Study Guidelines

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2018 – Study Question

Registrability of 3D trademarks

Introduction

1) This Study Question concerns the registrability of three-dimensional (3D) trademarks and certain refusal / invalidity grounds that have specific relevance for 3D trademarks.

2) Historically, shapes of products and packaging were not registrable as trademarks in many jurisdictions because a trademark was considered to be something separate from the goods themselves.¹ Trademarks function as source indicator and, as argued by some, are not intended to protect the appearance of the underlying products as such. The latter may be achieved by other intellectual property rights which, unlike trademarks, are limited in time. There are, of course, also counter-arguments, such as that were protection denied, consumers could be misled as to the origin of the products.²

3) Today, many jurisdictions permit the registration of trademarks comprised of the 3D shape of goods or packaging. Yet the registrability of such trademarks continue to present challenges to trademark owners.

4) Primarily, the challenges concern distinctiveness and functionality. While in principle the general criteria of distinctiveness should apply, it may be difficult to establish that the shape of a product or its packaging is capable of functioning as a trademark, i.e. that the shape is operating as an indicator of trade source. Similarly, if a product shape has significant functional features, other traders may also wish (and possibly need) to use that shape for similar goods.

¹ See e.g. A.Kur and M. Senftleben, European trade mark law. A commentary (2017) (Kur & Senftleben), p. 144-145. They explain that if a 3D trademark consists of a figure attached to the goods (such as the "Spirit of Ecstasy" figure attached to the front of Rolls-Royce cars), trademark protection is generally not problematic. However, courts and authorities have been reluctant to grant protection if the trademark consists of the shape of the goods themselves.

² Kur & Senftleben, p. 148-149.
Why AIPPI considers this an important area of study

5) There is a tension between the abovementioned reluctance to allow trademark protection for 3D shapes on the one hand, and the market reality where 3D shapes often function as a trademark, i.e. as an indicator of source. AIPPI therefore considers it important to study whether, and if so under what conditions, trademark protection for 3D shapes should be available. AIPPI’s previous work in this area (see further below) does not address some of the issues that have become increasingly important since that earlier work.

Relevant treaty provisions

6) Article 15(1) of the Agreement on trade-related aspects of intellectual property rights (TRIPS) provides:

Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.

Previous work of AIPPI

7) In the Resolution on Q23 - "Study on the unification of the right of trade marks" (Berlin, 1963), AIPPI resolved that the shape or any other presentation of products, or of their containers and their packages, provided that they are not exclusively functional in nature, should be capable of constituting marks, on the sole condition that they are distinctive or have become distinctive for the products or services which they designate.

8) In the Resolution on Q92C and Q96 - "Absolute grounds of refusal of registration of trademarks" and "What may constitute a registrable trademark?" (Amsterdam, 1989), AIPPI resolved that trademark law cannot permit the monopolisation of certain signs that must be free in order to permit the public and undertakings, to designate a product or a service or describe its characteristics. Among these signs are so-called "necessary signs", which are defined as follows:

15. a sign is necessary when the use thereof is required to identify the designated goods or services or when the use thereof is imposed by nature or function;

...  

17. when the sign is a device it is necessary when it exactly represents the goods or services identified thereby.
AIPPI resolved that:

18. *a sign which is necessary cannot enjoy a distinctive character and consequently cannot function as a trademark;*

...

20. *if such a sign is a device it can have or acquire distinctive character by its manner of presentation.*

AIPPI also resolved:

70. *three-dimensional signs, irrespective of their nature, are registrable; national offices should require from the applicant a sufficient two-dimensional presentation (drawing, picture or any other presentation capable of being printed) and a declaration that it represents a three-dimensional mark; national offices should publish the two-dimensional presentation with an explanation that it represents a three-dimensional mark; a deposit of the three-dimensional mark as such should not be required, but if national offices allow also the deposit of a three-dimensional specimen of the mark, it should be made accessible to interested parties; the three-dimensional mark registered in a two-dimensional presentation is protected in its three-dimensional form with the consequence that use of such form is use of the registered mark.*

...

75. *the shape of goods or their packaging should not be excluded from registration except if the shape is imposed by the very nature of the article or is technically necessary.*

9) In the Resolution on Q148 – "Three-dimensional marks: the borderline between trademarks and industrial designs" (Sorrento, 2000), AIPPI resolved that 3D shapes are protectable both as industrial designs and as trademarks, provided that the usual requirements for each modality of protection are satisfied. To be protected as a trademark, the 3D shape must be distinctive and not solely functional or necessary, and it must also satisfy other conditions generally applicable to trademarks. A 3D trademark is considered solely functional or necessary if its shape solely (a) results from the nature of the goods themselves, or (b) is necessary to obtain a technical result relating to the nature of the goods or services covered by the mark. To be distinctive, the 3D shape must indicate the product or service source to the relevant consuming public.

10) In the Resolution on Q181 – "Conditions for registration and scope of protection of non-conventional trademarks" (Geneva, 2004), AIPPI resolved that non-conventional trademarks (such as shape marks) should, in principle, be capable of constituting registered trademarks. In relation to 3D shapes, paragraph 5 of Resolution Q148 (that, in short, excludes solely functional or necessary 3D shapes from trademark protection) was confirmed.
Scope of this Study Question

11) This Study Question seeks to establish whether, and if so under what substantive conditions\(^3\), registered trademark protection for signs consisting of 3D shapes comprising the three-dimensional shape of goods or packaging should be available. Unregistered trademarks are outside the scope of this Study Question.

12) This Study Question focuses on signs consisting of 3D shapes comprising solely the three-dimensional shape of goods or packaging without any addition (3D Shapes). It does not address other 3D shapes, such as shapes consisting of a figure attached to the goods (e.g. the Rolls-Royce "Spirit of Ecstasy" figure), shapes bearing a word or graphic element, or shapes used in marketing materials (e.g. McDonald's "Ronald McDonald" character). It also does not address designs, texture, ornamentation or patterns that are applied to the goods or packaging.

13) This Study Question only addresses protection of 3D Shapes as trademarks. It does not address protection that may be afforded by other intellectual property or other rights. It also does not address the scope of protection of 3D Shapes once registered as a trademark.

Discussion

Registrability

14) In many countries, it is possible in principle to register 3D Shapes as trademarks (3D Trademarks).

15) For example, in the EU, Article 3 of the EU Trademark Directive (2015/2436) provides that a trademark may consist of any signs, one of which is the shape of goods or of the packaging of goods, or sounds, provided that it is capable of (a) distinguishing the goods or services of one undertaking from those of other undertakings and (b) being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor (see also Article 4 Trademark Regulation (2015/2424)).

16) In the Henkel\(^4\) decision, the European Court of Justice (ECJ) clarified that while the criteria for assessing the distinctive character of 3D shape-of-products marks are no different from those applicable to other categories of trademarks, for the purpose of applying those criteria, the relevant public’s perception is not necessarily the same. The ECJ continues to state that average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, which may make it more difficult to establish distinctiveness in relation to 3D Trademarks, and rules 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".\(^5\)

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\(^3\) As opposed to formal requirements, e.g. regarding the way in which a 3D Shape must be depicted in a trademark application. Such formal requirements are thus outside the scope of this Study Question.

\(^4\) ECJ 29 April 2004, C-456/01 P and C-457/01 P (Henkel), in particular paragraphs 38-39. See also ECJ 7 October 2004, C-136/02 P (Mag Instrument), in particular paragraphs 30-32.

\(^5\) Henkel, paragraph 39.
17) Under EU law, if a 3D Shape is not deemed inherently distinctive, it is possible to invoke acquired distinctiveness through use (which may also be referred to as "secondary meaning"), unless absolute refusal or invalidity grounds apply (see below).

18) In the United States (U.S.), 3D Shapes are registrable as a trademark, as long as they function to identify and distinguish the source of the goods concerned. In 1958 the first container was registered as a trademark in the U.S. Principal Register, and in 1960, the Court of Customs and Patent Appeals held that types of marks other than words, names, symbols and devices (mentioned in § 45 of the Lanham Act) are registrable. Furthermore, a trademark can be registered both if it is inherently distinctive and if it has acquired secondary meaning.

19) In Japan, in almost all cases in which an applicant wishes to register a 3D Shape as a trademark, courts have consistently ruled that such shapes lack inherent distinctiveness and have required the applicants to show acquired distinctiveness.

20) Japanese courts used to take a very strict approach in relation to acquired distinctiveness; especially when a product shape was used in combination with a brand name, courts often ruled that consumers will consider the brand name portion, not the product shape, as a source identifier. However, after the Maglite judgment (in which the IP High Court allowed registration of a well-known shape of a flashlight), Japanese courts began to take a more relaxed approach, and began to allow the registration of 3D Shapes. Examples of shapes that were accepted are the Coca-Cola bottle, the “Yakult” (well-known lactobacillus beverage) bottle, and the shape of the so-called “Y Chair.”

Absolute bars

21) Even if a 3D Shape is deemed distinctive, in many jurisdictions exclusion grounds apply: in other words, a 3D Shape cannot be registered, or a 3D Trademark can be found invalid, because trademark law provides for absolute bars for protection (either specifically in relation to 3D Shapes or more generally).

22) In the EU, Article 4(1)(e) of the EU Trademark Directive (2015/2436) provides such absolute bars:

The following shall not be registered or, if registered, shall be liable to be declared invalid:

(e) signs which consist exclusively of:

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6 Ex parte Haig & Haigh, Ltd. (1958, Comr Pats) 118 USPQ 229.
7 Application of Kotzin (1960) 47 CCPA 852, 276 F2d 411, 125 USPQ 347.
8 There is one case in which the IP High Court allowed the registration of a shape of a chocolate bar without requiring the applicant to show acquired distinctiveness, but that case is considered as an exception (IP High Court Judgment, 30 June 2008 (2007 (gyoke) 10293)).
9 For example, a well-known shape of a whisky bottle was denied registration for such a reason (Tokyo High Court Judgment, 29 August 2003 (2002 (gyoke) 581)).
12 IP High Court Judgment, 16 November 2010 (2010 (gyoke) 10169).
13 IP High Court Judgment, 29 June 2011 (2010 (gyoke) 10253)
(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;

(iii) the shape, or another characteristic, which gives substantial value to the goods.

The EU Trademark Regulation contains a similar provision, i.e. Article 7(1)(e). Furthermore, other provisions provide that these refusal / invalidity grounds cannot be overcome based on acquired distinctiveness (see Article 4(4) EU Trademark Directive and Article 7(3) Trademark Regulation).

23) In the *Philips/Remington* decision, the ECJ explained the rationale of the exclusion grounds:

> The rationale of the grounds for refusal of registration laid down in Article 3(1)(e) [now Article 4(1)(e) (amended) of the new Directive] of the Directive is to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. Article 3(1)(e) is thus intended to prevent the protection conferred by the trade mark right from being extended, beyond signs which serve to distinguish a product or service from those offered by competitors, so as to form an obstacle preventing competitors from freely offering for sale products incorporating such technical solutions or functional characteristics in competition with the proprietor of the trade mark.

24) In *Hauck/Stokke* the ECJ clarified the exclusion grounds referred to above under (i) and (iii) of Article 4(1)(c), and in *Philips/Remington* it clarified the exclusion ground referred to above under (ii) of Article 4(1)(e), as follows:

regarding (i): … the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with one or more essential characteristics which are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors

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14 In the old Trademark Directive and Trademark Regulation, the respective provisions only applied to shapes. Interestingly, the recommendations by the Max Planck Institute had pointed, to some extent, in a different direction. In short, it recommended to (a) indicate in the preamble that “shape of product marks” usually need to establish acquired distinctiveness for registration, (b) the “nature of the goods” exclusion should be reformulated so as to extend to all signs which exclusively result from the nature or the (technical) performance of the goods, (c) the functionality exclusion should remain unchanged and (d) the “essential value” exclusion should be deleted or replaced by a provision stating that shapes determining the commercial value of the goods are excluded from protection, unless the commercial value of the shape has become distinctive through use. (Study on the Overall Functioning of the European Trade Mark System presented by Max Planck Institute for Intellectual Property and Competition Law Munich (2011), p. 73-74)

15 ECJ 18 juni 2002, C-299/99 (*Philips Remington*), see in particular paragraph 78. See also ECJ 14 September 2010, C-48/09 P (*Lego*).

16 ECJ 18 September 2014, C-205/13 (*Hauck/Stokke*).
regarding (ii): ... *a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result. Moreover, the ground for refusal or invalidity of registration imposed by that provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained*

regarding (iii): ... *the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with several characteristics each of which may give that product substantial value. The target public’s perception of the shape of that product is only one of the assessment criteria which may be used to determine whether that ground for refusal is applicable.*

25) In *Hauck/Stokke*, the ECJ further ruled that these three grounds may not be applied in combination to refuse a registration or declare it invalid. Accordingly, a registration will be refused or declared invalid if any one of these grounds is fully applicable. The three grounds thus operate independently of one another. The fact that the sign in question could be denied registration on the basis of a number of grounds for refusal is irrelevant so long as any one of those grounds fully applies to that sign.

26) In the U.S., the Lanham Act prohibits registration of any trademark that "*comprises any matter that, as a whole, is functional*". 15 U.S.C § 1052(e)(5). This bar to registration applies even if the mark is inherently distinctive or has acquired secondary meaning.

27) In other jurisdictions however, the presence of functional features is not fatal, and it may be possible to show that a trademark has acquired distinctiveness. For example, in Australia, the test is one of inherent capacity to distinguish. If that capacity is limited or absent, it may be overcome by evidence of use. This will generally be required for 3D Shapes when the shape has an element of functionality for the goods claimed.

*You are invited to submit a Report addressing the questions below. Please refer to the 'Protocol for the preparation of Reports'.*

**Questions**

**I. Current law and practice**

*Please answer the below questions with regard to your Group's current law and practice.*

1) **Are 3D Shapes registrable as a trademark?** Please answer YES or NO.

   *If you have answered NO, please skip Questions 2 to 9 and proceed to Question 10.*

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17 The question asked by the Dutch Supreme Court was: "3) Should Article 3(1)(e) of [the trade marks directive] be interpreted as meaning that the ground for exclusion referred to in subparagraph (e) of that article also exists if the [three-dimensional] trade mark consists of a sign to which the content of [the first indent] applies and which, for the rest, satisfies the content of [the third indent]?*"

18 ECJ 18 September 2014, C-205/13 (*Hauck/Stokke*), see in particular paragraphs 39-43.

19 As defined above in paragraph 12.
If you have answered YES, please proceed to Question 2.

2) Can a 3D Shape be inherently distinctive? If YES, what test is applied in order to establish if it is inherently distinctive?

3) Can a 3D Shape acquire distinctiveness? If YES, what test is applied in order to establish if it has acquired distinctiveness?

4) Will a 3D Shape be refused registration, or is a 3D Trademark liable to be declared invalid, if it consists exclusively of the shape, or another characteristic, which results from the nature of the goods themselves? If YES, please describe what test is applied.

5) Will a 3D Shape be refused registration, or is a 3D Trademark liable to be declared invalid, if it consists exclusively of the shape, or another characteristic, of goods which is necessary to obtain a technical result? If YES, please describe what test is applied.

6) Will a 3D Shape be refused registration, or is a 3D Trademark liable to be declared invalid, if it consists exclusively of the shape, or another characteristic, which gives substantial value to the goods? If YES, please describe what test is applied.

7) Is there any other ground of absolute refusal or invalidity specific to 3D Shapes or 3D Trademarks available under your Group's current law?

   If you have answered NO to each of Questions 4, 5, 6 and 7, and proceed to Question 10.

   If you have answered YES to any one of Questions 4, 5, 6, or 7, please answer Questions 8 and 9 in relation to the relevant refusal / invalidity ground(s).

8) Do the refusal / invalidity grounds referred to in Questions 4, 5, 6 and/or 7, to the extent available in your Group's jurisdiction, operate independently from one another or may they also apply in combination. If YES, please explain. For example, do they apply if certain characteristics of the 3D Shape give substantial value to the goods and the others result from the nature of the goods?

9) Which, if any, of the refusal / invalidity grounds referred to in Questions 4, 5, 6 and 7, to the extent available in your Group's jurisdiction, can be overcome by acquired distinctiveness?

II. Policy considerations and proposals for improvements of your current law

10) Could any of the following aspects of your Group's current law be improved? If YES, please explain.

   a) Registrability (or lack thereof) of 3D Shapes;

   b) The test applied, if any, in relation to the registrability (based on inherent and/or acquired distinctiveness) referred to in Question 10(a);

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20 As defined above in paragraph 14.
c) The refusal / invalidity grounds, if any, referred to in Questions 4 to 7 (and potential combination thereof);

d) The possibility or lack thereof to overcome these refusal / invalidity grounds by acquired distinctiveness.

11) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

III. Proposals for harmonisation

Please consult with relevant in-house / industry members of your Group in responding to Part III.

12) Does your Group consider that harmonisation in any or all areas described in response Question 10 or 11 above is desirable? Please answer YES or NO.

If YES, please respond to the following questions without regard to your Group's current law or practice.

Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.

13) Does your Group consider that 3D Shapes should be registrable as a trademark? Please answer YES or NO.

14) Should it be possible for a 3D Shape to be inherently distinctive? If YES, what test should be applied in order to establish if it is inherently distinctive?

15) Should it be possible for a 3D Shape to acquire distinctiveness? If YES, what test should be applied in order to establish if it has acquired distinctiveness?

16) Should a 3D Shape be refused, or a 3D Trademark be liable to be declared invalid, if it consists exclusively of the shape, or another characteristic, which results from the nature of the goods themselves? If YES, please describe what test should be applied.

17) Should a 3D Shape be refused, or a 3D Trademark be liable to be declared invalid, if it consists exclusively of the shape, or another characteristic, of goods which is necessary to obtain a technical result? If YES, please describe what test should be applied.

18) Should a 3D Shape be refused, or a 3D Trademark be liable to be declared invalid, if it consists exclusively of the shape, or another characteristic, which gives substantial value to the goods? If YES, please describe what test should be applied.

19) Should there be any other absolute refusal or invalidity ground specific to 3D Shapes or 3D Trademarks? If YES, please explain briefly.

If you have answered NO to each of Questions 16, 17, 18 and 19, please skip Questions 20 and 21 and proceed to Question 22.

If you have answered YES to any one of Questions 16, 17, 18 or 19, please answer Questions 20 and 21 in relation to the relevant refusal / invalidity ground(s).
20) Should the refusal / invalidity grounds referred to in Questions 16, 17, 18 and/or 19 operate independently from one another or should it also be possible to apply them in combination. If YES, please explain. For example, should they also apply if certain characteristics of the 3D Shape give substantial value to the goods and the others result from the nature of the goods?

21) Which, if any, of the refusal / invalidity grounds referred to in Questions 16, 17, 18 and 19 should (and thus may) be overcome by acquired distinctiveness)?

22) Please comment on any additional issues concerning the registrability of 3D Trademarks and the refusal / invalidity grounds mentioned above that are within the scope of this Study Question (as described above, paragraphs 11 to 13 above), and that you consider relevant to this Study Question.

23) Please indicate which industry sector views are included in your Group's answers to Part III.