Introduction

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

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

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.

This Study Question seeks to establish whether, and if so under what substantive conditions, registered trademark protection for signs consisting of 3D shapes comprising the three-dimensional shape of goods or packaging should be available.

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.
This Study Question specifically addresses protection of 3D Shapes as registered trademarks (3D Trademarks). Unregistered trademarks are outside the scope of this Study Question. This Study Question also does not address protection that may be afforded by other intellectual property or other rights, nor does it address the scope of protection of 3D Shapes once registered as a trademark.

The Reporter General has received Reports from the following Groups and Independent Members in alphabetical order: Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, CA-Caribbean Regional Group, Canada, Chile, China, Denmark, Ecuador, Estonia, Finland, France, Germany, Hungary, India, Israel, Italy, Japan, Latvia, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Pakistan, Panama, Paraguay, the Philippines, Poland, Portugal, the Republic of Korea, the Russian Federation, Singapore, Spain, Sweden, Switzerland, Taiwan (Independent Member), Turkey, the United Kingdom (UK), the United States of America (U.S.), Uruguay, Venezuela and Vietnam.

47 Reports were received in total\(^1\). The Reporter General thanks the Groups and Independent Members for their helpful and informative Reports. All Reports may be accessed here:

http://aippi.org/committee-publications/?committee-id=54305

The Reports provide a comprehensive overview of national and regional laws and policies relating to the registrability of 3D Trademarks, set out in three parts:

- Part I – Current law and practice
- Part II – Policy considerations and proposals for improvements of the current state of the law
- Part III – Proposals for harmonisation.

This Summary Report does not summarise Part I of the Reports received. Part I of any Report is the definitive source for an accurate description of the current state of the law in the jurisdiction in question.

This Summary Report has been prepared on the basis of a detailed review of all Reports (including Part I) but focuses on Parts II and III, given AIPPI's objective of proposing improvements to, and promoting the harmonisation of, existing laws. As it is a summary, if any question arises as to the exact position of a particular Group in relation to Parts II or III, please refer to the relevant Report directly.

In this Summary Report:

\(^1\) Reports received after 6 July 2018 are listed above but their content is not included in the summary in Parts II and III.
references to Reports of or responses by one or more "Groups" may include references to Independent Members;

where percentages of responses are given, they are to the nearest 5%; and

in Part IV below, some conclusions have been drawn in order to provide guidance to the Study Committee for this Question.

I. Current law and practice

For the replies to Questions 1) - 9) set out in the Summary Guidelines for this Study Question, reference is made to the full Reports. The Study Guidelines may be accessed here:


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

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

By way of background and as outlined in the Study Guidelines, in the Henkel decision (C-456/01 P and C-457/01 P), the CJEU stated 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.2

Several Groups question (in different subsections of their responses to this question) whether the CJEU's assumption – that a consumer is not used to distinguish based on shape – is correct.

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

25 Groups (55%) responded YES to this question. Several Groups would prefer the rules to be clearer (Argentina, Ecuador, India, Mexico, Paraguay, Switzerland, UK, Venezuela). The Finnish, Russian Federation and Taiwanese Groups consider that the criteria are applied very strictly, making the threshold for obtaining a registration for a 3D Trademark (too) high.

2 The CJEU ruled in relation to 3D Trademarks 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". (see further Study Guidelines, p. 4, para. 16)
The French Group makes several suggestions for improving the applicable test (see also below under 10) b. Also, the Swiss Group is of the view that the test should be improved (and the bar lowered). The Pakistan Group mentions that the definition of trademarks under its law should be changed so as to include 3D Shapes, while the Malaysian Group refers to a debate in Malaysian law as to whether or not 3D Shapes are included within the general definition of trademarks.

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

23 Groups (50%) responded YES to this question.

The Belarus, Mexican and Paraguay Groups would like there to be a specific test. Some Groups note that the test is applied in a very (too) strict manner (Finland, Taiwan, the Netherlands, Switzerland) and/or is not very clear (Taiwan, Latvia, Russian Federation, Spain, UK, Venezuela). The Japanese Group proposes to clarify how distinctiveness should be proven.

The French Group proposes a number of changes to the current test under its law, such as taking care to define the sector/norm (as referred to above in footnote 2), and imposing a requirement that the Office bear the onus of proving that a shape is customary if relying on that ground to refuse to register a 3D Shape as a trademark. The Hungarian Group believes that a more complex test for inherent distinctiveness is required.

c) The refusal / invalidity grounds, if any, referred to in Questions 4 to 7 (and potential combination thereof)

23 Groups (50%) responded YES to this question which concerns, in short, the nature of the goods, functionality and essential value exclusion grounds (as explained in the Study Guidelines, see paras. 21-27).

Several Groups (Austria, Hungary, Spain, UK) state that the substantial value refusal / invalidity ground should be abolished. The French Group would prefer its application to be limited and also the German Group questions its current application. The Finnish Group states that the meaning of "exclusively" is not clear.

The Hungarian Group states that the nature of the goods ground should be deleted and that the functionality ground needs to be changed. Also the
Spanish Group would like to remove the nature of the goods ground. The UK Group considers the test for this ground is unclear.

The Mexican Group states that a test needs to be formulated. Also the Paraguay Group would like specific rules. The Dutch Group states that the Offices do not always differentiate clearly between the grounds.

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

22 Groups (50%) responded YES to this question.

Several Groups state that it should be possible to overcome the refusal / invalidity grounds by acquired distinctiveness.

Of these, a number believe this should always be possible (Argentina, Austria, Pakistan, Portugal).

Others are of the view the possibility should be limited to certain refusal / invalidity grounds, namely:

- the substantial value ground (Bulgaria, France, Spain, UK);
- the nature of the goods ground (Bulgaria, France); also Spain comments in this respect.

The Swedish Group notes that its law is unclear as to whether or not a 3D Shape can acquire distinctiveness and states that this should be clarified.

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?**

14 Groups (30%) responded YES to this question.

The Belgian Group comments that the administrative requirements regarding the filing of 3D Trademarks can be improved. Also, the Swedish Group states that, with the removal of the graphical representation requirement from EU law\(^3\), clarification regarding the acceptable forms of representing 3D Trademarks is desirable.

The Chinese Group mentions 9 issues that are current, such as whether decisions in other jurisdictions should be taken into consideration and whether functionality can change over time. The German Group mentions a possible

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\(^3\) In the new EU Trademark Directive, a trademark must be 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*" (article 3), whereas previously the wording was that it needed to be capable of graphic representation.
improvement in relation to a provision in its national law to the effect that lack of inherent distinctiveness can now only be invoked during the first 10 years a trademark is registered. The Korean Group considers the standard of distinctiveness required for 3D Trademarks under its law to be too high. The Mexican Group proposes to introduce a database with both registered and refused 3D Shapes, in order to provide precedents and develop guidelines. The Dutch Group (i) proposes to formally allow the provision to the Benelux Office of evidence regarding inherent distinctiveness and (ii) recommends the Offices to differentiate more clearly between the various invalidity / refusal grounds.

The Paraguay Group favours regional harmonisation.

III. **Proposals for harmonisation**

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.

A large majority of the Groups (85%) considers that harmonisation is desirable in one or more of the areas described in Questions 10 and 11.

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

43 Groups (95%) responded YES to this question.

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?

41 Groups (90%) answered YES to this question.

As to the test to be applied, many Groups state that it should be the same as in respect of other trademarks. In this respect, an important aspect mentioned frequently is that the shape should function as an indication of origin.

Some Groups note that CJEU case law in practice includes a stricter (i.e. compared with the test as applied to other trademarks) application of the test to 3D Trademarks (which actually amounts to a stricter test), which sets a high bar. The Dutch Group notes that the CJEU’s position – that consumers are not
used to distinguish based on shape – seems too hasty and not based on factual evidence. Hence, the requirement that a 3D Shape must depart significantly from the norm or customs in the sector, seems too strict. Also, the UK Group mentions that the application of the test to 3D Trademarks in the case law in the EU is too restrictive and that the logical justifications for the test as applied may be questionable or out of date.

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?

42 Groups (90%) responded YES to this question. As to the test, according to a number of Groups it should again be the same as in respect of other trademarks. Other Groups generally did not state whether it should be the same or different, but provided wording for various tests. For example, the Chilean Group states that the shape should properly indicate the commercial origin of the goods by distinguishing a trader’s goods from all others.

The U.S. Group notes that the market reality is that 3D Shapes often function as trademarks and that in fact some of the best known trademarks in the world are 3D Trademarks.

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.

38 Groups (85%) responded YES to this question. As to the test, it is difficult to find a clear majority view.

Several of the EU Groups refer to the requirement as formulated in the EU Trademark Regulation, which states that a sign consisting exclusively of a shape resulting from the nature of the goods is invalid. The UK Group states that the ground should be limited so as to only prevent the registration of a 3D Trademark identical to the shape of the relevant product, where it is impossible for the product to take on a different shape.

The French Group proposes to remove this ground, or at least to allow trademarks within this category to acquire secondary meaning. The French Group explains that it is difficult to define what is covered by this ground, specifically because a shape resulting from the nature of the goods will often also be functional and/or will not be distinctive as it has the same shape as other goods. The UK Group also has some hesitation as to whether this ground is redundant, but overall finds it conceivable that it can have relevance.
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.

41 Groups (90%) responded YES to this question.

The Mexican Group explains that trademark protection of 3D Shapes should not be used as a means to circumvent the limitations of other forms of intellectual property that cover the protection of functional elements, such as patents.

As to the test, several of the replies refer to the requirement as formulated in the question, i.e. that a sign consisting exclusively of a shape necessary to obtain a technical result is invalid. A number of other Groups refer to similar wording. Some Groups (e.g. the Argentinian Group, the Chinese Group and the Japanese Group) mention that the presence or absence of alternative shapes should be taken into account. The U.S. Group states that if a 3D Shape consists exclusively of a shape essential to the use or purpose of the goods, it should be refused; in this respect, "market realities" should be taken into account. The Russian Federation Group notes that the trademark as a whole (not only parts thereof) need to be functionally determined in order for this ground to apply.

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.

The replies to this question show different views. Some Groups did not take a specific position, but 25 Groups (55%) responded YES to this question while 18 Groups (40%) responded NO and would prefer to see this ground abolished.

The Philippines Group explains that shapes that give products an intrinsic value are in fact functional and should therefore be available for use by competitors.

As to the test, it is difficult to find a clear common formulation. The requirement as formulated in the question, which states that a sign consisting exclusively of a shape which gives substantial value to the goods, seems to be favoured by at least a number of the Groups.

Of the Groups that answered NO, the German Group explains why this ground should be abolished; if applied strictly, it could lead to the exclusion of a large number of attractive product designs. Effectively, good design is then "punished".
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).

A large majority of the Groups (85%) responded NO to this question.

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?

No clear majority view emerges from the replies to this question. Just over half (55%) considers that the grounds should operate independently from one another and/or mentions that a trademark must be assessed comprehensively, as a whole. The French Group explains that a complex sign may be composed of various elements that are not separately distinctive, but are distinctive as a whole.

About 35% considers that the grounds should apply both independently and separately.

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?

Again, no clear majority view emerges from the replies to this question; however, there seems to be sufficient basis to explore a resolution stating that it should be possible to overcome the grounds referred to in Questions 16 and 18 by acquired distinctiveness.

15% of the Groups support an application of acquired distinctiveness to all grounds mentioned, while 30% states the opposite (i.e. they are against such application to any ground). Other Groups support the application of a acquired distinctiveness to one or two of the grounds (25% in respect of the nature of the goods exception of Question 16, 5% in respect of the functionality exception of Question 17 and 25% in respect of the essential value exception of Question 18). Notably, a number of Groups did take a specific position in relation to this question.
As appears from the above, 40% of the Groups is of the view that it should be possible to overcome the nature of the goods and the essential value refusal/invalidity grounds through 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.

Some Groups comment that they would prefer the nature of the goods and/or the substantial value ground to be removed. The Brazilian Group states it finds an assessment regarding substantial value highly subjective and likely to be contaminated by e.g. a high degree of originality.

The UK Group considers that the examination of 3D Trademarks in the EU is too restrictive: while consumer perception and market conditions are relevant factors, EU trademark offices only rarely find a shape inherently distinctive. This is problematic because while the prospective applicant is trying to acquire distinctiveness, look-a-likes can flood the market. Furthermore, the UK Group notes that the substantial value ground (which it would like to be removed) unclear.

Several groups (e.g. the Chinese Group) mention further issues, e.g. the difficulty to discern the exact meaning of and difference between the grounds mentioned above. The Finnish Group, among other things, mentions that the removal of the requirement for graphic representation (see above, footnote 3) may impact 3D Trademarks, noting that it remains to be seen if it will become more or less difficult to register such marks.

Industry sector views included in these proposals for harmonisation

From the replies to this question, it seems that many industry views were incorporated in the Reports, including from (for example) the following:

- Austrian Chamber of Commerce (which represents the full range of industry sectors);
- mechanical engineering (Finland)
- the car and stationery industry (Germany)
- the furniture design industry (Norway)

The responses also evidenced expertise and experience in advising a number of industry sectors, such as clothing, food and beverages, pharmaceuticals and fast moving consumer goods.
IV. **Conclusions**

From the Reports the conclusion can be drawn that a large majority of the Groups agree that harmonisation is desirable regarding at least some of the issues described above.

Furthermore, it seems that on most of those issues, it should be possible to reach agreement on the relevant principle. However, it may be more difficult to reach agreement on, in particular, the various tests to be applied, given the variety in the replies. In fact, as noted in some of the replies, such tests could be the topic of a separate resolution.

A resolution could cover at least the following concepts, some of which are clearly in line with the majority of views expressed in the Reports:

- the registrability of 3D Shapes
- the possibility for 3D Shapes to be inherently distinctive
- the possibility for 3D Shapes to acquire distinctiveness
- the availability of the (i) nature of the goods and (ii) functionality refusal / invalidity grounds to 3D Shapes / 3D Trademarks
- no availability of absolute refusal or invalidity grounds under trademark law specific to 3D Shapes or 3D Trademarks other than the above

It also seems there is sufficient support to explore whether consensus can be reached in relation to the following concepts:

- whether the test of inherent distinctiveness should be the same as for other trademarks
- whether the test of acquired distinctiveness should be the same as for other trademarks
- whether the substantial value refusal / invalidity ground should be maintained
- whether or not the refusal / invalidity grounds referred to above should operate independently from one another
- whether it should be possible to overcome the nature of the goods and the substantial value refusal / invalidity grounds by acquired distinctiveness.

Date: 10 August 2018