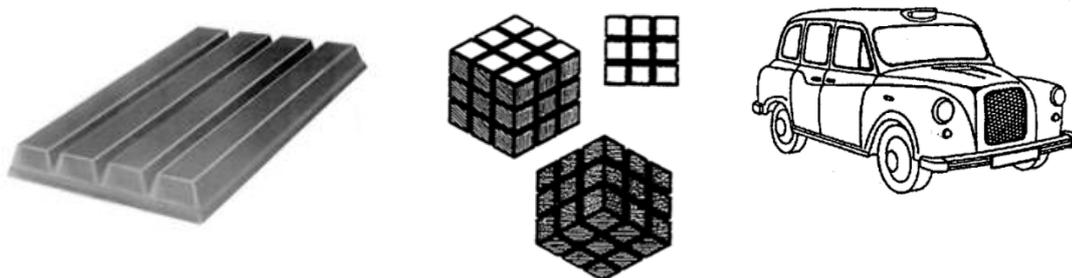


## The Shape of Things to Come?

What do a black cab, a four-fingered chocolate bar and a colourful puzzle have in common? Apart from all being useful when suffering a long Underground delay, the answer is that they concern trade marks for the shape of a product that have been subject to negative decisions in the UK / EU in the last year.



Source: EUIPO

In each case, UK or EU shape marks have been found invalid. In the taxi case, marks for the shape of the famous black cab were found invalid by Arnold J both for lack of distinctive character and because they consisted exclusively of a shape which gave substantial value to the goods. In the Kit Kat case, Arnold J referred a number of questions to the CJEU, was not satisfied by the response (a whole article could be written on that saga alone), but ultimately rejected the UK mark on the basis that a significant proportion of the relevant class of public must perceive the goods as being from a particular undertaking *because of* the sign in question as opposed to any other trade marks present and, in his view, Nestlé had not met that threshold. In both the taxi case and the Kit Kat case, Arnold J concluded that consumers identify the goods by other marks present (word marks, logos, emblems) above shape.

Interestingly, in a separate cancellation action on a similar mark to the UK 3D Kit Kat mark (an EUTM with minor differences), the General Court found that Nestlé had provided sufficient evidence to demonstrate that the shape mark possessed acquired distinctiveness in a number of EU member states, including the UK. This is an interesting departure from the UK position. Ultimately, this was not enough to show distinctiveness throughout the EU, but this was down to a deficiency in the number of EU member states that were covered by the evidence presented rather than the strength of the country-specific evidence.

The UK case then went to the Court of Appeal, which was made aware of the General Court's position on the UK evidence presented for the EUTM. Kitchin LJ responded to this by stating that this was not binding on the court (being a finding of fact on a different mark). However, he then proceeded to reject it on the basis that:

*The General Court took into account the results of surveys having questions in the form of the first survey which the hearing officer found to be so seriously flawed as to render it wholly unreliable. Secondly, there are many passages in the decision of the General Court which suggest that, contrary to the decision of the CJEU, it regarded recognition and association of the mark with Kit Kat as being sufficient to establish distinctiveness.*

Interestingly, one of the main justifications in the judgment for finding a lack of acquired

distinctiveness was that “the shape of the KIT KAT bar [had] not been used to promote or market KIT KATs in recent times” and that therefore, it had nothing “to do with the informed choices that consumers make between similar products”. This seems to narrow the ways in which consumers can interact with and are educated about brands and contrasts with the General Court’s position that distinctive character can be acquired “when the product is consumed”, without a need for the shape to be “visible at the time of sale”.

Finally, the Rubik’s cube case was decided by the CJEU at the end of last year on the basis that this shape was invalid for technical function, rejecting the previous decision of the General Court to the contrary. It found that the essential characteristic of a shape must be assessed in light of the *actual goods* and not an abstract shape. In a rather circular argument, the court stated that the fact that it was registered for the broad specification of “3D puzzles” cannot preclude an examination of the actual goods represented for functionality, otherwise it would cover any 3D puzzle with cubes, regardless of how it functioned. There is no guidance given as to how you go about examining the actual goods compared to the abstract shape represented. If the proprietor marketed a cube with the identical appearance to the sign but with no rotating capabilities, then it seems logical that the mark would not be invalid for technical function. The sign itself does not vary in this example (ignoring the question of whether it is still a puzzle) and so surely the owner should retain the right to such an abstraction, provided it meets the other criteria of the regulation. In another line of argument, it seems likely that the external form of the Rubik’s cube could take a variety of shapes with the same function. If this is indeed the case, can it be said that the sign exclusively consists of a shape necessary to obtain a technical result?

Trade marks are necessarily abstract to some extent because they have to be represented on a register (of course, in a manner fulfilling the Sieckmann criteria) and with goods / services specified therein. A trade mark register exists to inform competitors and consumers of what rights exist in a given field with sufficient certainty. If factors beyond what appears on the register need to be considered then a lot of that certainty is eroded. Finally, most shapes will involve some technical function. If you delve too deeply into actual use then there is a risk that the technical elements are emphasised and that a sign may be found to exclusively consist of a shape necessary to obtain a technical result when it would likely fall short of this if considered without a primary focus on the object.

Overall, the recent trend is not a favourable one for shape marks - and it is notable that these are cases concerning some of the more iconic shapes for products in their respective fields. Why does this trend matter? Many argue that other IP rights (copyright, designs) can offer similar protection and do not have the same scope to be perpetual as trade mark rights. However, trade mark rights are of course only perpetual if renewed and protected, and only ever in relation to the goods for which they are registered. Secondly, it is clear that areas such as copyright and design offer important protection for the shapes of products, but these are rights focused on protecting different elements of the underlying products. The purpose of copyright is to reward authors for their independent creation of original works and the purpose of registered designs is to reward creators of a design that possesses individual character with a patent-like monopoly over its design for a given period. Both of these rights are derived from the point of conception and cannot generally be developed over time. For trade marks, the key is that the sign denotes the origin of the product to consumers; it becomes more about how the end-user interacts with the right. Rather than necessarily arising at the conception of a brand, this can take years to cultivate and reinforce. This is particularly true for shapes, which sometimes have less inherent distinctiveness and may have to acquire distinctiveness in the minds of consumers over time. This takes investment (both creative and financial) and sustained efforts to foster.

It is well established that shape marks can be of significant importance to proprietors (and their rivals!), and the mere fact that the cases highlighted above are so fiercely contested demonstrates this to some extent. However, what is more often neglected is the importance of such brands to consumers. Consumers use brands to identify products that they value and build up trust in, and numerous studies indicate that consumers identify and react to elements such as form and colour much faster and more instinctively than they

respond to words. Furthermore, consumers often interact more directly with the shape of a product and in so doing build up an appreciation of its aesthetic qualities, all of which inform their understanding of the brand it signifies. Yet it is undoubtedly easier to secure a registration for a word mark than for the more immediately visual elements. To a large extent, this makes sense, as there is often an inherent tension between the functional elements of a shape and its ability to denote origin, either through its intrinsic distinctiveness or as acquired over time.

Furthermore, it is perhaps not surprising that we do not have a clear legal position on shape marks given that they are a far more youthful concept than traditional marks and less tangible in their nature, but the cases above almost verge on being critical of the shape mark's place in the trade mark family. The idea that other (traditional) trade marks present can effectively overrule a shape mark seems a precarious line to go down: most products have a number of marks present (e.g. a brand name, a corporate mark and a logo), and there is little sense that having a hierarchy for these is helpful for the consumer or indeed that certain marks blind consumers to others. If a significant proportion of the relevant public, by virtue of that mark, identifies the goods or services concerned as originating from a particular undertaking, then surely it does not matter whether reliance is reached. Kitchen LJ does agree with this to some extent in the Court of Appeal decision on Kit Kat: "I accept that it is not necessary to show the public have relied upon the Trade Mark. Such is clear from the decision of the CJEU." However, he does then continue to say that reliance can have a part to play to demonstrate distinctness for a mark which is inherently non-distinctive. Overall, the basic test becomes complicated and we reach a landscape where much is dependent on semantics (recognise / because of / associate / rely / perceive / identify).

Clearly, the scope of trade mark rights has to be carefully managed from a policy perspective given that they can offer perpetual protection and a balance needs to be achieved. However, the irony is that the basic interaction of consumers with the shape marks does not seem to be the focus in these cases. As to how this may progress, Brexit is clearly looming for the UK, and it will be interesting to see if the existing divergences in the approaches of UK and EU courts on shape marks separate further after it. In addition, we are all aware of the pending removal of "capable of being represented graphically" from the basic definition of a trade mark under the revised trade mark directive (which is due to be transposed into UK law before Brexit). It is possible that this will open up registers to a wider variety of non-traditional applications with a greater flexibility shown to examining them, but then again it may change nothing for shape marks and there is a danger that, if the courts continue to treat them narrowly, that the standing of non-traditional marks may actually decrease.

*The views expressed in this article are entirely the author's own.*

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