1 November 2016) 11-12). The  
7 judgment of the EFTA Court makes no reference to the types of goods or services for which  
8 registration was sought in this case. In any event, the assessment of the descriptive nature of the signs  
9 would be a task carried out by national authorities (intellectual property offices and/or national  
10 courts).

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12 On the question of distinctiveness, the EFTA judges were asked which "criteria [were] relevant under  
13 Article 3(1)(b) and (c) of the Trade Mark Directive in the assessment of an application to register a  
14 trade mark" (128). In its response, the Court made little reference to the specifics of the case, and nor  
15 did it tailor its interpretation to the issue of marks representing well-known artworks particularly.  
16 Instead, the judgment refers to the European Court of Justice's jurisprudence, and re-states that "the  
17 distinctive character of a mark must be, according to established case law, assess in relation, on the  
18 one hand, to the goods and services covered by that mark and, on the other, to the presumed  
19 expectations of the relevant class of persons, that is to say, an average consumer of the category of  
20 goods and services in question who is reasonably well-informed, observant and circumspect." (139,  
21 see also 141).

### 22 **Practical significance**

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24 Whilst the decision confirms that creative works within the (copyright) public domain may be  
25 registered as trade marks, it also reasserts the leeway EEA States have in recognising extenuating  
26 national circumstances where such applications could be rejected, according to the cultural status of  
27 the work, the class of goods or services it is associated with, and whether its national authorities  
28 declare the safeguard of the public domain paramount. The Court also made reference to the ability  
29 each EEA States holds to introduce additional grounds for refusal or exceptions to trade mark  
30 registration by virtue of Article 4(4)(c)iii.

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32 This decision revives controversial debates on the control exercised by cultural institutions (museums,  
33 galleries, etc.) over out-of-protection works through the implementation of intellectual property rights.  
34 Although much of the discussions has until now focused on the use of copyright, especially in the  
35 context of digital reproductions of artworks, it appears that new avenues may be opened in direction  
36 of trade mark law. However, the financial and management costs borne by holders of trade mark  
37 rights - in comparison to copyright - may refrain cultural institutions from investing too heavily in  
38 their portfolio in such way in practice.

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45 <sup>1</sup> Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the  
46 laws of the Member States relating to trade marks ; Official Journal of the European Union L 299/25

47 <sup>2</sup> Numbers in brackets refer back to the relevant paragraphs of the EFTA judgment.

48 <sup>3</sup> Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice,  
49 OJ L 344, 31.1.1994, p. 3, Article 34, p.10.