

# **Product shape absolute ground for refusal, the shape, or other characteristic, which gives substantial value to the goods**

## CONTENTS

TABLE OF CASES .....	2
TABLE OF STATUTES.....	5
1. Introduction.....	6
1.1. Background.....	6
1.2. Purpose .....	7
1.3. Research questions .....	7
1.4. Method & Material .....	8
1.5. Limitations.....	8
1.6. Outline .....	8
2. Trademark justifications and functions .....	9
2.1. Justifications for the existence of trademarks .....	9
2.2. Trademarks' functions.....	10
2.2.1. The essential function, indication of origin.....	10
2.2.2. The other functions .....	13
3. The European Trademark system.....	13
3.1. The first Trademark directive and the First Trademark regulation.....	13
3.2. The consolidated versions and the reform .....	14
3.3. Signs of which an EU trademark may consist .....	15
3.4. Representation .....	15
3.5. Distinctive character .....	17
3.5.1. The distinctive character of a product shape.....	18
3.5.1.1. Jurisprudence concerning the distinctive character of product shape .....	23
3.5.2. Bi-dimensional and three-dimensional product shape .....	28
4. Absolute grounds for refusal .....	29
4.1. The shape absolute grounds for refusal .....	29
4.1.1. Other characteristics – the reform.....	31
4.2. The shape, or other characteristic, which gives substantial value to the good.....	32
4.2.1. The historical reasons for the introduction of the absolute ground for refusal.....	32
4.2.2. The critics concerning the absolute ground for refusal .....	34
4.2.3. Jurisprudence regarding the absolute ground for refusal .....	34
5. Conclusions .....	45
BIBLIOGRAPHY .....	49

## TABLE OF CASES

C-102/77, judgment Hoffmann-La Roche & Co. AG v Centrafarm Vertriebsgesellschaft Pharmazeutischer Erzeugnisse mbH, 23 May 1978, ECLI:EU:C:1978:108

C-1/81, judgment Pfizer Inc. v Eurim-Pharm GmbH, 3 December 1981, ECLI:EU:C:1981:291

C-427/93, C-429/93 and C-436/93 joined cases, judgement Bristol-Myers Squibb v Paranova A/S and C. H. Boehringer Sohn, Boehringer Ingelheim KG and Boehringer Ingelheim A/S v Paranova A/S and Bayer Aktiengesellschaft and Bayer Danmark A/S v Paranova A/S, 11 July 1996, ECLI:EU:C:1996:282

C-108/97 and C-109/97, joined cases, judgment Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots- und Segelzubehör Walter Huber and Franz Attenberger, , 4 May 1999, ECLI:EU:C:1999:230

C-299/99, judgment Koninklijke Philips Electronics NV v Remington Consumer Products Ltd, C-299/99, 18 June 2002, ECLI:EU:C:2002:377

C-273/00, judgment Ralf Sieckmann v Deutsches Patent- und Markenamt, 12 December 2002, ECLI:EU:C:2002:748

C-53/01 to C-55/01, joined cases, judgement Linde AG, Winward Industries Inc. and Rado Uhren AG, 8 April 2003, ECLI:EU:C:2003:206

C-206/01, judgement Arsenal Football Club plc v. Matthew Reed, 12 November 2002, ECLI:EU:C:2002:651

C-104/01, judgment Libertel Groep BV v Benelux-Merkenbureau, 6 May 2003, ECLI:EU:C:2003:244

C-218/01, judgment Henkel KGaA, 12 February 2004, ECLI:EU:C:2004:88

C-456/01 P and C-457/01 P, joined cases, Judgment Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 29 April 2004, ECLI:EU:C:2004:258

C-136/02 P, judgement Mag Instrument Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs), 7 October 2004, ECLI:EU:C:2004:592

C-245/02, judgement; Judgement Anheuser – Busch Inc. v Budějovický Budvar, národní podnik, 16 November 2004, ECLI:EU:C:2004:717

C-329/02 P, judgment SAT.1 SatellitenFernsehen GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 16 September 2004, ECLI:EU:C:2004:532

C-404/02, judgment Nichols plc v Registrar of Trade Marks, 16 September 2004, ECLI:EU:C:2004:538

C-445/02 P, order Glaverbel SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 28 June 2004, ECLI:EU:C:2004:393

C-321/03, judgement Dyson v Registrar of Trade Marks, ECLI:EU:C:2007:51

C-353/03, Société des produits Nestlé SA v Mars UK Ltd, 7 July 2005, ECLI:EU:C:2005:432

C-173/04 P, Deutsche SiSi-Werke GmbH & Co. Betriebs KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 12 January 2006, ECLI:EU:C:2006:20

C-48/05, judgment Adam Opel AG v Autec AG, 25 January 2007, ECLI:EU:C:2007:55

C-25/05 P, judgment August Storck KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), , 22 June 2006, ECLI:EU:C:2006:422

C-371/06, judgement Benetton Group SpA v G-Star International BV, 20 September 2007, ECLI:EU:C:2007:542

C-487/07, judgment L'Oréal SA, Lancôme parfums et beauté & Cie SNC and Laboratoire Garnier & Cie v Bellure NV, Malaika Investments Ltd and Starion International Ltd., 18 June 2009, ECLI:EU:C:2009:378

C-236/08 to C-238/08 Joined cases, judgment Google France SARL and Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA and Luteciel SARL and Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others, 23 March 2010, ECLI:EU:C:2010:159

C-48/09 P, judgment Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 14 September 2010, ECLI:EU:C:2010:516

C-323/09, judgment Interflora Inc. and Interflora British Unit v Marks & Spencer plc and Flowers Direct Online Ltd, 22 September 2011, ECLI:EU:C:2011:604

C-546/10 P, order Hans-Peter Wilfer v Office for Harmonisation in the Internal Market (Trade Marks and Designs), 13 September 2011, ECLI:EU:C:2011:574

C-98/11 P, judgment Chocoladefabriken Lindt & Sprüngli AG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 24 May 2012, ECLI:EU:C:2012:307

C-65/12, judgment Leidseplein Beheer BV and Hendrikus de Vries v Red Bull GmbH and Red Bull Nederland BV, ECLI:EU:C:2014:49

C-205/13, judgment Hauck GmbH & Co. KG v Stokke A/S and Others, 18 September 2014, ECLI:EU:C:2014:223

C-421/13, Apple Inc. v Deutsches Patent- und Markenamt, judgment, 10 July 2014, ECLI:EU:C:2014:2070

C-445/13 P, Judgment Voss of Norway ASA v Office for Harmonisation in the Internal Market (Trade Marks and Designs), 7 May 2015, ECLI:EU:C:2015:303

C-215/14, judgment Société de Produits Nestlé SA v Cadbury UK Ltd., 16 September 2015, ECLI:EU:C:2015:604

C-30/15 P, judgment Simba Toys GmbH & Co. KG v European Union Intellectual Property Office, 10 November 2016, ECLI:EU:C:2016:849

C-163/16 Reference for a preliminary ruling Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV

C-163/16 pinion of Advocate General Spuznar delivered on 22 June 2017

C-163/16 Opinion of Advocate General Spuznar delivered on 6 February 2018

Reference for a preliminary ruling Textilis Ltd contre Svenskt Tenn Aktiebolag. C-21/18 lodged on 11 January 2018;

T-10/89, Judgment Hoechst AG v Commission of the European Communities, 10 March 1992

T-63/01, judgment The Procter & Gamble Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 12 December 2002, ECLI:EU:T:2002:317

T-128/01, judgment DaimlerChrysler Corporation v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 6 March 2003, ECLI:EU:T:2003:62

T-324/01 and T-110/02, joined cases, judgment Axions SA and Christian Belce v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 30 April 2003, ECLI:EU:T:2003:123

T-262/04, judgment BIC SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 15 December 2005, ECLI:EU:T:2005:463

T-358/04, judgment Georg Neumann GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 12 September 2007, ECLI:EU:T:2007:263

T-15/05, judgement Wim De Waele v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 31 May 2006, ECLI:EU:T:2006:142

T-241/05, T-262/05 to T-264/05, T-346/05, T-347/05, T-29/06 to T-31/06, joined cases, judgment The Procter & Gamble Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), , ECLI:EU:T:2007:151

T-460/05, judgement, Bang & Olufsen A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 10 October 2007, ECLI:EU:T:2007:304

T-73/06, judgment Jean Cassegrain SAS v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 21 October 2008, ECLI:EU:T:2008:454

T-351/07, judgment Somm Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 17 December 2008, ECLI:EU:T:2008:591;

T-449/07, judgment Thomas Rotter v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 5 May 2009, ECLI:EU:T:2009:137

T-8/08, judgment *G. M. Piccoli Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 10 March 2009, ECLI:EU:T:2009:63

T-28/08, judgment *Mars, Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 8 July 2009, ECLI:EU:T:2009:253

T-78/08; Judgment *Fides B. Baldesberger v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 11 June 2009, ECLI:EU:T:2009:199; T2008

T-104/08, judgment *ars Parfum Creation & Consulting GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 5 May 2009, ECLI:EU:T:2009:138

T-508/08, judgment *Bang & Olufsen A/S v Office for Harmonisation in the Internal Market (TradeMarks and Designs)* (OHIM), 6 October 2011, ECLI:EU:T:2011:575

T-391/07, judgment *Alfons Alber v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 16 September 2009, ECLI:EU:T:2009:336

T-253/09 and T-254/09, joined cases judgment *Wilo SE v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 9 December 2010, ECLI:EU:T:2010:507

T-409/10, judgment *Bottega Veneta International Sàrl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), , 22 March 2013, ECLI:EU:T:2013:148

T-416/10, judgment *Yoshida Metal Industry Co. Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 8 May 2012, ECLI:EU:T:2012:222

T-25/11, judgment *Germans Boada, SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), , 29 January 2013, ECLI:EU:T:2013:40

T-137/12, judgment *FunFactory GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 18 January 2013, ECLI:EU:T:2013:26

T-547/13, judgment *Rosian Express Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 8 October 2015, ECLI:EU:T:2015:769

T-618/14, judgment *Grupo Bimbo, SAB de CV v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), 29 June 2015, ECLI:EU:T:2015:440

T-656/13, judgment *The Smiley Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* OHIM, , 7 October 2015, EU:T:2015:758 and EU:T:2015:762

T-629/14, judgment *Jaguar Land Rover Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, 25 November 2015, ECLI:EU:T:2015:878

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

Board of Appeal, 17 September 2003, *Lamborghini v. OHIM*, R 772/2001-1

*JW Spear & Son Ltd v Zynga Inc* [2013] EWCA Civ 1175; 2014 1 All E.R. 1093

Benelux Court of Justice, 14 April 1989 (*Burberry I*)

Court of Justice, 16 December 1991 (*Burberry II*)

## TABLE OF STATUTES

### Directives

First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks

Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trademarks (Codified version)

Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks

### Regulations

Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark

Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trademark (codified version)

Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs)

Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark

Commission Implementing Regulation (EU) 2017/1431 of 18 May 2017 laying down detailed rules for implementing certain provisions of Council

### Proposals

European Commission, proposal for a Directive of the European Parliament and of the Council to Approximate the Laws of Member State relating to Trademarks (recast) (2013) COM(2013) 162 final, Explanatory Memorandum

### Non-binding documents

Study on the overall functioning of the European trademark system, Max Planck Institute for Intellectual Property and Competition Law, Munich, 2011, 74

Guidelines for examination of European Union Trademarks, European Union Intellectual Property Office (EUIPO), part B, Examination, section 4, absolute grounds for refusal, chapter 6, shapes or other characteristics resulting from the nature of the goods, with an essentially technical function or substantial value, article 7(1)(e) EUTMR (October 2017)

## 1. Introduction

### 1.1. Background

According to article 4 EUTMR<sup>1</sup> (and the corresponding article 3 EUTMD<sup>2</sup>) an EU trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, when such signs are capable of distinguishing the goods or services of one company from those of other company; and being represented on the Register of European Union trademarks ('the Register'), in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

As is well-known the essential function of trademark law is to ensure market transparency<sup>3</sup>, in particular, trademarks allow the consumer to easily individualize the products or services of one company from those of another company. In this regard the Court of Justice of the European Union (hereinafter also only: "CJEU") stated: "*the essential function of the trademark which is to guarantee the identity of the origin of the trade-marked product to the consumer or final user by enabling him to distinguish without any possibility of confusion between that product and products which have another origin*".<sup>4</sup>

Article 7 EUTMR (and the corresponding article 4 EUTMD) indicates as minimum requirement to be registered that a sign must be eligible for protection according to article 4, moreover it sets a list of absolute grounds for refusal of a trademark. Among those grounds, it is possible to individuate three grounds traditionally concerning signs which consist of shape and, after the trademark's legislation reform, "another characteristic". In particular, article 7(1)(e) EUTMR disposes that signs which consist exclusively of shape or another characteristic (i) which results from the nature of the goods themselves; (ii) which is necessary to obtain a technical result (iii) which gives substantial value to the goods shall not be registered.

The third absolute ground of refusal, concerning shape or another characteristic which

---

<sup>1</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark

<sup>2</sup> Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks

<sup>3</sup> A. KUR, M. SENFTLEBEN, European Trademark Law, a commentary, Oxford, 2017, 6

<sup>4</sup> Judgment Pfizer Inc. v Eurim-Pharm GmbH, C-1/81, 3 December 1981, ECLI:EU:C:1981:291

gives substantial value to the goods and which will be the object of this thesis has been applied from the CJEU in – among others cases – Tripp Trapp<sup>5</sup> and Bang & Olufsen<sup>6</sup>. Contrary to the other two absolute grounds for refusal concerning shapes the meaning of absolute ground for refusal is problematic. The shape, or other characteristic, which give substantial value to the goods, it is a vague and subjective criteria which may lead to unclear, not uniform decisions and to a lack of objectiveness in its application. The problems concerning the application of this ground are, in any case, common to the other two product shape absolute grounds.<sup>7</sup>

One of the main problems regarding this ground for refusal is the lack of definition of what “substantial value to the goods mean”. Notwithstanding the lack of precise meaning, or maybe because of such a lack, this absolute ground of refusal has traditionally been disregarded by doctrine and jurisprudence while, after the recent reform, it seems to be object of a more attentive analysis.

## 1.2. Purpose

It has been outlined that if, on one hand, the EUTMR explicitly states the possibility to register colours as trademark and eliminates the condition of graphical representation for the sign, on the other hand, it introduces, next to the already unclear expression “shape which gives substantial value to the goods”, the expression “another characteristic”. Consequently it is necessary to investigate the meaning of these expressions, as the recent interest of national court in this absolute ground for refusal, testified by the growing number of references for a preliminary ruling regarding article 7(1)(e)(iii) clearly indicates.<sup>8</sup>

## 1.3. Research questions

---

<sup>5</sup> Judgment Hauck GmbH & Co. KG v Stokke A/S and Others, C-205/13, 18 September 2014, ECLI:EU:C:2014:2233

<sup>6</sup> Judgment Bang & Olufsen A/S v Office for Harmonisation in the Internal Market (TradeMarks and Designs) (OHIM), T-508/08, 6 October 2011, ECLI:EU:T:2011:575

<sup>7</sup> A. KUR, *Too Pretty to Protect ? Trade Mark Law and the Enigma of Aesthetic Functionality* (September 28, 2011). TECHNOLOGY AND COMPETITION: CONTRIBUTIONS IN HONOUR OF HANNS ULLRICH, pp. 139 - 159, Josef Drexler, Reto M. Hilty, Laurence Boy, Christine Godt & Bernard Remiche, eds., Larcier, Bruxelles, 2009 (updated version); Max Planck Institute for Intellectual Property & Competition Law Research Paper No. 11-16. Available at SSRN: <https://ssrn.com/abstract=1935289>, 140

<sup>8</sup> Reference for a preliminary ruling Textilis Ltd contre Svenskt Tenn Aktiebolag, C-21/18 lodged on 11 January 2018; Reference for a preliminary ruling Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV, C-163/16,

Which are the main critics towards the absolute ground for refusal of article 7(1)(e)(iii) EUTMR? How article 7(1)(e) EUTMR has been applied by the Court of Justice of the European Union? Considered that after the EUTM package's reform such an absolute ground for refusal of article has not been deleted but only reformed (in particular with the addition of the expression "or another characteristic"), which are the future possible application of such an indent?

#### **1.4. Method & Material**

Legal dogmatic methodology and European dogmatic methodology will be applied in order to choose the appropriate legal sources, regulations, directives, decisions of the Court of Justice of the European Union, Court of Justice of the European Free Trade Association and EUIPO's division, and create a hierarchy among them. The doctrinal method will also be applied, such a method will allow to describe the present legislation and to analyse the different positions concerning the existing law A deductive method will be used to conduct an analysis of the jurisprudence of the recent years and speculate on the future possible application of the absolute grounds for refusal at stake. The combination of such methods will allow to have a clear representation of the legislative and jurisprudential "state of art", at the same time to understand which are the main doctrinal opinions and finally to draw objective conclusions regarding the possible interpretation of the norms at issue.

#### **1.5. Limitations**

This work will mostly focus on the absolute grounds for refusal 7(1)(e)(iii) of Reg. 2017/1001 while absolute ground of refusal of article 7(1)(e)(i) and (ii) will be taken into account in order to understand the purpose of the product shape absolute grounds for refusal.

#### **1.6. Outline**

The first chapter contains a description of the issue that will be treated. The second chapter will start with an analysis of the justification of the existence of trademarks and their functions.

The third chapter will focus on the absolute grounds for refusal and the reason of their existence and will continue with a specific analysis of the shape product absolute grounds for refusal, the historical and national aspects which brought to the addition of this ground

to the European legislation. Moreover it will consider the expressed needs to delete or reform the provision concerning the absolute ground for refusal for signs which consists in shape which gives a substantial value to the good and it will analyse the reforms which have been taken in the last years.

The fourth chapter will analysis the jurisprudence of the Court of Justice of the European Union, the Court of Justice of the European Free Trade Association and the European Union Intellectual Property Office (EUIPO) decisions concerning the shape product absolute ground for refusal and, in particular, article 7(1)(e)(iii) of Reg. 2017/1001.

Finally, the fourth chapter will consist in speculation concerning the possible future application of such a ground and its implications.

## **2. Trademark justifications and functions**

### **2.1. Justifications for the existence of trademarks**

Before analysing the different functions of a trademark, it is important to try to answer at one question which involves the reflection on the reasons of the existence of trademarks, the question is, why should trademarks be protected? The answers to this question are numerous.

Contrary to other branches of intellectual property law such patents and design, trademarks do not involve necessarily novelty, consequently it is somehow difficult to justify the protection of trademarks on the basis of the necessity to protect the creativity which has been involved in the creation of the trademark. Part of the doctrine has, in any case, extended the idea of creation in order to involve also trademarks, in particular by holding that the trademark has been invented or that a new link has been created between the sign and the product. An argument that strengthens this position is considered to be the fact that trademark helps “*to assure a producer that it will reap the financial reputation-related rewards associated with a desirable product*”.<sup>9</sup> In line with this affirmation, the European Commission considered “*mark works...as an engine of innovation*”.<sup>10</sup>

One of the most sustained thesis concerning trademarks’ justification is connected with their essential function and it concretise in the fact that the presence of trademarks reduce

---

<sup>9</sup> Qualitex v. Jacobson Porducts 15 S. Ct. 1300, 1303 (1995)

<sup>10</sup> European Commission, proposal for a Directive of the European Parliament and of the Council to Approximate the Laws of Member State relating to Trademarks (recast) (2013) COM(2013) 162 final, Explanatory Memorandum

the consumers' search costs in the act of buying products or purchasing services. This specific justification will be further analysed in paragraph 2.2.1.

Finally, also ethical justifications have been advanced. The main ethical justification is based on the idea of fairness and justice. Often it is stated that by adopting a certain trademarks a person takes advantage of the goodwill generated by the earlier trademark. Trademarks protection, in this way, is extended in the area of protection against unfair competition and passing off, tools which, in certain national system are usually activate in case of trademarks infringements.

Another ethical justification which have been used are the protection against misrepresentations of the sources of goods.

## **2.2. Trademarks' functions**

### **2.2.1. The essential function, indication of origin**

The trademark protection system and the creation of a monopoly of certain signs is an essential element in the undistorted competition market in which undertakings must be able to attract and retain customers by the quality of their goods or services. This is made possible only by distinctive signs allowing the goods or services to be identified.

Recital 11 EUTRM which concerns the degree of protection of trademarks in case of identity between the mark and the sign and the goods or services states that the function of a trademark is, in particular, to guarantee the trademark as an indication of origin. Thus, traditionally, the function of a trademark has been recognized in assuring market transparency. This translates in the fact that the essential function of a trademark is to ensure that a consumer could easily distinguish services and products of one enterprise from services and products of another. In this regard the Court of Justice of the European Union remembered that the essential function of a trademark is to guarantee the identity of the origin of the trademarked product to the consumer or final user enabling him to distinguish, without confusion, between that product and products which have another origin<sup>11</sup> and that goods or services bearing a registered mark have been placed on the market with the authorisation of the proprietor.<sup>12</sup>

---

<sup>11</sup> Judgment Pfizer Inc. v Eurim-Pharm GmbH, C-1/81, 3 December 1981, ECLI:EU:C:1981:291; Judgment Arsenal Football Club plc v. Matthew Reed, C-206/01, 12 November 2002, ECLI:EU:C:2002:651; Judgment Anheuser – Busch Inc. v Budějovický Budvar, národní podnik, C-245/02, 16 November 2004, ECLI:EU:C:2004:717; Judgment Adam Opel AG v Autec AG, C-48/05, 25 January 2007, ECLI:EU:C:2007:55  
<sup>12</sup> Judgment Hoffmann-La Roche & Co. AG v Centrafarm Vertriebsgesellschaft Pharmazeutischer Erzeugnisse mbH, C-102/77, 23 May 1978, ECLI:EU:C:1978:108

One important case concerning the origin function of trademarks is Arsenal Football Club plc v. Matthew Reed.<sup>13</sup> Arsenal, the proprietor of the trademark Arsenal in respect of clothing and footwear brought an action for infringement against a stall holder who sold scarves bearing the mark from a stall located outside Arsenal FC's ground. The evidence indicated that the mark was perceived exclusively as badges of support, loyalty or affiliation. The Court of Justice of the European Union interpreted that the use of the sign was such in order to create the impression that there was a material link in the course of trade between the goods concerned and the trademark proprietor. Such a finding was considered to be true even if the initial consumer was not confused as some consumers may come across the goods after these have been sold and taken away from the stall and therefore some consumers may interpret the sign as designating Arsenal FC as the undertaking of origin of the goods. For the CJEU the specific use of the trademark made by the defendant was liable to jeopardize the guarantee of origin.

In other cases, concerning Internet advertising and trademarks the Court held that the origin function may be damaged by the display of "ads" even though these ads do not include the trademark but are generated in response to a consumer entering a particular trademark into a search engine. The Court stated in *Louis Vuitton v. Google France*<sup>14</sup> that the origin function is adversely affected if the ad does not enable normally informed and reasonably attentive internet users, or enables them only with difficulty, to recognize if the goods or services referred to by the ad originate from the proprietor of the trademark or an undertaking economically connected to it or from a third party. The statement of this decision was then applied in *Interflora Inc. v. Marks & Spencer*<sup>15</sup>, in this case the Court of Justice, firstly acknowledged that the average consumer at the relevant date did not appreciate that Google operated a keyword system that produced results as part of a paid service. The Court also recognized the importance of clarity in Internet communications.<sup>16</sup>

---

<sup>13</sup> Judgment Arsenal Football Club plc v. Matthew Reed, C-206/01, 12 November 2002, ECLI:EU:C:2002:651

<sup>14</sup> Judgment Google France SARL and Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA and Luteciel SARL and Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others, Joined cases C-236/08 to C-238/08, 23 March 2010, ECLI:EU:C:2010:159

<sup>15</sup> Judgment Interflora Inc. and Interflora British Unit v Marks & Spencer plc and Flowers Direct Online Ltd, C-323/09, 22 September 2011, ECLI:EU:C:2011:604

<sup>16</sup> L. BENTLY, B. SHERMAN, *Intellectual Property Law*<sup>4</sup>, Oxford, 2014, 1053

For the origin function to be safeguarded, the proprietor must be protected against competitors wishing to take unfair advantage of the status and reputation of the trademark by selling products illegally bearing it. The exclusive rights conferred to the trademark holder enable the holder to protect his specific interests as proprietor and therefore to ensure that the trademark can fulfil its functions.

Rarely the use of an identical trademark for identical goods will not affect the function of indicating origin.<sup>17</sup> In *Adam Opel AG v. Autec AG*,<sup>18</sup> the well-known car manufacture Opel has its logo registered for cars and toys while the defendant sold remote-controlled scale models of the Opel Astra V8 Coupé bearing the logo Opel on its radiator grille. The Court of Justice of the European Union stated that, as long as consumers did not think that the toys came from Opel or an economically linked undertaking the use did not affect the essential function of trademarks. Thus the use of identical marks for identical goods did not affect the function of indicating origin.

One of the effects of the origin function is the reductions of problems connected with information asymmetry, the situation in which one of the parties of a transaction has more information than the other. This is typical in relations between consumer and businessman where the businessman knows its products and its characteristics while the consumer does not have any information about it. The presence of trademark as origin's indicator avoid situations in which a consumer may pick a good without having the possibility to distinguish it from another good which appears similar but have different characteristics. This is especially important in the presence of a good that a consumer cannot judge merely through inspection ("experience goods"). The consequence is a reduction of the consumer search costs as the presence of a trademark reduces the cost of searching the product with specific characteristics.<sup>19</sup> This allows the consumer to react to the changes of products' quality. The possibility to easily identify the origin of one product means that any changes of the quality of that product will disincentive the consumer from buying products originating from the same company. According to the CJEU a company must keep its customers thanks to the quality of its products and services, this is possible only if there are distinctive marks which enable customers to identify those products and

---

<sup>17</sup> L. BENTLY, B. SHERMAN, *Intellectual Property Law*<sup>4</sup>, Oxford, 2014, 1051

<sup>18</sup> Judgment *Adam Opel AG v Autec AG*, C-48/05, 25 January 2007, ECLI:EU:C:2007:55

<sup>19</sup> L. BENTLY, B. SHERMAN, *Intellectual Property Law*<sup>4</sup>, Oxford, 2014, 816; A. KUR, M. SENFTLEBEN, *European Trademark Law*, Oxford, 2017, 6

services. There must be a guarantee that all goods bearing the trademarks have been produced under the control of a single company which is accountable for their quality.<sup>20</sup>

### **2.2.2. The other functions**

In the mentioned case, Arsenal Football Club plc v. Matthew Reed, the Court of justice of the European Union used, for the first time, the expression, “functions of the trademark”, indicating that the trademark’s origin function is not the only function of the mark that is worthy of protection against injury by third parties. In fact, the trademark is an instrument of commercial strategy used for advertising purposes or to acquire a reputation in order to develop consumer loyalty. In L’Oréal v. Bellure<sup>21</sup> the Court of Justice of the European Union held that among the trademark functions, it has to be considered not only the essential function of the trademark, but also the function of guaranteeing the quality of the goods and services in question and those of communication, investment or advertising. Such a principle was reiterated in subsequent case-law.<sup>22</sup> The importance of such a statement is evident as the Court recognized the necessity to broaden the extent of protection of trademarks. Traditionally, such protection was narrowed down to the circumstances in which trademark’s infringement attempted to the origin function of the trademark.<sup>23</sup>

## **3. The European Trademark system**

### **3.1. The first Trademark directive and the First Trademark regulation**

The First Trademark directive<sup>24</sup> was enacted in 1989, its first recital underlined that trademark laws of the single Member States contained disparities and this might impede the free movement of goods and freedom to provide services. Thus there was a risk of distortion of

---

<sup>20</sup> Judgment Hoechst AG v Commission of the European Communities, T-10/89, 10 March 1992; Judgment Bristol-Myers Squibb v Paranova A/S and C. H. Boehringer Sohn, Boehringer Ingelheim KG and Boehringer Ingelheim A/S v Paranova A/S and Bayer Aktiengesellschaft and Bayer Danmark A/S v Paranova A/S, Joined cases C-427/93, C-429/93 and C-436/93, 11 July 1996, ECLI:EU:C:1996:282

<sup>21</sup> Judgment L’Oréal SA, Lancôme parfums et beauté & Cie SNC and Laboratoire Garnier & Cie v Bellure NV, Malaika Investments Ltd and Starion International Ltd., C-487/07, 18 June 2009, ECLI:EU:C:2009:378

<sup>22</sup> Judgment Google France SARL and Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA and Luteciel SARL and Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others, Joined cases C-236/08 to C-238/08, 23 March 2010, ECLI:EU:C:2010:159

<sup>23</sup> Judgment Interflora Inc. and Interflora British Unit v Marks & Spencer plc and Flowers Direct Online Ltd, C-323/09, 22 September 2011, ECLI:EU:C:2011:604; Judgment Leidseplein Beheer BV and Hendrikus de Vries v Red Bull GmbH and Red Bull Nederland BV, C-65/12, ECLI:EU:C:2014:49

<sup>24</sup> First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks

competition within the common market which conducts to the necessity to approximate trademark law of the single States.

The First Trademark regulation<sup>25</sup> entered into force in 1994, some years later than the directive, because of controversies about the seat of the “trademark office” and the language regime. Recitals of the First Trademark regulation stated that, in order to increase in the Community a harmonious development of economic activities and a continuous and balanced expansion it was necessary to remove barriers to free movement of goods and services and to institute arrangements which ensure that competition is not distorted. At the same time, it found essential to create the legal conditions to enable undertakings to adapt their activities to the scale of the Community and, for this reason, it appeared important to introduce a trademarks system allowing products and services of undertakings to be distinguished by identical means in the Community, regardless of frontiers. Such a system would have involved a single procedural system to grant trademark with uniform protection and effects throughout the entire area of the Community but it would not replace the laws of the single Member States on trademarks. In fact, it was found – and it is still found - not to be justified to require undertakings to apply for registration of their trademarks as Community trademarks and, consequently, national trademarks continue to be necessary.

### **3.2. The consolidated versions and the reform**

The text of the European trademark directive and regulation remained mostly unchanged throughout the twenty years after their adoption. Consolidated versions were enacted in 2008<sup>26</sup>, for the directive, and 2009<sup>27</sup>, for the regulation.<sup>28</sup> On 14 December 2015, the European Parliament accepted the texts of the EUTMD<sup>29</sup> and the EUTMR<sup>30</sup>. These acts entered into force on 14 January and 23 March 2016. On 14 June 2017, in order for the

---

<sup>25</sup> Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark

<sup>26</sup> Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trademarks (Codified version)

<sup>27</sup> Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trademark (codified version)

<sup>28</sup> A. KUR, M. SENFTLEBEN, *European Trademark Law*, a commentary, Oxford, 2017, 68

<sup>29</sup> Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks

<sup>30</sup> Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs)

EUTMR to be codified, the new EUTMR<sup>31</sup> was signed. The relevant provisions of the EUTMR became effective in relation to EU trademarks on 1<sup>st</sup> October 2017 while Member States have until 14 January 2019 to implement the changes with respect to national trademark system. Some changes affected the text of the two acts after the reform. These changes resulted also in nomenclature changes and change in the numbering of the provisions. One of the key changes is the elimination of the requirement for a trademark to be represented graphically. In general, the new legislation is intended to increase legal certainty by codifying previous CJEU case law. Some of the changes which affect the two texts and are relevant for the present work will be deeply analysed in paragraph 4.1.1.

### **3.3. Signs of which an EU trademark may consist**

Article 4 EUTMR and 3 EUTMD set the principle characteristics for a sign in order to be capable of constitute a trademark. Article 4 EUTMR states that *“an EU trademark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of, distinguishing the goods or services of one undertaking from those of other undertakings; and being represented on the Register of European Union trademarks (‘the Register’), in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor”*. From the text of this provision, it is possible to infer that two are the characteristics that a sign has to have in order to be registered as a trademark. It has to be capable to distinguish, meaning that it has to be able to identify and distinguish goods and services with regard to their commercial origin and it has to be representable.

### **3.4. Representation**

The representation requirement finds its rationale in the fact that the European Union Trademark system is a registration system. Differently from some national system (i.e. Scandinavian and Italian systems, where the protection might be acquired through the use of the trademark) in the European system trademark, protection is acquired only by registration. According to recitals 7 and 8 EUTMR, the European law relating to trademarks does not replace the laws of the Member State on trademarks as justifications do not exist to require

---

<sup>31</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark

undertakings to apply for registration of their trademarks as European trademarks. In fact, national trademarks continue to be necessary for those undertakings which do not wish to protect their trademarks at European level or which are unable to obtain this kind of protection while the same problem is not present at national level. The decision to seek for European or national protection is left to each person willing to obtain trademark protection. Because of the existence of the principle of coexistence, the legal systems at national and European level are independent but at the same time interdependent at a certain level. In light of the above and regarding the protection of unregistered trademarks Member states' legislations have not been harmonized. Unregistered trademarks recognized by the single Member States can be used against the registration or validity of an European trademark. The recognition of unregistered trademarks differ widely from one Member State to another. Some states do not recognize unregistered trademarks at all, others have varying thresholds of recognition or reputation and in Denmark, trademark right arise from mere use.<sup>32</sup> In order to rely on European trademark law, the unregistered trademark proprietor must prove that he or she had acquired exclusive rights consequently it is necessary to prove acquisition and continued existence of the earlier right. The fulfilment of the national law conditions for obtaining unregistered trademark protection in the European trademark law system must be proved and a description of the conditions (the content and meaning of national law) has to be furnished.<sup>33</sup> Consequently, if it is true that unregistered trademarks are not present in the European system it cannot be held that unregistered trademarks do not influence, to a certain extent, the European trademark system.

Focusing again on the representation requirements, one of the main changes of the reform is based on the elimination of the expression "*capable of being represented graphically*". It has been found that graphical representation is not only and, in some cases, the most suitable way to represent a sign. Consequently it is considered to be enough for the legislation to dispose that the sign is represented in a manner which enable to determine clearly and precisely the subject matter of the protection afforded to the proprietor. In the Sieckmann case,<sup>34</sup> the Court of Justice of the European Union held that in order to be registered a sign has to be "*represented graphically, particularly by means of images, lines or characters, and that the*

---

<sup>32</sup> V. VON BOMHARD, A. GEIER, *Unregistered trademarks in EU trademark law*, The trademark reporter, 107 (3), 677-700, 690

<sup>33</sup> V. VON BOMHARD, A. GEIER, *Unregistered trademarks in EU trademark law*, The trademark reporter, 107 (3), 677-700, 692

<sup>34</sup> Judgment Ralf Sieckmann v Deutsches Patent- und Markenamt, C-273/00, 12 December 2002, ECLI:EU:C:2002:748

*representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective*". These seven last requirements that have to be fulfilled for a trademark to be registered and they have been reproduced in recital 10 EUTMR which states "*sign should be permitted to be represented in any appropriate form using generally available technology, and thus not necessarily by graphic means, as long as the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective*".

### **3.5. Distinctive character**

The distinctive character requirement implies that the mark is capable of identifying the product as originating from a particular undertaking, and thus distinguish it from other undertakings.<sup>35</sup> The important element is how the trademark would be perceived by the relevant public, formed by average consumers of the mark in relation to the goods or services for which it is proposed to be used: an informed guess at what the relevant class of consumers would understand from the sign.<sup>36</sup> Signs which the average consumer "*does not identify as reliably indicating the commercial origin of the product*"<sup>37</sup> are not registrable. Thus the provision excludes from registration signs that would not be perceived to communicate any message and those which are perceived to communicate information but not trade sources. For a trademark to be distinctive it is necessary that it enables the relevant public to identify the origin of the goods or services and to distinguish them from those of other undertakings.<sup>38</sup>

It is settled case-law that the distinctive character of a trademark, within the meaning of Article 7(1)(b) EUTMR, must be assessed, in first place, by reference to the goods or services for which registration is sought and, in second place, by reference to the perception of them by the relevant public, which consists of average consumers of the goods or services in question who are reasonably well informed and reasonably observant and circumspect.<sup>39</sup>

In order to assess if a mark has acquired distinctive character following the use which has been made of it, elements such as the market share held by the mark, how intensive,

---

<sup>35</sup> Judgment Linde AG (C-53/01), Winward Industries Inc. (C-54/01) and Rado Uhren AG (C-55/01), Joined cases C-53/01 to C-55/01, 8 April 2003, ECLI:EU:C:2003:206

<sup>36</sup> L. BENTLY, B. SHERMAN, *Intellectual Property Law*<sup>4</sup>, Oxford, 2014, 934

<sup>37</sup> Judgment Nichols plc v Registrar of Trade Marks, C-404/02, 16 September 2004, ECLI:EU:C:2004:538

<sup>38</sup> Judgment SAT.1 SatellitenFernsehen GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), C-329/02 P, 16 September 2004, ECLI:EU:C:2004:532

<sup>39</sup> Judgment Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Joined cases C-456/01 P and C-457/01 P, 29 April 2004, ECLI:EU:C:2004:258; Judgment Deutsche SiSi-Werke GmbH & Co. Betriebs KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), C-173/04 P, 12 January 2006, ECLI:EU:C:2006:20

geographically widespread and long-standing use of the mark has been, the amount invested by the undertaking in promoting the mark, the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking, and statements from chambers of commerce and industry or other trade and professional associations have to be taken into account.<sup>40</sup>

### **3.5.1. The distinctive character of a product shape**

Once analysed the requirements for a sign to be registered as a trademark and the requirements to be fulfilled in order to be considered distinctive, a question arises concerning one of the most common untraditional trademarks, product shape trademarks, are these signs capable of being considered distinctive?

For shape trademark it has to be understood trademarks which are constituted by the shape of the products they will be applied to. While, in general, protection of three-dimensional mark does not arise any problems when they concern figures attached to goods, as may be seen in the “Spirit of Ecstasy” for Rolls Royce cars or the “Michelin man” built from a pile of tires,<sup>41</sup> the same cannot be held for pure product shape.

Before the reform, the need was expressed to indicate that shape of product marks has to establish acquired distinctiveness for being registered. Moreover it was underlined that *“for the assessment of distinctive character, the views of the public as well as the interests of competitors should be taken into account. Trademarks devoid of distinctive character, descriptive or customary in trade should only obtain protection if the initial obstacles have been overcome through use on the market within the Community. This in particular for form of signs which are not immediately perceived by the public as indicating commercial origin such as colours per se or shapes of products. If a sign exclusively consists of features which confer on the proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the*

---

<sup>40</sup> Judgment *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots- und Segelzubehör Walter Huber and Franz Attenberger*, Joined cases C-108/97 and C-109/97, 4 May 1999, ECLI:EU:C:1999:230; Judgment *Société des produits Nestlé SA v Mars UK Ltd*, Case C-353/03, 7 July 2005, ECLI:EU:C:2005:432; Judgment *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd*, C-299/99, 18 June 2002, C-299/99, ECLI:EU:C:2002:377

<sup>41</sup> A. KUR, M. SENFTLEBEN, *European Trademark Law, a commentary*, Oxford, 2017, 143-144

*products of competitors, registration on the basis of acquired distinctiveness should be excluded”.*<sup>42</sup>

Moreover, in order for shape signs as any other kind of signs to be considered as trademark and as distinctive one it is necessary that *“the relevant class of persons perceive the goods or services designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company”.*<sup>43</sup>

It is essential to remember that courts generally show reluctance to grant trademark protection to items which seem able to fall within the scope of a patent, design and copyright rights.<sup>44</sup> Protection is frequently denied by the EUIPO and these decisions are mostly confirmed by the General Court of the European Union and the Court of Justice of the European Union. Registries and Courts often find that shapes do not operate as badge of origin and attribute more trademark significance to verbal elements which in practice may be present on the shape for which the application is sought. The signs, even if not considered strictly identical to the shape of the goods, are very often not considered to *“have characteristics of its own capable of informing the consumer of the trade origin of the goods”.*<sup>45</sup>

---

<sup>42</sup> Study on the overall functioning of the European trademark system, Max Planck Institute for Intellectual Property and Competition Law, Munich, 2011, 74

<sup>43</sup> Judgment *Société de Produits Nestlé SA v Cadbury UK Ltd.*, C-215/14, 16 September 2015, ECLI:EU:C:2015:604

<sup>44</sup> A. KUR, M. SENFTLEBEN, *European Trademark Law*, a commentary, Oxford, 2017, 145

<sup>45</sup> Judgment *The Procter & Gamble Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-63/01, 12 December 2002, ECLI:EU:T:2002:317; Judgment *BIC SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-262/04, 15 December 2005, ECLI:EU:T:2005:463; Judgment *Wim De Waele v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-15/05, 31 May 2006, ECLI:EU:T:2006:142; Judgment *Georg Neumann GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-358/04, 12 September 2007, ECLI:EU:T:2007:263; Judgment *Jean Cassegrain SAS v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-73/06, 21 October 2008, ECLI:EU:T:2008:454; Judgment *Somm Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-351/07, 17 December 2008, ECLI:EU:T:2008:591; Judgment *G. M. Piccoli Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-8/08, 10 March 2009, ECLI:EU:T:2009:63; Judgment *ars Parfum Creation & Consulting GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-104/08, 5 May 2009, ECLI:EU:T:2009:138; Judgment *Thomas Rotter v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-449/07, 5 May 2009, ECLI:EU:T:2009:137; Judgment *Fides B. Baldesberger v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-78/08, 11 June 2009, ECLI:EU:T:2009:199; Judgment *Mars, Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-28/08, 8 July 2009, ECLI:EU:T:2009:253; Judgment *Alfons Alber v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-391/07, 16 September 2009, ECLI:EU:T:2009:336; Judgment *Wilco SE v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Joined cases T-253/09 and T-254/09, 9 December 2010, ECLI:EU:T:2010:507; Judgment *FunFactory GmbH v Office for Harmonisation in the Internal Market (Trade*

According to the case law of the Court of Justice of the European Union, the criteria to assess distinctive character of three-dimensional marks consisting of the shape of the product itself are no different from those applicable to other categories of trademark. None the less in order to apply those criteria, the relevant public's perception is not necessarily the same in the case of three-dimensional mark consisting of a sign unrelated to the appearance of the products it denotes. Average consumers do not make any assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element. Therefore it could be more difficult to establish distinctiveness in relation to such a three dimensional mark than in relation to a word or figurative mark. Consequently and under established case-law, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character.<sup>46</sup> In any case, the market share held by the mark is considered to be a particular important indicative for the purpose of assessing if a mark consisting of the appearance of the product has acquired distinctive character; in cases where such a mark appears to be devoid of any distinctive character because it does not depart significantly from the norm or customs of the sector. This mark will acquire distinctive character if, following to the use made of it, the products which bear it have more than a negligible share of the market in the product at issue.<sup>47</sup> In *August Storck KG v OHIM* where this principle was established, the Court of Justice remembered that the Court of First Instance decision that the brown colour and shape of werther's originals was not a significant departure from those commonly used and it held that the mark *at issue comprised a combination of presentational features which come naturally to mind and are typical of the goods in question. Thus it is a variation of certain basic shapes commonly used in the confectionary sector*". The differences pointed out were considered to be not readily

---

Marks and Designs) (OHIM), T-137/12, 18 January 2013, ECLI:EU:T:2013:26; Judgment *Germans Boada, SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-25/11, 29 January 2013, ECLI:EU:T:2013:40; Judgment *Bottega Veneta International Sàrl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-409/10, 22 March 2013, ECLI:EU:T:2013:148; Judgment *Rosian Express Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-547/13, 8 October 2015, ECLI:EU:T:2015:769; Judgment *Grupo Bimbo, SAB de CV v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-618/14, 29 June 2015, ECLI:EU:T:2015:440; Judgment *The Smiley Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), T-656/13, 7 October 2015, EU:T:2015:758 and EU:T:2015:762; Judgment *Jaguar Land Rover Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, T-629/14, 25 November 2015, ECLI:EU:T:2015:878

<sup>46</sup> Judgment *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), C-173/04 P, 12 January 2006, ECLI:EU:C:2006:20

<sup>47</sup> Judgment *August Storck KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), C-25/05 P, 22 June 2006, ECLI:EU:C:2006:422

perceptible and therefore the Court agreed that the shape in question could not be sufficiently distinguished from other shapes commonly used.

In *Voss*<sup>48</sup>, the CJEU dealt with the validity of a trademark whose shape, according to its proprietor, was not common shape on the beverages market and that because of the contrast between its transparent body and the cap, departed significantly from existing bottles. In this case the CJEU states, concerning the distinctive character of product shape trademark, that “*the more closely the shape for which registration is sought resemble the shape most likely to be taken by the product in question, the greater the likelihood of the shape being devoid of any distinctive character*”. The mere fact that the shape is a variant of a common shape of that type of the product is not sufficient to establish that the mark is not devoid of any distinctive character. Moreover, regarding the procedure under which the assessment has to be conducted the Court stated that, if it is true that an overall impression has to be taken into consideration, nevertheless the competent authority may examine each of the components of which the concerned trademark is composed.

For the shape to “*significantly departs from the norm or customs of the sector and thereby fulfils its essential original function*” it is necessary firstly that an assessment of whether there is anything unusual or idiosyncratic about the shape such that the relevant consumers would notice it and remember it, and secondly, if such conditions are present, an assessment as to whether the consumer would think of the shape as indicative of source rather than merely functional or decorative. This test is created to ensure that consumers of the goods can perceive the differences between the shape in question and other shapes. In general, basic geometric shapes will not be noticed by consumers and so will not perform the distinguishing function such as shapes that are non-easily differentiate from those ordinarily used in trade.

Even if the above mentioned requirement is fulfilled, it does not mean necessarily that the sign is registrable. The shape must be one that the average consumer would view as indicating trade origins, for this reason the Court of Justice held that the attractive, well-designed cylindrical shape of a mag-lite torch would not function as an indicator of origin<sup>49</sup> and neither would an abstract design with multiple tiny strokes for application to

---

<sup>48</sup> Judgment *Voss of Norway ASA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, C-445/13 P, 7 May 2015, ECLI:EU:C:2015:303

<sup>49</sup> Judgment *Mag Instrument Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, C-136/02 P, 7 October 2004, ECLI:EU:C:2004:592

the surface of glass products<sup>50</sup>. In the first case, the Court of Justice explained that “*the fact that goods benefit from a high quality of design does not necessarily means that a mark consisting of the three-dimensional shape of those goods enables ad initio those goods to be distinguished from those of other undertakings*”. On the contrary, the Court allowed registration of the shape of the grille of a jeep, holding that consumer had come to understand car grilles as signs of origin, so that the applicant’s grille could serve as a trademark.<sup>51</sup>

Concerning the factors to consider in order to assess the distinctive character of a sign the Court of Justice of the European Union stated that factors that are not subjected to registration as the price of the product concerned or a particular spatial positioning of the product cannot be taken into consideration unless that product is ordinarily presented with that positioning. Furthermore, the CJEU held that *the contemplation or the use of marketing concept is immaterial because the existence of a marketing concept is a factor that is extrinsic to the right conferred by the trademark. Moreover the marketing concept is purely a matter of choice and it may be altered after the trademark has been registered and, therefore, it cannot influence the assessment of the mark's registrability*.<sup>52</sup> In the assessment of the distinctive character it must also be recalled that its lack is not affected by how many similar shapes are already on the market,<sup>53</sup> nor by the absence on the market of shapes identical to those in respect of which registration is requested.<sup>54</sup> In this regard it has been underlined that the average consumer, who does not make a study of the market, does not know that only one undertaking markets a given product in a

---

<sup>50</sup> Order Glaverbel SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), C-445/02 P, 28 June 2004, ECLI:EU:C:2004:393

<sup>51</sup> Judgment DaimlerChrysler Corporation v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), T-128/01, 6 March 2003, ECLI:EU:T:2003:62

<sup>52</sup> Judgment Axions SA and Christian Belce v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Joined cases T-324/01 and T-110/02, 30 April 2003, ECLI:EU:T:2003:123

<sup>53</sup> Judgment Rosian Express Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), T-547/13, 8 October 2015, ECLI:EU:T:2015:769; Judgment Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Joined cases C-456/01 P and C-457/01 P, 29 April 2004, ECLI:EU:C:2004:258; Judgment The Procter & Gamble Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Joined cases T-241/05, T-262/05 to T-264/05, T-346/05, T-347/05, T-29/06 to T-31/06, ECLI:EU:T:2007:151

<sup>54</sup> Judgment Rosian Express Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), T-547/13, 8 October 2015, ECLI:EU:T:2015:769; Judgment Wim De Waele v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), T-15/05, 31 May 2006, ECLI:EU:T:2006:142

certain type of packaging whilst its competitors use other types of packaging for that product.<sup>55</sup>

Finally, another important problem relating to the registration of shape product signs as trademarks is that applications to register shape signs based on their verbal descriptions can fail owing the lack of clarity, precision and objectivity. One example of such issue, may be found in the Dyson case<sup>56</sup> where the Court of Justice of the European Union stated that the concept of “*a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner*” could not be registered. At the same time, also the shape of a Scrabble<sup>57</sup> playing tile, described as a “*three dimensional ivory-coloured tile on the top of surface on which is shown a letter of the Roman alphabet and a number in the range of 1 to 10*” was held not to be able to be registered, in particular, because it potentially covered many different signs able to permutations.

### **3.5.1.1. Jurisprudence concerning the distinctive character of product shape**

The leading case concerning shape-product trademark is Koninklijke Philips Electronics NV v Remington Consumer Products Ltd.<sup>58</sup> In this case the CJUE stated that if a sign is refused registration because it is constituted by a shape, in no circumstances it can be registered because it had acquired distinctiveness through use while article 3(3) CTMD, provided that a mark which is refused registration under article 3(1)(b), (c), or (d) may acquire a distinctive character which did not have initially and be registered as a trademark. Moreover, the CJEU remembered the non-exhaustive list of criteria elaborated in the decision *Windsurfing Chiemsee*<sup>59</sup> to assess the distinctive character of a mark for which registration is sought, in particular, the market share held by the mark, how intensive, geographically widespread and long-standing use of the mark has been, the amount invested by the undertaking in promoting the mark, the proportion of the relevant class of person

---

<sup>55</sup> Judgment *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, C-173/04 P, 12 January 2006, ECLI:EU:C:2006:20

<sup>56</sup> Judgment *Dyson v Registrar of Trade Marks*, C-321/03, ECLI:EU:C:2007:51

<sup>57</sup> *JW Spear & Son Ltd v Zynga Inc* [2013] EWCA Civ 1175; 2014 1 All E.R. 1093

<sup>58</sup> Judgment *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd*, C-299/99, 18 June 2002, ECLI:EU:C:2002:377

<sup>59</sup> Judgment *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots- und Segelzubehör Walter Huber and Franz Attenberger*, Joined cases C-108/97 and C-109/97, Joined cases C-108/97 and C-109/97, ECLI:EU:C:1999:230

who, because of the mark, identifies goods as originating from a particular undertaking and statements from chambers of commerce and industry or other trade and professional associations. The CJEU observed that, in order to assess the distinctiveness of three dimensional shape of product marks there are not different, or more strict, criteria from those applied to assess distinctiveness of other categories of trademarks, consequently the Court of Justice of the European Union remembered that only article (3)(1)(e) of the first directive introduces absolute grounds for refusal for signs which consist in shape that possess determined characteristics. According to this provision and the corresponding provision of the EUTMR, a sign which consists in a shape determined by the nature of the good, necessary to obtain a technical result or which gives a substantial value to the good cannot be registered as a trademark. This in order to *“prevent trademark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors”*. The CJEU finally stated that these kinds of signs cannot acquire a distinctive character through the use made of it.

In *Simba Toys GmbH & Co. KG v. EUIPO*<sup>60</sup> the Court of Justice of the European Union, dealing with the validity of the registration of the three-dimensional puzzle of the well-known Rubik’s Cube, held that, in the examination of the functional characteristic of a sign, the competent authority may conduct detailed examination and take into account not only the graphic representation and descriptions filed at the time of application for registration but also material relevant to identify the essential characteristics of a sign. It would be impossible to analyse the shape only on the basis of its graphic representation without using additional information on the actual goods. In particular, the CJEU explained that the General Court rejected the proprietor’s argument by finding that it was based on knowledge of the rotating capability and that that capability could not result from the characteristics of the shape but from a not visible mechanism internal to the cube, only known in case of familiarity with the Rubik’s Cube itself. For this reason, the General Court stated that the grid structure which constituted the graphic representation of the trademark did not perform a technical function of the cube. The CJUE found this reasoning vitiated and stated that the essential characteristic of a shape must be assessed in light of the

---

<sup>60</sup> Judgment *Simba Toys GmbH & Co. KG v European Union Intellectual Property Office*, C-30/15 P, 10 November 2016, ECLI:EU:C:2016:849

technical function of the good rather than on an “abstract shape”. This last concept, which was not defined by the Court, could be interpreted as “*shapes or goods represented in a trademark which do not physically exist on the market*”.<sup>61</sup> The Court stated that, even if the application for the trademark registration did not contain a specific description of the good and its rotating capability, the effective characteristics of the product have to be taken into consideration otherwise this will allow the trademark proprietor to broaden the scope of the protection and be able to cover, in the specific case, every type of puzzle with a similar shape and, in general, every similar products without considering their specific characteristics. This, held the Court, will be contrary to the aim of the absolute ground for refusal.

In *Lego Juris A/S v OHIM*,<sup>62</sup> the Court of Justice of the European Union, after remembering that the grounds for refusal listed in Article 7(1) EUTMR must be interpreted in light of the public interest underlying them, affirmed the necessity that technical solutions remain protectable only for a limited period. Moreover, the Court reminded that the second indent of Article 7(1)(e) EUTMR implies the use of the word “exclusively” and “necessary” because the legislature considered that any shape of goods is, to a certain extent, functional. The Court then added that the assessment of the essential characteristics of the sign may be based on the examination, in turn, of each of the components of the sign concerned. Such an examination may be conducted by mean of a visual analysis of the sign or on a detailed examination in which relevant assessment criteria may be taken into account. For example, surveys or expert opinions or data relating to intellectual property rights conferred previously for the goods concerned such patents. Finally, the Court stated that the presence of non-essential characteristics with no technical functions is irrelevant in the case of a sign consisting exclusively of the shape of goods that is necessary to obtain a technical result. In fact, the possibility of alternative shapes, with other design capable of achieving the same technical result does not preclude the application of the absolute ground for refusal.

---

<sup>61</sup> K. FROLOVA-FOX, *Case Comment: The CJEU attempts to solve the puzzle: the Rubik's Cube Saga comes to an unexpected end*, *European Intellectual Property Review* 2017, 39(5), 311-315, 313

<sup>62</sup> Judgment *Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, C-48/09 P, 14 September 2010, ECLI:EU:C:2010:516

The main proceeding of *Société de Produits Nestlé SA v Cadbury UK Ltd*,<sup>63</sup> which regards the interpretation of Article 3(1)(b) and (e), first and second indents of the trademark directive, has at object the product “Kit-Kat” which, as well-known, is sold in a single layer printed paper with a red and white logo bearing the words Kit-Kat. The proprietor of the Kit-Kat trademark filed an application for registration of the three-dimensional sign representing the four fingers of chocolate but, differently from the actual product, without the words Kit-Kat on it. In this case, the Court of Justice of the European Union stated that Article 3(1)(e) of Directive 2008/95 should be interpreted in the sense that the registration of a mark has to be refused where, following analysis, more than one of the three grounds for refusal were found to be applicable, and vice versa, should be registered when each of the three grounds for refusal set out were only partially established. Concluding differently, the interpretation of this provision would run counter to the public interest objective underlying the application of the three grounds for refusal set out in Article 3(1)(e) of Directive 2008/95. It appears that the Court decided that the whole sign needs to be covered by one of the absolute ground for refusal in order for the ground to apply. This conclusion has been extrapolated from the use of expressions such as “*fully applicable*” and “*partially established*” and it strengthens the position of owners of non-traditional trademarks by confirming that the registration of a shape can only be refused if one of the grounds of refusal is fully applicable.<sup>64</sup> Moreover the Court remembered that the product shape absolute ground for refusal refers expressly to the shape of goods which is necessary to obtain a “*technical result*” without mentioning the process for manufacturing the goods. According to the Court, in light of the fact that from the consumer’s perspective the manner in which the goods function is decisive while the method of manufacture is totally irrelevant, this provision has to be interpreted literally. Regarding this reasoning it has to be said that, while it is true that the consumer is not concerned by manufacturing processes, the decision of the Court, that the exclusion from registration applied only where the shape is dictated by the function of the product, may enable trademarks proprietor to use their trademarks to prevent competitors using the same manufacturing process. This

---

<sup>63</sup> Judgment *Société de Produits Nestlé SA v Cadbury UK Ltd*, C-215/14, 16 September 2015, ECLI:EU:C:2015:604

<sup>64</sup> J. JONES, *Chocolate wars: the Kit-Kat awakens – acquired distinctiveness not put to bed by the courts*, *European Intellectual Property Review*, 2016, 38(5), 307-312, 310

interpretation, consequently, broadens the scope of protection of trademark.<sup>65</sup> Finally, the Court analysed the problem of acquiring distinctiveness through the use for the purposes of trademark protection and, in particular, it states that, in order to obtain registration of a trademark the applicant must prove that the mark alone, as opposed to any other trademark that may also be present, identifies the particular undertaking from which the goods originate. With this decision the Court of Justice of the European Union increased the importance of evidence to prove the acquired distinctiveness of a sign.<sup>66</sup>

In *Linde AG, Winward Industries Inc. and Rado Uhren AG*<sup>67</sup> the CJEU recalled the reasoning of the *Philips* case and underlined that, in order to assess the distinctiveness of a three-dimensional shape trademark, a stricter test than the one applied for other types of trademark must not be applied but it recognized that it may, in practice, be more difficult to establish distinctiveness in relation to a shape of product mark than a word or figurative trademark. Moreover, the Court stated that if a shape mark overcomes the obstacles set out in article 3(1)(e) EUTMD there are not indications implying that other grounds for refusing registration in that provision should not also apply to applications to register three-dimensional shape of product mark. Consequently, article 3(1)(c) EUTMD has also a significance for three-dimensional shape of product trademark and the *ratio* of this ground for refusal, that trademarks which consist exclusively of signs of indications which may serve to designate the characteristics of the goods or services within the meaning of that provision should be freely available to all, has to be considered even regarding three-dimensional shape of product trademarks.

In *Bang & Olufsen A/S v OHIM*<sup>68</sup> the CJEU dealt with the registration as a trademark of the Beo-Lab loudspeaker which is described as tall, slim and stand-alone. Its shape reminds that of an organ pipe with its bottom very particularly shaped and its point grounded in the black iron block. In this case, the CJEU after

---

<sup>65</sup> J. JONES, *Chocolate wars: the Kit-Kat awakens – acquired distinctiveness not put to bed by the courts*, *European Intellectual Property Review*, 2016, 38(5), 307-312, 311

<sup>66</sup> J. JONES, *Chocolate wars: the Kit-Kat awakens – acquired distinctiveness not put to bed by the courts*, *European Intellectual Property Review*, 2016, 38(5), 307-312, 312

<sup>67</sup> Judgment *Linde AG, Winward Industries Inc. and Rado Uhren AG*, Joined cases C-53/01 to C-55/01, 8 April 2003, ECLI:EU:C:2003:206

<sup>68</sup> Judgment, *Bang & Olufsen A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, T-460/05, 10 October 2007, ECLI:EU:T:2007:304

remembering that the distinctive character of a trademark must be assessed by reference to the goods or services in respect of which registration is sought and by reference to the perception of them by the relevant public, emphasized that the marketing method used for the products in question, such as the price of these products, are immaterial because they can change and they are not subject to registration. At the same time, the Court acknowledge that the level of attention of the relevant public may change depending on the category of goods or services in question and that the consumer's level of attention is high for durable goods or goods of a higher value or more exceptional use. Moreover, the Court remembered that not necessarily the perception of the relevant public is the same in the specific case of a three-dimensional mark consisting of the appearance of the products itself than in the case of a word or figurative mark which is completely unrelated to the appearance of the product and that, according to the principles settled in the *Mag Instrument Inc v. OHIM*<sup>69</sup> only a mark which departs significantly from the norm or customs of the sector is not devoid of any distinctive character. In this regard, the *Beo-Lab* loudspeaker is recognized to depart significantly from the customs of the sector and to have a distinctive character. Consequently, in this decision the Court of Justice of the European Union fully recognized the possibility of a shape trademark to have distinctive character as the shape has a particular appearance which is such as to retain the attention of the public concerned and enable it to distinguish the goods covered from those of another commercial origin.

### **3.5.2. Bi-dimensional and three-dimensional product shape**

The considerations about the distinctive character of word and figurative trademark (elaborated in paragraph 3.5) such as those regarding three-dimensional trademark consisting in the appearance of the product itself (elaborated in paragraph 3.5.1) also applies if the trademark is a figurative mark representing the shape of a product or a part thereof consisting of two-dimensional representation of that product. This principle was elaborated in a case<sup>70</sup> concerning the registration of a figurative mark which is a two-

---

<sup>69</sup> Judgment *Mag Instrument Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, C-136/02 P, 7 October 2004, ECLI:EU:C:2004:592

<sup>70</sup> Judgment *August Storck KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, C-25/05 P, 22 June 2006, ECLI:EU:C:2006:422, the same principle is applied in *Order Hans-Peter Wilfer v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*, C-546/10 P, 13 September 2011, ECLI:EU:C:2011:574

dimensional representation in perspective of a sweet in a gold-coloured wrapper with twisted ends. In this case, the Court stated that the General Court of the European Union did not err in law taking into consideration the shapes and colours of sweet wrappers used in trade in assessing whether the mark is devoid of any distinctive character and in stating that “*the configuration of the mark in question did not fundamentally stand out against the other usual presentations in the trade*” and “*it is not substantially different from wrappers for sweets or caramels commonly used in trade*”.

The same reasoning was applied in *Yoshida v. OHIM*<sup>71</sup>, where the General Court considered whether the exclusion might apply to a figurative mark representing the handle of a kitchen knife. In this case the Court found that article 7(1)(e) EUTMR made “*no distinction between three-dimensional shapes, two-dimensional shapes, or two-dimensional representations of three-dimensional shapes*”.

This conclusion may be justified by the fact that there seems no good reason why the “competition policy” involved with the shape absolute grounds for refusal should not be equally applied to such marks.<sup>72</sup>

#### **4. Absolute grounds for refusal**

##### **4.1. The shape absolute grounds for refusal**

Under article 7(1)(e)(iii) EUTMR and the corresponding disposition of article 4 (1)(e)(iii) EUTMD “*The following shall not be registered: signs which consist exclusively of: the shape, or another characteristic, which results from the nature of the goods themselves; the shape, or another characteristic, of goods which is necessary to obtain a technical result; the shape, or another characteristic, which gives substantial value to the goods*”.

*In limine*, it is important to remember that regarding the product shape absolute grounds for refusal, before the reform, the term shape has been interpreted flexibly, the Court of Justice has held that it applied to packaging of products that have no intrinsic shape of their own, such as, for example, liquids or granules.<sup>73</sup> For the fulfilment of the requirements of one of the absolute grounds for refusal it is sufficient to refuse the registration of an European Union trademark. These grounds are independent and they must be examined separately. The

---

<sup>71</sup> Judgment *Yoshida Metal Industry Co. Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, T-416/10, 8 May 2012, ECLI:EU:T:2012:222

<sup>72</sup>L. BENTLY, B. SHERMAN, *Intellectual Property Law*<sup>4</sup>, Oxford, 2014, 915

<sup>73</sup> Judgment *Henkel KGaA*, C-218/01, 12 February 2004, ECLI:EU:C:2004:88

wording of this provision such as its interpretations seem to imply that the disposition does not apply to signs for which registration is sought in respect of services.<sup>74</sup> In this regard the CJEU<sup>75</sup>, dealing with the registration of a three-dimensional trade mark consisting of the representation, by a design of its flagship stores for services, stated “*With the exception of Article 3(1)(e) of the directive, which exclusively covers signs for which registration is sought consisting of the shape of the goods and is thus irrelevant for the resolution of the dispute in the main proceedings (...)*” and consequently excludes the application of the product shape absolute ground for exclusion when the trademark registration is sought for services. These absolute grounds for refusal cannot be overcome by demonstrating that they have acquired distinctive character, in practice article 7(3) EUTMR cannot be applied to such shapes or other characteristics. Consequently it is necessary to conduct a prior examination of the sign under Article 7(1)(3) EUTMR where several of the absolute grounds for refusal may apply for reasons of administration and economy of proceedings. It does worth to add that very often the reason for the existence of an absolute ground for refusal concerning product shape is conducted to the need to keep separate different area of intellectual property law, in particular trademark law from patent, design and copyright law. This justification cannot be accepted as in fact there is not an effective and direct need to keep the different branches of intellectual property law separate one from another as the need is to avoid the creation of infinite in time monopoly and to guarantee competition. Historically trademark protection for this kind of signs has been excluded, for example in the USA and Japan. In the European system product shape trademark can be registered but practitioners tend to have a cautious approach to the appraisal of the distinctive character of such signs.

Concerning 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, this ground applies to signs which consist exclusively of the natural shape of the good, the “natural products” which has no substitute and to signs which consist in the shape or another characteristic prescribed by legal standards, the “regulated products”. Such a ground for refusal applies also to the shapes that are inherent to the generic functions of goods. Advocate

---

<sup>74</sup> Guidelines for examination of European Union Trademarks, European Union Intellectual Property Office (EUIPO), part B, Examination, section 4, absolute grounds for refusal, chapter 6, shapes or other characteristics resulting from the nature of the goods, with an essentially technical function or substantial value, article 7(1)(e) EUTMR

<sup>75</sup> Judgment Apple Inc. v Deutsches Patent- und Markenamt, C-421/13, 10 July 2014, ECLI:EU:C:2014:2070

General Szpunar<sup>76</sup> held that “*the first indent of Article 3(1)(e) of Directive 89/104 clearly precludes the registration of shapes whose essential characteristics result from the function of the goods concerned*”. Moreover he formulated the following examples: “*legs with a horizontal level in relation to a chair, or an orthopaedic shaped sole with a V-shaped strap in relation to flip-flops*”. Finally he added that “*the provision may also be of great relevance in considering the registrability of trademarks consisting of the shapes of more complex products, such as the shape of the sailing boat hull or aircraft propeller*”.<sup>77</sup>

Article 7(1)(e)(ii) EUTMR excludes from registration signs that consist exclusively of the shape, or another characteristic, that is necessary to obtain a technical result. The EUIPO guidelines point out that the expression “*technical result*” should be interpreted broadly including shapes or other characteristics that, fit with another article, give the most strength, use the least material and facilitate convenient storage and transportation.

The third indent will be examined in paragraph 4.2.

#### **4.1.1. Other characteristics – the reform**

After the reform the product shape absolute ground for refusal apply nowadays also to “other characteristics” of goods. It is possible that such a change constitutes a counterbalance for the elimination of the requirement of the graphic representation, motivated by the intention to allow the registration of non-traditional trademark.<sup>78</sup> It is important to remember that part of the doctrine sustains that other legal and practical considerations (for example, the absolute ground requiring that any marks applied for must be clear, precise, distinctive and not descriptive of the goods and services for which registration is sought) may obstacle the increase of the number of successful applications for non-traditional trademarks.<sup>79</sup>

Such a change might have been influenced by the Max Planck Report which stated that “*the confinement of the permanent exclusion clauses to shapes might be too narrow*”.

The report remembered that the corresponding ground for refusal in USA trademark law

---

<sup>76</sup> Opinion of Mr Advocate General Szpunar delivered on 14 May 2014, Hauck GmbH & Co. KG v Stokke A/S and Others, C-205/13, ECLI:EU:C:2014:322

<sup>77</sup> Opinion of Mr Advocate General Szpunar delivered on 14 May 2014, Hauck GmbH & Co. KG v Stokke A/S and Others, C-205/13, ECLI:EU:C:2014:322

<sup>78</sup> M. LYNCH, *Product configuration marks: the shape of things to come*, Journal of Intellectual Property Law & Practice, 12, 6, 471

<sup>79</sup> D. FIELDS, A. MULLER, *Going against tradition: the effect of eliminating the requirement of representing a trademark graphically on application for non-traditional trademarks*, European Intellectual Property Review, 238-243, 239

is applicable to all kinds of signs, such as colours, smells or sounds. Interestingly the report indicates that if the technical properties of the engine of a motorbike produce its sound, it could be relevant to assess whether the sound results from the nature or from technical performance of the good it is intended to designate.<sup>80</sup>

The latest EUIPO guidelines (October 2017) underlines that, to the Office's understanding, most of the trademarks that fall within the new formulation of the absolute grounds for refusal are currently objectionable under Article 7(1)(b) and/or (c) EUTMR, because they are descriptive or non-distinctive. At the same time the Office recognizes the important practical difference in the fact that an objection under Article 7(1)(e) EUTMR cannot be overcome by the provision of Article 7(3) EUTMR. The guidelines offer hypothetical examples of the meaning of "other characteristic", in particular, the sound of a motorbike for motorbikes which could be captured by article 7(1)(e)(i) EUTMR if the sound derives from the nature of the goods and such as a scent for a perfume as olfactory mark. At the same time, the sound mark for insect repellent which was considered to be objected under article 7(1)(e)(ii) EUTMR if the sound in fact repels insects. Another example are movement marks, in this regard the (then) OHIM Board of Appeal stated, concerning the swivelling doors of Lamborghini that the application *mutatis mutandis* of the article 7(1)(e)(i) EUTMR before the new formulation was considered appropriate.<sup>81</sup> The guideline, in particular, underline that for the examination of these trademarks it is necessary a case-by-case approach, in particular stating that "*in most of these cases a proper examination will only be possible where there is evidence that the aesthetic value of the shape or other characteristic can, in its own right, determine the commercial value of the product and the consumer's choice to a large extent*".

## **4.2. The shape, or other characteristic, which gives substantial value to the good**

### **4.2.1. The historical reasons for the introduction of the absolute ground for refusal**

---

<sup>80</sup> Study on the overall functioning of the European trademark system, Max Planck Institute for Intellectual Property and Competition Law, Munich, 2011, 72

<sup>81</sup> BoA 17 September 2003, Lamborghini v. OHIM, R 772/2001-1

Concerning the origin of article 7(1)(e)(iii) CTMR and the corresponding provision in the CTMD (article 3(1)(e)(iii)), it is important to remember that there was not an equivalent provision in the memorandum for the creation of a EEC trademark of 1975. Moreover, before the harmonization of trademark law a ground for refusal of a trademark law for its aesthetic function existed in Benelux<sup>82</sup> and in the Scandinavian countries while a similar principle has been developed by German Courts.<sup>83</sup> It is often assumed that this ground for refusal has been introduced in the European legislation upon the initiative of the Benelux countries, in general, it is not easy to verify the exact reasons for the introduction of the clause into European law, but as already developed before, the reason cannot be found in the simply need to keep intellectual property law separated.

In light of the new formulation of the shape product ground for refusal and the analysis of the meaning “or another characteristic” it appears interesting to analyse, according to the Benelux case law, what was considered to be a shape. This question is analysed in the Burberry cases, as the trademark at issue was not a shape mark but a two-dimensional textile pattern. In the so-called first Burberry case<sup>84</sup> the question if the check pattern constituted a shape mark was never contested before the competent jurisdictions, in fact, the Courts took for granted that the case concerned a shape mark. While in the second Burberry<sup>85</sup> case the question was raised and resolved in the sense that the exceptions to the protection of shape marks applies only with respect to three-dimensional products. In particular two issues had to be taken into account, the first one concerns the fact that some trademark registrations do not explicitly state that the mark is a shape mark or show a two dimensional drawing of something which is, in fact, three-dimensional. While the other problem was if the exception to registration applied

---

<sup>82</sup> The explanatory memorandum of the Benelux trademark act explains the exception to the registration as follows: “*This exception intends to impose a certain limitation to the possibility that trademark protection coincides with the protection which can be derived from copyrights or design rights. The shape which has been applied (...) inevitably adds a certain “attractiveness value” to the product. When considering the nature of the goods, this “attractiveness value” is of major importance, the chosen shape cannot be eligible for the protection as a trademark. For example the artistic shape given to crystal glass wear cannot be protected as a trademark in the crystal industry, as the essential value of the goods does not only lie in the material used, but also, and maybe especially, in the beauty of the shape. However when it comes to food product, goods, such as for instance chocolate, can be sold in an attractive shape, which does not have a real influence of the intrinsic value of the product. Such a shape could in certain cases serve a trademark, and could be protected as such, regardless a possible simultaneous protection under copyright and design rights*”.

<sup>83</sup> Courts in Germany has established the rule that trade dress protection could not be granted to three dimensional shapes that were “inseparable from the nature of the goods themselves”.

<sup>84</sup> Benelux Court of Justice, 14 April 1989 (Burberry I)

<sup>85</sup> Court of Justice, 16 December 1991 (Burberry II)

also to two-dimensional design that do not represent a three-dimensional product. In the second Burberry case it was stated that there should be no distinction between two and three-dimensional designs and also that designs of two-dimensional products can be so aesthetically attractive that they give substantial value to the product.

#### **4.2.2. The critics concerning the absolute ground for refusal**

Contrary to the first two absolute grounds for exclusion, the third ground seems to lack of a rationale, the legal objective of the clause has been found to be unclear. The original reason of the absolute ground at issue seems to pose a meaningful obstacle against overlapping or following protection of shapes. Such an absolute ground for refusal was deemed to pose a great problem for ambitious design, in particular, as only products which are significantly different from pre-existing forms may be considered as distinctive these same products may also be considered as not protectable because of the absolute ground for refusal. Furthermore, according to part of the doctrine, many signs consisting in shapes are nowadays rejected because of lack of distinctiveness, as consequence, there is less need for an additional absolute ground for refusal next to the lack of distinctiveness.<sup>86</sup> Also, shape product trademarks are not considered to be capable of constituting a badge of origin for the products they are applied to and, consequently, they are considered as non fulfilling the essential function of trademarks.<sup>87</sup>

Moreover the possibility to assess if a particular product is essentially depending on the public's apprehension which is a subjective evaluation. At the same time its case law is considered to be scarce and obscure. For all these reasons it was recommended to delete Article 7(1)(e)(iii) EUTMR and Article 3(1)(e)(iii) EUTMD.<sup>88</sup>

#### **4.2.3. Jurisprudence regarding the absolute ground for refusal**

In Benetton Group SpA v G-Star International BV<sup>89</sup> the Court of Justice of the European Union dealt with the problem of registration as a trademark of a shape of a product which gives substantial value to that product when because of advertising campaigns the shape has acquired attractiveness. In the specific case, G-star, a manufacturer of

---

<sup>86</sup> C. GIELEN, *Substantial value rule: how it came into being and why it should be abolished*, European Intellectual Property Law, 2014, 36(3), 164-169, 169

<sup>87</sup> Judgment Société de Produits Nestlé SA v Cadbury UK Ltd., C-215/14, 16 September 2015, ECLI:EU:C:2015:604

<sup>88</sup> Study on the overall functioning of the European trademark system, Max Planck Institute for Intellectual Property and Competition Law, Munich, 2011, 73

<sup>89</sup> Judgment Benetton Group SpA v G-Star International BV, C-371/06, 20 September 2007, ECLI:EU:C:2007:542

clothes which owned two shape marks, brought an action against Benetton alleging that Benetton had infringed the G-star trademark's rights by manufacturing and putting on the market trousers with an oval kneepad and two lines of sloping stitching from hip height to crotch height, shape which constituted the G-star's shape mark. The CJUE, on a reference for a preliminary ruling from the Hoge Raad der Nederlanden, stated that the analysed absolute ground for refusal is to be interpreted as meaning that the shape of a product which gives substantial value to this product cannot be registered as a trademark as if it had acquired distinctiveness through use where it acquired attractiveness as a result of its recognition as a distinctive sign following advertising campaigns.

In *Hauck GmbH & Co. KG v Stokke A/S and Others*<sup>90</sup> case the Court of Justice of the European Union decided on a reference for a preliminary ruling concerning a dispute on the possibility to register as a trademark the shape of a chair called "Tripp Trapp" which consists of sloping uprights to which all elements of the chair are attached and of an L-shaped frame of uprights and gliders (sliding plated). In this case, the Court, dealing initially with the first indent of article 3(1)(e) EUTMD, remembered that such an absolute ground for refusal cannot be applied where the trademark application relates to a shape of goods in which a decorative or imaginative element, which is not inherent to the generic function of the goods, play an important or essential role. On the other hand, the Court stated that the application of such a ground for refusal only to signs which consist on shapes which are indispensable to the function of the goods would constitute an obstacle to the fully realisation of the aim of the ground for refusal. Consequently, the Court stated that the provision may apply also to a sign consisting exclusively of the shape of a product with one or more essential characteristics which are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors. Moreover, the Court dealt with the third indent of article 3(1)(e) EUTMD of the trademarks directive and its application to signs which consist exclusively in the shape of a product with one or more essential characteristics which are inherent to the generic function and which consumers may be looking for in the products of competitors. In this regard the Court held that the absolute ground for refusal cannot be limited only to the shape of products having only artistic or

---

<sup>90</sup> Judgment *Hauck GmbH & Co. KG v Stokke A/S and Others*, C-205/13, 18 September 2014, ECLI:EU:C:2014:2233

ornamental value, otherwise products which have essential functional characteristics as well as a significant aesthetic elements will not be covered. On the contrary, the trademark right holder would have a monopoly on the essential characteristics of the products which would not allow the objective of that ground for refusal to be fully realised.

Concerning the impact of the target public, the Court emphasized that in the context of shape product signs the perception of the target public must not be taken into account to determine if the sign enables the goods or services concerned to be recognised as originating from a particular undertaking as for article 3(1)(b) EUTMD.

According to this decision, the perception of the target public may constitute a criterion to identify the essential characteristics of the sign. Other criteria for this purpose have been indicated by the Advocate General in: the nature of the category of goods concerned, the artistic value of the shape in question, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference in relation to similar products and the development of a promotion strategy which focuses on accentuating the aesthetic characteristics of the products in question.

Finally, the Court stated that the three ground for refusal of registration of article 3(1)(e) EUTMD operate independently of one another as shown by the fact that they constitute different indents and by the use of the word “exclusively”. When the conditions of one of the indent is fulfilled the shape product sign has to be denied registration, consequently the fact that the sign could be denied registration on the basis of more than one ground for refusal is irrelevant.

After fully recognizing in the *Bang & Olufsen A/S v OHIM*<sup>91</sup> case the possibility of a shape trademark to have distinctive character when the shape has a particular appearance which is such as to retain the attention of the public concerned and enable it to distinguish the goods covered from those of another commercial origin (as analysed in paragraph 3.5.1.1) the case was handed back to the Board of Appeal of the Office for the Harmonisation of the European Union (OHIM) which found the the Beo-Lab shape to be so particular and consequently to confer substantial value to the good. This position was confirmed by the CJUE,<sup>92</sup> in its decision, the Court states that, if one of the

---

<sup>91</sup> Judgment *Bang & Olufsen A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, T-460/05, 10 October 2007, ECLI:EU:T:2007:304

<sup>92</sup> Judgment *Bang & Olufsen v OHIM (Representation of a loudspeaker)*, T-508/08, 6 October 2011, ECLI:EU:T:2011:575

criteria mentioned in article 7(1)(e) EUTMR is met, this results in a release from examination of the sign under Article 7(3) EUTMR, since registration of the sign in such circumstances is clearly impossible. The Court remember that according to Benetton Group SpA v G-Star International BV for the undertaking is an advantage to conduct a prior examination of the sign under Article 7(1)(e) EUTMR as several of the absolute ground for refusal may apply but it specifies that this does not imply that there is an obligation to examine the sign at issue first under Article 7(1)(e) EUTMR. Concerning the shape product absolute grounds for refusal the Court of Justice considered that the presumed perception of the sign by the average consumer is not a decisive element but it may be a relevant criterion of assessment for the competent authority when it identifies the essential characteristics of the sign. In the specific case at issue, the CJEU held that the shape for which registration was *“sought reveals a very specific design and (...) that design is an essential element of its branding and increases the appeal of the product at issue, its value”*. In particular, if the fame of the designer of a specific product or the marketing efforts regarding that product are the reasons for the appeal of the shape or other characteristic of the good then the absolute ground for refusal does not apply.

It is interesting to examine how the absolute ground for refusal for sign which consists in a shape which gives substantial value to the good has been used as argument against the registration as a trademark of artistic works in the decision of the Court of Justice of the European Free trade association Vigeland.<sup>93</sup> In the case at issue, the Oslo Municipality, in view of the lapse of the copyright protection of some works by Gustav Vigeland for which it was the proprietor, applied for trademark protection. During the proceeding the Norwegian Government stated that the ground of refusal for shape marks provided for in Article 3(1)(e)(iii) EUTMD, which cannot be overcome by the mark acquiring distinctive character, may be of particular relevance for marks consisting of works of art. The EFTA Court held, in this specific regard that *“an assessment of whether a sign consists exclusively of the shapes listed in points (i) to (iii) of Article 3(1)(e) of the Trademark directive is carried out in relation to the classes of goods for which registration is applied, Article 3(1)(e) prevents an undertaking from monopolizing reproductions of the works but, if the sign is applied for in relation to a class of goods unrelated to its initial context, Article 3(1)(e) may not apply.*

---

<sup>93</sup> Judgment Municipality of Oslo, E-5/16, 6 April 2017

*Furthermore, according to its wording, Article 3(1)(e) does not apply to signs for which registration is sought in respect of services. Thus, this provision also does not ensure that works, in general, are kept within the public domain*". Moreover, the EFTA Court specifies that article 3(1)(e) EUTMD does not define the signs which must be considered as shapes within the meaning of that provision and it makes no distinction between three-dimensional shapes, two-dimensional shapes or two dimensional representations of three- dimensional shapes and, for this reason, it further ascertains that Article 3(1)(e)(iii) EUTMD may apply to two-dimensional representations of three-dimensional shapes, including shapes.

An essential case concerning the analysed absolute ground for refusal is Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV <sup>94</sup> which is still pending before the Court of Justice of the European Union. This case is particularly interesting, also in light of the new formulation of the shape absolute ground for refusal provision, because it concerns the registrability of a sign which may be considered as a shape to which a specific colour has been applied. The underlying facts of the case are the following, Louboutin is a fashion designer of high-heeled shoes for women, these shoes have a particular feature in fact the outer sole is always red. After application on 28 December 2009, on 6 January 2010 Louboutin obtained a Benelux trademark for goods in class 25, the registration was then limited to "high-heeled shoes (other than orthopaedic shoes)". According to the registration the trademark consists "of the colour red (Pantone 18 1663TP) applied to the sole of a shoe as shown (the contour of the shoe is not part of the trademark but is intended to show the positioning of the mark)".

Van Haren is a shoe retailer in the Netherlands, during 2012 it sold high-heeled's shoes with red soles. Louboutin obtained a finding of trademark infringement on the part of Van Haren. The decision was challenged by Van Haren which alleged that the trademark was invalid as it is a two-dimensional mark, the colour red which applied to the soles of shoes conforms to the shape of the shoes and gives them substantial value. The referring court decided to refer the following question:

*"Is the notion of 'shape' within the meaning of Article 3(1)(e)(iii) of Directive 2008/95 ... limited to the three-dimensional properties of the goods, such as their contours,*

---

<sup>94</sup> Case C-163/16: Request for a preliminary ruling from the Rechtbank Den Haag (Nederland) lodged on 21 March 2016 — Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV

*measurements and volume (expressed three-dimensionally), or does it include other (non three-dimensional) properties of the goods, such as their colour?”*

As already mentioned the case is still pending before the Court of Justice of the European Union but it seems essential to analyse the Opinion<sup>95</sup> and the Addition Opinion<sup>96</sup> of Advocate General Szpunar given in this case. It is important to remember that the case at issue has been reassigned to the Grand Chamber and the oral procedure has been reopened.

In his Opinion, Advocate General remembers that, on one hand, trademark rights are an indispensable part of the European competition system, while, on the other hand, a registered trademark confers on its proprietor an exclusive right that gives him a monopoly on the sign for an unlimited period and that generally these two aims are not in conflict, while the same conclusion cannot be reached for signs which are indissociable from the appearance of the goods, as the registration of these signs may limit the competition on that specific market.

Very interesting after this general statement the Advocate General affirms that the considerations regarding shape apply “equally, *mutatis mutandis*” in relation to other signs which represent an aspect of the goods in respect of which registration is sought, for this reason the Court has pointed out that also for what concern colours there is a risk of monopolisation of a practical characteristic.<sup>97</sup>

Concerning the classification of the mark at issue, the Advocate General states that the description of the mark as a position mark has no legal consequences and does not prevent the mark from consisting of the shape of the goods as the shape marks may also represent a part or an element of the goods in question.

Moreover, according to the Advocate General, in order to determine the nature of the mark the referring court will have to conduct an overall assessment, considering graphic

---

<sup>95</sup> Opinion of Advocate General Szpunar delivered on 22 June 2017

<sup>96</sup> Opinion of Advocate General Szpunar delivered on 6 February 2018

<sup>97</sup> In Judgment *Libertel Groep BV v Benelux-Merkenbureau*, C-104/01, 6 May 2003, ECLI:EU:C:2003:244 the Court of Justice of the European Union stated that “*A colour per se, not spatially delimited, may, in respect of certain goods and services, have a distinctive character within the meaning of Article 3(1)(b) and (3) of First Directive 89/104 relating to trademarks, provided that, inter alia, it may be represented graphically in a way that is clear, precise, self-contained, easily accessible, intelligible, durable and objective. The latter condition cannot be satisfied merely by reproducing on paper the colour in question, but may be satisfied by designating that colour using an internationally recognised identification code*” and that “*In assessing the potential distinctiveness, within the meaning of Article 3(1)(b) and (3) of First Directive 89/104 relating to trademarks, of a given colour as a trademark, regard must be had to the general interest in not unduly restricting the availability of colours for the other traders who offer for sale goods or services of the same type as those in respect of which registration is sought*”.

representation and descriptions filed at the time of application but also other material relevant for the identification of the essential characteristics of the mark.

For such a determination, Advocate General believes in the importance to consider whether the mark at issue is a *per se* colour mark or a mark consisting of the shape of the goods seeking also protection for a colour. Advocate General believes that in the present case the protection for the colour mark is spatially delimited because the colour is indissociable from a specific element of the goods and the mere fact that this element may change from model to model is not necessarily decisive. In fact, what matters is whether the sign derives its distinctive character from the colour in respect of which protection is sought *per se*, or from the exact positioning of that colour in relation to other elements of the shape of the goods. Advocate General also affirms that according to the elements of the reference for a preliminary ruling it seems that the mark consists of the shape of the goods and seeking to protect a certain colour in relation to that shape. In any case, he retains necessary to consider not only the colour but also the other aspects of the goods in question, consequently he affirms that if the mark was classified as a mark consisting of a colour *per se* it will not fall within the scope of Article 3(1)(e) EUTMD. While if the mark has to be considered as constituted by both the shape of the good and a certain colour, the presence of the colour applied to an element of the surface should be treated as a characteristic reflected in the shape of the goods, consequently if those kind of signs could not be examined from the point of view of their functionality, the general interest underpinning the shape product absolute ground for refusal would not be fully served. Moreover Advocate General underlines that according to case-law, the product shape grounds for refusal do not prevent the registration of a sign which consists of a shape of goods and also incorporates a significant non-functional element. Consequently the question if, in a shape and colour mark, colour is a functional element, must be considered as part of the overall assessment of the sign, from the point of view of Article 3(1)(e) EUTMD. It was also remember that the product shape absolute ground for refusal applies to a shape of goods which incorporates another element where that element is functional. The Advocate General thinks that this approach is also in line with the formulation of the disposition under analysis after the reform and he retains important to remember that the addition of “another characteristic of the goods” may be understood as not changing the law applicable to such signs or clarifying it. This second possibility seems to be preferred as the legislator did not find necessary to adopt any transitional provisions. For all these

reasons the Advocate General thinks that the mark at issue should be regarded as sign which combines colour and shape and, consequently, be caught by the prohibition contained in Article 3(1)(e)(iii) EUTMD.

Finally the Advocate General retains necessary to clarify the meaning of the expression “*shape which gives substantial value to the goods*” and, in particular he does remember that this provision is not limited to the shape of goods having only artistic or ornamental value but also applies to signs relating to goods which, besides their aesthetic function also have other essential functions. The Advocate General also underline that the application of the ground is based on an objective analysis with the aim to avoid the creation of a monopoly on aesthetic characteristics of the shape at issue which affects the attractiveness of the goods and consequently distorts the competition. The aim of the disposition is to prevent the monopolisation of external features of goods which are essential to their market success and consequently to prevent the protection conferred by the mark being used to gain an unfair advantage.

In order to assess the value of the shape the consumer’s perception of the shape is not the decisive criterion while the attractiveness of the goods stemming from the proprietor’s reputation must be taken into account. The application of the provision is not justified when the advantage results from the intrinsic characteristics of the shape but from the reputation of the mark or its proprietor as the possibility of acquiring such a reputation is an important aspect of the system of competition to which also trademark law contributes.

In his Additional Opinion, the Advocate General takes into consideration the arguments raised by the parties during the hearing. Firstly the Advocate General confirms his position concerning the classification of the mark at issue as shape mark seeking protection for a colour in relation to the shape, this because the shape, in the case, is of a great importance and, even if the sole may change from one model of shoe to another, the focus remain on the shape of the sole and not on another part of the shoe. Moreover the Advocate General doubts that the colour red perform its function as a trademark if it is considered separately from the sole of the shoe.

Secondly, Advocate General remembers his position concerning the classification of the mark at issue as position mark, as such a classification does not prevent the trademark to be classified as a shape trademark. Numerous parties took the view that the mark at issue consists in a position trademark and in particular the proprietor of the mark

submitted that Article 3(3)(d) of Implementing Regulation 2017/1431<sup>98</sup> defines a position mark by setting out the way in which it must be represented on the goods and that this condition is satisfied by the trademark at issue. Advocate General remembered that the Implementing Regulation 2017/1431 which relates to “position mark” was incorporated into the system that did not have product shape absolute grounds for refusal. Consequently, article 3(3)(d) of Implementing Regulation 2017/1431 was not generated to define the types of trademark incapable of not being registrable because of their invalidity. After the recent reform, in any case, the distinction between the ‘shape’ and the ‘other characteristics’ is not relevant in the context of that ground for refusal or invalidity”. Moreover, Advocate General remembered that the objective of article 3(3) of Implementing Regulation 2017/1431 is to specify how the most commonly used trademark types are to be represented as part of the registration procedure. Signs which are hybrids of several trademark types mentioned in Article 3(3) of Implementing Regulation 2017/1431 are compatible with the EU trademark system”. Thirdly, Advocate General confirms that the lack of transitional provisions EUTMD underpins the opinion according to which Article 3(1)(e)(iii) EUTMD applies to signs consisting of the shape of the goods which seek protection for a certain colour as the absence of any transitional dispositions concerning the new formulation “as another characteristics” imply that these characteristics were also previously caught by the absolute grounds for refusal. Fourthly, concerning the rationale underlying Article 3(1)(e)(iii) EUTMD, Advocate General expresses sympathy for the argument of the trademark’s proprietor that the appeal of aesthetic characteristics is dynamic and that the characteristics sought and valued by the public may vary in line with fashion trend, however this characteristic is not in contrast with the interpretation of the absolute ground for refusal as applicable to sign as the trademark at issue. Even if the average consumer’s perspective is necessary in order to determine if the shape gives substantial value to the goods such an element is not decisive in the assessment in fact in order to guarantee that shapes which are attractive to the public remain available to market participants it is necessary to take into account both the perception of the sign at issue by the relevant public and the economic effects which will result from reserving that sign to a single undertaking. Giving importance to the public’s perception will argue in favour of a teleological interpretation of that provision, consequently a more flexible

---

<sup>98</sup> Commission Implementing Regulation (EU) 2017/1431 of 18 May 2017 laying down detailed rules for implementing certain provisions of Council Regulation (EC) No 207/2009 on the European Union trademark

interpretation of the concept of “shape” will have to be taken into consideration. In particular, the Advocate General affirms that *“a trademark can be refused or declared invalid on the basis of Article 3(1)(e)(iii) of Directive 2008/95 where its characteristics give substantial value to the goods. Consequently that characteristic remains available for all market participants over the period during which that characteristic has a particular effect on the value of the goods. From the point at which that is no longer the case because, for example, the public’s preferences have changed and that characteristic is no longer sought and valued by the public, the trademark at issue would no longer potentially be caught by the prohibition laid down in Article 3(1)(e)(iii) of Directive 2008/95”*. The absolute ground for refusal at issue is therefore related to characteristics that are dependent on external factors and, for these reasons, it is inconsistent to exclude the applicability of the provision to a sign consisting of the shape of the goods and which seeks protection for a certain colour. In any case the reputation of the trademark or its proprietor should not be taken into account otherwise this would imply to improperly broaden the scope of the absolute ground.

Moreover Advocate General remembers that in the process of valuation of the distinctive character of a sign the case-law concerning three-dimensional signs should be taken into account. These signs are distinctive only when they depart significantly from the norm or customs of the sector as the average consumer normally does not make assumptions about the commercial origin of goods which are indissociable from the appearance of those same goods. The Court of Justice of the European Union has already stated that to determine if a sign is distinctive it is not necessary to evaluate its nature as figurative, three-dimensional or other mark but whether or not the sign is indistinguishable from the appearance of the goods in question. A sign, which is indistinguishable from the appearance of the goods in question is distinctive exclusively when it departs significantly from the norm or customs of the sector at issue. Finally the Advocate General held that the ground in Article 3(1)(b) EUTMD together with Article 3(3) EUTMD can be derogated if the sign has acquired a distinctive character following a normal process of familiarisation of the public concerned. Consequently the analysis of the distinctive character of a sign indissociable from the appearance of the goods in question has to consider also whether the registration of the sign would run counter to the general interest that the availability of the characteristics should not be unduly restricted for other operators. In any case *“Article 3(1)(b) of Directive 2008/95 cannot fully assume the role of Article 3(1)(e)(iii) of that directive,*

*since it is possible to derogate from that first provision in accordance with the detailed rules laid down in Article 3(3) of that directive”.* The possible further development of this case will be assessed in paragraph 5.

Finally on 11 January 2018, a new request for a preliminary ruling regarding the interpretation of the absolute ground for refusal at issue has been proposed before the Court of Justice of the European Union (Textilis Ltd contre Svenskt Tenn Aktiebolag, C-21/18). One of the party of the main proceeding is Svenskt Tenn, an interior design company that has acquired a good reputation for its products. This company collaborated with a famous Austrian architect, Josef Frank. This collaboration resulted furniture sketches and textile prints, which are marketed and sold by Svenskt Tenn. One of this pattern is known as Manhattan. Since 2012 a trademark has been registered, in particular a figurative mark characterized by the colours blue, white, green, and red. The other party of the main proceeding is Textillis, a UK company that also sold and marketed textile prints. Textillis has allegedly sold certain fabrics and textiles incorporating the pattern designed by Mr Frank. Svenskt Tenn brought proceedings against Textilis on grounds of copyright and trade mark infringement. In response to Svenskt Tenn’s application, Textillis argued that the Patents and Market Court should revoke registration of the trademark at issue because the sign is a shape that gives the product a substantial value. The Court found that the elements represented in the Manhattan design are signs that are likely to attract trade mark protection and that Manhattan trademark did not entail a sign consisting of a shape. Thus, a trade mark could not be cancelled on the basis of the absolute grounds for refusal within Article 7(1)(e)(iii) of the Regulation. In this context the Court formulated the following questions:

*“Is Article 4 of the European Parliament and Council Regulation (EU) 2015/2424 of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark, etc., to be interpreted as meaning that Article 7(1)(e)(iii), in its new wording, is applicable to a court’s assessment of invalidity (under Article 52(1)(a) of the Trade Marks Regulation) that is made after the entry into force of the amendment, namely after 23 March 2016, even if the action concerns a declaration of invalidity where the action was brought before that date and therefore concerns a trade mark registered before that date?”* “Is Article 7(1)(e)(iii) of the Trade Marks Regulation, in the version applicable, to be interpreted as meaning that its scope covers a sign which

*consists of the two-dimensional representation of a two-dimensional product, for example fabric decorated with the sign in question?” “If the answer to question 2 is in the affirmative, according to what principles is the wording ‘signs which consist exclusively of the shape (or another characteristic) which gives substantial value to the goods’ in Article 7(1)(e)(iii) of the Trade Marks Regulation to be interpreted, in a situation where the registration covers a wide range of classes of goods and goods and the sign may be affixed in different ways to the goods? Is the assessment to be made in accordance with more objective/general criteria, for example with the starting point of how the mark appears and how it is possible to affix it to different goods, that is to say without regard to the manner in which the trade mark proprietor may de facto have affixed or may intend to affix the sign to various goods?”*

The possible further development of this case will be assessed in paragraph 5.

## **5. Conclusions**

In light of the above, firstly, some general conclusions regarding the product shape trademark, their distinctive character and the absolute ground for refusal these are concerned with will be drawn and, secondly, some speculation concerning the pending Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV and Textilis Ltd contre Svenskt Tenn Aktiebolag cases will be elaborated.

In general, it is necessary, for what concerns the assessment of the distinctiveness of product shape trademark, to affirm that these trademarks have the possibility to be considered as distinctive, but that it has to be bared in mind that even if the distinctiveness assessment should not be conducted differently from the assessment of the distinctive character of word or figurative trademark, the average consumer do not have the habit to see product shape trademarks as indicating badge of origin. In any case, the assessment should not be based exclusively on the basis of the abstract shapes which correspond to the description, graphic or not, of the trademark registration is sought for. In fact, also the characteristics of the goods for which the trademark application is required have to be taken into account in order to avoid the creation of an excessively broad monopoly on a shape. In consideration of the difficulty to consider product shape trademarks as distinctive and indicating the origin of a product, the shape the trademark consists of has to depart significantly from the norm or customs of the

sector. In case more “evidence” of the possibility of shape trademark to be considered as such, it is important to state that the absolute grounds relating to shapes do not refer to shapes trademark in general but, specifically, to shape which have specific characteristics.

Regarding the rationale of the product shape absolute grounds for refusal, it appears clear that it consists in the compliance with the competition policy and its aim is to avoid the creation of an infinite in time protection for elements which should be only temporary protected and, therefore, avoid to broaden trademark’s scope of protection.

Concerning the pending case *Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV* the CJEU shall agree with the position of Advocate General that the mark at issue would be considered as a shape trademark which seek protection for a colour in relation to such a shape, this because, first of all, the two elements of the colour and the shape standing alone do not have any trademark significance in the case at issue and second of all because the trademark limitation specifically refers to the red colour as delimited by the shape of the sole. In any case, this definition will not be of direct importance for the preliminary ruling itself but, more specifically, for the referring Court.

Moreover, the Court of Justice shall agree with the irrelevance of the classification of a mark as position mark for the application of the absolute ground for refusal as suggested by Advocate General. This also in light of recital 4 of Implementing Regulation 1341/2017 which finds the reason for the existence of this trademark classification in the aim of improve the representation of trademark as it states that the representation of a trademark should be completed by an indication of the type of the mark concerned.

For what concern the scope of the “shape which gives substantial value to the good” absolute ground for refusal the position of the Advocate General is extremely interesting for the specific problem of the interpretation of the meaning of the new formulation of the absolute ground the “or another characteristics” as, in fact, it seems that such an expression simply clarify the previous meaning of the absolute ground. In particular, this conclusion may be interfered by the absence of transitional disposition relating to this provision. The *a contrario* reasoning of Advocate General proves to be particularly strong. In fact, arguing with the position of the United Kingdom which affirmed that the lack of transitional provisions cannot form the basis for any conclusion relating to retroactive effect and to uphold such a conclusion this government takes the example of the absence of transitional dispositions for Article 14 of Directive 2015/2436 which introduces some changes concerning the “own

name” defence. According to the Advocate General, the logic of the absence of transitional disposition relating to this last provision cannot be applied to the new formulation of the shape products absolute ground for refusal as the impact of the amendment of the scope of the ground for refusal or invalidity of the trademark after its application has to be taken into account. As Advocate General pointed out, *“could the multitude of applications for the declaration of invalidity of trademarks be anticipated once the deadline for transposition of the new directive has passed? And if the position is taken that trademarks registered under the former system cannot be caught by the prohibitions laid down in article of Directive 2015/2436 corresponding to Article 3(1)(e) of Directive 2008/95, could this prompt the mass filing of trademark applications prior to that date?”* The new formulation of the absolute ground for refusal has the nature of mere clarification of the absolute ground for refusal and therefore the CJEU shall sustain that signs consisting of shape of the goods which seek protection for a certain colour will fall within the absolute ground for refusal at stake.

Specifically, for what concerns the meaning of the concept of a shape which “gives substantial value” to the goods, such a substantial value has to be considered on the basis of the perception of sign at issue by the relevant public and the economic effects which will result from reserving that sign to a single undertaking but, the reputation of the trademark or its proprietor should not be taken into account when assessing the substantial value. Moreover Advocate General affirms that this absolute ground for refusal is based on the assessment of external factors and this means that a characteristic may remain available for all market participant over the period during which that characteristics has a particular effect on the value of the goods while when the public change its preference and the characteristic is no more considered to be valued to the public the trademark potentially will no more be caught by the absolute ground for refusal at issue.

The Court of Justice of the European Union shall agree with the extrinsic nature of the elements to consider in order to assessing if the sign consists in a shape which gives substantial value to the goods.

At the same time, considered the fact that the substantial value cannot be assessed on the basis of the reputation of the trademark and its proprietor, the red sole shape trademark registered by Louboutin shall not be considered by the referring Court as falling within the absolute ground for refusal at issue.

In light of the above considerations, it is always necessary to remember which are the economic effects for competitors when a monopoly on a shape or another characteristic has been created. Concerning the third indent absolute ground for refusal, this does not constitute a permanent ground for refusal. In fact, it is based on extrinsic elements, such as the perception of aesthetic characteristics by the public. For this reason, a shape or another characteristic which was to fall within the scope of the absolute ground and therefore could not be registered as a trademark could, in the future be considered as registrable. Moreover, the assessment of the substantial value of the goods cannot be based on the reputation of the trademark and its proprietor, this means that, very often, the absolute ground for refusal could not be applied as the appeal of the shape or another characteristic does not generate from the shape or the characteristic itself but from the reputation of the trademark's proprietor. These three considerations will allow to clarify and narrow down the scope of application of article 3(1)(e)(iii) EUTMD and this will bring to a positive application of the norm at stake.

Further clarification from the Court of Justice of the European Union will be provided with the decisions in the case *Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV* and in the new case *Textilis Ltd contre Svenskt Tenn Aktiebolag*.

## BIBLIOGRAPHY

- L. BENTLY, B. SHERMAN, *Intellectual Property Law*<sup>4</sup>, Oxford, 2014
- A. KUR, M. SENFTLEBEN, *European Trademark Law, a commentary*, Oxford, 2017
- A. KUR, *Too Pretty to Protect ? Trade Mark Law and the Enigma of Aesthetic Functionality* (September 28, 2011). TECHNOLOGY AND COMPETITION: CONTRIBUTIONS IN HONOUR OF HANNS ULLRICH, pp. 139 - 159, Josef Drexl, Reto M. Hilty, Laurence Boy, Christine Godt & Bernard Remiche, eds., Larcier, Bruxelles, 2009 (updated version); Max Planck Institute for Intellectual Property & Competition Law Research Paper No. 11-16. Available at SSRN: <https://ssrn.com/abstract=1935289>, 140
- G. ENGELS, C. LEHR, Sweet, cars and bottles – three-dimensional trade marks, *Journal of Intellectual Property Law & Practice*, 2017, 12 (9), 797-807
- D. FIELDS, A. MULLER, Going against tradition: the effect of eliminating the requirement of representing a trademark graphically on application for non-traditional trademarks, *European Intellectual Property Review*, 2017, 39 (4), 238-243
- A. FIRTH, Shapes as trade marks: public policy, functional considerations and consumer perception, *European Intellectual Property Review*, 2001, 23 (2), 86-99
- A. FIRTH, Signs, surfaces, shapes and structures – the protection of product design under trade mark law, in G.B. Dinwoodie and M. D. Janis, *Trade Mark law and Theory, A handbook of contemporary research* (Cheltenham: Edward Elgar, 2008), 498-522
- K. FROLOVA-FOX, Case Comment: The CJEU attempts to solve the puzzle: the Rubik’s Cube Saga comes to an unexpected end, *EIPR* 2017, 39 (5), 311-315
- C. GIELEN, *Substantial value rule: how it came into being and why it should be abolished*, *European Intellectual Property Law*, 2014, 36 (3), 164-169
- J. JONES, Chocolate wars: the Kit-Kat awakens – acquired distinctiveness not put to bed by the courts, *European Intellectual Property Review*, 2016, 38 (5), 307-312
- M. LYNCH, Product configuration marks: the shape of things to come, *Journal of Intellectual Property Law & Practice*, 2017, 12 (6), 465-473
- R. OLMANE, A. OSTANINE, Non-traditional trade marks, 20 years of the board of appeal at EUIPO, celebrating the past, looking forward to the future, *liber amicorum*, 58-65
- N. SCHOBBER, The function of a shape as an absolute ground for refusal, *International Review of Intellectual Property and Competition Law*, 2013, 44 (1) 35-62
- M. SENFTLEBEN, Vigeland and the status of cultural concerns in Trade Mark Law – The EFTA Court develops more effective tools for the preservation of the public domain, *International Review of Intellectual Property and Competition Law*, September 2017, 48 (6) 683-720
- V. VON BOMHARD, A. GEIER, Unregistered trademarks in EU trademark law, *The trademark reporter*, 107 (3),