



Shaping up:
the law on shape trade
marks clarified

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Nestlé may feel it did not get much of a break from a recent Advocate General's opinion which undermines its hopes of registering the shape of its Kit Kat chocolate bar; meanwhile, there is better news for Lego's registration of its 'manikin' figure.

Shape trade marks

IP Ownership

A shape is capable of being registered as a trade mark. A well-known example is the Coca-Cola bottle.

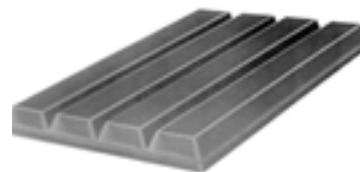
There are some exceptions peculiar to shape marks which cause many applications to fail, namely signs which consist exclusively of a shape which:

- results from the nature of the goods themselves; or
- is necessary to obtain a technical result; or
- gives substantial value to the goods.

The aim of these exceptions is to prevent trade mark protection from granting a monopoly over technical solutions or functional characteristics of a product which may be more appropriately protected by other means.

Kit Kat

Nestlé applied to register the following shape of its four-finger Kit Kat bar:



It met with opposition from Cadbury which looks set to succeed in light of a recent opinion given by the Advocate General of The Court of Justice of the European Union ("CJEU") (who advises the CJEU prior to making its decision). The CJEU was asked to consider the following issues:

Distinctive character

A trade mark must be distinctive; that is to say it must be capable of identifying the goods or services in question as originating from the trade mark owner. Marks can be inherently distinctive (for example, made up words) or acquire distinctiveness through use over time.

The High Court ruled that Nestlé Kit Kat shape mark was not inherently distinctive, but invited the CJEU to clarify the test for establishing whether a mark has acquired distinctive character. Is it necessary to show:

- that the average consumer recognises the shape and associates it with Nestlé or Kit Kat; or
- that the average consumer recognises the shape and relies on it alone (and not any other marks which may be present) as a guarantee of the exclusive origin of the goods?

The Advocate General favoured the second approach. On that basis it is not enough for the average consumer to think the shape “looks like a Kit Kat”; it must be convinced, “it is a Kit Kat”.

Exceptions

Nestlé’s Kit Kat shape has three essential features:

- a rectangular ‘slab’ shape, common to many chocolate bars because it is easy to mould, wrap and stock than fancier shapes;
- the presence, position and depth of the grooves, which permit the bar to be broken into detachable fingers;
- the number of grooves, which determine the number of fingers.

The High Court found that the ‘slab’ shape results from the nature of the goods and the grooves are necessary to achieve a technical result (i.e. a number of detachable fingers). Those features fall within the exceptions outlined above, but no one such feature falls within all three exceptions.

The High Court sought clarification from the CJEU whether a feature must fall within all three exceptions or whether it is sufficient to exclude it from registration if it falls in one. The Advocate General’s view was that the three exceptions must be applied independently of each other; as long as one fully applies, registration should be refused.

Lego

Lego was disappointed in 2008 when its attempt to register its brick as a trade mark failed (because its essential elements fall within the exceptions), but it managed to register a Community Trade Mark for its ‘manikin’ figure:



A competitor, Best-Lock, sought to have the manikin mark declared invalid. The main thrust of its argument focused on the question whether its essential elements achieved a technical result, namely interlocking with Lego bricks.

The General Court of the European Union found that the essential characteristics of the mark comprised its head, body, arms and legs which gave it human appearance. Those characteristics did not serve any technical function. The holes and protrusions which enable the manikin to be fitted to other Lego pieces were not essential characteristics of the mark; even if they had a technical function, they were not the important features which fell to be assessed.

Comment

The Advocate General's views in Kit Kat impose a high evidential burden on establishing acquired distinctiveness and open the door to wider application of the three exceptions. In short, they do not make registration of shape marks any easier.

Barring the CJEU opting not to follow its Advocate General's views, Nestlé appears to have an uphill struggle to register its Kit Kat shape mark. The High Court has already expressed the view that:

- the shape has not acquired distinctiveness on the narrow test preferred by the Advocate General, with customers placing reliance on the Kit Kat logo which appears imprinted on bars, rather than its shape, as identifying its origin; and
- the three essential elements of the Kit Kat shape outlined above each fall within one of the three exceptions.

Lego demonstrates that shapes can achieve registration, but shapes pose unique challenges.

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