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.

* 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). (see further para. 12 of the Study Guidelines).

Yes

(Explanation is Optional)

Section 1(1) of the Trade Marks Act 1994:

“a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of …… the shape of goods or their packaging”

- Following EU Trade Mark reforms (EU Trade Mark Directive 2015), Article 3 of the Directive removed the requirement for ‘graphic representation’. The aim of this is to open up the possibility for marks to be filed in any way technology will allow ie. marks such as sound, animation, hologram, 3D, colour, pattern, smell or shape marks, which might benefit from digital presentation in the future.

- UK trade mark protection is governed by the EU legislative framework. The EU Directive is required to be implemented into UK law by 14 January 2019 (before the UK leaves the EU).

- As a result, div 1(1) of the Trade Marks Act will be amended to mirror Article 3, by removing the requirement of graphic representation.
 Whilst this amendment aims to offer a less restrictive approach to all types of trade marks, it is unclear yet whether this will in practice, benefit shape marks. A shape mark, by its very nature, will normally need to be graphically represented although for some shapes, it might be possible to describe it eg. a dodecahedron.

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

**Yes**

**What test is applied in order to establish if it is inherently distinctive?**

The test to establish if a shape mark is inherently distinctive is that it must be capable of distinguishing the goods of one undertaking from those of another.

That is, if the shape mark is capable of performing the essential function of a trade mark, it is inherently distinctive.

Whilst this test is applicable to all categories of trade marks, case law indicates that a more restrictive approach is adopted in practice in the case of assessing whether a shape mark has inherent distinctive character.

Special (and extra) consideration given to the examination of shape marks is owing to the court’s view that whilst the average consumer habitually perceives a word mark as an indication of origin of the goods, the consumer is not in the habit of regarding shapes as identifying the origin of the goods (Mag Instrument (C-136/02) Court of Justice, 7 October 2004).

It suggests therefore, that a shape mark must overcome an additional hurdle to the test of assessing inherent distinctive character. It appears to be based on public policy issues.

Only a shape mark which departs significantly from the norms and customs of the sector can fulfil the essential function of indicating origin (Henkel KGaA v OHIM (C-456/01) CJEU, 29 April 2004). This is something which the applicant of the shape mark must demonstrate by showing that consumers have become accustomed to recognising the applicant’s goods by reference to their shape (leading to question 3).

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

**Yes**

**What test is applied in order to establish if it has acquired distinctiveness?**

YES as regards shape but not, for now, as regards "another characteristic" (until the EU Trade Mark Directive 2015 is implemented).

The test to establish whether a shape mark has acquired distinctiveness is the applicant must prove that, as a result of the use he has made of the mark, a significant proportion of the relevant class of persons perceive the goods designated by that mark, as opposed to any other mark which might also be present, as originating from a particular undertaking (Société des Produits Nestlé SA v Cadbury UK Ltd [2017] EWCA Civ 358).

This test of assessing whether a mark has acquired distinctiveness is the same test for all categories of trade marks.

### 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.

**3D Shapes registered as trademarks (see also para. 14 of the Study Guidelines)**

**Yes**

**Please describe what test is applied.**

YES as regards shape but not, for now, as regards "another characteristic" (until the EU Trade Mark Directive 2015 is implemented).
Section 3(2)(a) of the Trade Marks Act 1994 precludes registration of a “trade mark if it consists exclusively of the shape which results from the nature of the goods themselves”.

The public policy consideration here is that a shape with essential characteristics which are inherent to the generic function(s) of the relevant goods will be refused registration. However, the CJEU in Hauck v Stokke, held that this ground for refusal (Article 3(1)(e) of the Directive) would not apply if another element of the shape of the goods, such as a decorative or imaginative element, which was not inherent to the generic function of the goods, played an important or essential role (Hauck GmbH & Co KG v Stokke A/S and others, Case C-205/13, 18 September 2014).

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.

Yes

Please describe what test is applied.

YES as regards shape but not, for now, as regards “another characteristic” (until the EU Trade Mark Directive 2015 is implemented).

Section 3(2)(b) of the Trade Marks Act 1994 precludes registration of a “trade mark if it consists exclusively of the shape of goods which is necessary to obtain a technical result”.

This ground for refusal is designed to prevent trade mark law from granting a monopoly over a functional aspect of goods. A three dimensional mark will be refused if all of its essential characteristics are dictated by the technical solution to which that sign gives effect. A shape will not be refused under this ground if it contains a major non-functional element which plays an important role in the shape. The existence of other shapes which provide the same technical solution does not exclude the applicability of this ground of refusal (Lego Juris A/S v OHIM (C-48/09) EU:C:2010:516; Philips (C-299/99) [2002] E.C.R. I-5475, CJEU).

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.

Yes

Please describe what test is applied.

YES as regards shape but not, for now, as regards “another characteristic” (until the EU Trade Mark Directive 2015 is implemented).

Section 3(2)(c) of the Trade Marks Act 1994 precludes registration of a “trade mark if it consists exclusively of the shape of goods which gives substantial value to the goods”.

The test is whether the shape itself gives substantial value to the goods, and that goodwill derived from sales and marketing is not relevant. However there is some uncertainty as to the precise applicability of this test in practice (London Taxi Corp Ltd (t/a London Taxi Co) v Frazer-Nash Research Ltd [2017] EWCA Civ 1729).

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?

No

(Explanation is Optional)

NO not specifically. However, some shapes might get objected (as could word or other marks) on the grounds of being contrary to public policy or to accepted principles of morality, it deceives the public or conflicts with a specially protected emblem (e.g. royal crown, Olympic rings, national flags etc).

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

Yes, they operate independently and not in combination. Section 3(2) of the Act states “exclusively”. Each of the provisions of Section 3(2) which are mentioned at questions 4, 5, and 6, should be applied independently of each other. If only one of the three provisions fully applied to a sign consisting exclusively of the shape of a product, that sign could not be registered (Hauck GmbH & Co KG v Stokke A/S and others, Case C-205/13, 18 September 2014).

However, in practice, a shape which partly fulfils some of the grounds specific to shape marks may be rejected on the basis of other grounds for refusal, such as a lack of distinctiveness.

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?

None of them.

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.

10.a. Registrability (or lack thereof) of 3D Shapes

Yes

Please Explain

The law on 3D shape marks is certainly not perfect. The Max Planck Institute recommended removing the ground of objection of Article 7(1)(e)(iii) (giving substantial value) and it was made worse by adding “another characteristic” to the mess. The whole sub-clause (giving substantial value) should go.

The test is confusing (which is explained well below) and it is unclear what purpose it is really serving.

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

Yes
Inherent distinctiveness

As discussed above at question 2, while CJEU case law emphasises that the inherent distinctiveness threshold for 3D Shapes is the same as for other trade marks, the case law also suggests that the perception of the average consumer is not necessarily the same for 3D Shapes as for other types of marks, which is independent of the appearance of the product. This is on the basis that average consumers “are not in the habit” of making assumptions about the origin of products based on the shape of the product or packaging. The CJEU has consistently referred to a threshold test of whether the mark “departs significantly from the norm or custom of the sector” (Mag Instrument v Office for Harmonisation of the Internal Market, C-136).

One view is that this threshold test is a necessary and sufficient condition for establishing the inherent distinctiveness of a 3D Shape. UK courts consider[1] that it is not clear whether this is the law, partly because the CJEU has used different wording in different cases that could be read as treating the test as necessary and sufficient, or merely necessary. The law can therefore be improved by making clear the status of the “departs significantly from the norm or custom of the sector” test.

In importing the “departs significantly from the norm or custom of the sector” test, the CJEU consistently refers to its assessment that average consumers “are not in the habit” of making assumptions about the origin of products based on the shape of the product or packaging. In certain sectors in particular, the opposite may be true, e.g. the shape of car grilles or even of the car itself. It is not clear that this is necessarily true of today’s consumers, and even if this assessment is accepted, it is unclear that this assessment, and the “departs significantly” test that purportedly follows from it, are necessarily outcomes of the usual inherent distinctiveness test applied in the context of 3D Shapes. The law can therefore be improved by clarifying either that the inherent distinctiveness threshold is the same for all marks, against which each 3D Shape is assessed on a case by case basis, or that the inherent distinctiveness threshold is not the same for 3D Shapes, and is to be assessed by the “departs significantly” test or another test.

Acquired distinctiveness

While the principles relating to acquired distinctiveness for 3D Shapes have been stated with some clarity, as set out above (e.g. it has been expressly stated that merely recognising and associating the mark with the products is not enough), the language chosen by the courts means that it continues to be unclear whether the test amounts to a requirement to prove that a significant proportion of the relevant public “rely” on the putative mark to distinguish products of different undertakings. The English Court of Appeal, following the CJEU’s decision in Nestle v Cadbury (Case C?215/14), has at least made clear that such reliance is clearly sufficient. This issue is not unique to 3D Shapes, but is particularly significant for 3D Shapes because their registrability often depends on acquired distinctiveness. This uncertainty causes difficulties in practice, including for parties in adducing relevant evidence. The law can therefore be improved by clarifying the test for acquired distinctiveness in general.

The test referred to at Q6 gives rise to uncertainty because of the difficulty in assessing whether the shape itself adds substantial value to the product. While goodwill in the trade mark sense is to be disregarded in assessing whether the shape adds “substantial value”, the UK courts have identified as unclear[1] whether the assessment should take into account factors such as whether the value arises from consumer recognition other than in the trade mark goodwill sense (such as recognition of a particular shape as that of a London taxi), and whether the shape is registered, or could have been registered, for design protection. In a situation where two products of different shapes command different prices, it can be difficult to assess the extent to which the higher price results from the shape itself, since a good design is often accompanied by other value-adding factors, such as cost, physical quality and market positioning.[2] While the policy rationale for this provision is to prevent the perpetuation of protection for designs through trade mark registration,[3] in practice it does not prevent such double protection. When combined with the “departs significantly” threshold for inherent distinctiveness outlined above, it has the counterintuitive effect that shapes that embody “good design” are more likely to be distinctive, but are also more likely to give value to the product, and therefore be excluded under this provision. The law can therefore be improved by removing this ground of exclusion from registrability entirely.

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1. London Taxi Company (2017) EWCA at [42]
2. Kerly [10-201]-[10-203].
3. Advocate General’s opinion in Hauck at [80].

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

Yes

Please Explain

In contrast to shapes of the goods themselves and functional shapes (i.e. the tests referred to at Q4 and Q5), the policy rationale for not permitting the substantial value ground to be overcome by acquired distinctiveness is unclear. The rationale for the substantial value ground appears to be based on the different values protected by different IP rights, distinguishing aesthetic value (protected by design rights) from the value of trade mark goodwill (protected by trade marks). On that basis, if a shape which is an attractive or good design over time comes to be perceived by the relevant public as distinguishing the product of a particular undertaking, then it has acquired distinctiveness the value of which should, by general principles, be protectable as a trade mark. To the extent the substantial value ground is retained, the law can therefore be improved by allowing the substantial value ground of exclusion from registrability to be overcome by acquired distinctiveness.

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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?

No

(Explanation is Optional)

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III. Proposals for harmonisation

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

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Does your Group consider that harmonisation in any or all areas described in the response to 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.

Yes
Harmonisation is desirable because trade marks are often selected for use on an international basis and owners and possible infringers are best served by consistency across jurisdictions.

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

Yes

Please Explain

If a sign can perform the essential function of a trade mark, that is, the sign is capable of distinguishing the goods or services of one undertaking from another in the eyes of consumers, it should be registrable. There is no principled reason why a 3D Shape cannot be a sign which is distinctive in this manner. Trade marks are fundamentally about consumer perception, and we believe that consumers are becoming increasingly conditioned, and prepared, to recognise 3D Shapes as distinctive of particular undertakings.

For example, in the long-running Kit-Kat dispute in the EU courts, the General Court agreed that the survey evidence demonstrated that the four-fingered Kit-Kat shape itself had acquired distinctiveness and served as an indication of origin in at least 10 EU Member States (among an average of 50% of the population in these states, whose total populations together make up more than 90% of the EU population). This was despite the fact that the four-fingered bar is contained in opaque, and presumably separately distinctive, packaging at the point of sale (Mondelez UK Holdings v Société des produits Nestlé SA (T-112/13) 15 December 2016).

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?

Yes

What test should be applied in order to establish if it is inherently distinctive?

The current test under EU law for inherent distinctiveness is in principle the same for 3D Shapes as for other types of signs. However, the application of this test to 3D Shape marks in the EU is different, and possibly involves applying a different legal test, the logical justifications for it may be questionable, or out of date. The law on this point is in practice too restrictive (see Question 22 below for further explanation).

The principle under EU law that the test for inherent distinctiveness is the same for 3D Shapes as for other types of signs is appropriate. It is right to have a uniform legal standard applied across applications for all forms of trade mark. Given that the assessment of inherent distinctiveness for 3D Shapes will vary according to the circumstances of each case, in different sectors. Over time, it is not appropriate to apply any special uniform legal tests for all 3D Shapes. Therefore, in applying the above test for inherent distinctiveness to 3D Shapes of goods or their packaging, trade mark registries should consider the circumstances of the case.

It might be helpful for the registry to consider whether (in the eyes of the average consumer) the relevant shape is unusual and/or noticeably different to what is on the market in the relevant sector.

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?

Yes

What test should be applied in order to establish if it has acquired distinctiveness?

The test for acquired distinctiveness in the EU is the same for 3D Shapes as it is for other signs, but some uncertainty remains as to the meaning of this test due to the unclear wording used by the CJEU and by UK courts. We believe that the test could be restated in the form stated by Mr Justice Arnold in a number of judgments: “do at least a significant proportion of the div of the public concerned with the relevant good/service identify the good/service as originating from a particular undertaking because of the 3D shape mark?” This would be a clearer test, which also strikes the appropriate balance in terms of the degree of distinctiveness.
required, being clear that there must be more than mere recognition and association.

Any higher standard may result in only an elite group of marks, so well-known that they are essentially "famous", acquiring distinctiveness for the purpose of registration. This would be unfair on the owners of marks that are in fact distinctive but which are not so well-known, such as niche brands and products. Conversely, a lower standard may open the floodgates to the acquisition of distinctiveness through modest use, which could lead to illegitimate monopolies and prejudice the interests of third party traders. It would help to do away expressly with the notion of reliance by the consumers on the shape to identify trade origin as the threshold to be met.

**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.

**Yes**

Please describe what test should be applied.

This ground should apply, although it should be strictly limited to prevent the registration of a 3D mark that is identical to the shape of the relevant product, where it is impossible for that product to take on a different shape. In other words, the relevant shape must truly be a, or the only, naturally-occurring shape of the specified goods. For example, the shape of a pineapple should not be registrable for pineapples; it should, however, be registrable for pineapple juice (subject to satisfaction of the requirement for distinctiveness).

It is unclear to us whether it is necessary for the above ground to be a separate absolute ground of refusal. In *Philips* [1] the CJEU indicated that (in the EU) this ground is intended to prevent the extension of trade mark protection beyond signs that serve to distinguish goods and/or services. Assuming that there applies a separate requirement for inherent and/or acquired distinctiveness, the above ground appears somewhat redundant.

It is difficult to see how such a shape could be inherently distinctive and/or develop acquired distinctiveness as regards a single trader, but it is conceivable. For example, a new variety of vegetable could be discovered by a trader, who then aggressively markets the same under a sign consisting of a representation of the vegetable, thereby acquiring distinctiveness in relation to this sign before other traders can source and begin to market the vegetable themselves. Therefore, on balance we consider that the above ground should continue to apply, albeit narrowly.

It is difficult to imagine a 3D sign which consists exclusively of a characteristic other than its shape, and therefore the “another characteristic” aspect of this ground is likely not relevant to shape marks. It is possible, for example, that a 3D sign consists of a 3D representation of a sound wave, which represents the sound of the relevant product. Such a mark would be outside the scope of this study question, and we consider it likely that 3D signs that consist exclusively of a characteristic other than shape will always be outside the scope of this study question.

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**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.

**Yes**

Please describe what test should be applied.

The test should be applied as written above. It is not possible or desirable to draft an exhaustive list of what may constitute a “technical result”. This ground of invalidity / refusal must apply to the entire shape i.e. all essential characteristics of the shape must perform a technical function. “Necessary” is to be interpreted purposively, i.e. provided that a shape mark has no material purpose other than to achieve a technical result, it should be refused / invalid even if there are other options for achieving the same technical result.

This is a principled ground of objection on the basis that any such feature should properly be protected by a patent or a form of design right. It would be unfair to grant a potentially “evergreen” monopoly for such a shape, especially in circumstances where
other options for shape are limited and/or the market has become accustomed / adapted to a particular shape.

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.

No

(Explanation is Optional)

In the EU, this ground has been applied to exclude the registration of visible aesthetic elements that strongly influence consumers to choose a particular product, disregarding the reputation of the trader. A possible justification for the above ground is that such aesthetic elements may be protected (for a limited period) by a form of design right. There is merit in this principle, but we do not consider this to be sufficient justification for an absolute prohibition on the registration of trade marks caught by the above ground. This is because, in practice, a shape that falls foul of the above ground may nevertheless be distinctive of a particular trader, and therefore be operating as a trade mark. In this way, the definition of “shape…which gives substantial value” can become somewhat circular, and confusing. As noted above (see Question 10(c)), the meaning of this provision within the EU has still not been fully clarified by the courts.

In our view, if a trader has designed a product which is distinctive (for trade mark purposes) in the eyes of consumers, provided that the shape of this product does not achieve a purely technical result, it is justifiable for the trader to be granted a trade mark for the shape of this product. The downside for third parties appears to be small. Unlike in the case of (some) technical features, there are usually multiple options for the aesthetic appearance of a product. If, on the facts, the options for third parties are limited, trade mark registries will retain the fall-back ground that the shape in question is not distinctive / has not acquired distinctiveness.

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

No

(Explanation is Optional)

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? 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?

Yes. The grounds should operate independently from one another. If a single ground fully applies to the sign in question, the application should be refused on the basis of that relevant ground.

The assessment of a trade mark is based on the overall impression it would give to the public, taken as a whole. Whilst individual elements and/or characteristics are taken into account, if not all characteristics of the mark fall within the grounds for refusal, there must be some characteristics which enjoy at least a minimum degree of distinctive character, and therefore has the capability of fulfilling the essential function of a trade mark.

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?


Provided that it is applied narrowly only to truly “naturally-occurring” shapes, we do not consider that it should be possible to overcome the ground referred to in Question 16 via acquired distinctiveness.

It should not be possible to overcome the ground in Question 17 via acquired distinctiveness.

If the ground in Question 18 is retained as a ground of refusal / invalidity, it should be possible to overcome this via acquired distinctiveness.

We recognise that a balance must be struck, but we think that in the EU the examination of 3D trade marks is overly restrictive. Consumer perception and market conditions are relevant factors to the assessment of distinctiveness. However, the result has been that trade mark offices in the EU rarely find a shape to be inherently distinctive, unless the shape is entirely unrelated to the relevant goods or services. This is problematic because, while the prospective trade mark applicant works to acquire distinctiveness for the shape, others may have the opportunity to flood the market with “look-alike” products. It is important to note in this context that unfair competition law remains un-harmonised. Brand owners in jurisdictions where it is overly difficult to register 3D Shape marks may lack effective protection against copycat behaviour.

The law is also too complex and unclear. The definition of “substantial value” requires clarification at least. With the exception of preventing the registration of truly naturally-occurring shapes, and shapes that exclusively serve a technical function, we are sceptical whether other absolute limitations on the registration of shape marks are necessary. It is difficult to contrive examples of the problems that further absolute limitations may solve.

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 in paragraphs 11 to 13 of the Study Guidelines), and that you consider relevant to this Study Question.

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

Fast Moving Consumer Goods (FMCG)
Food and beverage
Electronics
Automotive
Pharmaceuticals
Toys