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## The Approach of The Court of Justice of the European Union Towards the Protection of Three-Dimensional Marks\*

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### Abstract

Three-dimensional shapes are the most common type of non-traditional marks becoming widespread. Especially in the last two decades, trade mark applications regarding the protection of three-dimensional shapes have increased significantly. Assessment for the registration of three-dimensional shape marks is no different from other marks types, as the Court of Justice of the European Union suggests. However, in addition to standard trade mark protection requirements, three-dimensional shapes must fulfil additional criteria. The EU Trade Mark Regulation and the EU Trade Mark Directive include special provisions for three-dimensional marks. According to the law, three-dimensional shapes which result from the nature of the goods, are necessary to obtain a technical result, or give substantial value to the goods, are excluded from trade mark protection in the EU.

The Court of Justice of the European Union is quite strict in interpreting the abovementioned criteria for three-dimensional shape marks. As an inherent result, obtaining trade mark protection for three-dimensional shapes becomes increasingly difficult for proprietors. The CJEU gives particular importance to the public interest clause and ensures that common shapes keep open for competition in the market since shapes are finite and certain shapes are in common use. The CJEU justifies the conduct by claiming that time-restricted intellectual property rights such as patent or design rights should not be extended through the trade mark route for specific products. The first and second subsections of the exclusion seem to be appropriate. However, the third exclusion is problematic due to its wording and interpretation by the CJEU. Thus, this study suggests that narrowing the scope of the third subsection would fit the purposes of trade mark protection regarding three-dimensional shapes.

### Keywords

Trade Mark, Three-Dimensional Shape, Non-Traditional Mark, Distinctiveness, Nature of Goods, Technical Result, EU Trade Mark Directive, EU Trade Mark Regulation, The Court of Justice of the European Union Case Law

### Avrupa Birliği Adalet Divanı'nın Üç Boyutlu İşaretlerin Korunmasına Yaklaşımı

### Öz

Üç boyutlu şekiller, giderek yaygınlaşan yeni tip işaretlerin en yaygın türüdür. Özellikle son yirmi yılda üç boyutlu şekillerin marka olarak korunmasına yönelik başvurular oldukça artmıştır. Üç boyutlu şekil işaretlerinin tescili için değerlendirme, Avrupa Birliği Adalet Divanı'nın da belirttiği gibi diğer işaret türlerinden farklı olmamakla birlikte, üç boyutlu şekiller için ticari marka olmanın genel koşullarına ek olarak ayrıca ek kriterler bulunmaktadır. Bu doğrultuda, AB Ticari Marka Yönetmeliği ve AB Ticari Marka Direktifi, üç boyutlu markaların tescili için özel hükümler içermektedir. Yasaya göre, malların doğasından kaynaklanan, teknik bir sonuç elde etmek için gerekli olan veya mallara önemli bir değer kazandıran üç boyutlu şekiller, AB'de ticari marka korumasının dışındadır.

Avrupa Birliği Adalet Divanı, üç boyutlu şekil işaretleri için yukarıda belirtilen kriterleri yorumlamada oldukça katıdır. Doğal bir sonuç olarak, üç boyutlu şekiller için ticari marka koruması elde etmek, marka sahipleri için giderek daha zor hale gelmektedir. ABAD, kamu yararı şartına özel önem verdiği için ve ortak şekillerin piyasada rekabete açık kalmasını

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sağlamaya çalıştığı için, ortak kullanımda olan belli başlı şekiller ticari marka olamamaktadır. Buna ek olarak, ABAD, patent veya tasarım hakları gibi belirli bir zaman sınırı olan fikri mülkiyet haklarının ticari marka koruması ile genişletilmemesi gerektiğini savunmaktadır. Bu sebeple ek kriterin birinci ve ikinci alt başlıkları kanunun amacına uygun görünmektedir. Bununla birlikte, üçüncü istisna, yazımının açık uçlu olması ve ABAD tarafından katı yorumlanması nedeniyle sorunludur. Bu nedenle, makale, üçüncü alt başlığın kapsamının daraltılmasının, üç boyutlu şekillere ilişkin marka koruma amaçlarına daha uygun olacağını ileri sürmektedir.

#### **Anahtar Kelimeler**

Ticari Marka, Üç Boyutlu Şekil, Geleneksel Olmayan Marka, Ayırt Edicilik, Malların Niteliği, Teknik Sonuç, AB Ticari Marka Direktifi, AB Ticari Marka Yönetmeliği, Avrupa Adalet Divanı İçtihatları

### ***Extended Summary***

According to the practice, there are two types of signs sought registration for: traditional and non-traditional marks. Traditional marks can be listed non-exhaustively as words, logos, slogans, a combination of words, logos and slogans, pictures or drawings. On the other hand, many non-traditional (non-conventional) marks are more widely accepted due to the expansion of trade mark law. These can be listed as single colour marks, hologram marks, shape marks (three-dimensional or 3D) and sound, scent and taste marks. The three-dimensional mark is the most common type of non-traditional mark. In the EU, three-dimensional marks take up to 5 per cent of all trade marks.

Although the assessment for three-dimensional marks should not be different from any other mark during the registration process, as the Court of Justice states, being a sign and having a distinctive character are not the only requirements for three-dimensional shapes to fulfil the protection criteria, a three-dimensional shape needs to overcome other absolute grounds for refusal indicated in the EU Trade Mark Regulation 2017/1001 and the EU Trade Mark Directive 2015/2436/EU. Special provisions regarding shapes or other characteristics indicate that shape marks need to fulfil three additional criteria. Article 4(1)(e) of the EU Trade Mark Directive and Article 7(1)(e) of the EU Trade Mark Regulation exclude shape marks that result from the nature of the goods themselves, which are necessary to obtain a technical result, or which give substantial value to the goods, from trade mark protection in the EU. On top of that, the Court of Justice of the European Union and EU Intellectual Property Office, to some extent, tend to be extremely strict in interpreting the law regulating the protection of three-dimensional shape marks. As a result, obtaining trade mark protection for three-dimensional shapes becomes increasingly difficult for proprietors.

There are several policy considerations behind the conduct of courts and intellectual property offices alongside lawmakers' intention in the EU regarding why they seem to be rather unwilling to grant trade mark protection to three-dimensional shapes. Three-dimensional shapes as indicators of origin generally suffer from two main problems

regarding trade mark protection. The first problem is the distinctiveness criterion which is the same for all types of marks, and there are no special requirements for three-dimensional shapes to fulfil. However, common shapes or cheap packaging shapes (cheap in terms of production costs and R&D) usually lack distinctive character. As they have rather common and obvious shapes, they cannot become indicators of origin. Also, consumers do not necessarily distinguish products for daily-life use. In other words, common shapes are not as indicative as figures, logos or words in the eyes of consumers. On top of that, the CJEU gives particular importance to the public interest clause and ensures that common shapes keep open for competition in the market since shapes are finite and certain shapes are in common use.

The second problem regarding three-dimensional shapes is the special provisions: Article 4(1)(e) of the EU Trade Mark Directive and Article 7(1)(e) of the EU Trade Mark Regulation. Established case law indicates that if a product is protectable by other intellectual property rights such as patents or designs, additional trade mark protection should not be an option since trade mark protection gives indefinite monopoly rights to use the mark, subject to renewal. The CJEU justifies the conduct by claiming that time-restricted intellectual property rights, such as patents and designs, should not be extended by granting trade mark protection to such products. As the first exclusion dictates, shapes exclusively resulting from the nature of goods cannot be registered. It means that functional shapes that a specific design is necessary for the product itself, then these shapes cannot be registered to ensure healthy competition in the market even if they have some distinctive character. In addition, the second exclusion dictates that shapes necessary to obtain a technical result are also kept out of trade mark protection. The same concerns and reasoning apply to this provision. In this sense, the approach of the CJEU to three-dimensional on the grounds of the first and second subsections of the provision is appropriate.

However, as this study suggests, the third exclusion is problematic due to its wording and interpretation by the CJEU. The clause indicates that shapes that give substantial value to products cannot be registered as trade marks. This clause is open-ended and allows for wide interpretations, which could completely exclude three-dimensional shapes that give a value or a character from trade mark protection. Three-dimensional shapes with distinctive character, unique, not a result of a technical function or nature, and giving pure aesthetic value should be registrable since they can function as commercial trade marks and indicate the origin of products. Nevertheless, the purpose of lawmakers is to maintain a distinction between trade marks and other intellectual property rights. Thus, abolishing the third exclusion completely might not be a good consideration, but narrowing its scope is needed for the purposes of trade mark protection regarding three-dimensional shapes.

## The Approach of The Court of Justice of the European Union Towards the Protection of Three-Dimensional Marks

### I. Introduction

Trade marks are not limited to only logos or words; any identification indicating the origin of a product may well obtain trade mark protection, such as colours, tastes, smells, sounds, shapes and holograms marks.<sup>1</sup> The crucial point here is that a trade mark must be a “sign” to benefit from protection. In the European Union (EU), the EU Trade Mark Regulation (hereinafter referred as to “the Regulation” or “EUTMR”) Article 4<sup>2</sup> and the EU Trade Mark Directive (hereinafter referred as to “the Directive or “TMD”) Article 3<sup>3</sup> explicitly state the requirement for being a “sign” and leave the door open for many different kinds of marks as long as they are graphically represented.

There are two categories of marks in the scope of trade mark protection: “traditional” and “non-traditional” marks. Shape marks which are “non-traditional” are no different to other marks in terms of eligibility for registration. It is explicitly stated in the wording of the law that “the shape of goods or their packaging”<sup>4</sup> can obtain trade mark protection. Additionally, in its judgment, the European Court of Justice stated that:

“...the criteria for assessing the distinctive character of three-dimensional shape-of-products marks are no different from those applicable to other categories of trade mark.”<sup>5</sup>

However, being a sign and having a distinctive character are not the only requirements. A three-dimensional shape mark must overcome all absolute grounds for refusal in the Regulation or the Directive to become an EU or a national trade mark in the EU. Although the European Court of Justice expressed that there is no difference between trade mark applications while determining eligibility, beyond doubt, the real situation is not even before the IP offices and courts.<sup>6</sup> This is because the legislative scheme consists of additional requirements for shape marks. Moreover, courts tend to be extremely strict while interpreting the law.

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<sup>1</sup> Controversy continues on taste and scent marks.

<sup>2</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification) (Text with EEA relevance), Article 4.

<sup>3</sup> Directive 2015/2436/EU of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to Trade Marks, Article 3.

<sup>4</sup> Ibid.

<sup>5</sup> Joined Cases C-456/01 P and C-457/01 P Henkel KGaA v OHIM [2004] ECLI:EU:C: 2004:258, para 38; and C-136/02 P Mag Instrument Inc. v OHIM [2004] ECLI:EU:C: 2004:592, para 30.

<sup>6</sup> Selma Toplu Unlu and Ceren Aral, A Comparative Study on Three-Dimensional Marks in the European and Turkish Practice (2011) 1 Available at < <http://www.mondaq.com/turkey/x/119442/Trade+mark/A+Comparative+Study+on+Three+Dimensional+Shape+Marks+in+the+European+and+Turkish+Practice>>.

Unfortunately, obtaining a shape trade mark is a troublesome issue for proprietors. Legislation and courts in Europe seem to be unwilling to grant registration for three-dimensional shape marks with ease. There are several policy considerations behind this situation which is examined below. In brief, an exclusive three-dimensional shape may be protected through design laws, copyright laws or unfair competition. Although copyright laws or general rules regulating unfair commercial practices is not suitable for the protection of three-dimensional marks, lawmakers and courts favour design law protection instead of trade mark protection in the context of three-dimensional marks. This can be seen in the special provisions regarding the protection of three-dimensional marks as well as the case law. However, the strict application of special provisions regarding shape marks seems to be changing due to the expansion of trade mark protection for shape marks. Although shape marks are regarded as non-conventional marks in the previous decades, they are becoming more common and increasing number of proprietors are sought trade mark registration for their shape marks today as indicators of origin and commerce.

Therefore, the purpose of this study is to evaluate the approach of the European Court of Justice on three-dimensional trade mark protection. In order to criticise the approach, clarification on three-dimensional marks must be made in the first place. Then, the legal requirements in the EU and the policy considerations which shape the Court of Justice's adjudications are discussed. Understanding the objectives underlying the purpose of protecting three-dimensional marks is crucial. After providing information on the legal background, it would become possible to analyse the approach on a case-by-case basis. Controversial and vague points found during the analysis of the rulings of the Court is underlined for clarification purposes. Ideas and recommendations from the commentary are also considered. Lastly, changes brought by the EU trade mark law reforms and their effects on the current situation are explained. As an outcome of the paper, in light of decisions made, the future conduct of the Court is discussed.

## **II. Three-Dimensional Marks**

### **A. General Provisions**

An analysis must be conducted to decide whether a sign is excluded from trade mark protection.<sup>7</sup> Thus, the first step would be to identify the sign. None of the Trade Mark Directive 2015 or EU Trade Mark Regulation 2017 define what is meant by a sign. A sign can be a figurative mark, word, a colour mark or even a three-dimensional mark (and many more). However, descriptive, non-distinctive and customary signs are all excluded from trade mark registration unless it can be proved that they have

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<sup>7</sup> Lionel Bently and Brad Sherman, *Intellectual Property Law* (4th ed., Oxford University Press 2014), 930.

acquired distinctive through commercial use.<sup>8</sup> For the application of trade mark protection, signs are refused for descriptiveness if it is in descriptive use for more than one trader for the related goods and services. Similarly, signs are excluded from trade mark protection if they become customary in the relevant language regarding commercial use.<sup>9</sup> In this sense, the perception of consumers regarding relevant goods and services are quite important.

To be distinctive, a sign must function as an indicator of origin for the goods or services it represents in the eyes of the average consumer. Although the distinctiveness test should be the same for all types of marks, it is rather harder for some marks such as colours or shapes to be inherently distinctive. The Court of Justice of European Union's assumption is that consumers tend not to perceive pure colour marks or shapes marks as indicators of origin.<sup>10</sup> As the CJEU underlines, the primary function of trade marks is that of an indicator of origin and hence as a guarantee of quality for the consumers.<sup>11</sup> The requirement for being a sign have a limiting effect. The purpose is identified by the CJEU as being to prevent the abuse of trade mark law to obtain an unfair competitive advantage. The *Dyson* Case demonstrates that not every sign applied for trade mark protection is successfully pass the requirement and constitute a trade mark.<sup>12</sup> It must be capable of distinguishing of one undertakings goods or services of other undertakings. The previous directive had a narrower approach that the sign must also be capable of graphic representation in a way that allows authorities to define the clear and precise subject matter sought for the registration.<sup>13</sup> Although the requirement of "graphic representation" has been abolished in the 2015 reform package, the requirement which enables the authorities to determine the clear and precise subject matter through representation is not changed.<sup>14</sup>

## B. Identification of Shape Marks

That said, the identification of a word or figurative mark which are all regarded as "conventional/traditional" and is rather straightforward. However, they are out of scope of this paper. The relevant discussion here is for three-dimensional shape marks. Shape marks are in the "non-traditional" category of trade marks, as mentioned before, and such shapes consist of two-dimensional and three-dimensional shapes. The General Court (of the CJEU) stated in its judgment that there is no distinction

<sup>8</sup> Hector MacQueen, Charlotte Waelde, Graeme Laurie and Abbe Brown, *Contemporary Intellectual Property Law and Policy* (2<sup>nd</sup> ed., Oxford University Press, 2011), 572.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.


<sup>11</sup> Tanya Aplin and Jennifer Davis, *Intellectual Property Law: Texts, Cases, and Materials* (3<sup>rd</sup> ed., Oxford University Press, 2017), 359.

<sup>12</sup> Case C-321/03 *Dyson Ltd v Registrar of Trade Marks* [2007] EU:C:2007:51.

<sup>13</sup> Waelde et al (n 8) 557.

<sup>14</sup> Waelde et al (n 8) 557.

between two- or three-dimensional marks when considering absolute grounds for refusal on shape marks.<sup>15</sup> However, trade mark applicants must indicate that their marks are either two- or three-dimensional when applying for registration. In European Union regulation, the Commission Implementing Regulation Rule 3(c) states that if an applicant desires to apply for a three-dimensional mark, they have to state explicitly that their mark is three-dimensional in the application form.<sup>16</sup> Additionally, they have to provide up to six different representations of their mark in the form in terms of perspective.<sup>17</sup> In order to prevent any confusion, it should be stated that when a trade mark is referred to as a shape mark in this paper, it is meant they are three-dimensional shapes or at least two-dimensional representations of three-dimensional shapes.

“Three-dimensional shape” is a broad term that can take various forms.<sup>18</sup> One of the potential forms of a three-dimensional shape is the shape of the goods themselves. For instance, the shape of a biscuit or a bar of chocolate can be an indicator of origin as a trade mark. A well-known chocolate, Toblerone, is the most obvious example of a three-dimensional product that has already obtained protection.  <sup>19</sup> Another form of a three-dimensional mark is the shape of the packaging, which is not determined by the product’s own shape.<sup>20</sup> For instance, there is no direct relationship between perfumes and their bottles in terms of consuming the perfume product.

Nevertheless, many assorted designs for perfume bottles appear in markets, and proprietors seek trade mark protection for their marks. There is no doubt that the packaging of perfumes is as important as the fragrance of perfumes when it comes to advertising. It is worth mentioning that, in some instances, the difference between them may not be that clear.<sup>21</sup> A bottle might have a packaging-trade-dress purpose in terms of storing a liquid, but at the same time, the bottle itself can also have a distinctive character that deserves trade mark protection.<sup>22</sup> Further discussions on this issue will be avoided due to the irrelevance of trade-dress to the topic.

Moreover, a part of a product or packaging can be a three-dimensional mark.<sup>23</sup> A car manufacturer, Daimler-Chrysler, applied a part of a car for trade mark

<sup>15</sup> Case T-416/10 *Yoshida Metal Industry v OHMI – Pi-Design and Others* [2012] ECLI:EU:T:2012:222, GC, para 24.

<sup>16</sup> Commission Implementing Regulation (EU) 2018/626 of 5 March 2018 laying down detailed rules for implementing certain provisions of Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union trade mark, and repealing Implementing Regulation (EU) 2017/1431, Rule 3(c).

<sup>17</sup> *Ibid.*

<sup>18</sup> Sigrid Asschenfeldt, *Protection of Shapes as Trade marks* (2003) 14 IIP Bulletin 102, 102; Available at: < [https://www.iip.or.jp/e/e\\_summary/pdf/detail2002/e14\\_14.pdf](https://www.iip.or.jp/e/e_summary/pdf/detail2002/e14_14.pdf)>.


<sup>19</sup> Toblerone trade mark.

<sup>20</sup> *Ibid.*

<sup>21</sup> V.K. Ahuja, *Non-traditional trade marks: new dimension of the trade marks law* (2010) EIPR 575, 580.

<sup>22</sup> *Ibid.*

<sup>23</sup> Asschenfeldt (n 18) 102.

registration. The issue came before the court, and the court eventually accepted their application.<sup>24</sup> The subject of the registration was a vehicle grill which helps the ventilation of the engine. <sup>25</sup> However, this three-dimensional shape, which is an essential part of a car but at the same time is independent of the car itself, has managed to overcome all absolute grounds for refusal and gained trade mark protection. The judgment proves that any kind of three-dimensional object which is physically related to the product or packaging is conceptually independent and can be a trade mark.<sup>26</sup>

The most notable event occurred after the ruling of the CJEU in response to requests from the German *Bundespategericht* (Federal Patent Court of Germany) when the understanding of what is meant by “shapes of packaging” was clarified.<sup>27</sup> Mainly, the Court allowed the appearance of a retail shop to gain trade mark protection. It also expanded the capability for businesses to protect their specific qualifications.<sup>28</sup> Briefly, the German Court asked: is it possible to extend the interpretation of “shapes of packaging”?<sup>29</sup> In response, the CJEU stated that associating the shape of packaging with the relevant design is unnecessary and added that if a sign has a distinctive representation that alone can satisfy the conditions of requirement only by virtue of it being a sign, then it can be registered as a three-dimensional mark.<sup>30</sup> According to Mirza, the decision was revolutionary. It brought clarification to the TMD Article 3 (article 2 of the old Directive), opening the door to a new area of intellectual property rights.<sup>31</sup> He adds that this ruling is very well welcomed since all integral parts of businesses could need separate legal protection alongside their products.<sup>32</sup>

Differentiating and clarifying the types of three-dimensional marks is helpful when analysing the cases that made their way to the CJEU. Briefly, the approach of the Court is not the same when it comes to shapes of goods and shapes of packaging. The difference becomes distinguishable on the grounds of distinctive character. Expecting the same distinctiveness level from simple packaging of beverages or high-end products is not logical. For instance, a simple bottle of drinking water packaging cannot obtain trade mark protection easily due to the distinctiveness test.<sup>33</sup> Water

<sup>24</sup> Case T-128/01 Daimler Chrysler v OHIM [2003] ECLI:EU:T :2003:62, CFI.

<sup>25</sup> Daimler-Chrysler Jeep Vehicle Grill trade mark.

<sup>26</sup> Asschenfeldt (n 18) 102.

<sup>27</sup> Case C-421/13 Apple Inc. v Deutsches Patent und Markenamt (DPMA) [2014] ECLI:EU:C: 2014:2070, The Court of Justice of the European Union.

<sup>28</sup> Jose Tizon Mirza, ‘CJEU expands trade mark law to include the design of a store layout’ (2014) EIPR 813, 813.

<sup>29</sup> Apple Case (n 27) para 14.

<sup>30</sup> Apple Case (n 27) para 15-27.

<sup>31</sup> Mirza (n 28) 816.

<sup>32</sup> Mirza (n 28) 817.

<sup>33</sup> Gordon Humphreys, Non-conventional trade marks: an overview of some of the leading case law of the Boards of Appeal (2010) EIPR 437, 441.



does not have an inherent shape and is usually packed in cheap, ‘obviously’ shaped plastic bottles. Also, drinking water is considered one of the cheapest products in a supermarket. As a result, consumers do not spend much time deciding on the brand of water they would like to buy. On the other hand, electrical or mechanical equipment with inherent, distinctive and inventive shapes can pass the distinctiveness test much more easily since the product’s shape or packaging is not identifiable to the nature of the product. In the following section, all of these requirements are mentioned briefly, and the conduct of the CJEU and the points underlined for consideration is scrutinised.

### III. Requirements for Protection and the CJEU Rulings

#### A. Distinctiveness Test

All of the examples highlighted in the previous section are rare instances that could have managed to be granted protection. When it comes to protecting three-dimensional shapes in the European Union, the law limits registration exclusively for them. As mentioned above, in addition to the fundamental requirements for all trade marks, shapes must satisfy three important grounds independent from each other in order to gain protection. The Regulation (EU) 2017/1001, “EUTMR”<sup>34</sup> which replaced the Community Trade Mark Regulation (EC) No 207/2009<sup>35</sup>, regulates the trade mark system in the EU, for European Union (EU) trade marks, and Directive 2015/2436/EU of the European Parliament and Council “TMD”<sup>36</sup>, which replaced the EC Trade Mark Directive 2008/95/EC<sup>37</sup> harmonises national trade mark laws of the Member States, is responsible for the regulation of the national trade mark systems in Europe. They are co-existent, and their respective rules for registration requirements are the same. The European Union Intellectual Property Office (EUIPO) (formerly the Office for Harmonisation in the Internal Market, OHIM) is the authority for the EU trade marks. For national trade marks, the authority is the relevant intellectual property office.

In the European Union, a three-step test has been devised for the protection of three-dimensional marks (3D marks).<sup>38</sup> Article 3 of the TMD (now 4) and Article 7 of the CTMR (now EUTMR) have an extensive list of requirements called absolute grounds for refusal. To be more consistent, all of the requirements are grouped

<sup>34</sup> Council Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification) (Text with EEA relevance).

<sup>35</sup> Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community Trade Mark.

<sup>36</sup> Directive 2015/2436/EU 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>37</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 Trade Marks

<sup>38</sup> Asschenfeldt (n 18) 107.

into three main categories, allowing the three-step test operation. The subsections of Article 4 of the TMD and Article 7 of the EUTMR can be separated into three categories: the first is in subsections (b) to (d); the second in subsection (e); and last is in subsections (f) onwards. Examiners go through every single step independently in order to find whether or not a three-dimensional representation fulfils the requirement of being a trade mark.<sup>39</sup> The third category consists of general considerations such as morality, *ordre public* and descriptiveness, which will not be a part of the discussion in this paper. The first two categories of absolute grounds for refusal will be examined closely with relevant case law.

The first step of the examination is whether or not the sign fulfils the criteria of being an indicator of origin and having distinctiveness.<sup>40</sup> Shape marks can obtain protection if they “are capable of distinguishing the goods or services of one undertaking from those of other undertakings”, just like other types of signs.<sup>41</sup> The exclusion of “devoid of distinctive character” is an important aspect of shape marks, and this exclusion is considered frequently by the CJEU. As a result, there is now an established and operational case law in the European Union.

### C. The approach of the European Court of Justice

In an early shape mark case, the CJEU set its principal standards. The *Philips v Remington Case*<sup>42</sup> from the UK court made its way to the CJEU. The Court of Appeal of England and Wales referred to the CJEU for a preliminary ruling (Article 267 TFEU). The Court, in response, examined the provision of distinctiveness and set its standards as follows:

- Trade marks desire to ensure undistorted competition and offer protection to signs which exactly indicate their origins.<sup>43</sup>
- There is no specific category of mark treated specially in terms of distinctive character. Three-dimensional marks are no different from other marks in this sense.<sup>44</sup>
- Signs consisting of shapes must be assessed through the average consumer’s perception in a market.<sup>45</sup>

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<sup>39</sup> Ibid.

<sup>40</sup> Article 7(b)-(d) of the EUTMR and Article 4(b)-(d) of the TMD.

<sup>41</sup> Article 7(b) of the EUTMR and Article 4(b) of the TMD.



<sup>42</sup> Philips Electronics NV v Remington Consumer Products [1999] R.P.C. 283.

<sup>43</sup> Ibid, para 30.

<sup>44</sup> Case C-299/99 Koninklijke Philips Electronics NV v Remington Consumer Products Ltd. [2002] ECLI:EU:C: 2002:377, para 48.

<sup>45</sup> Ibid, para 63.

All of these were considered carefully in every case after the Philips case. Later, in the *Linde and Others Case*,<sup>46</sup> the CJEU answered several questions about inherent distinctiveness in shape marks.<sup>47</sup> The German Court referred to the CJEU whether there is a stricter test for shape marks while assessing distinctive character.<sup>48</sup> In response, the Court ruled that the only place where shapes get more attention is in Article 4(e) of the TMD (Article 3(e) at the time).<sup>49</sup> Besides the clause, the Court repeated its ruling from the *Philips* case and stated that the test that applies to three-dimensional (shape) marks is the same as other marks.<sup>50</sup> However, it could be understood from the practice of the Court that the same test would be unlikely to end with identical results.<sup>51</sup> The reason behind this is the average consumer's perception. It would not be wrong to state that shapes have natural drawbacks in terms of distinctive character. The average consumer would be unlikely to link the shape of a product with the product itself to distinguish products since the level of attention paid by consumers to shapes is crucially low, especially in cheap products or services.<sup>52</sup> In this context, the term "average consumer" reflects a reasonably well informed and reasonably observant and circumspect consumer.<sup>53</sup>

While assessing the inherent distinctiveness of shapes in another case, the CJEU confirmed its main principle, which was already set out in the *Philips* and *Linde* cases. The Court is well aware of the practical difficulty of registering basic shape marks due to the relevant public perception.<sup>54</sup> Henkel applied to the OHIM for the Community trade mark registration of several washing tablets. These tablets all have a three-dimensional rectangular shape with red <sup>55</sup> or green <sup>56</sup> layers on them. The OHIM examiner refused all applications on the grounds of the lack of distinctive character.<sup>57</sup> Later on, these cases came before the Third Board of Appeal of the OHIM, then the Court of First Instance, and finally before the Court of Justice. The CJEU emphasised its standard again and brought clarity to the issue. The Court expressed that, in principle, all signs which consist of a three-dimensional shape can be registrable.<sup>58</sup> From the ruling, the inference is that the CJEU insists that they do

<sup>46</sup> Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECLI:EU:C:2003:206.

<sup>47</sup> Jenny Bergquist and Duncan Curley, *Shape trade marks and fast-moving consumer goods* (2008) EIPR 17, 19.

<sup>48</sup> *Linde Case* (n 46) para 28.

<sup>49</sup> *Linde Case* (n 46) para 43.

<sup>50</sup> *Philips Case* (n 44) para 48; *Linde Case* (n 46) para 42.

<sup>51</sup> Lionel Bently and Brad Sherman, *Intellectual Property Law* (4th ed., Oxford University Press 2014), 936.

<sup>52</sup> *Bergquist and Curley* (n 47) 21.

<sup>53</sup> *Philips Case* (n 44) para 63; Cases C-469/01 P to C-472/01 P *Procter & Gamble v OHIM* [2004] ECLI:EU:C:2004:259, para 33.

<sup>54</sup> *Bergquist and Curley* (n 47) 21.

<sup>55</sup> Red washing tablets: Case T-335/99.

<sup>56</sup> Green washing tablet: Case T-336/99.

<sup>57</sup> Cases C-456/01 and C-457/01 *Henkel KGaA v. OHIM* [2004] ECLI:EU:C: 2004:258, para 5-7.

<sup>58</sup> *Ibid.*, para 31.

not differentiate three-dimensional marks from other marks in this aspect. Also, the Court added that:

“Only a trade 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 for the purposes of that provision.”<sup>59</sup>

Under the examination of the Court, the common-shaped dishwasher tablets could not obtain trade mark protection. However, according to MacQueen, Waelde, Laurie and Brown, this does not mean that the shapes of dishwashing tablets are completely out of the scope of protection.<sup>60</sup> This also does not mean that every three-dimensional mark which significantly departs from the norms and customs of the sector can be registered as a trade mark.<sup>61</sup> Additionally, Procter & Gamble had significant difficulties when proving that the overall impression of their washing tablets was enough to attract consumers’ attention.<sup>62</sup>

The Court repeated its established standard for distinctive character and indicator of origin several times in the *Procter & Gamble v OHIM* case,<sup>63</sup> the *Mag Instrument v OHIM* case,<sup>64</sup> the *August Storck KG v OHIM* case,<sup>65</sup> and the *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v OHIM* case<sup>66</sup>, and repeated its average consumer’s perception standard in the *Henkel*,<sup>67</sup> *Mag Instrument*,<sup>68</sup> *Develey*,<sup>69</sup> and *Deutsche SiSi-Werke*<sup>70</sup> cases.

However, these findings do not indicate that three-dimensional marks cannot pass the distinctiveness test. Like all other types of marks, consumers can perceive three-dimensional marks as an indicator of origin, thus acquiring distinctiveness through use over an adequate period of time and proving the distinctive character’s existence prior to the application would be enough for a three-dimensional mark to pass the distinctiveness test. Evidence of acquired distinctiveness as listed by the Court of Justice in the *Windsurfing Chiemsee* Case includes the market share of the product, long-standing and intensive use, how much it is widespread geographically speaking,

<sup>59</sup> Ibid, para 39.

<sup>60</sup> Hector MacQueen, Charlotte Waelde, Graeme Laurie and Abbe Brown, *Contemporary Intellectual Property Law and Policy* (2<sup>nd</sup> ed., Oxford University Press, 2011), 617.

<sup>61</sup> Ibid.

<sup>62</sup> Cases C-469/01 P to C-472/01 P *Procter & Gamble v OHIM* [2004] ECLI:EU:C:2004:259.

<sup>63</sup> Ibid, para 37.

<sup>64</sup> Case C-136/02 P *Mag Instrument Inc. v OHIM* [2004] ECLI:EU:C: 2004:592, para 31.

<sup>65</sup> Case C-24/05 P *August Storck KG v OHIM* [2006] ECLI:EU:C: 2006:421, para 26

<sup>66</sup> Case C-173/04 P *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v OHIM* [2006] ECLI:EU:C: 2006:20, para 31.

<sup>67</sup> *Henkel* Case (n 57) para 38.


<sup>68</sup> *Mag Instrument* Case (n 64) para 30.

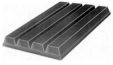
<sup>69</sup> Case C-238/06 P *Develey Holding GmbH & Co. Beteiligungs KG v OHIM* [2007] ECLI:EU:C:2007:635, para 80.

<sup>70</sup> *Deutsche SiSi-Werke* Case (n 66) para 28-30.

investments in the product, relevant public attention and statements from trade associations.<sup>71</sup>

In a more recent case, Lindt applied for a golden bunny with red bows to be

registered <sup>72</sup>, which is the shape of its chocolate packaging. The Court of Justice estimated that the shape is fairly common for the decoration of chocolate; thus, Lindt's bunny lacks inherent distinctiveness.<sup>73</sup> However, Lindt counterclaimed the fact before the Court that their Easter bunny has acquired distinctiveness in Germany (for Community (EU) trade marks, a sign must obtain acquired distinctiveness throughout the European Union).<sup>74</sup> However, in this case, Lindt's Easter bunny is not well known outside of Germany.<sup>75</sup> The Court of Justice correctly settled that acquired distinctiveness in individual Member States is insufficient and cannot be a basis for argument.<sup>76</sup> As a result, Lindt could not register its three-dimensional mark in the European Union.

Acquired distinctiveness was also discussed quite recently in the *Nestlé v Cadbury* case.<sup>77</sup> Nestlé attempted to register the Kit-Kat's four-fingered shape  in the UK. The application was first accepted by the Office, but Cadbury opposed the application on the grounds of distinctiveness. The dispute came before the High Court. Mr Justice Arnold from the High Court noted that the Kit-Kat lacks inherent and acquired distinctiveness. Mr Justice Arnold also suggested that Nestlé should put their "word" mark on each finger of the product in order to create a clear recognition of the shape in the eyes of consumers.<sup>78</sup> However, the idea from the commentary emphasises that this suggestion presumably went too far.<sup>79</sup>

However, Mr Justice Arnold also found that the European trade mark law rules are quite unclear in some aspects of shape mark registration<sup>80</sup>. Is public recognition of a mark enough or does an applicant have to prove that the public relies on the mark as an indicator of origin to obtain acquired distinctiveness? Thereby, the High

<sup>71</sup> Cases C-108/97 and C-109/97 Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) and others [1999] ECLI:EU:C: 1999:230, para 51.

<sup>72</sup> Lindt's golden easter bunny chocolate.

<sup>73</sup> Case C-98/11 P Chocoladefabriken Lindt & Sprüngli v OHIM [2012] ECLI:EU:C: 2012:307, para 15-16.

<sup>74</sup> Ibid, para 21.

<sup>75</sup> Ibid, para 23.

<sup>76</sup> Ibid, para 62.

<sup>77</sup> Case C-215/14 Société de Produits Nestlé SA v Cadbury UK Ltd [2015] ECLI:EU:C: 2015:604.

<sup>78</sup> Joseph Jones, 'Have a break... have a CJEU Kit Kar reference; clarification sought in what circumstances the shape of a product can be registered as a trade mark' (2014) EIPR 733, 735.

<sup>79</sup> Ibid.

<sup>80</sup> Ibid, 733.

Court of England and Wales decided to seek clarification from the CJEU about the acquired distinctiveness and shapes necessary to obtain a technical result.<sup>81</sup> Nestlé did not challenge the decision that Kit-Kat's shape lacks distinctive character in terms of the chocolate products, but relied on Kit-Kat's high sales, advertising and mark recognition in order to prove acquired distinctiveness.<sup>82</sup> The Court of Justice held that Nestlé could not show the relevant consumer perception of the chocolate design of the three-dimensional mark as an indicator of origin.<sup>83</sup> According to commentary, the Court of Justice created ambiguities and left doubts behind after this case since the Court did not directly answer Judge Arnold's question and ruled in its own way.<sup>84</sup> If the chosen path was clear over public recognition or public reliance, then the puzzle box of acquired distinctiveness would have been solved to some extent.

#### D. Implications from the CJEU Rulings

There is no doubt that the distinctiveness criterion is the same for all trade marks, and there is no special requirement for three-dimensional marks. However, a considerable number of three-dimensional marks cannot fulfil the distinctiveness criterion. There are two prominent disadvantages three-dimensional shapes suffer from in general.<sup>85</sup> First, consumers are not in the habit of distinguishing the origin of a product from its packaging or product shape. Second, from a public policy point of view, shapes are not finite. Thus many shapes are in common use in markets.<sup>86</sup> In other words, common or banal shapes cannot obtain protection due to their lack of distinctive character, and the average consumer's attention is on the words or labels of a product instead of its packaging in this sense. Therefore, the structures of markets and consumer habits in these specific markets are important aspects that must be explained in detail.

First, the level of distinctiveness differs between product markets. For expensive and extraordinary products, consumers' attention in distinguishing between products of different sources is at a higher level than for ordinary products.<sup>87</sup> The primary example of such products could be vehicles, expensive watches, or perfumes. Consumers definitely consider the shape of product or packaging before buying the product itself alongside other characteristics. However, when it comes to products for daily use, a three-dimensional mark must have a seriously exceptional (distinctive)

<sup>81</sup> Ibid, 733.

<sup>82</sup> Nestle Case (n 77) para 22-24.

<sup>83</sup> Nestle Case (n 77) para 67.

<sup>84</sup> Joseph Jones, 'Chocolate wars: The Kit Kat awakens -acquired distinctiveness not put to bed by the courts' (2016) EIPR 307, 312.

<sup>85</sup> Madeleine Heal, 'Shape Marks and the Misshapen Monopoly' (2005) 15, Available at: <<http://www.5rb.com/article/shape-marks-and-the-misshapen-monopoly/>>

<sup>86</sup> Ibid.

<sup>87</sup> Ibid.

character in order to be remembered by consumers. This applies to commonly used products such as bottled drinking water, toothpaste or other supermarket products.

The second difficulty regarding the protection of shapes is the nature of shapes. Forms of shapes are finite, especially commonly used ones such as cubes, spheres or prisms. Thus unexceptional, common ones cannot be protected by trade mark law in favour of competitors in the market. It should not be forgotten that there is always the risk of monopolisation in these situations.<sup>88</sup> For instance, a shape of a toothpaste product or its packaging must be quite unusual and must have a striking impact on consumers in order to achieve protection. One cannot obtain trade mark protection for the three-dimensional shape of a regular toothpaste tube. On the other hand, an apple-shaped toothpaste packaging could obtain trade mark protection if it has a distinctive character and fulfils other requirements.<sup>89</sup>

To sum up, the rulings of the Court of Justice show that, in practice, case law is established more strictly for shape marks than traditional trade mark types.<sup>90</sup> The Court interprets provisions as safeguards for competition also. Therefore, the total number of registered three-dimensional marks is no more than 5 per cent of the overall number of trade marks,<sup>91</sup> and the number of registered EU trade marks based on acquired distinctiveness is even lower, at less than 4 per cent.<sup>92</sup> The Court of Justice and the EUIPO (OHIM) tendency is to keep common shapes open for competition. Nevertheless, it is unarguably an inherent result of three-dimensional marks. Words, logos, or other figurative marks are common when creating a brand and consumer perception. Moreover, the stance of the courts and intellectual property offices are also feasible, as protection for three-dimensional shapes could result in problematic situations in terms of lawful competition such as patent protection.

Nevertheless, the main complexity and the double standard for three-dimensional marks do not occur in the interpretation of the CJEU or EUIPO. Instead, they occur in Article 7(1)(e) of the EUTMR and Article 4(1)(e) of the TMD, a problem created by law and policymakers.

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<sup>88</sup> Ibid.

<sup>89</sup> Other requirements such as Article 4(1)(e) of the TMD and Article 7(1)(e) of the EUTMR.

<sup>90</sup> Trevor Cook, 'Three Dimensional Trade marks in the European Union' (2014) 19 *Journal of Intellectual Property Rights* 423, 424.

<sup>91</sup> Humphreys (n 33) 437.

<sup>92</sup> Alexander R. Klett, 'Three-Dimensional Trade marks before the European Court of Justice- A Lost vcause?' (2007) 62(8) *INTA Bulletin*, Available at: <[http://www.inta.org/INTABulletin/Pages/Three-DimensionalTrade marksBeforetheEuropeanCourtOfJustice%E2%80%94A%20LostCause.aspx](http://www.inta.org/INTABulletin/Pages/Three-DimensionalTrade%20marksBeforetheEuropeanCourtOfJustice%E2%80%94A%20LostCause.aspx)>.

#### IV. Special Provisions regarding the Protection of Three-Dimensional Marks

The second step of the trade mark examination is actually the strictest point leading to refusal of three-dimensional marks, and the main problem proprietors have with Article 4(1)(e) of the TMD and Article 7(1)(e) of the EUTMR. Most concerns related to the protection of shape marks are derived from these provisions. Arguably, the self-acknowledged equal treatment of the Court of Justice in its assessment while determining distinctive character completely collapses when the subject matter relates to these provisions, and it leaves no doubt behind about the disadvantageous position of three-dimensional marks. These provisions state that a shape cannot be registered as a trade mark if:

“It consists exclusively of:

- (i) The shape, or another characteristic, which results from the nature of the goods themselves,
- (ii) The shape, or another characteristic, of goods which is necessary to obtain a technical result, or
- (iii) The shape, or another characteristic, which gives substantial value to the goods.”<sup>93</sup>

These requirements directly derive from the expansion of law regarding the protection of trade marks and intellectual property in general.<sup>94</sup> The scope of protection of trade marks is much broader than in the past. Today, regulations allow for the protection of non-traditional marks which might once have come under the protection umbrella of other intellectual property rights such as patents, designs or copyrights. Formerly patented products or formerly protected products under design laws are relevant examples here. Owners of these expired intellectual property rights desire to continue their monopoly/power on their products. Thus they attempt to register them as trade marks. The reason behind this is that patent protection only lasts for 20 years.<sup>95</sup> When a patent expires, the protection will be no more. Also, design law offers protection for a maximum of 25 years in Europe.<sup>96</sup> On the other hand, trade mark registration gives extreme value for rights holders since its protection gives a total monopoly on a shape for an almost infinite period of time if used in the relevant market.<sup>97</sup> The only requirement is that trade marks are subject

<sup>93</sup> Article 4(1)(e) of the TMD and Article 7(1)(e) of the EUTMR.

<sup>94</sup> Paul Torremans, *Holyoak & Torremans Intellectual Property Law*, (8<sup>th</sup> ed., Oxford University Press, 2016), 449.

<sup>95</sup> Patents Act 1977 Article 25(2), European Patent Convention 2000 Article 63(1).

<sup>96</sup> Council Regulation (EC) No 6/2002 of 12 December 2001 on Community Designs, Article 12.

<sup>97</sup> Heal (n 85), 1.



to regular renewal.<sup>98</sup> Therefore, courts and intellectual property offices assess three-dimensional shape marks in light of the abovementioned situation. Thus, it is the main reason why registering a possibly distinctive three-dimensional shape as a trade mark is extremely difficult.<sup>99</sup>

In the early applications before the EUIPO (OHIM at that time), it can be seen that these specific criteria<sup>100</sup> were not applied in a strict sense to shape mark applications at the Office. The protectability of shape marks was not affected by the presence of other types of intellectual property that are also applicable to specific shapes. The OHIM mainly examined the registrability of shape marks only on the grounds of distinctiveness and descriptiveness, and the approach of the Office to the application of Article 7(1)(e) EUTMR (was CTMR) was quite hesitant back then.<sup>101</sup> However, the situation changed slightly with a decision from the OHIM Board of Appeals. In the *Milan Ferragamo* decisions,<sup>102</sup> the Board expressed that a trade mark, related to a woman's shoes consisted of ornamental designs, and the registration was rejected due to the protection of these ornaments by design law.<sup>103</sup> The Board added that the subject matter should not be protected by trade mark law if it is also the subject of another intellectual property right, in this case, design law.<sup>104</sup> This decision was a preamble example of examining a shape's eligibility for trade mark protection on the grounds of the nature of the goods, their technical function, or their substantial value, and has become a landmark decision since then.<sup>105</sup>

In later cases, the European Court of Justice set tough standards in its rulings for the protection of shape marks in the context of Articles 7(1)(e) EUTMR and 4(1)(e) TMD. According to Lionel Bently and Brad Sherman, although the precise scope of the Court's standards on these exclusions is unclear, exclusions have four main characteristics in common.<sup>106</sup> First is that these tough standards only apply to shapes.<sup>107</sup> However, this was changed by the new legislation that came into force a few years back and is not relevant now. The new wording says shapes and other characteristics.<sup>108</sup> The second common characteristic of tough standards is that shapes

<sup>98</sup> Ibid.

<sup>99</sup> Ibid.

<sup>100</sup> Article 4(1)(e) of the TMD and Article 7(1)(e) of the EUTMR.

<sup>101</sup> Selma Toplu Unlu and Ceren Aral, A Comparative Study on Three-Dimensional Marks in the European and Turkish Practice (2011) 1 Available at <[http://www.mondaq.com/turkey/x/119442/Trade mark/A+Comparative+Study+on+Three+Dimensional+Shape+Marks+in+the+European+and+Turkish+Practice](http://www.mondaq.com/turkey/x/119442/Trade+mark/A+Comparative+Study+on+Three+Dimensional+Shape+Marks+in+the+European+and+Turkish+Practice)>.

<sup>102</sup> Cases R-395/199-3, R-272/199-3, OHIM Board of Appeal, Milan Ferragamo Decisions.

<sup>103</sup> Christopher Heath and Anselm Kamperman Sanders (editors), *New Frontiers of Intellectual Property Law* (1<sup>st</sup> ed., Hart Publishing, Oxford and Portland, 2005), 197.

<sup>104</sup> Ibid.

<sup>105</sup> Unlu and Aral (n 101) 1.

<sup>106</sup> Bently and Sherman (n 51) 914.

<sup>107</sup> Ibid.

<sup>108</sup> See, Section V for more information.

exclusively have a natural, technical or ornamental function in the first place in order to be rejected on the grounds of Articles 7(1)(e) EUTMR and 4(1)(e) TMD.<sup>109</sup>

The third common characteristic in applying these tough standards is competition concerns, as mentioned previously. All three abovementioned exclusions result from the nature of the goods themselves, from a technical result or from giving substantial value to the goods.<sup>110</sup> In the *Philips v. Remington* case, the Court of Justice ruled that the exclusions were intended to protect competition and prevent the proprietor of a mark from gaining a monopoly position over the technical functions of a trade mark.<sup>111</sup> As Advocate General Colomer mentioned in his opinion, if a shape has natural, functional or ornamental characteristics, then the test will not be a search for distinctive elements of these characteristics. Instead, the test should focus on healthy competition to prevent proprietors from extending their monopolies.<sup>112</sup> It is worth mentioning that the Max Planck Institute has argued that competition policy can explain the policy on the nature of goods and their technical function. However, exclusion on the grounds of substantial value seems quite problematic.<sup>113</sup>

The fourth common feature of these tough standards is wholly independent of the distinctiveness test.<sup>114</sup> The distinctive character cannot ensure registration for a three-dimensional mark. For instance, a G-star company designs and manufactures jeans with unique characteristics and has registered two distinctive shapes situated on its jeans.<sup>115</sup> When Benetton started to manufacture similar jeans with similar shapes, G-star brought an action against Benetton.<sup>116</sup> In response, Benetton challenged G-star's application of the shapes on the grounds of Article 1 of the Benelux Trade Mark Law on trade marks, which is the equivalent of Article 4(1)(e) of the Directive.<sup>117</sup> In its ruling, the European Court of Justice underlined the fact that Article 4(1)(e) contains "preliminary" obstacles for shapes. If a shape mark has a substantial value regardless of being inherently distinctive or having acquired distinctiveness, the application will be rejected and cannot be registered as a trade mark.<sup>118</sup>

<sup>109</sup> Bently and Sherman (n 51) 915.

<sup>110</sup> Bently and Sherman (n 51) 914.

<sup>111</sup> Case C-299/99 Koninklijke Philips Electronics NV v Remington Consumer Products Ltd. [2002] ECLI:EU:C: 2002:377, para 78.

<sup>112</sup> Case C-299/99 Opinion of Advocate General Ruiz-Jarabo Colomer [2001] ECLI:EU: 2001:52, para 16.

<sup>113</sup> Further discussions will be made on this issue in the following section. Max Planck Institute for Intellectual Property and Competition Law, Study on the Overall Functioning of the European Trade Mark System (2011) 72, Available at: <[http://ec.europa.eu/internal\\_market/indprop/docs/tm/20110308\\_allensbach-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf)>.

<sup>114</sup> Bently and Sherman (n 51) 917.

<sup>115</sup> Case C-371/06 Benetton Group SpA v G-Star International BV. [2007] ECLI:EU:C: 2007:542, para 7-8.

<sup>116</sup> Ibid, para 10.

<sup>117</sup> Ibid, para 11.

<sup>118</sup> Ibid, para 26.

To sum up, all four characteristics underline the objectives behind these provisions. Consequently, a shape mark cannot be registered if it cannot pass the examination regarding subsections (i), (ii) and (iii) of these provisions.<sup>119</sup> It is crucial to mention that only one of these grounds is enough for a mark to be refused from registration if those particular grounds are “fully” applicable.<sup>120</sup> Therefore, it is inconsequential whether a mark is addressed by more than one subsection.<sup>121</sup> It is clear that they are examined independently and related to different aspects of a mark. The rulings of the European Court of Justice on these subsections are now examined in turn, respectively.

### A. Shapes Exclusively Resulting from the Nature of Goods

The first subsection of the provision prohibits the registration of signs whose shape exclusively results from the nature of goods themselves. The general view of this exclusion is that it was designed straightforwardly.<sup>122</sup> For example, registering the spherical shape for soccer balls is impossible. If an undertaking registers the spherical shape for soccer balls, it will not leave any space for competitors to manufacture soccer balls. For this reason, as the Court of Justice gives particular importance to the public interest, undistorted competition becomes the main aim. In the *Philips v Remington* case, Aldous LJ expressed that the examination for the first exclusion is based on preventing undertakings from monopolising<sup>123</sup> and added that shapes that are indispensable to the product’s function could not be registered unless they contain some addition that may add significance to the mark.<sup>124</sup>

However, in another instance, the Dutch Supreme Court referred to the Court of Justice for a preliminary ruling and asked, “Does the first exclusion refer to a shape which is indispensable to the function of a product, or can it refer to one or more substantial inherent characteristics which consumers may seek in a competitor’s product?”<sup>125</sup> The interpretation of the Court brought light to the issue. The Court ruled that Article 4(1)(e)(i) should apply to a sign which consists of a shape having one or more inherent essential characteristics for its generic function.<sup>126</sup> Moreover, essential functions should be determined on a case-by-case basis, and the overall impression of the product also becomes crucial when assessing each component that may have essential functions since it directly affects the consumers’ choice.<sup>127</sup>

<sup>119</sup> Torremans (n 94) 449.

<sup>120</sup> Ibid.

<sup>121</sup> Ibid.

<sup>122</sup> Bently and Sherman (n 51) 918.

<sup>123</sup> *Philips Electronics NV v Remington Consumer Products* [1999] RPC 116 (23): 809, 820.

<sup>124</sup> Ibid, 818.

<sup>125</sup> Case C-205/13 *Hauck GmbH & Co. KG v Stokke A/S and Others* [2014] ECLI:EU:C: 2014:2233, para 14.

<sup>126</sup> Ibid, para 27.

<sup>127</sup> Ibid, para 27.

The interpretation here is rather straightforward. Precisely, what this stand for is that such absolute grounds for refusal should not be interpreted narrowly. For instance, it should not include the exclusion of apple shapes for apples or spherical shapes for balls only but should also include shapes that have essential characteristics forming the main function of a product since consumers would be likely to seek these characteristics in competing products.<sup>128</sup> In other words, not only the whole shape of a product but also some additional characteristics that are an essential part of a product cannot also be registered. In this sense, the Court's interpretation raised the threshold to a higher point and reduced the chances of registering three-dimensional marks. It is also worth mentioning the relationship between other exclusions and the first exclusion. In this sense, if a sign consists of another aspect (functional or aesthetic, sections (ii) and (iii)), then refusal based on the first exclusion cannot apply to the sign because its characteristics would not be inherent to its generic function and would be likely to give a technical or decorative element to the sign.<sup>129</sup> In such a case, the second or third exclusions become fully applicable to the shape that sought registration for.

### **E. Shapes Necessary to Obtain a Technical Result**

According to the second restriction, it is not possible to register any three-dimensional mark consisting of functions necessary to obtain a technical result. Two similar rulings from the Court of Justice shed light on the practical implementation of this provision and defined thresholds. Before the Court's preliminary ruling in the *Philips* case, the situation was quite vague in subsection (e)(ii). The case was about a three-headed shaver that Philips had been producing for a long time under trade mark protection. Later, Remington Ltd. started to manufacture a similar shaver, and Philips sued them for trade mark infringement. Remington's counterclaim was that the mark was devoid of distinctive character. The UK court decided to refer seven questions to the European Court of Justice to express its doubts on appeal. One of them was rather important due to the lack of clarification in the area. The UK court asked if a "technical result" exclusion could be overcome by proving the existence of some other shapes that can give the same technical result.<sup>130</sup> Before the decision, the EUIPO (OHIM) generally did not reject three-dimensional shape applications with functions required to achieve a technical result if other shapes give the same technical result. However, after the Court of Justice's ruling on this case, the OHIM changed its practice the same way as the Court. The Court of Justice ruled that any essential functional characteristics necessary to obtain a technical result will be excluded from registration, regardless of the existence of other shapes giving the same result.<sup>131</sup>

<sup>128</sup> Sara Balice, 'Tripp Trapp Case: The Court of Justice on 3D trade marks' (2015) EIPR 807, 810.

<sup>129</sup> *Ibid.*

<sup>130</sup> *Philips Case* (n 111) para 16.

<sup>131</sup> *Philips Case* (n 111) para 83.

It is crucial to note that the Court does not necessarily handle the provision narrowly or give a mandatory meaning only, but it broadly interprets a causal relationship between a shape and its technical result.<sup>132</sup> Additionally, the Court does not limit “technical results” as in patent law, and any functional aspect which gives technicality to a shape will be included in the exclusion.<sup>133</sup> Also, due to broad interpretation, adding some non-essential characteristics without giving any technical result will not help the shape avoid the second exclusion, as long as the shape contains some functional characteristic.<sup>134</sup> Overall, the Court’s intended approach was to protect public interest since there would likely be a finite number of ways to achieve the same technical result, and trade mark registration of essential characteristics may distort competition. The court’s purpose is notable since the Court tries not to burden trade mark offices to deal with competition issues and instead tries to put competition concerns under the umbrella of public interest.<sup>135</sup>

The Court’s attitude to additional functionality to shapes in determining the exact function of a specific shape is neutral. According to the Court, their existence will not affect the conclusion of a case in which a shape is seeking registration, and every component of a shape will be examined independently on a case-by-case basis.<sup>136</sup> In other words, the existence of other functional but non-essential shapes would not affect the outcome of the assessment. However, commentary argues that the Court’s reasoning is insufficient. According to Gonzales, the immateriality of other available shapes can overbalance the thin line between goodwill - the labour of the proprietor, and undistorted competition - the public interest, if a three-dimensional mark is rejected regardless.<sup>137</sup>

The Court of Justice had a second chance in the *Lego Juris* Case to determine once again the functionality exclusion.<sup>138</sup> The Court repeated its public interest and competition concerns, identical to the *Philips* case.<sup>139</sup> *Lego Juris* Case re-established the ruling of *Philips* case, indicating that trade mark protection must be assessed broadly by considering other intellectual property rights not to contradict other rights and competition concerns. However, competition concerns must be internalised within the public interest and functionality provisions, and trade mark offices and courts should not deal with additional competition questions. With regards to functional and non-functional characteristics, the Court of Justice expressed that a

<sup>132</sup> Bently and Sherman (n 51) 921.

<sup>133</sup> Bently and Sherman (n 51) 920.

<sup>134</sup> Mark Shillito and Heather Newton, ‘EU: trade marks – shape marks’ (2009) EIPR N25, N26.

<sup>135</sup> Vlotina Liakatou and Spyros Maniatis, ‘Lego – building a European concept of functionality’ (2010) EIPR 653, 656.

<sup>136</sup> Like in the Nestle Case (n 77).

<sup>137</sup> Lennin Hernandez Gonzales, ‘Functional Shape Marks Conditions for the exclusion of protection and limits thereof’, LL.M. dissertation 2009-2010 Katholieke Universiteit Leuven Faculty of Law, 12.

<sup>138</sup> Liakatou and Maniatis (n 135) 653.

<sup>139</sup> Case C-48/09 *Lego Juris A/S v OHIM* [2010] ECLI:EU:C:2010:516, para 44-45.

shape can be registered if it has a major non-functional element, but the existence of some minor arbitrary functional characteristics which offer technical solutions in a shape will cause a three-dimensional mark to be refused on the grounds of the second restriction.<sup>140</sup> The Court then repeated the immateriality of other alternative functional shapes in determining the registrability of a three-dimensional shape mark. Nevertheless, the Court recalled that the passing-off law pathway that examines unfair competition rules is open for slavish copies of a product.<sup>141</sup>

It is obvious that essential characteristics must be identified one by one in terms of whether they are essential and then whether they are functional. From the *Philips* and *Lego* cases, it is understood that if essential characteristics are non-functional, then registration doors will open for three-dimensional marks. As paragraph 72 of *Lego* Case emphasises:

“Article 7(1)(e)(ii) ... cannot be applicable where the application for registration as a trade mark relates to a shape of goods in which a non-functional element, such as a decorative or imaginative element, plays an important role.”<sup>142</sup>

According to Liakatou and Maniatis, determining essential characteristics is the main point in the assessment.<sup>143</sup> Such future cases would definitely focus on identifying essential characteristics, and proprietors will try to prove that their product’s essential characteristics are not functional in the first place.<sup>144</sup> At this point, Newton suggests that experts should support the assessment of essential characteristics rather than consumers.<sup>145</sup>

In brief, the approach of the European Court of Justice is straightforward and strict in terms of obtaining a technical result. Regarding *Lego*’s prior patents for the subject matter of trade mark registration,<sup>146</sup> it is clear that three-dimensional marks that are eligible for patent protection cannot be protected by trade mark law to short-circuit the 20-year protection rule and obtain infinite protection. However, national courts and the Court of Justice have had difficulties interpreting the second restriction, and the CJEU has always tried to rely on public interest.

The policy concerns of the Court are plausible, and further clarifications on technicality issues are given in the long-lasting *Rubik’s Brand* Case.<sup>147</sup> By its appeal,

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<sup>140</sup> Ibid, para 52.

<sup>141</sup> Ibid, para 61.

<sup>142</sup> Ibid, para 70.

<sup>143</sup> Liakatou and Maniatis (n 135) 656.

<sup>144</sup> Ibid.

<sup>145</sup> Shillito and Newton (n 134) n26.

<sup>146</sup> Ibid.

<sup>147</sup> Case C-936/19 P *Rubik’s Brand Ltd v European Union Intellectual Property Office (EUIPO)* [2020] ECLI:EU:C:2020:286.

Rubik's Brand asks the CJEU to set aside the judgment of the General Court,<sup>148</sup> which General Court dismissed the appellant's action for annulment of the decision of the First Board of Appeal of the EUIPO concerning invalidity proceedings between



Simba Toys and Rubik's Brand. The Rubik's Cube was first registered by Seven Towns as a three-dimensional mark in the EU in 1999 and was renewed in 2006.<sup>149</sup> In 2006, a German company, Simba Toys, applied to the EUIPO, claiming that the Cube contains a technical function, and that function can only be registered as a patent, not a trade mark. Upon the rejection of the cancellation application by the EUIPO, Simba Toys took the relevant decision to the General Court.

In 2014, the General Court dismissed the case on the grounds that the Rubik's Cube did not contain a technical function stating that the technical function of the Cube was not as a result of its shape, but rather stemming from an invisible mechanism located within the cube.<sup>150</sup> As a result, Simba Toys appealed the case, and this time the request of Simba was found relevant, which claims that the three-dimensional shape includes a technical function, including an invisible functional element of the product, such as the rotation capability presented in shape in question. As a result, the First Board of Appeal of EUIPO cancelled the registration of the trade mark, believing that basic characteristics of the cube's three-dimensional shape were necessary to achieve the technical result consisting of fulfilling the rotation function, and therefore it could not be registered as a trade mark.<sup>151</sup> Although Rubik's Brand has requested an annulment of the decision, the technical result was relevant to the three-dimensional shape and was ruled that the three-dimensional shape of Rubik Cube cannot be registered as a trade mark in 2020.<sup>152</sup> These decisions on the Cube clearly show that the CJEU and the EUIPO are quite strict on the registrability of three-dimensional marks, which can initially be protected as patents.

## F. Shapes Having a Substantial Value

A three-dimensional sign that is an indicator of origin, has an inherent or acquired distinctive character, and consists of major non-functional (for its technical results) and non-inherent essential characteristics could still be rejected during the application process. The third exclusion applies to shapes that give substantial value to the goods. The main reason behind this is to exclude matters that originally belonged to design law from trade mark protection by broadly interpreting the provisions mentioned

<sup>148</sup> Case T-601/17, *Rubik's Brand v EUIPO — Simba Toys (Shape of a cube with surfaces having a grid structure)* [2019] EU:T:2019:765.

<sup>149</sup> *Ibid.*, para 5.

<sup>150</sup> *Ibid.*, para 13-14.

<sup>151</sup> *Ibid.*, para 25.

<sup>152</sup> Case C-936/19 P *Rubik's Brand Ltd v European Union Intellectual Property Office (EUIPO)* [2020] ECLI:EU:C:2020:286.

in the previous section. However, the lack of a sufficient number of decisions and the nature of the wording makes this exclusion and its scope quite complicated and incomprehensible. The most notable examples of decisions about this exclusion are the *Bang & Olufsen* and *Hauck* cases.

Bang & Olufsen sought registration of a pencil-shaped speaker. The General Court (eighth chamber) rejected Bang & Olufsen's application (T-508/08) on the grounds of section (iii). The General Court ruled that the aesthetic design of the speaker is as important as its other characteristics, such as sound quality and performance, and gives substantial value to the speakers.<sup>153</sup> Even if consumers of Bang & Olufsen will look for sound quality and performance in speakers, the speaker's design still adds substantial value to the products and can be important and decisive for consumers.<sup>154</sup> In this sense, the essential elements of speakers can be sought in competing products by consumers and are thus excluded from trade mark protection. Briefly, quality characteristics will add value to goods, but this should not be in terms of their aesthetic shapes only.<sup>155</sup> Trade marks are indicators of origin, and when they give substantial value just because of their futuristic or beautiful shapes, their primary objective would be lost.<sup>156</sup> For instance, as mentioned in the previous section, Daimler-Chrysler's registered vehicle-grill does not add substantial value to the product itself since its ventilating function is not worthy of note regarding the vehicle's functioning, nor does it have an artistic shape. It is purely a badge of the commercial origin of the product in the eyes of consumers.

Assessment of whether a shape gives substantial value to a product can be performed by comparing the prices of competing products that do not have that shape. However, any compared products would definitely have different characteristics, such as differences in production materials and quality. These different characteristics could affect the overall price and cannot be easily separated in terms of value.<sup>157</sup> In other words, the main problem with this exclusion is that it is highly subjective. For instance, evaluating the technical necessity or nature of a product is materially objective.<sup>158</sup> However, assessment of substantial value in commercial activity highly depends on the consumer, and the habits of consumers tend to change rapidly in time, especially for high-technology products. These evaluations definitely change from time to time and place to place in terms of their impact on competitiveness. In

<sup>153</sup> Case T-508/08 *Bang & Olufsen A/S v Office for Harmonisation in the Internal Market (OHIM)* [2011] ECLI:EU:T:2011:575, para 75-77.

<sup>154</sup> *Bently and Sherman* (n 51) 923.

<sup>155</sup> *Ibid.*

<sup>156</sup> *Bently and Sherman* (n 51) 924.

<sup>157</sup> *Ibid.*

<sup>158</sup> Max Planck Institute for Intellectual Property and Competition Law, Study on the Overall Functioning of the European Trade Mark System (2011) 73, Available at: <[http://ec.europa.eu/internal\\_market/indprop/docs/tm/20110308\\_allensbach-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf)>.



light of these concerns, the Max Planck Institute has suggested abolishing the third exclusion.<sup>159</sup>

According to Balice, the exclusion on the grounds of substantial value remains unclear<sup>160</sup> since there are two current interpretations of the term “substantial value”.<sup>161</sup> The first approach (the approach of German courts) excludes shapes where the aesthetic function is significant.<sup>162</sup> It happens when the economic value of the product is mainly based on its aesthetic appearance and where the indication of origin function completely loses its relevance, such as artworks.<sup>163</sup> However, for the second approach, the case-law of the CJEU, the exclusion covers:

“All other practical objects in respect of which design is one of the fundamental elements which determine their attractiveness, and thus the market success of the goods concerned.”<sup>164</sup>

The Court of Justice explicitly ruled in response to the question referred to them regarding the ‘Tripp Trapp’ chair case: substantial value cannot be limited to products that only have aesthetic value.<sup>165</sup> Otherwise, products that consist of other characteristics such as comfort or quality in addition to aesthetic value will be out of the scope of the exclusion, and if a monopoly is granted on the essential characteristics of such a product, it would be contrary to the purpose of the provision.<sup>166</sup>

Kur argues that the third exclusion is an unfortunate example of European law-making.<sup>167</sup> Refusing ornamental shapes without any determination of their message is an inappropriate move.<sup>168</sup> Any aesthetic appeal may become inferior and lose its attraction to some extent. Thus, it can include messages of a brand’s origin (what this refers to is the aesthetic appeal of a shape primarily serving as a badge of origin), and consumers would be likely to buy the product, not for the design but the brand’s overall reputation.<sup>169</sup> On the other hand, Gielen argues the necessity for keeping the decorative aspects out of the scope of trade mark protection.<sup>170</sup> In other words,

<sup>159</sup> Ibid.

<sup>160</sup> Balice (n 128) 812.

<sup>161</sup> Case C-205/13, Opinion of Advocate General Szpunar, delivered on 14 May 2014, [2014] ECLI:EU:C: 2014:322.

<sup>162</sup> Ibid, para 77.

<sup>163</sup> Ibid, para 77.

<sup>164</sup> Ibid, para 81.

<sup>165</sup> Cases C-205/13 Hauck GmbH & Co. KG v Stokke A/S and Others [2014] ECLI:EU:C: 2014:2233, para 32.

<sup>166</sup> Annette Kur, ‘Too Pretty to Protect? Trade Mark Law and the Enigma of Aesthetic Functionality’ (2011) Max Planck Institute for Intellectual Property & Competition Law Research Paper No. 11-16, 3, Available at: <<https://ssrn.com/abstract=1935289>> 3.

<sup>167</sup> Ibid, 21.

<sup>168</sup> Ibid, 18.

<sup>169</sup> Ibid, 18.

<sup>170</sup> Charles Gielen, “Substantial value rule: How it came into being and why it should be abolished?” (2014) EIPR 164.

maintaining the distinction between design and trade mark law is also an important aspect, and the CJEU does not seem to skip over this issue.<sup>171</sup>

However, suppose a three-dimensional shape departs significantly from the norms and customs of the sector. In that case, it probably adds some value to the product -or not if it lacks distinctive character.<sup>172</sup> As a result, the thin line between distinctiveness, technical function and aesthetic function does not leave any room for three-dimensional shapes to be granted protection. In one way or another, the application will be rejected on the grounds of distinctiveness or under subsections (i), (ii) or (iii). In most instances, a three-dimensional shape giving a non-essential function would likely have an aesthetic function. Otherwise, there would be no meaning attributed to the shape, other than shapes resulting from the nature of goods, which is also an exclusion provision. A three-dimensional shape must give non-essential functions, must be non-essential itself, and must not give substantial value in order to enjoy trade mark protection. In other words, lawmakers, the CJEU and the EUIPO implicitly leave three-dimensional out of trade mark protection in favour of design laws.

## V. Recent Reforms and Implications regarding the Protection

The trade mark system in Europe has undergone significant changes recently. Trade mark regulation in the EU, CTMR, has been amended and has become the EUTMR,<sup>173</sup> and the Directive has also changed.<sup>174</sup> They introduced several changes to the law.<sup>175</sup> First, “the graphic representation” requirement is now gone. Instead, seven criteria must be proved by signs that seek registration.<sup>176</sup> This change was not a severe one in the context of three-dimensional marks. Although some exceptions exist, three-dimensional marks are generally represented graphically with ease due to their nature. Under the new laws, the position on three-dimensional marks would be unlikely to change in terms of graphic representation.

The second change is in the specific requirements of shapes – covered by sections (i), (ii), (iii) – which were examined in detail in the previous chapter. All three exclusions now begin with “shape or another characteristic ...” instead of just “shapes”. According to Fields and Muller, the addition of the phrase “*another*

<sup>171</sup> Kur (n 166) 21.

<sup>172</sup> Kur (n 166) 21.

<sup>173</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification) (Text with EEA relevance).

<sup>174</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>175</sup> Desiree Fields and Alasdair Muller, ‘Going against tradition: the effect of eliminating the requirement of representing a trade mark graphically on applications for non-traditional trade marks’ (2017) 238, 238.

<sup>176</sup> Sieckmann Criteria, Case C-273/00 Ralf Sieckmann v Deutsches Patent und Markenamt [2002] ECLI:EU:C:2002:748, para 55.

*characteristic*” looks like a counterbalancing move for the abolition of the graphic representation requirement.<sup>177</sup> However, changes in the provision would not affect three-dimensional marks in this sense. Instead, other non-traditional marks such as taste, scent or sound will suffer from this strict provision, which forces them out of trade mark protection.<sup>178</sup> Hereby, the approach of the Court of Justice towards other marks is awaited with interest.

In brief, new laws would not affect the assessment method of three-dimensional shape marks. However, the precedent of the CJEU and the EUIPO implicitly leave three-dimensional shapes out of trade mark protection in favour of patent and design laws. Although the CJEU expresses that registration of three-dimensional shapes should be no different from other marks, strict and broad interpretation of trade mark provisions makes them harder to be protected as trade marks. In order to obtain protection, a three-dimensional shape should depart significantly from the commons of the sector and obtain a distinctive character which is the standard requirement. However, three special provisions, within Article 4(1)(e) of the TMD and Article 7(1)(e) of the EUTMR, makes the registration of three-dimensional shapes extremely difficult as trade marks.

Taking into account the public interest, including fair competition goals and the broad interpretation of trade mark laws in the world of intellectual property rights, is the correct move and the approach of the CJEU to three-dimensional marks on the grounds of the first and second exclusions is appropriate and necessary. However, the third exclusion seems to be extremely expendable, which results in losing its original aim to foster and ensure healthy competition in the market.<sup>179</sup> As seen above, the CJEU tries to draw a framework and create a distinction between design and trade mark laws in applying the third exclusion. However, the interpretation of the CJEU moves away from the main goal of the provision, which is to address public interest and competition goals in the market. Aesthetic value stemming from the three-dimensional shape and overall attractiveness of goods as a reason for the exclusion misses the crucial point. Thus, the exclusion loses its goal completely.

The wording of the third exclusion is also problematic since it allows wide interpretations, which are often quite strict. As the provision is expendable to most three-dimensional shape applications, the situation could leave three-dimensional shapes out of trade mark protection completely. Nevertheless, the recommendation is not to abolish the third exclusion completely. It seems to be an overreacting move since the idea behind the special provision can be executed rather narrowly by the CJEU. In other words, registration of a three-dimensional shape that initially provides

<sup>177</sup> Fields and Muller (n 175) 242.

<sup>178</sup> Ibid.

<sup>179</sup> Kur (n 166) 21.

some artistic value to the product/or packaging should be allowed by the trade mark offices and courts. Although design laws and design protection are a fact, spread of three-dimensional shapes as indicators of origin in the last couple of decades makes it necessary to apply specific trade mark law provisions rather narrowly. Today, three-dimensional shapes appear more common as signs and indicators of origin due to the rapid development in high technology, and proprietors seek protection for their three-dimensional signs more than ever. Therefore, the CJEU needs to create precedent that allows the registration of unique, distinctive, non-essential, non-functional three-dimensional shapes as trade marks, focusing on distinctiveness and the first two exclusions closer.


## VI. Conclusion

Signs are not registerable if they consist exclusively of a shape or other characteristic that is necessary to achieve a technical result, results from the nature of the goods themselves, or gives substantial value to the goods pursuant to Article 4(1)(e) Trade Mark Directive 2015 and Article 7(1)(e) of EU Trade Mark Regulation. This is a result of an intention to avoid unfair competition and hence trade mark monopolies. The reason can be clearly seen in relation to technical functionality.<sup>180</sup> The idea of protecting shapes through design laws is another intention here. As a consequence, the proof of acquired distinctiveness, non-descriptiveness and not being customary are not enough to overcome these special objections which makes registration much more troublesome for shape marks compared to traditional marks such as words, logos, or figurative marks.

However, three-dimensional mark is the most common type of “non-traditional mark” today and in the near future, they may even become more common and be regarded as a traditional mark along with logos and words due to the expansion of trade mark protection and the development in the technology that enables new techniques, creates new types of products and new marketing strategies. The proliferation of 3D printers will lead to new and unique creations. In fact, three-dimensional shapes are becoming standalone products themselves due to three-dimensional printers. However, due to their unique characteristics and special provisions in trade mark laws not applicable to other traditional marks, three-dimensional marks suffer two main problems with trade mark protection. The first main problem generally occurs within the distinctiveness requirement. Cheap products and common packaging of products generally lack distinctive character. Additionally, having common and obvious shapes, three-dimensional shapes can hardly be badges of origin in consumers’ views. Consumers do not see them as particularly indicative, and they mostly rely

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<sup>180</sup> Hector MacQueen, Charlotte Waelde, Graeme Laurie and Abbe Brown, *Contemporary Intellectual Property Law and Policy* (2<sup>nd</sup> ed., Oxford University Press, 2011), 587.

on figurative signs or words. The exception for this is three-dimensional shapes that have acquired distinctiveness, such as the glass bottle of Coca-Cola . Furthermore, the Court of Justice gives particular importance to the public interest and ensures that common shapes are open to free competition.

The second obstacle for the registration of three-dimensional marks is the once specific requirements for three-dimensional marks. The CJEU has a strict and broad interpretation of this provision. The case law has already established that if a product is protectable by other IP rights, it should remain as it is. Unarguably, trade mark protection means a never-ending (subject to renewal) monopoly right for undertakings. It would be crucially dangerous for healthy competition if the time-restricted intellectual property rights were expanded to be infinite. Functional shapes or shapes where their design is at the forefront of a product cannot be registered as a trade mark, even if they have a distinctive character.

The approach of the CJEU to three-dimensional marks on the grounds of the first and second exclusions of the special provisions is adequate. However, the same cannot be said for the third exclusion. Due to its wording and purpose, the third exclusion is excessively expendable, leaving three-dimensional shapes out of trade mark protection completely. There should not be any problems in registering a three-dimensional shape if it simply gives value to a product, functions as a trade mark and indicates the commercial origin of a product. On the other hand, the attitude of the Court of Justice of European Union seems to be plausible in terms of the relationship between trade mark and other intellectual property rights such as patents and designs. Therefore, abolishing the third exclusion might be an overreacting move, but narrowing the scope of the exclusion should be conducted through case law in the EU.

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