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Sequential cumulation of copyright with protection of products of industrial design. A critique, and an alternative proposal

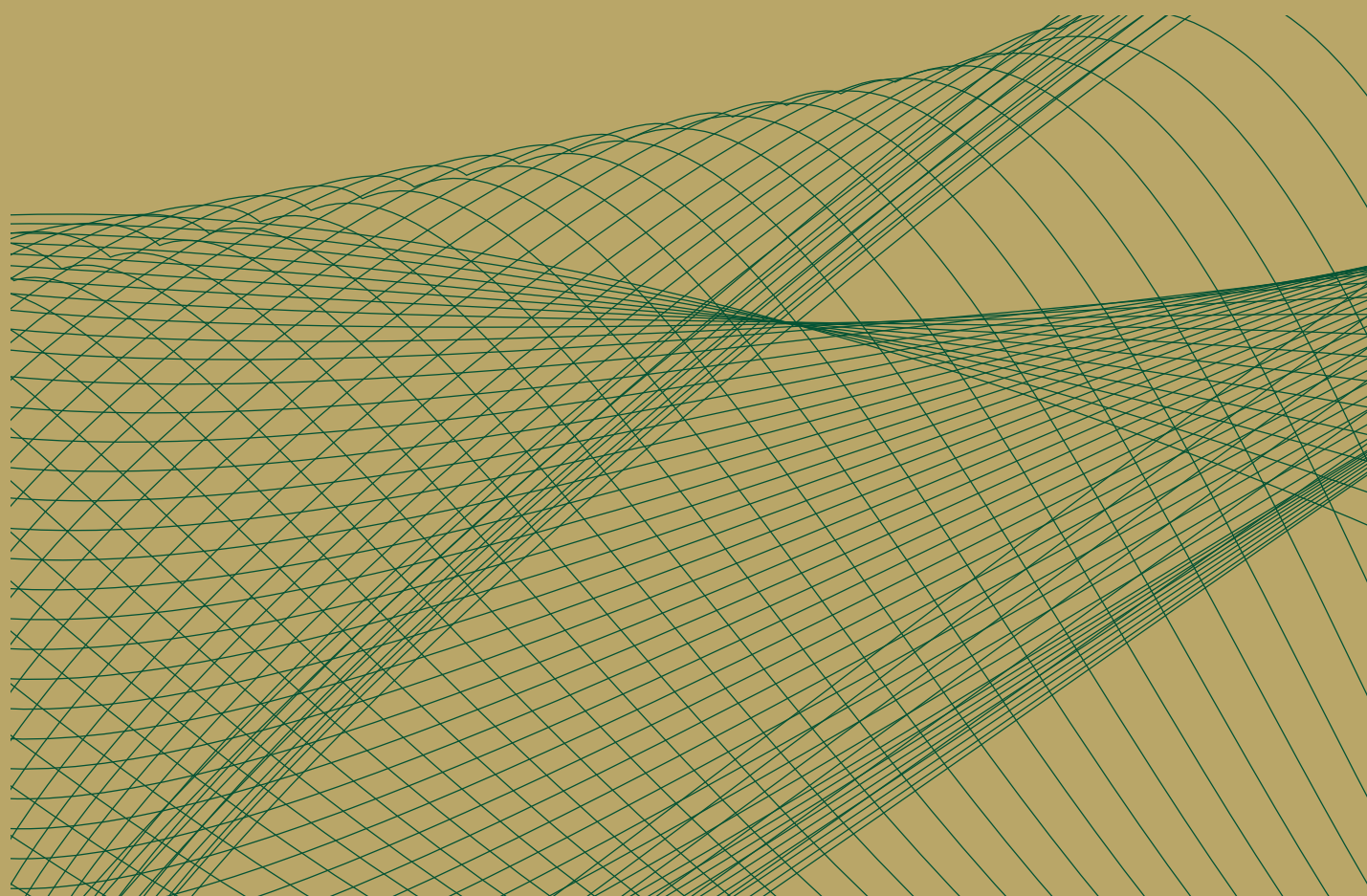
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GUEST EDITORIAL PREFACE

The challenges and opportunities of food and the role of IP

Food is a subject that all of us can relate to. While reading this you might be thinking about where to go for lunch or what to make for dinner. Maybe you remember those perfectly matched tastes of your favorite dish—a dish that might have been composed by a star chef or by your own mother. Food, and well-matched drinks, is truly a source of great value and enjoyment. At the same time we all know that everyone does not have sufficient access to food, even though few of us can fully comprehend the individual and global tragedies of starvation.

Developed nations spend a decreasing share of their income on food. In the United States the share has decreased from roughly 25% of disposable personal income to roughly 10% over the last century.¹ In Sweden, the share has dropped from roughly one third in the 1950s to roughly 17% today.² So while some of us spend a decreasing share of our income on food³ due to a combination of personal income growth and agricultural productivity growth, others struggle to find enough to eat in order to survive. In 2018 an estimated 820 million people did not have enough to eat, according to WHO.⁴

There are other challenges as well. While the productivity growth of the industry has on the one hand helped to lead the way out of poverty, it has on the other hand been enabled by the use of pesticides, antibiotics, and additives in agriculture and food production, with consequences for nature, wildlife, antibiotics resistance, and health. The productivity growth has also led to an increasing consumption of what has historically been expensive food, such as beef meat, which is related to a relatively large CO₂ footprint. And despite all of this, local farmers struggle to compete and reap sufficient returns due to price pressure, while consumers struggle with food-related health issues such as obesity, type 2 diabetes, and increased risks of various types of cancer.

Thus, while food is the source of many valuable consumer experiences, it is also related to large individual, business, and societal challenges, meaning that there are ample opportunities for improvement on various levels. For example, Stanford Food Design Lab conducts research and teaching to address the interaction between food and human via technology and innovation. In particular, the lab explores innovative ways of reducing food waste and negative environmental impact by introducing the concept of upcycling, or in other words creating quality products from what was previously considered waste.

Now, even though food is clearly a relevant subject area for society at large, is it really relevant for this journal focusing on intellectual property (IP)? We believe that it is. For example, California-based Impossible Foods has several patents on its plant-based Impossible Burger and the related production process. The company has researched what makes meat taste like meat, and been able to invent around the actual use of animal products and replaced it with plant-based ingredients. After trying it at the faculty club at UC Berkeley we can confirm that the result is a very tasty and meat-like burger. Investors seem to agree, with a \$300 million funding round this spring, partly driven by the company’s IP position, which thereby also functions as an enabler of the transition from meat-based to plant-based food products. A more well-known case is Coca-Cola. Coca-Cola’s competitiveness is highly dependent on one of the most valuable trade secrets (the Coca-Cola formula) and one of the most valuable trademarks (with an estimated value of \$63 billion in 2019⁵), and it has maintained its competitiveness over decades despite several strong competitors and imitations.

Some other examples are provided in this issue. The articles by Tsirtou and Sfetsiou both focus on the use of trademarks and geographical indications and their role for tracing the origin of products and goods, an issue that is of growing interest to consumers as a reaction to the increasing distance between consumers and food producers. These articles are focused on the cases of Cyprus (and hal

louni cheese) and Macedonia, respectively. The article by van der Merwe takes a totally different approach, focusing on fine dining and asking the question if IP law offers protection for signature dishes and novel plating. He studies the case of the internationally acclaimed restaurant Alinea in Chicago, where Mike Beagle created a unique and edible balloon that quickly rose to fame on social media, in turn leading to several imitations.

This issue is not only about food, however. The article by Ghidini examines the intricacies of IP law relating to products that are both useful and aesthetically beautiful, involving both design rights and copyrights. The article by Gerrish and Molander Skavlan analyzes the recent Digital Single Market (DSM) directive in the European Union and its implications for text and data mining, possibly inhibiting the European data science and artificial intelligence industry. Finally, the case note by Ljungblad covers the invalidation of European Union trademarks due to applicants having acted in bad faith. More specifically the case note describes a case involving the word mark ‘MONOPOLY’, (re-)filed by Hasbro.

With this short appetizer we hope that we have raised your interest for the rest of this issue. Enjoy the read.

Marcus Holgersson & Soh Kim



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¹ See, e.g., United States Department of Agriculture: <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/food-prices-and-spending/> [accessed on 2019-11-18].

² See, e.g., Ekonomifakta: <https://www.ekonomifakta.se/fakta/ekonomi/hushal->

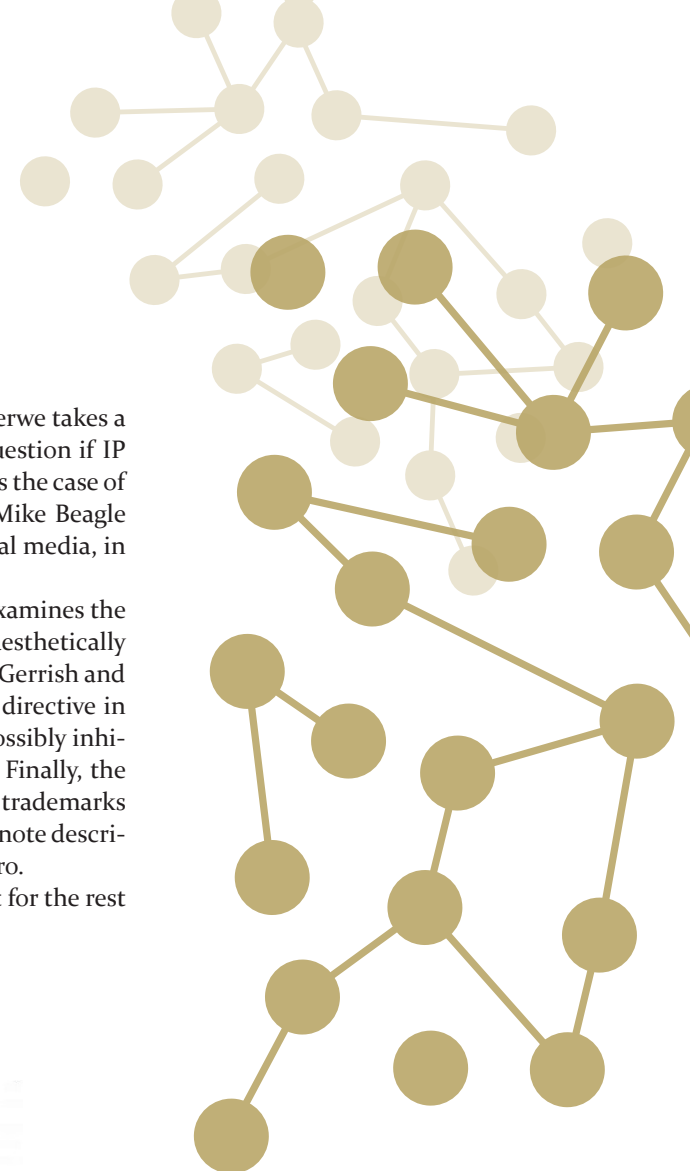
[lens-ekonomi/hushallens-inkomster/](https://www.ekonomifakta.se/fakta/ekonomi/hushallens-inkomster/) [accessed on 2019-11-18].

³ These numbers include spending on food away from home (restaurant food and similar).

⁴ See WHO: <https://www.who.int/news-room/detail/15-07-2019-world-hunger-is-still-not->

[going-down-after-three-years-and-obesity-is-still-growing-un-report](https://www.who.int/news-room/detail/15-07-2019-world-hunger-is-still-not-going-down-after-three-years-and-obesity-is-still-growing-un-report) [accessed on 2019-11-18].

⁵ See Interbrand: <https://www.interbrand.com/best-brands/best-global-brands/2019/ranking/> [accessed on 2019-11-25].





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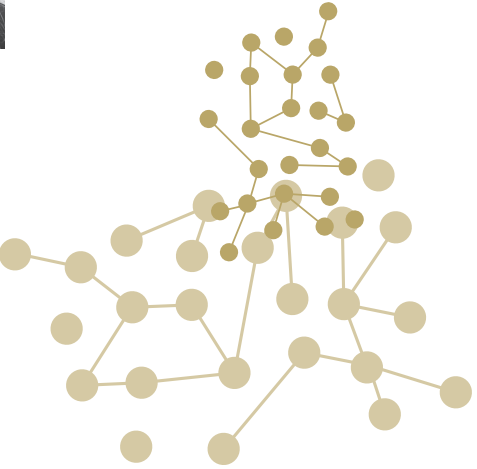
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Sequential cumulation of copyright with protection of products of industrial design. A critique, and an alternative proposal

By Gustavo Ghidini

ABSTRACT

Until the second half of the twentieth century, copyright protection of works that at the same time had a practical use and an aesthetic appeal was based on the premise of ‘separability’, meaning different sets of rules for protecting its aesthetic and utilitarian features. This premise was coherent with the typical mode of production consisting of artistic elements added to the functional ones. This approach evolved in a more organic functionalist conception of the aesthetics of material goods under the activity of industrial design, i.e. series production of objects for practical use, where functional and aesthetic profiles are merged into one. This rendered separate legal protection inherently problematic, but also resulted in negative impacts to competition. Against the currently dominant view of most interpreters and adopted by the European Court of Justice, I propose an alternative interpretation in the scope of EU law to allow for the parallel (but not cumulative) coexistence of the two types of protection, each with its own specific scope to be determined on the basis of the difference in the objective market use of the work of design, which could favour dynamic competition and ultimately benefit the majority of consumers.

1. INTRODUCTION: FROM APPLIED ART TO INDUSTRIAL DESIGN.

In the dominant paradigm¹ which lasted until the second half of the twentieth century, copyright protection of works of practical use having also an aesthetic appeal was based on the premise of the ‘separability’ of the (perception/fruition of) the aesthetic from the utilitarian features. This premise was coherent with the typical mode of production consisting of artistic elements added (therefore, also in this second sense, ‘applied art’) to the functional ones. Just think of statuettes of nymphs enveloping the stem of an *abat-jour*, goat hooves at the bottom of table legs, angels’ heads at the end of a headboard and other memories from the homes of our grandparents. The aesthetic element being as such copyrightable, the latter were generally eligible to short term ‘utility models’ patents.

The technological and economic perspective changed – and the cultural and juridical therewith – with the pro-

gressive affirmation of ‘rationalist’ experiences in architecture, from the pioneering works of the late 19th century (Otto Wagner, for example) and, more intensively, from the 1920s, up to the ‘constructivist’ approach inaugurated just after the Russian Revolution (Rodchenko et al.). This approach evolved in a more organic *functionalist* conception of the aesthetics of material goods. Nothing that is not practical can ever be beautiful, Otto Wagner said.

This concept was developed with particular coherence in early XX century Germany by the *Bauhaus* movement/school (Gropius et al.): a school aiming at the practical and cultural needs, and the economic reach, of the working classes. (Rationalism and functionality allowed more economic patterns of building and producing, getting rid of the costs associated to the ‘ornamental’ tinseling of previous ‘styles’, from Biedermeier to Liberty and Art Déco).

This cultural approach informed architecture and the activities we refer to as *industrial design*, i.e. *series production* of objects for practical use, where functional and aesthetic profiles are merged into one.

In this different creative and industrial scenario the ‘splitting’ of the aesthetic element from the functional one as the basis for separate legal protection became problematic, in particular with reference to forms, typically the three-dimensional² – of design products, and for that very reason: both values are merged as one whole.

The difficulty was overcome by a legislative approach that, in harmony with the express provisions of the Berne Convention (Article 7.4), circumscribed copyright protection (attributable for not less than 25 years) to applied art creations “protected as artistic works” (emphasis added). Not, therefore, as industrial products manufactured in series for the consumption market (that of furniture items, basically).

This approach, even though in the different context of national laws (to which Article 2.7 of the Berne Convention left ample discretion as regards the forms and limits of protection), was adopted in many legal systems. In the Italian legal system, that approach was also reinforced by a formal preemption of recourse to copyright in the presence of a 15 years ‘ornamental model’ patent.³

Implicitly, but clearly, the aforementioned legislative orientation recognized – indeed, postulated – the existence of two *distinct markets* – and corresponding types/level of protection. That of industrial (i.e. mass produced) design in the strict sense, and that of *art design*. As such, that normative line put itself at the service of a legal-political

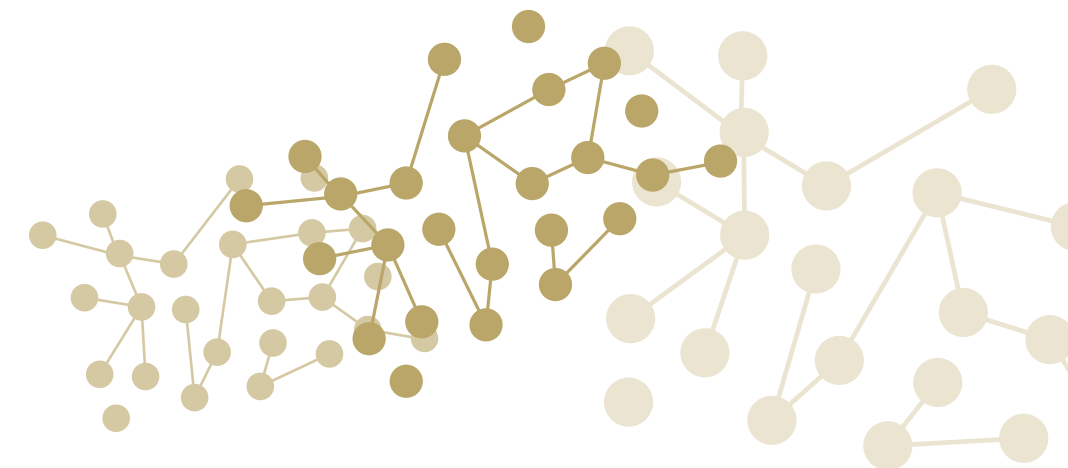
objective in favour of competition. In particular, it pre-empted the ‘horizontal’, sequential cumulation of registration and copyright regimes. Thus it averted the risk that, much like in a relay race, upon patent expiry, *copyright* could be sought immediately after the registration’s expiry and the exclusivity regime ‘recuperated’ for (near) eternity.

Ay, there’s the rub. Intense pressures were notoriously exerted by leading furniture industries on EU and national lawmakers to extend to registered industrial design products the 25-year minimum copyright protection afforded by Berne Convention to design creations “as artistic works”. This was intrinsically reasonable, since aesthetic novelties, unlike the merely technological ones, often require long time to emerge in the public taste, so that a short protection – like the 15 years’ granted to ‘ornamental models’ in Italy – would expose designers, industries and related investors to the mocking risk of seeing the protection against free riding elapse just before or just when the new design has ‘taken off’ in the public’s appreciation. The creations of the Bauhaus architects-designers met with wide success when their authors were of old age, or had already left this valley of tears.

But more was asked by the leading business circles, well

aware of, and understandably eager of exploiting, another characteristic of the social perception of aesthetic (at large) creations. When these are ‘good’, they last very long in the public favour, and are not displaced – as the technological ones – by subsequent novelties. Stockhausen has not supplanted Beethoven, nor Anish Kapoor has overshadowed Bernini... And so happens, with all due proportions, for many ‘classics’ of design: think, ex multis, to the creations, some almost centennial, of Breuer, van der Rohe, Le Corbusier, etc.: creations that leading furnishing industries keep ‘exclusively’ producing and selling, decade after decade, under the umbrella of copyright – at prices affordable by the upper classes.

Thus, understandingly (and quite legitimately) the leaders of the furnishing industry addressed their pressures also to the recognition of a straight, sequential cumulation of the two forms of protection. These pressures eventually prevailed over the original approach, defended by Small and medium-sized enterprises (SMEs), bearers of a behavioural ‘necessity’ to follow the market leaders. (A tale of two lobbies, one might say. Yes, as usual. But that of SMEs defends an objectively pro-competitive stance – and pro-consumers, too, vis-à-vis the level of prices often associated with exclusive protection of long duration).



¹ Dominant, not universal. France, in particular, since the times (XVI century) it dominated as known, always applied copyright protection to industrial products; the textile markets (Lyon was world-famous

for its tapestries) – had adopted copyright protection across the board under the aegis of the ‘principle’ of ‘unité de l’art’.
² A 2-dimensional design can be used both as a practical object (fabric design) and an artistic

object (picture).

³ Article 5.2 of Royal Decree No.14117/1940 and Article 2593 of the civil code.



2. SYSTEMIC INCONSISTENCIES, AND ANTICOMPETITIVE IMPACT, OF THE SEQUENTIAL CUMULATION OF REGISTRATION AND COPYRIGHT PROTECTION AS ADMITTED EVEN BY THE CJEU WITH REFERENCE TO DIRECTIVE 98/71/EC.

In its attempts at harmonization, Directive 98/71/EC on the legal protection of designs has ambiguously (save the ‘intention’ of the legislator, famously prone to big business arguments) in relation (also⁴) to the question of cumula- bility of registration with copyright protection of indu- strial design works. Article 17 of the Directive states that registered models and designs “shall be eligible for protection under the law of copyright of that State”, which may “determine” (i.e. is free to choose in keeping with article 2(7) of the Berne Convention but less with the stated aim of EU harmonization) “the extent to which, and the conditions under which, such a protection is conferred, including the level of originality required”.

The dominant view, even up to European Court of Justice level,⁵ backs the solution that design industry leaders have constantly pressed for at EU level. According to that opinion, this last provision definitely entrenches the principle of the cumulation of the two protections in the

domestic law of the Member States, subject to first sat- isfying the relevant national requirements for copyright. In some jurisdictions, such as Germany and Italy, that condi- tion lies in artistic value and creative nature, in other words, a particular and differentiating aesthetic merit that departs from the general standard of mere ‘individu- ality’ (originality in subjective/personal nature) that characterizes the copyright paradigm.

That line is open to criticism in many respects, especi- ally from the standpoint of its systemic coherence and the adverse impact on competition.

- a) Think to the situation that the criticized view puts a firm in when the latter, seeing that the period of protection of another’s design registration is about to expire, makes investments and preparations to enter into the market after that expiry thence actu- ally enters the market (if there is any sense to a time limit on exclusivity, it is this). But the firm will risk that the former registrant, alleging the “artistic na- ture and aesthetic value” (always a subjective assess- ment: see shortly below) will return wearing a copy- right hat and order the unlucky follower to stop production, destroy inventory and pay huge damages, hence departing the scene as a potential competitor.

I doubt that such an outcome can be reconciled with full respect of the constitutionally enshrined (effec- tive) freedom of economic enterprise. What of the reliance exhibited by the firm that enters a market in view of the imminent expiry of the exclusivity of another? That 25-year monopoly granted by regis- tration which – it is worth stressing – is the specific protection paradigm chosen by the European legal system for supporting the industrial (production of) design.

Moreover, from the standpoint of the administra- tion of justice, the acceptance of the criticized app- roach would give rise to uncertain, arbitrary and possibly manipulatory applications of the law that lays down the conditions for access to copyright pro- tection How would courts decide on ‘differential’ artistic merit? On the basis of the judge’s personal tastes or relying on an art expert witness, again based on her individual opinion? On the basis of inclusion in an art exhibition, that too is dependent on the taste (and/or commercial insight) of the gallery owner? What really affordable scope is there for appealing decisions inevitably based on subjective assess- ments?⁶

- b) The possibility of sequential cumulation of the two types of protection (registration, copyright) strikes a balance between the various interests involved that ends up with a systemic contradiction that, more- over, negatively impacts on the competitive structure of the market for industrial products. Indeed, the limit on the period of exclusive protection offered by registration would be circumvented by the baton being passed, so to speak, to the longer period of protection offered by copyright. This is a consum- mation devoutly not to be wished, given both its systemic incoherence,⁷ and its clear pro-monopolis- tic bias, with effects on prices that are already under everyone’s eyes.
- c) Furtherly, and in analogous sense, since modern de- sign increasingly incorporates new contributions to functionality, the very long copyright exclusivity for shapes would extend also to those technological features– thus also circumventing the time limits set for patents and/or utility models.

I stress that the anti-competitive effect does not arise only as regards third parties. On closer examination such an effect can concern even the copyrightholder. And indeed, a very long period of exclusionary protection can easily encourage the design owner to rest on the laurels rather than rolling up the sleeves to continue to innovate. In this sense, therefore, the anti-competitive effect is also an anti-innovation one: in a word, it weakens ‘dynamic com- petition’ (competition stimulated by innovation/ innova- tion stimulated by competition).

- d) The wound to dynamic competition (and the inte- rests of consumers) also arises under a different aspect, often evoked by supporters of the criticized

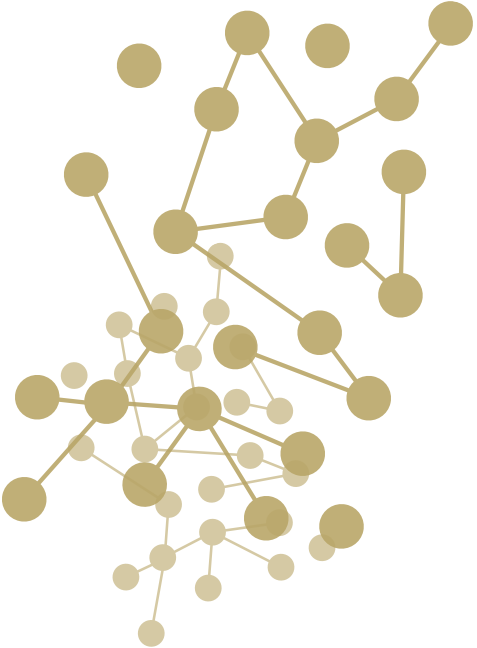
dominant view: that of the variability of the form of design object. A suggestive argument no doubt but at the expense of competition. In short, such sup- porters argue, why don’t other producers compete through different design works? There is no reason for them for ‘copying’, except to ‘parasitically’ “reap where they have not sown”[twisting biblical expres- sions to support industrial protectionism...].

This argument, suggestive as it might seem, overlooks:

- i) that modest variations would however risk of con- stituting ‘infringement’, which is not just limited to slavish copying;
- ii) more marked changes could well constitute deriva- tive works (a category which includes modifications and additions constituting a substantial remodel- ling of the original work). As such, even these more robust reshapings would be subject to the righthol- der’s power to block them. Checkmate.

Thus, in substance there would remain room only for differentiation divorced from new trends in functional aesthetics: in the final analysis, room for aesthetic models superseded by contemporary tastes. Producers of modest financial means – as such ‘necessary followers’, financially incapable of developing and imposing new trends – would have to endure (together with their low income custo- mers) a lengthy, often centennial ‘purgatory’ before they could respectively offer and acquire products reflecting patterns established by evolutions in style.

Functional beauty as ‘class’ luxury good?! Gropius and his colleagues of Bauhaus who created ‘for’ the working classes revolve in their graves...



⁴ It should indeed be noted that the conditions ex ante for registration and ex post for infringement actions – the “overall impression” of individual character [read: distinctiveness] and the overall impression as to difference [read: confusing nature], produced in “an informed user” – are essentially the same as those for shape marks. Hence, the Directive leaves the door open to a double registration, the second one potentially cumulative to the first, if the shape is not either exclusively functional or its value is not exclusively dependent from the aesthetic profile. On this distinct overlapping may I remand, also for references, to my From here to eternity? On the overlap of shape trade marks with design protection, in Contributions in honour of Hanns Ullrich, Larcier, Bruxelles, 2009, 55 ff.

⁵ See the decision as of 27 January 2011, Flos, C-168/2009; see also Cassina, C- 198/2010.

⁶ Nor would the arbitrariness be eliminated if in the case of registration, the elapsing of 25 years were to permit a prevailing view on artistic merit to form – inevitably based on the market success achieved by the work. On this point, made by Professor Davide Sarti at a Milan conference in 2007, one could reply that copyright protection can be invoked right from the very start, including by those who have not registered. And in this connection it could further be argued that the availability of such a generous duration of protection based on just an assessment of artistic merit could well further dampen the propensity for registration, already enfeebled by the much shorter protection the latter offers, and at a much higher cost, especially if international in

scope. In any case, aesthetic judgments will always be different and subjective no matter how much time passes.

⁷ In this case, as a violation of the principle of non-contradiction: a segment of the legal system should not be circumvented by another relating to the same matter regulated by the first one [in this regard see also below, Ch.IV, § 4, on shape marks]. The contradiction is aggrieved by the fact that the privileged paradigm for design protection under the Directive is of the patent type [featuring a term that is shorter and certain] whilst copyright protection is not only mentioned as accessory but also deliberately left undetermined in terms of pre-requisites and extent thus entirely left to the domestic law of each Member State.

3. PROPOSAL FOR AN INTERPRETATION THAT PREEMPTS THE SEQUENTIAL CUMULATION OF REGISTRATION AND COPYRIGHT PROTECTION.

Certainly, pointing at inconveniences is not a sufficient basis to reject a solution imposed by law and recently backed up by the European Court of Justice. But is this really the case? Is sequential amassing of IP protection “the” mandatory inescapable solution?

I believe not, with all due respect for CJEU (however, even Homer sometimes dozes, as Horace reminded).⁸

I believe that it is possible to attempt a different interpretation than that which entails a mere sequential cumulation (summing) of the two forms of protection. An interpretation that draws inspiration from the wording (and approach) of both the Berne Convention (article 7.4) and UK law, Sec 52 Copyright Designs and Patent Act (Sec 52 being repealed in April 2013,⁹ but still transitionally in force)¹⁰ according to which copyright protection concerns to works of applied art “protected as artistic works” (Berne Convention) and “insofar as they are protected as artistic works” (UK Design Act). Not therefore as industrial products.¹¹ ¹² In light of these observations and the considerations expressed above on the rationale underlying the differences between patents and copyright, I believe that the Directive can be construed in a way that avoids both the previously mentioned systemic contradiction

and the monopolistic effect that would arise from an essentially indiscriminate application of sequential cumulation of copyright protection and the shorter and certain term form of protection under registration (envisaged by EU and domestic law).

In particular, I believe that the Directive can be interpreted to allow for the parallel coexistence of the two types of protection, each with its own specific scope to be determined on the basis of the difference in the objective market use of the work of design. This would be done by distinguishing the (type) of market – of industrial products or of artefacts – to which the work of design is channeled.

In order to clarify this interpretative proposal, let us consider a couple of famous works of modern design, such as, for instance, Henry Dreyfuss’ doughnut-shaped portable radio and Philip Starck’s spider juicer designed for Alessi. These practical objects, are – or have been – sold (and infringed: see below) as utilitarian products, but they are also enjoyable at the aesthetic level. In different circumstances, they might well also be sold and copied as objets d’art through distribution channels typical of the so-called ‘art market’. In fact, a classic example is the fact that the Whitney Museum of Contemporary Art in New York displayed a work by Jeff Koons, consisting of a plain glass framework containing four ordinary Hoover vacuum cleaners. Not to mention the Campbell Soup cans ‘exhibited’ by Andy Warhol.

To my mind this forms the empirical basis of the differentiation that allows for the parallel but not cumulative application of copyright protection and patent law, without mutually contradictory overlaps. Let us go back to the two examples of Dreyfuss and Starck. As practical products sold on the market of portable radios and household items, those items would be covered under patent protection arising from their registration (at the Community and/or national level), and therefore, for a period of 25 years. On the other hand, as individual or multiple artefacts possibly sold on the art market, their shape could not be reproduced by third parties for works of figurative art (and as such, also marketed or to be launched on the art market) for the statutory period of 70 years following the designer’s death.

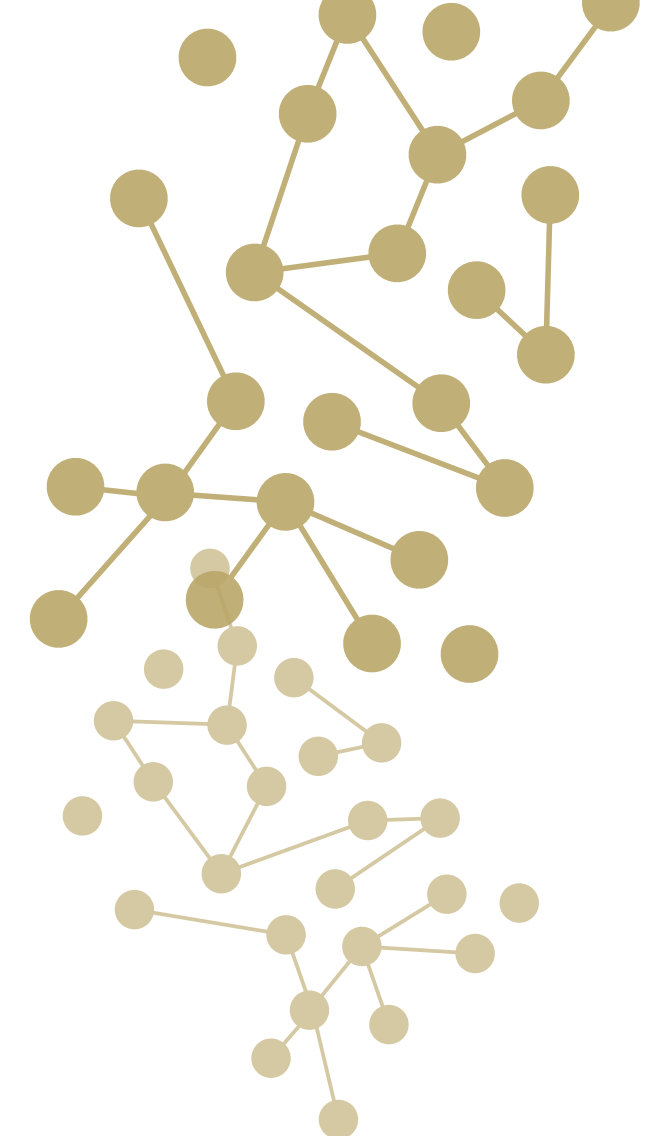
It must be pointed out that this distinction between types of exclusive protection of the same product on the basis of its different markets of destination (nothing new, by the way, in the system of intellectual property law)¹³ would not create any difficulties or uncertainty as regards concrete identification.

Firstly, the art market and especially the art design market has specific technical characteristics in view of the limited number of examples offered (often and typically one-off items: see the Warhol and Koons examples) and the type of sales outlet (art gallery).

Secondly, and above all, the type of applicable protection is objectively and precisely ‘certified’ by the type of infringement, or rather, the type of market targeted by the infringement. In other words: if Starck’s spider is imitated, even on a different scale, by a sculptor to produce works offered on the art market through its typical channels¹⁴ the designer and/or her assignee would be entitled to bring action against the sculptor or the art gallery precisely on the basis of copyright law. Vice versa, in the case where the shape is copied by a manufacturer of household products and offered for sale on that market, the only exclusive protection should be the one afforded under the registration regime (thus, not beyond 25 years).

This position can be easily reconciled with the aforementioned provision of article 17 of the Directive, under which Community registration of a design does not preclude copyright protection. In harmony with aforementioned Berne Convention’s specific reference (Art.7.4) to design works “protected as artistic works”, Article 17 of the Directive ought to be read: “should the infringement of a design product arise on the art design market, registration of the shape as a design pursuant to the Directive or domestic legislation shall not in itself preclude recourse to copyright protection in accordance with the conditions in that regard laid down by law”.

I realize full well that this proposal for interpretation goes against the currently dominant view espoused by most interpreters and shared by the European Court of Justice. But I respectfully insist on prioritizing a view that is systemically consistent with the need for dynamic competition and the interests of consumers. Whereas that dominant view ultimately translates *into the granting of rent-seeking positions to the leading furniture industries*.¹⁵



⁸ “Quandoque bonus, dormitat Homerus”: Ars Poetica, 359.

⁹ The “Enterprise and regulatory Reform Act”, as of April 2013, entering into force in 2016. The latter term was then delayed until 2020 by a “Commencement Order” as of March 2015. Same Order was swiftly challenged by such giant international firms of the furnishing industry as Vitra, Knoll, Cassina. Swiftly, too in July 2015, the British government announced the revocation of said Order. Same government from October to December 2015, to collect opinions by various interested parties about the transitional regime to be instituted, then promoted a ‘Consultation’. The results of the Consultation have not yet been announced.

¹⁰ See also OHIM, Infringements of Designs Protected by Design Law and Copyright (Introductory document to “Knowledge and Awareness Building Conference”, November 18-20, 2015, Alicante, Spain), at 6.

¹¹ Before the 2013 (counter) reform, W.CORNISH - D.LLEWELYN, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, London, 2007, Sweet & Maxwell, London, 2007, chapter 15, stressed how one had to bear in mind the purpose of the design for which protection was sought. Let us take for example, the cartoon character Popeye: initially the drawings were intended for comic books but in the wake of the latter’s success

and commercial value the drawings were later used for the production of toys. In the first case the drawings were protected by copyright because pertaining to the art market whereas in the second case only registration protection applied since the drawings were attached to items intended for commerce. As regards common law case law, worthy of mention is Mackie Designs v. Behringer Specialised Studio Equipment (UK) (1999) RPC 717, 723 [“the intention of the legislature that copyright protection be removed from “ordinary functional commercial articles”]; Franklin Machinery v. Albany Farm Centre, Thomas J. in the High Court of New Zealand (1991) 23 IPR 649: “the law relating to copyright has got quite out of hand [...]. It is probable that a law historically developed to protect artistic works was never suitable for application in the field of industrial design in first place [...] Copyright has now invaded the field of technical drawing in a manner which has been dramatic. The most banal of industrial or technical drawings, which involve little more originality than that which accompanies many routine domestic tasks, has come to attract an aggressive claim to copyright protection. Frequently, the monopoly protection which the statute confers is out of all proportion to the degree of originality involved in producing the copyright work. All this is unnecessary”.

¹² The UK Copyright-Industrial process and

excluded articles, No 2 Order 1989, no. 1070, provided that 50 was the number of examples beyond which articles were to be considered as made by an industrial process, hence not protected for the full ‘normal’ copyright term.

¹³ One need only consider a pictorial creation that at the same time constitutes a registered logo or trade mark. Or the distinct dependent patent that can be obtained in relation to the new therapeutic use of known medical substances (Article 55.5 of the European Patent Convention).

¹⁴ This does not apply here, of course, but doesn’t the huge spider that Louise Bourgeois put on show a few years ago at the Turbine Hall of the Tate Modern, come to mind?

¹⁵ Subordinately, those needs and interests should be preserved by limited legislative reform, which for design works protected by copyright should set a period of X years (25, whatever) after which third parties should be able to apply for a non-exclusive license on “fair, reasonable and non-discriminatory terms” (FRAND) and obtain it by court action should the rightholder unjustifiably refuse to grant one. (A refusal could be justified e.g., on the grounds of the applicant’s poor manufacturing quality).



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Elgar Publ., Cheltenham, UK, 2018; “Innovation, Competition and Consumer Welfare in Intellectual Property Law”, Edward Elgar Publ., Cheltenham, UK, 2010.

Food for thought

Considering intellectual property protection for signature dishes and plating

By Regardt Willem van der Merwe

ABSTRACT

The purpose of the article is to assess which areas of IP law, if any, and under which criteria, offer legal protection for signature dishes and plating arrangements that are identified and commonly associated with a specific chef or restaurant. The two main concepts explored in the article are: (i) the question whether food can be considered as art for purposes of copyright; and (ii) whether the avenue of trade dress as suggested by scholars in the U.S. hold equal promise under EU trade mark and design law.

The outcomes within the respective spheres of copyright, trade mark and design law have proven in the affirmative; i.e. in principle protection is available for signature dishes and plating, subject to certain qualifications. However, it is found that potential IP right holders in the culinary industry elect not to acquire and/or enforce these rights. The question whether IP offers protection for signature dishes and plating remains answered from a theoretical point of view and legal certainty will only be achieved once the CJEU gives a decision on the matter – which in turn would only occur if the identified potential IP right holders start to litigate in an attempt to potentially enforce their rights.

1. INTRODUCTION

The internationally acclaimed restaurant *Alinea* in Chicago, is renowned for its unique and technology forward ideas. One such unique creation is an edible toffee-like balloon (figure 1)¹ offered as a dessert option. The *balloon* is reported to be one of the most famous – and most Instagram posted – courses on the tasting menu.² The balloon was originally created by *Alinea*'s Mike Beagle, whom during an interview reportedly described the dish as “a step forward in cuisine; this is actually something that hasn't been done before”³

However, in May 2017 it became apparent through media reports that a Toronto-based company started manufacturing machines that produce balloons which, allegedly, look uncannily like the toffee-based balloons that have been on *Alinea*'s menu since 2012.⁴ In an interview with the publication *Eater*, *Alinea*'s managing partner Nick Kokonos responded to say: “We get a constant stream of copycats but this one seems unusually identical. I guess it's flattering”⁵

The above referred incident has prompted the following question which forms the point of departure: does intellectual property (IP) law offer protection for signature dishes and novel plating? This article aims to address this question within the spheres of copyright, trade mark and design law.

Signature dish

A "signature dish" is a dish that is closely identified with a chef or a restaurant and stands out as a prime example of that person's or establishment's cuisine.⁷ A signature dish can be either an entirely new creation or an original interpretation of a classic.⁸ It has become typical of many high-profile restaurants to have a signature dish which forms part of the establishment's allure. These signature dishes form a rhetoric amongst gastronomes and motivate most first visits. As such, they are a valuable tool in attracting customers. Even in restaurants that regularly change their offerings, a signature dish will remain on the menu year after year because it helps establish identity and continuity.⁹ A good illustration hereof is the legendary Pressed Duck at La Tour d'Argent (Paris). The dish was first introduced by Frédéric Delaire at the end of the 19th century, during which time the restaurant had become internationally well-known.¹⁰ Notwithstanding numerous changes of ownership and the passing of more than two centuries, the iconic Pressed Duck still today is celebrated and referred to as the restaurant's signature dish.¹¹

Plating

“Plating” refers to the visual composition of food on a plate.¹² Scholars in aesthetics and gastro-physics refer to the “art of plating”¹³ In general, plating styles are guided by fashions and trends.¹⁴ However, innovative food plating is a powerful instrument in the hands of a chef seeking to thrive in the inherently competitive restaurant space, by continually transforming diners' perception of what their food is supposed to look like, often resulting in an indelible mark of association in the consumer's mind between the dish and its source restaurant.¹⁵

IP's negative space

Raustiala and Sprigman,¹⁶ who coined the term IP's negative space, define the term as encompassing any “substantial area of creativity” which IP laws do not penetrate or provide only very limited proprietization.¹⁷ Put differently, the industries in IP's negative space exist in a “low-IP equilibrium” where IP protection is absent, or largely so, but creation continues.¹⁸ The premise of IP's negative space is that the absence of strong IP protection not only fails to hinder low-IP industries, but actually helps them thrive.¹⁹ Rosenblatt and George, amongst other scholars, provide that cuisine is such an industry.²⁰

* Title: acknowledgment to author and philosopher Elizabeth Tefer's book Food for Thought: Philosophy And Food (Psychology Press 1996) 42-43.

¹ Image by Aliena, downloaded from www.alinearestaurant.com/site/portfolio/balloon/ (accessed 28 April 2019).

² Daniella Galarzo, “Alinea's signature edible balloons have been ripped off” (*Eater*, 25 May 2017) www.eater.com/2017/5/25/15692720/alinea-balloon-rip-off-edible-balloons (accessed 28 April 2019).

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ The research is limited to the protectability of the aesthetic and technical aspects of signature dishes and plating. It does not refer to, or include, the taste (gustation) of the relevant cuisine.

⁷ Oliver Thring, “The signals sent by signature dishes” (*The Guardian*, 19 March 2012) www.theguardian.com/lifeandstyle/wordof-mouth/2012/mar/19/signals-sent-by-signature-dishes (accessed 28 April 2019).

⁸ Ibid.

⁹ E.g. the Waldorf Salad created at New York's Waldorf-Astoria Hotel by the maître d'hôtel, Oscar Tschirky.

¹⁰ Hosenally R, “In A Bid To Recover Its Lost Stars, Paris' Oldest Restaurant La Tour d'Argent Brings In A New Chef” (*Forbes*, 5 February 2017) <https://www.forbes.com/sites/rooksanahossenally/2017/02/05/in-a-bid-to-recover-its-lost-stars-paris-oldest-restaurant-la-tour-dargent-brings-in-a-new-chef/#4bde785e44b9> (accessed 23 May 2019).

¹¹ Ibid.

¹² Carlos Velasco, Charles Michel, Andy T.

Woods and Charles Spence, “Scientific paper on the importance of balance to aesthetic plating” *International Journal of Gastronomy and Food Science* 5-6 (2016) 10.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Kiran Mary George, “Trade dress law in the commercial kitchen: exploring the application of the Lanham Act to food plating in the culinary industry” *NUJS Law Review* 3 (2017) 3.

¹⁶ Raustiala K & Sprigman C, “The Piracy Paradox Revisited” 61 *Stan. L. Rev.* 1201 (2008-2009) 1201.

¹⁷ George op. cit. 3.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Rosenblatt, A Theory of IP's Negative Space, 34 *COLUM. J.L. & ARTS* 317, 326 (2011) 322; cited from George op. cit. 3.



Figure 1. Image by Aliena, www.alinearestaurant.com/site/portfolio/balloon

2 COPYRIGHT PROTECTION FOR SIGNATURE DISHES AND PLATING

The few copyright cases that do exist about food have focused on recipes rather than on restaurant dishes or chef’s artistic works.²¹ Recipes have generally proved ineligible for copyright protection, as they are considered ideas or methods of operation, or are just too standardized to leave room for own personal expressions that are required under copyright law.²² Cookbooks, however, are copyrightable as compilations or combinations, i.e. as databases.²³ U.S. courts have also awarded copyright to individual recipes in cookbooks that incorporated elements of storytelling or historical and cultural descriptions.²⁴ The aim of this section is to investigate whether the phenomena of signature dishes and plating constitute subject matter susceptible to copyright protection.

As a starting block, Article 2(1) of the Berne Convention for the protection of literary and artistic works includes copyright protection for every production in the artistic domain *whatever may be the mode or form of its expression*. The first question to be addressed in this section is whether food can be considered as art? Thereafter, the originality criteria for copyright protection on the EU level is considered. On a national level, the established categories of artistic works under U.K. law are explored and met with examples of signature dishes and plating from practice. The role of a recipe per se is also briefly addressed. Finally, arguments against the provision of copyright to signature dishes and plating, and suggested solutions by scholars to these concerns, are identified.

2.1 Philosophical perspective

The question whether culinary art is indeed a recognized form of art, as meant under Article 2(1) Berne, is a subjective question and a matter of perception. Perhaps it was pronounced best in the 2008 Chancery Division judgement of *Lucasfilm Ltd v Ainsworth*²⁵ wherein it was stated that “*What is art?*” is an unanswerable question.” Notwithstanding the aptly phrased dictum by Justice Mann, the social sciences also provide a number of theories advocating for and against the recognition of food as art (and consequently being protectable as such). Arguments from both sides are presented hereunder.

Food philosopher Elizabeth Tefler describes a piece of art as an object capable of eliciting a “disinterested” or “non-instrumental” reaction via the human senses.²⁶ These “aesthetic reactions” or “judgments” may be neutral, favorable, or unfavorable.²⁷ Tefler holds that food can elicit aesthetic reactions visually, in tastes and smells, and humans can distinguish enjoying visual composition, tastes or smells apart from approving of them instrumentally, on the grounds that the food is nourishing or calorie-filled.²⁸ Buccafusco adds to Tefler’s theory that of all the “non-instrumental” aesthetic reactions to a dish, visual expressiveness is the strongest aesthetic reaction because vision is completely disassociated with the body’s natural instrumental use of food (i.e. eating).²⁹ According to Tefler, food can be art when it is “intended or used wholly or largely for aesthetic consideration”.³⁰

Aesthetics philosopher Carolyn Korsmeyer holds a different view. She argues to the contrary, that culinary dishes can only represent a “minor art”.³¹ Korsmeyer holds that the kind of art that culinary dishes represent is simple compared to symphonies, buildings, poems, or paintings because, as an expressive medium, food has four limitations.³² First, the formal arrangements and expressive range of food are more restricted than in fine art media.³³ Ostensibly, according to Korsmeyer, there are only four basic types of tastes—sweet, salty, bitter, and sour—that can be elicited, either alone or in combinations, to create flavors.³⁴ Second, food is a transient medium that either decomposes or is consumed. This temporal limitation eliminates, according to Korsmeyer, the possibility of studied appreciation over generations that could serve to elevate the culinary art.³⁵ Third, foods do not have meaning in that they have limited representational capacity to portray anything other than what they are, unlike literature, paintings, or sculptures.³⁶ Finally, Korsmeyer argues, “food cannot express emotion(s)” in that flavors, unlike sights and sounds, arguably have no expressive connections with emotions like love, hate, grief, joy, suffering, or yearning, for example.³⁷

Considering the above philosophical views, it is proposed herein that Tefler’s theory, that food can be art when it is “intended or used wholly or largely for aesthetic consideration” is a more accurate reflection of the *status quo* in the culinary industry in the context of the phenomena of signature dishes and plating. When chefs intend for their dishes be savored, appraised, thought about, and discussed—and not just to fill the stomachs of their patrons—dishes can be art if patrons actively contemplate them in the manner suggested by Telfer.³⁸ Therefore, a chef may create art when he designs a dish or a meal that presents patterns of harmonious or contrasting flavors, textures, colors, and plating arrangements that are intended to stimulate his or her patrons’ aesthetic senses. Patrons may then also act as art critics when they contemplate these dishes and appreciate them as visual (and flavorful) expressions of art.³⁹ If one accepts that signature dishes and plating can be considered as art, the question arises whether it is susceptible to copyright protection, as such? This question is explored in the section hereafter.

2.2 Originality requirement

Originality is an indispensable condition for copyright protection. While the notion of originality is only harmonized partially by the legislature in Europe for certain categories of works, i.e. computer programs, databases and photographs,⁴⁰ the CJEU has begun a more thoroughgoing harmonization of originality through case law.⁴¹ In the cases *Infopac*⁴² (infringement) and *Bezpečnostní softwarová asociace*⁴³ (subsistence), the CJEU has held that the criterion for originality in the Directive on the Legal Protection of Databases (96/9EC) and also the Directive on the Legal Protection of Computer Programs (2009/24EEC), i.e. “author’s own intellectual creation”⁴⁴ is applicable to all works of authorship.⁴⁵ In an attempt to establish the plausibility of a signature dish and plating fulfilling the criteria of “an author’s own intellectual crea-

tion” decisions from the CJEU, interpreting this criteria, will be applied to an example from practice.

The Sound of the Sea (figure 2)⁴⁶ was created by Heston Blumenthal (The Fat Duck in London) more than a decade ago. It consists of a small portion of sashimi, garnished with hijiki, red tonka, ice plant, pickled seaweed, and a salad called oyster leaf which, reportedly, has the exact taste of an oyster.⁴⁷ The seafood slices are placed on a bed of “sand” made up of tapioca, miso oil, panko breadcrumbs, grape and cod liver oil.⁴⁸ The aforementioned is then served on a glass-covered box filled with white sand from Las Rocas beach, Venezuela.⁴⁹ Patrons are also given a sea shell in which an iPod (playing the sound of crashing waves) is hidden, allowing them to eat the dish while listening to the sounds of the sea on the headphones. In an interview with Harry Wallop (*The Telegraph UK*) Heston Blumenthal explained he not only wants customers to be in raptures about the flavors, he wants them to be transported back to a childhood day at the beach.⁵¹ Some guests, during service of *Sound of the Sea*, are given postcards of their favorite childhood holiday beach. This tailored personal experience is achieved by allowing guests to fill in a questionnaire when making a reservation.⁵²



Figure 2. Image from the Fat Duck.

21 Naomi Strauss “Trade Dress Protection for Cuisine: Monetizing Creativity in a Low-IP Industry” UCLA L. Rev. 182 (2012) 194.

22 Ibid; the U.S. Copyright Office, for example, issued a factsheet stating that “copyright law does not protect recipes that are mere listings of ingredients” this view is supported by the U.S. Court of Appeals for the Sixth Circuit in the non-precedential case *Tomaydo-Tomahhdo, LLC v. Vozary*, 629 F. App’x 658 (6th Cir. 2015) in which the court held that while there can be a copyright in the arrangement and creative expression contained in a recipe book, protection did not extend to the recipes themselves, a list of ingredients was “merely a factual statement, and not copyrightable”; Beck B and Von Werder K, “Your IP Valentine: Can Recipes Be Protected by Copyright?” (Mayer Brown, All About IP, 14 February 2017) www.allaboutipblog.com/2017/02/your-ip-valentine-can-recipes-be-protected-by-copyright/ (accessed 28 April 2019).

23 In Case No. 2-06 O 387/11 (28 March 2012) the Regional Court of Frankfurt, Germany, held that a selection of recipes suitable for certain pieces of cooking equipment was a “personal intellectual creation” within the meaning of section 2, para 2 of the German Copyright Act; the U.S. Copyright Office likewise stated that copyright protection could “extend to ... a combination of recipes, as in a cookbook”; Beck B and Von Werder K, “Your IP Valentine: Can Recipes Be Protected by Copyright?” (Mayer Brown, All About IP, 14 February 2017) www.allaboutipblog.com/2017/02/your-ip-valentine-can-recipes-be-protected-by-copyright/ (accessed 28 April 2019).

24 Strauss op. cit. 194 ad footnote 60, with reference to *Barbour v Head* 178 F Supp. 2d at 764, in which the Court elaborated that recipes may warrant copyright protection in a variety of circumstances, such as where the recipe includes “suggestions for presentation, advice on wines to go with the meal, or hints on place settings with appropriate music,” or where the recipes are accompanied by “tales of their historical or ethnic origin” (*Barbour v Head* case text is available at <https://casetext.com/case/barbour-v-head-2> (accessed 28 April 2019)).

25 *Lucasfilm and others v Andrew Ainsworth and another* [2008] EWHC 1878 (Ch) at para 119.

26 Austin J. Broussard “An Intellectual Property Food Fight” *Vanderbilt Journal of Entertainment and Tech. Law* Vol.10:3:691 (2008) 718; Elizabeth Telfer, *Food For Thought: Philosophy And Food* (Psychology Press 1996) 42.

27 Tefler op. cit. 42-43.

28 Ibid. 44.

29 Christopher Buccafusco, “On The Legal Consequences of Sauces: Should Thomas Keller’s Recipes Be Per Se Copyrightable?” 24 *CARDOZO ARTS & ENT. L.J.* (2007) 1121; Tefler op. cit. 42.

30 Tefler op. cit. 46.

31 Broussard op. cit. 108.

32 Ibid.

33 Ibid.

34 Ibid.

35 Ibid.

36 Ibid.

37 Ibid.

38 Ibid. 718.

39 Ibid.

40 The circumscription of originality laid down in the Computer Program Directive, the Term Directive (as regards photographs), and the Database Directive applies only to these specific categories of works; Walter makes the observation that the definition of originality laid down in these Directives, although limited to the categories of works, appears to indicate a uniform understanding of the meaning of originality, Michel Walter and Silke Von Lewinski, *EU Copyright Law: A Commentary* [Oxford University Press 2010] para 16.05, 1466.

41 Lionel Bently, Brad Sherman, Dev Gangjee and Phillip Johnson , *Intellectual Property Law* (5th edition, Oxford University Press 2018) 98.

42 *Infopaq Int v Danske Dagblades Forening*, Case C-5/08, ECLI:EU:C:2009:465.

43 *Bezpečnostní softwarová asociace-Svaz softwarové ochrany v Ministerstvo kultury*, Case C-393/09, ECLI:EU:C:2010:816.

44 Software Directive Article 1(3); Database Directive Article 3(1).

45 Bently op. cit. 98.

46 Image from The Fat Duck, downloaded from <http://bearandmeblog.blogspot.com/2013/10/wacky-dishes-1-heston-blumenthal.html> (accessed 28 April 2019).

47 Harry Wallop, “The Fat Duck: Tell me Heston – can any meal really be worth £255?” (*The Telegraph*, 4 March 2016) www.telegraph.co.uk/food-and-drink/restaurants/the-fat-duck-tell-me-heston---can-any-meal-really-be-worth-255/ (accessed 28 April 2019).

48 Ibid.

49 Ibid.

50 Ibid.

51 Ibid.

52 Ibid.



Figure 3. Image from Yann Bernad Lejard's Instagram page, www.instagram.com/p/BI5-RqRnSaJ/



Figure 4. Alice. "5 Course Art" [WG, June 2018 issue, 77]

To establish whether this signature dish and plating is protected by copyright, the question is if it is an original work in the sense that it is the author's own intellectual creation? In an attempt to answer this question, it is necessary to determine the content given to the said concept by the CJEU. In *Infopaq*⁵³ the Court explained that: "Words... considered in isolation, are not as such an intellectual creation of the author who employs them. It is only through the choice, sequence and combination of those words that the author may express his creativity in an original manner and achieve a result, which is an intellectual creation."⁵⁴ Similar to the *Painer case*⁵⁵, in *Football Dataco* the Court observed: "...the criterion of originality is satisfied when, through the selection or arrangement... the author expresses his creative ability in an original manner by making free and creative choices... and thus stamps his 'personal touch'."⁵⁶ In *Bezpečnostní softwarová asociace*, the Court has also indicated that originality will not be present where expression is dictated by function explaining that "the criterion of originality is not met since the different methods of implementing an idea are so limited that the idea and the expression become indissociable."⁵⁷

When applying the above stated jurisprudence of the CJEU to *The Sound of the Sea* created by Heston Blumenthal, it can be convincingly argued that the dish and plating is original in the sense that it is the authors own intellectual creation. Considering the criteria in *Infopaq*⁵⁸ and *Football Dataco*⁵⁹ above, Heston Blumenthal clearly expressed his creativity by transporting the customer to his or her childhood, through his choice and combination of all the elements used in the dish and its plating. Furthermore, when considering the criteria in *Bezpečnostní softwarová asociace*⁶⁰ it can convincingly be argued that Heston's creative choices in the presentation of the dish are not dictated by the function of preparing the food, and as a result he achieved an individualized result which reflects his personal touch. Support for the latter reasoning is also found in literature, as Buccafusco suggests that for dishes, it is easy to conceptually separate the functional elements ("the basic need to provide calories") from the artistic ("the aesthetic merits").⁶¹

Changing view, one might argue that all that Heston Blumenthal did was to exert a considerable amount of pecuniary effort in the creation of his dish, and therefore, is not an intellectual creation. However, this argument is unconvincing, as one would have to disregard Heston's reason and purpose for creating the dish, i.e. his artistic ambition,⁶² as well as his choices and combinations used in the presentation thereof reflecting his personality.

2.3 U.K. perspective

A definition or list of the different categories of protected works under the Berne Convention, is a matter for national legislation.⁶³ Following general principles of EU law (as seen above (Section 2.2) from the CJEU case law)⁶⁴ each Member State's copyright law should be read in a such a manner that anything which constitutes an "intellectual creation" should be protected.⁶⁵ Thus, if a work, e.g. signature dish or plating, does not fall within the definitions adopted by Member States, it does not automatically

mean that such work is not protected, as the CJEU test is whether it is an intellectual creation.

Notwithstanding the aforementioned CJEU criteria for copyright protection, this section will proceed to consider copyright protection on national level to investigate how the subject matter of signature dishes and plating might fit into national copyright law. The U.K. is elected for this consideration being one of the jurisdictions that have implemented the 10 harmonizing copyright directives.⁶⁶ The following section will endeavour to investigate if signature dishes and plating as such would possibly qualify as artistic works⁶⁷, and in certain instances dramatic works, under the U.K. Copyright, Designs and Patents Act c. 48 of 1988 (hereafter referred to as CDPA of 1988).

2.3.1 Paintings

Chef Yann Bernard Lejard (executive chef of the *Ritz-Carlton*, Bahrain) initially expressed himself "through street art, taking inspiration from the likes of modern art legend Jackson Pollock (1912-1956)" but eventually it was food he found to be a catalyst for his artistic expression.⁶⁸ Lejard is renowned for his signature style of drawing sauce on a plate.⁶⁹ Lejard is regarded as an "artist" in the culinary industry who is "leading the way in the visual presentation of food".⁷⁰ His early work, using a black background and a white plate (figure 3)⁷¹ is frequently copied.⁷² All of Lejard's dishes have a story. When he plates, he calls the plate by name and never uses the name of the item on the plate (e.g. *Alice*, figure 4).⁷³ But would Lejard's work qualify as a painting under section 4(1)(a) of the CDPA of 1988?

The answer to this question might be evident from the case *Merchandising Corp. v Harpbond*,⁷⁴ in which it was argued that the facial make-up of the pop star Adam Ant was protected by copyright.⁷⁵ The Court of Appeal rejected this submission, Lord Justice Lawton held that a painting required a surface and that Adam Ant's face did not qualify as such, stating that "a painting is not an idea: it is an object; and paint without a surface is not a painting".⁷⁶ Bently notes that the reasoning of Lawton LJ seems odd, for it is difficult to see why Adam Ant's face is less of a surface than a piece of canvas.⁷⁷ Bently provides that the decision could be justified on the ground that a painting must be intended to be permanent.⁷⁸ However, such a justification would only provide useful in jurisdictions where fixation is a requirement, such as the U.S. Alternatively, Bently states that the decision could be seen as a case of merger of idea and expression for which no protection is granted.⁷⁹ Thus, based on the decision in *Merchandising Corp. v Harpbond* it is doubtful that a plate painted by Lejard would qualify as a "painting". However, in terms of *Metix (UK) Ltd v GH Maughan (Plastics) Ltd*⁸⁰ the temporal nature of the work would not disqualify the work from copyright protection.

⁵³ *Infopaq Int v Danske Dagblades Forening*, Case C-5/08, ECLI:EU:C:2009:465, para 45.

⁵⁴ *Ibid.*

⁵⁵ *Eva-Maria Painer v Standard Verlags GmbH*, Case C-145/10, ECLI:EU:C:2011:798, paras 88-92: "As stated in recital 17 in the preamble to Directive 93/98, an intellectual creation is an author's own if it reflects the author's personality. That is the case if the author was able to express his creative abilities in the production of the work by making free and creative choices. As regards a portrait photograph, the photographer can make free and creative choices in several ways and at various points in its production. In the preparation phase, the photographer can choose the background, the subject's pose and the lighting. When taking a portrait photograph, he can choose the framing, the angle of view and the atmosphere created. Finally, when selecting the snapshot, the photographer may choose from a variety of developing techniques the one he wishes to adopt or, where appropriate, use computer software. By making those various choices, the author of a portrait photograph can stamp the work created with his personal touch".

⁵⁶ *Football Dataco Ltd and Others v Yahoo! UK Ltd and Others*, Case C-604/10, ECLI:EU:C:2012:115, para 38.

⁵⁷ *Bezpečnostní softwarová asociace-Svaz softwarové ochrany v Ministerstvo kultury*, Case C-393/09, ECLI:EU:C:2010:8161; Bently op. cit. 100.

⁵⁸ *Infopaq Int v Danske Dagblades Forening*, Case C-5/08, ECLI:EU:C:2009:465, para 45.

⁵⁹ *Football Dataco Ltd and Others v Yahoo! UK Ltd and Others*, Case C-604/10, ECLI:EU:C:2012:115, para 38.

⁶⁰ *Bezpečnostní softwarová asociace-Svaz softwarové ochrany v Ministerstvo kultury*, Case C-393/09, ECLI:EU:C:2010:8161; Bently op. cit. 100.

⁶¹ Buccafusco op. cit. 1339.

⁶² Under Swedish law, the preparatory works of 1956 hold that every original artistic or literary work that is created with an artistic ambition aiming at an artistic result could be protected under copyright law.

⁶³ Article 2(1) and (2) of the Berne Convention states: (1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatic-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science. (2) It shall, however, be a matter for legislation in the countries of the Union to prescribe that works in general or any specified categories of works shall not be protected unless they have been fixed in some material form.

⁶⁴ *Infopaq Int v Danske Dagblades Forening*, Case C-5/08, ECLI:EU:C:2009:465, para 45; *Football Dataco Ltd and Others v Yahoo! UK Ltd and Others*, Case C-604/10, ECLI:EU:C:2012:115, para 38; *Bezpečnostní softwarová asociace-Svaz softwarové ochrany v Ministerstvo kultury*, Case C-393/09, ECLI:EU:C:2010:8161.

⁶⁵ Bently op. cit. 60.

⁶⁶ The harmonizing copyright directives are as follows: Directive 93/83/EEC on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable transmission; Directive 96/9/EC on the legal protection of databases; Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society (Infosoc); Directive 2001/84/EC on the resale right for the benefit of the author of an original work of art; Directive 2006/115/EC on rental right and

lending right and on certain rights related to copyright in the field of intellectual property; Directive 2006/116/EC on the term of protection of copyright and certain related rights; Directive 2009/24/EEC on the legal protection of computer programs; Directive 2011/77/EU amending Directive 2006/116/EC on the term of protection of copyright and certain related rights; Directive 2012/28/EU on certain permitted uses of orphans work; Directive 2014/26/EU on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market.

⁶⁷ Artistic works is the fourth category of works protected by copyright in the U.K; section 4(1) of the CDPA of 1988 provides: "artistic work" means (a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality, (b) a work of architecture being a building or a model for a building, or (c) a work of artistic craftsmanship."

⁶⁸ "Hotel overview" [The Ritz Carlton Bahrain, publish date unknown] www.ritzcarlton.com/en/hotels/middle-east/bahrain/hotel-overview/press-releases/yann-bernard-lejard-executive-chef [accessed 28 April 2019].

⁶⁹ "5 Course Art" [WG, June 2018 issue, 77] https://issuu.com/wogoa/docs/wg_june_2018_issue [accessed 28 April 2019].

⁷⁰ *Ibid.*

⁷¹ Image from Yann Bernad Lejard's Instagram page, www.instagram.com/p/BI5-RqRnSaJ/ [accessed 28 April 2019].

⁷² "5 Course Art" [WG, June 2018 issue, 77] https://issuu.com/wogoa/docs/wg_june_2018_issue [accessed 28 April 2019].

⁷³ *Ibid.*

⁷⁴ [1983] FSR 32; Bently op. cit. 73.

⁷⁵ Bently op. cit. 73.

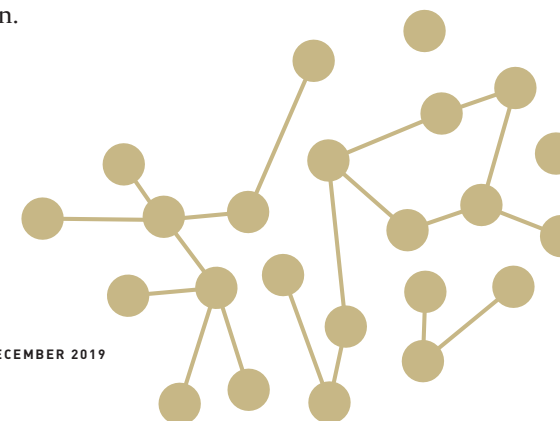
⁷⁶ *Ibid.*

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*

⁷⁹ [1983] FSR 46; Bently op. cit. 73.

⁸⁰ *Metix (UK) Limited and Another v G.H. Maughan (Plastics) Limited and Another* [1997] F.S.R. 718.



2.3.2 Drawings and diagrams

It has been reported that a number of decorated chefs begin their creations at the drawing board.⁸¹ An example of such a sketch can be seen in figure,⁸² showing a sketch by Chef Grant Achatz (*Alinea*) that gave rise to one of his famous dishes. The question however is, if such a sketch could be protected under section 4(1)(a) of the CDPA of 1988 as a drawing? Protection has been granted to architects plans distinct from the buildings themselves and also to sketches for dress designs.⁸³ Accordingly, no evident reason appears why protection would not be afforded to the drawing of a chef. If a chef should enjoy protection in this regard, it would help in preventing the copying of the dish and plating itself.⁸⁴

2.3.3 Sculptures

This paragraph aims to investigate whether signature dishes and plating can qualify as sculptures. A practical example would be to ask whether the centerpiece with frozen eucalyptus and lime (figure 6)⁸⁵ previously served at *Alinea* would qualify as a sculpture. In an interview with *Saveur* magazine, chef Grant Achatz explained his creation as follows: "Last spring, we set out to create a new centerpiece to aesthetically imitate the seasonal change from winter

to spring. We are always interested in courses that transform in front of the guest, and after brainstorming we decided on the concept of the 'spring thaw.' A fresh eucalyptus branch arrives at the table, frosted with ice, suspended over a glass. As the meal progresses, the guest watches the ice melt and drip off the leaves. The melted liquid collects at the bottom of the glass, and mixes with a lime ice cube. Eventually, the service staff removes the branch. The guest is then presented the resulting lime-eucalyptus cocktail as a refreshing palate cleanser mid-meal."⁸⁶

Considering appropriate tests from case law, it is evident that there are limits to what can be a sculpture. A distinction was made by Justice Mann in *Lucasfilm Ltd v Ainsworth*⁸⁷ between Carl Andre's bricks in the Tate Modern and an identical pile of bricks left at the end of a drive for a forthcoming building project.⁸⁸ The former was a sculpture because an artist made it for artistic purposes whilst the latter was not a sculpture because a builder made it for building purposes.⁸⁹ Mann J provided nine guiding factors (approved by the Court of Appeal in 2010, Ch 503, para 54) to assist in determining whether a particular object is a sculpture for purposes of the CDPA 1988.⁹⁰ For purposes of this discussion, factors (ii), (vi) and (vii) are of particular significance:

- (ii) "The concept (sculpture) can be applicable to things going beyond what one would normally expect to be art in the sense of the sort of things that one would expect to find in art galleries."
- (vi) "It is of the essence of a sculpture that it should have, as part of its purpose, a visual appeal in the sense that it might be enjoyed for that purpose alone, whether or not it might have another purpose as well. The purpose is that of the creator. This reflects the reference to "artist's hand" in the judgment of Laddie J in *Metix*, with which I respectfully agree. An artist (in the realm of the visual arts) creates something because it has visual appeal which he wishes to be enjoyed as such. He may fail, but that does not matter (no judgments are to be made about artistic merit). It is the underlying purpose that is important"; and
- (vii) "The fact that the object has some other use does not necessarily disqualify it from being a sculpture, but it still has to have the intrinsic quality of being intended to be enjoyed as a visual thing."

A further decision that is of value in this discussion is the case of *Metix (UK) Ltd v GH Maughan (Plastics) Ltd*,⁹¹ which held that "something which has a transient existence may nevertheless be a work of sculpture". In *Metix*, Laddie J approved of the example that an ice sculpture is no less a sculpture because it will melt, assuming that the chef is an artist.⁹² Therefore, as with all artistic or literary works, it is not a requirement that a creation be permanent to qualify as a sculpture.

In applying the above principles from case law to the question whether a signature dish and plating, such as *Alinea's* centerpiece with frozen eucalyptus and lime can qualify as a sculpture, the result seems to be in the affirmative:

- The creation in served at *Alinea* goes "beyond what one would normally expect to be art in the sense of the sort of things that one would expect to find in art galleries" and as such not disqualified as being regarded as a sculpture;⁹³
- Chef Grant Achatz said that it was their aim "to create a new centerpiece to aesthetically imitate the seasonal change from winter to spring" and that the guests watch how the white frost melts away to reveal the green eucalyptus branch. Thus, it is clear that chef Grant Achatz intended to create something that has visual appeal and that it should be enjoyed *inter alia* for that purpose;⁹⁴
- The fact that the creation has another purpose, i.e. use as a palette cleanser between meals, does not disqualify it from being a sculpture because it holds the "intrinsic quality of being intended to be enjoyed as a visual thing"⁹⁵ and
- Finally, the fact that the creation is intended to diffuse and be consumed, i.e. not being permanent, does not disqualify it from being a sculpture.⁹⁶

2.3.4 Artistic craftsmanship

In order for a work to fall within this category, it is necessary to show that the work is "artistic" and that it is a work of "craftmanship".⁹⁷ Bently states that this approach is unusual to copyright law because it requires the courts to consider whether the work satisfies the qualitative threshold of being artistic.⁹⁸

2.3.4.1 Artistic

The question of what is meant by a work of artistic craftsmanship was discussed by the House of Lords in *Hensher v Restawhile*,⁹⁹ in which case all their Lordships agreed that the subject matter was not artistic but differed in

their reasoning.¹⁰⁰ In subsequent case law there has been little consistency as to the approach to be taken when assessing artistry.¹⁰¹ For purposes of considering whether signature dishes and plating can possibly qualify as "artistic" the different tests provided in *Hensher* (as opposed to later case law) will be employed, for the reason that the diverging tests in *Hensher* provide the opportunity to assess the "artistic" criteria at a larger view:

- Lord Reid said that the test to decide whether a work was artistic is whether "any substantial section of the public genuinely admires and values a thing for its appearance and gets pleasure or satisfaction, whether emotional or intellectual from looking at" and that the author's intention that the resulting product is artistic is neither necessary nor conclusive.¹⁰²
- Lord Morris said that a court should look to see if there is a general consensus of opinion "among those whose views command respect" thus the court would be guided by evidence given by specialists.¹⁰³
- Lord Kilbrandon said expert evidence was irrelevant and instead it is for the judge to determine whether the author had the "desire to produce a thing of beauty which would have an artistic justification for its own existence".¹⁰⁴
- Viscount Dilhorne said that a work would not be artistic merely because there was originality of design, but that it could be artistic even if it were functional. Viscount Dilhorne said that expert evidence and public opinion would be relevant but in the end it is the judges own intuition as to what is a "work of art".¹⁰⁵
- Lord Simon emphasized that it was the craftsmanship rather than the work that must be artistic, and included hand-painters of tiles as an example of artistic craftsmen.

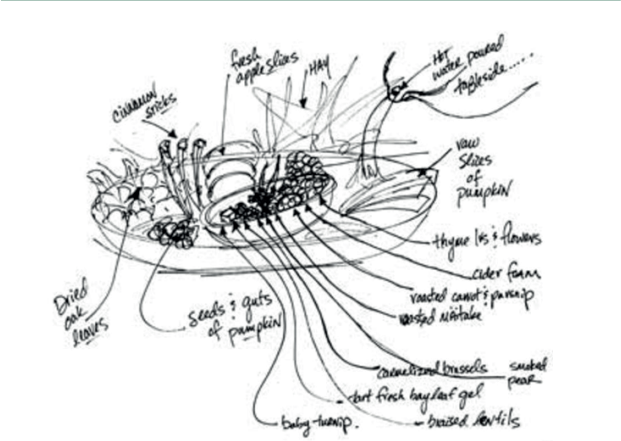


Figure 5. From Paper to Plate: Recipe Sketches from Alinea and Le Bernardin" [Saveur, 25 January 2011] www.saveur.com/article/Kitchen/Recipe-Sketches-Alinea-Le-Bernardin



Figure 6. Image from www.pinterest.se/foodandhealth/alinea-desserts/?autologin=true. [www.bonappetit.com]

⁸¹ "From Paper to Plate: Recipe Sketches from Alinea and Le Bernardin" [Saveur, 25 January 2011] www.saveur.com/article/Kitchen/Recipe-Sketches-Alinea-Le-Bernardin (accessed 28 April 2019).

⁸² Figure 5: a sketch of a dish of roasted maitake mushrooms with chestnuts, roasted vegetables and autumnal aromas; in an interview with *Saveur* magazine, Achatz stated the following regarding this sketch: "During a brain-storming meeting we started asking ourselves the touchstones of the upcoming fall season. Halloween, Thanksgiving, and hayrides were common answers, followed by the inevitable question: 'what does a hayride smell like?' For me, the combination of hay, apples, cinnamon, freshly-cut pumpkins and dried leaves, evoke vivid memories. As kids, we used ride in the back of a tractor pulled wagon and eat cinnamon doughnuts with apple cider in the crisp autumn air. In order to recreate the hayride, we had to carefully balance each of the elements. Too much cinnamon or apple yield a result like apple pie. Too much hay or leaf material overpowers the pumpkin and apple aromas"; ibid.

⁸³ *Bernstein v Murray* [1981] RPC 303; Bently op. cit. 74.

⁸⁴ Bently op. cit. 74.

⁸⁵ Image downloaded from www.pinterest.se/foodandhealth/alinea-desserts/?autologin=true. [www.bonappetit.com]

⁸⁶ "From Paper to Plate: Recipe Sketches from Alinea and Le Bernardin" [Saveur, 25 January 2011] www.saveur.com/article/Kitchen/Recipe-Sketches-Alinea-Le-Bernardin (accessed 28 April 2019).

⁸⁷ *Lucasfilm and others v Andrew Ainsworth and another* [2008] EWHC 1878 (Ch) para 118.

⁸⁸ David Bainbridge, *Intellectual Property* (9th edition, Pearson 2012) 63, with reference to *Lucasfilm and others v Andrew Ainsworth and another* [2008] EWHC 1878 (Ch) para 118.

⁸⁹ Bainbridge op.cit. 63.

⁹⁰ *Lucasfilm and others v Andrew Ainsworth and another* [2008] EWHC 1878 (Ch) para 118.

⁹¹ *Metix (UK) Limited and Another v G.H. Maughan (Plastics) Limited and Another* [1997] F.S.R 718.

⁹² Ibid.

⁹³ Para 118 (iii).

⁹⁴ Para 118 (vi).

⁹⁵ Para 118 (vii).

⁹⁶ *Metix (UK) Limited and Another v G.H. Maughan (Plastics) Limited and Another* [1997] F.S.R 718.

⁹⁷ Section 4(1)(c) CDPA 1988; Bently op. cit. 79.

⁹⁸ Bently op. cit. 80.

⁹⁹ *George Hensher v Restawile Upholstery (Lancs)* [1976] AC 64; Bently op. cit. 80.

¹⁰⁰ Bently op. cit. 80.

¹⁰¹ In *Merlet v Mothercare* [1986] RPC 115 Walton J concluded that in the first instance the question is whether the artistic-craftsmen intended to create a work of art, if the intention was present and the creator had not "manifestly failed" in this regard, then the work was a work of art; in *Vermaat v Boncrest* [2001] FST (S) 49 a different test was adopted, requiring not merely intention but actual evidence of creativity, in the sense of being produced by someone with creative ability and having aesthetic appeal. In *Guild v Eskandar* [2001] FSR (S) 645 the court considered whether the garment can fairly be regarded as satisfying the aesthetic emotions of a substantial section of the public.

¹⁰² 78G; Bently op. cit. 80.

¹⁰³ 81D; ibid.

¹⁰⁴ 98C; ibid.

¹⁰⁵ 87 E-F.



If one would apply the above tests to signature dishes and plating, a cumulative criteria, (formulated herein to find the strictest criteria for the investigated subject matter) could be phrased as follows:

- The particular dish and / plating should be admired by the public for its appearance;
- Experts in the culinary field should regard it as “artistic”;
- The chef must have held the desire to produce a thing of beauty when creating it;
- It must be a “work of art” according to the Judge’s intuition;
- Culinary artists would have to be regarded as artistic craftsmen.

2.3.4.2 Craftmanship

In addition to proving that the work is artistic, it is also required to show that it is a work of craftsmanship.¹⁰⁶ In *Hensher v Restawhile*¹⁰⁷ Lord Simon defined a work of craftsmanship as presupposing “special training, skill and knowledge” for its production and that it implied “a manifestation of pride in sound workmanship”.¹⁰⁸ A different approach was given by Lord Reid, in the same case, who defined a work of craftsmanship as a “durable, useful handmade object”.¹⁰⁹

Considering the criteria of *artistic craftsmanship* under section 4(1)(c) of the CDPA 1988, and the meaning thereof as provided in the above case law, it is submitted that a signature dish and plating would most likely have the ability to satisfy the *artistic* criteria. However, although it could be convincingly argued that gastronomy presupposes “special training, skill and knowledge” and that a signature dish and plating is “a manifestation of pride in sound workmanship”, the requirement of being *durable* seems to be detrimental to satisfying the craftsmanship criteria in this regard. Thus, it is doubtful whether a signature dish and plating would qualify as a work of artistic craftsmanship under U.K. law.

2.3.5 Dramatic works

In her research on the sociology of food and cuisine, Ferguson noted, “cuisine belongs with the performative arts,

and as for other such arts, the social survival of the culinary performance depends on words.”¹¹⁰ At Alinea in Chicago, chef Achatz is reputed for creating dessert at the table, or rather, on the table. In short, Achatz (and his colleagues) start by placing what appears to be a chocolate ball in the centre of the table, followed by a sequence of synchronized painting of chocolate and other elements of the dessert on the table surface. Finally, Achatz picks up the chocolate ball that forms the centre piece and abruptly throws it breaking on the table, before walking away.¹¹¹ This paragraph will analyse the plausibility of certain signature dishes and plating, such as Achatz’s dessert, of being protected as dramatic works under section 3(1) CDPA of 1988.

For a creation to qualify as a “dramatic work” it must be a “work of action” that is “capable of being performed”.¹¹² Considering the first requirement, that it must be a “work of action” it is accepted that it does not include static objects, sets scenery, or costumes.¹¹³ Applying this requirement to Achatz’s dessert the outcome seems to be twofold in consequence: Achatz’s actions (his movements) clearly satisfy the first requirement, although the items compromising the dessert are static and as such will not form part of the dramatic work (however, these might be protected as artistic works).

The second requirement, that the work must be “capable of being performed” have been held to mean that the dramatic work must have significant unity for it to be capable of being performed.¹¹⁴ Considering that Achatz himself, and also other colleagues, are able to re-enact the dessert presentation numerous times, in an identical manner, suggests that the second criteria would be satisfied.

2.4 A recipe’s role

Accepting that a recipe, in general, is not susceptible to copyright, does not mean a recipe per se is totally irrelevant for purposes of copyright in the present study. In jurisdictions where the national law might prescribe some form of material fixation, as the U.S. and Canada, Buccafusco suggests that the recipe for the signature dish would be the means of fixation whilst the dish itself as an expressive medium would be the work.¹¹⁵ The means of fixation of signature dishes and plating would not have to be limited

to recipes. It could also be in the form of inter alia a photograph or diagram (being works of authorship in their own right). The fixation of signature dishes and plating, and specifically its transient nature, is well illustrated when considered in analogue to the following textbook example: A photograph of an ice sculpture (work of authorship in its own right) may fix the ice sculpture, thus preserving the record of the work after the original has melted, but the two works are as distinct as if the photograph had depicted a previously fixed sculpture, such as a statue in bronze.¹¹⁶ Although fixation is not required in the EU, this logic of reasoning helps to create a clear understanding of what role a recipe plays in the copyright protection of signature dishes, as the protection of recipes per se is not to be confused with the copyright protection of signature dishes and plating.

2.5 Fears of a chilling effect

Strauss provides that the most common arguments against extending copyright protection to dishes are that such protection would stifle creativity and grant certain chefs monopolies over dishes that belong to the community as a whole – resulting in a so called chilling effect.¹¹⁷ Broussard and Buccafusco each propose a different solution to this possible problem, both views are summarized hereunder with the addition of commentary by Strauss.

Broussard suggests that the fair use doctrine under U.S. law¹¹⁸ (in EU context, national exceptions in the similar vein)¹¹⁹ would adequately prevent the chilling effects of possible copyright infringement litigation.¹²⁰ However, Strauss provides that it is difficult to determine ex ante whether a particular use will be considered fair or not (or within the scope of a national exception in a Member State), consequently many people will choose not to offer dishes that are very similar to those of others to avoid claims of infringement.¹²¹ A further issue pointed out by Strauss in this regard is that the culinary industry is known for development of skills through apprenticeships, consequently it might be difficult to distinguish between recreating another chef’s signature dish or plating for educational or commercial purposes, the latter requiring a license whilst the first mentioned would fall within one of the exceptions.¹²²

Buccafusco provides that the “culinary public domain” would provide a solution to the fears of a chilling effect.¹²³ According to Buccafusco, the suggested culinary public domain would include those “recipes (that) have been produced for years, if not for generations, and (whose) original creators are unknown.”¹²⁴ Copyright protection would not be afforded to restatements of these dishes because they would not satisfy the originality requirement.¹²⁵ Buccafusco suggests that recognizing a culinary public domain would serve the important purpose of keeping available to all cooks and restaurants the right to keep preparing classic dishes.¹²⁶ Innovative signature dishes and plating that have no gastronomic precedent, would fall outside the culinary public domain and enjoy copyright protection.¹²⁷ Furthermore, signature dishes that are a chef’s personal take on one of the classics, but still creative enough that they are not simply re-creations of the clas-

sics and thereby satisfying the originality requirement, would also enjoy protection.¹²⁸ However, when assessing Buccafusco’s proposition, it is to be noted that the granting of copyright under these special rules, would by implication weaken the area and thereby the acceptance of copyright protection.

2.6 Conclusion

The point of departure in this chapter was the question whether food can be considered as art? This has been found to be a subjective question with no apparent strict answer. As Mann J stated in the Lucasfilm case: “*What is art?* is an unanswerable question.”¹²⁹ In support of an answer in the affirmative whether signature dishes and plating can be considered as art, Tefler’s theory is of note. She argues that food can elicit aesthetic reactions visually, in tastes and smells, and humans can distinguish enjoying visual composition, tastes or smells apart from approving of them instrumentally, on the grounds that the food is nourishing.

Departing from the above philosophical hypothesis that signature dishes and plating can be considered as art per se, the succeeding question, whether it is susceptible to copyright protection also proved to be in the affirmative. An analysis of the established categories of artistic works under U.K. copyright law and the respective criteria for each category, illustrates that signature dishes and plating could qualify as either paintings or sculptures but likely not works of artistic craftsmanship under section 4(1)(a) and (c) CDPA 1988, depending on the circumstances. The analysis of U.K. copyright law further proves that diagrams or drawings created by a chef during the creation process would also be possibly subject to copyright protection under the same section. The copyright in these drawings would extend protection for the author against the copying of the signature dish and or plating arrangement itself, by another chef. It is also found that under certain circumstances, a signature dish and plating could also be protected as a dramatic work under section 3(1) CDPA 1988.

¹⁰⁶ Bently op. cit. 82.

¹⁰⁷ George Hensher v Restawile Upholstery (Lancs) (1976) AC 64; Bently op. cit. 82.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Ferguson P, Accounting for Taste: The Triumph of French Cuisine (University of Chicago Press 2004) 20.

¹¹¹ Hilaoj “Final Dessert of 20 Course Meal at Alinea” (YouTube, 13 December 2010); www.youtube.com/watch?v=qofsdSMuGbg; G Shindo “Alinea Dessert Plating” (YouTube, 27 May 2013) www.youtube.com/watch?v=xhm-kotwDpTg (accessed 28 April 2019).

¹¹² Norowzian v Arks (No 2) [2000] EMLR 67 [CA] 73; Bently op. cit. 68.

¹¹³ Bently op. cit. 70.

¹¹⁴ Green v Broadcasting Corp of New Zealand (1989) RPC 469 (CANZ), 477; Court a qua in Norowzian v Arks (No 2) [2000] EMLR 67 [CA].

¹¹⁵ Buccafusco op. cit. 1123.

¹¹⁶ Rochelle C Dreyfuss and Justine Pila, The Oxford Handbook of Intellectual Property Law (Oxford University Press 2018) 5.

¹¹⁷ Strauss op. cit. 214; in a legal context, a chilling effect is defined as the inhibition or discouragement of the legitimate exercise of natural and legal rights by the threat of legal sanction (Your Dictionary, search term “chilling effect”) <http://law.yourdictionary.com/chilling-effect> (accessed 28 April 2019).

¹¹⁸ In the U.S. fair use is a statutory carveout that declares that use of copyrighted material “for

purposes such as criticism, comment, news reporting, teaching . . . scholarship, or research, is not an infringement of copyright” Strauss op. cit. 214.

¹¹⁹ Berne Convention art 9-12.

¹²⁰ Strauss op. cit. 213.

¹²¹ Ibid.

¹²² Buccafusco op. cit. 1121.

¹²³ Ibid.

¹²⁴ Strauss op. cit. 214; Buccafusco op. cit. 1122.

¹²⁵ Strauss op. cit. 214.

¹²⁶ Ibid.

¹²⁷ Ibid.

¹²⁸ Ibid.

¹²⁹ Lucasfilm and others v Andrew Ainsworth and another [2008] EWHC 1878 (Ch) para 119.

Notwithstanding the illustrative and practical use of the aforementioned exercise analyzing signature dishes and plating as subject matter of artistic works under U.K. copyright law, the final deductions and conclusions on the matter at hand is to made in accordance with the harmonized system of EU copyright law. To establish whether a signature dish and or plating arrangement is protected by copyright under the EU standard, the only question is if it is an original work in the sense that it is the author's own *intellectual creation*? The concept of intellectual creation is explained in the cases of *Infopaq*,¹³⁰ *Painer*,¹³¹ *Football Dataco*¹³² and *Bezpečnostní softwarová asociace*.¹³³ In short the intellectual creation criteria requires that the author expresses his or her creative ability in an original manner by making free and choices (not dictated by function or rules) resulting in a work that reflects his or her personal touch.¹³⁴ Thus, if a signature dish and or plating arrangement meets this criteria, it would be subject to copyright protection under EU law, without having any regard to its aesthetic merits. It can therefore be said that, not only is *what is art* an unanswerable question as previously held, but also an irrelevant question when considering copyright protection of signature dishes and plating.

3. TRADE MARK AND DESIGN PROTECTION FOR SIGNATURE DISHES AND PLATING

Signature dishes and plating styles stand at the forefront in representing a chef or establishment’s style, ethos, background and goals.¹³⁵ In summary, it encompasses the identity of the establishment or chef.¹³⁶ Signature dishes and plating arrangements have the ability to generate vast media attention, both in the editorial- and social media sphere. In an era where consumers, more than ever before due to the advent of social media, are motivated by the association or identity of a brand, signature dishes and

plating take prominence in distinguishing one competitor from another and inducing consumers. As an example, when one considers the phenomena of social media *influencers*,¹³⁷ it has become the norm when posting a photo in a restaurant setting to tag the name of the establishment and signature dish in a similar vein to tagging the designers of the featured influencers apparel and other accessories. Furthermore, consumers can also evaluate the signature dishes and plating of the dish through published photographs before making a reservation at the particular establishment. Thus, the dish’s appearance serves as a proxy for its culinary quality–the more aesthetically pleasing the plating, the higher the presumed quality of the restaurant.¹³⁸ Beyond serving as a proxy for quality, Strauss provides that attractive plating also contributes value to the dining experience, just as a pleasant ambiance increases the value of a restaurant meal.¹³⁹

In considering viable avenues for protection of signature dishes and plating within the scope of IP law, a number of scholars from the U.S. argue that trade dress provides the most suitable protection in this regard.¹⁴⁰ In this line of reasoning, it is argued that a signature dish and plating can potentially constitute an indelible mark of association in the consumer’s mind between the dish and its source restaurant.¹⁴¹ Therefore the foods’ trade dress possess tremendous exploitability and constitutes a valuable asset for the establishment and or chef.¹⁴²

In an attempt to establish whether this argument has potentially equal merit and applicability under Community law, this chapter aims to first establish how “trade dress” is protected in the EU, with specific focus on the question of trade dress protection for signature dishes and plating.

3.1 Trade dress under European law

Trade dress is a judicially-made notion originally stemming from the U.S. jurisdiction and refers to the overall

image of a product or service as source indicator.¹⁴³ In Europe, the term trade dress is not used explicitly, instead, the term “get-up” is used to identify the total look and feel of the product.¹⁴⁴ *The Trade Dress Protection in Europe Report* prepared by the Europe Subcommittee of the Trade Dress Committee and by the Europe Subcommittee of the Non-Traditional Marks Committee (hereafter INTA report)¹⁴⁵ articulates the concept of trade dress as follows:

“Trade dress” refers to the features of the visual appearance of a product or its packaging. It is generally accepted both within the EU and outside the EU that trade dress can be divided into different categories of features of the visual appearance of a product, for instance the shape of a product, the shape of a packaging of a product, the colour of a product and even the visual appearance of a shop front or the decor of a restaurant.¹⁴⁶

The INTA report provides that the rationale behind the protection of trade dress depends on the legal basis under which protection is sought, and that trade dress protection is available both under trade mark and design law in Europe. Under trade mark law theories, trade dress having secondary meaning is protected against confusion, because the public identifies in the trade dress the source of the product rather than the product itself.¹⁴⁷ Under design law theories, trade dress which is new and has individual character is protected against copying and imitation because it promotes the contribution of individual designers to the sum of Community excellence in the field, and encourages innovation and development of new products and investment in their production.¹⁴⁸ Trade dress protection for signature dishes and plating under trade mark and design law will be considered in turn.

3.2. European trade mark law

In the context of trade mark law and the culinary industry, it is evident that the names of restaurants, the names of individual dishes, and catchphrases may well serve as trade marks.¹⁴⁹ Chefs may also trademark their own names, which they can then license to their own restaurant business entity, other restaurants, or diffusion lines of packaged food, cookware, or other forms of merchandise.¹⁵⁰ Similarly, Strauss argues (from a U.S. perspective) that signature dishes and plating best qualifies in IP law as trade dress under trade mark law.¹⁵¹ This section aims to examine this argument in the context of EU trade mark law, with the focus on the shape of goods or of their packaging, as the proposed trade mark of signature dishes or plating.

Pursuant to Article 4 of the Council Regulation (EU) 2017/1001 on the European Union trade mark (the EUTMR) shapes of goods or of their packaging are registrable as Community trade marks as long as they are capable of distinguishing the goods to which they apply from those of other undertakings and capable of being represented on the Register.¹⁵² The signs to be registered may be either inherently distinctive pursuant to Article 7(1)(b)¹⁵³ or have acquired distinctiveness through use pursuant to Article 7(3)¹⁵⁴ EUTMR. Furthermore, as three-dimensional trademarks are of a type that might conflict with public interest,¹⁵⁵ protection of three-dimensional shapes as trademarks under EU trademark law is subject to special provisions i.e. it must not amount to one of the absolute grounds for refusal listed in Article 7(1)(e) EUTMR.

Within the context of signature dishes and plating as the proposed subject matter for trade mark protection, the following subsection will consider the distinctiveness criteria for shapes under Article 7(1)(b) EUTMR and the absolute grounds for refusal listed in Article 7(1)(e) EUTMR.

¹³⁰ Infopaq Int v Danske Dagblades Forening, Case C-5/08, ECLI:EU:C:2009:465, para 45.
¹³¹ Eva-Maria Painerv Standard Verlags GmbH, Case C-145/10, ECLI:EU:C:2011:798, para 88-92: “as stated in recital 17 in the preamble to Directive 93/98, an intellectual creation is an author’s own if it reflects the author’s personality. That is the case if the author was able to express his creative abilities in the production of the work by making free and creative choices. As regards a portrait photograph, the photographer can make free and creative choices in several ways and at various points in its production. In the preparation phase, the photographer can choose the background, the subject’s pose and the lighting. When taking a portrait photograph, he can choose the framing, the angle of view and the atmosphere created. Finally, when selecting the snapshot, the photographer may choose from a variety of developing techniques the one he wishes to adopt or, where appropriate, use computer software. By making those various choices, the author of a portrait photograph can

stamp the work created with his personal touch”.
¹³² Football Dataco Ltd and Others v Yahoo! UK Ltd and Others Case, C-604/10, ECLI:EU:C:2012:115, para 38.
¹³³ Bezpečnostní softwarová asociace-Svaz softwarové ochrany v Ministerstvo kultury, Case C-393/09, ECLI:EU:C:2010:816; Bently op. cit. 100.
¹³⁴ Football Dataco Ltd and Others v Yahoo! UK Ltd and Others Case, C-604/10, ECLI:EU:C:2012:115, para 38.
¹³⁵ Strauss op. cit. 204.
¹³⁶ Ibid.
¹³⁷ Defined as someone who affects or changes the way that other people behave, through their use of social media [Cambridge Dictionary, search term “influencer”] <https://dictionary.cambridge.org/dictionary/english/influencer> (accessed 28 April 2019).
¹³⁸ Strauss op. cit. 204.
¹³⁹ Ibid. 206.
¹⁴⁰ George op. cit. 11.
¹⁴¹ Mary Grace Hyland, “A Taste of the Current Protection Offered by Intellectual Property

Law to Molecular Gastronomy” Cybaris: Vol. 8: Iss. 1 (2017) 178.
¹⁴² George op. cit. 3.
¹⁴³ Duygu Campinari, “Expansion in the Subject-Matter of Trademark: Have the Law of Passing-Off and the Law of Designs Become Redundant regarding the Protection of Trade Dress?” (IPR Gezgini, 8 June 2016) <https://iprgezgini.org/2016/06/08/expansion-in-the-subject-matter-of-trade-mark-have-the-law-of-passing-off-and-the-law-of-designs-become-redundant-regarding-the-protection-of-trade-dress/> (accessed 28 April 2019).
¹⁴⁴ Ibid.
¹⁴⁵ “Trade Dress Protection in Europe Report” prepared by the Europe Subcommittee of the Trade Dress Committee 2004-2005 and by the Europe Subcommittee of the Non-Traditional Marks Committee 2006-2007 (September 2007) .The report provides an overview of the current legal framework of Trade Dress in the EU, EU Member States, and elsewhere in Europe. Trade Dress is regarded as product design and packaging

together with product configuration and shape. As a rule, relevant legislation does not provide a statutory definition of Trade Dress, and although definitions arise from case law these definitions vary from jurisdiction to jurisdiction. Another factor leading to dissimilar definitions is the applicability of various relevant laws such as Trademark Law, Unfair Competition Law, Copyright Law and Design Law. An essential question deriving from that is whether Trade Dress should be, or is sufficiently, protected under Trademark Law and whether additional explicit rules on Trade Dress protection should be introduced especially with regard to the possibility of harmonization on the European level.
¹⁴⁶ INTA Report op. cit. 6.
¹⁴⁷ Ibid.
¹⁴⁸ Ibid.
¹⁴⁹ For example, a trade mark search of the EU register shows 41 entries for JAMIE OLIVER, ranging from cookware to restaurant names [Trade Mark View, date of search 16 February 2019]

www.tmdn.org/tmview; Strauss op. cit. 195.
¹⁵⁰ Strauss op. cit. 195.
¹⁵¹ Ibid.
¹⁵² INTA Report refers to Article 4 of the Council Regulation (EC) No. 40/94 on the Community trademark (the Regulation); Article 2 of the Council Directive 2008/95/EC to approximate the laws of the Member States relating to trade marks (EUTMD) contains a similar provision to Article 4 EUTMR.
¹⁵³ Article 3(1)(b) EUTMD.
¹⁵⁴ Article 3(3) of EUTMD.
¹⁵⁵ Since the decision in Windsurfing Chiemsee Produktions v. Boots- und Segelzubehör Walter Huber & Franz Attenberger, Cases C 108/97 and C 109/97 (ECJ, May 4, 1999) it has been clear that statutory provisions relating to absolute grounds of refusal must be interpreted in the context of the public interest and, in the context of shape marks, bearing in mind specifically that the exclusive and permanent right that a trade mark confers on the proprietor should not act as an enabler to effectively extend the life of, or protect subject matter that is normally

intended by the legislature to be protected by other types of intellectual property rights, notably design protection. Another, often cited public policy consideration for limiting monopolies on shapes and other characteristics of goods is to avoid making it unjustifiably difficult for competitors to give their goods a shape which would be suited for the normal commercial use for which those goods are intended, or that has a primarily decorative function, Oliver Lombardo, “Explaining the [in-]explainable addition of the words ‘Another Characteristic’ in the EU trademark law” [Denemeyer IP Blog, 2 June 2017] <http://blog.dennemeyer.com/explaining-the-in-explainable-addition-of-the-words-another-characteristic-in-the-new-eu-trademark-law> (accessed 28 April 2019).

3.2.1 Distinctiveness

Article 7(1)(b) EUTMR does not distinguish between different categories of trade marks in determining whether a trade mark is capable of distinguishing the goods or services of one undertaking from those of other undertakings.¹⁵⁶ Accordingly, there is not a stricter criteria for signs consisting of the shape of the goods themselves, however, it may be more difficult to come to a finding of distinctiveness, as such marks are not necessarily perceived by the relevant public in the same way as a word or figurative mark.¹⁵⁷

Shape marks are grouped into three categories: (i) shapes unrelated to the goods and services themselves; (ii) shapes that consist of the shape of the goods themselves or part of the goods; and (iii) the shape of packaging or containers.¹⁵⁸ The basic test for distinctiveness of the shape itself is whether the shape is so materially different from basic, common or expected shapes that it enables a consumer to identify the goods just by their shape and to buy the same item again if he or she has had positive experiences with the goods.¹⁵⁹ Frozen vegetables in the form of a crocodile are a good example of this.¹⁶⁰ For purposes of this study, the distinctiveness criteria of the latter two categories are addressed hereunder.

3.2.1.1 Shape of the goods themselves or shapes related to the goods or services

For trade marks consisting exclusively of the shape of the goods or services¹⁶¹ themselves, the criteria for distinctiveness found in the EUIPO Guidelines can be summarized as follows:

- a. A shape is non-distinctive if it is a basic shape¹⁶² or a combination of basic shapes;¹⁶³
- b. The shape must depart significantly from the shape that is expected by the consumer, and it must depart significantly from the norm or customs of the sector;¹⁶⁴
- c. It is not enough for the shape to be just a variant of a common shape or a variant of a number of shapes in an area where there is a huge diversity of designs;¹⁶⁵
- d. Functional shapes or features of a shape mark will be perceived by the consumer as such.¹⁶⁶

In the context of food shapes, two examples identified from the EUIPO Guidelines provide practical guidance. First, the mouse-shape of the German chocolate bar Milchmäuse (figure 7)¹⁶⁷ was refused registration. The CJEU confirmed the refusal on the basis that the shape is not sufficiently different from the shapes and colors of those commonly used in the sweet and chocolate sectors.¹⁶⁸ On the other end of the scale, as a second example but of a shape that was found distinctive and consequently accepted, is that of an ice cream (figure 8) which shape can be described as orbital or atom-like spheres.¹⁶⁹

Considering whether a signature dish could qualify as a shape mark based on the distinctiveness criteria, it is useful to analyse an example from practice. Heston Blumenthal (The Fat Duck, London) serves canapés in the shape of ice lollies (figure 9).¹⁷⁰

The first lolly is made up of layers of apple, celery and walnut; the second is a cylinder of salmon wrapped in avocado mousse; the third is chicken liver pate dipped in fig



Figure 7. Refused [EUIPO Guidelines]



Figure 8. Accepted [EUIPO Guidelines]

and red wine compote.¹⁷¹ In analogy to the CJEU reasoning in the *Milchmäuse case*,¹⁷² the shape(s) of this signature dish, unlike the mouse in the referred case, is arguably sufficiently different from the shape(s) usually used for savoury canapés and as such the shape departs significantly from the shape that is expected by the consumer and the norm or customs of the sector.¹⁷³

3.2.1.2 Shape of the packaging

The EUIPO Guidelines provide that the same criteria (para 3.2.1.1 above) apply for the “shape of bottles or containers” for the goods.¹⁷⁴ Accordingly, the shape applied for must be materially different from a combination of basic or common elements and must be striking.¹⁷⁵ Illustrative of the application of this criteria is the wrapping of the *Lindt & Sprüngli* chocolate bunny, commonly associated with German and or Austrian tradition (Figure 10).¹⁷⁶ The bunny-shaped chocolate with gold wrapping was found to be a common phenomenon on the market corresponding to the industry concerned.¹⁷⁷ An analysis of the individual elements, that is, the shape of a rabbit, the gold foil wrapping and the red ribbon with a bell, were held both individually and cumulatively devoid of distinctive character and consequently refused as a shape mark.¹⁷⁸

In the context of the present study, the question arises whether plating could constitute as packaging? Strauss argues in the affirmative stating that when a restaurant serves a dish, the food would be considered the product,

while its presentation and plating—on specific plates and with precise arrangements—constitute the packaging.¹⁷⁹ Consequently the packaging could then be protected as inherently distinctive trade dress.¹⁸⁰ In support of this argument, Strauss emphasizes that plating is not merely the arrangement of the elements of a dish but also includes literally the choice of the plate on which the food will be served.¹⁸¹ Following this logic, an example of signature plating is considered to determine protectability as packaging.

Heston Blumenthal’s (The Fat Duck, London) signature dessert “Counting Sheep” (figure 11)¹⁸² consists of two small perfectly formed meringues made from coconut ice cream with a steamed sponge and panna cotta – constituting the product.¹⁸³ The dessert is served on a pillow that is seemingly floating and spinning in mid-air (magnets are employed to achieve the levitating effect) – arguably constituting the packaging.¹⁸⁴ Reportedly, this unique plating took 15 years to create.¹⁸⁵ Mindful of the distinctiveness criteria, the said example convincingly appears to “depart significantly from the shape that is expected by the consumer and the norm or customs of the sector”¹⁸⁶ and thus could prove its plating as being distinctive packaging and consequently susceptible to trade mark protection as such.¹⁸⁷

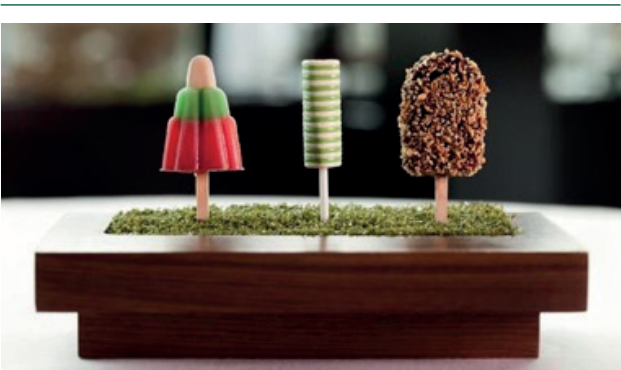


Figure 9. (bloomberg.com)



Figure 10. Accepted [EUIPO Guidelines]

¹⁵⁶ EUIPO Guidelines for Examination of European Union Trade Marks, Part B Examination, Section 4 Absolute Grounds For Refusal, Chapter 3 [Article 7(1)(b) EUTMR] 18.

¹⁵⁷ Mag Instrument Inc. v OHIM, Case C-136/02 P, ECLI:EU:C:2004:592 para 30; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 18.

¹⁵⁸ Ibid.

¹⁵⁹ EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.

¹⁶⁰ Ibid.

¹⁶¹ The criteria for goods applies mutatis mutandis to shapes related to services, for example the device of a washing machine for laundry services; *ibid.* 24.

¹⁶² Judgment of 19 September 2001, T-30/00, Red-white squared washing tablet, EU:T:2001:223; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.

¹⁶³ Decision of 13 April 2000, R 263/1999-3; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.

¹⁶⁴ The more closely the shape resembles the shape that is most likely to be taken by the product in question, the greater the likelihood that it is not distinctive, *Mag Instrument Inc. v OHIM*, Case C-136/02 P, ECLI:EU:C:2004:592 para 31; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.

¹⁶⁵ Ibid.

¹⁶⁶ For example, for washing tablets, bevelled edges avoid damage to laundry, and layers of different colours represent the presence of

different active ingredients; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.

¹⁶⁷ EUIPO Guidelines for Examination, Part B, Section 4, Chapter 3, 23.

¹⁶⁸ August Storck KG v OHIM, C-96/11 P, ECLI:EU:C:2012:537; EUIPO Guidelines for Examination, Part B, Section 4, Chapter 3 [Article 7(1)(b) EUTMR] 24.

¹⁶⁹ EUTM No 10 350 593; EUIPO Guidelines [Article 7(1)(b) EUTMR] 23.

¹⁷⁰ Image downloaded from www.bloomberg.com/news/articles/2015-02-13/london-chef-heston-blumenthal-re-creates-his-fat-duck-down-under-review [accessed 28 April 2019].

¹⁷¹ Richard Vines, “London Chef Heston Blumenthal Re-Creates His Fat Duck Down Under: Review” [Bloomberg, 13 February 2015] www.bloomberg.com/news/articles/2015-02-13/london-chef-heston-blumenthal-re-creates-his-fat-duck-down-under-review [accessed 28 April 2019].

¹⁷² August Storck KG v OHIM, C-96/11 P, ECLI:EU:C:2012:537; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 23.

¹⁷³ The more closely the shape resembles the shape that is most likely to be taken by the product in question, the greater the likelihood that it is not distinctive, *Mag Instrument Inc. v OHIM*, Case C-136/02 P, ECLI:EU:C:2004:592 para 31; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.

¹⁷⁴ EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 23

¹⁷⁵ Ibid.

¹⁷⁶ Image downloaded from <https://www.chocolate.lindt.com/shop/lindt-goldebunny-milk> [accessed 28 April 2019].

¹⁷⁷ *Chocoladefabriken Lindt & Sprüngli AG v OHIM*, Case C-98/11 P, ECLI:EU:C:2012:307, paras 44–47; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 25.

¹⁷⁸ Ibid.

¹⁷⁹ Strauss op. cit. 226.

¹⁸⁰ Ibid.

¹⁸¹ Ibid.

¹⁸² Image downloaded from www.thetimes.co.uk/article/the-top-100-southeast-w6c52s22n [accessed 28 April 2019].

¹⁸³ Caleb Taylor, “So that’s how it works! The secret behind Heston Blumenthal’s floating pillow dessert is revealed” [Mail Online, 31 July 2018] www.dailymail.co.uk/tvshowbiz/article-6011117/Masterchefs-floating-pillow-divides-Twitter-shows-grand-finale-does-work.html [accessed 28 April 2019].

¹⁸⁴ Ibid.

¹⁸⁵ Ibid.

¹⁸⁶ *Mag Instrument Inc. v OHIM*, Case C-136/02 P, ECLI:EU:C:2004:592, para 31.

¹⁸⁷ The more closely the shape resembles the shape that is most likely to be taken by the product in question, the greater the likelihood that it is not distinctive, *Mag Instrument Inc. v OHIM*, Case C-136/02 P, ECLI:EU:C:2004:592 para 31; EUIPO Guidelines [Article 7(1)(b) EUTMR] op. cit. 20.



Figure 11. (www.thetimes.co.uk)

3.2.2 Absolute exclusions: Article 7(1)(e) EUTMR

Article 7(1)(e) EUTMR excludes from registration signs that consist exclusively¹⁸⁸ of (i) the shape or another characteristic that results from the nature of the goods themselves; (ii) the shape or another characteristic of goods that is necessary to obtain a technical result; or (iii) the shape or another characteristic of the goods that gives substantial value to the goods.¹⁸⁹ The wording of this provision implies, in principle, that it does not apply to signs for which registration is sought in respect of services. The aforementioned exclusions are considered respectively hereunder.

(i) Shape or other characteristics resulting from the nature of the goods

Under Article 7(1)(e)(i) EUTMR, signs that consist exclusively of the shape or another characteristic that results from the nature of the goods themselves cannot be registered. In the case of *Hauck GmbH v Stokke*¹⁹⁰ the CJEU has clarified that this exclusion applies in three situations: *natural products* that have no substitute;¹⁹¹ *regulated products* i.e. of which

the shape or another characteristic is prescribed by legal standards;¹⁹² and shapes that are *inherent to the generic function(s)*¹⁹³ of such goods. As regards the third category, the Court in *Hauck GmbH v Stokke* endorsed the Advocate General's reasoning by stating "reserving such characteristics to a single economic operator would make it difficult for competing undertakings to give their goods a shape which would be suited to the use for which those goods are intended. Moreover, it is clear that those are essential characteristics which consumers will be looking for in the products of competitors, given that they are intended to perform an identical or similar function".¹⁹⁴

(ii) Shape or other characteristics of goods necessary to obtain a technical result

Article 7(1)(e)(ii) EUTMR excludes from registration signs that consist exclusively of the shape or another characteristic of goods that is necessary to obtain a technical result. In *Lego Juris* the Court held that a sign consists "exclusively" of the shape of goods that is necessary to obtain a technical result, when all the essential characteristics of a shape perform a technical function, and the presence of non-essential characteristics with no technical function are irrelevant.¹⁹⁵ The Court in *in Lego Juris* similar to case C-299/99 Philips further held that the fact that there may be alternative shapes, with other dimensions or another design, capable of achieving the same technical result, does not in itself preclude the application of this provision.¹⁹⁶ Following *Lego Juris*, the EUIPO Board of Appeal in *L&D v Julius Shämann*¹⁹⁷ also provided "the test is whether if the respective element was absent, the technical result would not be obtained, and if the respective element was altered substantially, the technical result would also alter substantially." In *Nestlé v. Cadbury*¹⁹⁸ the question was whether "tech-

nical result" is broad enough to include how the goods are manufactured, instead of how they are to be used. The case concerned the shape of the KIT KAT wafer bar of which the grooves between each chocolate finger allowed consumers to easily separate them, while the angles of the sides and the grooves were determined by a specific chocolate moulding process. The CJEU found that the technical result exclusion: "...must be interpreted as referring only to the manner in which the goods at issue function and it does not apply to the manner in which the goods are manufactured".¹⁹⁹

(iii) Shape or other characteristics giving substantial value to the goods

Under Article 7(1)(e)(iii) EUTMR, signs that consist exclusively of the shape or another characteristic that gives substantial value to the goods cannot be registered, or if registered they are liable to be declared invalid.²⁰⁰ This exclusion covers shapes of which the aesthetic value, in its own right, determine to a large extent the commercial value of the product and a consumer's decision to purchase it.²⁰¹ When other characteristics may give the product significant value in addition to this aesthetic value, such as functional value (for instance safety, comfort and reliability), Article 7(1)(e)(iii) EUTMR is not ruled out automatically.²⁰² Consequently, for the exclusion to apply, aesthetic appeal is a necessary requirement but need not be the only or primary basis for the product's appeal to consumers, so long as it is a significant factor.²⁰³

3.2.2.1 Relevance of the absolute exclusions for signature dishes

The application of the above exclusions would have to be determined on a case-by-case basis. However, a signature dish (figure 12)²⁰⁴ by chef Jan-Hendrik van der Westhuizen (JAN, Nice) illustrates the possible application of Article 7(1)(e). This particular signature dish consists of mosbol-



Figure 11. (www.thetimes.co.uk)

letjie bread served with an edible candle made with kaiings, pork lard and pepper.²⁰⁵ The candle is lit and as the wax melts, one is supposed to smear the wax on the bread. Although the shape of the smear in the form of a candle is arguably distinctive, it would however most likely not qualify as a shape under Article 7(1)(e)(ii) EUTMR on the basis that the burning candle is necessary to obtain a technical result.

3.3 European Design law

The second avenue for trade dress protection in Europe is through design law.²⁰⁶ To qualify for protection as a registered or unregistered design under the Regulation, a design must meet a set of basic requirements: (i) it must be new (i.e. novel); (ii) it must have individual character; (iii) it must not be functional; and (iv) certain designs must also be visible when in normal use.²⁰⁷ These requirements are briefly examined below in a search to identify how signature dishes and plating can be (or is) protected under design law.

¹⁸⁸ A sign consists "exclusively" of the shape of goods or other characteristics when all its essential characteristics – that is to say, its most important elements – result from the nature of the goods [Article 7(1)(e)(i) EUTMR], perform a technical function [Article 7(1)(e)(ii) EUTMR] or give substantial value to the goods [Article 7(1)(e)(iii) EUTMR]. The presence of one or more minor arbitrary elements, therefore, will not alter the conclusion; *Hauck GmbH & Co. KG v Stokke*, Case C-205/13, ECLI:EU:C:2014:2233, *Lego Juris A/S v OHIM*, Case C-48/09, ECLI:EU:C:2010:516, paras 21-22; 51-52.

¹⁸⁹ Article 7(1)(e) EUTMD; EUIPO Guidelines, Part B, Examination: Absolute Grounds for Refusal – Shapes or Other Characteristics with an Essentially Technical Function, Substantial Value or Resulting from the Nature of the Goods, 3; The EUIPO Guidelines provides that the objective

pursued by Article 7(1)(e) EUTMR is the same for all of its three grounds, namely to prevent the exclusive and permanent rights that a trade mark confers from serving to extend the life of other IP rights indefinitely, such as patents or designs, which the EU legislature has sought to make subject to limited periods, EUIPO Guidelines for Examination of European Union Trade Marks, Part B Examination, Section 4 Absolute Grounds For Refusal, Chapter 6 (Article 7(1)(e) EUTMR) 3.

¹⁹⁰ *Hauck GmbH & Co. KG v Stokke A/S*, Case C-205/13 ECLI:EU:C:2014:2233, paras 24-25.

¹⁹¹ For example, the realistic representation below of a banana for bananas, EUIPO Guidelines [Article 7(1)(e) EUTMR] op. cit. 5.

¹⁹² Ibid; for example, a rugby ball.

¹⁹³ The examples given by the Advocate General include: legs with a horizontal level for a table; an orthopaedic-shaped sole with a V-shaped strap for flip-flops [opinion in

Hauck GmbH & Co. KG v Stokke, Case C-205/13, ECLI:EU:C:2014:322, para 59].

¹⁹⁴ *Hauck GmbH & Co. KG v Stokke A/S*, Case C-205/13 ECLI:EU:C:2014:2233, para 26; an example of the third category under Article 7(1)(e)(i) can be found with reference to Case T-63/01, *Procter & Gamble v OHIM*, where it was held that the concave shape of a soap bar was only a minor variation by comparison with typical shapes of soaps and, second, that if the characteristics of the shape in issue were noticed by the relevant public, those characteristics would be primarily perceived as having a utilitarian function intended to enable the soap to be gripped easily, consequently that shape was held not capable of directly indicating a particular trade source to the relevant public (para 51).

¹⁹⁵ *Lego Juris A/S v OHIM*, Case C-48/09 P, ECLI:EU:C:2010:516 para 51; EUIPO Guidelines [Article 7(1)(e) EUTMR] op. cit. 5.

¹⁹⁶ *Lego Juris A/S v OHIM*, Case C-48/09 P, ECLI:EU:C:2010:516 para 53-58; see also *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd*, Case C-299/99, ECLI:EU:C:2002 para 80; Bently op. cit. 967.

¹⁹⁷ R 1283/2013-4 [OHIM, Fourth BoA], 36; Bently op. cit. 968.

¹⁹⁸ *Société des Produits Nestlé SA v Cadbury UK Ltd*, Case C-215/14, EU:C:2015:395.

¹⁹⁹ *Société des Produits Nestlé SA v Cadbury UK Ltd*, Case C-215/14, EU:C:2015:395, paras 52-57.

²⁰⁰ EUIPO Guidelines [Article 7(1)(e) EUTMR] op. cit. 8.

²⁰¹ In terms of the factors to be considered when assessing this, the Court in *Hauck GmbH & Co. KG v Stokke*, Case C-205/13 para 34-35 clarified that (i) alongside the relevant consuming public's perception of the shape of the product, additional criteria would include (ii) the nature of the category of goods (is visual appeal usually important for

that category?), (iii) the artistic value of the shape in question, (iv) its dissimilarity from other shapes in common use on the market concerned, (v) a substantial price difference in relation to similar products, and (vi) the development of a promotion strategy which focuses on accentuating the aesthetic characteristics of the product in question; Bently op. cit. 969.

²⁰² *Hauck GmbH & Co. KG v Stokke*, Case C-205/13, ECLI:EU:C:2014:2233 paras 29-32; EUIPO Guidelines [Article 7(1)(e) EUTMR] op. cit. 8-9.

²⁰³ *Bang & Olufsen v OHIM*, Case T-508/08, ECLI:EU:T:2011:575, para 73-77; Bently op. cit. 969.

²⁰⁴ Image downloaded from www.jacarandafm.com/shows/scenic-drive-rian/how-michelin-star-chef-serves-pork-crackling/ (accessed 28 April 2019).

²⁰⁵ Image downloaded from www.jacarandafm.com/shows/scenic-drive-rian/how-michelin-star-chef-serves-pork-crackling/ (accessed 28 April 2019).

[com/shows/scenic-drive-rian/how-michelin-star-chef-serves-pork-crackling/](http://www.jacarandafm.com/shows/scenic-drive-rian/how-michelin-star-chef-serves-pork-crackling/) (accessed 28 April 2019).

²⁰⁶ Through the Community Design, introduced by the Regulation 6/2002 of 12 December 2001 or at national level, where individual legislations are harmonized as a result of the Directive 98/71 of 13 October 1998, trade dress protection can be achieved by acquiring design rights over the trade dress, INTA Report op. cit. 6.

²⁰⁷ Meaning that the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public; article 6 CDR.



(i) it must be new (i.e. novel)

A design will qualify as new if no design that is “identical”²⁰⁸ (or different only in “immaterial details”)²⁰⁹ has been made available to the public (in the case of unregistered designs, before the designer’s first public use of the design, or in the case of registered designs, before the filing date of the application for registration or before the priority date if the designer is claiming a priority date based on an application filed in another Paris Convention or WTO country).²¹⁰

The Design Regulation establishes that novelty will not be extinguished by uses that “could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, within the Community.”²¹¹ Accordingly, geographically or historically remote uses within the EU will not affect novelty.²¹² However, Dreyfuss provides that recent case law has persuasively challenged the logic of this provision with respect to uses in other sectors.²¹³ The Court of Appeal of England and Wales in *In Green Lane Products v PMS International Group*, held that because exclusive rights in a community design extend to all goods, even those outside of the sector in which the design is used or in connection with which it is registered, “prior art available for attacking novelty should also extend to all kinds of goods.”²¹⁴ Furthermore, courts have held that disclosures occurring outside of the EU may destroy novelty if they would be known in the normal course of business to the relevant specialized firms in the sector within the EU.²¹⁵

(ii) it must have individual character

In terms of Article 6(1) CDR, a design will qualify as having “individual character” if the “overall impression it produces on the informed user”²¹⁶ differs from the overall impression produced on that user by any other design made available to the public before the same dates used to assess the novelty of the design.²¹⁷ The Regulation further provides that in assessing individual character, courts must take into consideration the “degree of freedom of the design-

er”²¹⁸ in light of such constraints as the functional requirements of the product or a crowded prior art.²¹⁹ The informed user is understood to recognize that where such constraints significantly limit the designer’s freedom, minor differences between the design and the prior art may enhance the difference of the overall impression of the design as against the prior art.²²⁰

(iii) it must not be functional

According to Article 8(1) CDR, a Community design shall not subsist in features of appearance of a product which are solely dictated by its technical function. Bogatz provides that “the rationale for this exclusion is that solely technical features should rightly be protected by patents or (where available) utility models, rather than design law. However, in the past, there have been different approaches taken by the various national courts and EUIPO as to how to determine whether a feature is *solely dictated by its technical function*.”²²¹

Bogatz further explains that the “predominant approach in Germany and various other EU member states (e.g. Spain) was the “multiplicity of forms” approach, which holds that if there is a design alternative possible that fulfils the same function, the design cannot solely be dictated by its technical function.”²²² With reference to the *Lindner*²²³ case, Bogatz further states that “the main argument against this approach is that it would lead to exclusion of protection in only a very few cases. After all, there will almost always be the option to slightly change the appearance of the product, so that almost no product design would be considered to be solely dictated by its technical function on this test.”

Bogatz explains that the alternative approach (followed by the EUIPO, the U.K. and French courts amongst others) is the “no-aesthetic-consideration-test”.²²⁴ Here the question is whether there were only technical considerations contributing to the design of the product?²²⁵ In other words, were there any aesthetic considerations that contributed to the design as well? If there were, then the features were not solely dictated by technical function.²²⁶ However, Bogatz provides that “it is questionable from whose perspective this question should be answered: the subjective view of the designer or, say, the objective view of a reasonable observer, and that it has been argued that this test leads to uncertainty and also that it contradicts Recital 10 of the CDR which does not require a design to have aesthetic quality”.²²⁷

However, in *DOCERAM v CeramTec*²²⁸ the CJEU now decided in favor of the “no-aesthetic-consideration-test” and, in doing so, forced the German courts to change their approach. Bogatz summarises the CJEU’s main argument as follows: “In light of Recital 10 of the Regulation, Article 8(1) CDR is intended to prevent technological innovation from being hampered by granting design protection to features dictated solely by a technical function of a product. If the existence of alternative designs fulfil-

ling the same function (as that of the product concerned) was sufficient in itself to exclude the application of Article 8(1) CDR and to deny that features of a product’s appearance were solely dictated by its technical function, a single person would be able to obtain several registrations as a Community design of different possible forms of a product incorporating exclusively technical features of a product’s appearance. That way, this person would benefit from exclusive protection for a product without fulfilling the (much stricter) conditions of patent or utility model protection.”²²⁹

Therefore, in order to determine whether the features of appearance of a product are solely dictated by its technical function, it must be established that the technical function is the only factor which determined the design of those features (with the existence of alternative designs not being decisive).

Following the logic of the “no-aesthetic-consideration-test”, this requirement evidently would not prove difficulty for plating as trade dress under design law, because although the plating is functional, if aesthetic considerations were taken into account (which in theory is the predominant and definitive aim of plating in the context of this study) it would not be disqualified as on this basis.

(iv) Visibility of the design

Apart from the above three requirements, a further point of relevance, specifically for signature dishes, is the question whether a design has to be visible at the time of purchase or if it is acceptable that hidden features are revealed during normal use of the product? To exemplify this point, Bently poses the question what would for instance be the case if a design for the inside of a chocolate were visible only when it is eaten?

To answer this question, Bently states that while there is arguably nothing in the Regulation that restricts designs to those aspects of appearance that are visible at the time of purchase, the Courts have held otherwise.²³⁰ In *Przedsiębiorsto Produkcji Lodow v Patent Office* the Polish supreme Administrative Court held that an application to register a design of an ice cream which consisted of a solid ball-shape and contained filling of contrasting colors that was not visible until the ice cream was eaten, was not registrable as a design.²³¹ This was because “all features of the product appearance or its parts that give it a certain image of the design had to be present at the time” that the product was purchased.²³²

²⁰⁸ Article 5(2) CDR.

²⁰⁹ Ibid; see also Dreyfuss and Pila op. cit. 14.

²¹⁰ Articles 5 and 41 CDR; art 7(2) CDR establishes that, for registered designs, the designer’s own use of its design during the 12-month period preceding its date of application (or its priority date) will not destroy the novelty of the design. The applicant for registration thus has a 12-month grace period (during which it will enjoy unregistered design protection).

²¹¹ Article 7(1) CDR.

²¹² Dreyfuss and Pila op. cit. 14.

²¹³ Ibid.

²¹⁴ *Green Lane Products v PMS International Group* [2008] EWCA Civ 358, 79.

²¹⁵ Dreyfuss and Pila op. cit. 14 with reference to *Holey Soles Holdings Ltd* [2008] 8 ECDR 100 (OHIM Invalidity Decision); *Kirschenhofer GmbH v WS Teleshop International Handels GmbH* (OHIM Third Board of Appeal, 11 July 2007).

²¹⁶ In *PepsiCo Inc v Grupo Promer Mon Graphic SA*, Case C-281/10 P, ECLI:EU:C:2011:679 the CJEU identified informed user in between the trademark concept of “average consumer” and the “sectoral expert” to mean that “not to a user of average attention, but to a particularly observant one, either because of his personal experience or his extensive knowledge of the sector in question” (para 35); in this respect, although it is difficult to distinguish them from each other, it is reasonable to assert that informed user can be deemed one step ahead of

average consumer as the former is aware of existing designs.

²¹⁷ In the case of unregistered designs, before the designer’s first public use of the design, or in the case of unregistered designs, before the filing date of the application for registration or before the priority date; article 6(1) CDR.

²¹⁸ Ibid.

²¹⁹ Dreyfuss and Pila op. cit. 14.

²²⁰ Ibid; *PepsiCo Inc v Grupo Promer Mon Graphic SA*, Case C-281/10 P, ECLI:EU:C:2011:302, para 29 (Advocate General).

²²¹ “The CJEU DOCERAM case: when is a product feature solely dictated by its technical functionality such that it cannot be protected as a Community Design?” (Bird & Bird, March 2018) www.twobirds.com/en/news/articles/2018/uk/cjeu-doceram-case (accessed 28 April 2019).

²²² Ibid.

²²³ *Lindner Recyclingtech GmbH v Franssons Verkstäder AB* (2010) ECDR 1 (OHIM 3rd Board of Appeal 2009) rejected this approach on the ground that it will find functionality only in “highly exceptional circumstances” and, in any case, one firm could itself individually register each alternative design and thereby establish an indirect monopoly over the technical function at issue. For Lindner, even in a design process that might have focused largely on functional considerations, if any aesthetic considerations were taken into account, then the design is not functional

²²⁴ The Lindner approach assesses, from the standpoint of the reasonable observer (rather than from the subjective standpoint of the particular designer responsible for the design), whether only purely functional considerations could have been relevant when the design was chosen and aesthetic considerations were “completely irrelevant” in which case the design was “solely dictated by its technical function.” If, by contrast, aesthetic considerations would also have been taken into account, then the design will not be excluded from protection on functionality grounds, *ibid.* paras 35-36.

²²⁵ “The CJEU DOCERAM case: when is a product feature solely dictated by its technical functionality such that it cannot be protected as a Community Design?” (Bird & Bird) op. cit.

²²⁶ Ibid.

²²⁷ Ibid.

²²⁸ *DOCERAM GmbH v CeramTec GmbH*, Case C-395/16, EU:C:2018:172.

²²⁹ “The CJEU DOCERAM case: when is a product feature solely dictated by its technical functionality such that it cannot be protected as a Community Design?” (Bird & Bird) op. cit.

²³⁰ Bently op. cit. 743, with reference to *Przedsiębiorsto Produkcji Lodow v Patent Office* [20 March 2007].

²³¹ Ibid.

²³² Ibid.



Figure 13.

In *Biscuits Poult v Banketbakery Merva*²³³ the General Court held that the layer of filling inside a biscuit (figure 13)²³⁴ that was only visible after the biscuit was broken open could not be taken into consideration for the purpose of determining the individual character.²³⁵

3.4 Conclusion

The INTA Report provides that “at the EU level, double protection is currently available for trade dress under trademark and design law. However, each one has its advantages, limits and problems when considering the protectability of signature dishes and plating. In order to achieve trademark protection the trade dress must be distinctive enough to pass the quite elevated standards set by the CJEU.”²³⁶ Also, if such a mark were to be applied for as a service mark, it would evidently spring free the exclusions under Article 7(1)(e) EUTMR. Design rights, on the other hand, does not require distinctiveness, but in turn requires novelty. Obtaining an unregistered design is affordable and suitable to establishments where signature dishes and plating styles are cyclically reimagined. However, in certain instances, where the development phase of a dish has been reported to exceed 15 years, unregistered designs would not suffice in equal measure, and as such diminishes the identified ostensible advantage of affordability.

In summary, it is evident from the findings in this chapter that when an establishment or chef seeks to gain protection under trade dress, the key question in determining whether it would be most susceptible to protection under trademark law or design is to ask whether the signature dish is distinctive although not new (i.e. a possible trademark) or whether it is new and has an individual character (i.e. a possible design).

4 CONCLUSION

The purpose and aim of the research were to assess which areas of IP law, if any, and under which criteria, offer legal protection for signature dishes and plating arrangements that are identified and commonly associated with a specific chef or restaurant. The research outcomes within the respective IP spheres of copyright, trademark, design and patent law have proven in the affirmative, subject to certain qualifications set out hereafter.

To establish whether a certain signature dish and or plating arrangement is protected by copyright under the EU standard, the only question is if it is an original work in the sense that it is the author’s own intellectual creation. Thus, if a signature dish and or plating arrangement meets this criterium, it would be subject to copyright protection under EU law, without having any regard to its aesthetic merits.

The possibility for a chef or establishment to obtain a word mark for their name is well established. However, in order for a signature dish or plating itself to achieve trademark protection for its shape, it must be distinctive enough to pass the quite elevated standards set by the CJEU in this regard. However, if such a mark were to be applied for as a service mark (which a restaurant arguably can qualify for), it would evidently spring free the exclusions under Article 7(1)(e) EUTMR.

To qualify as a design, on the other hand, the signature dish or plating does not require distinctiveness, but in turn requires novelty. Obtaining an unregistered design is affordable and suitable to establishments where signature dishes and plating styles are cyclically reimagined. However, in certain instances, where the development phase of a dish has been reported to exceed 3 years, unregistered designs would not suffice in equal measure, and as such disregards the identified affordability advantage.

Thus, it is found that in theory IP offers protection for signature dishes and plating. The relevant domain of IP protection (i.e. copyright, trademark, design or patent) would depend on the particular dish and plating lending itself more toward the intrinsic requirements and away from the exclusions under each of the said fields of IP.

Finding that IP protection in principle is available for signature dishes in conjunction with the initial premise that there exists a problem in the unauthorized copying of signature dishes and plating, the logical deduction would be the apparent presence of a problem and a solution.

However, the research outcome suggests contrary to this logical deduction. Based on the scarcity of CJEU case law, trademark, and design applications within the culinary scope, potential IP right owners probably elect not to

pursue IP protection but instead see it as a compliment and/or motivation to come up with an even more creative signature dish or plating, or even to continue serving their original offering assured in the knowing the quality offered by them is unsurpassed, even though a copy of the dish may be offered at another establishment.

This finding strengthens the point of view of Raustiala and Sprigman (advanced by inter alia Rosenblatt) that the culinary industry exists in IP’s negative space: a “low-IP equilibrium” where IP protection is absent, or largely so, but creation continues. The premise of IP’s negative space, coined by Raustiala and Sprigman, is that the absence of strong IP protection not only fails to hinder low-IP industries, but actually helps them thrive – this premise proves to hold water in the present study where it is found that chefs are motivated to continuously innovate as a counter measure to copycat chefs, rather than to pursue IP protection.

As far as the future is concerned, it is to be noted that the research finds that IP, in its various spheres, theoretically offer sufficient protection for signature dishes and plating. However, development and legal certainty will only be accomplished when the creators of these signature dishes and plating decide to formally acquire and enforce their rights. Until such time, signature dishes and plating remain in IP’s negative space – seemingly by choice of the potential right holders.

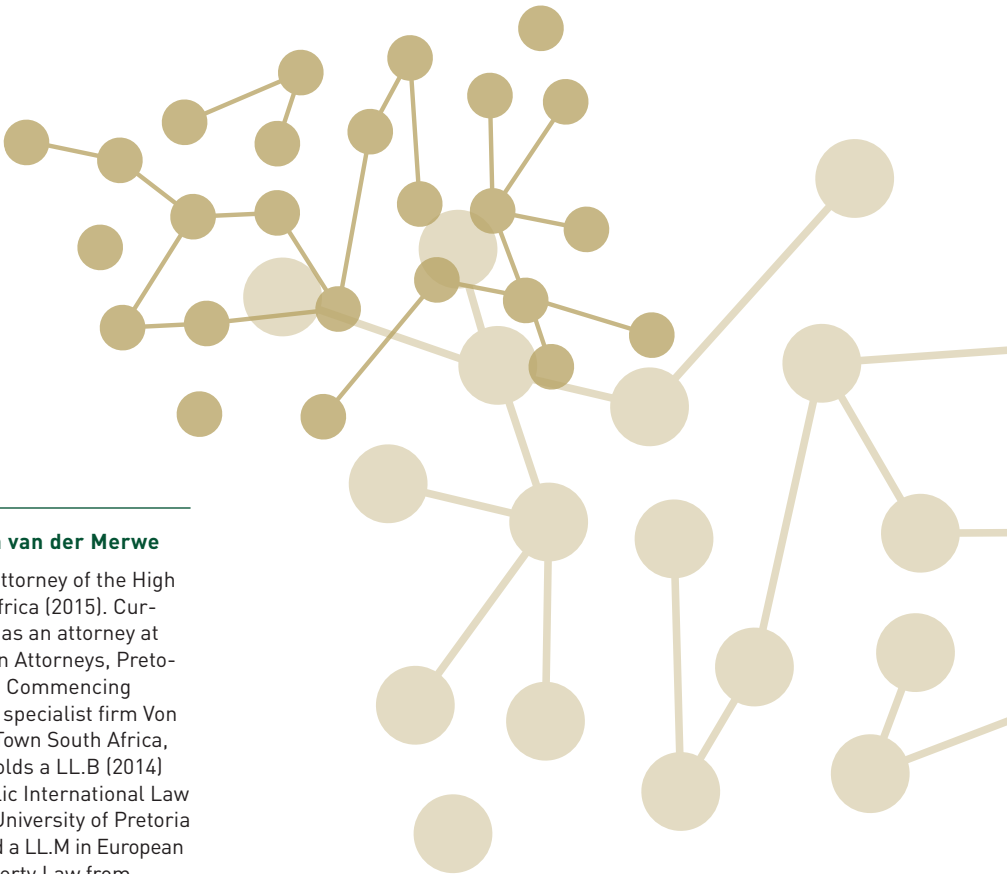
Table of reference for figures used in text:

| | |
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| Figure 1: | www.alinearestaurant.com/site/portfolio/balloon/ |
| Figure 2: | http://bearandmeblog.blogspot.com/2013/10/wacky-dishes-1-heston-blumenthal.html |
| Figure 3: | https://www.instagram.com/p/BI5-RqRnSaJ/ |
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| Figure 5: | https://issuu.com/wogoa/docs/wg_june_2018_issue |
| Figure 6: | https://www.pinterest.se/foodandhealth/alinea-desserts/?autologin=true |
| Figure 7: | EUIPO Guidelines for Examination of European Union Trade Marks, Part B Examination, Section 4 Absolute Grounds For Refusal, Chapter 3 (Article 7(1)(b) EUTMR) 23 |
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| Figure 9: | www.bloomberg.com/news/articles/2015-02-13/london-chef-heston-blumenthal-re-creates-his-fat-duck-down-under-review |
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| Figure 13: | <i>Biscuits Poult SAS v OHIM</i> , Case T-494/12, ECLI:EU:T:2014:757 |



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²³³ *Biscuits Poult SAS v OHIM*, Case T-494/12, ECLI:EU:T:2014:757, paras 24-26.

²³⁴ *Ibid.*

²³⁵ *Ibid*; Bently op. cit. 744.

²³⁶ *Ibid.*

Unravelling the story behind the Intellectual property of Halloumi Cheese; a ‘State Affair’ for Cyprus

By Kalia Tsiourtou



ABSTRACT

This article evaluates the intellectual property (IP) protection of Halloumi Cheese, as an authentic traditional product of Cyprus focusing particularly on trademarks (TM) and Geographical Indications of Origin (GIs). In examining the protection afforded under these two spheres, the challenges that the Halloumi cheese has undergone are analysed. The main purpose of this article is to untangle the confusion regarding the intellectual property (IP) of the cheese of Cyprus while establishing the current stage of IP protection of Halloumi and achieve a better suited ‘intellectual property protective scheme’ for the culinary product. The essentiality of this lies in its need to be valued and recognised properly for the benefit of Cyprus and Europe’s heritage.

1. HALLOUMI CHEESE AND THE NEED FOR INTELLECTUAL PROPERTY PROTECTION

Halloumi cheese is one of the most reputational traditional delicacies reminiscent of Cyprus,¹ and is in fact characterised as the flagship of Cyprus’s authentic cuisine. Due to the low volume of population and the size of the island, it is a significant benefactor in the advancement of economic development of the country. It is produced from sheep or goat’s milk or a mixture thereof, with or without cow’s milk added. There are two types of Halloumi, namely fresh and mature (ripe).² Halloumi is white to light yellowish in colour and its taste and strong aroma is characterised by the addition of mint leaves. Its appearance is easily recognizable by its unique folded (into a rectangular or semi-circular) shape, as part of the traditional processing.³ Halloumi has been produced according to the same traditional method handed down

from one generation to the next for centuries, in the geographical territory of Cyprus, maintaining its traditional character. Halloumi is the only cheese with the extraordinary ability to be cooked in high temperatures due to its high melting point.⁴ Its special composition is a result of the combination of environmental factors and local producers who have the knowledge of its production process. The white cheese is produced by curdling milk with rennet, through a heating treatment of the curds in whey at a temperature of over 90° C. This unique feature of the production process gives it its special organoleptic quality of not melting.⁵ Halloumi cheese is also known by the Turkish Cypriot name ‘Hellim.’ The cheese can be consumed in a range of food dishes, such as salads, not only raw, but also grilled, fried or in the oven. The European Union (EU), the United States (USA), Australia and the Arab world are the major markets of the Cypriot cheese.⁶ As reiterated, Halloumi cheese incarnates a vital factor for the enhancement of the country’s economy and an inseparable piece of its agricultural heritage and promotion of culture. It is also of central importance for the reputation of high-quality products in the context of an authentic traditional heritage in the Mediterranean gastronomy and the Europeanisation of the country as an active Member State.⁷ However, IP protection for the traditional cheese of Cyprus is inadequate, mainly due to internal problems oscillating the island. As a result, the product has faced considerable challenges; it has been exposed in the realm of competitors who have endeavoured to make the most of its success, value and reputation.⁸ As it will be seen in the analysis below, several marketing companies and commercial franchise businesses operating in the UK, Sweden, Germany, Canada, Cyprus and other countries, have been marketing products, labelling them ‘Halloumi cheese’ or a similar label, despite having different properties from the traditional cheese. In 2018, the Ministry of Energy, Commerce and Industry (hereinafter ‘the Ministry of Commerce’) of the Republic of Cyprus has announced that it is handling 79 on-going cases concerning the protection of the TMs for the Halloumi cheese, having already resolved 64 closed TM infringement cases regarding the local product.⁹ Making a parallel with the old but renowned English legal maxim, “what is worth copying is prima facie worth protecting,”¹⁰ there is a value worth protecting in relation to this cheese, given the ‘copying’ acts made over the years. The objective of this work is to examine the existing problems and challenges of IP protection that Halloumi has faced in order to determine the status quo of IP protection of the valuable agricultural product. In turn, its ultimate purpose is the proposal of

possible measures for overcoming the challenges and establishing a strong ‘protective IP scheme’.

For these purposes, the article contains two main sections. In the first part, the protection under TM law and the relevant challenges faced by the local product since its TM protection are addressed. The second part examines the protection afforded by the law of GIs to the Halloumi cheese and the challenges it has faced up until May 2019.

2. PROTECTION UNDER TRADEMARK LAW

2.1. Registered ‘Halloumi’ Trademarks

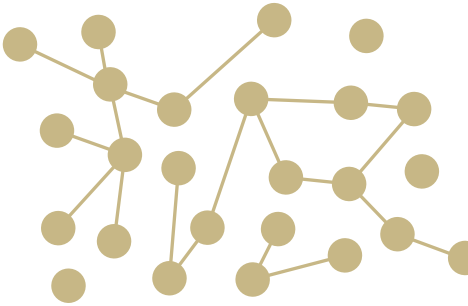
Initially, Halloumi Cheese sought to be protected under trademark law by the Ministry of Commerce and the Ministry of Agriculture on behalf of the Government of Cyprus. Hence, the name of the product sought to be protected first. This section addresses the very first efforts and the existing registered TMs.

First and foremost, it shall be acknowledged that without having an “official file” for the cases of Halloumi, it is almost impossible to give an accurate analysis of the efforts involved in protecting the IP rights of the local product. Nonetheless, the endeavours undertaken by the Republic of Cyprus were dispersed across the whole world and neither belonged to, nor constituted a part of a coordinated plan or ‘protection strategy’. Interestingly, the reasons for that were political rather than legal, albeit not the subject of a detailed analysis.¹¹

After a global research of the existence of Halloumi TMs, there are registered TMs for Halloumi cheese in nine countries or TM offices, including the European Intellectual Property Law Office (EUIPO). These are: USA, UK, Germany, Brazil, Jordan, Canada, France, Greece, Cyprus.¹² The TM owners are not only the Ministry of Commerce and the Ministry of Agriculture but also the ‘Foundation

for the Protection of Traditional Cheese of Cyprus named Halloumi”¹³ as an organisation aimed at coordinating any efforts of protection sought. Remarkably, this foundation has obliged some of the producers to become members.¹⁴ Figure 1 below presents a non-exhaustive list of these Halloumi TMs.

The very first gesture that denoted the desire to protect the brined cheese was initiated in the USA, at the end of the 1980s, when the Ministry of Commerce applied to register Halloumi as a certification mark under the US Patent and Trademark Office.¹⁵ Although it was granted in 1990, in 1991 the Danish Dairy Board challenged it with a cancellation petition based in that the term ‘Halloumi’ was of generic use. The Court dismissed the petition, establishing that the term ‘Halloumi’ was neither generic, nor descriptive of a type of cheese, but instead was a distinctive product which is indigenous to Cyprus. This has certified that the Halloumi cheese that was imported and marketed in the US and Canada could only be of Cyprus origin. This TM - which has been renewed and is still valid in 2019¹⁶ - is of the utmost importance because the US approach to the protection of traditional products is based merely on TMs to the detriment of GIs which are, contrarily, far more favoured at an EU level.¹⁷



¹ In Greek language: ‘Χαλλούμι’.

² Sozos-Christos Theodoulou, ‘HALLOUMI: la propriété intellectuelle du fromage emblématique de Chypre’ [2016] Revue Francophone de la Propriété Intellectuelle 3, 101.

³ Official Website of the ‘Ministry of Energy, Commerce and Industry of Cyprus’ www.mcit.gov.cy/mcit/trade/ts.nsf/All/B82C2CDDC26EACAF2257EB50024A-ED7?OpenDocument&fbclid=IwAR3G_aL5lwElKc0stAmBQCb0VHIHbdX0np4eqHAK-7c1LwoNuWbIDCdpbd5Q.

⁴ Ibid.

⁵ Gisela Welz, ‘Assembling HALLOUMI’ in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), Agri- environmental Governance as an

Assemblage: Multiplicity, Power and Transformation (Routledge 2018), 80.

⁶ Sozos-Christos Theodoulou, ‘HALLOUMI: la propriété intellectuelle du fromage emblématique de Chypre’ [2016] Revue Francophone de la Propriété Intellectuelle 3, 101.

⁷ Ibid.

⁸ Ibid.

⁹ Official Website of the ‘Ministry of Energy, Commerce and Industry of Cyprus’ www.mcit.gov.cy/mcit/trade/ts.nsf/All/7C6FB6D-55F33C473C225835A004A31BE?OpenDocument&highlight=%CF%87%CE%B1%-CE%BB%CE%BB%CE%BF%CF%85%-CE%BC%CE%B9.

¹⁰ University of London Press Ltd v University

Tutorial Press Ltd [1916] 2 Ch. 601.

¹¹ Sozos-Christos Theodoulou, ‘HALLOUMI: la propriété intellectuelle du fromage emblématique de Chypre’ [2016] Revue Francophone de la Propriété Intellectuelle 3, 102.

¹² www.tmdn.org/tmview/welcome#.

¹³ Hereinafter referred to as ‘The Halloumi Foundation’.

¹⁴ Ibid. no 16, p 102.

¹⁵ Sozos-Christos Theodoulou, ‘HALLOUMI: la propriété intellectuelle du fromage emblématique de Chypre’ [2016] Revue Francophone de la Propriété Intellectuelle 3, 102.

¹⁶ United States Patent and Trademark Office; Trademark Electronic Search System (TESS).

¹⁷ Ibid. no 30.

It is also notable that at the national level, the Cyprus Registry has allowed registration of several individual TM applications brought by separate entities producing the product, without posing any disclaimer (‘exclusivity clause’) regarding the use of the term ‘Halloumi’. A disclaimer would circumscribe the use of this term only to the ‘original’ products. Without it, the term, *Halloumi*, was unrestrictedly used for all kinds of products and in all TMs, resulting in losing its aptitude as a TM. Some of these registrations consist of the term ‘Halloumi’ along with the company’s name such as ‘ΧΑΛΛΟΥΜΙ παραδοσιακό - αιγινό LANITIS’ traditional goats *Halloumi*, owned by LANITIS BROS LTD.¹⁸ Arguably, such actions have as a direct consequence, the risk that ‘Halloumi’ will become descriptive of a type of cheese originating from Cyprus.

The national certification marks ‘ΧΑΛΛΟΥΜΙ – HALLOUMI’ TMs constituted the subject-matter of countless opposition and infringement proceedings against unauthorised competitors who used the TM, either as a single word mark or as a combined figurative mark including the whole or part of the word. Additionally, the UK TM and the EUTM were considered the most powerful tools for protecting *Halloumi* IP rights. Their existence was a favouring factor for the registration of *Halloumi* as a Pro-

tected Designation of Origin (PDO). Despite that, as we shall come back to, these have been challenged, which may result in their removal from the EUIPO’s Registry.²⁷

2.2. Registered ‘Hellim’ Trademarks

While Cyprus holds TMs for the name ‘Halloumi’, no Cypriot organization or Ministry has sought to acquire a TM for the respective name ‘Hellim’. Indeed, the Turkish name ‘Hellim’ is protected under seven individual registrations in Turkey and one application for registration filed, while two TM applications containing the word ‘Hellim’ were filed in the US.²⁸ As a result, the Cyprus Milk Industry Organization raised an action to appeal against an EU court decision which allowed Garma AG, a German based company, to market ‘Hellim’ products.²⁹ Since 2006, Garma AG owns the community mark ‘HELLIM’, for milk and milk products, for one of its dairy brands called Gazi.³⁰

The ‘Organismos Kypriakis Galaktokomikis Viomichanias’³¹ lodged a complaint with the EU’s OHIM, based on article 8(1)(b) EUTMR on the ground of likelihood of confusion and its earlier registered EUTM *Halloumi*, resulting in a case in the CJEU.³² Upon the unsuccessful re-

quest of annulment of the OHIM’s decision, the General Court (GC) concluded in a degree of conceptual similarity between the Turkish term ‘Hellim’ and the Greek term ‘Halloumi’ for the average consumer in Cyprus, but it was insufficient to find a likelihood of confusion. Finally, since 2013, after an unsuccessful appeal of the Association to the CJEU the GARMO AG company is allowed to name its cheese product ‘Hellim’ when exporting it in the EU.³³ The same company has owned the TM ‘GAZI Hellim’ in Germany since 2006³⁴ and in the EUIPO since 2013.³⁵

As observed by Gizela Welz, this was a ‘re-invention’ of the Cypriot cheese by a German entrepreneur.³⁶ The Courts emphasised that “[A] *TM grants an economic actor the exclusive right to use a name for a product and to take action against any other producers*” who use the same name under their product.³⁷ Nonetheless, TMs do not prohibit other manufacturers from producing the cheese; they even allow the use of the same recipe, provided that the final product is labelled in order not to be mistaken for an earlier-protected TM.³⁸ This rendered the German company’s actions legal. Since no specific regulations such as a PDO label or a fair-trade certificate existed for the Cypriot cheese, to support the origin claims, GARMO AG could not be prevented from using the Turkish equivalent for *Halloumi*, nor from using the same recipe for its product. Hence, this decision clearly indicates that TM law does not impose any restriction to someone who wishes to exploit the cultural heritage of a country, for economic purposes. This incident signposts the insufficiency of the protection under TM law for agricultural products. A summary of the main challenges in TM law follows.

3. CHALLENGES UNDER TRADEMARK LAW

Despite the existing TM protection of *Halloumi* Cheese, there were barriers which toughened the protection of the IP rights of the product. Firstly, any attempt by the Government to preserve the word *Halloumi* was sabotaged by the Cattle Farmers’ association and other entities who have endeavoured to register countless EUTMs containing a slightly different version of the word *Halloumi*, or its combination with other words and a shape, forming a figurative or a combined TM. While some of the applica-

tions were rejected by the EUIPO, other applications have been judged as not infringing the earlier *Halloumi* TMs and they were accepted and registered.

The second main challenge is the loss of the UK *Halloumi* TM, after Cyprus failed to respond in time to the revocation application of the British Company John & Pascalis Ltd. This has rendered the future of the 2014 PDO application unambiguous, as well as the protection of *Halloumi* under TM law.

3.1. Infringements of existing Halloumi TMs
Halloumis’s 23 refused EU wordmark applications

Firstly, the cattle farmers have created their own company named ‘Halloumis POC Farmers Milk Industry Ltd’ or *Halloumis* (POCF), incorporating 157 members, which corresponds to approximately 75% of the total number of Cypriot producers of cow milk. It is the biggest cow milk producer used in producing *Halloumi*.³⁹

The motive behind their reaction was the decision of the Cyprus Government to designate that *Halloumi* should contain at least 51% sheep and goat milk and less than 49% of bovine milk.⁴⁰ Since a large percentage of the cheese manufacturers have been producing Halloumi with more than 90% bovine milk, the new regulation would render this action illegal and their cheese ‘non-traditional.’

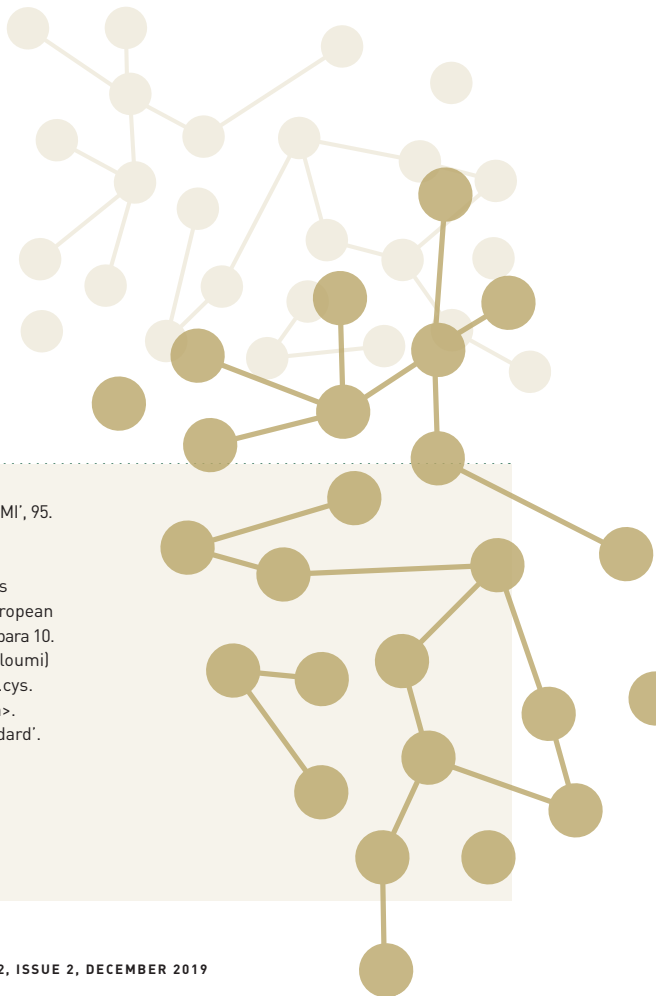


Figure no 1.

¹⁸ www.tmdn.org/tmview/welcome#. Apart from this company, LANITIS BROS LTD, CHARALAMBIDES CHRISTIS LTD, PITTAS FOODS LTD and others have similar TMs, registered in Cyprus Registry.

¹⁹ All these ‘HALLOUMI’ TMs have authorised users, namely those who are authorised by the Ministry and their products conform with the standards, as the lawful ‘licensees’ of the marks.

²⁰ Official websites of the EUIPO: www.tmview.com and https://euipo.europa.eu/eSearch/#details/trademarks/001082965.

²¹ Nice Agreement on the International classification of Goods and Services for the

Purposes of Registration of Marks of 15 June 1957.

²² Reg. no 36765 for the fresh halloumi and Reg. no 36766: mature halloumi cheese, specifically folded in the middle.

²³ Covering: “milk and milk products; cheese but also fresh fruits and vegetables and alcoholic beverages except beers”.

²⁴ Since the CTM regulation was replaced by EUTMR, the EUTM is from now on used in this article.

²⁵ Hereinafter referred to as ‘UK TM’.

²⁶ Covering: Cheese made from sheep’s and/or goat’s milk; cheese made from blends of cow’s milk.”.

²⁷ Registration of National Certification Marks No 36765 & No 36766 https://euipo.europa.eu/eSearch/#details/trademarks/001082965.

²⁸ Official TM search tool of the EUIPO < www.tmdn.org/tmview/welcome .

²⁹ Britain wades in as Cyprus is threatened by a cheese war [2013] Independent. www.independent.co.uk/news/world/politics/britain-wades-in-as-cyprus-is-threatened-by-a-cheese-war-8603457.html .

³⁰ However, a quick search on the company’s website indicates products sold not only as ‘Hellim’ but also as ‘Halloumi.’ Also, the label “Cyprus style cheese” is displayed in the package of some marketed products.

³¹ This association represents the interests of the Greek Cypriot dairy companies.

³² Case T-534/10, Organismos Kypriakis Galaktokomikis Viomichanias v OHIM GARMO (HELLIM) [2012], EU:T:2012:292.

³³ Case C-393/12 P-Foundation for the protection of the traditional cheese named Halloumi v OHIM [2013] EU:C:2013:207.

³⁴ www.tmdn.org/tmview/welcome# Application no 305713388.

³⁵ Ibid, Application no 004764619 .

³⁶ Gisela Welz, European Products: Making and Unmaking Heritage in Cyprus (first published 2015, Berghahn Books, 2017), Chapter 5:

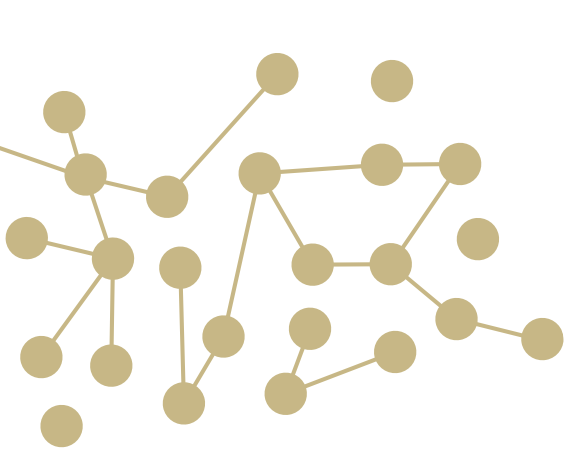
“Origin Food” The struggle over HALLOUMI’, 95.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Case T-584/15 Pagkyprios Organismos Ageladotrofon Dimosia Ltd (POA) v European Commission [2017] ECLI:EU:T:2016:510, para 10.

⁴⁰ Official Standards CYS 94-1 (fresh Halloumi) and CYS 94-2 (mature Halloumi).www.cys.org.cy/index.php/el/anzitisi-protypou>. Hereinafter referred to as: ‘1985 Standard’.



In June 2012, this company, or its wholly owned subsidiary named Papouis Dairies Ltd, filed 23 EUTM applications reminiscent of the earlier national and European *Halloumi* TMs disclosed above. As opined by Mr Pittas, a well-known Cypriot cheese maker, this is a ‘dirty trick’, “It’s like having ‘Champagne’ and ‘Champagnes.’”⁴¹ The TMs applied for were composed of the word ‘*HALLOUMIS*’ and a second and sometimes a third word, related to the word ‘CHEESE’, at the end. Some examples of the TMs are the following: *HALLOUMIS* LOW FAT CHEESE, *HALLOUMIS* LIGHT CHEESE, *HALLOUMIS* VILLAGE CHEESE, *HALLOUMIS* BIO CHEESE, *HALLOUMI* BURGER CHEESE. The 23 applications were sought for ‘cheese; rennet’ under class 29 of Nice Classification.⁴²

All the applications have been refused by the OHIM by way of the same reasoning, based on Articles 7(1)(b), (c) and 7(2) CTMR.⁴³ The signs were considered to be descriptive and devoid of any distinctive character.⁴⁴ To explain, the refusal of registration of ‘*HALLOUMIS* BIO CHEESE’ is examined. Firstly, the Office demonstrated that the word *Halloumi* means mild, firm white Cypriot cheese made from goat’s or ewe’s milk, used especially in cooked dishes. In finding descriptiveness, it submitted that the ‘*HALLOUMIS* BIO CHEESE’ will be perceived by

the relevant consumer as a meaningful expression, that is, a mild, firm, white Cypriot cheese which is biological, and deriving from environmentally sustainable sources. Hence, the expression *HALLOUMIS* BIO CHEESE and the goods referred to in the application were found to be sufficiently close by the relevant public. In relation to the goods, it was held that the expression was clearly describing the goods applied for; ‘Biological *Halloumi* cheese’, namely deriving from environmentally sustainable sources. Accordingly, it was devoid of any distinctive character. This reflects obvious and direct information on the kind and quality of the goods in question.

Despite the submission of the applicant that *HALLOUMIS* is the name of the founder of the company, Mr Xenis *Halloumis*, and hence it cannot be considered as a descriptive term, the Office submitted that the final “S” does not detract from the meaning of the word, being ‘*Halloumi*’ as defined by the Office and reflected in the Oxford English Dictionary.⁴⁵

PAPOUIS DAIRIES AND POCF APPLYING FOR EU FIGURATIVE MARKS

The actions of Papouis Dairies to acquire 23 EUTMs, describing the product of *Halloumi*, failed. Nevertheless, during September and October 2012, the same company and its mother company applied for the registration of figurative marks within the EUIPO for goods of class 29 of the Nice Classification (see figure no 3). The TM applications have been opposed by *Halloumi* Foundation and the Republic of Cyprus, based on the grounds of likelihood of confusion and the reputation of the earlier mark under article 8(1)(b) and 8(5) of Regulation No. 207/2009. The earlier TMs relied on for the oppositions were the HALLOUMI UK Certification TM No. 1451888 and EU Collective Mark No. 1082965.⁴⁶

The oppositions were dismissed by the Opposition Division finding no breach of A articles 8(1) (b) and 8(5). The opponents appealed against the decisions which were

rejected by the Fourth Board of Appeal. Lastly, the opposing party brought actions to annul the BOA’s decision.

Regarding the ‘Cowboys *Halloumi*’ and ‘Pallas *Halloumi*’ marks, the GC concluded that there was no likelihood of confusion. Following the reasoning of the GC in ‘Gazi Hellim’, ‘in the eyes of the Cypriot public the word designated a particular type of cheese produced in Cyprus.’ The same was concluded for the UK public which would perceive *Halloumi* word as describing the characteristics and composition of the product or even the origin of the goods⁵² and not as a reference to any certification or certified quality.⁵³ Despite the goods being identical and the similarity of the conflicting signs due to the common presence of ‘*Halloumi*’ word, the weak distinctive character and the descriptive meaning of *Halloumi* mark concluded in no likelihood of confusion.⁵⁴ Regarding the PAP ‘Papouis *Halloumi*’ and ‘Fino Cyprus *Halloumi* cheese’ cases, the GC annulled the contested decisions, finding a low degree of phonetic, visual and conceptual similarity between the two marks and the *Halloumi* TM. Yet these marks are still pending in the EUIPO.

HALLOUMAKIS & HALLOUMITSA TM; REGISTERED TMS

On 16 October 2012, POCF decided to apply for the registration of the figurative EUTMs HALLOUMAKIS and HALLOUMITSA as appearing in figure no 4 for the class of good 29 and 30 of the Nice Classification. The applications were unsuccessfully opposed by the *Halloumi* Foundation and the Permanent Secretary of the Ministry of Energy, Commerce, Industry and Tourism based on the same grounds as above. Similarly, they were unsuccessfully appealed, with the Court concluding as below: “There is a lack of visual, aural or conceptual similarity between the contested marks and the earlier *Halloumi* Marks as the word HALLOUMITSA is unlikely to be pronounced and the public will perceive the contested mark as mere cartoon character and not as a female cheese”^{55 56}. Hence,

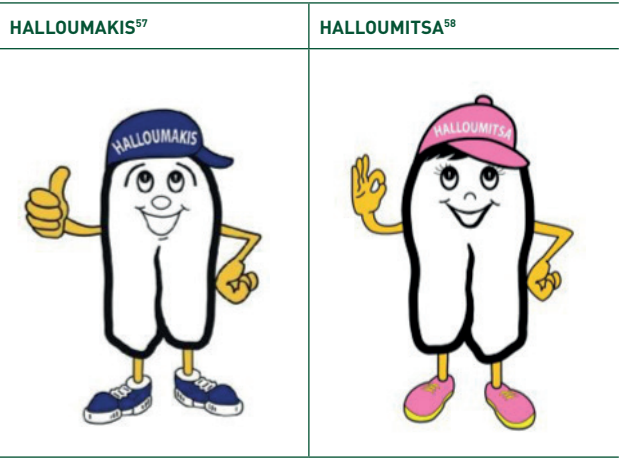


Figure no 3.

since no similarity or identity between the marks exist, article 8(5) is unnecessary to be examined.

More importantly, the Court emphasised that ‘*Halloumi*’ is descriptive as a generic term for a specific type of Cypriot cheese and that the earlier mark and the common elements ‘Halloum’ of the applied marks have low distinctiveness. These marks are registered in 2017 and 2016 respectively, and they are valid until 2022.

In 2014, the Republic of Cyprus and the *Halloumi* Foundation decided to file an action before the GC against the Bulgarian Company M.J. Dairies EOOD which sought to register BBQLOUMI TM for class of goods 29, 30 and 43, relying on the same plea of law, namely an infringement of article 8(1)(b) EUTMR.⁵⁹

Firstly, the GC emphasised that all the marks (the contested mark and the two earlier marks ‘*HALLOUMI*’) aimed at the average consumer who is reasonably informed, observant and circumspect.⁶⁰ The relevant public of the earlier TMs understood the word ‘*Halloumi*’ as a description of the characteristics of the origin of the goods and

| OPPOSITIONS TO THE APPLICATIONS FOR FIGURATIVE MARKS FILED IN THE EUIPO ⁴⁷ | | | |
|---|-----------------------------|--|---|
| | | | |
| Case T-847/16 ⁴⁸ | Case T-825/16 ⁴⁹ | Cases T-702/17, T-703/17 ⁵⁰ | Cases T-416/17, T- 417/17 ⁵¹ |

Figure no 2.

⁴¹ Gabriele Steinhauser, ‘In Cyprus, New Cheese edict gets the Goat of Dairy Farmers – As world Hungers for Halloumi, Officials want less Cow’s Milk in Mix; Curdled History’ [2012] Wall Street Journal, 3.

⁴² Nice Agreement on the International classification of Goods and Services for the Purposes of Registration of Marks of 15 June 1957.

⁴³ It has been replaced by the EUTMR (see above, page 15).

⁴⁴ Sandra Kasperiuaitė, ‘Office for Harmonization in the Internal Market: Operations Department’ [Alicante, 31/10/2012].

⁴⁵ <https://en.oxforddictionaries.com/definition/halloumi>.

⁴⁶ These TMs are identical. For this reason, they are assessed together.

⁴⁷ eSearch plus: EUIPO Database <https://euipo.europa.eu/eSearch/#basic>.

⁴⁸ Case T-847/16, Republic of Cyprus v EUIPO (Cowboys Halloumi case) [2018], EU:T:2018:481.

⁴⁹ Case T-825/16, Republic of Cyprus v EUIPO (Pallas Halloumi case) [2018], EU:T:2018:482.

⁵⁰ Case T-702/17, Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v EUIPO- Papouis Dairies (Papouis Halloumi) [2018], EU:T:2018:832 and Case T-703/17, Republic of Cyprus v EUIPO Papouis Dairies (Papouis Halloumi) [2018], EU:T:2018:835.

⁵¹ Case T-416/17, Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v EUIPO- Papouis Dairies (fino) [2018], EU:T:2018:834 and Case T-417/17, Republic of Cyprus v EUIPO – Papouis Dairies (Fino Cyprus Halloumi Cheese) [2018], EU:T:2018:833.

⁵² It does not refer to whether the user of the earlier mark belongs to a group of licensees authorised to use the mark.

⁵³ Nina Goodyear, ‘HALLOUMI cases fail in the Board of Appeal’ [2018] [https://united-kingdom.taylorwessing.com/en/insights/brands-update/halloumi-cases-fail-in-the-](https://united-kingdom.taylorwessing.com/en/insights/brands-update/halloumi-cases-fail-in-the-board-of-appeal)

board-of-appeal .

⁵⁴ Ibid. no 54, para 83.

⁵⁵ Case R 2652/2014-4 Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v Halloumis [9 November 2015] The Fourth BOA.

⁵⁶ Case R 2628/2014-4 Permanent Secretary, Ministry of Commerce, Industry and Tourism v Halloumis [2 November 2015] The fourth BOA.

⁵⁷ TM No 011209384.

⁵⁸ TM No 011269461.

⁵⁹ Case T-384/17, Republic of Cyprus v EUIPO – M. J. Dairies (BBQLOUMI) [2018], EU:T:2018:593, para 18 and Case T-328/17, Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v EUIPO- M. J. Dairies (BBQLOUMI) [2018], EU:T:2018:594.

⁶⁰ Case T-384/17, [para 28].



Figure no 4.

BULGARIAN EUTM APPLICATION: ‘BBQLOUMI’ MARK

| | |
|--|---|
| EU figurative mark: BBQLOUMI. TM No 013069034 Applied on : 9 July 2014 | Earlier UK TM & EU mark : UK Certification mark No. 1451888 EU collective HALLOUMI TM |
|--|---|

not as an indication of its certified quality. Thusly, the term concluded to have a low degree of inherent distinctive character with no enhanced distinctive character proven. It was reiterated that the article 83 EUTMR defining the certification mark was not satisfied; no link was established between the word *Halloumi* and any certification mark, or even to a certified cheese.⁶¹ Nor was a link found between the term ‘*Halloumi*’ and its Collective TM (now EUTM).⁶² Indeed, the applicants’ submitted evidence could only establish the use of the term ‘*Halloumi*’ as a ‘generic name’ of a speciality cheese from Cyprus.⁶³

SWEDISH EUTM APPLICATIONS: GRILLOUMI MARKS

Since 2009, the Swedish Company Fontana Food AB has owned a EUTM ‘GRILLOUMI’ for the goods of class 29 and 30.⁶⁴ On 25 October 2016 it applied for registration of the same trademark for goods of class 43 and also for the EUTM GRILLOUMI BURGER used for goods of class 29, 30 and 43.⁶⁵ These applications were unsuccessfully opposed by Cyprus’ *Halloumi* Foundation and the Permanent Secretary relying on their earlier TMs, under the same grounds as above. Indeed, the GC came to the same conclusion of the BBQLOUMI cases, merely that *Halloumi* was neither reputed as a collective nor as a certification marks, but rather as a generic name, incapable of distinguishing the goods of one undertaking from those of another.⁶⁶

Remarkably, it is adduced that the registration of GRILLOUMI and BBQLOUMI marks by foreign companies (M.J Dairies EOOD and Fontana) indicates the practice of allowing the use of a slightly different version of *Halloumi* name in derivative products such as cheese dips, processed cheese, crackers flavored with cheese and others.

3.2. The invalidation of the UK mark; the biggest challenge

The second incident that to a large extent weakened the TM position of the product was the loss of the UK Certification mark ‘*HALLOUMI*’ due to the failure of the Ministry of Commerce to respond timely to cancelation applications, made by the British company John & Pascalis Ltd. Since 22 February 2002, the UK TM no. 1451888 has been long considered as one of the two most robust ‘cards’ of the Republic of Cyprus in the game of protection of the traditional cheese. This is partly because the UK is the biggest market for the popular *Halloumi* cheese.

More specifically, on 22 December 2017, John & Pascalis Ltd filed three separate actions to invalidate or revoke the UK TM of Cyprus.⁶⁷ The Ministry of Commerce acknowledged that by a letter on 26 January 2018, but no response of counter statement was filed before the two months’ deadline. In April, a second letter was sent but upon the failure of the Ministry to oppose the invalidation application and to provide a written statement, counter-statement or to request a hearing on or before 19 April, the Court reached its decision to cancel the UK TM on the 2nd of May 2018. The April letter was only received to the correct authority on 9 May 2018. Following an unsuccessful request of a time extension for filing the required documents and an appeal against the Cancellation Decision, on 28 November 2018, the High Court rejected it and decided the cancellation of Cyprus’ registration of the UK TM. In the Court’s words, ‘evidence simply demonstrates that the Ministry was the author of its own misfortune.’ ‘The Ministry’s internal procedures were so disorganised that the letter enclosing the application was passed from official to official after receipt on 9 February 2018, but no action was taken.’⁶⁸ In 2011, the Ministry changed its address for service of documents from UK solicitors, Clifford Chance LLP, to the Ministry’s offices in Nicosia, without providing the IPO with an email address for correspondence.⁶⁹

THE AFTERMATH

On 19 December 2018, the Ministry filed an appeal to reverse the High Court’s ruling of 28th November, albeit unsuccessfully. Hence, the Ministry has reapplied to register *Halloumi* as a certification mark with the UK IPO. Despite warnings that this effort was the last chance of the Government to regain the UK TM, this is doubtful, since the High Court awarded a commercial licence to John & Paschalis Ltd to use *Halloumi* as a TM in the UK as well as third countries⁷⁰ where it is doing business.⁷¹

Despite that, the competent authorities did not seem particularly worried as long as the EUTM *Halloumi* remains in force across the EU, including the UK, being sufficient to fight against any non-Cypriot and unregistered firm producing *Halloumi* “without conforming to the prototype”.⁷² Accordingly, under the EU collective TM, *Halloumi* is produced only in Cyprus with the specified standards, with the producers being registered in Cyprus’ Registry.⁷³

With respect to the complications Brexit⁷⁴ may bring,

the Ministry reassured that based on the clause 54(1)(a) of the Withdrawal Agreement between the UK and the EU,⁷⁵ the EUTM *Halloumi* will automatically become a registered and enforceable TM in the UK, with the same effects as in present. This is rather unambiguous because according to recent reports, John & Pascalis is also trying to annul the EUTM and cancel the national HALLOUMI- XAAA OYMI TMs of Cyprus.⁷⁶ It is submitted that this will render *Halloumi* product unprotected by usurpations and TM violations. The act of the British company’s director appealed against the PDO application (it is still subject to EC’s decision) was ‘the cherry on top’ of *Halloumi*’s endangered position. According to the company, this was the result of the ministries unwillingness to meet and negotiate the company’s claims.

MOTIVE BEHIND THE BRITISH COMPANY’S ACTIONS AND RESULT

John and Pascalis Ltd alleges that its actions aimed to enhance the Cyprus’ export market rather than to restrict it. It particularly claims that the 2014 PDO application contains specifications it had deemed appropriate, without any requirement by the European Regulations for such a specification.⁷⁷ As the company submits, there are patented products that contain all three types of milk, with no reference to milk percentages, something which benefits both the exporting activities of Cyprus and the consumers with plenty of choices. Further, it stated that “slandorous references” by the former Minister of Agriculture, about “monkey *Halloumi*”, have brought financial problems to the company in tandem with a negative impact on its customers who believed that the imported *Halloumi* is not the ‘real’ one.⁷⁸ The pursuit of litigation was for them the way to restore the truth and avoid the risk of being sued by major UK supermarkets.

The British company expressed its willingness to withdraw its petition if the Republic of Cyprus agreed to accept a wider range of *Halloumi* specifications such as the traditional method that does not need the milk to be heated to 65 degrees, non-pasteurized milk, different percentages of milk and different shapes and production methods.⁷⁹ With the current PDO application, some of their products which are out of the specifications such as Chilli *Halloumi* cheese or Cheese blocks weighing over 300 gr are prohibited and precluded from the *Halloumi* label. These products have been imported to the UK for years and the intention is to continue being imported by having them included in the PDO application.

In its files submitted to the UK, European and Cypriot Courts, John & Pascalis argued that the actions of the Cypriot authorities indicate a lack of control of the TM *Halloumi* so that after a certain period, *Halloumi*, acquired a generic designation.⁸⁰ On the one hand, the Ministry of Agriculture filed the PDO application with strict specifications as to what is *Halloumi* and its ingredients, shape and weight, and on the other hand, it has approved products such as *Halloumi* with crushed pepper, chilli or basil, *Halloumi* Round, *Halloumi* Light and *Halloumi* in burger shapes to be sold and exported under the *Halloumi* TM. Figure no 5 contains some examples from the products’ catalogue of Papouis Dairies Ltd, proving the contradiction on the Ministry’s actions.

The cases analysed above are only a sample of TM registrations that were refused and there are others that are used by national, EU and international companies. It is submitted that the main reason behind these actions is the desire of each and every company to have its own economic interests secured, due to the high exporting demand and reputation of *Halloumi* cheese as a speciality product.

⁶¹ Case T-384/17 [para 44].

⁶² Case T- 328/17, [para 52].

⁶³ Case T-328/17 [para 50], Case T-384/17 [para 72].

⁶⁴ TM No. 007598221. <https://euipo.europa.eu/eSearch/#details/trademarks/007598221> .

⁶⁵ Decision on Opposition No. B 2 841 222 Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v Fontana Food AB [16/5/2018] & Decision on Opposition No B 2 841 297 Permanent Secretary, Ministry of Energy, Commerce, Industry and Tourism v Fontana AB [10/05/2018].

⁶⁶ Decision on Opposition No B 2 841 206 Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v Fontana Food AB [15/05/2018], page 11.

⁶⁷ George Psyllides, ‘A series of blunders that lost us the halloumi trademark’ [6 December 2018]. <https://cyprus-mail.com/2018/12/06/a-series-of-blunders-that-lost-us-the-halloumi-trademark/> .

⁶⁸ Permanent Secretary, Ministry of Energy, Commerce and Tourism, Republic of Cyprus

v John & Pascalis Limited [2018] EWHC 3226 [Ch], para 46.

⁶⁹ Ibid. para 32.

⁷⁰ ‘Minister speaks out on halloumi case’ [12 December 2018] <https://knews.kathimerini.com.cy/en/news/minister-speaks-out-on-halloumi-case> .

⁷¹ There is not yet an officially reported registration of the TM HALLOUMI mark by the British Company.

⁷² Anonymous, ‘ECONOMY: Cyprus loses halloumi trademark in the UK’ [6 December 2018]. www.financialmirror.com/news-details.php?nid=36246 .

⁷³ George Psyllides, ‘Probe launched into how ministry lost halloumi trademark [Updated]’ <https://cyprus-mail.com/2018/12/05/probe-launched-into-how-ministry-lost-halloumi-trademark/>.

⁷⁴ Brexit: the combination of words: ‘Britain’ and ‘exit.’ The outcome of a referendum held in the United Kingdom, deciding the withdrawal of the United Kingdom from the European Union. The decision was communicated to the EU on 29 March 2017.

⁷⁵ ‘Draft Agreement on the withdrawal of the

United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, as agreed at negotiators’ level on 19 October 2019’.

⁷⁶ ‘CYPRUS: Lost Halloumi UK trademark still up for grabs’ [15 December 2018] www.financialmirror.com/news-details.php?nid=36283 .

⁷⁷ Elias Hazou, ‘Government ‘clueless’ about halloumi business, says UK company’ [11 December 2018] <https://cyprus-mail.com/2018/12/11/government-clueless-about-halloumi-business-says-uk-company/>.

⁷⁸ ‘CYPRUS: Lost Halloumi UK trademark still up for grabs’ [15 December 2018] www.financialmirror.com/news-details.php?nid=36283 .

⁷⁹ ‘Minister speaks out on halloumi case’ [12 December 2018] <https://knews.kathimerini.com.cy/en/news/minister-speaks-out-on-halloumi-case>.

⁸⁰ Ibid no 84.



Figure no 5.

Despite the outcome of these cases regarding the likelihood of confusion, the result of all these TM cases of companies using or trying to use the already registered *Halloumi* TMs is the same: the word ‘*Halloumi*’ ended up being recognised and used by a significant part of the relevant public, that is - consumers of the product - as a generic name of a cheese produced in Cyprus. Under article 58(1)(b) of EUTMR, a TM shall be revoked if it has become the common name in the trade (generic). Besides that, such a practice fulfils the absolute grounds of refusal of articles 7(1) (b) and (d) EUTMR the TMs’ future unsecure. This is the case as it has repeatedly been held by the Court rulings above. This raises considerable doubts as to whether TM is the appropriate IP right for protecting the Cypriot cheese or at least ambiguity as to its sufficiency in protecting the product.

4. PROTECTION UNDER GEOGRAPHICAL INDICATIONS OF ORIGIN

The Ministry of Agriculture, Rural Development and Environment of the Republic of Cyprus has been in ongoing and contested endeavours to attain a geo-label for *Halloumi* cheese under the Law of GIs.⁸¹ It has been observed that the protection of the traditional product under TM law is extremely fragmented and weak due to the countless infringements by private companies and organisations. This resulted in the name of the cheese being a descriptive term of a cheese originating from Cyprus. Hence, the focus of the Cyprus Government and the interested parties shifted from TM to Protected Designation of Origin (PDO). Article 5(1) of the Regulation No 1151/12 (Quality Schemes Regulation),⁸² a PDO is defined as the name of a region, a specific place, or in exceptional situations, a country used to describe a foodstuff or agricultural product. A product shall meet the following conditions to be PDO-labelled: (1) The product must come from a defined area, (2) the area must determine peculiar characteristics and distinctive qualities of the product and (3) all the operations, to wit, production, processing and preparation must be performed in that area.⁸³ The ‘product specification’ or code of practice (COP) is the most important part of the application, as it defines the standards that the producers must meet, in order to use the PDO indication. Only the producer who respects the COP shall use the protected name.⁸⁴

Under article 6(1), generic terms shall not be registered as PDO or Protected Geographical Indication (PGI) - viz, a common name denoting a type of a product or a foodstuff, even though it relates to the place or the region where it is originally produced or marketed. However, evidence shows the Court is very lenient when considering whether a name is generic. The cases of “*Feta*”, “*Parmesan*” and “*Bavaria*”⁸⁵ are used as examples, where the CJEU ruled that these names shall not be excluded from protection on the basis that they are generic, if it is proved that the name is still able to evoke the place of production.⁸⁶ This is a positive factor for the case of *Halloumi* Cheese being PDO-labelled.

4.1. First effort of protecting Halloumi Cheese as a PDO

In 2009, the Cypriot Government submitted its first application to the EC, in its attempt to secure a PDO status for the origin-product *Halloumi*.⁸⁷ This application had many delays and obstacles in its way to filing in the EC. For example, by 2011 not even the publication of the product specifications in the Official Journal of the EU had been completed, which was the very first step of the process. In the end, the Cyprus Cheese Maker’s Association (CCMA) withdrew the application in 2012.⁸⁸ The main reasons for the failure of the application to reach an EU level are mostly internal. The most important obstacles are analysed in the following sections.

4.1.1. Challenges of the 2009 PDO application First obstacle; the name of the protected PDO label

On 11 May 2004, the Cyprus’ Dairy Producers’ Association applied to register *Halloumi* cheese as a PDO, claiming that *Halloumi* is uniquely and exclusively Greek Cypriot.⁸⁹ In February 2007, the application was published in the Cyprus’ Official Gazette. Given their right of opposition, in March 2007, the Cyprus Turkish Chamber of Industry (CTCI) and the Turkish Co-Operative Dairy Factory known as ‘KOOPSÜT ORTAKÖY’, located in the Turkish-controlled northern Cyprus brought a joined opposition asking for ‘Hellim’ to be added in the application for the PDO of *Halloumi*, since the same product is also produced by the Turkish Cypriot under the name ‘Hellim’. The Ministry rejected the opposition and published the PDO publication decision. Upon an unsuccessful action and

appeal, Cyprus’ Supreme Court rejected the appeal, reiterating the decision of publishing the PDO application.⁹⁰

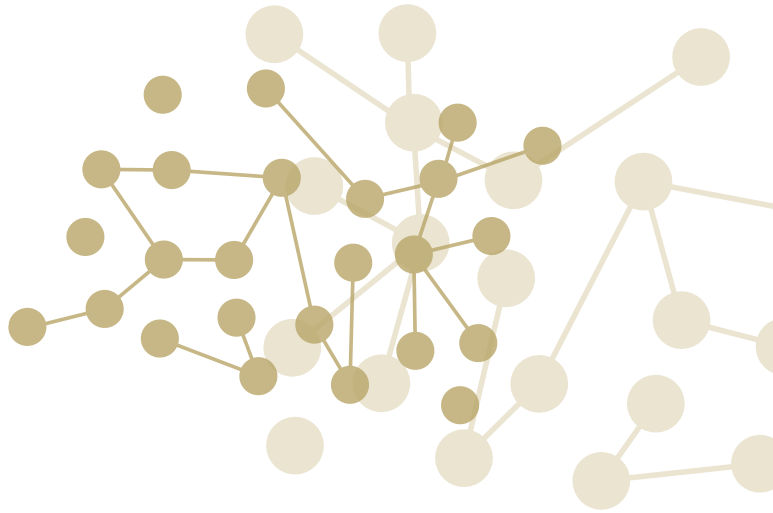
Although it seemed that the first barrier was surpassed, the reality revealed the opposite. This raised concerns also to the EU Commission, with Members of the European Parliament launching official enquiries at the EC, implying that the approval of the designation of *Halloumi* as an exclusively Greek Cypriot product would “*contradict the European spirit of integration and inclusiveness that the PDO/PGI programme should be infused with.*”⁹¹ However, the failure of this application to proceed was less due to the conflicts over ethnicized cultural property, and more due to internal conflicts concerning the product specification of the application.⁹²

The real problem; the composition of the Cheese

Halloumi is the most important agricultural export product for Cyprus. Therefore, it is of paramount significance for the Greek Cypriot dairy sector. Due to the high demand, the applicants were using cow milk in the product’s manufacturing because of its high availability, its cheaper price compared to sheep or goat milk and its high availability.⁹³ This practice is permitted by the National legislation 195/85 and CYS 94 which sets out the standards of the milk percentage in *Halloumi*; it specifies that ‘a substantial amount of goat’s and/or sheep’s milk’ must be included in *Halloumi* cheese, but allows for up to half of the milk to be of bovine origin.⁹⁴ However, old submissions refer to the traditional *Halloumi* being produced by a mixture of sheep and goat milk, or from goat’s milk exclusively. This is supported by the majority of Cypriot family-run producers who submit that there were few cows on the island, until high-yielded dairy cows have been introduced on a large scale by the British in the 1960s; when the British Rule was about to end in Cyprus.⁹⁵

It is argued that the liberal interpretation of the composition of *Halloumi* cheese is linked to its increasingly high export value and it was for the benefit of the economy to privilege the industrial product with the admixture of cow’s milk, over the artisanal product. Statistics indicate the immense increase of the export revenue of the industrial cheese-makers from €60 million in 2012 to €100 million in 2018.⁹⁶

Hence, the dairy producers applied considerable pressure on the government bodies to ensure that the PDO application would include cow milk, having thus their cheese valorised and covered by the sought-after quality label.⁹⁷ Accordingly, the product specification of the application to the EC specified that the cheese would need to be made from at least 51% sheep and/or goat milk or otherwise from up to 49% cow milk in order to carry out the label *Halloumi*. The commentator Gisela Welz characterises this derogation from tradition, which is in line with the established legislation, an ‘adulterated’ tradition.⁹⁸



⁸¹ Gisela Welz, ‘Assembling HALLOUMI’ in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), *Agri- environmental Governance as an Assemblage: Multiplicity, Power and Transformation* (Routledge 2018), 80.

⁸² Regulation 1151/2012 on Quality Schemes for Agricultural Products and Foodstuffs (2012) .

⁸³ Matteo Gragnani, ‘The EU Regulation 1151/2012 on Quality Schemes for Agricultural Products and Foodstuffs’ (2013) 8 *Eur. Food and Feed L. Rev.*, 378.

⁸⁴ Emilie Vandecastelaere, ‘Linking People, Places and Products’ (2nd edition, Food and Agriculture Organization of the United Nations (FAO) and SINER-GI 2010), 151.

⁸⁵ Joined cases C-465/2002 and C-466/2002 *Germany and Denmark v Commission* (Feta) [2005] ECR I-9115; Case C-132/2005 *Commission v Germany* (Parmesan) [2008] ECR I-957; Case C-343/2007 *Bavaria N.V. and Bavaria Italia Srl v Bayerischer Brauerbund* (Bavaria), CJEU [2009] ECR I-5491.

⁸⁶ G. E. Evans, ‘The Strategic exploitation of Geographical Indications and Community Trade Marks for the Marketing of

Agricultural Products in the European Union’ in Peter K. Yu (eds), *The WIPO Journal: Analysis of Intellectual Property Issues* (W.I.P.O.J and Thomson Reuters Ltd 2010, 1(2)), 169.

⁸⁷ Gisela Welz, *European Products: Making and Unmaking Heritage in Cyprus* (first published 2015, Berghahn Books, 2017), Chapter 5: ‘Origin Food’ The struggle over HALLOUMI’, 104.

⁸⁸ Ibid.

⁸⁹ Gisela Welz, ‘Assembling HALLOUMI’ in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), *Agri- environmental Governance as an Assemblage: Multiplicity, Power and Transformation* (Routledge 2018), 80.

⁹⁰ Case no 564/2008 (Supreme Court Decision) 1. Turkish Co-operative Dairy Factory KOOPSÜT ORTAKÖY’ 2. Turkish Cypriot Chamber of Industry v 1. the Republic of Cyprus, Ministry of Agriculture through the Legal Service of the Republic, 2. The Attorney General of the Republic of Cyprus as a Representative of the Republic of Cyprus (11 Sep. 2008).

⁹¹ Gisela Welz, *European Products: Making and*

Unmaking Heritage in Cyprus (first published 2015, Berghahn Books, 2017), Chapter 5: ‘Origin Food’ The struggle over HALLOUMI, 104.

⁹² Ibid.

⁹³ Gabriele Steinhäuser, ‘In Cyprus, New Cheese edict gets the Goat of Dairy Farmers – As world Hungers for Halloumi, Officials want less Cow’s Milk in Mix; Curdled History’ (2012) *Wall Street Journal*, 2.

⁹⁴ Standards CYS 94-1 (fresh Halloumi) and CYS 94-2 (mature Halloumi) www.cys.org.cy/index.php/el/anazitisi-protipon.

⁹⁵ Gabriele Steinhäuser, ‘In Cyprus, New Cheese edict gets the Goat of Dairy Farmers – As world Hungers for Halloumi, Officials want less Cow’s Milk in Mix; Curdled History’ (2012) *Wall Street Journal*, 2.

⁹⁶ Gisela Welz, ‘Assembling HALLOUMI’ in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), *Agri- environmental Governance as an Assemblage: Multiplicity, Power and Transformation* (Routledge 2018), 82.

⁹⁷ Ibid, 82.

⁹⁸ Ibid, 82.

4.1.2. Deadlock of the 2009 PDO application

Despite the countless efforts of the Ministry to gratify the desires of all stakeholders of *Halloumi* cheese, a ‘civil war’ was initiated in Cyprus, according to the cheese maker Yiannos Pittas.⁹⁹ The battle was between the traditional cheese makers, consisting of small family-run businesses (farmers, shepherds) and industrial cheese producers (cattle farmers) who are part of the Dairy Products’ Association (CCMA).

In 2010, owners of large flocks of goats and sheep protested in the capital, demanding that goat and sheep milk should continue to be a prominent ingredient in the future production of the EU certified cheese.¹⁰⁰ As a matter of fact, the majority of cattle farmers and large *Halloumi* producers were making the cheese with more than 90% of cow milk.¹⁰¹ This practice obviously breaches the ‘1985 standard’. Mr. Aletraris, the Agriculture Minister, calls cow-milk-heavy *Halloumi* “plastic cheese”.¹⁰² On the other side of the fence, in 2012, the CCMA were protesting that the volume of sheep and goat milk available was far too small to support their export activities and thus were unable to meet the standard or even the domestic regulations.¹⁰³ Deputies and members of the Cyprus parliament received serious threats from the cattle farmers who were furious by the law being passed, as it would cost them millions (due to the tonnes of unused cow milk).

The PDO application submitted by the Ministry of Agriculture was not restricted to the traditional product made of sheep and goat milk, but also included an important percentage of cow milk, in an endeavour to satisfy the big manufacturers’ interests to secure the entire output of industrially produced *Halloumi* as a PDO. Nevertheless, the powerful dairy corporations which were the applicants, were still unhappy.¹⁰⁴ Both parties were trying to sabotage the PDO application process. After months of

intense negotiations between the parties, they did not manage to reach any measure of compromise. Consequently, in April 2012 the CCMA quit the process, leaving the Ministry of Agriculture with no other choice than to withdraw the application.¹⁰⁵

The withdrawal of the application for the protection of *Halloumi* in Europe as a PDO was regarded as an imminent danger for the *Halloumi* industry, having to face incursions and usurpations by competitors from other countries. Under article 13 of Quality Schemes Regulation, registered names of GIs are legally protected against ‘misuse, imitation or evocation’.¹⁰⁶ This is the case even if the origin of the product is indicated or the name is translated or accompanied by expressions such as ‘style’, ‘type’, ‘method’, ‘imitation’ or similar, including the use of the product as an ingredient. Among others, Turkish-Cypriot Producers and dairy companies from Turkey and Bulgaria were threats to Cyprus.¹⁰⁷ Additionally, at that time the UK-based Greek Cypriot company, John & Pascalis Ltd was extremely feared in this context, as it was planning to produce *Halloumi* cheese made from sheep and goat milk exclusively, with no bovine milk.¹⁰⁸ Likewise, the failure of the Republic of Cyprus to prohibit the German company from using the term ‘Hellim’ for its products acquired particular notability against the backdrop of its persistent attempts to secure the EU PDO label for *Halloumi* cheese produced in Cyprus.

4.2. Second effort: 2014 PDO application

In July 2014, the new Greek-Cypriot Government initiated the second effort to apply for a PDO status for *halloumi* cheese. The applicants were the Pancyprian Organisation of Cattle-Farmers (POA). On 17 July 2014, the Greek Cypriot Government submitted its PDO application to the EC along with its decision to place a ban on any other

country from producing a cheese named *Halloumi* or ‘Hellim’ until the application is processed.¹⁰⁹ In July 2015, the official application was published in the EU’s Official Journal, initiating the cross-border opposition phase of the registration.

This application provides protection of both ‘*Halloumi*’ (‘Χαλλούμι’) and ‘Hellim’, covering the producers from the whole island. Nevertheless, it shall be noted that the Turkish Cypriot producers do not have access to the European Markets due to the failure of the divided island to reunite in 2004 with the EU accession. Since the Acquis Communautaire is still suspended in the North of the Island, the Turkish Cypriot are unable to apply for GIs in the EU or engage in trade activities across the Green Line as their production facilities do not comply with the EU food hygiene regime.¹¹⁰ Due to the inclusion of both names, the application was welcomed positively by the EC as an instrument of building the relations between the North-occupied part and the Greek-Cypriot government.¹¹¹

The product specification is the same as in the previous application, expressly:

‘The proportion of sheep or goat’s milk or the mixture thereof must always be greater than the proportion of cow’s milk. In other words, when cow’s milk is used in addition to sheep or goat’s milk or a mixture thereof, the proportion of cow’s milk in the Halloumi must not be greater than the proportion of sheep or goat’s milk or the mixture thereof.’¹¹²

However, the industrial cheese makers have refrained from shutting down the process, despite their objections in the product specification.

The rest of the application analyses all the characteristics of the product; its appearance; its texture; its chemical composition; its production method and raw materials, even the rules for packaging. Then, a series of evidence establishing the link of the product with the geographical area of Cyprus are analysed. The terrain of Cyprus, the climate and the animals used for the production are also described to produce the ‘original’ *Halloumi*.

4.2.1. Challenges

Despite the increased value given to this application as a vehicle of reunification of Cyprus island and the expectation that it will officially give the traditional product the protection it deserves as a valuable Cypriot product, parties residing in the northern and south part of Cyprus have objected to it.

NATIONAL LEVEL: TURKISH- CYPRIOT PARTIES’ OBJECTIONS

Eleven objections were brought under the national opposition procedure which were initiated with the publication of the application in the Official Gazette in 12 November 2012. Eight out of eleven oppositions were brought by companies residing in the northern part of Cyprus. Among others, the CTCI, the Organization of Goat and sheep farmers in Turkey,¹¹³ the KOOP SUT Ltd¹¹⁴ as well as other legal and natural persons relating to the aforemen-

tioned companies, in North Cyprus. In their opposition they argued that the Ministry of Agriculture, which is the only competent authority nominated in the PDO to provide the official controls, is incompetent to check and inspect the Turkish Cypriot producers since it does not have effective control in the North.¹¹⁵ The Turkish Cypriot Chamber of Commerce writes in its Newsletter that the application fails to provide an effective and impartial compliance verification mechanism in the North, leading to the Turkish Cypriot producers being excluded from the benefits of the possible PDO registration. These oppositions have been dismissed by the Cypriot Minister of Agriculture on 9 July 2014.¹¹⁶

The same parties have tried to file oppositions under the cross-border opposition procedure. Relying on article 51 of the Quality Schemes Regulation, but these were inadmissible since they are residents of the MS from which the PDO application originated and they could only oppose at the national level.¹¹⁷

The Turkish Cypriots’ actions indicate that although the inclusion of the name ‘Hellim’ in the Cyprus PDO application is welcomed, the issue of the control mechanism was still a barrier to their interests being satisfied, calling for a “flawed” PDO application. It is reassured that their oppositions have mainly a political character,¹¹⁸ according to the press and academics’ articles. Nevertheless, according to some sources, they were not only unhappy with the control mechanism issue but also with the fact of having the Greek Cypriot side unilaterally making a PDO application on their behalf for Hellim.¹¹⁹

The remaining three out of eleven national oppositions were filed by the POCF or ‘HALLOUMIS’ for the same reason it had applied for the TMs, relating to the ratio of cow milk in the cheese production. All the oppositions were dismissed by the Ministry of Agriculture by way of decree on 9 July 2014.¹²⁰ The next step of *HALLOUMIS* company was to bring an action against the EC, asking for the annulment and suspension of the decision to publish the *Halloumi* PDO application, plus the initiation of the opposition procedure provided for in article 51 of the Quality Schemes Regulation.¹²¹ Essentially, they were arguing that the decision would cause the company financial damage because its products would not be perceived as the ‘traditional’ ones by the consumers.¹²² The Commission contended that the main action is inadmissible as it is not produce any legal effects capable of affecting the applicants’ interests. The GC therefore declared the action as inadmissible, agreeing with the contentions of the EC.

EU LEVEL

In the EU level, nine objections were brought before the deadline of 29 February 2016. The British Government was the only EU nation that brought an opposition, with the British Government objecting on behalf of private companies, such as the John & Pascalis Ltd. Additionally, a group of European Dairy producers cooperating with the British Retail Consortium, a UK trade association also opposed the PDO application.¹²³ The other eight objections were filed by private companies trading *Halloumi* in the USA (1),¹²⁴ New Zealand (1), Australia (2), Kuwait (1) and Turkey (3).¹²⁵

⁹⁹ Ibid no 99, 3.

¹⁰⁰ Gisela Welz, European Products: Making and Unmaking Heritage in Cyprus (first published 2015, Berghahn Books, 2017), Chapter 5: ‘Origin Food’ The struggle over HALLOUMI, 105.

¹⁰¹ Gabriele Steinhäuser, ‘In Cyprus, New Cheese edict gets the Goat of Dairy Farmers – As world Hungers for Halloumi, Officials want less Cow’s Milk in Mix; Curdled History’ [2012] Wall Street Journal, 2.

¹⁰² Ibid.

¹⁰³ Gisela Welz, European Products: Making and Unmaking Heritage in Cyprus (first published 2015, Berghahn Books, 2017), Chapter 5: ‘Origin Food’ The struggle over HALLOUMI, 105.

¹⁰⁴ Gisela Welz, ‘Assembling HALLOUMI’ in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), Agri- environmental Governance as an Assemblage: Multiplicity, Power and Transformation (Routledge 2018), 78.

¹⁰⁵ Ibid no 106, 105.

¹⁰⁶ Quality Schemes Regulation, art 13(1) [b].

¹⁰⁷ Ibid, no 106, 106.

¹⁰⁸ Ibid no 106, 106.

¹⁰⁹ Constantinos Pitsillides, ‘Cyprus applies to protect Halloumi [9 July 2014] [http:// cyprus-mail.com/2014/07/09/cyprus-app- lies-to-protect-halloumi/](http://cyprus-mail.com/2014/07/09/cyprus-app- lies-to-protect-halloumi/) .

¹¹⁰ Gisela Welz, ‘Pure Products, Messy Genealogies. The Contested Origins of Halloumi Cheese’ in Sara May, and others (Eds), ‘Taste-Power-Tradition: Geographical indications as Cultural Property’ (2017) 10 Gottingen Studies in Cultural Property, 32.

¹¹¹ European Commission- Press Release, ‘Cyprus ‘Χαλλούμι (Halloumi)/ ‘Hellim’ cheese set to receive Protected Designation or Origin Status’ (28 July 2015).

¹¹² Single Document ‘ΧΑΛΛΟΥΜΙ’ (HALLOU- MI)/‘HELLIM, C246/9 (2015) Official Journal of the European Union.

¹¹³ Its original name is «Ένωση Κτηνοπαργαυγών και Κτηνοτρόφων».

¹¹⁴ Its original name is “Milk and Oil Products Production and Marketing Cooperative Ltd”.

¹¹⁵ As stated in the Protocol No 10 on Cyprus-Act of Accession 2003.

¹¹⁶ Ministerial Decree 327/2014 [9 July 2014].

¹¹⁷ Case no 564/2008 [Supreme Court Decision] 1. Turkish Co-operative Dairy Factory KOOPSÜT ORTAKÖY’ 2. Turkish Cypriot Chamber of Industry v 1. the Republic of Cyprus, Ministry of Agriculture through the Legal Service of the Republic, 2. The Attorney General of the Republic of Cyprus as a Representative of the Republic of Cyprus [11 Sep. 2008].

¹¹⁸ Sozos-Christos Theodoulou, ‘HALLOUMI: la propriété intellectuelle du fromage emblématique de Chypre’ [2016] Revue Francophone de la Propriété Intellectuelle 3, 104.

¹¹⁹ Stevenson P, ‘Say Cheese: halloumi mooted for confidence building’ (2013) The Cyprus Mail.

¹²⁰ Ministerial Decree No. 327/2014.

¹²¹ Case T-584/15, Case T-584/15 Pagkyprios organismos ageladotrofon Dimosia Ltd (POA) v European Commission [2016] EU:T:2016:510, para 8.

¹²² Ibid, para 44.

¹²³ EC – press release, ‘Cyprus ‘Χαλλούμι’ (Halloumi)/‘Hellim’ cheese set to receive Protected Designation of Origin status’ [28 July 2015].

¹²⁴ The Consortium of Common Food Name in the USA has filed the period

¹²⁵ Sozos-Christos Theodoulou, ‘HALLOUMI: la propriété intellectuelle du fromage emblématique de Chypre’ [2016] Revue Francophone de la Propriété Intellectuelle’ 3, 104.

4.2.2. Endeavours in overcoming the challenges

The Republic of Cyprus in coordination with the EC have been trying to find solutions to the main problems: (1) with the effective control system of the Turkish-Cypriots and (2) the struggle of the industrial producers of the *Halloumi* cheese in meeting the sheep and goat's milk demand, as specified in the PDO application and the '1985 standard'.

Regarding the 'control system' problem, the European Commission announced that a common understanding was reached in finding a temporary solution to the problem of finding an appropriate control mechanism for inspecting the Turkish Cypriot Producers of the 'Hellim' product. On 16 July 2015, the EC president Jean Claude announced the appointment of the Bureau Veritas, an independent responsible body to perform the official control tasks in the Northern part of Cyprus.¹²⁶ The reports made by the Bureau Veritas will be sent to competent authorities of the Republic of Cyprus and to the Commission.¹²⁷ In addition, on the same day of the publication of the official PDO application, the Commission adopted a proposal to amend the Green Line Regulation¹²⁸ for the purposes of facilitating trading activities on the island. This amendment is expected to provide an organised outline on the manner of functioning of the control mechanisms applied for goods in the north-part of Cyprus.

These measures were considered as a step forward in the commitment of both communities to work together on projects unifying the whole island, as Juncker has highlighted. The two leaders' understanding on the issue is highly symbolic, since *Halloumi* symbolises the "shared heritage of the island of Cyprus" as well as the link of both communities in Cyprus.¹²⁹ The EC Phil Hogan demonstrated the potential of the GI on creating new jobs and boosting farm income in rural areas across the EU.¹³⁰

In turn, the European Commission and the Cyprus Government has taken the above measures to deal with the problem of the failure of the cheese producers to meet the product specification. Firstly, by way of the Ministerial Orders No. 326/2014 and No. 325/2014, the Minister granted a ten-year transition period, aiming to help the cheese and goat farmers to reach the product specification gradually, starting by using 80% cow's milk and 20% sheep and goat milk. Meanwhile, he entered in a series of measures in order to enable producers and animal farmers to adapt their businesses into conforming to the new official standard. He has started to subsidize live-stock farmers, by giving the amount of € 26 per animal so that they can increase the necessary quantities of sheep and goats milk to replace the bovine milk within the industrial production.¹³¹ Also, by 2016 "the Government had secured 35 million euros" from the EC in order to implement the new policies aiming to achieve greater goats' and sheep's milk production.¹³² These measures are expected to increase the number of sheep and goats by 80,000, viz. growing from 370,000 to 450,000. Additionally, the AGRICYGEN partnership consisted of institutions on animal, plant and microbial genetic and genomics research from Cyprus, France, Scotland and Germany discovered a way to facilitate milk production. This was managed through genetic improvement of the local goat and sheep breeds and by

increasing the quality and production of local animal feed, given the unique conditions of the Cypriot agricultural systems.¹³³

4.2.3. Latest update: Three and a half years after the 2014 PDO application

The PDO application is a valuable protective tool for *Halloumi* Cheese, having a considerable impact on Cyprus' financial status and a boost of the farm income in rural areas across the EU. However, still in February 2019, the decision on whether to confer a PDO status on Cypriot *Halloumi* has been delayed due to political considerations. The minister of Agriculture, Costas Kadis, blamed the lack of progress on the problems concerning the Green Line Regulation and the Cyprus Problem.¹³⁴ This is arguably true, since if the situation with the island division was resolved, *Halloumi* would probably have been granted PDO status already.

On the other hand the delays and his inaction relating to the PDO application causes legal uncertainty in relation to the rights and obligations deriving from the use of the name *Halloumi* and contradicts the principles of good administration, legal assurance and sincere cooperation which should underpin the EU actions.¹³⁵

A direct consequence of the delay is the encouragement of new applications by third parties at a national, EU and international level. Moreover, more than 3000 sheep and goat farmers in Cyprus have faced enormous difficulties. It is infact those farmers that have made significant investments in recent years to modernise their units so that they can meet the expected demand and satisfy the product specifications on the 2014 PDO application.¹³⁶

Daniel Rosario, a spokesman representing the EU, announced that Brussels is in the process of examining objections submitted against *Halloumi*'s certification as a PDO, on the basis of the understanding reached on the issue in 2015 after the relevant meetings with Nicos Anastasiades and the Turkish-Cypriot 'leader' of the TRNC.¹³⁷ However, no answer was given on how the process would be speeded up.

The minister of Agriculture, Costas Kadis blamed the lack of progress on the problems concerning the Green Line Regulation and the Cyprus Problem.¹³⁸ This is arguably true, since if the situation with the island division was resolved, *Halloumi* would probably already have been granted a PDO status. On the contrary, several online newspapers reported that the delay over the process is due to the disagreement between the Government and the EC with the latter flirting with the idea of direct trade of the product for Turkish Cypriots.¹³⁹

Despite the temporary solution reached between Juncker and the two leaders, Nicosia has overturned the agreement framework reached by putting forward a set of conditions to it.¹⁴⁰ Cyprus' objections concerned several matters that were subsequently made known to the government and were deemed to downgrade the sovereign rights of the Republic of Cyprus.¹⁴¹ Firstly, Nicosia requested a modification of the Green Line regulation simultaneously with the approval of *Halloumi* as a PDO, so that the product produced by the Turkish-Cypriot Community can be exported from legal ports and airports of the

Republic of Cyprus. In the same vein, assurances were requested that the current procedure followed by the Commission on the *Halloumi* PDO, will not be repeated for other PDO applications submitted by Cyprus since Cyprus would enter into a complex process of debating with the 'TRNC' every time Cyprus would file a PDO application. Additionally, Nicosia objected to the executive role given to Brussels by the Commission's *Halloumi* proposal in the implementation of the *acquis Communautaire*. The last objection concerned the fact that the EC has requested that the annual reports be sent to it by the Bureau Veritas.¹⁴² According to the Cypriot Government this is another encroachment against Nicosia since normally the reports should be sent directly to the Government as the proper and relevant recipient and not to Brussels.¹⁴³

5. CONCLUSION

This article provides a thorough analysis of the current protection for *Halloumi* cheese under the trademark and geographical indications of origin 'umbrella', along with the challenges that halt the process of *Halloumi* cheese being sufficiently protected by intellectual property. Several observations are made at this stage, taking into account the cases of infringement, the loss of the UK as well as the challenges faced under the endeavours to acquire a PDO label. Subsequently, possible future steps or solutions to the problems identified are discussed, in the pursuit of establishing a more effective protection for *Halloumi* cheese in these fields of IP law.

5.1. Challenges under Trademark Protection: observations

All the parties' oppositions had the common ground of refusal of article 8 (5), regarding the reputation of the earlier marks '*HALLOUMI*'. As it was established in the previous analysis, for a TM to be regarded as reputed, the

proprietor needs to prove that the sign is used in a TM sense, viz. indicating a particular commercial origin or, in case of collective marks distinguishing the goods of the members of the association from those of other undertakings.

Based on the analysis of relevant case-law, my conclusion is that the *Halloumi* TMs does not satisfy the definition of a certification or a collective mark. The certification mark has been proven incapable of distinguishing goods which are certified in terms of the quality, materials and other characteristics from goods that are not so certified. Instead, only the geographical origin was distinguished, as the majority of the GC's decisions indicated the perception of the mark as a description of a specific cheese from Cyprus. In the same vein, the Collective mark has failed to distinguish goods of its undertaking from those of another undertaking. It is concluded that the term *Halloumi* has not been proven as a sign used in a TM sense. Hence, it fails to fulfil the requirement of relative ground of refusal of article 8 (5). As such, it is incapable of indicating in short form 'valuable information' about the origin of the product.¹⁴⁴

As deduced by the Court decisions, *Halloumi* TMs do not adequately fulfil the functions of a TM. In contrast, the word is presumed as denoting a description of a kind of a product since the majority of the relevant public perceives *Halloumi* in a generic context, merely as a description of a reputed kind of cheese produced under that name in Cyprus. This is demonstrated by the evidence submitted by Cyprus in the GC to prove the TMs' reputation. The articles regarding dairy production in Cyprus, export figures of *Halloumi* cheese, witness statements, documents from Cyprus Official records as wells as advertisements and online newspaper extracts regarding *Halloumi* indicate the increasing popularity and the longstanding use of the term as a peculiar cheese with specific characteristics coming from Cyprus.

¹²⁶ EC- Press Release, 'Cyprus 'Χαλλούμι (Halloumi)/ 'Hellim' cheese set to receive Protected Designation or Origin Status' [28 July 2015], 2.

¹²⁷ Ibid, 2.

¹²⁸ Council Regulation (EC) No 866/2004 of 29 April 2004 on a regime under Article 2 of Protocol 10 to the Act of Accession. It has been amended by the Commission implementing Regulation 2015/1472. Hereinafter referred in as "Green Line Regulation." The Green Line Regulation concerns the movement of goods and persons across the Green Line in Cyprus. This regulation is in force since the Cyprus' accession to the EU in 2004. An annual report on the implementation and the application of the Regulation is sent to the EC.

¹²⁹ EC- Press Release, 'Cyprus 'Χαλλούμι (Halloumi)/ 'Hellim' cheese set to receive Protected Designation or Origin Status' [28 July 2015], 1.

¹³⁰ Ibid.

¹³¹ Gisela Welz, 'Assembling HALLOUMI' in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), Agri- environmental Governance as an Assemblage: Multiplicity, Power and Transformation [Routledge 2018], 84.

¹³² Evie Andreou, '€35m to boost halloumi production' (2016) Cyprus mail <http://cyprus-mail.com/2016/10/04/e35m-boost-halloumi-production/>.

¹³³ Halloumi cheese gets a helping hand from science [2017] College of Medicine and Veterinary Medicine of Edinburgh University www.ed.ac.uk/medicine-vet-medicine/news-events/latest-news/halloumi-cheese-gets-a-helping-hand-from-science.

¹³⁴ Ibid.

¹³⁵ Evie Andreou, 'Halloumi PDO delay due to trade issues for Turkish Cypriots' [22 Feb 2019]. <https://cyprus-mail.com/2019/02/22/halloumi-pdo-delay-due-to-trade-issues-for-turkish-cypriots/>.

¹³⁶ Website of European Parliament: <http://www.europarl.europa.eu/doceo/>

document/P-8-2019-000484_EN.html.

¹³⁷ Evie Andreou, 'Halloumi PDO delay due to trade issues for Turkish Cypriots' [22 Feb 2019]. <https://cyprus-mail.com/2019/02/22/halloumi-pdo-delay-due-to-trade-issues-for-turkish-cypriots/>.

¹³⁸ Ibid no 139.

¹³⁹ Ibid no 140.

¹⁴⁰ Europe: Cyprus blames EU for taking too long over halloumi name protection [22 Feb 2019]. www.financialmirror.com/news-details.php?nid=36576.

¹⁴¹ Ibid.

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ G.E. Evans, 'The Strategic exploitation of Geographical Indications and Community Trade Marks for the Marketing of Agricultural Products in the European Union' in Peter K. Yu (ed), The WIPO Journal: Analysis of Intellectual Property Issues [2010] 1 W.I.P.O.J. 00, 161.

Under article 58(1) (b) EUTMR, a TM must not be generic. Specifically, a TM shall be revoked if, from the consumers’ perception it is designating a genus of type of product rather than a product from a specific source. This must be a result of the proprietors’ actions or inactions. Therefore, through this section’s analysis it is apparent that the *Halloumi* marks are capable of revocation under this ground. In addition to this, the *Halloumi* marks can be invalidated under article 7(1) (b) EUTMR, for lacking distinctive character (descriptive) and under article 7(1)(d) EUTMR as a mark that has become customary in the current language. As stated by the CJEU, it is important for a modern mark to function as a vehicle of communication, “*providing with various kinds of information on the goods identified by them.*”¹⁴⁵

Nevertheless, in the rearview mirror, the *Halloumi* TMs were arguably a good first step by the Republic of Cyprus towards establishment of sufficient protection for the traditional product. The UK Certification mark and the EU collective mark were solutions to *Halloumi* being IP-protected as these were reserving use of the mark to the authorized users who were complying with the specific quality and product-related requirements. However, these were misappropriated by the registration of slightly different TMs from those of the Republic of Cyprus (Government and the *Halloumi* Foundation), or the inclusion of such TMs in figurative ones and the labelling of different cheese products with varying flavors, shapes and qualities. Such extensive use of the name *Halloumi* has resulted in the genericness of the name. Such practice alongside the invalidation of the UK mark illustrates the weakness of TM protection of *Halloumi* cheese. Moreover, concerns are raised by actions of foreign companies such as GARMO AG for making use of the Turkish equivalent term of *Halloumi* as a marketing ploy for their products. TM protection does not cover such acts of unfair advantage and exploitation of cultural heritage.

Hence, protection of *Halloumi* cheese under TM law substantial loopholes, with the product being prone to violations and its name acquiring a generic nature.

5.2. Challenges under Geographical Indications of Origin: Observations

Due to the limitations of TM protection, the registration of *Halloumi* cheese as a PDO in the EU became a priority. Acquiring a protected designation of origin for the *Halloumi* cheese is likely the right way to secure the value and history of *Halloumi* cheese, establishing sufficient IP protection. A successful PDO registration is expected to secure a tool of marketing strategy, fair competition and rural development and as supported by Tunisia Staten, it is eligible for relief from acts of infringement.¹⁴⁶ In essence, it is easier to take legal action against any producer outside of Cyprus who unlawfully calls his/her product ‘*Halloumi*’ or ‘*Hellim*.’ Likewise, the producers themselves will be closely monitored so that the production process and the ingredients conform to the product specification of the application.

Despite the several advantages combined with the PDO registration, the PDO label *Halloumi* is still likely to face the problem of genericness, as the same problem was stressed by the GC in relation to the *Halloumi* TMs. In the same way article 58 EUTMR prohibits registration of a generic name as a TM, under articles 6 and 10 of Quality Schemes Regulation, generic names are prohibited from registration as PDO or PGI and it is also a ground for opposition. Article 3 of the Quality Schemes Regulation defines ‘a name that has become generic’ as the name of an agricultural product, which, ‘although relating to the place or the region’ of production or marketing, has become the common name of an agricultural product.

Solution to the ‘Genericness problem’

Nevertheless, in PDO and PGI protection, despite that in principle, registration is refused to geographical names that have become generic under article 3 of the Quality Schemes Regulation, fewer obstacles exist to recovering exclusive use of a name under PGI, than under TM.¹⁴⁷ In the cases of “Feta”, “Parmesan” and “Bayerisches Bier,” the CJEU has given a restrictive interpretation to the exclusion of generic names. To that effect, it has established that if the name reserves the ability to evoke the place of production, it will likely be accepted for registration. The closest example is the Feta case, where the court rejected claims that ‘Feta’ became the generic name for a type of soft, white

cheese and gave exclusive rights in the name to producers residing in Greece to market their products throughout the EU.¹⁴⁸

In establishing whether a name has become generic or not, the CJEU considered, inter alia, the following criteria; firstly; the determination of the degree of historic connection between a specific place and the origin of the product in question. Secondly, the product status under national law is considered, in the sense that the country’s government enacts legislation to protect the name, the traditional practices and locally sourced raw materials, as it was the case in 1998 for Feta in Greece.¹⁴⁹ Thirdly, the character and the size of the market are important factors, as in Feta case, 85% of Community consumption of Feta, per capita, took place in Greece with 10 kilos per person in a year. The pattern, character and duration of production, the consumer perception and marketing of the product were also taken into consideration.

Taking all factors into account, it is likely that the name *Halloumi* will carry a geographical and non-generic connotation. This is supported by these submissions; The biggest consumer of *Halloumi* cheese is Cyprus, followed by the UK; the Ministerial orders enacted by the Cyprus’ Government aiming to reach the desirable product specification which would be closer to the traditional mixture; the perception of the relevant public as a type of cheese, that is originated from Cyprus as suggested also by the Court. Ultimately, one may say that *Halloumi* is to Cyprus what Feta is to Greece: nothing more than a part of the country’s fabric and national history, worthy of protection.

6. PROPOSED FUTURE STEPS/ALTERNATIVES

Alternatives were proposed by several commentators, academics, and even interested parties to resolve the problems of product specification concerning the ingredients and the percentage of each type of milk contained in the product.

An alternative solution has been suggested by George Petrou, the President of the Cyprus Dairy Producers’ Association. That is, for the rubbery cheese to be registered as a PGI, instead of a PDO.¹⁵⁰ The difference between the PDO and the PGI, is that the main characteristic of a PGI product is a certain quality of feature that is attributable to its geographical origin, whereas a PDO product is exclusively determined by the geographical environment. This suggestion lies on the lower threshold that a product needs to satisfy to be protected as a PGI, compared to a PDO. As stated in section 4.1.1, the characteristics of the product are not the determining factors for registration of a PGI. Rather, proof of reputation of geographical origin by drawing on meaningful historical evidence is sufficient for a product to be registered as a PGI.

In addition, Christopher Pissarides has proposed a solution that could arguably resolve the dispute between the Cyprus’ government and the British company, as well as the Cattle farmers and goat and sheep milk producers.¹⁵¹ He suggested the submission of two separate PDO registration files for *Halloumi* cheese with the one including the label ‘*Halloumi*’ and no specification as to the kind of milk should be made of and the other including the label ‘*Village Halloumi*’ specifying that it will be solely produced

from goat and sheep milk. Interestingly, he paralleled this proposal with the Italian paradigm of Mozzarella cheese. For the Italians, Mozzarella is a cheese exclusively made from Italian buffalo’s milk. However, due to cows outnumbering the buffalo, internal disputes arose with Mozzarella made of a mixture of milks. In 1998, a solution was given by having two separate registrations for the cheese; Mozzarella is protected as ‘Traditional Specialities Guaranteed,’ specifying that the cheese is produced according to a traditional recipe, without however specifying the type of milk used. Also, a special PDO registration exists for the “Mozzarella di Bufala Campana,” covering only mozzarella cheese made solely from Buffalo milk which may only be produced in Campania region, where it originates. This is arguably a good proposal that could resolve the disagreements regarding the use of cow milk in the *Halloumi* production and the existence of different products with different compositions.

According to Gizela Welz,¹⁵² the insistence of putting the entire output in the PDO application resulted in giving the product only ‘a resemblance of traditionality.’¹⁵³ She added that the application should specify the cheese being made solely from goat and sheep milk, designating a regional product. One example is the designation for ‘*Halloumi* Paftiko,’ which is *Halloumi* made from the Paphos area. This would have been in accordance with the usual practice for applications throughout Europe. Another proposal was to register the product as ‘a cheese made with milk from free-range grazing animals in highland and mountain areas of Cyprus’.

Halloumi is more than a white cheese made in Cyprus; it is an indispensable part of the country’s (agri)cultural heritage. Although there is no magic formula to protect the product, it is important surpass legal hindrances and achieve a sustainable level of IP protection to the benefit not only of the country but also European heritage. What is of equal significance is the preservation of the value of the authentic *Halloumi*, as a cardinal element of the Island’s culture, so that imitation products do not misappropriate the authentic ones’ genuineness. As designations form part of a rich national heritage, which must be preserved according to the EP,¹⁵⁴ a positive response to the PDO application by the Commission is of paramount significance.



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¹⁴⁵ Case C-487/07 L’Oréal SA A Lancôme parfums et beauté & Cie Laboratoire Garnier & Cie v Bellure NV Malaika Investments Ltd Starion International Ltd [2009] ECR I-5185 ETMR 55, Opinion of AG Mengozzi at [54].

¹⁴⁶ Tunisia L. Staten, ‘Geographical Indications Protection Under the TRIPS Agreement: Uniformity Not Extension’ (2005) 87 J Pat. & Trademark Off Soc’y, 221, 222.

¹⁴⁷ G.E. Evans, ‘The Strategic exploitation of Geographical Indications and Community Trade Marks for the Marketing of Agricultural Products in the European Union’

in Peter K. Yu (ed), The WIPO Journal: Analysis of Intellectual Property Issues (2010) 1 W.I.P.O.J. 00, 172.

¹⁴⁸ Joined cases C-465/2002 and C-466/2002 Germany and Denmark v Commission (Feta) [2005] ECR I-9115.

¹⁴⁹ Ibid, no 146, 170.

¹⁵⁰ Anonymous, ‘ECONOMY: Cyprus loses halloumi trademark in the UK’ (6 December 2018). <http://www.financialmirror.com/news-details.php?nid=36246>.

¹⁵¹ CYPRUS: UK firm says it took halloumi trademark to save exports’, 11 December

2018 <http://www.financialmirror.com/news-details.php?nid=36246>.

¹⁵² Gisela Welz, ‘Assembling HALLOUMI’ in Jeremie Forney, Chris Rosin, Hugh Campbell (eds), Agri- environmental Governance as an Assemblage: Multiplicity, Power and Transformation (Routledge 2018) 90.

¹⁵³ Ibid, 91.

¹⁵⁴ Motion for a Resolution on Protecting Community productions of cheeses with designations of origin (28 April 1989) EEC Parliamentary Session Documents PE 128 390/Fin (withdrawn).



THE “MACEDONIAN” SAGA

What does the future hold for the “Macedonian” products of Greece and North Macedonia after the Prespa Agreement?

By Anna Sfetsiou

ABSTRACT

Rights about the commercial use of the name “Macedonia” have been the object of an ongoing dispute between Greece and North Macedonia for almost three decades. The issue was partially settled on 12 June 2018, when both countries agreed upon the terms of the Prespa Agreement. However, despite representing a long-awaited improvement, core aspects of the commercial use of the name “Macedonia” as trade mark and geographical indication are yet to be discussed. Even though the Agreement states that North Macedonia is required to change the name of all the official government and government related institutions, there is still uncertainty about how private companies may explore the name and its association with their products. In such cases, the Agreement relies on future negotiations between the two countries, an issue further clouded by North Macedonia’s plea to join the European Union. Specifically in the case of commercial names, trade marks, brand names and all relevant matters, it also provides for establishing an international group of experts, with representatives from both countries and transnational organizations. As the negotiations unfold, the future is still unclear.

1. INTRODUCTION

Heather Ann Forrest stated that “it is entirely possible that one State might choose to be identified in the same or similar way as another.”¹ This is what triggered the major conflict between Greece and the country constitutionally referred to as the “The Republic of Macedonia” (nowadays The Republic of North Macedonia). The naming dispute was reignited after the breakup of Yugoslavia and the former Socialist Republic of Macedonia’s newly gained independence in 1991. Since then, it has been an ongoing issue in bilateral and international relations until it was settled with the Prespa Agreement between the two countries in 2019. The Agreement was reached between the former Greek Prime Minister Alexis Tsipras and his Macedonian counterpart Zoran Zaev, on 12 June 2018. On 12 February 2019, and after the Agreement was ratified by both sides, it entered into full force.²

During the 28 years of this ongoing dispute, various issues have arisen concerning the use of the name “Macedonia”. The ratification of the Agreement as well as the upcoming entry of The Republic of North Macedonia into the European Union (EU) brought forward serious concerns regarding the use and the registration of the name “Macedonia” as a geographical indication (GI) and as a trade mark (TM) for several products and companies from both countries. The greatest concern for the entrepreneurs and producers of the two countries has been the confusion caused by the use of the same name “Macedonia” as an indication of their goods and services.³ Article 1(3) of the Prespa Agreement states that as far as TMs and brand names are concerned, the two sides agree to support and encourage their business communities in institutionalizing a structured and in good faith dialogue, in the context of which [they] will seek to reach mutually acceptable solutions on the issues deriving from commercial names, TMs, brand names, and all relevant matters at a bilateral and international level. For the implementation of the above-mentioned provisions, the Prespa Agreement further states that an international group of experts with representatives from both States will be established, in the context of the EU with the appropriate contribution of the United Nations (UN) and the International Organization for Standardization (ISO). The team of experts shall be established in 2019 and conclude its work within three years.⁴

The purpose of this article is to analyse the legal issues which arise as a result of products from both countries using the name “Macedonia”. The analysis is based on the TM and GI legislation as it has been formulated at international, EU and national levels. Relevant articles are used for the overall assessment of the topic. A brief historical background is provided administered for reasons of clarity and precision of the topic.

2. HISTORICAL BACKGROUND

The dispute first arose in 1991 between North Macedonia, then known as the Republic of Macedonia and the Greek region of Macedonia. Both parties claimed their ancestry from the ancient Greek kingdom of Macedon and Alexander the Great, who expanded the kingdom to Asia. However, what is left of the kingdom is the ancient Greek region of Macedonia, nowadays called Macedonia. Greece opposed the use of the name “Macedonia” due to historical, territorial and irredentist concerns. As millions of Greeks identify as Macedonians, unrelated to Slavs, Greece further objected to the use of the term “Macedonian” for the neighbouring country’s ethnic group and language. Greece also

reacted strongly to the appropriation of symbols and figures that are historically considered part of Greek culture such as the Vergina Sun and Alexander the Great. They also objected to the country promoting the concept of a United Macedonia, which involved territorial claims on Greece, Bulgaria, Albania, and Serbia. In 1995, the two countries established bilateral relations and committed themselves to starting negotiations on the naming issue under the auspices of the UN. Until a solution was found, the provisional reference “the former Yugoslav Republic of Macedonia” (FYROM) was used by multiple international organisations and states.⁵ Heather Ann Forrest states that the UN Security Council avoided making use of the country’s chosen name (“Republic of Macedonia”) when considering its membership application, instead recommending admission of the “State whose application is contained in document S/25147” and then recommended the use of the provisional name.⁶

Contrary to this situation, by January 2017, 137 countries had recognised The Republic of Macedonia under its constitutional name. On the other hand, attempts by the Republic to persuade international organizations to drop the provisional reference have been met with limited success. After 28 years of negotiations, proposals for the name, provisional measures and strategic policies (“Interim Accord”, “Antiquisation” policy etc.), a solution was finally found. On 12 February 2019, the Prespa Agreement entered into force. According to Article 1(a) of the Prespa Agreement, the official name of the Second Party shall be “The Republic of North Macedonia” and the short name shall be “North Macedonia”.⁷

3. “THE MACEDONIAN PRODUCTS”

The ratification of the Prespa Agreement and the establishment of the name “North Macedonia” for the neighbouring country brought to light various concerns about the future of the Greek Macedonian products. Even though the Agreement states that North Macedonia is required to change the name of all official government and government related institutions, this is not the case regarding the use of the name “Macedonia” for private companies. When it comes to the use of the name as a TM and as a GI the Agreement states that such issues will be settled through negotiations between the two parties (inter partes).⁸

For years, the undertakings of both countries have registered or used TMs with the term “Macedonia” to distinguish their products and services from others. According to the Chamber of Commerce and Trade of Thessaloniki, the name “Macedonia” features in the brands of 182 Greek companies of all sectors and 39 companies of the food and agriculture sector. Additionally, over 4000 Greek businesses use the term “Macedonia” to identify and describe their products.⁹ Regarding the food products, some of the most famous and well known under the name “Macedonia” are the Macedonian (Florina) peppers, the Macedonian Halva and other food products such as tahini (sesame paste), jams, spoon sweets, stewed fruits, etc. Similarly, there are a great number of companies such as “MEVGAL, the Macedonian Milk Industry”, “HALVATZIS Makedoniki”, “MAKAL” Macedonian asparagus, etc.¹⁰ In recent publications in the Greek press, the former Deputy Minister of Development and Economy,

¹ Heather Ann Forrest, “Protection of Geographic Names In International Law and Domain Name System Policy”, Wolters Kluwer Law & Business, 2013, p. 180.

² “Macedonia naming dispute”, https://en.wikipedia.org/wiki/Macedonia_naming_dispute [accessed 21 October 2019].

³ “Firms with Macedonia-related names need to clinch rights”, e-kathimerini, <http://www.ekathimerini.com/237308/article/ekathimerini/business/firms-with-macedonia-related-names-need-to-clinch-rights> [accessed 21 October 2019].

⁴ “Macedonia - Greece Agreement”, Virtual Macedonia, <https://vmacedonia.com/politics/macedonia-greece-agreement.html> [accessed 21 October 2019].

⁵ “Macedonia naming dispute”, Wikipedia, https://en.wikipedia.org/wiki/Macedonia_naming_dispute [accessed 21 October 2019], also “The Issue of the Name of North Macedonia”, Hellenic Republic, Ministry of foreign affairs, <https://www.mfa.gr/en/the-question-of-the-name-of-the-republic-of-north/> [accessed 14 November 2019].

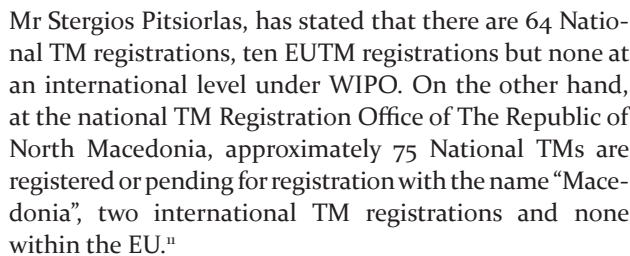
⁶ Heather Ann Forrest, “Protection of Geographic Names In International Law and Domain Name System Policy”, Wolters Kluwer Law & Business, 2013, p. 186.

⁷ “Macedonia naming dispute”, https://en.wikipedia.org/wiki/Macedonia_naming_dispute [accessed 21 October 2019].

⁸ “The Agreement explained simplified”, Virtual Macedonia, <https://vmacedonia.com/politics/opinions/prespaagreement-explained-simplifiedpart1.html> [accessed 21 October 2019].

⁹ “What is the future of the Macedonian products and trade marks” (Greek article), in.gr <https://www.in.gr/2019/01/29/politics/diplomatia/ti-tha-ginei-ta-makedonika-proionta-kai-ta-emporika-simata/> [accessed 21 October 2019].

¹⁰ “The threat for the Greek Macedonian products” (Greek article), newsbeast.gr, <https://www.newsbeast.gr/weekend/arthro/3731843/i-apili-gia-ta-ellinika-proionta-tis-makedonias> [accessed 21 October 2019].



Recently, Chinese authorities have rejected a Greek company's request for the use of the term "Macedonian" on its products, on the grounds that it cannot be used without the permission of North Macedonia.¹² Under these circumstances, the fear of the Greek Macedonian producers that they will no longer be able to use the name "Macedonia" for their products after the ratification of the Agreement, is not without due cause. Furthermore, of foremost concern is the existence and use of unregistered TMs from Greek Macedonian businesses and the need to secure them under the current legislation within the markets. The likelihood of confusion of the products and services between the companies and enterprises of the two countries is the biggest fear. The size and the reputation of the enterprises as well as their activity within the markets in an EU and international level will play a decisive role in the confusion.

Although the EU has always been reluctant to protect the products (especially wines) of North Macedonia due to existing protection for Greek Macedonian wines in the EU, the latest incident raised concerns regarding the GI

“what Greek Macedonia producers want is for the wines from North Macedonia to be called just that, and for Greek wines to be called Macedonia wines, which is how they’ve been “patented” in the EU for 20 years now.”⁷

As previously stated, both countries have registered the term “Macedonia” as GIs for their products, especially for wines. Particularly in the past, when the constitutional name of the Republic of North Macedonia was “The Republic of Macedonia”, many local wine producers have been using and protecting the term “Macedonia” for their wines as national GIs.

Similarly, wine production all over the Greek Macedonian region (Drama, Thessaloniki, Kozani, Naousa, Halkidiki, etc.) has flourished since the nineties.¹⁹ A great number of Macedonian wines throughout the region have been protected under the PGI Macedonia and other district PGIs such as PGI Kozani and PGI Halkidiki, etc. The PGI Macedonia zone in northern Greece, established in 1989, comprises the following 13 districts: Grevena, Drama, Imathia, Thessaloniki, Kavala, Kastoria, Kilkis, Kozani, Pella, Pieria, Serres, Florina, Halkidiki. Thus, the wines of PGI Macedonia are produced by 20 wineries within the zone and by two more outside it.²⁰

Under the EU, national, and international legislation regarding the protection of GIs, homonymous GIs are those that are spelled or pronounced alike, but which identify products originating in different places, usually in different countries. According to legislation, GIs could be either wholly or partly homonymous.²¹ The definition strongly reflects the current situation where the term “Macedonia” is spelled and pronounced similarly but refers to different places. As simple as it might seem, the existence of the homonymous “Macedonia” GIs in the same

[A] name for which an application is submitted and which is wholly or partially homonymous with a name already registered under this Regulation shall be registered with due regard to local and traditional usage and any risk of confusion. A homonymous name which misleads the consumer into believing that products come from another territory shall not be registered even if the name is accurate as far as the actual territory, region or place of origin of those products is concerned.

Similarly, in national legislation, Article 234 of the Law of Industrial Property of The Republic of North Macedonia, states that

*"if the names of two or more places of origin of products are identical or almost identical, in writing, the protection of such names with geographical indication or appellation of origin shall be approved to all persons that meet the requirements under this Law and if these names are used in accordance with good business practices as well as on the principle of equality of the producers at the market and truthful informing of the customer, except if it might mislead the public regarding the geographical origin."*²³

Once the Republic of North Macedonia enters the EU, all of the above-mentioned national GIs will be registered and protected under the EU Regulations. This has been the case in the *Budějovický Budvar* case (C-478/07) where the Court of Justice of the European Union (CJEU) ruled that the aim of Regulation No 510/2006 is not to establish, alongside national rules which may continue to exist, an additional system of protection for qualified GIs, but to provide a uniform and exhaustive system of protection for such indications.²⁵ In light of this, questions arise regarding the future of these GIs since they could possibly be rejected under the rules of homonymous GIs.

1308/2013 Of The European Parliament and
The Council of 17 December 2013
establishing a common organisation of the
markets in agricultural products and
repealing Council Regulations (EEC) No
922/72, (EEC) No 234/79, (EC) No 1037/2001
and (EC) No 1234/2007.

²³ Article 234, Law on Industrial Property by the Former Yugoslav Republic of Macedonia (2009), (nowadays North Macedonia).

²⁴ "Who's allowed to sell 'Macedonian wine?', dw.gr, <https://www.dw.com/en/whos-allowed-to-sell-macedonian-wine/a-48040910> (accessed 21 October 2019).

25 C-478/07- Budějovický Budvar, Judgment of
the Court [Grand Chamber] of 8 September
2009, Budějovický Budvar, národní podnik v
Rudolf Ammersin GmbH,
ECLI:EU:C:2009:521, para. 95.

²¹ "Frequently Asked Questions: Geographical Indications", WIPO, https://www.wipo.int/geo_indications/en/faq_geographicalindications.html [accessed 21 October 2019].

²² Article 100 of the Regulation (EU) No

Michael Blakeney states that

*“conflicts typically arise where products on which homonymous GIs are used, are sold into the same market. The problem is accentuated where the homonymous GIs in question are used on identical products. Honest use of such GIs should be possible, because the indications designate the true geographical origin of the products on which they are used. However, concurrent use of homonymous GIs in the same territory may be problematic where the products on which a GI is used have specific qualities and characteristics which are absent from the products on which the homonym of the GI is used.”*²⁶

In this case, the use of the homonymous GI would be misleading, since expectations concerning the quality of the products on which the homonymous GI is used are not met.

According to the Prespa Agreement, both parties agree that their strategic cooperation shall extend to all sectors such as trade, economy, agriculture, etc. In conjunction with that, it must not be forgotten that the two countries are neighbouring and thus there are many geomorphological commonalities which could be of relevance when it comes to the different grape varieties of the wines produced. In that view, the misleading character of the homonymous GIs becomes even greater, thus it is highly unlikely that the two countries will find a way for their homonymous GIs to coexist when sharing the same markets without misleading the average consumer about the true origin of the products.

5. TM PROTECTION FOR “MACEDONIA”

5.1 Descriptive character

For years, the protection of TMs with the term “Macedonia” from Greek Macedonian producers has been more or less neglected, even though the solution of the naming dispute between the two countries has been pending.

There have been only a few national and EU registrations of TMs compared to the number of unregistered TMs. After the breakup caused by the ratification of the Prespa Agreement, great attention was paid to the importance of registering and protecting TMs with the name “Macedonia” from the Greek Macedonian producers and entrepreneurs. The Greek government encouraged the producers to proceed to the filing of applications at the EUIPO (European Union Intellectual Property Office) and the national office for the registration of TMs.²⁷ Given the Greek Macedonian producers’ fear of losing the right to use the term “Macedonia” to designate their products and the need for Greece to expand their commercial activities within the EU, the Greek government stated that it will support the Greek Macedonian producers who wish to promote their products under the name “Macedonia”.²⁸ Also the use of the designation “Central” for Greek Macedonian TMs was suggested in order to create a distinction between the country and the Greek region. That was the case in a recently filed application for a national TM under the name “AG| CLUSTER Agri-food Cluster of Central Macedonia”.²⁹ In addition, a number of campaigns started with the aim of raising awareness of the brand name “Macedonia” and advertising the Greek region.³⁰ For that purpose, a new logo has been created consisting of the Greek letter “μ” and the phrase “Macedonia, the divine great land”.³¹

On the other side, North Macedonia has been actively filing applications for registrations of TMs with the term “Macedonia” for products and services in both a national and an international level under the Madrid System. A number of them were refused, such as the combined national marks “Cabernet Sauvignon Macedonia” and “Chardonnay Macedonia” for wines while others, such as the combined mark “Macedonia” for the services in class 39 and 41 of the Nice classification system, were registered.³²

Under these circumstances, questions arise regarding the validity of such marks in relation to the absolute

grounds for refusal, both on a national and on the EU level. Will a TM with the term “Macedonia” be registerable or will it be refused?

The EU position was formulated by the General Court as follows:

*“In the EU, it is established that it is in the public interest that geographical indications remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods or services concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods or services with a place that may give rise to a favourable response.”*³³

Under the EUTMR, TMs consisting of geographical terms are considered to be descriptive as well as not inherently distinctive and thus cannot be registered as TMs. Such is the case also in the national legislation for the protection of TMs in both countries, where accordingly TMs with geographical names fall under the scope of the absolute grounds for refusal. Similarly, according to the EUIPO Guidelines for Examination (Trade Marks and Designs), descriptive terms can consist of geographical terms, which are described as every existing name of a place, for example a country, city, lake or river. This list is not exhaustive. Adjectival forms are not sufficiently different from the original geographical term to cause the relevant public to think of something other than that geographical term. In assessing the registration of a geographical term as a mark, the assessment is whether the term describes objective characteristics of the goods or services.³⁴

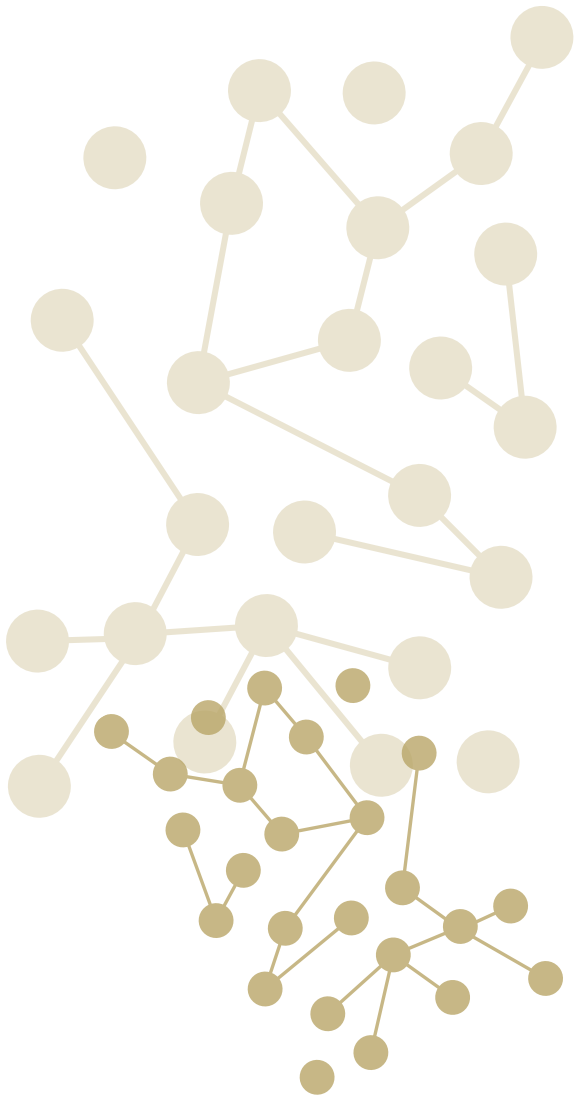
The first step in assessing a geographical term is to determine whether it is understood as such by the relevant public. Article 7(1)(c) EUTMR³⁵ does not in principle preclude the registration of geographical names that are unknown to the relevant public — or at least unknown as the designation of a geographical location. Whether or not this is the case will be determined by taking as a basis a reasonably well-informed consumer who has sufficient common knowledge but is not a specialist in geography. For an objection to be raised, the Office must prove that the geographical term is known by the relevant public as designating a place.³⁶

Additionally, under the provisions of the EUTMR and national laws, TMs consisting of or containing geographical terms such as the name “Macedonia” can be registered only when they are considered to be distinctive. In particular, distinctiveness for this category of TMs could either be acquired through use or when the geographical term is accompanied by other distinctive terms such as figurative marks, other words, slogans, etc. A lucid example of such practice is the figurative TM “Haitoglou, Macedonian Halva” which has been successfully registered in the EUIPO and other national offices (France, Sweden, Italy and the United Kingdom). The TM is considered to be distinctive since the term “Macedonia” is accompanied by other terms which are inherently distinctive when assessed in relation to the perception of the average consumer. The TM also contains a figure of a woman wearing a traditional costume indicating that the product derives from the Greek

region Macedonia. The figure is characteristic in a way that the average consumer would directly link the mark with the product. Additionally, Macedonian Halva has been intensely marketed and advertised in various countries within the EU; therefore, acquired distinctiveness could be a tenable argument when assessing the validity of the TM.³⁷

At this point it is worth stating that in establishing acquired distinctiveness, account may be taken of, inter alia, the following factors:

*“the market share held by the mark with regard to the relevant goods or services; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark for the relevant goods or services; and the proportion of the relevant public who, because of the mark, identifies the goods or services as originating from a particular undertaking.”*³⁸



²⁶ Michael Blakeney, “The Protection of Geographical Indications, Law and Practice”, Elgar Intellectual Property Law and Practice Series, 2014, p. 26.

²⁷ “Firms with Macedonia-related names need to clinch rights”, e-kathimerini <http://www.ekathimerini.com/237308/article/ekathimerini/business/firms-with-macedonia-related-names-need-to-clinch-rights> [accessed 21 October 2019].

²⁸ “The 5 commitments made by Mitsotakis regarding the Macedonian products” [Greek article], protothema.gr, <https://www.protothema.gr/politics/article/877661/pede-desmeuseis-mitsotaki-gia-ta-makedonika-proioda/> [accessed 21 October 2019].

²⁹ TM View Database, <https://www.tmdn.org/tmview/welcome> [accessed 21 October 2019].

³⁰ “Macedonian products are Greek products”,

Macedonian Products made in Greece, <https://www.macedonianproducts.gr> [accessed 21 October 2019].

³¹ “Thessaloniki, this is the logo for the Macedonian products”, star.gr, <https://www.star.gr/eidiseis/politiki/477903/to-logoty-po-gia-ta-makedonika-proionta-ths-ella-das> [accessed 21 October 2019].

³² TM View Database, <https://www.tmdn.org/tmview/welcome> [accessed 21 October 2019].

³³ T-197/13, MONACO, Judgment of the General Court of 15 January 2015 — MEM v OHIM (MONACO), EU:T:2015:16, para. 47.

³⁴ Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, The Protection of Country Names Against Registration and Use as Trademarks, WIPO/STrad/INF/7, p. 4.

³⁵ Article 7(1) (c), Regulation (EU) 2017/1001 of

the European Parliament and of the Council 14 June 2017 on the European Union trade mark.

³⁶ T-379/03, Cloppenburg, Judgment of the General Court (Second Chamber, Extended Composition) of 25 October 2005, EU:T:2005:373, para. 36.

³⁷ “Macedonian Halva”, eSearch Plus, <https://euipo.europa.eu/eSearch/#details/trademarks/004039186> [accessed 21 October 2019].

³⁸ C-108/97 and C-109/97, Chiemsee, Judgment of the Court of 4 May 1999 Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots- und Segelzubehör Walter Huber and Franz Attenberger, EU:C:1999:230, para. 31.

5.2 Geographical indications vs. trade mark protection

As previously mentioned in Section 4, both countries have put great emphasis on the protection of the geographical indication “Macedonia” for agricultural products and wines. On that basis, questions arise regarding the future of TMs consisting of or containing PGIs and PDOs of the name “Macedonia”.

Under the Article 7(1)(j) of the EUTMR, TMs consisting of or containing PGIs and PDOs cannot be registered for goods identical or comparable to the products protected under the PGI or PDO. The provision concerns only PGIs and PDOs which have been registered in the EU or have been registered in a national office of a non-EU country which has signed a trade agreement with the EU. National non-EU PGIs and PDOs enjoy protection only on a national level and thus only national TMs applications could be refused under similar provisions. Nevertheless, such TMs may be considered descriptive and/or deceptive under Article 7(1)(c) and (g) of the EUTMR as seen above.³⁹

In 2001, North Macedonia signed a Stabilisation and Association Agreement with the EU which regulates the protection and control of wine names. In particular, according to Article 6 in Annex II of the Additional Protocol of the Interim Agreement, the registration of a TM for wine which contains or consists of a protected name under the Agreement shall be refused or at the request of the party concerned, invalidated. The Agreement concerns wines originating from the two contracting parties, namely the EU and the Republic of North Macedonia.⁴⁰

In addition, according to the Article 177(1)(8) of the Law on Industrial Property of North Macedonia,

“[A] TM which contains or consists of a geographic sign which serves to signify wines or other strong alcoholic drinks, if the reported sign refers to wines or alcoholic drinks which are not from that geographical area shall be refused.”⁴¹

In 2018, following these provisions, a national application for the word mark “WINES OF MACEDONIA” for wines was refused by the national office of North Macedonia. As mentioned previously, the TMs “Cabernet Sauvignon Macedonia” and “Chardonnay Macedonia” for wines have also been refused. Under these circumstances it becomes clear that TMs containing the PGI or PDO “Macedonia” for wines will be refused or invalidated either as national marks or within the EU even now that North Macedonia’s accession to the EU is pending.⁴²

As far as it concerns other agricultural products, the provisions of the EU Regulations would cover only PGIs and PDOs of the name “Macedonia” for Greek products such as the small “Florina peppers”, “Kozani crorcus” or

the “Macedonian Ouzo”. That is the case since Greece is officially a Member State of the EU and all the national PGIs and PDOs have been accepted and protected under the EU Regulations. Regarding the agricultural products of North Macedonia, no trade agreement concerning the protection of PGIs for agricultural products exists with the EU. As a result, protection of the PGI for the Macedonian salad “Ajvar” does not exist within the EU and TMs which identify identical or comparable goods can be registered in the EUIPO.

5.3 “Macedonia” as a country name

One of the intriguing issues when it comes to TMs with the term “Macedonia” is that, first and foremost, the term constitutes part of the official name of the “Republic of North Macedonia” under Article 1(3)(a) of the Prespa Agreement. As stated above, before the Agreement the constitutional name of the country “The Republic of Macedonia” had been recognized by a significant number of countries. Furthermore, many used the short term “Macedonia” to describe the country, contrary to the provisional reference FYROM. Although there are no provisions under the EUTMR and the international agreements providing specific grounds for the refusal and invalidation of TMs consisting or containing country name, such provisions are found in the national laws of the two countries, namely Greece and North Macedonia.

Article 177(1)(10)(11) of the Law on Industrial Property of the Republic of North Macedonia states that:

“[A] sign which contains name or abbreviated name of a country shall not be protected by a TM, except with authorization from the competent authority of the country. In addition to that, a sign which contains the name or abbreviation of that name, of the Republic of Macedonia, as well as their imitations, shall not be protected by a TM, except with authorization from a competent state administrative body.”

A similar provision is found in Article 123(3)(a) of the Greek Law No 4052/2012, in which it is stated that names of States shall be refused from registration as TMs:

“This prohibition includes in practice, not only the official or formal name, but also the common name, the translation, transliteration of that name, as well as the abbreviated name of the State.”⁴³

In addition, the Greek office refuses ex officio TM applications which consist solely or are comprised of a country name, based on an absolute ground of refusal. Nevertheless, governments officially represented can oppose or request cancellation of possible accepted TMs including their country names.

It is common knowledge in most jurisdictions that the relevant time for the assessment of the validity of a TM under the absolute grounds for refusal is the time of application of the TM. Consequently, the evaluation of validity must be based on the existing name of the country at the time of application and thus the former versions of it before the Prespa Agreement.

It follows that the two countries will face difficulties when it comes to the registration and validity of national TMs containing the term “Macedonia”. Taking into account the commercial collaboration of the two countries and the number of Greek Macedonian companies trading in the markets of North Macedonia, national TM registrations are common practice. In particular, the economic relations and cooperation of the two countries have resumed to such an extent that Greece is now considered one of the Republic’s most important foreign economic partners and investors.⁴⁴ Even though up until today, there is no evidence of a “Macedonia” national TM invalidation or refusal under the aforementioned provisions, this is not an unlikely scenario in the future.

6. TRADE MARK CONFLICTS BETWEEN THE COUNTRIES

One of the biggest concerns after the Prespa Agreement is the possible TM conflicts between the two countries, mostly after the entrance of the Republic of North Macedonia in the EU. In view of that, lawyers and legal practitioners in Greece encourage entrepreneurs to file applications in the EUIPO in order to secure their priority in relation to upcoming registrations from North Macedonian businesses. As long as the three years’ time-period is pending, priority will play a detrimental role when it comes to TM conflicts since both parties will try to claim their priority first for TMs with the term “Macedonia”.⁴⁵

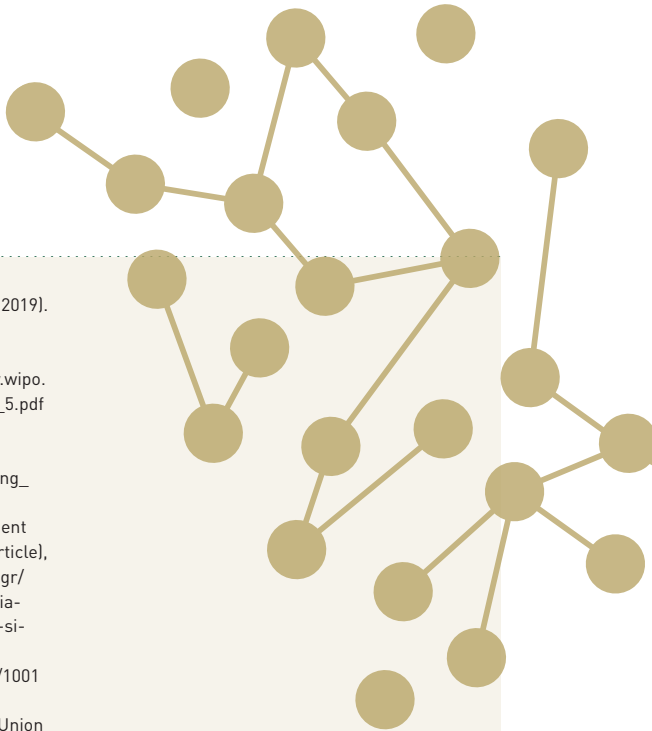
The right to priority is found in Article 4 of the Paris Convention:

“[any] person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a TM, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed.”

Similarly, the right to priority is found in Article 8(2) of the EUTMR:⁴⁶

“[W]here earlier TMs are defined as TMs with a date of application for registration which is earlier than the date of application for registration of the EUTM. Such TMs could be:

- (i) EUTMs;
- (ii) TMs registered in a Member State, or, in the case of Belgium, the Netherlands or Luxembourg, at the Benelux Office for Intellectual Property;
- (iii) TMs registered under international arrangements which have effect in a Member State;
- (iv) TMs registered under international arrangements which have effect in the Union.”



³⁹ Article 7(1) (c) and (j) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council 14 June 2017 on the European Union trade mark.

⁴⁰ Interim Agreement between the European Community and the former Yugoslav Republic of Macedonia, on reciprocal, recognition, protection and control of wine names and the reciprocal recognition, protection and control of designations for spirits and aromatised drinks (Annex II, III). “Wine Bilateral Agreements with third countries”, https://ec.europa.eu/agriculture/wine/third-countries_en (accessed 21 October 2019).

⁴¹ Article 177(1) (8), Law on Industrial Property by the Former Yugoslav Republic of Macedonia (2009), (nowadays North Macedonia).

⁴² TM View Database, <https://www.tmdn.org/>

tmview/welcome (accessed 21 October 2019).

⁴³ “Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications”, https://www.wipo.int/edocs/mdocs/sct/en/sct_38/sct_38_5.pdf (accessed 14 November 2019).

⁴⁴ “Macedonia naming dispute”, https://en.wikipedia.org/wiki/Macedonia_naming_dispute (accessed 21 October 2019).

⁴⁵ “St. koutchohinas, the Prespa Agreement and the value of trademarks”, (Greek article), Economy 365, <http://www.economy365.gr/article/85940/st-koytsohinas-h-symfonia-ton-prespon-kai-i-axia-ton-emporikon-simaton> (accessed 21 October 2019).

⁴⁶ Article 8(2) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council 14 June 2017 on the European Union trade mark.

Furthermore, the EUIPO, when assessing a TM application, recognizes not only a priority claim but also a seniority claim and an exhibition priority claim. In particular, a TM proprietor can claim the seniority of the TM when the proprietor already holds a prior identical national or international TM registration with effect in one or several Member States for identical goods or services. The proprietor can raise the claim even if the earlier TM has not been renewed. In addition, a TM proprietor can claim priority when he/she has displayed goods or services under the mark applied for at an officially recognised exhibition.⁴⁷

From the aforementioned, it becomes clear that when an earlier TM is similar or identical to a later mark for goods and services that are similar or identical, the earlier mark will prevail. This is also found in Article 60(1)(a) of the EUTMR where it is stated that a EUTM shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings where there is an earlier TM as referred to in Article 8(2) and the conditions set out in paragraph 1 or 5 of that Article are fulfilled.⁴⁸

Once the Republic of North Macedonia becomes a Member State of the EU, the proprietors of national TMs could claim their seniority from the TM registrations in the national office. This could constitute an obstacle taking into consideration the amount of Greek “Macedonian” unregistered TMs contrary to the number of national TM registrations from North Macedonian entrepreneurs. Besides that, likelihood of confusion between the marks and the goods and services must be established when it comes to infringement cases.

As means of defence and possible grounds for opposition, Greek Macedonian producers who use the term “Macedonia” in the course of trade, but have not yet registered their marks at a national or international level, could still claim protection. In particular, under article 8(4) of the EUTMR

*“upon opposition by the proprietor of a non-registered TM or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to Union legislation or the law of the Member State governing that sign: (a) rights to that sign were acquired prior to the date of application for registration of the EUTM, or the date of the priority claimed for the application for registration of the EU trade mark; (b) that sign confers on its proprietor the right to prohibit the use of a subsequent TM”.*⁴⁹

In other words, Greek Macedonian producers who use unregistered TMs could oppose the registration of an EUTM when priority is established and when such marks could be protected under Greek TM law, namely Article 124 (3) (a) of the Law No. 4072/2012 on Trademarks.

In conjunction with that, one of the most prominent requirements of Article 8(4) of the EUTMR is the existence of prior use of the TM in the course of trade where there is more than mere local significance. According to the guidelines of the EUIPO the criterion of

*“‘more than mere local significance’ is more than just a geographical examination. The economic impact of the use of the sign must also be evaluated. For such evaluation various factors such as the intensity of use (sales made under the sign), the length of use, the spread of the goods (location of the customers) and the advertising under the sign and the media used for that advertising, including the distribution of the advertising are taken into account.”*⁵⁰

For Greek Macedonian producers who have already established a strong and stable presence in the Greek markets and more specifically in Macedonia, reaching the threshold of the criterion would be feasible. Great examples of well-known Greek Macedonian companies are “MEVCAL” and the famous wine producer “BOUTARIS” whose products are sold and exported not only in Greece but also in EU countries. Following that, increasing the advertising campaigns and sales of Greek Macedonian companies as well as raising awareness about unregistered TMs would be beneficial alongside their registration at the EUIPO.

7. CONCLUDING REMARKS

According to Heather Ann Forrest,

*“the naming dispute was a unique constellation as it has highlighted the importance of a country’s sovereignty which gives the State not only the authority to choose a name, but also to limit others’ use of the selected name within its territory.”*⁵¹

In this case, a fair balance had to be made between the two countries. After the Prespa Agreement and the final solution of the naming dispute, a new conflict arose regarding the products of the two countries and the use of the name “Macedonia” to identify them.

In a series of recent upcoming new items and opinions regarding the future of these products, some of the important aspects of TM and GI law regarding the aforementioned conflict have been highlighted; the difficulties of reaching the threshold of coexistence between the homonymous GIs; the problem of assessing the validity of TMs consisting of or containing the geographical name “Macedonia”; the possible ways of avoiding refusal under the absolute grounds for refusal; and the importance of priority when TMs are in conflict. With that in mind, it is not much to suggest that the “Macedonian” products conflict has been a great example of the importance of IP rights in our lives. TM and GI protection play a significant role not only in the economic and commercial development of a country but also its need to secure social, cultural, and historical values that lay under one name, in this case the name “Macedonia”. In addition, given the number of agricultural products designated by the name “Macedonia”, one can see the intrinsic connection between TM and GI protection on the one hand and the food and agricultural production of a country, on the other. As in any other TM or GI dispute, the assessment of the conflicting factors will be on a case by case basis. During this process, it is possible for both parties to aim for mutually beneficial solutions based on the common need for a distinction between the “Macedonian” products of each country. Even though no safe conclusions can be drawn since the dispute is pending, the analysis provides a solid framework of the application of legal IP rules in “Macedonia” conflict between the two countries and the difficulties

that may arise. Lately, the Greek Prime Minister Kiriakos Mitsotakis has made clear to the Prime Minister of North Macedonia, Zoran Zaev that the biggest priority after the Prespa Agreement is to find a solution regarding the TMs and GIs with the name “Macedonia”.⁵² In the meantime, the entrance of North Macedonia to the EU is still pending with the Greek Prime Minister reluctant in absence of safe solutions regarding the future of the “Macedonian” products. Also, given France’s veto to North Macedonia’s accession to the EU, one could easily notice the important role of the TM and GI conflict in the future of a whole country.⁵³ Could TM and GI protection have a bigger role from a political perspective as well? What would the team of experts bring to the table regarding the “Macedonian” products conflict? Will the two countries still be able to use the term “Macedonia” to identify their products or will the right to use and register the term be granted to only one of them? Lastly, could this conflict between the two neighbouring countries be the cause of new amendments in TM and GI legislation? The outcome of the conflict is yet uncertain and only the future will tell if the conclusions of this article were drawn correctly and in the right direction.



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⁴⁷ EUIPO PPT “How to avoid deficiencies RCD”, Seminar IP For You, Athens 8 October 2019 and “Application and Registration Procedure”, EUIPO, <https://euipo.europa.eu/ohimportal/en/application-procedure> (accessed 18 November 2019).

⁴⁸ Article 60(1)(a) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council 14 June 2017 on the European Union trade mark.

⁴⁹ Article 8(4) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council 14 June 2017 on the European Union trade mark.

⁵⁰ EUIPO Trade Mark Guidelines, Part C, Section 4, <https://guidelines.euipo.europa.eu/1004922/903985/trade-mark-guidelines/section-4-rights-under-article-8-4--and-8-6--eutmr> (accessed 21 October 2019).

⁵¹ Heather Ann Forrest, “Protection of Geographic Names In International Law and Domain Name System Policy”, Wolters Kluwer Law & Business, 2013, p. 180.

⁵² “Mitsotakis to Zaev, I wouldn’t sign the Prespa Agreement”, (Greek Article), iefimerida.gr, <https://www.iefimerida.gr/politiki/kyriakos-mitsotakis-zoran-zaef-syneleysi-toy-oie> (accessed 21 October 2019).

⁵³ “France halts EU enlargement”, euractiv.com, <https://www.euractiv.com/section/enlargement/news/france-halts-eu-enlargement/> (accessed 21 October 2019).

European copyright law and the text and data mining exceptions and limitations

In light of the recent DSM Directive, is the EU approach a hindrance or facilitator to innovation in the region?

By Charlotte Gerrish and Anders Molander Skavlan

ABSTRACT

The newly adopted European Union (EU) Directive on copyright and related rights in the Digital Single Market¹ (DSM Directive) provides for text and data mining (“TDM”) exceptions for the first time at an EU legislative level. The TDM provisions are a step in the right direction, but the situation remains uncertain for innovators and researchers alike.² The DSM Directive’s TDM provisions demonstrate the EU legislature’s lack of understanding of the technical realities of TDM, and the financial and contractual limitations which are faced by those performing such processes, especially companies etc. in the start-up phase. Through these provisions, the EU has made it difficult for valuable TDM output to originate from European-based operators. To drive innovation in the EU and further the commitment to the digital single market, it would have been more desirable for the EU to implement a broad, all-encompassing TDM exception, not been capable of being overridden³ nor subject to caveats, as is the case in other key innovative jurisdictions. By creating and maintaining a restrictive environment for TDM, which is often a key component of Artificial Intelligence (“AI”) and machine learning, the EU runs the risk of losing a foothold in a growing industry, and causing an exodus of key talent to other TDM-friendly jurisdictions. However, the TDM provisions contained in the DSM Directive are at least one step in the right direction and one can hope that future legislative development in Europe and a sensible approach by Member States will take place in the foreseeable future.

1. INTRODUCTION

We are in a digital age with big data at the heart of our global, digital environment. Exploiting big data by manual means is virtually impossible, meaning that we need to rely on innovative methods such as machine learning and AI to allow us to fully harness the value of big data which is available in our digital society. One of the key processes allowing us to innovate using new technologies such as

machine learning and AI is through the use of TDM carried out on large volumes of big data.

While there is no single definition of TDM, it is universally acknowledged that TDM involves the automated analytical processing of raw and unstructured data sets through sophisticated technological tools in order to obtain valuable insights for society or to enable efficient machine learning and AI development. Such TDM processes include extraction and reproduction of source text, some of which is likely to be protected by copyright. This of course creates tension between the exclusive rights of copyright holders⁴ and the interests of innovators developing TDM technologies and performing TDM. This has caused the relevant players to either avoid TDM activities and the development of and investment in the relevant technology, or has obliged them to resort to licensing solutions. They therefore shoulder the administration and transaction costs of the licenses to avoid widescale copyright infringement claims⁵ when performing TDM on big data.

1.1 Can “big data” be protected by copyright?

Arguably, one of the

“basic and fundamental principles of copyright law is that data is not protected, as copyright only protects the creative form, not the information incorporated in the protected work”⁶

Indeed, on this basis, perhaps TDM operators should not be concerned by any intellectual property rights, whether copyright or otherwise, as TDM activities potentially fall outside the scope of any intellectual property right monopoly. On this basis, the risk of copyright infringement in respect of TDM processes carried out on data is a non-issue: data in itself is simply not capable of copyright protection.

However, in the context of *big data*, and given the three Vs (volume, velocity and variety)⁷ applicable to it, mere “data” must be distinguished from big data. As such, it is likely that literary copyright subsists in documents, publications, research and analysis, as well as in any technical documents, software and IT architecture which constitute big data, and which is ultimately subject to TDM activities. Copyright within a database (so-called “database copyright”) may apply to big data in some instances, aside

from any independent database right. Indeed, by way of example, the CJEU confirmed in the *Infopaq case*⁸ that the threshold for copyright protection (and the risk of infringement) can occur when there is reproduction of text extracts comprising at least of eleven words of copyrightable material. AI and machine learning, which are developed through TDM, rely on processing masses of data, so it is likely that this de minimis threshold will often be met, meaning that when TDM is carried out on big data, a risk of wide scale copyright infringement exists.

Accordingly, given the rapid pace at which technology is developing, there is no doubt that the legal framework needs to adapt in order to avoid becoming redundant, and more importantly, to prevent outdated legal regimes from hindering innovation. Until the DSM Directive entered into force on 7 June 2019, there was no specific TDM exception at an EU level and innovative firms had to rely on a patchwork of limitations and exceptions to a copyright holder’s exclusive rights,⁹ which were not adapted to the realities of TDM activities. Furthermore, the majority of provisions existing prior to the DSM Directive are not

mandatory, unfortunately resulting in a patchwork approach to exceptions and limitations across the EU, including their application to TDM, creating uncertainty for stakeholders.

It was therefore generally hoped that the provisions in the DSM Directive which relate to specifically to TDM¹⁰ would provide the solution which has thus far been absent within the EU. Regrettably, Articles 3 and 4 of the DSM Directive which govern exceptions to copyright infringement when TDM is conducted on copyrighted works are fraught with caveats and limitations. These provisions also create an undesirable distinction between TDM conducted for research on one hand, and for other purposes (i.e. commercial) on the other hand. As drafted, the DSM Directive arguably does little to reduce uncertainty for copyright holders and innovators alike, which risks having an impact on innovative TDM-based developments in Europe. Indeed, firms may simply relocate to jurisdictions offering more legal certainty in the field of innovation and TDM specifically, such as Japan¹¹ or the US.¹²

¹ Directive [EU] 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC.

² Europe Needs A Broad & Mandatory TDM Exception, Association of European Research Libraries, 13 November 2018, available at: <https://libereurope.eu/blog/2018/11/13/europe-needs-a-broad-mandatory-tdm-exception/> (accessed on 11 May 2019).

³ Ibid.

⁴ Particularly under Article 2(a) of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society.

⁵ Cabrera Blázquez F.J., Cappello M., Fontaine G., Valais S, IRIS Plus, ‘Exceptions and Limitations to Copyright’, A Publication of the European Audiovisual Observatory, Council

of Europe, 2017, available at: <https://rm.coe.int/168078348b> (accessed on 2 December 2019), p. 67.

⁶ Geiger, C., Frosio, G. & Bulayenko, O., ‘Text and Data Mining in the Proposed Copyright Reform: Making the EU Ready for an Age of Big Data? Legal Analysis and Policy Recommendations’, IIC (2018) 49: 814. <https://doi.org/10.1007/s40319-018-0722-2> (accessed on 2 December 2019), p. 817.

⁷ Exploring Data-Driven Innovation as a New Source of Growth: Mapping the Policy Issues Raised by “Big Data”, OECD Digital Economy Papers, No. 222, OECD Publishing, Paris, available at: <http://dx.doi.org/10.1787/5k47zw3fcp43-en> (accessed on 2 December 2019), p.11.

⁸ Judgment of the Court (Fourth Chamber) of 16 July 2009, Case C-5/08 - Infopaq International, ECLI:EU:C:2009:465.

⁹ For example, Article 5, InfoSoc Directive;

Articles 6 and 5, Software Directive; Articles 6 and 9, Database Directive; Articles 6 and 10, Rental Right and Lending Directive; Article 6, Orphan Works Directive.

¹⁰ See Articles 3 and 4 of the DSM Directive.

¹¹ The 2018 Amendment to the Japanese Copyright Act offers a wide range of unfettered TDM exceptions. For the official provision (in Japanese) visit: http://www.mext.go.jp/b_menu/houan/kakutei/detail/1405213.htm (accessed 5 December 2019).

¹² Where innovators can rely on the doctrine of Fair Use, including for commercial purposes, as recently confirmed in the Google Books saga – see e.g. the US District Court Southern District of New York, Opinion 05 Civ. 8136 (DC) (22 March 2011).

2. DISCUSSION

2.1 The Proposal - Introducing TDM exceptions in EU law

Issues surrounding the scope of the TDM provisions in the DSM Directive were apparent at its inception. Article 3 of the Proposal for the DSM Directive¹³ (“Proposal”) initially envisaged a mandatory exception for TDM activities which extended only to

*“reproductions and extractions made by research organisations in order to carry out text and data mining of works or other subject-matter to which they have lawful access for the purposes of scientific research”.*¹⁴

Taking the TDM exception as initially provided for in the Proposal, therefore, was clearly not reflecting the European Commission’s intention to drive innovation within the EU, especially in the area of TDM used on big data for commercial purposes. Indeed, whilst the initial drafting of Article 3 at the Proposal stage imposed a mandatory exception on Member States, which is a positive aspect when compared to the majority of optional exceptions contained in EU legislation to date, and whilst certainty is provided to TDM actors in that the scope of the legal provision is not capable of being overridden by contract, the extent of the Proposal’s TDM exception was highly limited. The scope of the exception not only required operators to have “lawful access” to the copyrighted works, which presumably meant either via open access channels, or pursuant to licence or subscription agreements, but it also limited the scope of the TDM exception to academia, and notably to “scientific research”, which is to the exclusion of start-ups and innovators which carry out TDM for commercial means.

Furthermore, the wording of the Proposal expressly permitted the application of Technical Protection Measures (“TPMs”) to protect copyrighted works, which means that it would have been possible to technically prevent reproduction and extraction of copyrighted works, even when a lawful exception permits such actions. The text of the Proposal was therefore highly criticized by academics and innovators alike.¹⁵

2.2 The DSM Directive – Creation of two regimes

Given the modifications to the finalized text of the DSM Directive, it appears the EU legislators took these criticisms on board when drafting the final version of the DSM Directive, at least to a certain extent. However, turning to the wording of the final TDM provisions of the DSM Directive, Article 3 remains materially unchanged from the wording of the Proposal. There remains a mandatory exception for research organisations for scientific research.

Indeed, the important change contained in the DSM Directive as compared to the Proposal is the inclusion of Article 4 which expressly provides for a mandatory exception or limitation to be implemented by Member States for TDM activities beyond the previous narrow provisions limited solely to scientific research by research organizations as initially laid down in the Proposal. This means the EU has now gone some way to resolve the issues related to commercial TDM activities and thus drive innovation in the region.

We now have two regimes for TDM exceptions and limitations – one for scientific research and another for all other TDM activities. The rights and obligations for each TDM purpose are not aligned, and this is to be criticized – the playing field is not level between different actors and purposes, and the environment for commercial TDM therefore remains unfavourable in Europe and constitutes a potential hindrance to innovation in the region. Despite the improvements made to the final text compared to the initial drafting of the Proposal, it has nonetheless been argued that the “project to allow Europeans to conduct TDM, which is crucial for modern research and the development of AI, has been obstructed with too many caveats and requirements”,¹⁶ particularly since we are now faced with two differing regimes for research and “other” TDM operations.

2.3 The limited scope of Article 4

The broader TDM exception is arguably devoid of function due to the possibility for contractual override at Article 4(3) of the DSM Directive. This provision results in a scenario whereby holders of copyrighted works are entitled to expressly disapply Article 4 for all TDM activi-

ties, save those related to scientific research (which is solely governed by the provisions of Article 3). It is appropriate to criticize the practical application on Article 4 in light of this flexibility, since this wider provision is so easy to disapply, either by technical means or indeed by contract or unilateral declaration.¹⁷ This is confirmed by recital 18 and Article 7(1) of the DSM Directive which do not include Article 4 in the express protection against contractual override; there can be no uncertainty as to the ability of rightsholders to override Article 4 at their discretion. Practically, we can envisage that rightsholders in an online environment will disapply Article 4 as in the PR Aviation/ RyanAir case through the application of exclusions to screen-scraping TDM activities in website terms and conditions or website notices.¹⁸

Of course, such practices are inherently difficult to monitor, TDM operated by AI is generally unable to ascertain when such contractual restrictions have been applied to a website, and of course, depending on the status of the TDM operator (i.e., a research organization or otherwise) the legal application of such terms will vary meaning that in some instances the contractual override will be valid, and in other circumstances, not. The difficult application of contractual overrides or unilateral notices is akin to the application of technological restrictions, as are discussed further below, and also potentially creates further confusion for TDM operators. This is depending on the nature of the IP rights protecting the source content – for example, when screen scraping activities include copyrighted works or works covered by the Database Directive, for which such contractual override is not permissible,¹⁹ or when a notice or contractual restriction does not take into account activities which do not require consent of the relevant rightsholder.

In light of the foregoing, we consider that Article 4 essentially acts as an optional exception for broader TDM activities not falling within the scope of Article 3. Is this evidence of the EU simply playing lip-service to the industry criticisms surrounding the narrow scope of the initial TDM exception as contained in the Proposal, or just evidence of a failure to understand the realities of TDM and the likelihood of harm suffered by rightsholders? Either way, it is regrettable that despite much negotiation and effort, the DSM Directive still fails to provide non-research TDM operators with certainty as to their activities and their protection against copyright infringement actions. Such exposure being dependant on an individual rightsholder’s reservation – something which is almost impossible to monitor and check as data mining analytics processes huge volumes of information, often coming from thousands of source resources – means that such organisations may find themselves in the precarious position of relying on the provisions of Article 5 of the InfoSoc Directive,²⁰ which are insufficient. As it stands, the ability of rightsholders to exclude Article 4 by various means effectively renders the provision devoid of function, leaving Europe an uncertain environment for TDM actors.

2.3.1 Article 4(2) creates legal uncertainty

Furthermore, the scope of the broader TDM exception remains unclear. On reading Article 4 of the DSM Directive, there is likely to be confusion about the extent of the exception or limitation for non-research purposes. Article 4(2) states that:

“Reproductions and extractions made pursuant to paragraph 1 may be retained for as long as is necessary for the purposes of text and data mining.”

In our view, “necessary for the purposes of TDM” may lead to uncertainty as it could be argued by rightsholders that “necessity” is simply limited to the time required to complete the technical process, whereas operators might wish to extend that time frame to purposes which go beyond the mere technical processes.

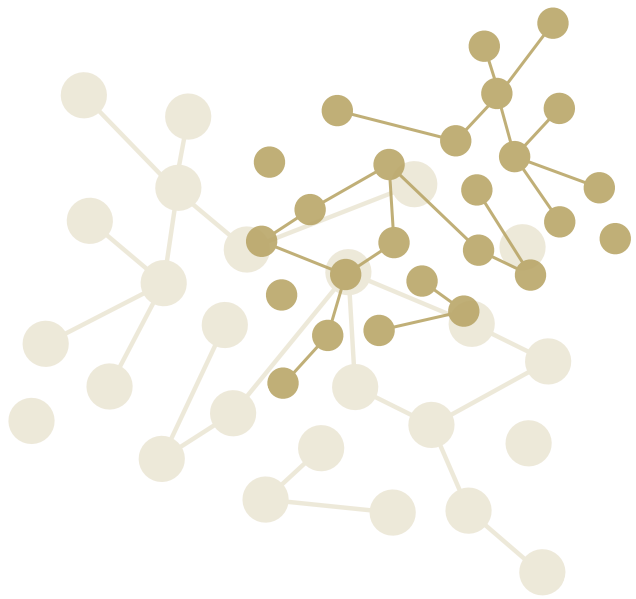
This is to be contrasted with the provisions in the DSM Directive regarding scientific research which are not subject to the same restrictions of “necessity”. Indeed Article 3(2) of the DSM Directive states that:

“Copies of works or other subject matter made in compliance with paragraph 1 shall be stored with an appropriate level of security and may be retained for the purposes of scientific research, including for the verification of research results”.

It is therefore undesirable for the DSM Directive to create stark differences regarding the retention of source data depending on whether such data has been mined for research or other purposes. Unfortunately, yet again, the EU has failed to provide certainty for TDM activities across the board and the retention rights of source data is therefore very much subject to the identity of the TDM operator and the purpose that that operator seeks to achieve.



¹³ Proposal for a Directive of the European Parliament and of the Council on copyright in the Digital Single Market COM/2016/0593 final - 2016/0280 (COD).
¹⁴ Cabrera Blázquez F.J., Cappello M., Fontaine G., Valais S, IRIS Plus, ‘Exceptions and Limitations to Copyright’, A Publication of the European Audiovisual Observatory, Council of Europe, 2017, available at: <https://rm.coe.int/168078348b> [accessed on 2 December 2019], p. 67.
¹⁵ Maximising the benefits of Artificial Intelligence through future-proof rules on Text and Data Mining, Open Letter to the European Commission, Brussels, 9th April 2018 available at: https://eua.eu/downloads/news/openletter-to-european-commission-on-on-ai-and-tdm_9april2018.pdf [accessed on 10 March 2019].
¹⁶ Julia Reda “The Text of Article 13 and the EU Copyright Directive has just been finalized”, available at: <https://juliareda.eu/2019/02/eu-copyright-final-text/> [accessed on 11 May 2019].
¹⁷ Recital 18 of the DSM Directive.
¹⁸ Judgment of the Court (Second Chamber) of 15 January 2015, Case C-30/14 – Ryanair, ECLI:EU:C:2015:10.
¹⁹ See Articles 6(1), 8 and 15 of Directive 96/9/EC.
²⁰ Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (InfoSoc).



2.4 Article 3 – TDM for scientific research from selected research organisations

Whilst recital 12 of the preamble to the DSM Directive provides for a wide notion of scientific research which extends to both natural and human sciences, and provides certainty for specific categories of beneficiaries of the exception contained at Article 3 by listing potential organisations falling within the provisions,²¹ Articles 2(1)(a) and (b) restrict the scope of qualifying for the exception contained at Article 3 by providing a narrow interpretation of research organisations. Indeed, these provisions provide that research organisations must operate on a not-for-profit basis, or reinvest all its profits into its scientific research or pursue a public interest mission funded by public funds or public contracts, in order to qualify with certainty as to their TDM activities. As such, the scope of the DSM Directive is prohibitively narrow when defining the nature of a research organization.²²

This essentially restricts commercially-backed research organisations from being able to benefit from Article 3, even if they are ultimately carrying out “scientific research” for the purposes of the DSM Directive, and therefore excludes certain research organisations, such as private universities. While on one hand, the EU clearly wished to ensure that scientific research carried out for TDM purposes remains neutral and independent from industry, in the current austerity climate in which public funding and investment is scarce and where regard must be had to the private sector to obtain budget for the most cutting edge research, the restriction to qualification for this exception is perhaps unwittingly a move by the EU, which will result in stunted innovation through research in the region.

2.4.1 Requirement of “lawful access”

The DSM Directive provides that for both research and non-research TDM, the relevant limitation/exception shall only apply to operators which have “lawful access” to the copyrighted content. If access to the volume of source data is limited in any way, or is subject to unnecessary risk (i.e. of copyright infringement), then not only would the TDM output be less thorough and thus less valuable, the

reduced amount of source data processed by machines could also have a negative impact on the development of AI as such technology requires significant amounts of data to machine-learn.

From a research perspective, it has been argued that subjecting TDM to lawful access will make TDM research projects harder to run by raising related costs, meaning that publishers of content might price TDM into their subscription fees, if only those with lawful access can perform TDM research.²³ Most innovative start-ups and research organisations will be effectively prevented from being able to gain lawful access to works due to the cost of such access, which is problematic for TDM operators (specifically research organisations) coming from less economically sound environments where public funding may be scarce.

Ultimately, for both commercial and research TDM, the overall quality and value of the AI development and TDM output is likely to be put at risk whenever there is a requirement for lawful access which results in payments being made or costly subscriptions being taken out, as budget restrictions take over.²⁴ The underlying result is that where cost of conducting TDM is increased, researchers and innovators are less likely to use it, and will potentially favour either other methods or move their activities to territories where such cost-burdens are lower, and which may be located outside of the EU altogether.

As indicated above, lawful access is therefore likely to be subject to licence arrangements, save where such data is freely available in the public domain, or indeed when source data is not protected by copyright and so no consent is required, and therefore no licence is needed to perform TDM. Nevertheless, where consent is required and the mechanism to obtain such consent falls to licensing or contractual arrangements, the situation is problematic.

Arguably, the research sector is more heavily affected by the requirement of lawful access and the potential issues related to the licensing of content to be mined since commercial TDM is often focused on some areas of online analytics (such as retail analytics) which relate to consumer movements and trends gained through the use of cookies, plug-ins or social media.

However, while the content to be mined for commercial purposes is therefore more often freely available, this is not necessarily the case for scientific research where the source data is subject to more onerous access restrictions (online databases or private library content). The DSM Directive nonetheless assumes that profit-making firms can and should get a license to engage in TDM research from the owners of the affected IP rights, which is not necessarily the case, especially for start-ups which have limited access to financial resources.²⁵

2.4.2 Additional hindrance for TDM innovations – technological protection measures

A further issue reducing the effectiveness of the DSM Directive in creating a favourable environment for TDM activities in Europe is the inclusion of provisions which confer on rightsholders the possibility of limiting TDM activities via the application of technological protection

measures. This allows the owners of copyrighted works to block access to operators seeking to carry out TDM²⁶ which may prevent the enjoyment of available exceptions and limitations. The DSM Directive does little to balance the interests of TDM operators and rightsholders in practice as regards the application of anti-circumvention provisions on works which can be mined under a lawful exception, and it will be interesting to note how the Member States approach this dilemma from a national perspective once the provisions have been implemented and are applied to concrete cases.

Ultimately, as with other aspects of the TDM provisions in the DSM Directive, the drafting of the text as regards TPMs means there is a risk of inconsistent implementations across national jurisdictions which might effectively curtail harmonised enjoyment of the new mandatory exceptions, thus limiting the effectiveness of the DSM.²⁷ The result of this may indirectly encourage innovators away from the EU to regions where such restrictions are less likely to impact their TDM activities or indeed which are less likely to hinder reliance on lawful exceptions or limitations, which would ultimately restrict TDM innovation across Europe.

2.5 Not all bad...

Despite the issues surrounding Articles 3 and 4 of the DSM Directive, the legislation does go some way towards creating a stable environment in Europe for TDM operations. For example, a key benefit of the DSM Directive’s provisions related to TDM is that for both scientific and non-scientific TDM activities, the provisions impose a mandatory exception or limitation for TDM activities on Member States. It is therefore hoped the drafting of the DSM Directive will reduce fragmentation in the approach and application of national laws for TDM activities from one Member State to another which would not only create much-welcomed certainty for the relevant actors, but would also promote the EU’s policy goals for its Digital Agenda, namely to provide a normalised, consistent level playing field across Europe to legally carry out TDM projects.²⁸

A further positive aspect of the DSM Directive’s provisions on TDM is that it is the first occasion, at an EU-level, that TDM has been expressly recognized and codified. This evidences a recognition by the EU of innovative and valuable technological tools and mechanisms within the world of data analytics and raises awareness of TDM as a process of harnessing the value of big data. This encourages innovators AI and machine-learning development and encourages TDM in the region, given that such activities have formal recognition, in respect of copyright implications, in official European texts.

Additionally, in respect of TDM for scientific research, Article 7(1) expressly provides for the unenforceability of contrary contractual provisions. In practice, it would not be possible for copyright holders to expressly exclude the application of Article 3 through contract.

In any case, the prohibition of contractual override is crucial so as not to deprive the provision of any practical utility. Previously, copyright holders, such as publishers of scientific research, would have been able to contractually exclude TDM in licence agreements whilst applying high transaction costs on TDM operators to obtain consent to mine content for research.

In light of these considerations, the authorisation for contractual override in respect of Article 4 of the DSM Directive is arguably of limited consequence. Nevertheless, the prohibition to such contractual override is a welcome step towards a favourable environment for EU-based scientific research activities involving TDM, although, as discussed below, this leaves much to be desired for other TDM activities, despite the potential contract law limitations.

Finally, the TDM exceptions and limitations in the DSM Directive create a stronger environment for rightsholders. The drafting of the provisions sets out a strict framework providing for specific instances in which TDM may be lawfully operated on copyrighted source data, without consent of the rightsholder. The specific and stringent requirements which must be met in order for the beneficiaries of these exceptions and limitations to rely on them is wholly justified in order to create a safe environment for rightsholders, and to protect them against unjustified or unfair exploitation of their works.

²¹ Recital 12 of the DSM Directive lists: “universities or other higher education institutions and their libraries, also entities such as research institutes and hospitals that carry out research”.

²² Recital 12 of the DSM Directive.

²³ Geiger C., Frosio G., Bulayenko O., “Text and Data Mining in the Proposed Copyright Reform: Making the EU Ready for an Age of Big Data? Legal Analysis and Policy Recommendations, IIC [2018] 49: 814. <https://doi.org/10.1007/s40319-018-0722-2> [5 December 2019], p. 836.

²⁴ Ibid.

²⁵ Legally Speaking: “The EU’s Controversial Digital Single Market Directive”, Communications of the ACM, Viewpoints, Pamela Samuelson, November 2018, Vol. 61, No. 11, <https://cacm.acm.org/magazines/2018/11/232195-the-eus-controversial-digital-single-market-directive/fulltext>, [5 December 2019], p. 22.

²⁶ Recital 7 of the DSM Directive.

²⁷ Geiger C., Frosio G., Bulayenko O., “Text and Data Mining in the Proposed Copyright Reform: Making the EU Ready for an Age of

Big Data? Legal Analysis and Policy Recommendations, IIC [2018] 49: 814. <https://doi.org/10.1007/s40319-018-0722-2> [5 December 2019], p. 838.

²⁸ Geiger et al, “The Exception for Text and Data Mining (TDM) in the Proposed Directive on Copyright in the Digital Single Market - Legal Aspects, In-depth Analysis”, Policy Department for Citizens’ Rights and Constitutional Affairs, European Parliament, February 2018, PE 604.941, section 2, p. 20.

2.6 Reflecting on the new dual-regime approach

The TDM provisions are a step in the right direction,²⁹ but the situation remains uncertain for innovators and researchers alike. The DSM Directive’s TDM provisions demonstrate the EU’s lack of understanding of the technical realities of TDM, and the financial and contractual limitations which are faced by those performing such processes. By applying the caveats and restrictions to the TDM provisions in the DSM Directive, and establishing a difference in treatment between research and commercial TDM activities, rather than creating an environment of innovation and collaboration favourable to innovation, the EU has

*“overlooked the fact that TDM is not about displacing existing content but rather extracting further knowledge from it and, in doing so, rendering it more valuable”.*³⁰

Indeed, it is the aggregated result of TDM which is of value and interest and not the single copyright protected work. The EU does not seem to have understood the technical tool TDM actually is, but rather see it as a traditional reproduction/re-use of the rightholders work, as we have seen with online piracy, unlawful downloading and copies of individual works. In overlooking this fact the EU fails to adequately legislate for this technical tool in an appropriate and nuanced way. Through these provisions, the EU has made it more difficult for such valuable output to originate from European-based operators. To drive innovation in the EU and further the commitment to the DSM, it would have been more desirable for the EU to implement a broad and all-encompassing TDM exception which is not capable of override,³¹ as is the case in other key innovative jurisdictions.

2.7 The way forward: National transposition and alternatives for the future

In the highly competitive global market for world-class AI and data science researchers, the EU may suffer from “brain drain” if its most talented researchers take job opportunities in jurisdictions where TDM is subject to fewer restrictions.³² Perhaps this task falls to the Member States

as the transpose the provisions of the DSM Directive into their respective national laws, something which must be done by 7th June 2021.

2.7.1 Transposing the TDM exceptions into domestic law In this respect, it is important to note that the DSM Directive is a harmonization directive. A harmonization directive shall be transposed in accordance with Article 288 third subparagraph TFEU, which requires that:

“A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.” [emphasis added]

Arguably, if Member States were to widen the scope of Articles 3 and 4 of the DSM Directive in order to remove the undesirable caveats and loopholes, there is a risk that such Member States would be acting contrary to the requirement of “result to be achieved”. Additionally, if Member States were to deviate from the provisions of Articles 3 and 4 of the DSM Directive as drafted, we would then be faced with an issue of balance regarding the stakeholders on the opposite side of the innovators – the copyright holders – meaning that deviance from the initial drafting by Member States in applying a liberal transposition of the DSM Directive may be faced by challenges from rightsholders. This is more so the case since the exceptions found in Articles 3 and 4 of the DSM Directive are so limited in scope that it could it be seen as contrary to EU law if Member States were to grant a too wide an exception for TDM. Should a Member State attempt to do this, they would naturally run the risk of being targeted by the European Commission for unsatisfactory transposition of EU legal obligations, which could result in an infringement procedure and eventually be found as violating EU law by CJEU.³³

Article 3 of the DSM Directive relates to TDM for purposes of scientific research. This is exception can already be found in a number of Member States and Nordic countries’ domestic copyright laws.³⁴ It is rather the general exception contained at Article 4 of the DSM Directive which is relevant when looking and the digital development in society in general and specifically in the business

sector. This exception is a foreign construct to many Member States’ copyright laws.³⁵

Even if one applies a liberal interpretation of Article 4 to the restrictions to the commercial utilization of TDM, is the impact as significant in reality? Arguably, the research sector is more heavily affected by the requirement of lawful access and the potential issues related to the licensing of content to be mined since commercial TDM is often focused in areas of online analytics (such as retail analytics) which are related to consumer movements and trends gained through the use of cookies, plug-ins or social media. However, the risk of copyright infringement on copyrighted portions of big data will still be felt by innovators, especially start-ups which have limited access to financial resources.³⁶

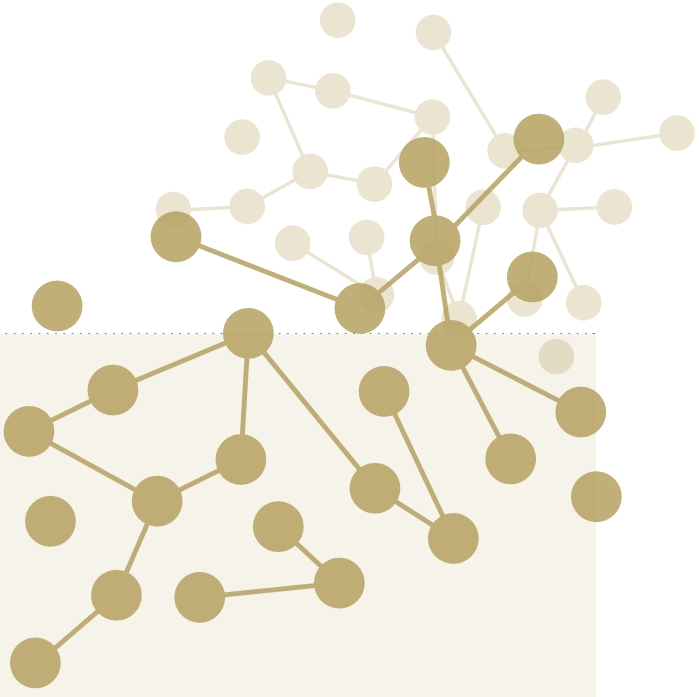
Ultimately, due to the fact that the EU legislator wished to impose a number of restrictions on TDM for commercial purposes, that must be taken into account when the Member State legislators are reviewing the “result to be achieved” when transposing the DSM Directive into domestic law. A development of the exceptions in Member State jurisdictions by national courts or government authorities can be acceptable, but is also restricted by the material content of the EU law being applied. There are two points that must be made in relation this type of development of EU law.

First, the exceptions found in Articles 3 and 4 are quite clear. The wording of the exceptions does not leave much scope for interpretation and therefore a wider interpretation would more likely be found of being in violation of the legal obligation flowing from the DSM Directive. Second, the CJEU is the ultimate interpreter of EU law.³⁷ Based on these considerations, it is clear that domestic courts must walk a thin line if they aim to broaden the scope of the exceptions for TDM.

In our view, the bottom line is that “optimal” transposition of the exceptions for TDM will be unlikely contribute to the state of the art of TDM, unless the Member States wants to run the risk of violating EU law. Could a brave Member State, such as e.g. the IT-focused state of Estonia, be a candidate for this task? For example, we could envisage a mischievous interpretation, aligning exceptions and limitations with a general US-style fair use doctrine, set out in 17 U.S. Code § 107, to encompass TDM activities for all

purposes. Alternatively, a bold step towards a Japanese-style exception which even from 2009, authorised broad TDM activities through the creation of an exception to a copyright holder’s exclusive rights, for information analysis, comparison or classification or statistical analysis, with no restriction on beneficiaries.³⁸ The Japanese TDM legislation was further updated in 2019 to permit additional flexibility and legal certainty for innovators, and to enhance the already TDM-favourable environment. It addresses the potential risks that copyright poses for innovation by permitting all users the right to: (i) analyse and understand copyrighted works for machine learning purposes;³⁹ (ii) make and retain incidental electronic copies of works;⁴⁰ and (iii) use copyrighted works for data verification.⁴¹

On the other hand, are there obvious limits to what such an act of mischievous transposition act by a Member State would bring about? The CJEU would also be bound by the clear wording of the DSM Directive’s TDM exceptions, and any modification to Articles 3 and 4 rather be expected to occur at the EU legislative level. Furthermore, the question of what an optimal transposition of EU law is would depend on whom one wants it to be optimal for. Here, we focus on promoting European innovators in order to further the Digital Agenda. Thus, if you take the position of the developers and users of TDM technology, a wider exception would naturally be welcomed. The optimal transposition for the rightsholder is securing the highest degree of copyright protection for him/her. In the case of TDM exceptions under the DSM Directive, it appears that the interests of the rightsholders have been taken into account to a much larger extent than the TDM innovators which, while being encouraging and reassuring for creators of original content in Europe, seems less-aligned to the digital agenda of the European Commission and the drive to make the EU a leading region at the forefront of global innovation.



²⁹ “Europe Needs A Broad & Mandatory TDM Exception”, Association of European Research Libraries, 13 November 2018 available at: <https://libereurope.eu/blog/2018/11/13/europe-needs-a-broad-mandatory-tdm-exception/> (accessed on 5 December 2019).

³⁰ Ibid.

³¹ Ibid.

³² Legally Speaking: “The EU’s Controversial Digital Single Market Directive”, Communications of the ACM, Viewpoints, Pamela Samuelson, November 2018, Vol. 61, No. 11, <https://cacm.acm.org/magazines/2018/11/232195-the-eus-controversial-digital-single-market-directive/fulltext>, (5 December 2019), p. 23

³³ In accordance with Article 258 and Article 260 TFEU respectively.

³⁴ See e.g. Section 1-3 of the Norwegian Act No. 120 of December 22, 2018, on Amendments to the Copyright Act, etc. (Portability of Online Content Services, etc.); Section 29A(2) of the (UK) Copyright Designs and Patents Act 1988; and Article L.122-5-10 of the French Intellectual Property Code.

³⁵ At least not found in Norwegian, French or UK legislation.

³⁶ Legally Speaking: “The EU’s Controversial Digital Single Market Directive”, Communications of the ACM, Viewpoints, Pamela Samuelson, November 2018, Vol. 61, No. 11, <https://cacm.acm.org/magazines/2018/11/232195-the-eus-controversial-digital-single-market-directive/fulltext>, (5 December 2019), p. 22.

³⁷ TFEU Article 267a.

³⁸ Analytical table comparing different TDM legislation, White Paper — Open Science in a

Digital Republic — Strategic Guide, Open Edition Press, 2017. For the official provision (in Japanese) visit: http://www.mext.go.jp/b_menu/houan/kakutei/detail/1405213.htm (accessed on 5 December 2019).

³⁹ Article 30-4 of the Japanese Copyright Act (2018 Amendment) For the official provision visit: http://www.mext.go.jp/b_menu/houan/kakutei/detail/1405213.htm (in Japanese only).

⁴⁰ Ibid, at Article 47-4.

⁴¹ Ibid, at Article 47-5.

2.7.2 To make peace with the current legislation

While it may have been desirable for the EU legislature to implement a TDM exception akin to the provisions that one can find in Japan, or by creating a fair use/fair dealing model for TDM (as can be seen in other innovative economies such as US, Canada, Israel),⁴² we now have the DSM Directive, which while not perfect for ensuring the furtherance of innovation, it does bring about a start in regards to TDM as it is.

It is important for Member States and innovators to maximise the benefits of this legislation, even with its caveats and restrictions. This is even more so given the time that it takes for the EU to legislate in such areas – the last copyright reform for the digital environment took place in 2001⁴³ and we have now been presented with the DSM Directive almost two decades later. Even in Japan, it took a decade for the already-favourable TDM provisions to be revised in accordance with current technological advances. It therefore seems that we will need to make peace with the EU’s current TDM provisions, as any further changes are unlikely to be forthcoming in the immediate to near future. This is the classic challenge with law and the speed at which technology progresses – even during the time of the legislative process, and then the implementation of EU laws by Member States, the legal provisions that have been so hotly debated and carefully drafted can quickly become redundant or out of date. The DSM Directive is not to only act facing this dilemma.

It therefore falls on Member States’ national laws, courts and practitioners to find appropriate and innovative ways to apply law to new facts and circumstances which arise faster than the creation of new or updated legislation. This will be a difficult task when keeping in mind the lack of margin for manoeuvre when transposing Articles 3

and 4 of the DSM Directive into domestic laws, as pointed out above. Indeed, while a broad transposition of the DSM Directive may be a risky step for Member States, we can look to practice in Europe and hope that national courts and stakeholders take a sensible and purposive approach to TDM and copyright under Articles 3 and 4 of the DSM Directive, so that innovation is neither hindered nor prohibited in the region.

3. CONCLUSION

There are both positive and negative aspects to the TDM exceptions in the DSM Directive which indicate how the EU has approached technological advances and innovation generally through legislation, case law and for TDM specifically.

On one hand, the EU has a strong commitment to the Digital Agenda and wishes to push the EU to the forefront on a global scale but has failed to create an all-encompassing copyright framework for TDM. Given the nature of TDM, the value is in the collection of several sources of work gathered from big data – there is no single victim of copyright infringement because there is little value in one single piece of work or one sole extract. Arguably, the value gained from TDM arises from the analysis of several works or extracts when taken together as a collective, with minimal human intervention or harm to a rightsholders moral or economic rights.

However, it would be unjust to state that the EU approach to TDM and copyright constitutes a full hindrance to innovation in the region as there are several factors which must work together to create a positive environment for start-ups and innovators within the research and non-research sectors, such as access to funding, available

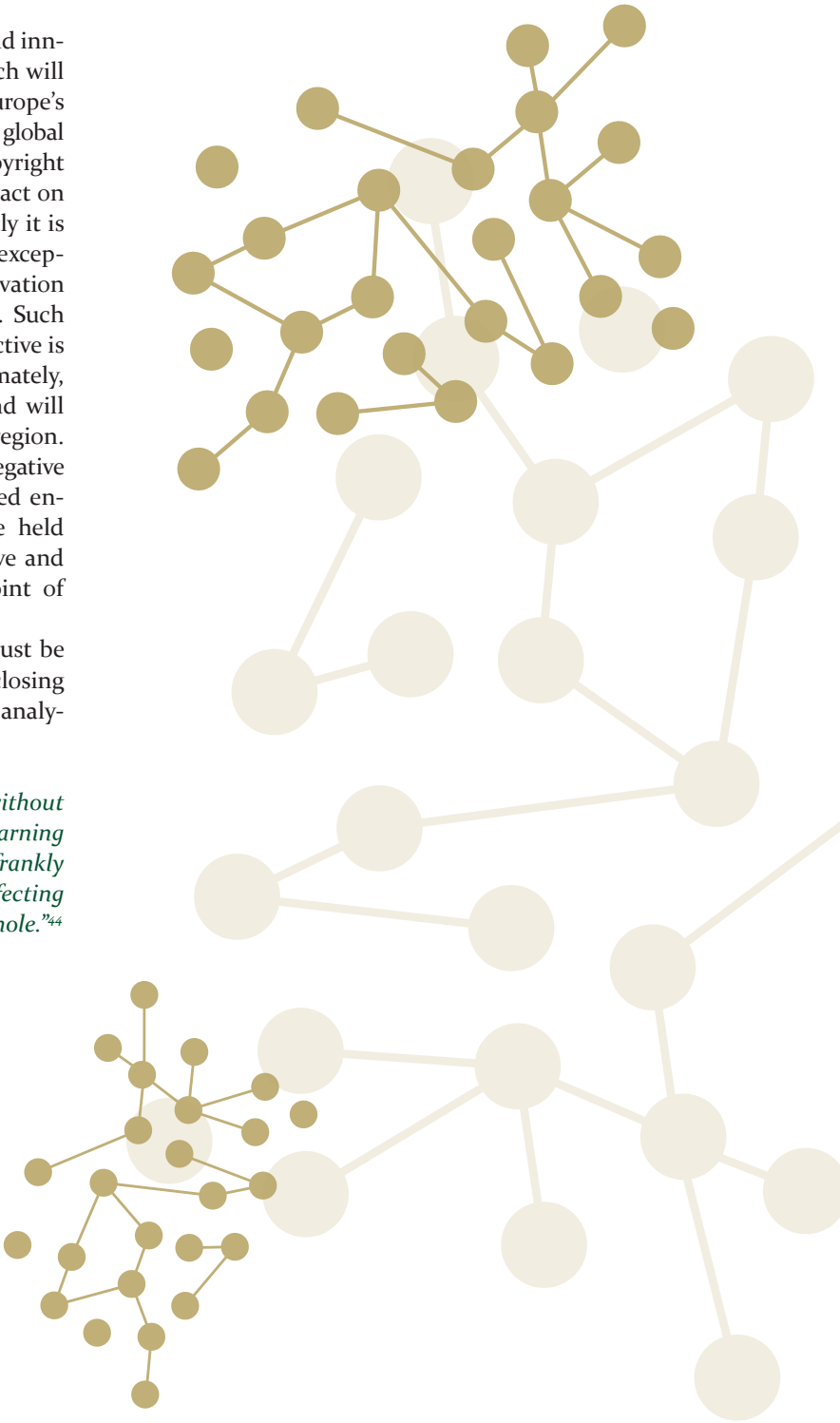
talent and knowledge sharing, as well as an appropriate copyright framework.

At the time of writing, the exact future of TDM and innovation in Europe is unknown, and further research will be required over the next few years to ascertain Europe’s market share for TDM, AI and machine learning on a global scale. An analysis as to whether the TDM copyright environment in Europe has had a measurable impact on Europe’s success must also be conducted - currently it is hard to confirm whether the TDM limitations and exceptions will be a furtherance or a hindrance to innovation within the EU as the DSM Directive is so recent. Such issues must be monitored closely as the DSM Directive is transposed into Member State’s national laws. Ultimately, Europe’s approach to copyright alone has not, and will not, continue to be a threat to innovation in the region. Such impact, to the extent it exists in a positive or negative sense, is likely a result of the EU’s highly regulated environment generally, where individual rights are held above those of start-ups or tech-giants – a positive and negative consequence depending on the viewpoint of each stakeholder.

What is clear from this article is that Europe must be mindful to the future and to our innovators. In a closing remark from the Founder of a UK-based data and analytics company:

“To not have the freedom to access information without infringing on IPRs data science and machine learning would be detrimental to our business and quite frankly stop, or make innovation extremely hard, thus affecting the European tech and start-up economy as a whole.”⁴⁴

Something which surely the EU wishes to avoid.



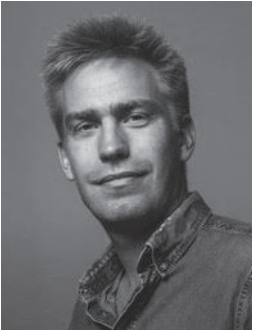
⁴² Geiger C., Frosio G., Bulayenko O., “Text and Data Mining in the Proposed Copyright Reform: Making the EU Ready for an Age of Big Data? Legal Analysis and Policy Recommendations, IIC [2018] 49: 814. <https://doi.org/10.1007/s40319-018-0722-2> [5 December 2019], p. 835.

⁴³ The InfoSoc Directive.

⁴⁴ Maryam Mazraei, Founder of Autopsy (<https://www.getautopsy.com>), interview of 5 April 2019.



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The Monopoly case – EUTM re-filings and the concept of bad faith

By Sofia Ljungblad

ABSTRACT

An European Union Trade Mark (EUTM) can be declared invalid if the applicant acted in bad faith when filing the trade mark application. The concept of 'bad faith' is not defined in the EUTM legislation, but the Court of Justice of the European Union (CJEU), has in several cases interpreted the meaning of bad faith and the concept is constantly evolving.

On 22 July 2019, the Second Board of Appeal at the European Union Intellectual Property Office (EUIPO) delivered a decision in which the EUTM 'MONOPOLY' was partially invalidated (case No. R 1849/2017-2). Most importantly, the Board stated that the applicant acted in bad faith when re-filing an already registered word mark, for goods and services covered by its earlier EU registrations.

BACKGROUND

The EUTM system is based on the 'first-to-file' principle, which means that a trade mark can only be registered if it is not precluded by an earlier trade mark. After registration the EUTM proprietor receives the exclusive rights to the trade mark. At the same time, there is no justification for protecting an EUTM not being put to genuine use (recital 24 of the preamble to the EUTMR) as that could obstruct competition by limiting the possibility for others to register trade marks, and denying competitors the possibility to use a similar or identical trade mark for goods and services identical or similar to those covered by the particular mark, on the internal market. The non-use of EUTM's could therefore obstruct the open market and the free movement of goods and services.

Consequently, an EUTM needs to be put to genuine use in the territory within a five-year grace period. After this period, the proprietor can, upon request by a third party, only withhold the exclusive right if actively showing genuine use of the relevant trade mark(s), following e.g. a request by the cancellation applicant in a revocation proceeding or the opponent in an opposition proceeding.

However, an EUTM can be declared invalid if the applicant acted in bad faith when filing the application for registration of the trade mark (Art. 59(1)(b) of the EUTM Regulation 2017/1001). The cancellation applicant has the burden of proof for showing that the registration applicant acted in bad faith. While undefined in legislation, the concept of bad faith is defined by practice as referring to the registration applicant's subjective motiva-

tion, namely a dishonest intention or ominous motive, resulting in conduct not in line with accepted principles of ethical behaviour or fair commercial practices.

The meaning of the concept bad faith has been assessed by the CJEU. The most noteworthy case is *Chocoladenfabriken Lindt & Sprüngli* (C-529/07), where the court established three factors which can be taken into consideration for assessment of bad faith, in each case:

- (i) the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought,
- (ii) the applicant's intention to prevent that third party from continuing to use such a sign, and
- (iii) the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.

However, these factors only constitute examples as many other factors can also be taken into account when assessing if the applicant acted in bad faith when filing the application.

In the *Pelikan* case (T-136/11), the CJEU dealt with the issue of re-applications. The court stated that when a repeated application of a trade mark already registered has been filed by the EUTM proprietor in order to avoid the trade mark from being total or partial revoked due to non-use, this can be taken into account in order to determine if the proprietor acted in bad faith.

FACTS OF THE 'MONOPOLY' CASE

The decision concerned the question of whether the registration of the word mark 'MONOPOLY' was conducted in bad faith regarding the goods and services already covered by earlier registrations of exactly the same word mark. Hasbro, the proprietor of the word mark 'MONOPOLY' registered the mark in 1996 for goods in classes 9, 25 and 28, in 2008 for services in class 41 and 2010 for goods in class 16. In 2015, Kreativni Dogadaji filed an application for declaration of invalidity of the word mark 'MONOPOLY', arguing that the EUTM was a repeated filing of the proprietor's earlier registrations for the trade mark. Through protecting the same trade mark for more than 14 years, the cancellation applicant stated that the EUTM proprietor had a dishonest intention when filing the application of the contested EUTM.

DECISION BY THE CANCELLATION DIVISION

On 22 June 2017, the Cancellation Division rejected the request for a declaration of invalidity and stated that the contested EUTM and the earlier one's are identical but that the contested EUTM covered a wider range of goods and services in the relevant classes. It was considered a fairly common procedure for companies to apply for a large variety of goods and services when applying for an EUTM. The Cancellation Division also stated that protecting the same trade mark for more than 14 years is not an indication of improperly extension of the five-year grace period per se. However, the decision by the Cancellation Division was overruled by the Board of the EUIPO.

DECISION BY THE BOARD OF APPEAL

The Second Board of Appeal stated that it is not acceptable for an EUTM proprietor to circumvent the genuine use criteria by disguising the re-filing of a trade mark through additional goods and services added to the application. The Board of Appeal referred to the witness statement by a representative of the EUTM proprietor held before the Board in the oral hearing. The representative stated that the EUTM proprietor re-files its already registered trade marks for a number of reasons but that the filings are not identical since the new applications includes goods and services not already registered.

In light of the foregoing, the Board of Appeal stated that this implied that the EUTM proprietor's intention was to take advantage of the EUTM legislation by artificially creating the situation where it did not have to prove genuine use of the already registered marks. It is not relevant whether the proprietor could prove genuine use since only the applicant's intention should be evaluated. Consequently, the EUTM proprietor acted in bad faith when filing the application of the contested EUTM. The Board of Appeal declared the contested EUTM invalid for the goods and services for which it had already been registered.

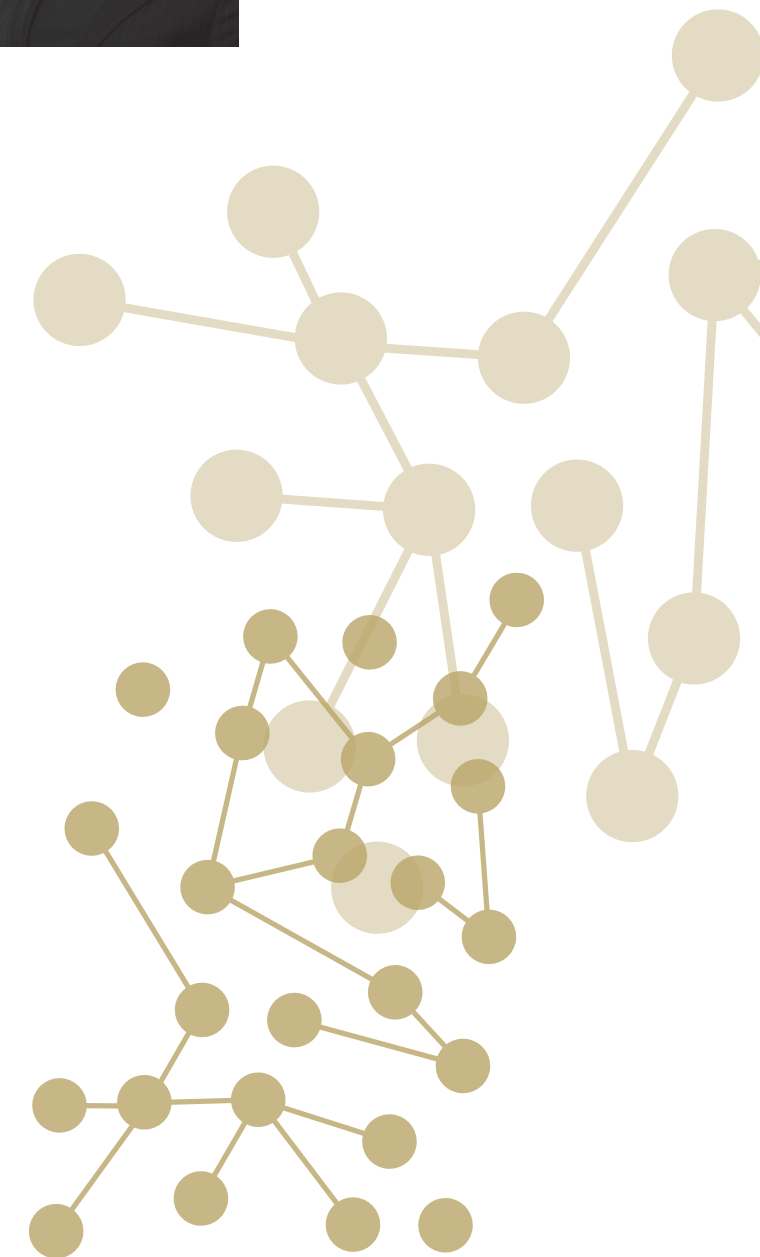
CONCLUDING REMARKS

The concept of bad faith re-filings was derived from the *Pelikan*-case where it was established that an EUTM proprietor cannot file a re-application for the same goods and services that the trade mark is already registered for to avoid the genuine use criteria. In the present case, the Board of Appeal developed the concept of bad faith to be applicable also to re-filings of EUTM's when already registered goods and services are "hidden" by a broader scope of goods and services.

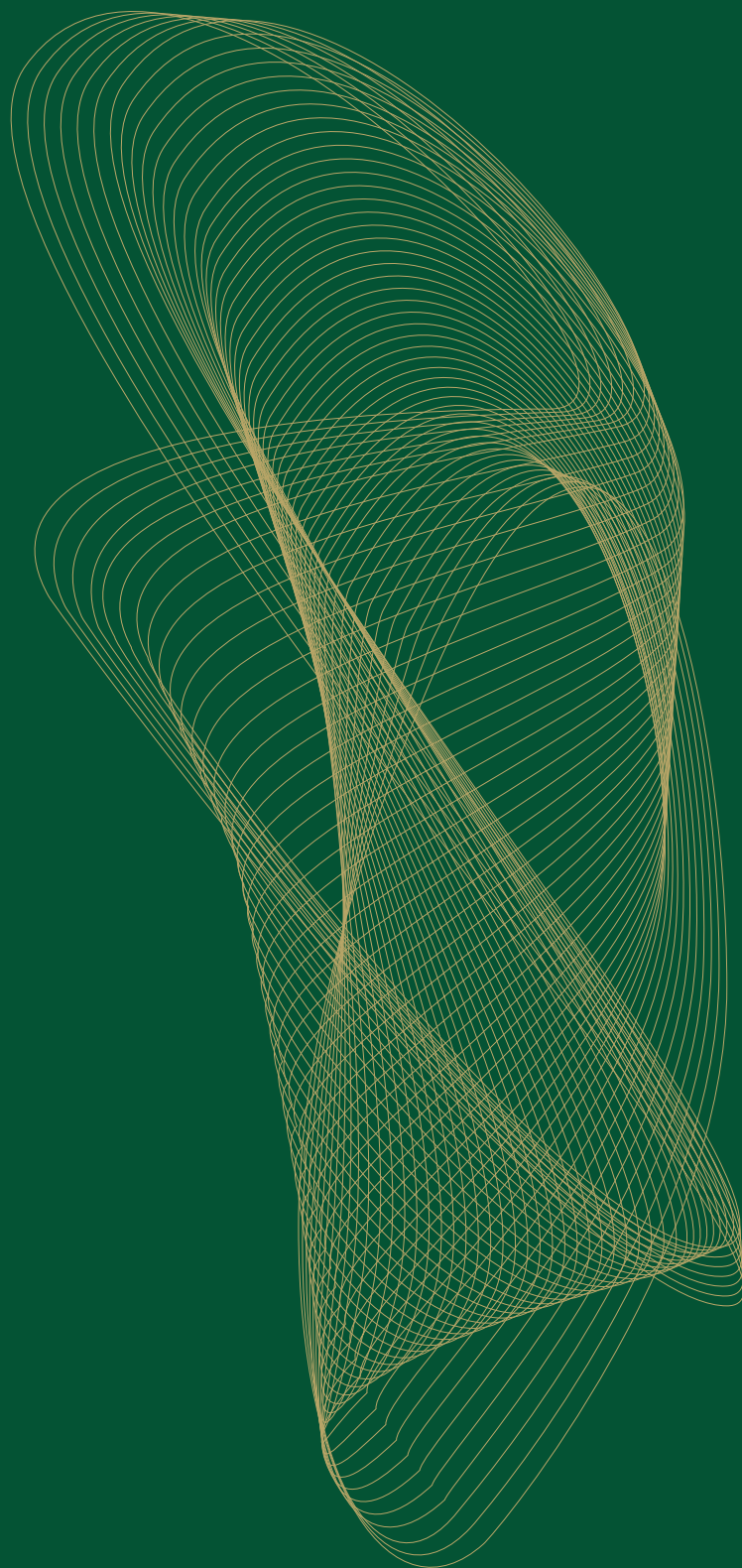


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