

2020

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Recommended Citation

César J. Ramírez-Montes, *The Elusive Distinctiveness of Trade Dress in EU Trademark Law*, 34 Emory Int'l L. Rev. 277 (2020).

Available at: <https://scholarlycommons.law.emory.edu/eilr/vol34/iss1/2>

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THE ELUSIVE DISTINCTIVENESS OF TRADE DRESS IN EU TRADEMARK LAW

*Dr. César J Ramírez-Montes**

INTRODUCTION

EU law explicitly allows for the permanent registration of the shape of goods or of the packaging of goods as EU trademarks provided that they are capable of enabling consumers to distinguish the branded goods from others of different origin (inherent source “distinctiveness”) and are not considered utilitarian (nonfunctional) but without defining these significant requirements.¹ This is allowed *even* without prior market use as evidence of consumer association (“acquired distinctiveness” or “secondary meaning”). Although there is growing academic interest in the nonfunctionality requirements,² comparatively less attention is paid to source distinctiveness notwithstanding the fact that international law mandates the use of distinctiveness “as the sole substantive condition and prerequisite for the protection of a trademark.”³ This Article provides a systematic analysis of the case law in which the Court of Justice of the European Union (CJEU) has attempted to craft rational limits around registration of product shapes (“3D marks,” “shape marks,” or “product trade dress”) using the distinctiveness requirement as a control device. In its case law, the CJEU consistently applies specific distinctiveness rules for predicting consumer associations and reactions in its modified analytical framework

* IP Lecturer, Leeds University. Many thanks to participants at INTA’s Annual Meeting 2017 in Barcelona, Spain. Special thanks to Peter Yu, Lisa Ramsay, Graeme Dinwoodie, and Dev Gangjee for helpful comments. Thanks also to Uma Suthersanen, Iyiola Solanke, Graham Dutfield, Shubha Ghosh, and John Cross for their valuable suggestions and insights. This Article builds upon my previous work around the unsettled European approach to trade dress protection, see César J Ramírez-Montes, *Trademarking the Look and Feel of Business Environments in Europe*, 25 COLUMB. J. EU L. 75–134 (2019).

¹ Council Regulation 2017/1001, arts. 4, 7(1) O.J. (L 154) 1 [hereinafter EUTMR] (defining EU trademark and absolute grounds for refusal); Council Directive 2015/2436, arts. 3, 4(1) O.J. (L 336) 1 [hereinafter TMD].

² Apostolos Chronopoulos, *De Jure Functionality of Shapes Driven by Technical Considerations in Manufacturing Methods*, 2017 INTELL. PROP. Q. 286; Maeve Lynch, *Product Configuration Marks: The Shape of Things to Come*, 6 J. INTELL. PROP. L. & PRAC. 465 (2017); Gabriele Engels & Claire Lehr, *Sweets, Cars and Bottles-Three Dimensional Trademarks*, 9 J. INTELL. PROP. L. & PRAC. 797 (2017); Antoon Quaedvlieg, *Shapes with a Technical Function: An Ever-Expanding Exclusion*, 1 J. ACAD. EUR. L. 101 (2016); Alain Berthet & Elisabeth Berthet, *La Marque Tridimensionnelle: Mythe ou Réalité?*, 61 PROPRIETES INTELLECTUELLES 403 (2016).

³ Qian Zhan, *The International Registration of Non-Traditional Trademarks: Compliance with TRIPS Agreement and the Paris Convention*, 16 WORLD TRADE REV. 111, 114 (2017) (arguing that, under TRIPS Article 15, no other binding obligation is imposed upon WTO Members).

underpinning the “departs significantly” criterion. Courts and commentators explicitly acknowledge the dearth of clarity around this pivotal criterion, but hitherto have not attempted to engage more meaningfully with this effectively “forgotten” aspect of EU trademark law. This Article’s central claim is that the criterion’s analytical framework has been fundamentally misunderstood, partly owing to a lack of judicial articulation of its theoretical basis and partly owing to a lack of meaningful academic engagement with its evolution and contextual application in the case law.⁴ By focusing on inherent distinctiveness as the main obstacle to registering otherwise nonfunctional trade dress that has yet to test consumer reaction in the market, this Article throws much needed light upon the departs significantly criterion which is an important but often neglected aspect of existing distinctiveness debates.

As this discussion demonstrates, trade dress law is a useful way of revisiting source distinctiveness and its contextual application. The 2015 elimination of the “graphical” representation requirement in the definition of a European trademark reflects a legislative attempt to provide more flexibility around the technological means of representing unconventional trade dress marks such as colors and sounds.⁵ This is also likely to ease the registration path for scent, taste, tactile, and motion marks. Academic commentary has so far focused on these nontraditional, “product trade dress marks.”⁶ However, the existing debates fail to appreciate that eliminating the graphical representation requirement still leaves the more fundamental question of the relevant circumstances for assuming that *any* (nonfunctional) trade dress may be source-identifying under the departs significantly criterion. Unlike previous academic assessments into this criterion,⁷ this Article adopts a different methodology that combines a more exhaustive doctrinal exploration of the historical and factual situations that galvanized the EU tribunals into crafting specific distinctiveness rules and a re-appraisal of unarticulated sociological considerations that

⁴ See *infra* Parts II and IV.

⁵ TMD, *supra* note 1; EUTMR, *supra* note 1.

⁶ Eugene C. Lim & Samtani Anil, *Acoustic Branding, Non-Traditional Trademarks, and the Graphical Representation Requirement: A Conceptual and Empirical Analysis*, 41 EUR. INTELL. PROP. REV. 5 (2019); Désirée Fields & Alasdair Muller, *Going Against Tradition: The Effect of Eliminating the Requirement of Representing a Trademark Graphically on Applications for Non-Traditional Trademarks*, 39 EUR. INTELL. PROP. REV. 238 (2017).

⁷ See Vlotina Liakatou, *Trade Dress Distinctiveness in the US: Wal-Mart, Progeny, and Comparison with the European Standards*, 32 EUR. INTELL. PROP. REV. 622 (2010); Jochen Pagenberg, *Trade Dress and the Three-Dimensional Mark—The Neglected Children of Trademark Law*, 7 INT’L REV. INTELL. PROP. & COMPETITION L. 381 (2004).

overlooked scholarship came to identify as specifically affecting shape-of-product marks.⁸

In undertaking this unique exploration, I contest deep-seated misconceptions about the meaning and purposes of the departs significantly criterion, confront the widely held view that its appropriate threshold remains unclear and challenge the increasingly popular criticism about the alleged arbitrariness underpinning the CJEU's normative presumption of consumer visual habits. There is strong evidence suggesting this research is timely and highly relevant. Global litigation concerning Nestlé's attempts to register (or defend registration of) the shape of its popular Kit-Kat four-finger chocolate bar not only in the UK,⁹ and Europe,¹⁰ but also across several jurisdictions highlights that a current issue in international trademark law is the conditions under which product shapes should be entitled to permanent registration as source-identifying brands.¹¹ One of the general conditions is distinctiveness, which according to settled EU case law can only be met if there is some basis for assuming that the proposed product trade dress will function as a source-identifier because it shows a significant departure from what consumers expect in the sector.¹² More than a decade ago, the CJEU's *Henkel* ruling outlined the departs significantly criterion as the sole analytical framework for establishing whether product packaging and product shapes may overcome the non-inherent distinctiveness barrier to be eligible for registration.¹³ Under this criterion, "a trademark which significantly departs from the norm or customs of the sector and thereby fulfils its essential ... function is not devoid of any distinctive character."¹⁴

The test appears closely related to the question of whether, without prior use, any sign is capable of being indicative of source (or inherently distinctive) in the sense of aiding consumers immediately to distinguish the commercial origin of

⁸ See *infra* Part I.C.1–3.

⁹ *Société des Produits Nestlé SA v. Cadbury UK, Ltd.* [2017] AC 358 (EWCA) (appeal taken from Eng.).

¹⁰ Joined Cases C-84/17, C-85/17 & C-95/17, *Société des Produits Nestlé SA v. Mondelez UK Holdings & Servs.*, ECLI:EU:C:2018:596 (July 25, 2018), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=204401&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=4327956>; Case C-214/15, *Société des Produits Nestlé SA v. Cadbury UK, Ltd.*, ECLI:EU:C:2015:604 (Sept. 16, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=167821&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5384175> [hereinafter *Kit-Kat Chocolate Bar*].

¹¹ *Société des Produits Nestlé, SA v. Petra Foods, Ltd.*, 2016 S.G.C.A. 64 (Court of Appeal of Singapore); *Société des Produits Nestlé, S.A. v. Int'l Foodstuffs, Co.*, 2015 1 S.A. 492 (SCA) (S. Afr.).

¹² C-218/01, *Henkel KGaA v. Deutsches Patent- und Markenamt*, 2004 E.C.R. I-1737, ¶ 49 [hereinafter *Henkel Perwoll Bottle*].

¹³ *Id.*

¹⁴ *Id.*

the applicant's goods or services from those of other traders.¹⁵ It has expanded to include also any sign that is indistinguishable from the appearance of the designated goods themselves or represents only part of the product, including a nonessential feature that the public immediately perceives as a particularly interesting or attractive detail of that product.¹⁶ More recently, the departs significantly criterion has been extended far beyond shape-of-product marks into the distinctiveness evaluation of retail service marks representing a 3D retail environment or store design.¹⁷ As I have argued elsewhere, this novel expansion of EU law effectively provides protection for the look and feel of a wide range of business environments, bringing European law ever closer to the U.S. concept of trade dress law.¹⁸

Since *Henkel Perwoll Bottle*, a substantive body of CJEU and European General Court's (EGC) case law has emerged around multiple attempts to register product shapes but most have been unsuccessful for failing to depart significantly from the norms of the sector and incapable of being acknowledged by consumers as source-identifiers without prior education.¹⁹ Thus, the primary

¹⁵ *Id.*; C-417/16, August Storck KG v. EUIPO, ECLI:EU:C:2017:340, ¶ 32 (May 4, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=190340&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=4337930>; *Kit-Kat Chocolate Bar*, ECLI:EU:C:2015:604, ¶ 60.

¹⁶ See Case C-97/12, Louis Vuitton Malletier v. OHIM, ECLI:EU:C:2014:324, ¶ 55 (May 15, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=152347&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=5384714> (explaining that the departs significantly test applies to a figurative mark representing a locking device even if locking devices were not among the goods for which registration was granted); see also *August Storck KG*, ECLI:EU:C:2017:340, ¶ 40 (figurative mark representing a white and blue square-shaped packaging); Case C-96/11, August Storck KG v. OHIM, ECLI:EU:C:2012:537, ¶ 38 (Sept. 6, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=126462&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5384978> (shape of a chocolate mousse with a bas-relief).

¹⁷ Case C-421/13, Apple, Inc. v. Deutsches Patent- und Markenamt, ECLI:EU:C:2014:2070, ¶¶ 19–20 (July 10, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=154829&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=5385136>.

¹⁸ César J Ramírez-Montes, *Trade Marking the Look and Feel of Business Environments in Europe*, 25 COLUM. J. EUR. L. 75, 78 (2019).

¹⁹ The criterion is clearly applicable beyond the traditional categories of product shapes and product packaging. For instance, position marks, see Case C-521/13 P, Think Schuhwerk GmbH v. OHIM, ECLI:EU:C:2014:2222 (Sept. 11, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=157841&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5385395> (red aglets on shoe laces); Case C-429/10 P, X Tech. Swiss GmbH v. OHIM, 2011 E.C.R. I-00076 (orange coloring of the toe of a sock); Case T-433/12, Margarete Steiff GmbH v. OHIM, ECLI:EU:T:2014:8 (Jan. 6, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=148322&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=5385658> (metal button in the middle section of the ear of a soft toy); Case T-331/12, Sartorius Lab Instruments GmbH & Co. KG v. OHIM, ECLI:EU:T:2014:87 (Feb. 26, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=148261&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5386029> (yellow curve at the bottom edge of an electronic display unit); Case T-152/07, Lange Uhren GmbH v. OHIM, 2009 E.C.R. II-00144 (geometric shapes on a watch-face). For designs

basis for accepting or refusing an increasingly large number of unconventional signs, whether for mass products or luxury goods, turns on the under-explored meaning and unarticulated policies underpinning this “departs significantly” criterion.²⁰ National courts in Germany and France have interpreted the criterion without apparent difficulty but in questionable ways that have eluded proper academic scrutiny.²¹ English courts however have struggled to make proper sense of the principles and confused guidance in the CJEU’s case-law.²² These competing national views of the test suggests a lack of clarity that has yet to be properly addressed. For instance, in 2017, the English Court of Appeal was yet again confronted with the unsettled question of whether, as a matter of principle, a significant departure from existing shapes on the market is both a necessary *and* sufficient condition for assuming the inherent distinctiveness of shape marks representing car designs.²³ In *London Taxi Co. v. Frazer-Nash Research*,²⁴ Lord Justice (LJ) Floyd accepted appellant London Taxi Co.’s (LTC) argument that the language used in some European case law strongly suggests this is the correct interpretation but was reluctant to endorse this assumption unreservedly as he felt something else was needed. Indeed, in *Bongrain*, a differently composed Court of Appeal had already rejected that interpretation as a matter of principle.²⁵

applied to the surface of the goods, see Case C-445/02 P, Graverbel v. OHIM 2004 E.C.R. I-6269 (surface decoration); Case C-307/11 P, Deichmann SE v. OHIM, ECLI:EU:C:2012:254 (Apr. 26, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=124401&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5386483> (stitching applied to shoes). For pattern marks, see Joined Cases T-359/12 & T-360/12, Louis Vuitton Malletier v. OHIM, ECLI:EU:T:2015:215, ECLI:EU:T:2015:214 (Apr. 21, 2015) (chequerboard patterns applied to leather goods); Joined Cases C-363/15 P & C-364/15 P Louis Vuitton Malletier SA v. EUIPO, ECLI:EU:C:2016:595 (July 21, 2016) <http://curia.europa.eu/juris/document/document.jsf?text=&docid=182442&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2679691> (court order without decision as parties settled amicably); Case T-376/10, V. Fraas GmbH v. OHIM, ECLI:EU:T:2012:436, ¶ 64 (Sept. 19, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=127181&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5387131> (tartan pattern in dark grey, light grey, black, beige, dark red and light red).

²⁰ *Id.*

²¹ One example is the decisions from the highest courts in Germany and France over the IR 869586 (corresponding to national French mark no. 023188047) in the name of Revillon Chocolatier SAS involving the shape of chocolate twigs, see, e.g., BGH Apr. 6, 2017, I ZB 39/16, <http://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&Datum=2017-4&Seite=6&nr=79906&pos=205&anz=257> (reversing the German Patent Court’s decision to cancel the registration); Cour de Cassation [Cass.] [Supreme Court for Judicial Matters] com., Oct. 26, 2010, [09-69687], *available at* <https://www.legifrance.gouv.fr/affichJuriJudi.do?oldAction=rechJuriJudi&idTexte=JURITEXT000022978791> (Fr.) (unpublished) (upholding the Court of Appeal’s decision not to invalidate the registration).

²² See *infra* Part IV.A.1.

²³ Bongrain SA’s Trade Mark Application [2005] 14 RPC 306 (EWCA).

²⁴ London Taxi Co. v. Frazer-Nash Research [2017] AC 1729 (EWCA) (appeal taken from Eng.).

²⁵ Bongrain SA’s Trade Mark Application [2005] 14 RPC 306 (EWCA) (appeal taken from Eng.).

Having reviewed only two European cases (*Freixenet*²⁶ and *Jaguar*²⁷), LJ Floyd took the same view as Justice Arnold in the High Court that the position is simply not so straightforward as to be *acte claire*.²⁸ Unfortunately, none of them sought clarification from the CJEU. Indeed, Floyd LJ found it unnecessary to do so to dismiss LTC's appeal against the conclusion that its Community Trademark (now "EUTM") and national registrations over the shape of the iconic London taxi cab were invalid as the registered car shape was a mere variant on the standard design features of a car and was neither inherently distinctive nor had it acquired sufficient secondary meaning.²⁹ In reaching this conclusion, LJ Floyd applied the *departs significantly* criterion as resolving itself into a single question about the extent to which the car shape might significantly differ from existing motor car shapes without reference to the probable way in which average consumers respond to the design features of a car.³⁰ It is puzzling however that LJ Floyd did not turn to academic commentary to explore alternative interpretations beyond the two EU cases LTC cited to the court.

The international importance of the *departs significantly* criterion as the European analytical framework for gauging potential consumer reaction transcends product shape marks and the physical origins of IP law.³¹ For instance, by lowering the representation barrier under the 2015 reforms, the EU legislature has potentially opened the door for a much wider range of "digital trade dress marks" that have hitherto been under-examined and under-utilized, namely trade dress marks for the distinct look and feel of web pages, software interface, electronic platforms, search engines, digital reports, etc.³² Thus far, U.S. and European companies have sought registration for individual features rather than the whole interactive presentation of their services.³³ Nonetheless,

²⁶ See generally *Joined Cases C-344/10 & C-345/10, Freixenet, SA v. OHIM*, 2011 E.C.R. I-10205.

²⁷ See generally *Case T-629/14, Jaguar Land Rover, Ltd. v. OHIM*, ECLI:EU:T:2015:878 (Nov. 25, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=172022&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=5387822>.

²⁸ *London Taxi Co.*, [2017] AC 1729, ¶ 42.

²⁹ *Id.* ¶¶ 50, 68.

³⁰ *Id.* ¶¶ 45–49.

³¹ IRENE CALBOLI & MARTIN SENFTLEBEN, *THE PROTECTION OF NON-TRADITIONAL MARKS: CRITICAL PERSPECTIVES 1* (2018) (highlighting how international law sets a relatively low distinctiveness bar for registration, which opened the door for the recognition of a wide variety of nontraditional brands).

³² *Id.* at 7 (offering a critical and interdisciplinary analysis of the questions raised by the acceptance of non-traditional marks across several jurisdictions but not explicitly examining digital trade dress marks).

³³ See *Google LLC*, R-119/2018-2 (2d Bd. App. EUIPO, Aug. 28, 2018) (unreported) (finding insufficient evidence to prove acquired distinctiveness of the YouTube red icon, relating to a European Union trademark application); *RTL Interactive GmbH*, R-334/2018-2 (2d Bd. App. EUIPO, July 25, 2018, unreported) (finding an unsuccessful application to register figurative mark consisting of a play button, relating to international

without a proper articulation of its meaning and reach, it is unclear how European tribunals should apply the settled *departs significantly* criterion to this novel category of web trade dress brands. Nor is it clear what relevant considerations they should take into account for assuming consumer predisposition to treating trade dress in general as source-identifier. The information age raises significant challenges for traditional IP concepts that were largely developed offline, but which may need to be revisited to accommodate new market realities.³⁴

Recent doctrinal developments around subject-matter eligible for registration highlights the international implications of properly deconstructing the meaning of the distinctiveness requirement as embodied in the *departs significantly* criterion. Indeed, a case in point is Apple's success in persuading the CJEU to accept in principle the potential 3D registration of its retail environment as a service trade dress mark subject to meeting the *departs significantly* criterion.³⁵ Moreover, U.S. courts are increasingly willing to accept that the nonfunctional design and digital presentation of goods and services may also act as a source-identifying brand for internet consumers.³⁶ Elements of look and feel may combine "to form a protectable virtual experience that provides the user with 'cognitive absorption'; a graphical user interface that facilitates the development of an intuitive engagement."³⁷ As European courts increasingly follow the United States' lead, nothing in principle prevents U.S. companies from seeking similar protection in the EU.³⁸ In academic quarters however, the foundational concept of European distinctiveness is generally under-explored, and the *departs significantly* criterion is no exception. Indeed, while

registration); Google LLC, R-489/2016-2 (2d Bd. App. EUIPO, Sept. 23, 2016) (unreported) (unsuccessful attempt to register the YouTube red icon as a figurative mark); Apple Inc., R-2985/2014-5 (5th Bd. App. EUIPO, Aug. 7, 2015) (unreported) (unsuccessful application to register figurative mark consisting of a video camera icon); F. Smit Holding B.V., R-435/2013-2 (2d Bd. App. EUIPO, Jan. 10, 2014) (unreported) (unsuccessful application to register a figurative mark consisting of a "play" key). *But see* Case R-2434/2015-2, Apple Inc. (2d Bd. App. EUIPO, Apr. 8, 2016) (unreported) (finding a successful registration of computer software icon).

³⁴ This is clearly the case of copyright protection, but EU trademark law has not remained immune either, see C-324/09, *L'Oréal SA v eBay*, 2011 E.C.R. I-06011 (potential trademark liability of online market owner); *Joined Cases C-236/08 to C-238/08, Google France SARL v. LVM*, 2010 E.C.R. I-02417 (potential trademark infringement of search engine and individual advertisers).

³⁵ R-2434/2015-2, *Apple Inc.*

³⁶ *Conference Archives, Inc. v. Sound Images, Inc.*, No. 3:2006-76, 2010 WL 1626072, at *15 (W.D. Pa. Mar. 31, 2010).

³⁷ *Id.* U.S. scholars have also explored the natural extension of trade dress law to protect the look and feel of digital platforms. See Sabrina Rodrigues, *Say "Yes" to the [Trade] Dress: A Comment on Trade Dress Protection for the "Look and Feel" of Lifestyle Blogs*, 53 WAKE FOREST L. REV. 1005 (2018).

³⁸ See, e.g., *supra* note 33 (showing examples of trademark applications filed by U.S. companies).

acknowledging that the nondistinctiveness hurdle “has a significant role to play in relation to marks comprising the shape of goods or their packaging,” the latest UK edition of the definitive practitioner text on trademarks devotes merely a section to the criterion without substantive examination.³⁹ This is so despite contemporary commentary highlighting “the rising trend of registering shapes and other non-traditional trademarks” which, astonishingly, has been accompanied only by “a partial expansion of the grounds for denying these registrations or the creation of defenses to permit relevant uses of these or similar signs....”⁴⁰

This Article represents the first attempt to unpack and deconstruct the meaning and policies underlying the settled EU approach to analyzing inherent distinctiveness claims for product trade dress marks—the elusive departs significantly criterion. The criterion’s shortcoming as a “test” is that it provides no specific questions or objective considerations to enable examiners to make the necessary findings on particular facts.⁴¹ Indeed, while *Henkel Perwoll Bottle* uncovered the criterion as the starting point for gauging the source-identifying potential of product trade dress without stricter requirements or categorical assumptions of nondistinctiveness, the *Henkel Perwoll Bottle* line of case law has not specified exactly *what* constitutes a distinctive product shape that significantly departs from the adopted norms and thereby fulfils, from the consumer viewpoint, its source-indicating function.⁴² However, I would argue that this is far from constituting an abstract unmanageable approach or unsuitable criterion for measuring potential consumer association of product design/shape with trademarks, as some would contend.⁴³

This Article undertakes a more extensive examination of important developments and nuances in the case law to assert that, contrary to widely-held beliefs, the CJEU *does* give us important hints as to the controlling factors and useful tools to arrive at reasonably predictable results in fact-sensitive

³⁹ KERLY’S LAW OF TRADE MARKS AND TRADE NAMES §§10–10, 10–86 (David Keeling et al. eds., 16th ed, 2017).

⁴⁰ Irene Calboli, *Chocolate, Fashion, Toys, and Cabs: The Misunderstood Distinctiveness of Non-Traditional Trademarks*, 49 INT’L REV. INTELL. PROP. & COMPETITION L. 1, 1–2 (2018).

⁴¹ See *infra* Parts IV.B–C.

⁴² This is not to say that there are no relevant factors emerging from the case law. See *infra id.*

⁴³ Annette Kur, *Too Common, Too Splendid, or ‘Just Right’? Trade Mark Protection for Product Shapes in the Light of the CJEU Case Law 26* (Max Planck Inst. for Innovation and Competition Res. Paper No. 14-17, 2014) (arguing that the CJEU’s departs significantly criterion is “rather suitable for protecting creative achievements rather than for testing the ability of a sign to function as trade mark.”); Ilanah Fhima, *Introducing Reality into Trade Mark Law*, 9 J. INTELL. PROP. L. & PRAC. 684, 684–85 (2014).

determinations of likely consumer reactions.⁴⁴ Indeed, this Article identifies those controlling factors that emerge from a tripartite contextual analysis of the case law: first, the role of branding practices to which consumers are exposed; second, the importance of general knowledge and third, the experience of the European Union Intellectual Property Office (“EUIPO” or “the Office”)—formerly, the Office for Harmonization in the Internal Market (OHIM)—in articulating the practices and adopted norms of the sector.⁴⁵ It moreover argues that one cause of the difficulties is that the criterion in fact entails two complementary evaluations even though the CJEU’s guidance has not explicitly addressed them separately, namely the extent of the mark’s departure from the adopted norms *and* the extent of its impact upon consumer expectations.⁴⁶ Merely satisfying one factual condition—a significant difference from what is customary—cannot and should not automatically meet the other policy condition underlying source significance for reasons of public interest.⁴⁷ This second condition relies on the presumed inability of average consumers to distinguish the signs from the product of which they are an intrinsic part, *even* where such signs are novel and thus outside the norm of the sector. This can be described as a Chicago approach to distinctiveness in that it implicitly seeks to develop trademark registration requirements in ways that make it incredibly difficult—but not impossible—for assiduous manufacturers to restrain unreasonably the freedom of others to compete effectively by securing permanent exclusive rights over fundamental geometric forms and thereby diminish rather than improve social benefits.⁴⁸ New entrants should not therefore be disadvantaged by the first manufacturer to register trade dress marks which may not be exclusively utilitarian but are easier to manufacture or more readily marketable.⁴⁹ The pursuit of consumer welfare is part of trademark law and the distinctiveness method underpinning the departs significantly criterion neatly grounds registration requirements upon competition law. Thus, the two complementary assessments within the criterion necessarily require more than

⁴⁴ See *infra* Part IV.

⁴⁵ *Id.*

⁴⁶ See *infra* Part IV.A.2.

⁴⁷ *Id.*

⁴⁸ Richard A. Posner, *The Chicago School of Antitrust Analysis*, 127 U. PA. L. REV. 925, 931–32 (1979).

⁴⁹ See Joined Cases C-456/01 P & C-457/01 P, *Henkel KGaA v. OHIM*, AG Opinion, 2004 E.C.R. I-5092, ¶ 87 (3D shape-of-product marks for dishwashing tablets); Joined Cases C-468/01 P to C-472/01 P, *Proctor & Gamble Co. v. OHIM*, AG Opinion, 2004 E.C.R. I-5092, ¶ 69 (3D shape-of-product marks for dishwashing tablets).

mere circumstantial evidence of the type identified in the *Windsurfing Chiemsee* line of case law.⁵⁰

Moreover, trademark law has always viewed attempts to protect 3D shapes as trademarks with caution and heightened suspicion, and for good reason.⁵¹ Unrestrained registration of shape marks confers upon a trader a perpetual monopoly in products and containers themselves, limiting the freedom of others to market their own brands of the same (or similar) competing goods and thereby harming consumer interests in vigorously competitive markets.⁵² This raises significant questions of law and policy, which do not usually arise with more conventional marks such as words and logos.⁵³ The international practice has been for countries to address these concerns in different ways, either by enacting “shape specific” provisions for permanently refusing the registration of shape-of-product marks on grounds of “functionality”⁵⁴ and/or setting a significantly higher threshold to overcome the general condition of distinctiveness.⁵⁵ With regard to distinctiveness, some countries either accept protection of shape marks only after demonstrated market acceptance (secondary meaning)⁵⁶ or impose an exacting test for assuming their source-identifying capacity (inherent distinctiveness) before registration.⁵⁷ While the United States eventually came to adopt the former approach placing greater importance upon secondary meaning,⁵⁸ the EU has remained firmly wedded to the latter in promoting a single distinctiveness standard for *all* marks.⁵⁹ Our understanding of

⁵⁰ See Joined Cases C-108/97 & C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v. Boots- und Segelzubehör Walter Huber*, 1999 E.C.R. I-2810, ¶¶ 49–52; see also Joined Cases C-217/13 & C-218/13, *Oberbank AG v. Deutscher Sparkassen- und Giroverband eV*, 2014 E.C.R. 2012, ¶¶ 38, 40–42; Case C-98/11 P, *Chocoladefabriken Lindt & Sprüngli AG v. OHIM*, 2012 E.C.R. 307, ¶¶ 41–42; Case C-24/05 P, *August Storck KG v. OHIM*, 2006 E.C.R. I-5693, ¶¶ 23, 26.

⁵¹ Dev Gangjee, *Paying the Price for Admission: Non-Traditional Marks Across Registration and Enforcement*, in *THE PROTECTION OF NON-TRADITIONAL MARKS: CRITICAL PERSPECTIVES* 59, 63 (Irene Calboli & Martin Senftleben eds., 2018) (referring to the UK and Germany, which had traditionally refused registration of shapes as trademarks).

⁵² STUDY ON THE OVERALL FUNCTIONING OF THE EUROPEAN TRADEMARK SYSTEM, (Max Planck Inst. 2011) Max Planck Institute, 2–26 [hereinafter *The Study*].

⁵³ *Id.* ¶¶ 1–30.

⁵⁴ As in the EU, see TMD, *supra* note 1, art. 4(1)(e); EUTMR, *supra* note 1, art. 7(1)(e).

⁵⁵ *The Study*, *supra* note 52, ¶¶ 2–26.

⁵⁶ *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 213 (2000) (establishing that product design trade dress marks can never be inherently source-identifying and must demonstrate acquire source significance after market use for protection).

⁵⁷ *The Study*, *supra* note 52, ¶¶ 2–27 (observing that case law of the CJEU has arguably established a rather high threshold for establishing inherent distinctiveness).

⁵⁸ *Wal-Mart Stores*, 529 U.S. at 216.

⁵⁹ Joined Cases C-53/01 to C-55/01, *Linde AG*, Judgment, 2003 E.C.R. I-3177, ¶ 68.

distinctiveness therefore plays a central role in determining under what conditions any subject-matter may be assumed primarily to convey source information to consumers rather than simply product information.⁶⁰

This Article supports its claims by adopting a different approach from most conventional accounts, fleshing out the criterion in its historical context rather than in the abstract without nuances. Contrary to common opinion, this Article does not propose abandoning the “depart significantly” criterion as the settled analytical tool for assessing the suitability of unconventional subject-matter to serve as trademark. The law should maintain robust safeguards to exclude standard or striking design elements from registration without material circumstances to suggest likely consumer acceptance. Unlike LJ Floyd’s view in *London Taxi Co.* that the proper interpretation of the departs significantly criterion is not *acte claire*,⁶¹ this Article argues that a more extensive review of the CJEU’s case law would reveal otherwise. Furthermore, by undertaking an extensive review of the criterion’s origins and evolution, this article identifies some “legacy issues” that have (wrongly) entrenched the role of distinctiveness as the main safeguard against monopolization of utilitarian shapes, relegating the more appropriate role of other doctrinal tools such as descriptiveness, customariness, and functionality.⁶² Shapes are generally refused registration for failing to depart significantly from what is customary in the sector without examining their potential for distorting product competition upon functionality grounds.⁶³ The effect of this approach has been to unnecessarily stretch distinctiveness to achieve competition goals that are normally addressed under the functionality doctrine.

Another cause of the difficulties with the departs significantly criterion is the (unarticulated) empirical basis for its normative presumption about consumer habits.⁶⁴ Under this empirical rule, the CJEU assumes that European average consumers are not ordinarily in the habit of choosing products based solely upon their appearance or color, disregarding any verbal or graphic element that may also be present.⁶⁵ This rule strongly militates against finding inherent distinctiveness too easily. Drawing upon empirical evidence, contemporary

⁶⁰ See *infra* Part I.C.

⁶¹ *London Taxi Co.*, [2017] AC 1729, ¶ 42.

⁶² See *infra* Part I.E.

⁶³ *Id.*

⁶⁴ See *infra* Part II.

⁶⁵ *Id.*

scholarship challenges this judicial assumption.⁶⁶ Some call for its revision, citing more appropriate scientific proof while others even claim that it paradoxically provides dysfunctional incentives for traders to invest heavily in educating consumers as a way of overcoming its presumptive barrier.⁶⁷ This Article challenges these increasingly popular criticisms. It analyses the source of the problems and confusion surrounding the normative presumption about consumer visual habits, arguing that as a matter of fact there *is* some empirical support for it even if the CJEU has never expressly cited it.⁶⁸ While resting upon a conservative view of “presumed” consumer expectations, the normative assumption is an important control device which *does* allow for empirical modification and serves the critical function of enabling tribunals to demarcate a bright line between registered design protection and trademark law’s source significance.⁶⁹

The 2015 legislative changes to the Directive and the Regulation have done nothing to clarify or realign the course of the CJEU’s approach to the distinctiveness criteria despite the legislative expansion of the universe of unconventional subject-matter that may now secure registration.⁷⁰ This suggests a tacit acknowledgement that there is a central role for courts to play in developing legal norms in conjunction with legislators. The lack of legislative clarification thus enhances the Court’s role in articulating an appropriate distinctiveness threshold that takes account of the specific nature of product shapes and the unique policy concerns their protection raises.⁷¹ This reinforces one of the central aims of this article regarding the pressing need for a more rigorous academic engagement with the principles and policies underpinning the *departs significantly* criterion. As stated, the approach adopted here is to present a contextual historical analysis of EU case law so as to highlight significant nuances in the factual situations confronting the CJEU’s principled approach.⁷² Whilst the criterion does not render shape-of-product marks effectively unregistrable, it does require applicants to demonstrate more than the mere fact that their design or shape is unique or completely unusual. EU law places the

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ The Study, *supra* note 52, ¶¶ 2–28. The Study served as a basis for the reforming the Trademarks Directive and the Regulation and suggested either removing the expression “significantly” within the “*departs significantly*” criterion or imposing secondary meaning as a pre-condition for registering product shape marks. None of these proposals were adopted.

⁷¹ *See infra* Part IV.A.3.

⁷² *See infra* Part I.C.1–3.

heavy burden of proving distinctiveness upon applicants, not the Office.⁷³ Applicants' failure to offer a sufficiently developed basis for assuming likely consumer predisposition means that the normative presumption about consumer purchasing habits will militate against source significance.⁷⁴ This is an inherently fact-sensitive evaluation that renders attempts to register appearance alone difficult because it forces applicants to demonstrate the existence of specific material circumstances to displace this normative presumption.⁷⁵ However, this Article defends the *departs significantly* criterion given the extensive monopoly and considerable economic value of registering shapes as trademark. Properly applied, this criterion enables European law to distinguish those few instances in which shapes are primarily likely to serve a source-identifying function from the vast majority of cases in which product shapes are simply products.⁷⁶

This Article proceeds in five parts. Part I sets out the general EU approach to distinctiveness and revisits general principles by highlighting three of these controversial distinctiveness principles that were developed around product trade dress and are often cited as the source of academic criticism and discontent. Part II elaborates upon the most controversial principles around the *departs significantly* criterion, namely the empirical rule about consumer habits, and challenges the assumption that such a rule lacks empirical grounding. Part III then reappraises the policies of the *departs significantly* criterion by demystifying common misunderstandings and the increasingly popular criticism that its central rule about consumer habits actually creates dysfunctional incentives. With these clarifications, Part IV turns to examine controlling factors that emerge from a tri-partite contextual analysis of the case-law: first, the role of branding practices to which consumers are exposed; second, the importance of general knowledge; and third, the experience of the EUIPO in articulating the practices and adopted norms of the sector. Finally, Part V revisits *Freixenet* as the only reported case where the CJEU has reversed a finding of noninherent distinctiveness, highlighting significant nuances that have hitherto escaped proper examination. It also considers some outstanding issues such as the emerging rationalization of the CJEU's jurisprudence in the lower EU tribunals and the normative implications underlying the CJEU's empirical rule that there is ordinarily no consumer habit of assuming commercial origin of products by reference to their appearance.

⁷³ See *infra* Part IV.B–C.

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ See *infra* Part III.A.

I. GENERAL APPROACH TO DISTINCTIVENESS ASSESSMENTS

A. *The Structure of EU Law*

Unconventional marks such as product trade dress brands often protect products themselves or their features, which potentially allows the proprietor to control the market for that type of product.⁷⁷ This has profound implications for market competition: permanent registration inhibits the freedom of competitors to design and use not only products of the same shape but also a wide range of similar forms.⁷⁸ This defies the rule that there is generally no tension between trademark law and free competition in the sense that the exclusivity arising from registration does not typically diminish the ability of others to offer goods for sale because they can market identical or similar goods drawing from an infinite supply of potential brand names.⁷⁹ In fact, competition concerns are particularly acute where protection is afforded to signs which are indissociable from the appearance of the goods they designate and which may be of limited supply, as is the case with shape marks and trade dress marks.⁸⁰ Unlike other forms of IP protection such as registered designs, patents or copyright which are limited in time, trademark registration of shapes and product features is in principle perpetual as long as there is market use. Moreover, protection of shapes is not driven by the desire to limit market exclusivity to specific periods of time at the end of which their registration will expire, expanding the public domain and

⁷⁷ The Study, *supra* note 52, ¶¶ 2–26.

⁷⁸ Case C-30/15 P, *Simba Toys GmbH & Co. KG v. EUIPO*, ECLI:EU:C:2016:849, ¶¶ 38–39 (Nov. 10, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=188220&pageIndex=0&doclang=en&mode=req&dir=&occ=first&part=1&cid=5390629>. The CJEU itself recognizes the potential that registration of shape mark has in distorting competition by stressing, before analyzing the functional signs exclusions in Directive Article 3(1)(e) and EUTMR Article 7(1)(e), that “trade mark law constitutes an essential element of the system of competition in the EU.” *See id.* ¶ 36; Joined Cases C-337/12 to C-340/12, *Pi-Design AG v. Yoshida Metal Indus. Co.*, ECLI:EU:C:2014:129, ¶ 42 (Mar. 6, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=148744&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=4334539>; Case C-48/09 P, *Lego Juris A/S v. OHIM*, 2010 E.C.R. I-08403, ¶ 38.

⁷⁹ Case C-205/13, *Hauck GmbH & Co. KG v. Stokke A/S*, AG Opinion, ECLI:EU:C:2014:322, ¶¶ 31–32 (May 14, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=152243&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5391009>; Roland Knaak et al., *Study on the Overall Functioning of the European Trade Mark System*, 52 (Max Planck Inst. for Innovation and Competition Res. Paper No. 12–13, 2011).

⁸⁰ Case C-163/16, *Louboutin v. Van Haren Schoenen BV*, AG Opinion, ECLI:EU:C:2017:495, ¶ 21 (June 22, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=192069&pageIndex=0&doclang=en&mode=req&dir=&occ=first&part=1&cid=5391766>; Case C-163/16, *Christian Louboutin v. Van Haren Schoenen BV*, AG Opinion, ECLI:EU:C:2018:64, ¶ 57 (Feb. 6, 2018), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=199102&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=5391565>; *see Simba Toys GmbH*, ECLI:EU:C:2016:849, ¶¶ 30–31.

fostering product competition by free imitation. The social importance of these anticompetitive effects cannot be underestimated even though few commentators have engaged with the central condition for trademark registration, namely distinctiveness.⁸¹

The concept of distinctiveness has a foundational role in trademark law.⁸² Unless the mark is distinctive of source, the public will not acknowledge it for its identificatory purpose of signaling the origin of the marked product and distinguishing it from similar products of competitors.⁸³ Goodwill is unlikely to attach to the marked goods.⁸⁴ The central role of distinctiveness is thus to separate protectable trademarks from other subject-matter.⁸⁵ It also has a role to play as a relevant factor for establishing the appropriate penumbra of protection of a proprietor's registered mark.⁸⁶ As one of the most foundational concepts, trademark law relies heavily upon distinctiveness as a vehicle for setting appropriate boundaries around registration and fulfilling specific normative commitments that advance its core goal of promoting and maintaining a competitive market.⁸⁷ Nonetheless, distinctiveness as a concept has evolved largely in connection with conventional categories of mark such as words, graphics, logos, labels, etc., with almost incidental contact with less conventional subject-matter like 3D product shapes (or product configurations), color, color combinations, scents, etc.⁸⁸ Within the international IP system, Trade-Related Aspects of Intellectual Property Rights (TRIPS) mandates protection for all types of signs provided that they are capable of distinguishing.⁸⁹ Similarly, under both the Directive and the Regulation, European law envisages registration for any signs capable of distinguishing the

⁸¹ See *infra* Part IV.A.

⁸² Mark McKenna, *Teaching Trademark Theory Through the Lens of Distinctiveness*, 52 ST. LOUIS U. L.J. 843, 846 (2008).

⁸³ *August Storck KG*, ECLI:EU:C:2017:340, ¶ 32.

⁸⁴ Graeme Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 483 (1997).

⁸⁵ McKenna, *supra* note 82, at 847.

⁸⁶ Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV*, Judgment, 1999 E.C.R. I-3830, ¶ 20 (“[T]he more distinctive the earlier mark, the greater will be the likelihood of confusion and therefore marks with a highly distinctive character, either *per se* or because of the recognition they possess on the market, enjoy broader protection than marks with a less distinctive character.”).

⁸⁷ Graeme Dinwoodie, *Panel Discussion: Remembering Justice Scalia in IP Cases*, 16 CHL.-KENT J. INTELL. PROP. 203, 207 (2016) (“Distinctiveness is a mix of empirical and normative analysis.”).

⁸⁸ See *infra*, Part I.B.

⁸⁹ Agreement on Trade-Related Aspects of Intellectual Property Rights art. 15(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299 (1994) [hereinafter TRIPS Agreement].

applicant's goods or services from those of other traders.⁹⁰ It is striking however that none of these legal instruments provides any analytical framework for evaluating the presence or otherwise of a sign's intrinsic capacity to convey source information. Unsurprisingly, the courts have played a central role in articulating and developing such frameworks, bearing in mind basic trademark principles.⁹¹

Under the structure of EU law, TMD Article 4(1) (formerly Article 3(1)) and EUTMR Article 7(1) set out several negative criteria that any registrable sign must be free of even when satisfying the general positive requirements for registration under TMD Article 3 (formerly Article 2) and EUTMR Article 4.⁹² There are also shape specific provisions that permanently exclude the registration of functional signs that consist exclusively of the shape or, as of 2015, "another characteristic" which: (i) results from the nature of the goods themselves; (ii) is necessary to achieve a technical result; or (iii) adds substantial value to the goods. These permanent exclusions are now listed under Article 4(1)(e) (formerly TMD Article 3(1)(e)) and EUTMR Article 7(1)(e). Thus, by express intention of the EU legislator, natural, functional and ornamental shapes or product characteristics are wholly incapable of serving a source-identifying function and are precluded from ever acquiring source-identifying capacity (or secondary meaning) even after successful market use and accumulated consumer goodwill.⁹³ Up until recently there was a paucity of case law around the meaning and scope of these fatal criteria.⁹⁴ Following a string of recent CJEU decisions that offer much needed guidance, there has been a surge in academic interest around these functional signs exclusions.⁹⁵ Nevertheless, this renewed academic interest has not matched a similar interest in the *other* statutory grounds that, independently of Articles 4(1)(e) and 7(1)(e), product shapes must also overcome prior to registration.

⁹⁰ TMD, *supra* note 1, art. 3; EUTMR, *supra* note 1, art. 4; *see also* Case C-541/18, AS v. Deutsches Patent- und Markenamt, ECLI:EU:C:2019:725, ¶ 18 (Sept. 12, 2019), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=217669&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5393209>.

⁹¹ *See infra* Part I.B.

⁹² TMD, *supra* note 1, art. 4(1); EUTMR, *supra* note 1, art. 7(1).

⁹³ Council Directive 2015/2436, O.J. (L 336) 1, 8 [hereinafter Recast Directive] (to approximate the laws of the Member States relating to trade marks); EUTMR, *supra* note 1, art. 9.

⁹⁴ *See generally supra* note 2.

⁹⁵ *See Lynch, supra* note 2, at 465; Chronopoulos, *supra* note 2, at 287; Engels & Lehr, *supra* note 2, at 797; Quaedvlieg, *supra* note 2, at 102.

Nothing in the wording of EU law prevents shape-of-product marks from being treated differently, which suggests that they may be examined under one or more of the other grounds in sub-paragraphs (b)–(d) and refused registration even if they are not wholly functional.⁹⁶ Indeed, a major obstacle that has traditionally stood in the way of applicants seeking to register product trade dress marks is nondistinctiveness under former EUTMR Article 3(1)(b) (now Article 4(1)(b)) and Directive/Article 7(1)(b) according to which “trademarks which are devoid of any distinctive character” are not to be registered or, if registered, are liable to be declared invalid.⁹⁷ Similarly, the more specific illustrations of nondistinctiveness under former EUTMR Article 3(1)(c) and (d) (now Article 4(1)(c) and (d)) and Directive/Article 7(1)(c) and (d) represent further obstacles to the unjustified monopolization of graphic shapes that are descriptive⁹⁸ or customary⁹⁹ of the designated goods. It was therefore clear from the outset that, by express desire of the EU legislature, the registration path for shapes would be far from easy as they must “remain subject to a multifaceted examination of whether they are eligible to be registered as trademarks.”¹⁰⁰ This is not therefore as straightforward as with other categories of signs.

B. *Distinctiveness Rules of Thumb*

Distinctiveness underpins a range of legal doctrines, from validity to scope of protection to the conditions for maintaining exclusive rights.¹⁰¹ There is however no guidance in the wording of the former Article 3(1)(b) and Article 7(1)(b) as to the circumstances in which shapes (or any sign) may not be regarded as “devoid of any distinctive character.”¹⁰² Nor is there any textual indication about the method of assessment and the policy considerations that

⁹⁶ *Linde AG*, 2003 E.C.R. I-3177, ¶ 68; see Case C-218/01, *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737 ¶ 39 (“3D packaging mark for ‘Perwoll’ bottle.”).

⁹⁷ EUTMR, *supra* note 1, art. 7(1).

⁹⁸ Recast Directive, *supra* note 93, art. 7; EUTMR, *supra* note 1, art. 8 (prohibiting the registration of trademarks “which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service”).

⁹⁹ *Id.* (prohibiting the registration of trademarks “which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade”).

¹⁰⁰ Joined Cases C-53/01 to C-55/01, *Linde AG*, AG Opinion, 2002 E.C.R. I-3164, ¶ 27.

¹⁰¹ Case C-223/18 P, *Deichmann SE v. EUIPO*, ECLI:EU:C:2019:471, ¶ 27 (June 9, 2019), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=214765&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=9244742> (“The requirements that apply to verification of the genuine use of a mark are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration.”).

¹⁰² See TMD, *supra* note 1; EUTMR, *supra* note 1.

should guide any distinctiveness evaluation.¹⁰³ In view of this legislative omission, the challenging task of articulating the guiding principles of the EU distinctiveness standard has fallen to the CJEU, which arguably adopts a purposive interpretation relying upon the normative goals of trademark law and the overriding aims of the common market.¹⁰⁴ It has formulated several fundamental principles, some of which are of general application to all signs and some of which have played a central role in the registrability of product trade dress marks:

- 1) every sign of every category must be “distinctive” of the source: it must be capable of identifying the product as originating from a particular undertaking, and thus distinguishing it from those of other undertakings;¹⁰⁵
- 2) distinctive signs are capable of fulfilling the essential function of a trademark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling the recipient, without any possibility of confusion, to distinguish the product or service from others which have another origin;¹⁰⁶
- 3) distinctiveness evaluations can neither occur in the abstract nor separately from the designated goods or services;¹⁰⁷
- 4) in the concrete examination of whether any sign has the requisite distinctiveness, it is appropriate to take the standpoint and perception of the relevant public, which consists of average consumers of those goods or services;¹⁰⁸
- 5) the legal fiction of the average consumer is assumed to be reasonably well-informed, reasonably observant, and circumspect;

¹⁰³ See TMD, *supra* note 1. EU legislator did provide extensive guidance on the assessment criteria for the likelihood of confusion.

¹⁰⁴ Case C-104/00, *DKV Deutsche Krankenversicherung AG v. OHIM*, AG Opinion, 2002 E.C.R. I-7563, ¶ 34 [hereinafter *Companyline*]. Central in this task has been the non-binding Opinions of the Court’s Advocates General.

¹⁰⁵ Case C-64/02, *OHIM v. Erpo Möbelwerk GmbH*, 2004 E.C.R. I-10031, ¶ 33 [hereinafter *Erpo*] (discussing slogan mark DAS PRINZIP DER BEQUEMLICHKEIT or “The Principle of Comfort”); Case C-218/01, *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 30.

¹⁰⁶ Case C-299/99, *Koninklijke Philips Elecs. NV v. Remington*, 2002 E.C.R. I-05475, ¶ 31 [hereinafter *Remington*]; *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 30.

¹⁰⁷ Case C-517/99, *Merz & Krell GmbH & Co.*, 2001 E.C.R. I-06959, ¶ 29 (discussing word mark “Bravo” for writing implements); *Remington*, 2002 E.C.R. I-05475, ¶ 59; Case C-104/01, *Libertel Groep BV v. Benelux-Markenbureau*, 2003 E.C.R. I-03793, ¶ 76 [hereinafter *Libertel*].

¹⁰⁸ *Libertel*, 2003 E.C.R. I-03793, ¶ 45; Case C-37/03, *BioID AG v. OHIM*, 2005 E.C.R. I-07975, ¶ 28 (discussing compound mark “BioID”); *Henkel Perwoll Bottle*, 2004 E.C.R. 88, ¶ 51; Case C-329/02, *SAT.1 Satellitenfernsehen GmbH v. OHIM*, 2004 E.C.R. I-08317, ¶ 24 [hereinafter *SAT.1*].

and provides the yardstick against which all questions of distinctiveness must be answered;¹⁰⁹

- 6) the difficulties in demonstrating inherent distinctiveness, which may be associated with certain categories of signs due to their very nature, do not justify imposing specific requirements that supplement or derogate from the general distinctiveness criteria;¹¹⁰
- 7) nor do those difficulties justify rules under which certain signs are found noninherently distinctive as a matter of principle¹¹¹ or without an *a priori* examination on the facts;¹¹²
- 8) in principle, the distinctiveness criteria of 3D shape-of-product marks are no different from those applicable to other categories of marks;¹¹³
- 9) though the starting point is equal criteria for all marks, the relevant public's perception is not necessarily the same for each of those categories, and it may prove more difficult to establish distinctiveness for some categories of mark than for others;¹¹⁴
- 10) EU law is thus guided by the empirical rule that average consumers are not in the habit of making assumptions about the origin of goods on the basis of their color,¹¹⁵ shape, shape of their packaging,¹¹⁶ or even advertising slogans,¹¹⁷ in the absence of any graphic or word elements;

¹⁰⁹ *Remington*, 2002 E.C.R. I-05475, ¶ 63; Joined Cases C-53/01 to C-55/01, *Linde AG*, 2002 E.C.R. I-3164, ¶ 41; *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 50.

¹¹⁰ *Erpo*, 2004 E.C.R. I-10031 ¶ 36; Case C-404/02, *Nichols plc v. Registrar of Trade Marks*, 2004 E.C.R. I-08499, ¶ 26 (discussing surname mark).

¹¹¹ *Linde AG*, 2002 E.C.R. I-3164, ¶ 75 (discussing 3D shape-of-product marks for the shape of a forklift, a torch, and a wristwatch); *Libertel*, 2003 E.C.R. I-03793, ¶ 41.

¹¹² Case C-265/09, *OHIM v. BORCO-Marken-Import Matthiesen GmbH & Co.*, 2010 E.C.R. I-08265, ¶ 37 (discussing single letter mark); *Nichols plc*, 2004 E.C.R. I-08499, ¶ 29 (discussing surname mark).

¹¹³ *Remington*, 2002 E.C.R. I-05475, ¶ 49; *Linde AG*, 2002 E.C.R. I-3164, ¶ 42; Joined Cases C-456/01 P & C-457/01 P, *Henkel KGaA v. OHIM*, Judgment, 2004 E.C.R. I-5115, ¶ 38 [hereinafter *Henkel Dishwashing Tablets*] (discussing 3D shape-of-product marks for dishwashing tablets); Joined Cases C-468/01 P to C-472/01 P, *Procter & Gamble Co. v. OHIM*, Judgment, 2004 E.C.R. I-5145, ¶ 36 [hereinafter *P&G Dishwashing Tablets*] (discussing 3D shape-of-product marks for dishwashing tablets).

¹¹⁴ *Linde AG*, 2002 E.C.R. I-3164, ¶ 48; *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 38 (discussing 3D shape-of-product marks for dishwashing tablets); *P&G Dishwashing Tablets*, 2004 E.C.R. I-5145, ¶ 36 (discussing 3D shape-of-product marks for dishwashing tablets); *Glaverbel v. OHIM*, 2002 E.C.R. II-3887, ¶ 23 (discussing figurative mark consisting of the texture of a glass surface); *Nichols plc*, 2004 E.C.R. I-08499, ¶ 26 (discussing surname mark); *Erpo*, 2004 E.C.R. I-10031, ¶ 35 (discussing slogan marks).

¹¹⁵ *Libertel*, 2003 E.C.R. I-03793, ¶ 65.

¹¹⁶ C-218/01, *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737 ¶ 30; *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115 ¶ 38; *P&G Dishwashing Tablets*, 2004 E.C.R. I-5145 ¶ 36.

¹¹⁷ Case C-311/11, *Smart Techs. ULC v. OHIM*, ECLI:EU:C:2012:460, ¶ 26 (July 12, 2012),

- 11) the grounds for refusing registration are independent of one another, and each call for separate examination, which makes it possible to conclude that a mark cannot function as a trademark for reasons other than its descriptive or customary character, though only one ground suffices to refuse registration;¹¹⁸
- 12) conversely, the fact that a mark is not exclusively descriptive or customary of the goods or services is no basis for concluding that the mark is inherently distinctive;¹¹⁹
- 13) by virtue of settled case law, the possibility of registering certain marks may be limited for reasons relating to the public interest;¹²⁰
- 14) the grounds are therefore underpinned by public policy considerations and, while there is some overlap between the grounds, their public policy nature requires that each of them must be kept separate and interpreted by reference to the specific public interest aim underlying it;¹²¹
- 15) the specific public interest may, or even must, entail different considerations depending upon which ground is at issue;¹²²
- 16) while the specific objective of rejecting descriptive, customary, and functional signs is to preserve their availability by keeping their use free for all—and thereby protect competitor interests and freedom of competition—such competition concerns do not explicitly underpin the omnibus role of the nondistinctiveness ground;¹²³

<http://curia.europa.eu/juris/document/document.jsf?text=&docid=124990&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=4333927> (discussing the slogan mark “Wir Machen das Besondere Einfach”); Case C-398/08 P, Audi AG v. OHIM, 2010 E.C.R. I-00535, ¶ 37 (discussing the slogan mark Vorsprung durch Technik); *Erpo*, 2004 E.C.R. I-10031, ¶ 35.

¹¹⁸ Case C-265/00, Campina Melkunie v. Benelux-Merkenbureau, 2004 E.C.R. I-1705, ¶ 19 (discussing word mark “BioMild” for various milk products); Case C-51/10 P, Agencja Wydawnicza Technopol sp. z o.o. v. OHIM, 2011 E.C.R. I-01541, ¶ 46.

¹¹⁹ Case C-363/99, Koninklijke KPN Nederland NV v. Benelux-Merkenbureau, Judgment, 2004 E.C.R. I-1651, ¶ 70 [hereinafter *Postkantoor*].

¹²⁰ Joined Cases C-108/97 & C-109/97, Windsurfing Chiemsee Produktions- und Vertriebs GmbH v. Boots- und Segelzubehör Walter Huber, 1999 E.C.R. I-2810, ¶ 25; Case C-299/99, *Remington*, 2002 E.C.R. I-05475, ¶ 77; *Libertel*, 2003 E.C.R. I-03793, ¶ 50.

¹²¹ *Libertel*, 2003 E.C.R. I-03793, ¶ 51; *Erpo*, 2004 E.C.R. I-10031, ¶ 39; *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 45; *Postkantoor*, 2004 E.C.R. I-1651, ¶ 94; Case C-304/06 P, Eurohypo AG v. OHIM, 2008 E.C.R. I-3316, ¶ 54; Joined Cases C-337/12 to C-340/12, Pi-Design AG v. Yoshida Metal Indus. Co., ECLI:EU:C:2014:129, ¶ 44 (Mar. 6, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=148744&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2684769>.

¹²² *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 46; Case C-37/03, *BioID AG v. OHIM*, 2005 E.C.R. I-07975, ¶ 59; Case C-173/04 P, *Deutsche SiSi-Werke GmbH v. OHIM*, 2006 E.C.R. I-568, ¶ 59 (regarding shapes of stand-up pouches for fruit drinks) [hereinafter *SiSi-Werke*].

¹²³ *SAT.1*, 2004 E.C.R. I-08317, ¶ 36; *BioID AG*, 2005 E.C.R. I-07975, ¶ 62; *Erpo*, 2004 E.C.R. I-10031,

- 17) instead, the general interest underlying the nondistinctiveness barrier is inextricably associated with the essential function of the mark and specifically includes the average consumer's interests in being able to recognize the goods covered by a trademark and associate them with a particular manufacturer;¹²⁴
- 18) the only exception in which competitor interests are part of the distinctiveness assessment is the registration of color per se marks for which the CJEU has fashioned a public interest aim not to restrict unduly the availability of colors for other competitors selling the same goods or services.¹²⁵

Academics have questioned some of these principles, particularly the equal treatment for all marks (Principle 8), the empirical rule about consumer habits (Principle 10), and the general interest aim pursued by distinctiveness which focusses only on the mark's essential function with no explicit regard for competitor interests (Principle 16). These criticisms are commonly raised in the context of shape marks and, by extension, the departs significantly criterion. The following sections evaluate Principles 8 and 16 while Part II examines the arguments around Principle 10.

C. Equal Treatment Principle

Marks which are devoid of any distinctiveness also cannot fulfill their essential function in the sense of Principle 2. A nondistinctiveness objection is linked to the prima facie inability of consumers to treat shape alone as a guarantee of commercial origin for the designated goods. Therefore, the European nondistinctiveness barrier excludes those signs that, according to presumed expectations of average consumers, will not reliably convey source significance.¹²⁶ The CJEU has consistently ruled that all marks must be treated equally, but it has also provided a rebuttable presumption—according to Principle 10—that EU consumers do not normally infer commercial origin from the shape or color of the product or its container, disregarding any graphic or

¶ 37.

¹²⁴ *SiSi-Werke*, 2006 E.C.R. I-568, ¶ 69 (regarding shapes of stand-up pouches for fruit drinks); *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 48; *Eurohypo AG*, 2008 E.C.R. I-3316, ¶ 59.

¹²⁵ Case C-447/02 P, *KWS Saat AG v. OHIM*, Judgment, 2004 E.C.R. I-10133, ¶ 68 (“[A] colour does not in itself have a distinctive character...”); Case C-49/02, *Heidelberger Bauchemie GmbH*, 2004 E.C.R. I-6152, ¶ 41 (reaffirming that there is “a public interest in not unduly restricting the availability of colours for the other operators who offer for sale goods or services of the same type”); *Libertel*, 2003 E.C.R. I-03793, ¶ 55.

¹²⁶ *Libertel*, 2003 E.C.R. I-03793, ¶ 39; *Remington*, 2002 E.C.R. I-05475, ¶ 63; *Linde AG*, 2002 E.C.R. I-3164, ¶ 41; *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 50.

verbal elements. As the Court has openly acknowledged, the upshot of its empirical rule is that it could prove more difficult (but not impossible) to establish inherent distinctiveness for certain categories of mark, like packaging and shape marks, than for word or figurative marks.¹²⁷ This inherent difficulty applies to any sign that is indistinguishable from the appearance of the goods it designates. The Court has also crafted the rule that generally “the more closely the shape for which registration is sought resembles the shape most likely to be taken by the product in question, the greater ... the likelihood of the shape being devoid of any distinctive character....”¹²⁸ It is in the context of all these principles that the CJEU has consistently summarized the threshold for overcoming nondistinctiveness under former Article 3(1)(b) and Article 7(1)(b) by stating that “only a mark that 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....”¹²⁹

Beyond these pointers, no further elaboration is offered. Does this render the test for tribunals and national courts hopelessly abstract and unworkable, as some academics claim?¹³⁰ Part III of this Article will demonstrate that such claims are unfounded. Yet, contrary to what applicants frequently assert, the Court never said that a shape mark would possess the necessary distinctiveness *as long as* it departed significantly from the adopted norms of the sector.¹³¹ Nor did it say that the “norm” as a point of comparison is limited to *existing* designs or shapes on the market, such that in the absence of examples regarding identical or similar shapes the proposed mark cannot be noninherently distinctive according to presumed consumer expectations.¹³² Even if the product shape has yet to exist on the market and is truly new and perceptibly different from others, its design may still naturally come to mind for consumers in the light of the nature and type of products they have experienced before.¹³³ Therefore,

¹²⁷ *Linde AG*, 2002 E.C.R. I-3164, ¶ 48; *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 38; *P&G Dishwashing Tablets*, 2004 E.C.R. I-5145, ¶ 36.

¹²⁸ Case C-136/02 P, *Mag Instrument, Inc. v OHIM*, Judgment, 2004 E.C.R. I-9182, ¶ 31. This Article will refer to this rule as the “obvious shape” rule.

¹²⁹ C-417/16, *August Storck KG v. EUIPO*, ECLI:EU:C:2017:340, ¶ 35 (May 4, 2017); Case C-445/13 P, *Voss of Norway ASA v. OHIM*, ECLI:EU:C:2015:303, ¶ 91 (May 7, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=164150&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5400466> [hereinafter *Voss*]; *Mag Instruments, Inc.*, 2004 E.C.R. I-9182, ¶ 31; *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 39; *P&G Dishwashing Tablets*, 2004 E.C.R. I-5145, ¶ 37.

¹³⁰ *Kur*, *supra* note 43; *Fhima*, *supra* note 43.

¹³¹ *Voss*, ECLI:EU:C:2015:303, ¶ 91.

¹³² See *infra* Part V.B.

¹³³ *Id.*

“customs of the sector” cannot be interpreted solely in the light of current practice; this is the obvious shape rule’s effect.¹³⁴ Much less did the Court say that in ascertaining the norm or customs a tribunal had to survey the “prior art,” as some claim they must.¹³⁵ Part IV will highlight the vital role of the Office’s general experience in articulating market practices and predicting likely consumer reaction.

Academic criticisms frequently seize upon the Court’s language about equal distinctiveness criteria for all marks without imposing stricter requirements upon shape marks in order to argue that the departs significantly criterion actually constitutes a more demanding distinctiveness standard than the allegedly lower standard for other marks.¹³⁶ Some even claim that “nowhere is a significant departure from existing signs on the market required....”¹³⁷ One cannot help but wonder whether academic concentration upon this principle has diverted attention from the plain fact that, from a trademark perspective, shape marks are born with a disability—namely, they primarily convey product-related information rather than source-related information. The Court has rightly held that, in evaluating their source-identifying capacity, it is legitimate to focus attention upon these innate difficulties.¹³⁸ Distinctive signs must communicate a commercial message to consumers to be eligible for registration, i.e., that someone stands behind the marked product even though the source is unknown. As English courts acknowledge, “although the criteria are the same, the factual position concerning shape of goods marks is different”¹³⁹ for the simple reason that “unlike a word mark or a device, a mere shape can communicate further information only with difficulty.”¹⁴⁰ Due to their handicap, product shapes generally convey a technical or ornamental message rather than one about origin unless the public has been educated otherwise. This was expressly

¹³⁴ See *supra* footnote 113 and the cases cited therein.

¹³⁵ Kur, *supra* note 43, at 26.

¹³⁶ See *id.*; see also Ilanah Fhima, *The Public Interest in European Trade Mark Law*, 2017 INTELL. PROP. Q. 311, 318.

¹³⁷ Fhima, *supra* note 136, at 318; cf. Case T-408/15, *Globo Comunicação e Participações S/A v. OHIM*, ECLI:EU:T:2016:468, ¶ 57 (Sept. 13, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=183262&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5395306> [hereinafter *Globo*] (“A trade mark consisting of sounds resembling a ringing sound cannot perform an identifying function unless it includes elements capable of distinguishing it from other sound marks....”).

¹³⁸ This is particularly the case regarding slogan marks which also serve promotional functions, indications of quality, or incitements to purchase the designated goods or services but cannot, by virtue of that use, be excluded. See *Erpo*, 2004 E.C.R. I-10031, ¶ 36.

¹³⁹ Unilever Plc’s Trade Mark Applications, [2003] RPC 35, [651, 663, ¶ 36].

¹⁴⁰ Bongrain SA, Re Trade Mark Application, [2003] EWHC (Ch) 531 [13].

acknowledged by the manner in which the EU legislature drafted the specific prohibitions against functional signs in former Article 3(1)(e) and Article 7(1)(e).¹⁴¹

1. *The Impact of Historical Factors upon EU Distinctiveness*

The fact remains that academic criticisms all too often overlook important historical reasons for why European distinctiveness became the primary obstacle for shape marks and, in the process, came (wrongly) to assume the “protective” role of the functionality doctrine in former Article 3(1)(e) and Article 7(1)(e). There were indeed several historical factors that put these distinctiveness provisions under strenuous pressure to act as the main bulwark against easy monopolization of shapes.

First, the deep-seated reluctance of the then-OHIM (now EUIPO) to apply the provision that expressly concerns functional product shapes despite the CJEU’s initial instruction in *Remington*, *Linde*, and *Henkel Perwoll Bottle* to treat the functionality provisions in Article 3(1)(e) and Article 7(1)(e) as a “preliminary obstacle” liable to prevent registration.¹⁴² According to some accounts, OHIM Examiners had received internal instructions “to examine shape mark by ruling out a priori and, as such, the application of the grounds for refusal described in Article 7(1)(e) CTMR.”¹⁴³ The reason for a priori excluding any investigation into competitive effects of the registration was that the functionality provisions were considered “excessively difficult to interpret.”¹⁴⁴ Some scholars describe it as an anomalous situation, which resulted in EU Examiners consistently avoiding the very test they were required to apply first.¹⁴⁵ Second, the weight of opinion also supported this anomalous approach, advocating a narrow construction of functionality and arguing that “dealing with [shape marks] on

¹⁴¹ Joined Cases C-337/12 to C-340/12, *Pi-Design AG v. Yoshida Metal Indus. Co.*, ECLI:EU:C:2014:129, ¶ 26 (Mar. 6, 2014) (“[B]y restricting the ground for refusal set out in Article 7(1)(e)(ii) ... to signs which consist ‘exclusively’ of the shape of goods which is ‘necessary’ to obtain a technical result, the legislature duly took into account that any shape of goods is, to a certain extent, functional...”); Case C-48/09 P, *Lego Juris A/S v. OHIM*, 2010 E.C.R. I-08403, ¶ 48.

¹⁴² Case C-299/99, *Remington*, 2002 E.C.R. I-05475; Joined Cases C-53/01 to C-55/01, *Linde AG*, 2002 E.C.R. I-3164, ¶ 44; C-218/01, *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 36.

¹⁴³ STEFANO SANDRI & SERGIO RIZZO, *NON-CONVENTIONAL TRADE MARKS AND COMMUNITY LAW* 53 (2003).

¹⁴⁴ *Id.*; see also Jean-Christophe Troussel & Peter van den Broecke, *Is European Community Trademark Law Getting in Good Shape?*, 93 TRADEMARK REP. 1066, 1072 (2003).

¹⁴⁵ SANDRI & RIZZO, *supra* note 143, at 53.

the grounds of lack of distinctiveness seems preferable, because trademark protection remains available for the shape if it acquires distinctiveness by use....”¹⁴⁶ This view was widely supported in Germany.¹⁴⁷ But others rightly wondered whether the free choice of refusal grounds might open “a sympathetic door to the registration of shapes which the Directive intended to isolate from registration.”¹⁴⁸ Indeed, in supporting a restrictive view of functionality to permit protecting accumulated consumer goodwill, some even claimed that “we would be better off if the [Article 7(1)(e)] provision were deleted entirely, since three-dimensional marks can be dealt with under [Article] 7(1)(b).”¹⁴⁹ Third, coupled with these questionable opinions, commentators also encouraged brand owners to address the emerging issue of supermarket lookalikes and copycats “by seeking to register any new pack design or get-up” and securing permanent exclusivity rather than remedies through unfair competition or passing off.¹⁵⁰ This inevitably led to a massive surge in applications to register product shapes and get-up as trademarks.¹⁵¹ Fourth, after relegating functionality to a dormant provision with only incidental relevance, commentators even argued that the wording “devoid of any distinctive character” had to be interpreted restrictively as requiring, not a high, but a minimum degree of distinctiveness.¹⁵² According to

¹⁴⁶ Joachim Bornkamm, *Harmonising Trade Mark Law in Europe: The Stephen Stewart Memorial Lecture*, 1999 INTEL. PROP. Q. 283, 290 (discussing Federal German judge and member of the Bundesgerichtshof or Federal Supreme Court writing ex judicially in its analysis of the German case law around the harmonized German Trade Mark Act). This view of testing the registrability of shape marks on distinctiveness grounds first and then functionality originated in the Benelux. Charles Gielen & Benoît Strowel, *The Benelux Trademark Act: A Guide to Trademark Law in Europe*, 86 TRADEMARK REP. 543, 548 (1996).

¹⁴⁷ D.W., *The Registration of New Trade Mark Forms*, 32 INT’L REV. INTEL. PROP. & COMPETITION L. 161, 169 (2001) (discussing German judge at the Federal Patent Court also writing ex judicially to support that courts’ application of “extreme caution” to the equivalent German provision implementing Article 3(1)(e), so that functionality is an obstacle of minor importance that does not prevent non-distinctive or descriptive shapes being registered).

¹⁴⁸ Alison Firth, *Shapes as Trade Marks: Public Policy, Functional Considerations, and Consumer Perception*, 23 EUR. INTEL. PROP. REV. 86, 91 (2001).

¹⁴⁹ David T. Keeling, *About Kinetic Watches, Easy Banking, and Nappies That Keep a Baby Dry: A Review of Recent European Case Law on Absolute Grounds for Refusal to Register Trade Marks*, 2003 INTEL. PROP. Q. 131, 137.

¹⁵⁰ Belinda Mills, *Own Label Products and the “Lookalike” Phenomenon: A Lack of Trade Dress and Unfair Competition?*, 17 EUR. INTEL. PROP. REV. 116, 130 (1995) (“One of the weaknesses of the new law is the requirement that three-dimensional marks must be distinctive.”); see Ruth E. Annand, *Lookalikes Under the New United Kingdom Trade Marks Act 1994*, 86 TRADEMARK REP. 142, 146 (1996) (discussing brand owners may register get-up or trade dress which is distinctive as a whole under the UK Trade Marks Act in their fight against own-brand lookalikes); see Proctor & Gamble’s Trade Mark Applications, [1999] RPC 673, 676 (Eng.) (3D bottle mark) (providing an example of this attempt to curb lookalikes through registration).

¹⁵¹ See *infra* Part I.E.

¹⁵² Achim Bender & Philipp Von Kapff, *Born to Be Free: The Community Trade Mark in Practice: Appeal Decisions on Absolute Grounds: Current Decisions of the Boards of Appeal of OHIM*, 32 INT’L REV. INTEL.

this minimalist view, “only a trace of distinctive character is prima facie required for registration of shapes ... as trademarks.”¹⁵³ The Appeal Boards at OHIM consistently adopted this questionable view, and in some earlier decisions the Court of First Instance (now the European General Court or EGC) went even further in supporting the lowest bar possible of “any distinctive character” by asking “whether there appeared to be no possibility that the sign in question may be capable of distinguishing, in the eyes of the public to which it is addressed, the products or services referred to from those of a different origin....”¹⁵⁴ These questionable interpretations failed to appreciate that, had the EU legislature intended “minimal” or “modest” distinctiveness, it would certainly have chosen that word.

2. *The Influence of the Baby-Dry Decision upon Distinctiveness*

To make matters even worse, the 2001 *Baby-Dry* decision, with its test of “any perceptible difference” between the proposed word combination and the terms used in common parlance to designate the goods or services (or their characteristics), had a ripple effect well beyond verbal compound marks consisting of word combinations and neologisms.¹⁵⁵ Emboldened by this controversial ruling and the academic views outlined above, brand owners seized upon this purely minimum threshold to claim that the existence of any differences between the features making up the overall impression of the proposed trade dress and the usual way of configuring or presenting the goods were apt to satisfy the minimum distinctiveness for registration. Procter & Gamble’s and Henkel’s attempts to register their dishwashing tablets are a case in point. On appeal against the refusal before the CJEU, Henkel argued that the lower EU tribunals should have confined themselves to ascertaining whether the arrangement of features in its tablets was different from the typical ones. Similarly, relying upon *Baby-Dry*, Procter & Gamble argued that for get-up

PROP. & COMPETITION L. 625, 635 (2001); see Arnaud Folliard-Monguiral & David Rogers, *The Protection of Shapes by the Community Trade Mark*, 25 EUR. INTEL. PROP. REV. 169, 170 (2003).

¹⁵³ Jenny Bergquist & Duncan Curley, *Shape Trade Marks and Fast-Moving Consumer Goods*, 30 EUR. INTEL. PROP. REV. 17, 23 (2008); see Procter & Gamble’s Trade Mark Applications, [1999] RPC [673, 680] (Eng.).

¹⁵⁴ Case T-87/00, *Bank für Arbeit und Wirtschaft AG v. OHIM*, 2001 E.C.R. II-01259, ¶¶ 36, 40; see also Case T-64/15, *Shoe Branding Eur. BVBA v. OHIM*, ECLI:EU:T:2015:973, ¶ 15 (Dec. 15, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=172986&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5397468> (two-stripe position mark); Case T-441/05, *IVG Immobilien AG v. OHIM*, 2007 E.C.R. II-01937, ¶ 42 (single letter mark).

¹⁵⁵ Case C-383/99 P, *Procter & Gamble Co. v. OHIM*, Judgment, 2001 E.C.R. I-6279, ¶ 40 [hereinafter *Baby-Dry*].

marks to overcome the nondistinctiveness ground it was necessary, first, to ascertain what is the usual get-up of the relevant product on the market and, second, to determine whether, from the consumer's point of view, the shape applied-for is perceptibly different. As OHIM rightly argued before the CJEU, this standard meant finding 3D shapes registrable as trademarks if they meet only one condition—being different from any other shape—and thus assimilating the conditions for trademark registration with those of designs.¹⁵⁶

While not explicitly addressing Procter & Gamble's proposed standard, it is clear that the CJEU's tablets rulings (decided on the same day) flatly rejected the attempt to transfer across the *Baby-Dry* test to trade dress marks without substantive qualifications. The Court affirmed the practical application of the departs significantly criterion it had articulated a few months earlier in *Henkel Perwoll Bottle*, namely that the decisive factor is not an abstract assessment of features which differ from the customary presentation of products of the same type.¹⁵⁷ Rather, it is the analytical weight of the *presumed* expectations of an average consumer who has no initial predisposition to regard a product's shape or its packaging as source-identifier regardless of its price.¹⁵⁸ Indeed, *Henkel Perwoll Bottle*'s instructions had tied the departs significantly criterion seeking to ascertain a shape mark's source-identifying capacity to a mandatory assessment of "the perception of the average consumer . . . to verify that it fulfills its essential function, namely that of guaranteeing the origin of the product."¹⁵⁹ As the Advocate General's (AG) opinion stated in the dishwashing tablets rulings, the washing tablets were rightly found noninherently distinctive despite their new innovative design because "the consumer's ability to distinguish the signs from the product of which they are an intrinsic part, as well as from other similar signs, only emerges, by definition, when the product is placed on the market."¹⁶⁰ As long as Henkel and Procter & Gamble were the only manufacturers using the claimed get-up to sell detergent blocks that were previously available only in powder or liquid form, there was no remote point of comparison; and, as *Henkel* mandates, it was impossible to verify whether the

¹⁵⁶ *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶¶ 26–27; *P&G Dishwashing Tablets*, 2004 E.C.R. I-5145, ¶¶ 26–27.

¹⁵⁷ *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737.

¹⁵⁸ See Joined Cases C-456/01 P & C-457/01 P, and C-468/01 P to C-472/01 P, and C-473/01 P & C-474/01 P, Opinion of Advocate General Ruiz-Jarabo Colomer, 2003 E.C.R. I-5092, ¶ 57.

¹⁵⁹ *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 51.

¹⁶⁰ *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115, ¶ 69; *P&G Dishwashing Tablets*, 2004 E.C.R. I-5145.

get-up marks would enable consumers to distinguish the striking tablets from those of *other* undertakings.¹⁶¹

3. *The Demise of the Baby-Dry Distinctiveness Standard*

Henkel Perwoll Bottle and the detergent tablets rulings also signaled a more significant shift in the European approach to distinctiveness that is often overlooked in academic commentary on shape marks. In qualifying the necessary departure from the norm as *significant* rather than *simple*, the CJEU in *Henkel Perwoll Bottle* sought to bring the method of assessment for shapes in line with its reformulation of *Baby-Dry*'s test into a *perceptible* difference (not just *any* difference) for composite word marks that it subsequently adopted in *Companyline*, *Postkantoor*, *BioMild*, and *Eurohypo*. In *Companyline*, the influential AG opinion proposed that a difference should be regarded as perceptible "if it affects significant elements either of the appearance of the mark claimed or of its semantic content."¹⁶² Echoing the AG's proposal, the CJEU significantly raised the distinctiveness bar for unusual word juxtapositions by ruling that merely bringing together customary terms, each of which is ineligible for registration, "without any graphic or semantic modification, does not imbue them with any additional characteristic such as to render the sign, taken as whole, capable of distinguishing...."¹⁶³

The need for an additional element was confirmed in *Eurohypo*, in which an added element was missing to conclude that the combination of two current components, EURO and HYPO for mortgage loan services, might be "unusual or have its own meaning which, in the perception of the relevant public, distinguishes the services offered by the appellant from those of a different commercial origin."¹⁶⁴ Thus, compound trademarks, such as abbreviations or neologisms, had to depart significantly from the lexical rules of the relevant language of the average consumer in the same way that product trade dress marks must depart significantly from the common market practices in presenting similar products to customers. In *Postkantoor* and *BioMild*, the CJEU took

¹⁶¹ See *Baby-Dry*, 2001 E.C.R. I-6279, ¶ 29.

¹⁶² *Companyline*, 2002 E.C.R. I-7563, ¶ 51 ("[A]s regards 'form,' there will always be a perceptible difference where, by virtue of the fact that a combination is unusual or fanciful, a neologism becomes more than the sum of its parts. As regards the intended 'meaning,' if the difference is to be perceptible, the connotation of the composite sign must not be identical to the sum of the semantic import of the individual descriptive parts."). This was the same approach he had proposed for descriptiveness in *Postkantoor*, which the CJEU implicitly adopted. See *Postkantoor*, 2004 E.C.R. I-1651.

¹⁶³ *Companyline*, 2002 E.C.R. I-7563, ¶ 23.

¹⁶⁴ Case C-304/06 P, *Eurohypo AG v. OHIM*, 2008 E.C.R. I-3316, ¶ 69.

further decisive steps to move away from *Baby-Dry*'s low bar for registration, recalibrating “perceptible difference” as well as raising the nondescriptiveness standard for composite word marks by requiring only differences of a *certain* magnitude. It held that, as a general rule, a mere combination of descriptive elements remains descriptive of the relevant goods or services for the purposes of Articles 3(1)(c) and 7(1)(c); merely bringing together those elements “without introducing any usual variations, in particular as to syntax or meaning,” cannot result in anything other than an exclusively descriptive mark.¹⁶⁵ That combination may nonetheless overcome the descriptiveness barrier “provided that it creates an impression which is significantly far removed from that produced by the simple combination of those elements.”¹⁶⁶

Because the unusual variation must significantly affect both the aural and visual impression produced by the word mark, one cannot help but notice that “significantly far removed” for word-combination marks evokes the significant departure criterion from the usual presentation of a shape mark. Thus, the CJEU heightened the bar in deciding that a word-combination mark composed of elements, each of which describes characteristics of the goods or services, is itself descriptive and unable to function as a source-identifier without more:

[U]nless there is a perceptible difference between the word and the mere sum of its parts: that assumes either that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts, or that the word has become part of everyday language and has acquired its own meaning, with the result that it is now independent of its components.¹⁶⁷

This heightened descriptiveness standard applies equally to new words which are not listed in dictionaries,¹⁶⁸ but it strikes the right balance in requiring that the word itself, not just its components, be wholly descriptive.¹⁶⁹ In a clear

¹⁶⁵ *Postkantoor*, 2004 E.C.R. I-1651, ¶ 98; Case C-265/00, *Campina Melkunie BV v. Benelux-Merkenbureau*, 2004 E.C.R. I-1705, ¶ 39.

¹⁶⁶ *Postkantoor*, 2004 E.C.R. I-1651, ¶ 99.

¹⁶⁷ *Id.* ¶ 100. For a critical examination of the evolved “perceptible difference” test, see Case C-408/08 P, *Lancôme Parfums et Beauté & Cie SNC v. OHIM*, AG Opinion, 2010 E.C.R. I-01347, ¶¶ 90–98.

¹⁶⁸ *Campina Melkunie BV*, 2004 E.C.R. I-1705, ¶ 41.

¹⁶⁹ Case C-273/05 P, *OHIM v. Celltech R&D Ltd.*, Judgment, 2007 E.C.R. I-2912, ¶ 76; *SAT.1*, 2004 E.C.R. I-08317, ¶ 28 (“The mere fact that each of those elements, considered separately, is devoid of distinctive character does not mean that their combination cannot present a distinctive character.”); Case C-92/10

move to abandon the *Baby-Dry* criteria, the Court also clarified any ambiguity around the scope of descriptiveness by reinstating the public interest pursued by the descriptiveness ground in keeping descriptive signs free for all.¹⁷⁰

The “any perceptible difference” test for comparing marks is a minimal test that can comprise any difference however small, but subsequent developments in the CJEU’s case law found it insufficient to guarantee that trademarks can fulfill their indentifying function. In reformulating the perceptible difference test for composite word marks and adopting the departs significantly criterion for all types of trade dress, the Court has laid to rest the debate around minimal levels of distinctiveness resulting from the statutory wording and problematic rulings like *Baby-Dry*.¹⁷¹ This can be seen most clearly in *Mag Instruments*.¹⁷² Nonetheless, it is also the case that the requirement for a composite sign to be more than the mere sum of its parts in order to meet the perceptible difference standard is arguably equivalent to the departs significantly criterion as that perceptible difference standard applies equally across categories of marks. Indeed, the perceptible difference standard has been applied to packaging trade dress marks in *Corona*¹⁷³ and *Voss*,¹⁷⁴ and product trade dress marks in *Mag Instruments*¹⁷⁵ and *Timehouse*.¹⁷⁶ Contrary to common opinion, the same stringent standard of distinctiveness is therefore applied to all marks, without bias or discrimination against shapes.

P, Media-Saturn-Holding GmbH v. OHIM, 2011 E.C.R. I-00002, ¶ 36 (slogan mark BestBuy).

¹⁷⁰ Case C-150/02 P, Streamserve Inc. v. OHIM, 2004 E.C.R. I-01461, ¶ 25; Case C-191/01 P, OHIM v. Wm. Wrigley Jr. Co., Judgment, 2003 E.C.R. I-12473, ¶ 31 (Doublemint chewing gum case).

¹⁷¹ Case C-24/05 P, August Storck KG v. OHIM, AG Opinion, 2006 E.C.R. I-5680, ¶ 47 (shape of Werther’s Original sweet).

¹⁷² Case C-136/02 P, Mag Instrument Inc. v. OHIM, 2004 E.C.R. I-9182, ¶¶ 24–25. The appellant relied upon *Baby-Dry* to argue that, as with word marks, “any perceptible difference” in relation to goods in common use is sufficient for the proposed shape mark not to be devoid of any distinctiveness and satisfy the required minimal distinctiveness. This followed from the lower court’s finding that the propose shapes were “variants of a common torch shape.” The CJEU flatly rejected this argument.

¹⁷³ Case T-399/02, Eurocermex SA v. OHIM, 2004 E.C.R. II-01391 ¶ 31, *aff’d* Case C-286/04 P, 2005 E.C.R. I-05797, ¶¶ 29–30.

¹⁷⁴ *Voss*, ECLI:EU:C:2015:303, ¶¶ 126–128 (rejecting appellant’s argument that it was error to apply the criteria developed around composite word marks, according to which a combination of non-distinctive components can have sufficient distinctiveness provided that, taken as a whole, it amounts to more than just the mere sum of its parts).

¹⁷⁵ Case C-136/02P, Mag Instrument, Inc. v. OHIM, AG Opinion, 2004 E.C.R. I-9169, ¶¶ 30–37 (applying, alongside the departs significantly criterion, the perceptible difference test to a shape-of-product mark (shape of a torch) to demonstrate that no more stringent criteria had been used).

¹⁷⁶ Case C-453/11 P, Timehouse GmbH v. OHIM, ECLI:EU:C:2012:291, ¶ 40 (May 14, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=123947&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5400666>.

D. *The Public Interest Aim of Distinctiveness*

According to settled case law, an absolute ground for refusing registration must be interpreted in the light of the public interest underlying it.¹⁷⁷ These public interest considerations play a central role in the scope and reach of the European refusal grounds even though they are not explicitly outlined in the legislation.¹⁷⁸ When public interest is raised in the registration context, its aim is to limit the potential monopolization of the mark in question.¹⁷⁹ A long-standing criticism of the way the CJEU has attempted to define the distinctiveness standard has been that it focuses solely on whether average consumers are likely to understand the mark as source-indicating, without regard for policy considerations such as competitors' present or future interests in the availability of alternative signs.¹⁸⁰ These policy considerations in preserving availability have been explicitly acknowledged for color *per se* marks, mainly on the ground that the number of colors that the public is capable of distinguishing is limited and, as a result, there is a limited number of colors that are in fact commercially available as potential trademarks for goods or services.¹⁸¹ The limited availability of colors means that "a small number of trademark registrations for certain services or goods could exhaust the entire range of colors available."¹⁸² In *Libertel*, the Court regarded this risk of "color depletion" as incompatible with a system of undistorted competition for at least two reasons.¹⁸³ One is because the excessive monopoly arising from registration could have the effect of "an unjustified competitive advantage for a single trader."¹⁸⁴ The other is because such extensive monopoly would do nothing to foster economic development or the spirit of enterprise "for established traders to be able to register the entire range of colors that is in fact available for their own benefit, to the detriment of new traders."¹⁸⁵

A great deal is made of *Libertel's* general interest in not unduly restricting availability and keeping certain signs in the public domain to preserve competition as the only exception the CJEU has recognized when evaluating the

¹⁷⁷ See generally *supra* note 122.

¹⁷⁸ Jeremy Phillips, *Trade Mark Law and the Need to Keep Free*, 36 INT'L REV. INTELL. PROP. & COMPETITION L. 389 (2005).

¹⁷⁹ Fhima, *supra* note 136, at 318.

¹⁸⁰ The Study, *supra* note 52.

¹⁸¹ Case C-104/01, *Libertel Groep BV v. Benelux-Merkenbureau*, 2003 E.C.R. I-03793, ¶ 47.

¹⁸² *Id.* ¶ 54.

¹⁸³ *Id.*

¹⁸⁴ *Id.*

¹⁸⁵ *Id.*

distinctiveness of color marks but which cannot, according to case law, extend beyond colors into distinctiveness assessments of other categories of equally limited signs.¹⁸⁶ Indeed, this contrast features prominently in the problems identified by the Max Plank Institute Study on the Overall Functioning of the European Trademark System (the Study).¹⁸⁷ As Principle 16 states, competitors' present or future interests in having unrestricted access to descriptive, customary, and functional signs are part of a "need to keep free for all" policy reflected in the refusal grounds in former Articles 3(1)(c)–(e) and 7(1)(c)–(e).¹⁸⁸ However, this is not the policy objective underpinning the European requirement of distinctiveness in former Article 3(1)(b) and Article 7(1)(b).¹⁸⁹ The distinctiveness ground includes the interests of consumers in ensuring that the proposed mark can fulfill its essential function of indicating the source. As long as there are grounds for assuming that the proposed mark is likely to aid consumers in their transactional behavior, it may be registered without investigating whether competition interests are better served by keeping it free for all to use.

1. Academic Criticisms

According to some critics, the same aim in preserving availability should apply to other signs that are in limited supply; for example, single letters and numbers, common names, colors, and, generally, those signs that are indistinguishable from the appearance of the goods such as shapes.¹⁹⁰ This was recently endorsed by AG Szpunar in his *Louboutin* opinion,¹⁹¹ despite consensus among previous Advocates General that, aside from colors, there is no apparent

¹⁸⁶ The Study, *supra* note 52.

¹⁸⁷ *Id.*

¹⁸⁸ See TMD, *supra* note 1, art. 3(1)(c)–(e); EUWTR, *supra* note 1, art. 7(1)(c)–(e).

¹⁸⁹ See *supra* Part I.B.

¹⁹⁰ Michael Handler, *The Distinctive Problem of European Trade Mark Law*, 27 EUR. INTEL. PROP. REV. 306–12 (2005); see also Kur, *supra* note 43.

¹⁹¹ Case C-163/16, *Christian Louboutin SAS v. Van Haren Schoenen BV*, Additional AG Opinion, ECLI:EU:C:2018:64, ¶ 65 (Feb. 6, 2018), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=199102&pageIndex=0&doclang=en&mode=req&dir=&occ=first&part=1&cid=2640434> (accepting the possibility that, in case the CJEU were to adopt a narrow view and refuse treating the Louboutin red-soled mark as a "shape" of the goods within the meaning of the Article 3(1)(e), distinctiveness evaluations in Article 3(1)(b) could also be subject of whether registration would run counter to the general interest in preserving availability of a signs that are indissociable from the appearance of the goods like shapes or are of limited supply. Their distinctiveness therefore would be subject to same policies underpinning functionality in Article 3(1)(e) even though their availability cannot be secured on a lasting basis under Article 3(1)(b). AG cited Kur and Senftleben's academic proposal for this additional availability aim of distinctiveness); see *id.* n.10 (citing A. Kur & M. Senftleben, EUR. TRADE MARK L. 115 (2017)).

reason for concluding that an otherwise nondescript mark is incapable of indicating source on the basis of competitor's interests in preserving availability.¹⁹² Though *Louboutin* offered the CJEU the opportunity to re-examine this long-standing question, its rather short decision did not address it at all as the Court simply ruled that the European functionality policies could not apply in the case of a sign consisting of a color applied to the sole of a high-heeled shoe because that sign cannot constitute a "shape" within meaning of former Article 3(1)(e).¹⁹³

Some commentators argue that, in addressing the impossibility of considering competitors' interests in distinctiveness assessments owing to different general interests, the CJEU has reacted by "starkly expanding the ambit of [CTMR] Article 7(1)(e) ... to ordinary shapes as well as to outstanding designs, but the improvement that may mean for the interests of competition comes at the cost of reduced transparency and legal certainty."¹⁹⁴ However, this account is inconsistent with the historical development of the Court's case law around shape marks.¹⁹⁵ The CJEU unequivocally decided at a very early juncture that the first obstacle for shapes was the competition goals of functionality rather than limited consumer perception underpinning distinctiveness.¹⁹⁶ It was competitors' freedoms and market competition concerns that featured prominently in the Court's approach to shape marks. None of the apparent inconsistencies that some perceive between functionality and distinctiveness would arise if ordinary, utilitarian, or aesthetically pleasing shapes were first subjected to the functionality criteria.¹⁹⁷ European functionality constitutes the exclusionary *ab initio* legal tool despite its position within the legislation, leaving distinctiveness the residual exclusionary role it was meant to have for shapes.¹⁹⁸

¹⁹² See Case C-173/04 P, *Deutsche SiSi-Werke v. OHIM*, AG Opinion, 2005 E.C.R. I-551, ¶ 41; Case C-37/03 P, *BIOID v. OHIM*, AG Opinion, 2005 E.C.R. 338, ¶ 36; Case C-136/02 P, *MAG Mag instrument v. OHIM*, 2004 E.C.R. 592, ¶ 2; Joined Cases C-468/01 P to C-472/01 P, *P&G v. OHIM*, 2004 E.C.R. 259, ¶ 36; Joined Cases C-456/01 P and C-457/01 P, *Henkel v. OHIM*, AG Opinion, 2003 E.C.R. 602, ¶ 38 (Nov. 6, 2003); *but see* Case C-304/06 P, *Eurohypo v. OHIM*, AG Opinion, 2008 E.C.R. 261, ¶ 50.

¹⁹³ *Christian Louboutin SAS*, ECLI:EU:C:2018:64, ¶ 27.

¹⁹⁴ Kur, *supra* note 43, at 6 (analyzing the *Hauck* ruling to highlight what she perceives as inconsistencies in the relationship between the criteria for excluding natural shapes and distinctiveness, on the one hand, and the tension between the criteria for excluding value-adding shapes and the departs significantly criterion, on the other).

¹⁹⁵ See *supra* Part I.C.1–3.

¹⁹⁶ *Id.*

¹⁹⁷ As the CJEU recently recalled in *Kit-Kat Chocolate Bar*, ECLI:EU:C:2015:604, ¶ 40.

¹⁹⁸ Troussel & Broecke, *supra* note 144, at 1072.

2. Competitors' Interests Within Distinctiveness

What is rather puzzling about the arguments regarding signs that are of limited supply and whose exclusivity may affect the legitimate ability of traders to compete effectively is that the legislature itself included letters, numerals, personal names, and shapes amongst the categories of registrable signs that are prima facie assumed to meet the general capacity to distinguish in CMTR former Article 2 and Article 4. These registrable marks thus avoid being excluded permanently from registration under CMTR former Article 3(1)(a) and Article 7(1)(a). Indeed, the legislator saw no need to put in place additional safeguards to maintain permanently in the public domain the limited supply of names, letters, and numerals by preventing assiduous traders securing unjustified market advantages through their permanent registration.¹⁹⁹ In the same way, it crafted broad functionality criteria for ensuring purely functional shapes are permanently in the public domain for everyone to use. The only potential objections to registering common names, letters, and numbers are the nondistinctiveness, descriptiveness, and customariness objections, which are the same hurdles for all other marks. This means that such signs could still be available for exclusivity following successful market use, even if competitors' interests were also included in distinctiveness evaluations and had a bearing on the potential registrability of signs in limited supply. The potential for exclusivity exists because, by express legislative desire and unlike the case of functional shapes, European law has left this door permanently open.²⁰⁰ If there are grounds for legitimate criticisms, these should be aimed at policy makers, not the Court's attempts to articulate general interests that limit the scope for registration.

Another more plausible explanation for acknowledging only a color-depletion public interest has less to do with the Court's lack of proper engagement with the impact of registration across different interest groups and more to do with the limited policy space left by the EU legislature. Indeed, for Maniatis, *Libertel* underlines "the need to develop a wider theory of functionality that will cover not only shapes, but other functional characteristics of products as well."²⁰¹ The narrow scope of the functionality doctrine in the

¹⁹⁹ Case C-404/02, *Nichols v. Registrar of Trade Marks*, 2004 E.C.R. 538, ¶ 31 ("The registration of a trade mark constituted by a surname cannot be refused in order to ensure that no advantage is afforded to the first applicant since Directive 89/104 contains no provision to that effect....").

²⁰⁰ See EUTMR *supra* note 1, art. 7(1)(3); TMD *supra* note 1, art. 4(4).

²⁰¹ Spyros Maniatis, *Whither European Trade Mark Law? Arsenal and Davidoff: The Creative Disorder Stage*, 7 MARQ. INTELL. PROP. REV. 99, 114 (2003). Maniatis continues to believe that "a stronger functionality

former Article 3(1)(e) and Article 7(1)(e) targeting exclusively shapes forced the Court “to stretch the scope of distinctiveness and graphical representation in order to deal with nonshape, potential functionality cases.”²⁰² There is indeed force in Maniatis’s observations. As AG Szpunar recently noted, the 2015 legislative changes are likely to ease the pressure upon distinctiveness by widening the scope of the functional signs criteria to cover, in addition to the shape, another characteristic of the goods as potential grounds for functionality to apply to a wider range of registrable signs.²⁰³

E. Lingering Legacy Issues

There remain nonetheless “legacy issues” regarding the free choice of refusal grounds and the perceived harshness of a functionality finding, the effect of which has been to stretch the European concept of distinctiveness almost to breaking point.²⁰⁴ Where functionality should be the ab initio analytical tool, European courts tend to rely heavily upon distinctiveness to deal with functional attributes of sounds and colors.²⁰⁵ Indeed, the departs significantly criterion, rather than functionality criteria, is commonly applied to blatant attempts to register get-up marks with functional advantages that raise more fundamental questions about distorting product competition than the potential difficulties of

provision could deal with the peculiarities of shapes and colours without having to raise the distinctiveness barrier for specific types of sign.” See Syros Maniatis, *The Max Planck Study on the European Trade Mark System: A Critical Summary*, 2 QUEEN MARY J. INTELL. PROP. 163, 168.

²⁰² *Id.*

²⁰³ *Louboutin*, ECLI:EU:C:2017:495, ¶ 62.

²⁰⁴ For a recent example of “legacy issues” around the free choice of refusal grounds, see C-437/15 P, *EUIPO v. Deluxe Labs. Inc.*, ECLI:EU:C:2017:41, ¶¶ 74–77 (Jan. 25, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=187127&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5405442> (stating in agreement with previous Opinions of other Advocates General that the examination of word marks should begin with descriptiveness rather than distinctiveness, which is not what the General Court did. Given the clear overlap between the two grounds, courts should deal with both grounds rather than limit their examination to one of them. Though distinctiveness is intended to cover all circumstances in which a sign is not apt to distinguish, it is preferable in the interest of consistency to begin with the broad descriptiveness ground and its underlying objective in keeping signs free for all and only then deal with distinctiveness.). For a final refusal to register the figurative mark DELUXE for a large number of goods/services, see Case T-222/14 RENV, *Deluxe Entm’t Serv. Grp. Inc. v. EUIPO*, ECLI:EU:T:2018:402 (July 4, 2018), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=203616&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5451271>.

²⁰⁵ *Globo*, ECLI:EU:T:2016:468, ¶ 52 (sound mark consisting of two repetitive ringing tones); C-45/11 P, *Deutsch Bahn v. OHIM*, 2011 E.C.R. 808, ¶¶ 50, 60. A color combination mark consisting of two horizontal lines running along coaches for railway services is noninherently distinctive because red is commonly used for functional purposes such as warning in parts of railway engines and safety enclosures for electrical equipment beside railway lines, traffic signs, level crossing barriers and rail transport traffic signs, and the space between trains and the borders of railway platforms.

consumer association. For instance, in *P&G Tabs I*, the Board's findings that the solid-form detergent tablets displayed obvious practical advantages for both consumers and manufacturers in the sense of being "easier to use," "easier to manufacture," and "more readily marketable" ought to have been part of a potential examination into whether their get-up was necessary to achieve a technical result.²⁰⁶ In particular, the Board's concern that permanent registration would entitle the applicants alone to monopolize the fundamental packaging concept of selling Class 3 detergent products in solid form, and thereby force competitors to continue to market theirs in liquid or powder, clearly highlights the potential for abnormal competitive advantages that generally underpins functionality, not distinctiveness.²⁰⁷

Similarly, in *Deutsche Sisi-Werke*, the Board viewed the get-up of stand-up pouches for drinks—distinguished by their convex shape and widened bottoms with lateral indents—as presenting practical advantages for consumers, owing to its more flexible shape, by making it easy to grip the pouch and helping it to remain upright.²⁰⁸ More significantly, for packaging manufacturers, "one advantage of producing stand-up pouches in place of other kinds of packaging for beverages is the low cost of materials."²⁰⁹ Equally important, because they are smaller in volume and weigh less, the stand-up pouches' shape also performed a technical result in facilitating minimal storage and transportation costs.²¹⁰ Again, the Board raised competition concerns for the future interests of beverage manufacturers in the unrestricted use of stand-up pouches, but the outcome of the refusal turned upon the packaging being insufficiently unusual for consumers to perceive it as a source-identifier even if it was unusual to find juice packaged in stand-up pouches.²¹¹ On appeal, both the EGC and the CJEU upheld the refusal using the departs significantly criterion without regard for the

²⁰⁶ Case R-509/1999-1, *Procter & Gamble Co.*, ¶ 13 (1st Bd. App. Mar. 8, 2000) (unreported). On appeal to the CJEU, *P&G Dishwashing Tablets*, 2004 E.C.R. I-05141, ¶ 69.

²⁰⁷ See Case R-707/1999-1, *Procter & Gamble Co. v. OHIM*, ¶¶ 15–16 (1st Bd. App. June 20, 2000) (unreported); Case R-436/1999-1, *Unilever v. OHIM*, ¶¶ 12–13 (1st Bd. App. Sept. 14, 2000) (unreported); General Case R-768/1999-3, *Detergents v. OHIM*, ¶ 15 (3d Bd. App. Apr. 13, 2000) (unreported); Case R 75/1999-3, *Henkel v. OHIM* (3d Bd. App. Nov. 25, 1999) (unreported), *aff'd* Case T-30/00, *Henkel*, ¶ 53 (2d Chamber Sept. 19, 2001); Case R-73/1999-3, *Henkel*, (3d Bd. App. Sept. 21, 2000) (unreported), *aff'd* Case T-337/99, *Henkel*, ¶ 50 (2d Chamber Sept. 19, 2001); R 1086/2000-1, *Unilever*, Case Decision, ¶¶ 13–14 (1st Bd. App. May 22, 2001) (unreported), *aff'd* Case T-194/01, *Unilever*, ¶¶ 6, 66; Case R-1184/2004-1, *Procter & Gamble Co.*, ¶ 24 (1st Bd. App. June 4, 2004) (unreported), *aff'd* Joined Cases T 241/05, T 262/05 to T 264/05, T 346/05, T 347/05, T 29/06 to T 31/06, *Procter & Gamble Co. v. OHIM* 2007 E.C.R. II-1549.

²⁰⁸ Case R 719/1999-2, *Deutsche SiSi-Werke v. OHIM*, ¶ 16 (2d Bd. App. Feb. 28, 2002) (unreported).

²⁰⁹ *Id.* ¶ 18.

²¹⁰ *Id.* ¶ 18.

²¹¹ *Id.* ¶ 20.

Board's central functionality findings.²¹² Moreover, functionality's competition goals are not the only role that distinctiveness is being forced to take.

1. *Unnecessary Strains upon EU Distinctiveness*

A further example of the legacy issues is that nondistinctiveness is generally applied in lieu of the descriptiveness and customariness objections, both of which pursue explicit competitors' interests in preserving availability.²¹³ For instance, in *August Storck II*, the finding that shape of the twisted gold wrapper was "a normal and traditional form of the wrapping of sweets" led the Board to conclude that the packaging mark was customary and ineligible for registration because the applicant's competitors had an interest in choosing a gold double-twist for wrapping their sweets.²¹⁴ Rather than applying Article 7(1)(d) which prohibits the registration of marks that have become customary in current trade practices and for which there is a public interest aim in keeping customary signs free for all, the Board (and the eventually the CJEU) used the deparis significantly criterion in Article 7(1)(b) as the basis for the refusal.²¹⁵ Thus, *August Storck II* unnecessarily strained distinctiveness to accommodate competitor interests.

Other commentators draw attention to the inadequate role of the descriptiveness ground in keeping descriptive shapes free for all. In her critique of the CJEU's decisions that product shape and packaging marks must also be considered for their descriptiveness and the potential for considerations about their present or future availability, Annette Kur argues that "shapes are descriptive in a strict sense only in exceptional cases, such as the bulgy shape of wine bottles that may indicate certain geographical origin."²¹⁶ She observes that the obvious difficulty that the Court has not addressed is that the descriptiveness provision is geared towards traditional forms of marks such as word- and picture-marks.²¹⁷ Given the difficulties in applying descriptiveness beyond shapes that may serve specific qualitative aspects, Kur asserts that considerations of competitor interests are confined to those rare cases.²¹⁸ This results in the descriptiveness objection becoming "dead letter" because shapes

²¹² Case C-173/04, *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v. OHIM*, 2006 E.C.R. I-577-78.

²¹³ See *supra* Part I.B.

²¹⁴ Case C-25/05, *August Storck KG v. OHIM*, 2006 E.C.R. I-5754.

²¹⁵ *Id.*

²¹⁶ Kur, *supra* note 43, at 5.

²¹⁷ *Id.*

²¹⁸ *Id.*

are generally only assessed on distinctiveness grounds.²¹⁹ Other commentators would appear to agree with this critique.²²⁰ However, these academic opinions are difficult to reconcile with how judges actually view the more appropriate role of descriptiveness in assessing the eligibility of shape-of-product marks. As AG Colomer repeatedly argued,

it is preferable initially to classify signs comprising the shape of goods by reference to Article 7(1)(c) of the Regulation, so that the Examiner considers whether the sign ... essentially conveys the idea of the goods formed by the average consumer and if [so] he would have to refuse it registration on the basis of Article 7(1)(c) because it constitutes a new graphic description of the goods.²²¹

If this descriptiveness ground applies, this opens up the possibility of reliance upon the availability requirement to enable EU tribunals to weigh considerations regarding the future, when considering the suitability of a shape to function as a trademark.²²² It is according to this overriding interest that the distinctiveness (as a category) of a 3D shape-of-product mark must be assessed.²²³ Moreover, descriptiveness has clear advantages over nondistinctiveness. The novelty of the shape does not prevent it from being merely descriptive of the kind of product because the number of products on the market cannot counter its descriptive nature as a shape mark.²²⁴ By contrast, such a mark may be nondescript “when the consumer, on looking at it, does not necessarily have the impression that he is perceiving it as an example of the relevant category or quality.”²²⁵

Some English courts have followed this approach. Justice Patten in *Dyson* initially decided to consider the potential descriptiveness of the transparent bin independently of the more general question of whether the mark might be distinctive under former Article 3(1)(a)–(b).²²⁶ He agreed with the Examiner that the transparent bin as the essential feature of the proposed marks served “to

²¹⁹ See *id.* at 6.

²²⁰ Fhima, *supra* note 136, at 318.

²²¹ Case C-136/02, *Mag Instrument, Inc. v. OHIM*, 2004 E.C.R. I-9174.

²²² *Id.*

²²³ Case C-468/01, *Procter & Gamble v. OHIM*, 2004 E.C.R. I-5105.

²²⁴ *Id.* at I-5107.

²²⁵ *Id.* at I-5105.

²²⁶ *Dyson Ltd.’s Trade Mark Application* [2003] EWHC (Ch) 1062 [18]–[19], [2003] RPC 47 (appeal taken from Eng.). Article 3(1)(c) requires courts to consider two separate but related aspects of descriptiveness: (i) whether the descriptive nature of the sign is such as effectively to rob it of commercial distinctiveness; and (ii) whether its use of ordinary descriptiveness (whether literal or graphic) is unfairly monopolistic. See *id.*

identify the vacuum cleaner as bagless” and informed consumers about what the machine is or does but communicated nothing about its commercial origin.²²⁷ In Justice Patten’s view, “it is always going to be difficult to avoid a charge of mere descriptiveness, when the sign comprises part of the goods or the goods themselves, rather than an invented word, phrase, or design.”²²⁸ Some academics would agree with this view, endorsing the need for a significant departure from commonplace shapes because otherwise the shape would probably be merely descriptive of the type of product as a matter of law and thus unable to function as source-identifier as a matter of fact.²²⁹ LJ Jacob in *Bongrain* followed the same route in considering descriptiveness first and then noninherently distinctiveness of the proposed flower-shaped cheese mark.²³⁰ The evidence showed that the public regarded the “ridged effect” of the shape as indicating convenient notional lines for cutting wedges of the cheese and this perception of shape having a function (i.e., intended purpose) could be relevant for a descriptiveness objection under former Article 3(1)(c) as well as nondistinctiveness under former Article 3(1)(b).²³¹ Therefore, contrary to what some academics argue, at least some courts have found it possible to consider the potential descriptiveness of shapes, calling upon the overriding interest in avoiding their monopolistic appropriations.

II. EMPIRICAL RULE ABOUT CONSUMER HABITS

A. *Is There Some Basis for This Rule?*

A central tenet of the CJEU’s case law on trade dress marks is the empirical rule that there is normally no consumer habit of differentiating goods or services by reference to their color or appearance.²³² This rule makes it exceedingly difficult to find all signs that are indistinguishable from the appearance of the designated goods, such as product shapes (including packaging and colors), inherently distinctive. Further, as compared with other categories of marks, their registration is more likely to depend upon evidence of secondary meaning

²²⁷ *Id.* ¶ 33.

²²⁸ *Id.* ¶ 38. Justice Patten eventually agreed there was no evidence that the transparent bin could function as a guarantee of origin and was therefore non-inherently distinctive, which made it unnecessary to decide the descriptiveness objection. *See id.*

²²⁹ Troussel & Broecke, *supra* note 144, at 1087.

²³⁰ *Bongrain SA’s Trade Mark Application* [2005] 14 RPC 306 (EWCA) (appeal taken from Eng.).

²³¹ *Id.*

²³² *See generally supra* note 115.

following successful market use.²³³ Although the CJEU's cautious view of consumer habits were previously endorsed in some academic quarters,²³⁴ most contemporary scholars severely criticize this consumer-based presumption against inherent distinctiveness for being "arbitrary,"²³⁵ and resting upon "largely untested assumptions about consumer reaction."²³⁶ According to these critics, this lack of substantiation ignores the fact that some consumers may be both more visual than verbal in their perception and recollection of symbols as well as capable of drawing meaning from a large array of phenomena not limited to linguistic signs.²³⁷ Indeed, the dissenting voices would endorse the view that, in the modern landscape of globalized markets and sophisticated digital networks, broader societal and cultural developments are precipitating the demise of linguistic communications as "[s]ociety is becoming more visual and less lexical."²³⁸ The immediate effect of this "detextualization of society" has been to enhance the trademark significance of product design configurations for global consumers in global markets as a way to circumvent linguistic and cultural differences. Therefore, broader assumptions about consumer habits that ignore new visual realities threaten to "divorce trademark protection from the market realities that warrant its existence."²³⁹

²³³ See generally *supra* note 115.

²³⁴ Annette Kur, *Harmonisation of the Trademark Laws in Europe: An Overview*, 28 INT'L REV. INDUS. & COPYRIGHT L. 1, 20 n.119 (1997); Lutz Schmidt, *Definition of a Trade Mark by the European Trade Marks Regime—A Theoretical Exercise?*, 30 INT'L REV. INDUS. & COPYRIGHT L. 738, 750 (1999); Andrew Griffiths, *Modernising Trade Mark Law and Promoting Economic Efficacy: An Evaluation of the Baby-Dry Judgment and Its Aftermath*, 2003 INTELL. PROP. Q. 1, 7 (suggesting why, in practice, consumers might be unlikely to perceive a proposed mark, such as shape or color, as a trademark.).

²³⁵ Danny Friedmann, *The Bottle is the Message: Only the Distinctive Serve as 3D Community Trade Marks*, 1 J. INTELL. PROP. LAW & PRAC. 35, 39 (2015).

²³⁶ Robert Burrell & Huw Beverly-Smith, *Shaving the Trade Marks Directive Down to Size?*, 4 MODERN L. REV. 570, 579 (2000); see also Annette Kur, *Fundamental Concerns in the Harmonisation of (European) Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 151, 164 (Graeme Dinwoodie & Mark Janis eds., 2008) ("Until now, the [CJEU's] assertions concerning the way in which 'unconventional' forms of signs are perceived by consumers have not been underpinned by empirical evidence.").

²³⁷ See Annette Kur, *supra* note 236, at 164.

²³⁸ Graeme Dinwoodie, *The Death of Ontology: A Telological Approach to Trademark Law*, 84 IOWA L. REV. 611, 615 (1999); see also Michael Murray, *Leaping Language and Cultural Barriers with Visual Legal Rhetoric*, 49 U. SAN FRANCISCO L. REV. F. 61, 68 (2015) ("Cognitive studies and brain science continually demonstrate the advantages of speed and efficiency of visual rhetorical elements over purely verbal communication.").

²³⁹ Dinwoodie, *supra* note 238, at 644; see also Dinwoodie, *supra* note 84, at 558 ("In the modern marketplace ... consumers do often base purchasing decisions on visual communication, which may flow equally from the shape of the product itself as from supplementary identifying decoration.").

The dissenting voices also claim that “there is an element of circularity in attempting to assess what consumers understand by particular indicia, since their understanding will be determined in part by what we allow to be protected as a trademark.”²⁴⁰ Even prominent national judges, writing ex-judicially, have publicly endorsed these criticisms, arguing that it is time the law adopted a less restrictive approach towards the legal recognition of the appearance of goods as trademarks because, by liberalizing the protection of 3D marks, consumers will then become accustomed to treating such marks as source-identifiers and in time consumer associations will become more settled.²⁴¹ In turn, expanded protection for product get-up marks is also likely to encourage manufacturers to conceive and develop source-indicating product design in markets where verbal labels may have limited informational value.²⁴² This could then enhance market information and reduce consumer search costs as postulated by the economic account of trademark law.²⁴³ There are, however, several problematic assumptions in these dissenting opinions.

First, while it is true that the CJEU’s normative presumption generalizes about consumer habits and desires without offering empirically verified support, it does not necessarily mean there is no empirical basis for such a rule. By examining insights from cognitive science about how consumers react to configurations generally, some commentators have observed that “the law has intuitively adopted a host of cognitive principles.”²⁴⁴ For instance, one of these principles is that objects carried in memory are typically organized into categories with prototypes, not as specific items or brands.²⁴⁵ “Different shapes may thus be variously pleasing, but they are not typically treated as having a special significance apart from their psychological category.”²⁴⁶ Shapes generally indicate categories of goods, not brands. The law has therefore rightly

²⁴⁰ Robert Burrell & Michael Hendler, *Making Sense of Trade Mark Law*, 2003 INTELL. PROP. Q. 388, 399, n.69; Keeling, *supra* note 148, at 142, n.33; Burrell & Beverly-Smith, *supra* note 232, at 579.

²⁴¹ Eike Ullmann, *Absolute Grounds for Refusal: Three-Dimensional Marks the Shape of Goods as a Trade Mark – Illusion or Opportunity?* (Apr. 23, 2017) (unpublished manuscript), available at <http://euipo.europa.eu/en/office/ejs/pdf/Ullmann%20TR%20EN%20Revised.pdf>; see also Burrell & Beverly-Smith, *supra* note 232, at 579.

²⁴² Dinwoodie, *supra* note 84, at 558–60 (explaining several reasons why producers may seek to use product designs rather than verbal labels as source-identifiers).

²⁴³ William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J. L. & ECON. 265 (1987).

²⁴⁴ Jerre B. Swann & Michael J. Tarr, *Configuration Protection Harmonised*, 94 TRADEMARK REP. 1182, 1194 (2004) (outlining several cognitive principles about consumer perception of objects that have somehow made their way into legal analysis).

²⁴⁵ *Id.*

²⁴⁶ *Id.* at 1193.

assumed that consumers will instinctively resort to a label to ascertain a product's origin.²⁴⁷ Though these observations relate to U.S. law, a general exclusion of consumer predisposition exists to equate product design and colors with the source without being educated first,²⁴⁸ though they remain equally pertinent to European law.

Second, the empirical rule is also sensitive to the fact that consumer expectations and habits are not static but are constantly evolving. Discrete developments in EU case law clearly demonstrate that under this rule there is no blind assumption that consumers are, in principle, indifferent to the shape as an indication of origin of the product.²⁴⁹ For instance, EU trademark law has not foreclosed individualized scrutiny of its consumer generalizations, allowing the possibility that contextual circumstances may exist to conclude that, at least in a specific market, consumer purchasing habits are indeed different in the sense of being guided by the look of products or services.²⁵⁰ Third, the argument that consumer habits and expectations of what is source-indicating depends largely on what the law allows to be registered as a trademark has been rightly dismissed

²⁴⁷ *Id.*; see also Jerre B. Swann, *The Configuration Quagmire: Is Protection Anticompetitive or Beneficial to Consumers and the Need to Synthesize Extremes?*, 87 TRADEMARK REP. 253, 259 (1997) (“[C]osts and commercial considerations may dictate ... that many products look alike....”).

²⁴⁸ *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 213 (2000). For a critical comment of the decision, see Graeme Dinwoodie, *The Seventh Annual Honourable Helen Wilson Nies Memorial Lecture in Intellectual Property Law: The Trademark Jurisprudence of the Rehnquist Court*, 8 MARQ. INTEL. PROP. L. REV. 187, 196–99 (2004) (arguing that the normative exclusion of consumer predisposition reflects an anti-competitive concern that is usually addressed in functionality analysis, not distinctiveness).

²⁴⁹ See *infra* Part IV. A.2.

²⁵⁰ Case C-546/10 P, *Wilfer v. OHIM*, 2011 E.C.R. I-574, ¶ 55. The applicant argued that where a practice exists whereby certain unconventional marks are customarily used as a means of identification for special products and the public is now accustomed to perceiving as trademarks signs other than word marks, only a minimum degree of distinctiveness is required and the “departs significantly” case law does not apply as this is limited to mass products. In rejecting this argument, the CJEU stated that “on the contrary, it follows from that case law that, if the appearance of the goods in a given sector, or that of a component of those goods, serves to indicate the manufacturer [as the claimant argued regarding the headstock of a guitar], it is only because the appearance of a sufficient number of those goods or of their components differs significantly from the norm or customs of that sector.” (my own translation) See also *Louis Vuitton Malleiter*, ECLI:EU:T:2015:214, ¶ 34; Case T-63/15, *Shoe Branding Eur. v. OHIM*, ECLI:EU:C:2015:972, ¶ 28 (Dec. 15, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=172987&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5413037>; Case T-410/10, *Bottega Veneta Int'l S.a.r.l. v. OHIM*, ECLI:EU:C:2013:149, ¶ 63 (Mar. 22, 2013), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=135522&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5414176> (handbags in the fashion sector); Case T-376/10, *V. Fraas GmbH v. OHIM*, ECLI:EU:2012:185, ¶ 64 (Apr. 18, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=122283&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5414384> (tartan pattern in dark grey, light grey, black, beige, dark red, and light red); Case T-358/04, *Georg Neumann GmbH v. OHIM*, 2007 E.C.R. I-263, ¶ 45.

as “put[ting] the cart firmly before the horse.”²⁵¹ More fundamentally, this argument implicitly touches upon a significant normative debate about the proper way of rationalizing the intrinsic nature and role of trademark protection, namely, “should trademark law be structured *reactively* to protect whatever consumer understanding (or business goodwill) develops? Or, should it *proactively* seek to shape the ways in which consumers shop and producers sell or acquire rights, thus shaping how the economy functions?”²⁵²

This proactive-reactive dilemma masks a crucial policy-making role for courts in the sense that they may develop trademark law in a way that aims to create social and commercial norms—rather than merely reflect them—which inform the content of the principles by which the law is to be guided.²⁵³ These normative choices are most acute in contested expansionisms such as product design protection though courts frequently encounter similar choices in other fast-evolving contexts as well. Thus, scholars concerned with the unreflective expansion of trademark rights have decidedly favored the norms-creator role which courts play in crafting rules that reflect an appropriate balancing of competing values and interests.²⁵⁴ For some, the norms-creator role of European law is apparent outside the registration context, particularly in the infringement context over the Internet where the CJEU has sought to shape unsettled consumer expectations and lawful advertising conduct in accordance with the aims of undistorted competition underpinning the Common Market.²⁵⁵ In the registration context therefore it is at least arguable that the CJEU has consciously elevated the norms-creator role of European trademark law over reactive law-making by proactively construing the presumed responses of the average consumer and, in the process, shaping the commercial choices of producers and the way rival traders may compete in several contexts.

²⁵¹ KERLY’S LAW OF TRADE MARKS AND TRADE NAMES, *supra* note 39, §§ 10–45.

²⁵² Graeme Dinwoodie, *Trademarks and Territory: Detaching Trademark Law from the Nation-State*, 41 HOUSTON L. REV. 885, 962 (2004).

²⁵³ *Id.*

²⁵⁴ See Dinwoodie, *supra* note 252, at 922–23 (discussing the relevance of the territoriality principle in globalized markets); Graeme Austin, *Tolerating Confusion About Confusion: Trademark Policies and Fair Use*, in TRADE MARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 368, 388 (Graeme Dinwoodie & Mark Janis eds., 2008) (discussing expansive forms of infringement based upon consumer confusion); Stacey Dogan & Mark Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUSTON L. REV. 777, 783 (2008) (the regulation of commercial practices on the Internet that may implicate consumer behavior and the potential liability of search engines and advertisers).

²⁵⁵ Jennifer Davis, *Promoting the Public Interest and the European Trade Mark Directive: A Contradictory Approach*, 14 ERA FORUM 117, 124 (2013).

In stating that without prior use it *could* prove more difficult to register signs that coincide with the look of goods or services, the Court is implicitly seeking to mold—rather than purely react to—desirable commercial practices and attempting to influence producer behavior in encouraging traders to select verbal/graphic labels over designs to identify source.²⁵⁶ Perhaps EU traders are even being encouraged to opt for other forms of IP protection available such as registered design rights.²⁵⁷ This normatively desirable competitive behavior is then likely to influence and guide consumer behavior when making purchasing decisions. Furthermore, even prominent scholars like Graeme Dinwoodie, who are critical of judicial embedding of (unsupported) social generalizations about consumer habits as a rule of law, *do* acknowledge that a normative presumption similar to the one adopted by the CJEU “probably correlates generally with our intuitions.”²⁵⁸ Indeed, Dinwoodie has recently conceded that this presumption is not an unreasonable concern about “the greater anti-competitive effects associated with protection for shape or color marks.”²⁵⁹

B. EU Case Law Prior to the Empirical Rule

As the previous discussion demonstrates, sound policy reasons exist for an empirical rule that promotes the kind of consumer associations and business goodwill that the law (not traders) deems socially desirable even though the CJEU has never explicitly articulated those reasons. Such policy reasons are easy to identify when we closely examine the embryonic stages of EU case law operating under the uncritical acceptance that average consumers are in the visual habit of choosing products on the basis of their color or appearance disregarding textual/graphical indicia. In this period, European tribunals tended to equate mere abstract arbitrariness with inherent distinctiveness by requiring product get-up marks simply to display a particular character or striking individuality so as to be easily impressed on the mind.²⁶⁰ That is, abstract criteria

²⁵⁶ Dinwoodie, *supra* note 248, at 209 (arguing the same message was sent to U.S. producers in the Supreme Court’s decision in *Wal-Mart*).

²⁵⁷ This view is explicitly espoused by AG Colomer in supporting the CJEU’s broader interpretation of the shape exclusions under TMD Article 3(1)(e) and EUTMR Article 7(1)(e) in order to preserve the paramount concern against unjustified market advantages. See Joined Cases C-53/01 to C-55/01, *Linde AG*, AG Opinion, 2002 E.C.R. I-3164, ¶ 29.

²⁵⁸ Graeme Dinwoodie, *Trademark Law and Social Norms* (Sept. 2005) (unpublished manuscript), in Graeme Dinwoodie & Mark Janis, *Confusion Over Use: Contextualism in Trademark Law*, 98 TRADEMARK REP. 1086, 1092 n.29 (2008).

²⁵⁹ Graeme Dinwoodie & Dev Saif Gangjee, *The Image of the Consume in EU Trade Mark Law*, in THE IMAGES OF THE CONSUMER IN EU LAW 354 (Dorota Leczykiewicz & Stephen Weatherhill eds., 2016).

²⁶⁰ Case R-199/1998-2, *Kellogg Co.*, ¶ 14 (2d Bd. App. Mar. 26, 1999) (unreported) (shape of a biscuit);

such as being so original as to stand out and be outside the context of what was customary in the trade.²⁶¹ Under this “unusualness” test, there was seldom any investigation into the typical market practices by which consumers were mainly guided in their purchasing choices.²⁶² Formal criteria such as originality and eye-catchingness were deemed sufficient to hold consumers’ attention, thereby automatically rendering product design source-identifying and eligible for registration.²⁶³

More crucially, to the extent that there was seldom any consideration for the possibility of consumers being attracted purely by the ornamental or functional aspects of the product shape/design, the unusualness test contained no rational limits upon the subject-matter that could be registered as a mark.²⁶⁴ Indeed, in contrast to the cautious position adopted from the outset in some Member States,²⁶⁵ the Appeal Boards simply adopted the principle that “[t]here is no empirical rule that the three-dimensional reproduction of a product cannot be

Case R-139/1999-1, Eckes-Granini GmbH, ¶ 9 (1st Bd. App. Aug. 4, 1999) (unreported) (Granini Flasche); Case R-205/1998-2, GenossenschaftDeutscherBrunnenEg, ¶ 27 (2d Bd. App. Nov. 17, 1999) (unreported) (Brunneneinheitsflasche); Case R-337/2001-1 Benson Holdings, ¶ 9 (1st Bd. App. Dec. 19, 2000) (unreported) (feeding bottle).

²⁶¹ See generally *id.*

²⁶² *Id.*

²⁶³ *Id.*

²⁶⁴ The most mundane features of product design were considered source-identifying simply on the basis of their arbitrariness or novelty. See Case R-82/1999-1, Warman Int., ¶ 13 (1st Bd. App. Dec. 21, 1999) (unreported) (configuration of a pump with ribbings); Case R-608/1999-3, Jockey Int. Inc. (May 19, 2000) (inverted Y design on underpants); Case R-171/1998-2, Leng-D’Or S.A. (June 6, 2000) (shape of a snack); Case R-145/1999, Profilpas s.n.c., (July 17, 2000) (metal profile); Case R-753/1999-1, Premonex Consulting Ltd. (Jan. 17, 2001) (shape of a container with two openings at the top and sprandel-like walls); Case R-275/2000-1, Novo Nordisk A/S (Sept. 22, 2000) (shape of a dispenser); Case R-449/1999-2, Corning Inc., (Mar. 21, 2001) (five raised ribs depicted on contact lenses); Case R-321/2000-3, Jose Cuervo, S.A. DE C.V. (Apr. 4, 2001) (glass bottle with striations in the glass giving the impression of two bottles); Case R-476/2001-3, Eurocos Cosmetic GmbH (Aug. 7, 2001) (perfume bottle with wavy vertical sides and bubbles within the glass of the front of the bottle); Case R-694/1999-1, Parker Pen Prods. (June 3, 2002) (shape of a pen clicker); Case R-1174/2000-1, Celli Spa (Jan. 15, 2002) (cobra shape of a pump for beer); Case R-245/2000-1, Boehringer Ingelheim Int’l GmbH (Jan. 17, 2002) (top part of an inhaler); Case R-320/2000-2, ASTA Medica Aktiengesellschaft (Feb. 8, 2002) (shape of a dry-powder inhaler). There were obviously some notable examples where the product design was considered ordinary, commonplace or simply likely to be seen as purely functional or ornamental. See Case R-558/2000-1, Sorgenti Monte Bianco-Terme di Courmayeur Spa, (Oct. 26, 2001) (shape of a plastic bottle with grooves); Case R-36/2000-1, Parker Pen Prods. (June 3, 2002) (shape of a pen clicker); Case R-490/2001-3, G.D. Searle & Co. (June 19, 2002) (shape of a pharmaceutical pill); Case R-421/2002-1, Rocchetta S.p.A. (Nov. 15, 2002) (shape of a bottle ribbing); Case R-942/2002-2, Pret A Manger, (Eur.) Ltd. (Aug. 4, 2003) (bottle with ridges on the upper and lower part).

²⁶⁵ Wickes Plc’s Trade Mark Application [1998] RPC 698, 706 (EWCA); Case O/334/00, *In re* ReemtsmaCigarettenfabriken GmbH, (Sept. 7, 2000); Colgate-Palmolive Co.’s Trade Mark Application, [2001] RPC 26, 523, 540 (EWCA); P&G’s TM Application, [1998] RPC 710, 714; Glaxo’s TM, [2001] E.T.M.R. 9, 96, 106, ¶ 31.

capable of serving as an indication of its commercial origin.”²⁶⁶ The Boards simply assumed there was no apparent basis for doubting that the target consumers would not acknowledge an outstanding and strikingly unusual shape, in comparison with a typical shape existing on the market, as an indication of business origin.²⁶⁷

The questionable belief that an arbitrary shape would be necessarily taken by the public as a badge of origin gave the (wrong) impression that the conditions for design protection and the general criterion of trademark distinctiveness were interchangeable or largely assimilated without any consideration for the undesirable social costs of this approach.²⁶⁸ To address this problem, isolated Board decisions began to impose a “high level of distinctiveness” for the registration of shapes consisting of ordinary everyday goods.²⁶⁹ Some national courts even imposed a “capricious addition” test (i.e., a nonfunctional embellishment) upon shapes as a means of assessing whether they were capable of distinguishing.²⁷⁰ This discriminatory treatment was short-lived, however. It was in this context that the CJEU categorically rejected imposing different distinctiveness thresholds for different categories of mark.²⁷¹ It therefore endorsed a single distinctiveness test for *all* marks. Nonetheless, the Court had to find an analytical tool that properly acknowledged and addressed the plain fact that certain nontraditional signs such as shapes, packaging and slogans have characteristics and a specific nature different from other more conventional signs such as word marks. As discussed in the previous section, this doctrinal recognition of certain signs having an innate disability from a

²⁶⁶ Case R-104/1999-3, Hans Grohe GmbH (3d Bd. App. Oct. 28, 1999) (2001) 6 IIC 679, 681, ¶ 17 (shape of a jet regulator for water taps); *see also* Case R-70/1999-3, Henkel KGaA (Sept. 21, 1999); Case R-607/1999-3, Henkel KGaA (July 5, 2000) (demonstrating an unsuccessful application to register the shape of a plastic bottle for washing-up liquid); Case R-205/1998-2, Genossenschaft Deutscher Brunnen Eg, ¶ 25 (2d Bd. App. Nov. 17, 1999) (unreported) (Brunneneinheitsflasche).

²⁶⁷ Case R-164/1998-1, Valeria Roncato S.p.A., ¶ 12 (1st Bd. App. Apr. 12, 1999) (unreported) (representation of a metal buckle for handbags, suitcases, etc.).

²⁶⁸ Some isolated OHIM decisions did highlight the importance of this distinction between the distinctiveness standard and that of design protection. *See* Case R-466/1999-3, Tokai Europe GmbH, ¶ 26 (3d Bd. App. Oct. 18, 2000) (unreported) (shape of a lighter).

²⁶⁹ Case R-55/1998-2, British Petroleum Co Plc’s Application, (2d Bd. App. OHIM) [1999] E.T.M.R. 282, ¶¶ 24–25; Case R-60/1998-2, British Petroleum Co Plc’s Application, ¶¶ 24–25 (2d Bd. App. Dec. 17, 1998) (unreported); Case R-75/1999-3, Henkel KGaA, (Nov. 25, 1999); *cf.* Case R0436/1999-1, Unilever (Sept. 14, 2000).

²⁷⁰ Philips Elecs. NV v. Remington Consumer Prods. Ltd. [1999] EWCA (Civ) 23 [45] RPC 809 [818] (Eng.); Bach & Bach Flower Remedies Trade Marks [2000] EWCA (Civ) 14 [34] RPC 513, 526 (Eng.) (applying the capricious addition test to word marks).

²⁷¹ Case C-299/99, Koninklijke Philips Elecs. NV v. Remington Consumer Prods. Ltd., 2002 E.C.R. I-5509; *Rado Uhren AG*, 2003 E.C.R. I-3195, ¶ 46.

source perspective eventually led to a more individualized, concrete examination of all signs following specific empirical rules and normative presumptions. Consumer perception of shapes having a function is explicitly acknowledged in the very wording of former Article 3(1)(e) and Article 7(1)(e) and these considerations remain pertinent outside of functionality, even if the shape successfully escapes its strict wording.²⁷²

The negative effects of the unreflective approach adopted in the earlier case law on inherent distinctiveness can still be seen today in more recent litigation involving product trade dress marks. A case in point is Yoshida Metal's registrations over the shape of a knife as CMTs in 2001. The registrations were successful solely on the basis of their "entirely arbitrary" dot patterns bearing the handle of the knife without any appraisal of the trade practices or consumer habits in the cutlery market, let alone any consideration for the marks' potential functionality under the functional signs exclusions.²⁷³ Though in 2014 the CJEU reversed the refusal to cancel the registrations for being necessary to achieve a technical result contrary to CTMR Article 7(1)(e)(ii),²⁷⁴ the litigation has so far generated two additional decisions from the EGC²⁷⁵ and a further decision from

²⁷² Case T-25/11, *Germans Boada SA v. EUIPO*, ECLI:EU:T:2013:40, ¶ 41 (Jan. 29, 2013), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=133105&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5427001> (shape of a manual cutting-machine); Case T-383/15, *Dima Verwaltungs GmbH v. EUIPO*, ECLI:EU:T:2016:257, ¶ 22 (Apr. 20, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=177642&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5427139> (shape of an open cubic box); Case T-326/15, *Dima Verwaltungs GmbH v. EUIPO*, ECLI:EU:T:2016:255, ¶ 22 (Apr. 20, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=177641&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5427211> (shape of a box consisting of two open cubes); Case T-171/12, *Perri v. OHIM*, ECLI:EU:T:2014:817, ¶ 44 (Sept. 24, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=157985&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2649226> (shape of turnbuckle); Joined Cases T-253/09 & T-254/09, *Wilo SE v. OHIM*, 2010 E.C.R. 207, ¶ 27 (shape of a motor casing).

²⁷³ Case R-1070/2000-2, *Yoshida Metal Indus. Co.*, ¶ 11 (2d Bd. App. Oct. 31, 2001) (unreported); Case R-1085/2000-2, *Yoshida Metal Indus. Co.*, ¶ 11 (2d Bd. App. Oct. 31, 2001) (unreported).

²⁷⁴ *Pi-Design*, ECLI:EU:C:2014:129 (reversing the EGC's decision for limiting the functionality assessment to the graphical representation of the marks instead of looking beyond this and into the actual use made of the mark by the proprietor).

²⁷⁵ Joined Cases T-331/10 *RENV* & T-416/10 *RENV*, *Yoshida Metal Indus. Co. v. OHIM* ECLI:EU:T:2015:302 (May 21, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=164339&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5428835> (confirming the functionality of the dot patterns appearing on the knife handles); Case T-331/10, *Yoshida Metal Indus. Co. v. OHIM*, ECLI:EU:T:2012:220 (May 8, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=122561&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5429245>; Case T-416/10, ECLI:EU:T:2012:222 (May 8, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=122565&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5429411> (reversing the Board's decisions to cancel the CTMs for relying on "reverse engineering" to find out what the marks really presented in its functionality assessment).

the CJEU.²⁷⁶ In its latest pronouncement in 2017, the CJEU confirmed the “particular strictness” of the legislative intention underpinning the functional signs exclusion which applies provided all the essential characteristics of the sign perform a technical function even when the shape has ornamental or arbitrary aspects that may confer source significance.²⁷⁷ Choosing distinctiveness over the preliminary functionality obstacle is a legacy issue that leads to unnecessary litigation and waste of judicial resources.

Other notable examples of these negative effects are the successful registrations of the HENKEL flasche,²⁷⁸ the PERRIER-VITTEL bottle²⁷⁹ and the JEEP car grille.²⁸⁰ None of these decisions made any reference to the empirical rule about consumer habits and merely assumed the existence of settled consumer predisposition to equate shape with origin on the basis of manufacturers’ long-standing efforts to use the technical necessity for packaging as a means of attracting the public’s attention to their goods. These decisions shifted the focus away from the presumed expectations of average consumers to producer behavior. Applicants²⁸¹ and commentators²⁸² continue to cite these registrations as unquestionable illustrations of the right approach that supports a liberal view of registrability. However, these EGC decisions are arguably no longer good law because, apart from omitting any reference to the normative presumption of consumer habits, they also relied upon a minimalist threshold of distinctiveness contrary to the CJEU’s *Henkel Perwoll Bottle* ruling.²⁸³ It follows from that ruling that the presumed expectations of the average consumer remain a decisive factor in distinctiveness assessments.²⁸⁴ Individualized and

²⁷⁶ *Pt-Design*, ECLI:EU:C:2014:129.

²⁷⁷ Case C-421/15, *Yoshida Metal Indus. Co. v. EUIPO*, ECLI:EU:C:2017:360, ¶ 21 (May 11, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=190588&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5429879>; Case C-421/15 P, *Yoshida Metal Indus. Co. v. EUIPO*, ECLI:EU:C:2016:939, ¶ 65 (Dec. 8, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=186067&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5430071>.

²⁷⁸ Case T-393/02, *Henkel KGaA v. OHIM*, 2004 E.C.R. I-4133, ¶¶ 48–49.

²⁷⁹ Case T-305/02, *Nestlé Waters Fr. v. OHIM*, 2003 E.C.R. II-5209.

²⁸⁰ Case T-128/01, *DaimlerChrysler Corp. v. OHIM*, 2003 E.C.R. II-703 [hereinafter *Jeep Car Grille*].

²⁸¹ Case C-238/06 P, *Develey Holding GmbH v. OHIM*, 2007 E.C.R. I-9739; *Bongrain SA’s Trade Mark Application* [2005] 14 RPC 306 (EWCA) (appeal taken from Eng.) (applicant arguing case law supported the “striking-and-unusual-is-enough” approach).

²⁸² Friedmann, *supra* note 235; Guy Tritton, *Distinctiveness and Acquired Distinctiveness: The Approach and Territorial Aspects*, 13 ERA FORUM 227, 230 (2012).

²⁸³ *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737; see also Peter Turner-Kerr, *EU Intellectual Property: Recent Case Developments*, 2004 INTEL. PROP. Q. 448, 478 (noting that the holding of *Nestlé Waters* is inconsistent with the holding of *Henkel* that a mere divergence from the norm was insufficient to exclude TMD Article 3(1)(b)).

²⁸⁴ *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 49.

contextualized evaluations of consumer reaction rather than abstract assessments of a shape's striking features undermine the departs significantly criterion, which rests upon a strong presumption against consumer predisposition to product shapes. Had this empirical rule been applied, these EGC decisions would most likely have reached a different outcome.

III. REVISITING THE “DEPART SIGNIFICANTLY” CRITERION

A. *Demystifying Common Misunderstandings*

Some pre-*Henkel Perwoll Bottle* decisions clearly had a sense that in the relevant market consumers would be unlikely to show any pre-disposition to treating product get-up marks as an indication of origin, but tribunals struggled to articulate the reasons.²⁸⁵ The empirical rule about presumed consumer responses adopted in *Henkel Perwoll Bottle* provided a more rational basis for predicting the inherent ability of unused shapes to indicate origin, and, according to some commentators, was grounded upon a blend of normative and empirical characterizations of the average consumer within a more contextual analysis.²⁸⁶ The rule's normative and empirical blend is a central aspect of the departs significantly criterion. Under this criterion, “the sole decisive factor” is whether any nonverbal mark allows the relevant consumer to identify and distinguish the origin of goods or services on the market.²⁸⁷ In the case of 3D marks, the sign may potentially catch consumers' attention as a result of being new, uncustomary, or strikingly unusual, but its trademark *significance* is not a *fait accompli*.

²⁸⁵ Case R-354/1999-2, *Black & Decker Corp.*, ¶ 13 (2d Bd. App. May 23, 2001) (unreported); Case R-335/2003-2, *Les Grands Chais de France S.A.*, ¶ 16 (3d Bd. App. June 28, 2000) (unreported); Case R-446/1999-3, *Tokai Europe GmbH*, ¶ 30 (3d Bd. App. Oct. 18, 2001) (unreported).

²⁸⁶ *Dinwoodie & Gangjee*, *supra* note 259, at 353.

²⁸⁷ The impact upon the target public is an essential part of the distinctiveness assessment under TMD Article 3(1)(b) (or the equivalent CMTR Article 7(1)(b)). *See* Case C-205/13, *Hauck GmbH & Co. KG v. Stokke A/S*, ECLI:EU:C:2014:322 (May 14, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=152243>; Case T-806/14, *August Storck KG v. EUIPO*, ECLI:EU:T:2016:284 (May 10, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=177962&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5432775> *aff'd* *August Storck KG v. EUIPO*, ECLI:EU:C:2017:340 (May 4, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=190340&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=5433264>; Case T-70/14, *Melt Water v. OHIM*, ECLI:EU:T:2015:9 (Jan. 14, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=161378&pageIndex=0&doclang=FR&mode=lst&dir=&occ=first&part=1&cid=5433400>; Case C-25/05 P, *August Storck v. OHIM*, 2006 E.C.R. I-5719 (opining that perception of three-dimensional pictures varies from perception of other marks); Case C-173/04 P, *Deutsche SiSi-Werke GmbH v. OHIM*, 2006 E.C.R. I-568.

As the earlier cases demonstrate, to focus solely on the extent to which the get-up mark deviates from existing or obvious forms in order to predict its eligibility for protection erroneously collapses the “departs significantly” inquiry into a single question, namely the extent to which it breaks new ground amongst products of that type. This single-question approach conveniently bypasses any contextual and normative evaluations into likely consumer reactions.²⁸⁸ From a policy perspective, this would yield the undesirable result of turning every novel and arbitrary design into a perpetual trademark monopoly without important policy-levers such as designer freedom that prevents the scope of design protection from hampering follow-on innovation.²⁸⁹ Design registration could thus become pointless. From a doctrinal perspective, focusing solely on the extent to which the get-up mark differs from what is customary in the sector simply obviates the need for the consumer as an important vehicle for accommodating normative goals and setting desirable boundaries.²⁹⁰

The (presumed) absence of consumer predisposition to equate certain signs with source-identifiers is therefore a (rebuttable) normative presumption that the CJEU created to safeguard against turning trademark registration into a registry for perpetual monopolies in designs. Without it, any arbitrary, unusual, or eye-catching product shape would be entitled to registration as a trademark.²⁹¹ This is effectively a proxy for novelty or individual character criteria, not distinctiveness. Though the CJEU has never provided any scientific support for this normative presumption, there is in fact some compelling basis for it.²⁹² Moreover, the presumption rests upon other logical observations of how consumers react to product design generally. As a practical matter, average consumers are aware that there are good technical or aesthetic reasons why an article may have a particular shape. Thus, the primary message conveyed by the shape may be of a technical or ornamental nature (or both) and with no *a priori*

²⁸⁸ For an example of this questionable approach to the distinctiveness evaluation business trade dress marks, see César J. Ramírez-Montes, *Trademarking the Look and Feel of Business Environments in Europe*, 25 COLUMB. J. EU L. 75, 112–13.

²⁸⁹ Council Regulation 6/2002, art. 10, of Dec. 12, 2001 on Community Designs, 2001 O.J. (L 3) 1, 5 (EC); see also *Dyson Ltd. v. Vax Ltd.* [2010] EWHC (Pat) 1923 [34] (Eng.) (outlining several factors that may constrain designer freedom in assessing the proper scope of registered design protection), *aff'd* [2011] EWCA (Civ) 1206; *Case T-9/07, Grupo Promer Mon Graphic, SA v. OHIM*, 2010 E.C.R. II-981, *aff'd* *Case C-281/10 P, Grupo Promer Mon Graphic, SA v. OHIM*, 2011 E.C.R. I-10178.

²⁹⁰ *Dinwoodie & Gangjee*, *supra* note 259, 345–46.

²⁹¹ *Unilever PLC's Trademark Applications* [2002] EWHC (Ch) 2709, [2003] RPC 35 [28] (Eng.) (Jacob, J., explaining the Vienetta trademark on ice-cream cones and expressing concern over such a common shape being classified as distinct for trademark purposes).

²⁹² See *supra* Part II.A.

reason why consumers should care that a shape is being used for the additional purpose of indicating the commercial origin of the goods.²⁹³ Common sense dictates that not every sign or design affixed by traders to their goods or services will necessarily have a trademark impact on potential consumers. Similarly, unlike most word marks, there may be a finite number of appearances which a product may take given its intended purpose and the expectations of potential consumers.²⁹⁴ Thus, there is a risk of “design depletion” as shapes cannot be indefinitely dissimilar and still be recognized.²⁹⁵ As discussed, depletion public interest is specifically recognized to preserve the availability of abstract colors but does not extend to distinctiveness assessments of other signs in limited supply such as shapes.²⁹⁶ These legitimate concerns are more appropriately addressed under functionality, not distinctiveness.²⁹⁷ Nevertheless, the departs significantly criterion arguably addresses shape depletion concerns in its own limited way. The criterion attempts to prevent the easy monopolization of basic or obvious forms of product design that, while not entirely functional, are unlikely to be treated as source-identifiers according to the *presumed* expectations of consumers.²⁹⁸

Those who criticize the test for imposing an exceedingly high threshold of distinctiveness upon product get-up marks simply pay insufficient attention to the inadequacies of applying the traditional analytical rules for measuring the distinctiveness of word marks.²⁹⁹ Indeed, there is a recognition that the nondistinctiveness objections to registration “were not formulated with a view to unusual forms of signs such as product shapes, and are therefore not easy to apply.”³⁰⁰ Whereas the potential distinguishing capacity of a word mark is

²⁹³ *Betafence Ltd. v. Registrar of Trademarks*, [2005] EWHC (Ch) 1353, [15] (Eng.); *see also* Dinwoodie, *supra* note 87, at 207 (acknowledging that Justice Scalia in the U.S. Supreme Court’s *Wal-Mart* case relied upon his own empirical observations to deny that product design could ever be inherently distinctive).

²⁹⁴ Case R-321/2000-3, *Jose Cuervo, S.A. DE C.V.*, ¶ 17 (3d Bd. App. Apr. 4, 2001) (unreported); Case R-476/2001-3, *Eurocos Cosmetic GmbH*, ¶ 19 (3d Bd. App. Aug. 7, 2001) (unreported) (noting there is not an unlimited range of shape for goods and packaging).

²⁹⁵ *Bongrain SA’s Trade Mark Application* [2005] RPC 306 (Civ) [24] (Eng.) (stating that the “depletion” public interest recognized in color marks by the CJEU may also apply to shape marks in the EU); *see also* *Fundamental Too v. Gemmy Indus. Corp.*, 111 F.3d 993, 1001 (2d Cir. 1997) (recognizing design depletion is a public interest in U.S. law); *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431, 1448 (3d Cir. 1994).

²⁹⁶ *See supra* Part I.D.

²⁹⁷ GRAEME DINWOODIE & MARK JANIS, *TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY* 159 (4th ed. Wolters Kluwe, NY, 2014).

²⁹⁸ *See, e.g.*, cases cited *supra* note 264.

²⁹⁹ *See, e.g.*, Jochen Pagenberg, *Trade Dress and I Three-Dimensional Mark—The Neglected Children of Trademark Law?*, 7 INT’L REV. INTEL. PROP. & COMPETITION L. 831, 834 (2004).

³⁰⁰ The Study, *supra* note 52, at 70–71.

generally analyzed by reference to the relationship between the semantic content of the sign and the essential characteristics of the designated goods or services,³⁰¹ the same cannot be said about product shapes. In the case of product shape marks, “the difference between the sign and the object which the sign indicates is blurred in that the object becomes the sign in relation to itself.”³⁰² Competition concerns are particularly implicated in this situation as trademark registration is not intended to restrain competition in products themselves.³⁰³ Nor do critics appreciate that the general requirement of distinctiveness has been under sustained pressure ever since applicants learned to circumvent the draconian refusal under former Article 3(1)(e) and Article 7(1)(e) by focusing instead upon the highly unusual or unique character of their shape marks as a proxy for their origin-indicating character.³⁰⁴ In doing so, applicants divert the tribunal’s attention away from an examination under the “preliminary obstacle” of functionality.³⁰⁵ Such a judicial approach was considered preferable as registration remains available upon proof acquired secondary meaning.³⁰⁶ It is thus unsurprising that this sympathetic interpretation of the refusal grounds towards applicants has generated far more case law around distinctiveness than around the specific provisions regarding product shape marks.³⁰⁷

³⁰¹ Case T-230/05, *Golf USA, Inc. v. OHIM*, 2007 E.C.R. II-0023; Case T-289/02, *Telepharmacy Sols. Inc. v. OHIM*, 2004 E.C.R. II-2851.

³⁰² Case C-205/13, *Hauck GmbH & Co. KG v. Stokke A/S*, Judgment, ECLI:EU:C:2014:2233 (Sept. 18, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=157848&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=9069977>; see also *Betafence Ltd. v. Registrar of Trademarks* [2005] EWHC (Ch) 1353 [16] (Eng.).

³⁰³ See Annette Kur, *Strategic Branding: Does Trademark Law Provide for Sufficient Self Help and Self-Healing Forces?*, 18 (Max Planck Inst. for Intell. Prop., Competition & Tax L. Res., Paper No. 08-03, 2007); Knaak et al., *supra* note 79, at 70.

³⁰⁴ See *supra*, Part I, C-1.

³⁰⁵ Firth, *supra* note 148, at 89–92; see also Arnaud Folliard-Monguiral & David Rogers, *Significant Case Law from 2004 on the Community Trademark from the Court of First Instance, the European Court of Justice, and OHIM*, 27 EUR. INTELL. PROP. REV. 133, 136 (2005) (observing that the ground for refusing the registration of functional shapes in Article 7(1)(e)(ii) has rarely been raised before OHIM); Case C-371/06, *Benetton Grp. SpA v. G-Star Int’l BV*, 2007 E.C.R. I-7711 (confirming that the third indent of functional shapes in CTMR Article 7(1)(e)(iii) that excludes shapes that render the product’s appearance attractive is also a preliminary obstacle which can apply even after the shape acquired source association in the mind of consumers).

³⁰⁶ See *supra* Part I.

³⁰⁷ For examples of this “sympathetic” view of distinctiveness resolving any doubts in favor of the applicant, see Case R-799/2013-2, *Absolut Co. Aktiebolag*, ¶ 59 (2d Bd. App. Nov. 26, 2014), (unreported); Case R-1206/2006-2, *Coca-Cola Co.*, ¶ 18 (2d Bd. App. Dec. 22, 2006), (unreported); Case R-724/2006-2, *Doskocil Mfg. Co.*, ¶ 20 (2d Bd. App. Nov. 22, 2006), (unreported).

1. *Problematic Assumptions*

The unarticulated theoretical basis of the depart significantly criterion has also led to some confusion about its specific character and purpose. For instance, a study by the Max Planck Institute (the Study) highlighted difficulties in ascertaining the difference between the criterion and the individual character for design protection and whether the difference is merely one of degree.³⁰⁸ It argued that the criterion raises a serious paradox—namely that ambitious designs that diverge significantly from standard forms in the sector are the only way to overcome the nondistinctiveness ground and are likely to be seen as particularly attractive products by consumers.³⁰⁹ For the same reason, ambitious designs are likely to be permanently excluded as the aesthetically pleasing qualities of a shape that add substantial value to the goods.³¹⁰ An example of this dilemma is Danish corporation Bang & Olufsen’s attempt to register its pencil-shaped loudspeaker design as a Community Trade Mark (now called an “EU Trade Mark”). In 2007, the loudspeaker was found to be truly arbitrary, distancing itself from customary designs in the sector in a way which could not be considered altogether common.³¹¹ The loudspeaker therefore departed so significantly from other customary designs that the Board’s refusal was reversed.³¹² In 2011, however, the loudspeaker design was once again refused registration upon the ground that its “pure, slender, timeless sculpture” was “an element which [would] be very important in the consumer’s choice,” rendering the shape aesthetically functional in the sense of adding substantial value to the goods in breach of CTMR Article 7(1)(e)(iii).³¹³ The pencil-shaped design was thus permanently barred from registration.³¹⁴ Some commentators have endorsed the Study’s views, decrying the alleged dilemma posed by the depart significantly criterion.³¹⁵ However, there are several reasons why I disagree with these criticisms.

³⁰⁸ See Knaak et al., *supra* note 79, at 70–71.

³⁰⁹ See *id.* at 71–72.

³¹⁰ See *id.*

³¹¹ *Id.*

³¹² *Id.*

³¹³ Case T-508/08, Bang & Olufsen A/S v. OHIM, 2011 E.C.R. II-06975.

³¹⁴ See *id.*

³¹⁵ See generally Sara Balice, *Tripp Trapp Case: The Court of Justice on 3D Trademarks*, 37 EUR. INTEL. PROP. REV. 807, 812 (2015). For an academic examination of the alleged paradox posed by the Bang & Olufsen decision and a call for abolishing the exclusion of value-adding shapes, see Charles Gielen, *Substantial Value Rule: How It Came into Being and Why It Should Be Abolished*, 3 EUR. INTEL. PROP. REV. 164, 168 (2014).

First, the fact that many packaging marks such as bottles have been refused registration for lacking trademark significance even though they were bespoke creations by art designers strongly suggests that the individual character and distinctiveness tests are by no means interchangeable.³¹⁶ While according to informed professionals, the innovative character of these packaging designs might have rendered them eligible for design protection and might even suggest a significant divergence from the norm, their source-identifying capability according to “presumed” expectations of consumers is far from self-evident. The 2007 *Bang & Olufsen* decision is symptomatic of the “striking and unusual”-is-sufficient-to-hold-consumer-attention approach that prevailed in the earlier stages of European case law.³¹⁷ While purporting to apply the departs significantly criterion, the EGC simply collapsed the whole contextual analysis into a single consideration about the aesthetic aspirations embodied in the “organ pipe” shape of the loudspeaker.³¹⁸ The EGC found the shape to be “truly specific” and “a striking design which is remembered easily.”³¹⁹ However, at no point did the Court attempt to verify the actual impact of the striking features upon hi-fi equipment consumers (who have no predisposition to shapes as source-identifiers) and whether such consumers simply expect these products to display an aesthetically striking design without attaching any source significance.³²⁰ Nor did it attempt to find material circumstances to suggest that a manufacturer’s practice exists in this market of differentiating origin of goods by virtue of their arbitrary design with highly attentive consumers relying upon this practice.³²¹

³¹⁶ See generally Case R-377/1999-1, Perrier Vittel Mgmt. et Technologie, ¶ 13 (1st Bd. App. July 25, 2000) (unreported); Case R-453/2001-2, Pi-Design AG, ¶¶ 21–22 (2d Bd. App. Nov. 4, 2002) (unreported); Case R-241/2002-2, Guinness United Distillers & Vintners Amsterdam B.V., ¶ 12 (2d Bd. App. May 21, 2003) (unreported); Case R-236/2003-2, Frischpack GmbH & Co. KG, ¶ 46 (2d Bd. App. Sept. 8, 2003) (unreported), *aff’d* Case T-360/03, 2004 E.C.R. II-4099.

³¹⁷ See *supra* Part II.B.

³¹⁸ Case T-460/05, *Bang & Olufsen A/S v. OHIM*, 2007 E.C.R. II-4209.

³¹⁹ *Id.* (“Even if the existence of specific or original characteristics does not constitute an essential condition for registration, the fact remains that their presence may, on the other hand, confer the required degree of distinctiveness on a Trademark.”).

³²⁰ *Id.*

³²¹ In fact, the EGC cited with approval its own *Jeep Car Grille*, 2003 E.C.R. II-703, decision which, this Article argues, is incompatible with the CJEU *Henkel* ruling. See *Bang & Olufsen A/S*, 2007 E.C.R. II-4209. Furthermore, the decision is also difficult to reconcile with EGC’s own decision in *Enercon* as well as the CJEU’s subsequent approval and endorsement of the Board’s finding that highly attentive consumers looking to make a significant investment in the goods are likely to orient themselves by the producer’s name rather than by mere design. See Case T-71/06, *Enercon GmbH v. OHIM*, 2007 E.C.R. II-156; Case C-20/08 P, *Enercon GmbH v. OHIM*, 2008 E.C.R. I-179.

Second, the departs significantly criterion is essentially underpinned by the normative responses and expectations of the average consumer whereas the value-adding shapes exclusion is grounded upon a broader range of fundamentally objective facts, of which the consumer perception is a relevant but not decisive factor.³²² In *Hauck*, the CJEU did not endorse the Study's view that the question of whether a shape gives substantial value to the goods is "essentially depend[ent] on the public's apprehension, which involves subjective evaluations."³²³ Implicitly, it adopted the broader view of market effects arising from registration in the AG's opinion. According to that opinion, objective circumstances must show that "the aesthetic characteristics of a shape affect the attractiveness of the goods to such an extent that the reservation thereof to a single undertaking would distort competition on the market concerned."³²⁴ Amongst these objective criteria, the dissimilarity of the shape from other customary shapes on the market and the public perception are factors, but neither are decisive.³²⁵

Third, and closely related, the 2011 *Bang & Olufsen* decision to refuse the organ pipe design for increasing the appeal (i.e., the value) of the product is hardly a paradigmatic example of any dilemma that ambitious designs face but a clear example of legacy issues that this Article highlights.³²⁶ That is, a well-entrenched reluctance in the lower European tribunals first to ascertain whether product shapes can overcome the preliminary functionality obstacle in CTMR Article 7(1)(e) prior to any investigation into consumer associations, as the CJEU has repeatedly stated.³²⁷ Indeed, in its 2007 decision, the EGC had remarked that it clearly emerged from the Board's assessment that the design mark was "essentially dictated by aesthetic considerations."³²⁸ This finding should have prompted the Board to consider the potential application of the

³²² See Case C-205/13, *Hauck GmbH & Co. KG v. Stokke A/S*, AG Opinion, ECLI:EU:C:2014:322 (May 14, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=152243&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=9069977>.

³²³ Knaak et al., *supra* note 79, at 73.

³²⁴ *Hauck GmbH & Co. KG*, ECLI:EU:C:2014:322.

³²⁵ See *id.* (explaining that such objective criteria may involve "the nature of the category of goods under consideration, the artistic value of the shape concerned, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference in relation to other competing products with similar characteristics, and the development by the manufacturer of a promotion strategy emphasising principally the aesthetic characteristics of the goods concerned").

³²⁶ See *supra* Part I.E.

³²⁷ For a recent example, see Case C-215/14, *Société des Produits Nestlé SA v. Cadbury UK Ltd.*, Judgment, ECLI:EU:C:2015:604 (Sept. 16, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=167821&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=9071160>.

³²⁸ Case T-460/05, *Bang & Olufsen A/S v. OHIM*, 2007 E.C.R. II-4209.

ornamental shapes exclusion following the CJEU's instructions to ensure a full and stringent approach to the registration grounds. No such apparent dilemma would exist had the design been first examined against functionality as the ab initio exclusionary obstacle for shapes. Once a shape mark is objectively found to be aesthetically functional regarding the economic effects of its registration upon competition, it is wholly irrelevant how ambitious the designer might have been in departing from adopted norms regarding the presumed expectation of average consumers.³²⁹

Even when the initial examination proceeded upon the functional shapes exclusions under CTMR Article 7(1)(e), EU tribunals tended to adopt a rather narrow interpretation of this provision as the mere presence of "an additional element," however significant, was sufficient to render the provision inapplicable.³³⁰ Moreover, the ambitious design dilemma identified in the Study implies that the purpose of trademark law is to incentivize innovation or creativity, which is certainly not the case. More troubling, what social value is there when ambitious designers might not even bother to seek time-limited design protection if they can use trademark law to obtain an indefinite monopoly?

B. Is It Really Counter-Productive?

The empirical rule underpinning the depart significantly criterion has recently come under further attack for being counterproductive. Dutch IP professors Martin Senftleben and Lotte Anemaet both regard the rule as the CJEU's attempt to keep certain nontraditional signs in the public domain, but they argue that it paradoxically encourages traders to invest heavily in marketing efforts that aim to educate consumers to treat product get-up marks and colors as source-identifiers.³³¹ As more traders succeed in doing so and acquire

³²⁹ *Kit-Kat Chocolate Bar*, ECLI:EU:C:2015:604, ¶ 38.

³³⁰ This is clearly the approach adopted in the dishwashing tablet cases. See Case R-70/1999-3, *Henkel KGaA*, ¶ 19 (3d Bd. App. Sept. 21, 1999), (unreported) (discussing red and white rectangular dish-washing tablet), *aff'd* Case T-337/99, 2001 E.C.R. II-2601, and Joined Cases C-456 & C-457/01 P, *Henkel Dishwashing Tablets*, 2004 E.C.R. I-5115; Case R-506/1999-1, *Procter & Gamble Co.* (1st Bd. App. Mar. 8, 2000) (unreported) (examining "square tablet[s] with chamfered edges and beveled corners and with speckles and a dark square depression in the centre of its upper surface"), *aff'd* Case T-128/00, 2001 E.C.R. II-2785; Case R-508/1999-1, *Procter & Gamble Co.*, ¶¶ 11–12 (1st Bd. App. Mar. 8, 2000) (unreported) (assessing "rectangular tablet[s] with chamfered edges and slightly rounded corners and with speckles and a dark triangular depression in the centre"), *aff'd* Case T-129/00, 2001 E.C.R. II-2793; see also Case R-217/1999-1, *Westfälische Fleischwarenfabrik Stockmeyer GmbH*, ¶ 13 (1st Bd. App. Apr. 14, 2000) (unreported) (shape of mini-pizza packaging).

³³¹ Lotte Anemaet, *The Public Domain Is Under Pressure—Why We Should Not Rely on Empirical Data*

registration on the basis of secondary meaning, the normative assumption that there is no consumer predisposition to unconventional signs becomes harder to sustain and simply loses credibility.³³² According to Senfleben and Anemaet, notwithstanding its laudable aim, the CJEU's empirical rule actually results in providing "dysfunctional incentives" for assiduous traders who are undeterred because the option of securing registration following investment efforts remains open.³³³ Senfleben argues that the CJEU should rethink its empirical rule³³⁴ while Anemaet goes even further than this. She champions a normative exclusion of nontraditional marks from registration even in the presence of acquired distinctiveness on the basis that empirical research demonstrates conclusively that consumers do not actually experience more difficulties in deriving origin from the shape or color of products as they do with traditional marks.³³⁵ But these academic criticisms are problematic for several reasons.

First, it is puzzling to view the empirical rule as seeking to preserve as robust a public domain as possible given that the structure of European law actually allows for the registration of noninherently distinctive marks *after* successful market use.³³⁶ Statutes must be interpreted in a way that avoids rendering provisions superfluous; adopting the normative exclusion advocated by Anemaet would inevitably have that effect. When the preservation of the public domain is the central interest, the legislator has explicitly said so in the case of a specific category of functional signs falling into Articles 4(1)(e) and 7(1)(e).

When Assessing Trademark Distinctiveness, 3 INT'L REV. INTEL. PROP. & COMPETITION L. 303, 309 (2016); Martin Senfleben, *Public Domain Preservation in EU Trademark Law—A Model for Other Regions?*, 103 TRADEMARK REP. 775, 802 (2013). This academic argument against restricting protection for nonverbal marks by referencing consumer expectations and market forces may also be found in earlier work by other German scholars, who also argued that this is an easy barrier to overcome. See Kur, *supra* note 303, at 19–20.

³³² See Kur, *supra* note 303, at 19–20.

³³³ Anemaet, *supra* note 331, at 320 (arguing that the possibility of acquiring distinctiveness through use may be stimulating traders to invest heavily in non-traditional signs notwithstanding the CJEU's assumption that the distinctiveness bar is high enough to act as a deterrent); Senfleben, *supra* note 331, at 802. The empirical rule about consumer habits may be encouraging merchants to develop marketing strategies to educate consumers. *Id.*; see also Martin Senfleben, *Free Signs and Free Use – How to Offer Room for Freedom of Expression Within the Trademark System*, in RESEARCH HANDBOOK ON HUMAN RIGHTS AND INTELLECTUAL PROPERTY 354, 369–70 (Christophe Geiger ed., 2015) (observing that the reliance on the prevention of consumer confusion as a criterion for trademark protection rests on circular reasoning in the sense that, without the possibility of acquiring trademark significance through use, there would less incentive for investment and the instances of confusion less likely to arise).

³³⁴ Senfleben, *supra* note 331, at 802.

³³⁵ Anemaet, *supra* note 331, at 314–19. Complete exclusion from registration is contrary to international law, as TRIPs Article 15 requires that all forms of signs capable of distinguishing goods or services must be accepted for registration. See also Knaak et al., *supra* note 79, at 70.

³³⁶ See EUTMR, *supra* note 1, art.7(1)(3); TMD, *supra* note 1, art. 4(4).

Functional signs are permanently excluded even in the presence of accumulated consumer goodwill.³³⁷ Second, the possibility that consumers *may* become accustomed to equating shape or color with commercial origin is a relevant consideration for the acquisition of distinctiveness, not for the theoretical prediction underpinning inherent distinctiveness. Settled case law acknowledges this principle, which intuitively accords with Anemaet's references to her findings about empirical research.³³⁸ Third, the fact that it is clear that in a particular sector there is a consumer habit of choosing certain products by reference to their appearance or color due to other traders' successful marketing efforts affords no basis for concluding that registration must automatically follow in *all* cases or that minimal distinctiveness may suffice. Indeed, case law shows that, if the sector is one where there is consumer predisposition, inherent distinctiveness is *conceivable* but does not automatically mean that any proposed mark is intrinsically distinctive.³³⁹ Rather, the existence of those

³³⁷ For the equivalent exclusion in Article 7(1)(e) regulation, see Case C-421/15 P, *Yoshida Metal Indus. Co. v. EUIPO*, Judgment, ECLI:EU:C:2017:360 (May 11, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=190588&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9071689>; Case C-48/09 P, *Lego Juris A/S v. OHIM*, 2010 E.C.R. I-8403. See also Uma Suthersanen, *The European Court of Justice in Philips v. Remington—Trademarks and Market Freedom*, 2003 INTELL. PROP. Q. 257, 274–75.

³³⁸ Case T-88/00, *Mag Instrument, Inc. v. OHIM*, 2002 E.C.R. II-467, *aff'd* Case C-136/02 P, 2004 E.C.R. I-9165; Case T-36/01, *Glaverbel v. OHIM*, 2002 E.C.R. II-3887, *aff'd* Case C-445/02 P, 2004 E.C.R. I-6267; Joined Cases T-128 & T-129/00, *Procter & Gamble Co. v. OHIM*, 2001 E.C.R. II-2785, *aff'd* C-473 & C-474/01P, 2004 E.C.R. I-5173; Case T-194/01, *Unilever NV v. OHIM*, 2003 E.C.R. II-383; Case T-337/99 *Henkel KGaA v. OHIM*, 2001 E.C.R. II-2597.

³³⁹ See, e.g., Case T-1/09, *August Storck KG v. OHIM*, 2010 E.C.R. II-297, *aff'd* Case C-96/11 P, Judgment, ECLI:EU:C:2012:537 (Sept. 6, 2012), <http://curia.europa.eu/juris/liste.jsf?language=en&jur=C,T,F&num=c-96/11&td=ALL> (explaining how even if consumers of confectionary are already used to 3D marks similar to the applicant's and, in light of the plurality of forms available, consumers are equally in the habit of equating certain forms with the commercial origin of the product, the General Court rightly held that what matters is whether *this* particular mark has trademark significance); Case C-547/10 P, *Wilfer v. OHIM*, 2011 E.C.R. I-127; Case T-129/04, *Develey Holding GmbH v. OHIM*, 2006 E.C.R. II-811 (discussing that even if there is a consumer habit of perceiving the packaging of everyday products as indication of their commercial source, "that general conclusion does not mean that all packaging of such goods has the distinctive character required for registration"), *aff'd* Case C-238/06 P, 2007 E.C.R. I-9375; see also Joined Cases T-359 & T-360/12, *Louis Vuitton Malletier v. OHIM*, Judgment, ECLI:EU:T:2015:215 (Apr. 21, 2015), <http://curia.europa.eu/juris/document/document.jsf?docid=163833&doclang=EN> ("[T]he applicant's argument that consumers are accustomed to perceiving a pattern as an indication of the commercial origin of goods is irrelevant because the fact that such signs are recognised as marks by consumers does not necessarily mean that they have an inherent distinctive character."); *aff'd* Joined Cases C-363 & 364/15 P, *Louis Vuitton Malletier v. EUIPO*, Order, ECLI:EU:C:2016:595 (July 21, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=182442&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9073032> (appeals dismissed without a decision); Case T-104/16, *Puma SE v. EUIPO*, Judgment, ECLI:EU:T:2017:153 (Mar. 9, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=188745&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9073132> (observing how even if there is a special practice in the sports

branding practices and consumer habits is no more than an indication that it *may* be possible for such shapes to acquire secondary meaning in the future or through a significant marketing campaign. The mere fact that one product shape is found to be source-identifying has never been a basis for arguing that the design of all products of that type *necessarily* will be inherently indicative of source.³⁴⁰

1. EU Functionality as the Proper Safeguard of Public Domain

There is, nevertheless, one salient point in these academic critiques. Senftleben's and Anemaet's arguments regard the need to develop trademark law in a way that preserves and promotes the public domain by permanently excluding from registration descriptive, nontraditional, and culturally significant signs without the possibility of ever acquiring secondary meaning.³⁴¹ Their main complaint is that the grounds for refusing registration contribute significantly to the reservoir of signs available for common use supporting the public domain, but that the current threshold for establishing inherent or acquired distinctiveness is so easy to overcome that it is arguably no longer an appropriate safeguard.³⁴² The authors stake their claims even though the most comprehensive review on the functioning of the EU trademark system called for *lowering* the threshold for acquiring distinctiveness for shapes and colors to ensure their registration as CTMs does not become "unrealistic."³⁴³ However, keeping culturally significant signs permanently in the public domain is the

industry which allows for the registration of slogans expressing an "attitude or lifestyle," the mark "FOREVER FASTER" was likely to be perceived only as a promotional formula). Even where a practice exists where professionals and guitarists use the shape of certain components of the whole product as an indicator of the product's origin, i.e., the headstock of a guitar, those products are not excluded from the application of the case law establishing the depart significantly test. *Wilfer*, 2011 E.C.R. I-127. That test is not limited to mass products, nor does the practice imply that a minimum degree of distinctiveness suffices. *Id.* On the contrary, "if the appearance of goods in a given sector, or that of a component of those goods, serves to indicate the manufacturer, that is only because the appearance of a sufficient number of those goods or of their components differs significantly from the norm or customs of that sector." *Id.*

³⁴⁰ Case T-291/16, Anta (China) Co. v. EUIPO, Judgment, ECLI:EU:T:2017:253 (Apr. 5, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=189619&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9073203> (figurative mark representing two lines forming an acute angle for sportswear); Case T-579/14, Birkenstock Sales GmbH v. EUIPO, Judgment, ECLI:EU:T:2016:650 (Nov. 9, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=185231&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9073384> (figurative mark of a wavy pattern for footwear). Other scholars have implicitly rejected the academic view adopted by Anemaet and Senftleben. See Dinwoodie, *supra* note 84, at 591.

³⁴¹ See Anemaet, *supra* note 331; Senftleben, *supra* note 331.

³⁴² See generally *id.*

³⁴³ Knaak et al., *supra* note 79, at 71.

province of functionality, not distinctiveness. Here again we find the pernicious effects of the legacy issues.³⁴⁴ A clear illustration is Lindt's attempts to claim exclusive rights over the 3D shape of a chocolate Easter bunny in a gold package displaying a red ribbon and a little bell around its neck.

Lindt's 2004 application was refused for being noninherently distinctive and lacking secondary meaning.³⁴⁵ Upon examining the branding practices of the confectionary sector and the perception of chocolate consumers, the Office found that "bunnies are one of the wealth of shapes of chocolate products, particularly around the Easter period."³⁴⁶ Lindt's sitting bunny was thus one of the typical shapes for Easter, with each of its features and overall combination being nothing more than a customary shape corresponding to the norms and customs of the sector. Given the direct link between bunnies and Easter, the features were essential and traditional embellishments that European consumers would expect to see in Easter bunnies.³⁴⁷ This opened up the possibility that Lindt was seeking to monopolize functional characteristics of the shape that consumers would look for in competitors Easter bunnies. Instead of applying functionality's protective barrier as a preliminary obstacle, both the EGC and CJEU focused solely on the customary and noninherently distinctive character of the shape, affirming the refusal for failing to depart significantly from the norm.³⁴⁸ However, it was not until 2017 that, in considering Lindt's second registration attempt, the Grand Board of Appeal at EUIPO held that "the Easter bunny is part of the folklore surrounding Easter" and the proposed shape is "in itself the essential element which determines the value of the chocolate goods."³⁴⁹ Consumers are unlikely to purchase Easter bunnies that do not have traditional features of gifts for children. Thus, the shape and appearance represent a decisive purchasing criterion for consumers and an essential element in Lindt's marketing strategy.³⁵⁰ The Grand Board confirmed the central role of functionality in preserving culturally significant signs by stating that Article 7(1)(e)(iii) prevents the registration of design features that correspond to

³⁴⁴ See *supra* Part I.E.

³⁴⁵ Case R-1332/2005-4, *Chocoladefabriken Lindt & Sprüngli AG* (4th Bd. App. June 11, 2008) (unreported).

³⁴⁶ *Id.* ¶ 43.

³⁴⁷ *Id.* ¶ 53.

³⁴⁸ Case C-98/11 P, *Chocoladefabriken Lindt & Sprüngli AG v. OHIM*, Judgment, ECLI:EU:C:2012:307 (May 24, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=123102&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=9073586>.

³⁴⁹ Case R-2450/2011, *G Chocoladefabriken Lindt & Sprüngli AG* (July 7, 2017, Grand Chamber, unreported ¶¶ 37-38).

³⁵⁰ *Id.*

“traditional aesthetic elements of Easter chocolate specialties.”³⁵¹ It concluded that Lindt “cannot attempt to monopolize Easter symbols, or extend indefinitely, by virtue of trademark protection, design features of its chocolate bunnies, which could, at most, be protected as part of a design, for a limited period of time.”³⁵²

Academic concerns about the market setting the limits for what will be registered rather than the need to leave it free in the public interest have also been raised by others.³⁵³ Both Senftleben and Anemaet largely base their arguments on examples from German law. However, for a long time German courts have applied a distinctiveness test which is arguably at variance with CJEU interpretations.³⁵⁴ In its case law, the German *Bundesgerichtshof* (i.e., the Federal Court of Justice) consistently adopts a questionable approach to distinctiveness by treating “devoid of any distinctiveness” as requiring “a

³⁵¹ *Id.* ¶ 40.

³⁵² *Id.* ¶ 45.

³⁵³ Jennifer Davis has written extensively on the British idea developed in pre-Directive case law of the “trade mark common” as a metaphor for a category of signs (including nondistinctive and descriptive signs) which should remain free for others to use even in the presence of factual distinctiveness in the marketplace on the basis that the public has a continuing (positive) right of access to such marks. *See, e.g.*, Davis, *supra* note 255; Jennifer Davis, *Protecting the Common: Delineating a Public Domain in Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 117 (Graeme Dinwoodie & Mark Janis eds., 2008) [hereinafter Davis, *Protecting the Common*]; Jennifer Davis, *The Need to Leave Free for Others to Use and the Trademarks Common*, in TRADEMARK USE 29 (Jeremy Phillips & Ilanah Simon eds., 2005) [hereinafter Davis, *The Need to Leave Free for Others*]; Jennifer Davis, *A European Constitution for IPRS? Competition, Trademarks, and Culturally Significant Signs*, 41 COMMON MARKET L. REV. 1005, 1022 (2004) [hereinafter Davis, *A European Constitution for IPRS?*]; Jennifer Davis, *European Trademark Law and the Enclosure of the Commons*, 2002 INTEL. PROP. Q. 342, 367 [hereinafter Davis, *Enclosure of the Commons*]. But not everyone supports importing public interest concerns into the interpretation of the grounds for refusing registration. *See* Jeremy Phillips, *Trademark Law and the Need to Keep Free*, 36 INT’L REV. INTEL. PROP. & COMPETITION L. 389, 393 (2005). However, in framing her arguments against the market-led approach that arguably underpins the Directive, Davis omits any reference to the CJEU’s rule regarding consumer expectations and perception which, as *Oberbank* mandates, does not permit tribunals to rest the acquisition of distinctiveness solely upon abstract figures and predetermined percentages relating to the degree of consumer recognition. *But see* Joined Cases C-217/13 & C-218/13, *Oberbank AG v. Deutscher Sparkassen- und Giroverband eV*, Judgment, ECLI:EU:C:2014:2012 (June 19, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=153812&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=843867>.

³⁵⁴ Anemaet, *supra* note 331, at 313; Senftleben, *supra* note 331, at 803–04. In fact, Senftleben refers to the German decisions regarding the registration of Marlene Dietrich’s portrait for several goods and services. *See* Senftleben, *supra* note 331; Senftleben, *supra* note 333. In those cases, however, the German Federal Court began its distinctiveness evaluation by stating that “[i]n principle, a generous standard is to be assumed, that is, every distinction, however small, is sufficient to overcome the obstacle to protection.” *Bundesgerichtshof* [BGH] [Federal Court of Justice] Mar. 31, 2010, I ZB 62/09, MEDIEN INTERNET UND RECHT [MIR] 1 (13), 2010 (Ger.); *see also* BGH Apr. 24, 2008, I ZB 21/06, MIR 1 (18), 2010 (“When assessing the distinctive character, the basis is to start from a generous scale.”). Other German commentators appear completely unfazed by the misguided view of distinctiveness. *See* Birgit Clark, *Hooray for Hollywood? (No) Trademark Protection for Marlene Dietrich’s Image*, 4 J. INTEL. PROP. L. & PRAC. 314, 315 (2009).

generous measure” in the sense that “any distinctiveness, however slight, suffices to overcome this ground for refusal . . .”³⁵⁵ Under this generous measure, *any* sign could overcome the protective barriers underpinning the absolute grounds and secure registration even if it has only a minimal level of distinctiveness.³⁵⁶ Following the CJEU’s principle that the same assessment of inherent distinctiveness should apply to secondary meaning acquired through use, the German courts set an equally low threshold to overcome what the CJEU has described as a “major exception”³⁵⁷ under former Article 3(3).

It would seem the German interpretation of this fundamental requirement is grounded on an outdated, abandoned view of distinctiveness such as the one adopted in *Baby-Dry*. However, *Baby-Dry* is generally criticized for representing “the high water mark afforded to minimally distinctive signs”³⁵⁸ and dispensing with the overriding public interest objective of keeping certain signs free “in favour of an apparent presumption of registrability.”³⁵⁹ It is clear that the CJEU has subsequently departed from *Baby-Dry* in significant ways.³⁶⁰ Indeed, in *Deichmann* the CJEU flatly rejected the appellant’s argument based upon settled case law of the German courts according to which, in contrast to the element of potentiality underlying descriptiveness, the statutory wording of the nondistinctiveness ground did not permit refusal unless the mark was found

³⁵⁵ BGH May 22, 2014, IIC 263, 264; BGH Feb. 19, 2014, IIC; BGH Apr. 27, 2006, IIC 867 (869); BGH Dec. 4, 2003, IIC 967 (968); [2002] E.T.M.R. 456 (461) (Ger.) (reversing the refusal to register the shape of a product because the correct standard of distinctiveness “must be generous, that is, any distinctiveness, be it even of the weakest kind, will be sufficient to overcome the barrier to protection”).

³⁵⁶ *Likoerflasche Trademark*, [2002] E.T.M.R. 456 (461).

³⁵⁷ *Windsurfing*, 1999 E.C.R. I-2810, ¶ 45.

³⁵⁸ Davis, *The Need to Leave Free for Others*, *supra* note 353, at 41; *see also* Tim Pfeiffer, *Descriptive Trademarks: The Impact of the Baby-Dry Case Considered*, 7 EUR. INTEL. PROP. REV. 373, 377 (2002). By adopting the modern view of trademarks advocated by applicant Procter & Gamble, *Baby-Dry* considerably lowered the burden and threshold for the registrability of descriptive signs. *Id.*

³⁵⁹ Peter Turner-Kerr, *EU Intellectual Property Law: Recent Case Developments*, 2004 INTEL. PROP. Q. 448, 461. But others have deployed an economic analysis of *Baby-Dry* to praise it for promoting economic efficiency by setting a minimal threshold of distinctiveness despite acknowledging that the costs for the general public and other traders are hard to gauge. *See* Griffiths, *supra* note 234, at 33–35.

³⁶⁰ *See supra* Part I. There are some cases where the CJEU has explicitly referred to the “minimal level of distinctiveness” required to justify registration. *See* Case C-97/12 P, *Louis Vuitton Malletier v. OHIM*, Judgment, ECLI:EU:C:2014:324, ¶ 99 (May 15, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=152347&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9074225>; Case C-398/08 P, *Audi AG v. OHIM*, 2010 E.T.M.R. 18, ¶ 39. Nevertheless, these isolated references to minimal distinctiveness must be read in the context of the CJEU’s categorical rejection of reliance upon possible defenses to justify a liberal registration policy and its clear instructions that the examination of the grounds for registration must not be minimal but stringent and full. *See* Case C-51/10 P, *Agencja Wydawnicza Technopol sp. z o.o. v. OHIM*, 2011 E.C.R. I-1546, ¶ 61; Case C-64/02 P, *OHIM v. Erpo Möbelwerk GmbH*, 2004 E.C.R. I-10051, ¶ 45; Case C-104/01, *Libertel Groep BV v. Benelux-Merkenbureau*, 2003 E.C.R. I-3822, ¶¶ 58–59.

devoid of distinctiveness in *all* cases.³⁶¹ That is, the mere possibility of a potentially distinctive use of the sign, however remote, suffices to overcome the objection.

Jennifer Davis has rightly drawn attention to the market-led approach arguably embodied in the Directive under which the market is the ultimate arbiter for what may be registered.³⁶² But, notwithstanding its market-led character, this does not inexorably mean that there is no room for accommodating normative goals and policy considerations within the distinctiveness evaluation in pursuit of other interests and values. Indeed, some tribunals have found that the stringent and full examination of all the factual circumstances (including the empirical rule about consumer reactions) underpinning the distinctiveness appraisal *does* enable this foundational concept in some cases to be a bulwark against the appropriation of culturally significant signs that ought to be in the public domain.³⁶³ However, this limited role of

³⁶¹ Case C-307/11 P, *Deichmann SE v. OHIM*, Order, ECLI:EU:C:2012:254 (Apr. 26, 2012), <http://curia.europa.eu/juris/liste.jsf?num=C-307/11&language=EN>; *see also* Case T-29/16, *Caffè Nero Grp. Ltd. v. EUIPO*, Judgment, ECLI:EU:T:2016:635, ¶ 41 (Oct. 27, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=184903&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9074780>; Case T-37/16, *Caffè Nero Grp. Ltd. v. EUIPO*, Judgment, ECLI:EU:T:2016:634, ¶ 46 (Oct. 27, 2016), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=184901&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9074780> (declining to consider the “best-case scenario” approach, that is, whether a mark should then be registered if it can reasonably be assumed that the mark is distinctive of the goods).

³⁶² Davis, *A European Constitution for IPRS?*, *supra* note 353, at 1012.

³⁶³ *See* Anne Frank-Fonds’ Trademark Application [2015] 132 RPC 914 (App. Person) [10], [21] (Eng.) (arguing that the title “The Diary of Anne Frank” is understood, from the consumer’s perspective and perception, as explanatory of the subject-matter of the designated goods and services and constitutes a property easily understood by the relevant consumers of those goods and services); *Anne Frank-Fonds v. OBPI, R.G.*, 2012/AR/2166 (Courd’Appel de Bruxelles Oct. 2, 2013) (unreported) (using the consumer perception to conclude that the title “Het dagboek van Anne Frank” (The Diary of Anne Frank) would be perceived immediately as a reference to the work of Anne Frank, not as source-indicator of the company that produces the designated goods and services) (relying on the overriding public interest aim in keeping descriptive signs free for all to base the refusal of both inherent and acquired distinctiveness as the perpetual monopolization of a culturally significant sign has the effect of expanding copyright protection); *Executrices of the Estate of Diana, Princess of Wales’ Application* [2001] E.T.M.R. 254 [38] (UK) (applying the presumptions and understandings of the average consumer test to conclude that this consumer would not expect all goods and services bearing the image and name of “Diana, Princess of Wales” to be commercialized under the control of a single undertaking because he or she would be aware that members of the Royal Family would not use their name or title as a trademark for commercial purposes). But tribunals may reach divergent conclusions when they set the distinctiveness bar too low. *E.g.*, Case R-118/2014-1, *Disney Enters.*, ¶¶ 17, 22, 29 (1st Bd. App. Mar. 18, 2015) (discussing that while in theory being the title of a book or a film is not, alone, an obstacle to registration, the sign must be understood as a trademark and the relevant consumers will instantly understand “The Jungle Book” as providing some kind of information relating to the goods or services designated); Case R-1856/2013-2, *Fostier v. Disney Enters.*, ¶¶ 16, 28, 34–26 (2d Bd. App. Feb. 25, 2015) (explaining that by applying the empirical rule regarding consumer perception, the Board allows the cancellation of the registered Community mark “Pinocchio” in relation to all the goods and services that refer to the story of Pinocchio). *But cf.* Joined Cases R-

distinctiveness cannot mean it should assume the more appropriate role of functionality.

IV. CONTEXTUAL EXAMINATION OF THE DEPARTS SIGNIFICANTLY CRITERION

A. *Is It Really an Abstract Criterion?*

Apart from general observations about its alleged restrictiveness, a substantive academic analysis of the departs significantly criterion has yet to feature in the literature. This paucity however has not prevented some commentators arguing that the test “does risk veering into abstraction” if merely being a significantly different or fanciful shape suffices to establish inherent distinctiveness.³⁶⁴ This abstraction arguably exists notwithstanding references to the presumed expectations of the average consumer. For others, cases such as *Henkel Flasche* and *Freixenet* suggest that “it is both *necessary* and *sufficient* that the shape is significantly different from the norms or customs of the sector to overcome an objection of lack of distinctive character.”³⁶⁵ This departs significantly criterion would thus appear “less onerous” than the test for securing design registration in respect of a design that has individual character over the prior art, not simply the norms or customs of the relevant sector.³⁶⁶ Accordingly, these opinions welcome the *Bongrain* decision in which the English Court of Appeal interpreted the reference to “thereby fulfils its essential function” in the second part of the CJEU’s departs significantly criterion as meaning nothing more than a fanciful or unusual shape *could* fulfill the essential function of indicating commercial origin, not that it *must*.³⁶⁷

2400/2014-4 & R-2401/2014-4, Anne Frank-Fonds, ¶¶ 34–35 (4th Bd. App. Aug. 31, 2015) (unreported) (reversing the Examiner’s refusal to register the marks “Le Journal d’Anne Frank” and “Das Tagebuch der Anne Frank” as these titles are unique and distinctive of the designated goods). The Board further held that there is no such thing as the requirement of availability in European Community law that prevents accepting “the minimum degree of distinctiveness” required. *Id.* For a brief comment, see Nedim Malovi, *OHIM Fourth Board of Appeal Considers “Le Journal d’Anne Franke” Sufficiently Distinctive to Be a Trademark*, 11 J. INTELL. PROP. L. & PRAC. 229 (2016). Neither Senfleben’s nor Anemaet’s critiques cite any of these decisions. See Senfleben, *supra* note 333, at 354.

³⁶⁴ Fhima, *supra* note 43, at 685.

³⁶⁵ Tritton, *supra* note 282, at 231. Others implicitly accept that only one condition underpins the departs significantly criterion. See Liakatou, *supra* note 7, at 630. It is generally established that “only a mark which departs significantly from the norm or customs of the sector” fulfills its essential function and is therefore not devoid of any distinctiveness. *Id.*

³⁶⁶ Tritton, *supra* note 282, at 238–39.

³⁶⁷ Bongrain SA’s Trade Mark Application [2005] RPC 306 (Civ) [26]–[27].

English decisions have indeed followed *Bongrain* as a matter of principle but frequently expressed the view that the CJEU is yet to clarify this interpretation.³⁶⁸ In the recent challenge to the registration of the 3D shapes of the iconic London Hackney black cab owned by LTC, it was argued that the phrase “and consequently” used in the recent EGC decision in *Jaguar*³⁶⁹ removes any lingering doubt that there might have been when the CJEU used that phrase in *Freixenet*.³⁷⁰ LJ Floyd acknowledged there was much force in LTC’s submissions but, in his view, the matter is simply not *acte claire*.³⁷¹ In examining LTC’s appeal against cancellation of its registered shape marks, LJ Floyd identified in the CJEU’s case law three steps in deciding whether the mark differs significantly from the norms and customs of the sector.³⁷² First, determine what the sector is.³⁷³ Second, identify common norms and customs, if any, of that sector.³⁷⁴ Third, decide whether the mark departs *significantly* from those norms and customs.³⁷⁵ His lordship applied this test to a list of characteristics that LTC identified as rendering its motor car shapes inherently source-identifying.³⁷⁶

Though the Court of Appeal reached the correct decision in dismissing the appeal, the approach reveals inconsistencies with established CJEU’s case law and principles. For instance, as Part I demonstrates, *Henkel Perwoll Bottle* categorically established that the sole decisive factor is not an abstract assessment of features which differ from the customary presentation of products of the same type, but whether there are grounds for assuming that the target public might, without being educated, perceive the trade dress primarily as a source-indicating brand.³⁷⁷ Regardless of the high cost of cars, case law of the EU law assumes that sophisticated consumers have no initial predisposition to regarding the appearance of a car as an indication of its manufacturing source.

³⁶⁸ *London Taxi Corp. v. Frazer-Nash Research Ltd.* [2016] EWHC 579 (Ch) [172]; *see also* *Société des Produits Nestlé S.A. v. Cadbury UK Ltd.* [2014] EWHC 591 (Ch) [37], *aff’d* [2017] EWCA (Civ) (Eng.); *Betafence Ltd. v. Registrar of Trademarks* [2005] EWHC (Ch) [17] (Eng.).

³⁶⁹ Case T-629/14, *Jaguar Land Rover Ltd. v. OHIM*, Judgment, ECLI:EU:T:2015:878, ¶¶ 25–26 (Nov. 25, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=172022&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=376052>.

³⁷⁰ *See supra* Introduction.

³⁷¹ *London Taxi Co. v. Frazer-Nash Research Ltd.* [2017] EWCA 1729 (Civ) [42] (Eng.).

³⁷² *Id.* ¶ 45.

³⁷³ *Id.* ¶ 43.

³⁷⁴ *Id.*

³⁷⁵ *Id.*

³⁷⁶ *Id.*

³⁷⁷ Case C-218/01, *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶¶ 45, 50–51.

An evaluation of consumer perception thus carries the central analytical weight when considering both inherent and acquired distinctiveness, as recently affirmed by the CJEU³⁷⁸ and the English Court of Appeal in *Kit-Kat ChocolateBar*.³⁷⁹ This was indeed the essential factor for endorsing the lack of secondary meaning in *London Taxi Co.* since there was no apparent reason why average consumers, whether taxi drivers or users of taxi services, should care that the registered shape of the taxis denoted exclusively LTC trade origin.³⁸⁰ The paramount importance of consumer perception as an essential factor for deciding all questions of distinctiveness is also emphasized when contrasting the European functionality criteria with distinctiveness.³⁸¹

1. Consumer Expectations of Car Shapes

The EUIPO emphasizes presumed consumer expectations rather than abstract assessments of product features in appeals over refusals to register motor car shapes as EUTMs in which the relationship between design rights and trademarks appears heavily contested. This approach makes sense since European design law is a prominent part of the IP protection for the car industry.³⁸² According to the EUIPO, it is common knowledge that the car industry is quite a competitive market, particularly the category of compact cars which is characterized by high price competition based upon performance and safety.³⁸³ As such, consumers are accustomed to experiencing a wide variety of designs that are nevertheless becoming increasingly standardized due to

³⁷⁸ Joined Cases C-84/17 P, C-85/17 P, & C-95/17 P, *Société des Produits Nestlé SA v. Mondelez UK Holdings & Servs. Ltd.*, Judgment, ECLI:EU:C:2018:596 (July 25, 2018), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=204401&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9076119>.

³⁷⁹ *Société des Produits Nestlé SA v. Cadbury UK Ltd.* [2017] EWCA (Civ) 358 [77–79].

³⁸⁰ *London Taxi Corp.* [2017] EWCA (Civ) 1729 [66–67].

³⁸¹ See Case C-205/13, *Hauck GmbH & Co. KG v. Stokke A/S*, AG Opinion, ECLI:EU:C:2014:322 (May 14, 2014), <http://curia.europa.eu/juris/document/document.jsf?docid=152243&text=&doclang=EN&part=1&occ=first&mode=LST&pageIndex=0&cid=9076236>; Case C-48/09 P, *Lego Juris A/S v. OHIM*, 2010 E.C.R. I-8403.

³⁸² See Joined Cases C-397/16 & C-435/16, *Acacia S.r.l. v. Pneusgarda S.r.l.*, AG Opinion, ECLI:EU:C:2017:730, ¶ 40 (Sept. 28, 2017), <http://curia.europa.eu/juris/document/document.jsf?docid=195105&text=&doclang=EN&part=1&occ=first&mode=LST&pageIndex=0&cid=9076236>.

³⁸³ Case R-3244/2014-2, *Toyota Joshida Kabushiki Kaisha*, ¶ 22 (2d Bd. App. Nov. 27, 2015) (unreported) (position mark consisting of hook-like shaped LED lamps); Case R-1709/2013-2, *Jaguar Land Rover Ltd.*, ¶ 25 (2d Bd. App. Apr. 24, 2014) (unreported) (car shape); Case R-401/2010-4, *Toyota Joshida Kabushiki Kaisha*, ¶ 21 (4th Bd. App. July 27, 2010) (unreported) (car shape); Case R-753/2007-4, *Volkswagen AG*, ¶ 25 (4th Bd. App. Nov. 5, 2007) (unreported) (car silhouette); Case R-1306/2007-4, *Volkswagen AG*, ¶ 25 (4th Bd. App. Nov. 6, 2007) (unreported) (car silhouette).

technical and performance constraints.³⁸⁴ Within those constraints, it is common practice for car manufacturers to use features of the car's hull to present aesthetically appealing designs.³⁸⁵ But the capacity to appeal rather than denote a unique source belongs to designs, not trademarks.³⁸⁶ Consumers may thus be attracted to the shape of a car primarily for aesthetic reasons and/or utilitarian design, not because the shape indicates a unique source. EUIPO decisions also establish the possibility that average consumers looking to make a significant investment are more likely to look to other traditional means of commercial identification such as the manufacturer's logo or emblem placed on the car, i.e., the grille or the back.³⁸⁷

It is also possible that professional consumers, who are specialists displaying a high level of attention towards design features, may generally be aware of the possibility of protecting either the shape of goods not as trademarks, but through registration as a design or the technical solution or functional characteristics of a product through registration as a patent.³⁸⁸ These professionals are thus likely to care less about the potential source significance of the car shape. Nevertheless, none of these possibilities were explored in *London Taxi Co.* It was also questionable to rely upon *Jaguar's* reference to "and consequently" in applying the deceptively significant criterion to the configuration of the Land Rover. In *Jaguar*, the Board considered the shape mark to depict an apparatus for locomotion by land, but not by air or by water.³⁸⁹ It reasoned that the car shape consequently departed so significantly from the customary shapes of apparatus for locomotion by air and water that "it should, therefore, not be in conflict with [CTMR] Article 7(1)(b)."³⁹⁰ On appeal, the EGC agreed but held that the same reasoning ought to have led the Board to allow the application for "vehicles for

³⁸⁴ See generally *Toyota Joshida Kabushiki Kaisha*, 2015 R-3244/2014-2; *Jaguar Land Rover Ltd*, 2014 R-1709/2013-2; *Toyota Joshida Kabushiki Kaisha*, 2010 R-401/2010-4; *Volkswagen AG*, 2007 R-1306/2007-4.

³⁸⁵ See *Toyota Joshida Kabushiki Kaisha*, 2015 R-3244/2014-2; *Jaguar Land Rover Ltd*, 2014 R-1709/2013-2; *Toyota Joshida Kabushiki Kaisha*, 2010 R-401/2010-4; *Volkswagen AG*, 2007 R-1306/2007-4.

³⁸⁶ Case R-827/2005-1, *Gen. Motors Corp.*, ¶14 (1st Bd. of App., Jan. 18, 2006) (unreported) at [14] (car shape); Case R-16/2005-1 *Gen. Motors Corp.*, ¶10 (1st Bd. of App., Jan. 16, 2006) (unreported) at [10] (car shape).

³⁸⁷ See *Gen. Motors Corp.*, 2006 R-827/2005-1, ¶15 (car shape); *General Motors Corp.*, 2006 R-16/2005-1 ¶15 (car shape).

³⁸⁸ See Case R-2020/2016-2, *Airbus S.A.S.*, ¶37 (2d Bd of App., Jan. 26, 2018, EUIPO) (unreported) (3D shape of a cockpit); Case T-351/07, *Somm Srl v. OHIM*, 2008 E.C.R. II-331 (3D shelter for shade); Case R-939/2005-1, *Gen. Motors Corp.*, ¶14 (1st Bd of App., Jan. 18, 2006, OHIM) (unreported) (shape of a vintage pick-up truck).

³⁸⁹ Case R-1622/2013-2, *Jaguar Land Rover Ltd. v. OHIM* (2d Bd of App., Apr. 24, 2014) (unreported), <http://curia.europa.eu/juris/liste.jsf?language=en&num=T-629/14>.

³⁹⁰ *Id.* ¶ 20.

locomotion by air and water.”³⁹¹ According to the EGC, as the shape mark was for vehicles for land locomotion rather than air or water, “[i]t must, therefore, be regarded as departing significantly from the norm and customs of the sector for vehicles for locomotion by air and water and, consequently, as not being devoid of any distinctive character....”³⁹² However, the Board’s cursory conclusion was largely based upon its belief that “it would be quite remarkable if the applicant succeeded in producing an airplane or a ship looking like the vehicle applied-for.”³⁹³ This was a lax interpretation of the departs significantly criterion merely because the limited success of the registration was pointless for the proprietor. Indeed, the Board’s reasoning (and the EGC’s approval) when considering the car shape against the customary shapes of apparatus and vehicles by land is contradictory, as demonstrated in its finding that “the fact that the relevant public may be more attentive to the different technical or aesthetic details of the product, does not suffice, on its own, to establish that that public is used to recognizing an indication of origin in the shape of the products.”³⁹⁴ No such customer habit was found in connection with air and land apparatus/vehicles. Therefore, the “and consequently” reference in *Jaguar* cannot have the weight that LTC alleged before the Court of Appeal.³⁹⁵

2. “Departs Significantly” Entails a Two-Step Test

As demonstrated by the *London Taxi Co.* litigation, academic opinions and court decisions rarely engage with the extensive and refined case law around the contextualized assessments underpinning the departs significantly criterion, overlooking important nuances. One of the nuances is the fact that *Bongrain*’s interpretation of “thereby” and the explicit commitment to the presumed attitudes of consumers are consistent with significant developments in European case law.³⁹⁶ Indeed, the CJEU itself has implicitly suggested that a significant departure is a necessary but insufficient condition alone to render the nondistinctiveness objection inapplicable. Precisely because of the importance of the nature and character of the proposed sign, the CJEU has specifically

³⁹¹ *Id.*

³⁹² Case T-629/14, *Jaguar Land Rover Ltd. v. OHIM*, Judgment, ECLI:EU:T:2015:878 (Nov. 25, 2015), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=172022&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=9078725>.

³⁹³ Case R-1622/2013-2, *Jaguar Land Rover Ltd.*, ¶ 20 (2d Bd. App. Apr. 24, 2014) (unreported).

³⁹⁴ *Id.* ¶ 30.

³⁹⁵ *Id.*

³⁹⁶ *Compare* LTC, [2017] EWCA (Civ) 1729 (Eng.) (evidencing a lack of discussion of the departs significantly criterion), *with* *Bongrain SA*’s Trade Mark Application [2005] RPC 306 (Civ) [26]–[27] (Eng.).

instructed that competent authorities must *always* refer to the reality of consumer perception as a form of verification requirement that the sign is likely to function as a trademark.³⁹⁷ This is so irrespective of the extent of the sign's departure from the adopted norms.³⁹⁸ This is clearly a matter of first impression; the trademark must permit average consumers immediately to distinguish the designated goods or services from those of other companies "without conducting an analytical or comparative examination and without paying particular attention."³⁹⁹ Furthermore, this is hardly an abstract examination. The ordinary use of trademarks as source-identifiers in the specific sector is likely to influence the habits and presumed expectations of the average consumer.⁴⁰⁰

Libertel supports the view that, for the normative presumption about consumer habits to be rebutted, the subject-matter represented by the sign in question must be in current commercial practice used as a means of identification.⁴⁰¹ *SAT.1* epitomizes this approach and the need for a market-specific appraisal.⁴⁰² Furthermore, the fact that in the relevant sector there is evidence of an established practice of identifying products by their look does not necessarily mean that the required distinctiveness is minimal or that minimal differences in design may suffice.⁴⁰³ As the following discussion shows, the departs significantly criterion proceeds upon two steps rather one. Firstly, the extent to which the unusual design or shape may break new ground in the relevant sector. Secondly, the extent to which the new design may influence consumer perception in the light of the type of product and existing branding practices. There is very little "abstraction" in the European approach to the

³⁹⁷ *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 51; see also *Voss*, 2015 ECLI:EU:C:2015:303, ¶ 92.

³⁹⁸ See *id.*; Case C-136/02 P, *Mag Instrument, Inc. v. OHIM*, 2004 E.C.R. I-9182 (shape-of-product mark); Case C-437/15 P, *EUIPO v. Deluxe Labs. Inc.*, AG Opinion, ECLI:EU:C:2017:41 (Jan. 25, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=187127&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=1355829> (figurative word mark).

³⁹⁹ *Henkel Perwoll Bottle*, 2004 E.C.R. I-1737, ¶ 45.

⁴⁰⁰ This is precisely what the CJEU meant when it stated that "regard must be had both to the ordinary use of Trademarks as a badge of origin in the sectors concerned and to the perception of the relevant public." *Libertel Groep BV*, 2003 E.C.R. I-3822, ¶ 62.

⁴⁰¹ *Id.*

⁴⁰² Case C-329/02 P, *SAT.1 SatellitenFernsehen GmbH v. OHIM Trademark*, 2004 E.C.R. I-08317.

⁴⁰³ For instance, in the car market, the EUIPO acknowledges that radiator grilles no longer have a purely technical function as they have become an essential part of the look of vehicles and a means of differentiating between different models on the market. But this does not mean every proposed sign representing a grille can be assumed to be source-identifying and easily overcome the "departs significantly" criterion despite heightened consumer attention, see Case R-1795/2014-2, *Aston Martin Lagonda Ltd.*, ¶¶ 27–28 (2d Bd. App. Dec. 18, 2014) (unreported); Case R-1798/2014-2, *Aston Martin Lagonda Ltd.*, ¶¶ 23–24 (2d Bd. App. Dec. 11, 2014) (unreported). For the secondary meaning claim of the same position mark, see Case R-1792/2016-2, *Aston Martin Lagonda Ltd.* (2d Bd. App. Apr. 4, 2017) (unreported).

distinctiveness evaluation of product get-up marks that has for a long time required that their registration “cannot be assessed without some enquiry into what is happening on the relevant market.”⁴⁰⁴ A contextual inquiry includes an appraisal of “the normal marketing practices of the product in question” in order to determine the prevailing purchasing habits of the average consumers.⁴⁰⁵ Thus, the range of shapes and designs commonly used in trade and to which the consumers may have been exposed constitutes one factor in establishing the norm and customs of the sector.⁴⁰⁶ When the innovative design of the product suggests there are no similar designs on the market as a point of comparison, the obvious shape rule enables the tribunal to assess whether the shape mark’s appearance approaches the design that the product is most likely to take in light of its practical advantages.⁴⁰⁷ In examining the market situation regarding mass consumer goods, case law has thus developed some rules of thumb that in no way exclude finding distinctiveness as a matter of principle.

For instance, in the confectionary sector, the average consumer is assumed to pay only fleeting attention to the shape and color of sweets and chocolates.⁴⁰⁸ It is thus unlikely that, in the absence of any verbal or graphic elements, the consumer’s choice will normally turn on the form of the chocolate product⁴⁰⁹ or its wrapper,⁴¹⁰ even if its appearance is striking. These *presumed* expectations of consumer reactions are not “policy-blind reflection[s] of reality,” as Dinwoodie and Gangjee have rightly argued.⁴¹¹ Such presumed consumer expectations can and *do* accommodate developments in market conditions as demonstrated in more recent decisions accepting the possibility that, given the

⁴⁰⁴ Case R-1206/2006-2, Coca-Cola Co., ¶ 13 (2d Bd. App. Dec. 22, 2006) (unreported); *see also* Case R-1035/2004-1, Kustom Musical Amplification Inc., ¶ 48 (1st Bd. App. July 22, 2010) (unreported) (shape of a guitar); Case, R-827/2005-1, Gen. Motors Corp., ¶ 21 (1st Bd. App. Jan. 18, 2006) (unreported) (shape of a car); Case R-724/2006-2, Doskocil Mfg. Co., ¶ 15 (2d Bd. App. Nov. 22, 2006) (unreported); Case R-872/2005-1, Neways Inc., ¶ 18 (1st Bd. App. Apr. 5 2006) (unreported); Case R-118/2003-2, Beecham Grp. p.l.c., ¶ 12 (2d Bd. App. June 22, 2004).

⁴⁰⁵ Joined Cases T-241/05, T-262/05 to T-264/05, T-346/05, T-347/05 & T-29/06 to T-31/06, Procter & Gamble Co. v. OHIM, 2007 E.C.R. II-01549, ¶ 53; *see* Case T-358/04, George Neumann GmbH v. OHIM, 2007 E.C.R. II-03329m ¶ 46; Case T-194/01, Unilever NV v. OHIM, 2003 E.C.R. II-00383 ¶ 48; Case R-367/2003-2, Develey Holding GmbH, 2004 (Jan. 20, 2004), ¶ 45; *aff’d*, Case T-129/04, Develey Holding GmbH v. OHIM, 2006 E.C.R. II-00811, ¶ 47; Case C-238/06 P, Develey Holding GmbH v. OHIM, 2007 E.C.R. I-09375, ¶ 92.

⁴⁰⁶ Case C-173/04 P, Deutsche SiSi-Werke GmbH v. OHIM, 2006 E.C.R. I-00551, ¶ 59; Case C-24/05 P, August Storck KG v. OHIM, 2006 E.C.R. I-05677, ¶ 33.

⁴⁰⁷ *Birkenstock Sales GmbH*, ECLI:EU:T:2016:650, ¶¶ 59-60.

⁴⁰⁸ Joined Cases T-324/01 & T-110/02, Axions SA v. OHIM, 2003 E.C.R. II-01897, ¶¶ 35-36.

⁴⁰⁹ Case C-24/05 P, August Storck AG v. OHIM, 2006 E.C.R. I-05677, ¶ 33.

⁴¹⁰ *Id.*

⁴¹¹ Dinwoodie & Gangjee, *supra* note 259, at 339.

wide range of chocolate products currently available in this sector, consumers might have developed the habit of perceiving certain shapes as an indication of the product's commercial origin.⁴¹²

Similarly, looking closely into the common trade practices of the food sector, attempts to register the visual arrangement of food products like sausages and meat have been rejected largely because the proposed get-up marks are found to be mere variants of the customary shape of such products. This is so even though their proposed design is not the form in which the goods are usually presented to the consumer.⁴¹³ Irrespective of how novel, original or even unusual the shape may be, EU courts have for example denied registration in circumstances where “there are no grounds for believing that manufacturers of gut or charcuterie seek to differentiate their goods by way of the shape of the gut [for making sausages] and that, accordingly, manufacturers of charcuterie and consumers are capable of identifying the shape of gut and charcuterie as an indication of origin.”⁴¹⁴

Furthermore, in the beverages sector, case law does not ignore the salient fact that consumers first and foremost see bottles in which liquids are packaged simply as a means of packaging for utilitarian purposes rather than a means of commercial identification.⁴¹⁵ This, however, does not exclude the possibility that a sign may act as a source-indicator in addition to performing other

⁴¹² Though the combination of presentational features making up the mark did not “depart significantly” from the customary get-ups in the confectionary sector even with, for instance, a bas-relief with a depiction of an animal on the upper side, see Case C-24/05 P, August Storck AG v. OHIM, 2006 E.C.R. I-05677, ¶ 59. See also Case R-1332/2005-2, Chocoladefabriken Lindt & Sprüngli AG v. OHIM, 2008 E.C.R. ¶ 34, *aff’d*, 2010 E.C.R. II-00291, ¶ 45; Case C-98/11, Chocoladefabriken Lindt & Sprüngli AG v. OHIM. 2012 ECLI:EU:C:2009:148, ¶ 47 (explaining that due to technical constraints of the packaging, the Board accepts that chocolate producers have an incentive to distinguish their goods by the appearance and design of the packaging) [hereinafter *Chocoladefabriken*]. It must therefore be assumed that consumers are entirely capable of recognizing the packaging as an indication of their trade origin provided that the shape has sufficiently unusual characteristics. See *id.* That, however, was not the case with the mark consisting of a sitting chocolate rabbit with a red ribbon and a small bell in gold foil. See *generally id.* ¶ 20.

⁴¹³ See *Rotter*, 2009 E.C.R. II-01071, ¶ 33 (explaining that although arranging several sausages into pretzel shape may be unusual, consumers will merely see a particular way of presenting the product that is customary in the sector, not a trademark)); Case R-369/2010-1, Contessa Premium Foods, Inc. ¶ 15 (1st Bd of App., July 8, 2010) (unreported) (explaining that the unusual arrangement of prawns in a circle is non-distinctive notwithstanding its unusualness because there is no evidence that relevant public may realize that the particular manner in which foodstuff products are generally displayed is also used as a means of information about the commercial identity of the producer); Case R-1013/2001-2, Schulte Fleisch- und Wurstwaren GmbH ¶ 18 (2d Bd of App., Oct. 1, 2002) (unreported); see also Case T-360/03, Frischpack GmbH v. OHIM, 2004 E.C.R. II-04097.

⁴¹⁴ Case T-15/05, Win de Waele v. OHIM, 2006 E.C.R. II-01511 ¶ 41.

⁴¹⁵ *Develey Holding GmbH*, 2007 E.C.R. I-09375 ¶ 92; *Deutsche SiSi-Werke GmbH*, 2006 E.C.R. I-00551, ¶ 30; *Euromex SA*, 2004 E.C.R. II-01391, ¶ 24, *aff’d*, 2005 E.C.R. I-05797.

functions from the consumer's perspective, whether utilitarian, aesthetic or otherwise.⁴¹⁶ Nonetheless, in order for the shape to possess trademark significance, over and above its function as a container, the design must not only speak for itself but also trigger a mental association of commercial origin. It must permit consumers to perceive it immediately and spontaneously as a distinctive signifier of a particular trader, which *may* be the case when the design features "depart significantly" from the customary get-ups in the sector. Slight variations from basic geometrical shapes in which manufacturers typically package their goods for consumers or shapes which are likely to be an obvious choice (where there are no identical forms on the market) for packaging the relevant goods are normally considered to not "depart significantly" from what is usual or expected in the sector.⁴¹⁷

B. The Role of Common Knowledge and Experience

Common knowledge and practical experience crucially underpin the identification of the adopted norms and customs in the sector within the departs significantly criterion. Settled case law establishes the principle that European examiners may base their findings of non-distinctiveness on common knowledge and practical experience generally acquired in the marketing of mass consumer goods, including well-known facts, *without* being required to provide concrete examples or factual verification.⁴¹⁸ These factual findings include predictions about what is likely to guide consumers in choosing products according to actual market conditions, prevailing purchasing habits of consumers, consumer characteristics and level of attention, and what sort of shapes and presentational features exist or are expected to be used in the marketing of the relevant goods. In *Develey*, the GCEU accepted that, where the Board finds that average consumers are more likely to perceive a product shape

⁴¹⁶ *August Storck KG*, 2012 ECLI:EU:C:2012:537, ¶ 47; *Georg Neumann GmbH*, 2007 E.C.R. II-03329, ¶ 55; *Glaverbel SA*, 2002 E.C.R. II-03887, ¶ 24 (explaining that "if the target market perceives the" design applied to the surface of goods as a source-identifier of the goods, then "the fact that it serves several [other] purposes at once has no bearing on its distinctiveness"), *aff'd*, Case C-445/02 P, 2004 E.C.R. I-06267.

⁴¹⁷ *Melt Water*, 2015 ECLI:EU:T:2015:9, ¶ 31; Case T-140/13, *Netherlands Mar. Tech. Ass'n v. Comm'n*, ECLI:EU:T:2014:1029, ¶ 25 (Dec. 9, 2014); Case T-323/11, *Unión de Cervecerías Peruanas Backus y Johnston SAA v. OHIM*, ECLI:EU:T:2012:376, ¶ 22 (July 12, 2012); Case R-1560/2013-2, *Bongrain S.A.*, ¶ 23 (2d Bd of App., Jan. 22, 2014) (unreported) (explaining that a hexagonal prism with eight faces representing a box with a lid is an obvious shape for dairy products); Case R-1626/2008-1, *Molkerei Alois Müller GmbH*, ¶ 23 (1st Bd of App., Jan. 22, 2009) (unreported) (explaining that packaging with two-compartment system is an obvious choice for foodstuffs for practical considerations).

⁴¹⁸ *August Storck KG*, 2006 E.C.R. I-05719, ¶ 54; *see also* Case C-497/07 P, *Philip Morris Products SA v. OHIM*, 2008 E.C.R. I-00101, ¶ 26; *Celltech R&D Ltd.*, 2007 E.C.R. I-02883, ¶ 39.

as an ordinary means of packaging rather than a manufacturer's source, "it may base its analysis on facts arising from practical experience generally acquired from the marketing of general consumer goods which are likely to be known by anyone and are in particular known by the consumers of those goods."⁴¹⁹ On appeal, the CJEU endorsed the soundness of this proposition. It categorically stated that the Office is not under an obligation to demonstrate *positively* non-distinctiveness; instead, "it is for that applicant to provide specific and substantiated information to show that the trademark applied for has either an intrinsic distinctive character or a distinctive character acquired by usage."⁴²⁰ *Develey* therefore affirms the principle that the CJEU had already established in *Storck II*, namely that the Office's duty is simply to state reasons for its conclusion based upon facts and assumptions arising from its general experience.⁴²¹ This principle is rarely remarked upon, causing some academic confusion about the alleged arbitrariness of the EUIPO's refusals based upon non-distinctiveness.⁴²²

Notably, if the applicant asserts distinctiveness, despite the Office's concrete analysis inferred from general experience, the onus shifts to the applicant "to provide specific and substantiated information" that demonstrates the existence of likely or acquired distinctiveness.⁴²³ The applicant's obligation entails, in particular, specific evidence that "consumers' habits on the relevant market are different" to establish that the claimed get-up will "play an important role when the consumer makes a choice between different products."⁴²⁴ This is an important fact that is often overlooked, particularly in the commentary around

⁴¹⁹ *Develey Holding GmbH*, 2006 E.C.R. II-00811, ¶¶ 19, 21.

⁴²⁰ *Develey Holding GmbH*, 2007 E.C.R. I-09375, ¶ 50. For a more recent affirmation of the legitimacy of well-known facts and practical experience in the EUIPO's assessments of distinctiveness, see also Case T-611/17, *All Star CV v. EUIPO*, ECLI:EU:T:2019:210, ¶¶ 54–55, (successful invalidity claim against the registration of the shape mark of a shoe sole), *aff'd* Case C-461/19 P, ECLI:EU:C:2019:797, ¶ 20 (citing *Storck II* with approval).

⁴²¹ *August Storck KG*, 2006 E.C.R. I-05719, ¶ 50.

⁴²² Friedmann, *supra* note 235, at 41–42; Tiffany Chou, *Procter&Gamble v. OHIM: Is the Generic "Average Consumer" Too Generic for Its Own Good?*, 28 *LOY. L.A. INT'L & COMP. L. REV.* 625, 638 (2006).

⁴²³ *Develey Holding GmbH*, 2007 E.C.R. I-09375, ¶ 50; *see Wilfer*, 2011 E.C.R. I-574, ¶ 75; *Chocoladefabriken*, ECLI:EU:C:2009:148, ¶ 46; *see also Louis Vuitton Malletier*, ECLI:EU:C:2014:324, ¶ 72 (stating that the evidentiary burden applies even in the context of *inter partes* invalidity actions regarding registered Community marks).

⁴²⁴ *Unilever NV*, 2003 E.C.R. II-00383, ¶¶ 48, 51; *see also* Case T-547/08 *X-Technology Swiss GmbH v. OHIM*, 2010 E.C.R. II-02409, ¶ 50 *aff'd*, Case C-429/10 P, *X-Technology Swiss GmbH v. OHIM*, 2011 E.C.R. I-00076, ¶ 41, *aff'd*, Case C-429/10 P, *X-Technology Swiss GmbH v. OHIM*, 2011 E.C.R. I-00076, ¶ 41. Despite the Board's analysis, the applicant "failed to adduce any solid evidence to support its assertion that the [relevant] consumers are in the habit of perceiving the colour of the toe area of a sock as 'a source-identifier.'" *Id.*

the CJEU's perceived lack of meaningful engagement with the characteristics and behavior of average European consumers.⁴²⁵ Absent specific evidence submitted by the applicant, it is appropriate for the prognosis of the presumed expectations of the average consumer to be based upon the Office's general knowledge and practical experience acquired in the marketing of general consumer goods.⁴²⁶ This approach implicitly highlights the *protective* nature of the nondistinctiveness barrier underpinning the departs significantly criterion.

Furthermore, the case law does not require the Office to carry out an economic analysis of the market, let alone a consumer survey.⁴²⁷ It is logically assumed that "the applicant ... is much better placed, given its thorough knowledge of the market" to establish such matters.⁴²⁸ The Office has an obligation to undertake a specific evaluation of the mark and each of the listed goods or services as required by the absolute grounds. But its obligation to state reasons, in the examination of facts or circumstances affecting consumer reactions,⁴²⁹ is unrelated to the burden of proving distinctiveness.⁴³⁰ Nonetheless, there remains some ambiguity remains about this in the commentary.⁴³¹ Unsurprisingly, most applications for packaging/product marks fail this important hurdle.

⁴²⁵ Jennifer Davis, *Locating the Average Consumer: His Judicial Origins, Intellectual Influences, and Current Role in European Trademark Law*, 2 INTELL. PROP. Q. 183, 185 (2005) (criticizing European trade law for treating the perceptions of the average consumer as "generally presumed but seldom interrogated" and "a matter of trust rather than science"); see also Jennifer Davis, *Revisiting the Average Consumer: An Uncertain Presence in European Trademark Law*, 1 INTELL. PROP. Q. 15 (2015) [hereinafter Davis, *Revisiting the Average Consumer*].

⁴²⁶ See, e.g., *X-Technology Swiss GmbH*, 2010 E.C.R. II-02409, ¶ 50.

⁴²⁷ *Id.* ¶ 43.

⁴²⁸ *Unilever*, 2003 E.C.R. II-00383, ¶ 48; see also, Case T-140/06, *Philip Morris v. OHIM*, 2007 E.C.R. II-00113, ¶ 35, *aff'd*, *Philip Morris*, 2008 E.C.R. I-00101; Case T-390/14, *Établissement Amra v. OHIM*, ¶ 22 ECLI:EU:T:2015:897 (Nov. 25, 2015) (position mark on rebound boots); Case T-208/12, *Think Schuhwerk GmbH v. OHIM*, ECLI:EU:T:2013:376, ¶ 26 (July 11, 2013) (position mark consisting of red anglets on shoe laces), *aff'd*, Case C-521/13 P, *Think Schuhwerk GmbH v. OHIM*, ECLI:EU:C:2014:2222, ¶ 55 (Sept. 11, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=157841&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2822350>; Case T-618/14, *Grupo Bimbo v. OHIM*, ECLI:EU:T:2015:440, ¶ 32 (July 29, 2015) (shape of a Mexican tortilla), *aff'd*, Case C-476/15 P, *Grupo Bimbo v. OHIM*, ECLI:EU:C:2016:165 (Mar. 15, 2016).

⁴²⁹ Case C-437/15 P, *EUIPO v. Deluxe Labs. Inc.*, ECLI:EU:C:2017:380, ¶ 37 (May 17, 2017), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=190747&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2822482>.

⁴³⁰ See, e.g., *X-Technology Swiss GmbH*, 2010 E.C.R. II-02409, ¶ 50.

⁴³¹ Davis, *Revisiting the Average Consumer*, *supra* note 425, at 18 (arguing that the CJEU's *Borco* ruling established that "the views of the average consumer cannot be taken for granted by registering authorities or the courts but must be ascertained through the collection of empirical data") *Borco*, however, simply clarified the Office's misunderstanding of *Develey* regarding the obligation to *always* conduct a concrete evaluation on

C. *The Role of Branding Practices*

Even if the product design or shape is “one of a kind” in the sense of being truly unusual or fanciful, this alone has never been sufficient to overcome non-distinctiveness.⁴³² As discussed so far, the inherent ability of a sign to guide consumers in their purchasing decisions is simply less evident when the sign coincides with the appearance or shape of the product it designates. Such product shape marks must therefore immediately convey source-related information, as opposed to mere product-related information. This finding cannot occur in the abstract but requires a careful examination of contextual considerations, particularly the type of product, the presumed perception of the average consumer, and the manufacturers’ branding practices in the relevant market. Indeed, since at least 2005, case law has consistently insisted that the method of assessing inherent distinctiveness (without any prior use) is by examining the branding practices to which consumers are exposed.⁴³³ This establishes whether both manufactures *and* consumers distinguish products or services by virtue of their appearance rather than other indicia such as words or labels.⁴³⁴ This approach gives meaning to the second part of the “departs significantly” criterion, effectuating the CJEU’s imperative “always to verify” whether the mark fulfils its essential function by reference to the perception of the average consumer.

For example, in *Philip Morris*, the CJEU endorsed the factual conclusion that cigarette consumers accord only fleeting attention to the shape of cigarette packets.⁴³⁵ According to the Board’s practical experience arising from the marketing of cigarettes, these consumers are more likely to focus upon the verbal and graphic elements on the packet rather its shape.⁴³⁶ Relying upon the *Develey/Storck II* principle that European tribunals may base their assessment upon general practical experience, the Court rejected the applicant’s argument

whether a letter is incapable of being a source-identifier for the relevant goods, based on the presumed expectations of the relevant public. Case C-265/09, *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*, EU:C:2010:508. Moreover, *Borco* merely serves to highlight that it cannot be generally asserted that a Trademark is non-inherently distinctive simply because it is composed of one (or two) letters, contrary to the Office’s assumption. *Id.* Indeed, such assumption is contrary to Art.4 Regulation which explicitly refers to letters as a category of registrable signs.

⁴³² Case T-178/11, *Voss of Norway ASA v. OHIM*, 2013 E.C.R. -00000, ¶ 72, *aff’d*, Case C-445/13, *Voss of Norway ASA v. OHIM*, 2015 ECLI:EU:C:2015:303.

⁴³³ *Id.*

⁴³⁴ *Id.*

⁴³⁵ *Philip Morris*, 2007 E.C.R. II-00113, ¶ 13 (rectangular shape of a cigarette pack with slightly curved edges).

⁴³⁶ *Id.* ¶ 28.

that the normative presumption underpinning the empirical rule misconstrues the human perception of signs because it lacks scientific basis and constitutes a prejudice against shape marks.⁴³⁷ Moreover, the additional finding that the overall impression of the packaging mark was slightly different from standard shapes in this sector further confirmed that this variation failed to satisfy the “depart significantly” test.

Enercon also offers the clearest indication that being a significantly different shape does not guarantee trademark significance in the sense that highly attentive consumers are likely to treat it as a source-identifier.⁴³⁸ In *Enercon*, the applicant sought to register a shape mark representing the outer casing of the nacelle of a wind turbine for wind energy converters.⁴³⁹ It claimed the “American football shape,” which was specially designed by artist Norman Foster, significantly departed from the customary rectangular boxes on the market and was consequently inherently distinctive.⁴⁴⁰ The CJEU upheld the refusal, especially endorsing the Board’s approach in verifying and deducing that the specialized public looking to make a significant investment in acquiring a wind energy converter is more likely to be guided in their purchasing decisions, not by the shape of the nacelle, but by its commercial name and word marks which provide them with precise and verifiable information about the commercial origin of the goods.⁴⁴¹ Similar deductions are also drawn from the fact that such professionals will not identify and purchase wind turbines by reference to their external decoration or presentation but will look for product-origin information according to company names and word marks rather than color combination marks.⁴⁴² Therefore, *Enercon* also draws upon the

⁴³⁷ *Id.* ¶ 21–22. Similar arguments based on perceived “prejudice” against 3D shape mark have fared no better. Case T-63/01, *Procter & Gamble v. OHIM*, 2002 E.C.R. II-05255, ¶ 29, *aff’d*, Case C-107/03 P, 2004 ECLI:EU:C:2004:554, ¶¶ 49–50 (3D soap-bar shape).

⁴³⁸ *Enercon GmbH*, 2007 E.C.R. II-00516, ¶ 30.

⁴³⁹ *Id.* ¶ 1–3.

⁴⁴⁰ *Id.* ¶ 11–15.

⁴⁴¹ *Id.* ¶ 26. *Enercon* also endorsed the General Court’s reliance on the empirical rule about consumer perception despite the applicant’s argument that this rule should not apply. *Id.* This is because wind energy converters are placed a significant distance from main roads for security reasons, and it is thus impossible to place verbal or graphic elements on them that can be seen by distant observers. *Id.*

⁴⁴² Case T-655/13, *Enercon GmbH v. OHIM*, ECLI:EU:T:2015:49, ¶ 41 (Jan. 28, 2015) (refusing registration of a color mark consisting of the gradient of five shades of the color green), *aff’d*, Case C-170/15 P, *Enercon GmbH v. OHIM*, ECLI:EU:C:2016:53 (Jan. 21, 2016); Case T-36/16, *Enercon GmbH v. EUIPO*, ECLI:EU:T:2017:295, ¶ 51 (May 3, 2017) (refusing registration of a mark consisting of blended shades of green for wind turbines), *aff’d*, Case C-433/17 P, *Enercon GmbH v. EUIPO*, ECLI:EU:C:2018:860 (Oct. 25, 2018).

Develey/Storck II principle about the legitimacy of deductions from practical experience.⁴⁴³

Philips Morris and *Enercon* confirm that the “departs significantly” examination must proceed in two rather than one step seeking to ascertain not only how unusual or arbitrary the design mark is from others but also whether there are contextual considerations for concluding that the average consumer will expect the unusual design primarily to denote commercial origin as opposed to mere aesthetic or functional choices. This approach allows tribunals to build policy considerations into the distinctiveness test, reflecting market realities and normative choices by reference to the overriding goals of trademark law.⁴⁴⁴ In both *Philips Morris* and *Enercon* applicants simply failed to demonstrate that, contrary to the analysis of the Office, consumer habits were different by reference to concrete evidence that suggests existence of a branding practice that entailed distinguishing products from different manufacturers primarily based on their shape rather than other indicia.

V. REVISITING THE CJEU *FREIXENET* DECISION

A. *Is Being Significantly Different Enough?*

This background brings us to the *Freixenet* ruling, a case widely cited in English decisions for outlining the principles and appropriate approach to the departs significantly criterion.⁴⁴⁵ In 1996, Freixenet applied to register two packaging marks consisting of the presentation method of sparkling wine products, namely the ‘golden matt’ finish and the frosted “black matt” finish of a bottle for sparkling wine.⁴⁴⁶ The applicant described the first of these marks as “a white polished bottle which when filled with sparkling wine takes on a golden

⁴⁴³ *Enercon GmbH*, 2007 E.C.R. II-00516, ¶ 47.

⁴⁴⁴ Academic commentators have for a long time argued that it is possible to integrate this approach into the European test of distinctiveness. See Burrell & Beverly-Smith, *supra* note 236, at 579–80. In some decisions, the EGC has accepted that sportswear manufacturers use simple geometric shapes as a means of commercial identification but has required applicants to provide more specific evidence for concluding average consumers would regard the proposed sign as a source-identifier rather than a mere decorative element. See *Shoe Branding Europe BVBA*, 2015 ECLI:EU:T:2015:973, ¶ 28 (two parallel stripe position mark on joggers); *Shoe Branding Europe BVBA*, 2015 ECLI:EU:T:2015:972, ¶ 25 (two parallel stripe position mark appearing on long sleeve); Case T-85/13, *K-Swiss Inc. v. OHIM*, ECLI:EU:T:2014:509, ¶ 40 (June 13, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=153680&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2824002> (two stripe position mark on a shoe).

⁴⁴⁵ Case R-97-2001-4, *Freixenet SA v. OHIM*, ¶ 47 (Feb. 11, 2004) (4th Bd of App.) (unreported).

⁴⁴⁶ *Id.*

matt appearance similar to a frosted bottle.”⁴⁴⁷ It also clarified that the marks related to “the specific appearance of its surface,” not the shape of the packaging.⁴⁴⁸ Registration was therefore sought for the packaging of a liquid product and, according to the applicant, its original character distinguished Freixenet’s sparkling wine products significantly from the presentation of other sparkling wines on the market at the relevant time.⁴⁴⁹ The applications were based not only upon inherent distinctiveness but also extensive market use of the golden matt and the black matt bottles dating back to 1941 and 1978 respectively.⁴⁵⁰ The Office refused the registrations and the EGC confirmed the refusals.⁴⁵¹ Upon appeal, the CJEU examined only inherent distinctiveness, annulling the EGC and Board’s refusals for proceeding upon the flawed basis that get-up trademarks which consist of the appearance of the packaging of the product itself and display no verbal elements are thereby *automatically* excluded from registration, contrary to settled case law.⁴⁵²

The flaw emerged from the Board’s finding that “since no bottle had [ever] been sold without a label or an equivalent, only that word element could determine the origin of the sparkling wine in question, so that the color and matting of the glass of the bottle could not ‘function as a trademark’... for the relevant public when they were not used in combination with a word element.”⁴⁵³ This factual finding, however, comes at the end of a long paragraph in the Board’s evaluation, which only reinforced the most salient finding in the factual appraisal endorsed by the EGC on a subsidiary level.⁴⁵⁴ In that factual appraisal, the Board concluded that, in its practical experience and deductions made from examining the branding practices in the sparkling wines sector, “[t]he usual behavior of the vast majority of wine consumers in any part of the Community is to choose the brand wine according to the label ... with very few looking at the color of the glass or its surface finish.”⁴⁵⁵ Having identified this significant factor, the Board went on to add that, as it was not customary to retail sparkling wines in “bare” bottles (of the type appearing in the application) and

⁴⁴⁷ Joined Cases C-344/10 P & C-345/10 P, *Freixenet SA v. OHIM*, 2011 E.C.R. I-10207, ¶ 7.

⁴⁴⁸ *Id.*

⁴⁴⁹ *Id.* at 7–8.

⁴⁵⁰ Case R-97/2001-4, *Freixenet v. OHIM*, ¶ 3 (Feb. 11, 2004) (4th Bd of App., EUIPO).

⁴⁵¹ *Id.*

⁴⁵² *Freixenet*, 2011 E.C.R. I-10216, ¶ 7.

⁴⁵³ *Id.* ¶ 50.

⁴⁵⁴ See Case T-109/08, *Freixenet v. OHIM*, 2010 E.C.R. II-00066, ¶ 79; Case T-110/08, *Freixenet v. OHIM*, 2010 E.C.R. II-00068, ¶ 78.

⁴⁵⁵ Case R-97/2001-4, *Freixenet v. OHIM*, ¶ 3 (4th Bd of App., Feb. 11, 2004, EUIPO); *Freixenet*, 2004 R-97/2001-4, ¶ 3; *Freixenet*, 2010 E.C.R. II-00066, ¶¶ 76–77.

bottles on the shelves always appear “dressed” to the consumer with labels including the applicant’s name. As such it is the *label* rather than the specific appearance of the bottle which constitutes the reference point for consumers to guide their choice of sparkling wine from different producers.⁴⁵⁶ Thus, the branding practices of the sector therefore suggested that manufacturers do not expect consumers to infer commercial origin primarily from the surface of the packaging but from the words/labels on the bottles; this strongly confirmed the empirical rule about consumer habits. The CJEU, however, explicitly identified these findings as legal errors.⁴⁵⁷

Perhaps one way of rationalizing *Freixenet* is the CJEU’s strong disapproval of certain elements of the Board’s reasoning that arguably suggested that the specific surface of a bottle (including all other forms of packaging) is as a matter of principle unsuitable for registration because consumers do not encounter unmarked bottles on the market and only verbal elements could indicate the origin of the beverage. Thus understood, that reasoning would be contrary to settled case law according to which European law does not prevent registration of non-traditional signs (including shapes) merely by virtue of their market use with other traditional word/figurative marks.⁴⁵⁸ It would indeed be against commercial reality to preclude traders from using and protecting more than one mark in connection with the same product or service. Post-*Freixenet*, EU tribunals explicitly acknowledge that it may be possible for consumers to attribute an origin-indicating function to the appearance of the packaging of the product that bears no inscription or verbal elements.⁴⁵⁹ There are nonetheless other broader implications arising from *Freixenet* that are rarely scrutinized. In quashing the *Freixenet* refusal, the CJEU stated that the Board should have simply examined “whether the marks for which registration was sought varied so significantly from the norm or customs of the sector that they had distinctive

⁴⁵⁶ *Freixenet*, 2011 E.C.R. I-10216, ¶ 29.

⁴⁵⁷ *Freixenet*, 2011 E.C.R. I-10210, ¶ 55.

⁴⁵⁸ Case C-353/03, *Société des produits Nestlé SA v. Mars UK, Ltd.*, 2005 E.C.R. I- 6157, ¶ 30; *August Storck KG*, 2006 E.C.R. I-5714, ¶ 59. *See also Mondelez UK Holdings & Services, Ltd.*, ECLI:EU:C:2018:596, ¶ 68; *Cadbury UK Ltd.*, 2015 ECLI:EU:C:2015:395, ¶ 64; Joined Cases C-217/13, C-218/13, *Oberbank AG v. Deutscher Sparkassen- und Giroverband eV*, ECLI:EU:C:2014:2012, ¶ 40 (June 19, 2014), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=153812&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2825103>.

⁴⁵⁹ Case T-347/10, *Adelholzener Alpenquellen GmbH v. OHIM*, ECLI:EU:T:2013:201, ¶ 36 (Apr. 19, 2013); *see also Melt Water*, ECLI:EU:T:2015:9, ¶ 25; Case R-1793/2016-2, *Aston Martin Lagonda v. OHIM*, ¶ 54 (Apr. 4, 2017) (2d Bd. of App., EUIPO); Case R-1619/2011-4, *Eckes Granini Group v. OHIM*, ¶ 22 (Feb. 3, 2012) (4th Bd. of App., EUIPO).

character.”⁴⁶⁰ This wording arguably suggests that, under EU law, being significantly different or fanciful is both necessary *and* sufficient to render the non-distinctiveness hurdle inapplicable.⁴⁶¹ However, this interpretation of *Freixenet* is problematic on different levels.

First, the CJEU completely overlooked significant findings in earlier stages of the *Freixenet* litigation. Due to procedural breaches and without ruling on the substantive matter, the EGC had previously annulled the Board’s initial refusals for violating the applicant’s right of defense and based its decision upon evidence which it had not brought to Freixenet’s attention.⁴⁶² In that initial examination, however, it was found that, in addition to the “classical” packaging of a transparent green glass bottle, sparkling-wine producers also used a wide variety of packaging such as white glass bottles, which also took on a different color when filled with wine, or (and) opaque glass bottles of different colors.⁴⁶³ Given this wider range of packaging confronting the consumer, the Board’s conclusion was that the Freixenet packaging was not “such a specific and eye-catching characteristic that it can clearly differentiate the bottle applied for from other bottles sold on the relevant market.”⁴⁶⁴ Thus, despite the absence of identical packaging on the market, the “golden matt” and “black matt” finish would be a mere variant of typical ways of presenting sparkling wine bottles and consequently unlikely to satisfy the “depart significantly” criterion, as the case law had previously established.⁴⁶⁵ The Board therefore had already found that the marks failed to “depart significantly” from the norms as far back as 2004, even though these findings were not part of the final appeal to the CJEU.⁴⁶⁶

Secondly, it is difficult to reconcile *Freixenet* with the CJEU’s own rulings in *Develey*, *Storck II*, *Philips Morris* and *Enercon*, which had previously

⁴⁶⁰ *Freixenet*, 2011 E.C.R. I- 10210, ¶ 55.

⁴⁶¹ For similar descriptions of the “departs significantly” criterion as resolving itself into a single question, see also *August Storck KG*, ECLI:EU:C:2017:340, ¶ 37 (“ where the issue is establishing the distinctive character of a mark consisting of the appearance of the product which it designates, it is necessary to verify whether that mark departs significantly from the standard or customs of the sector, such verification not being reserved solely to three-dimensional marks.”); *Apple, Inc.*, ECLI:EU:C:2014:2070, ¶ 20 (holding that Apple’s store design mark can be inherently capable of indicating source “when the depicted layout departs significantly from the norm or customs of the [economic] sector [concerned].”).

⁴⁶² Case T-188/04, *Freixenet*, 2006 E.C.R. II-00078, ¶ 34; Case T-190/04, *Freixenet*, 2006 E.C.R. II-00079, ¶ 34.

⁴⁶³ Case R-97/2001-4, *Freixenet*, ¶ 23. The online sources from where the Board made these deductions were not, however, accessible to the applicant, which was eventually found to infringe his right of defense.

⁴⁶⁴ *Id.* ¶ 25.

⁴⁶⁵ Joined Cases C-344/10 P & C-345/10 P, *Freixenet*, 2011 E.C.R. I-10222, ¶ 47.

⁴⁶⁶ Case R-104/2001-4, *Freixenet*, ¶¶ 25, 39 (4th Bd. Of App., Feb. 11, 2004).

established the principle that the Office may rely upon its knowledge of the market and acknowledged facts, shifting the evidentiary burden of distinctiveness onto applicants.⁴⁶⁷ Before the EGC, Freixenet asserted that the Board never proved non-distinctiveness even though the applicant bears the heavy burden of substantiating source-identification.⁴⁶⁸ More crucially, *Freixenet* appears to collapse the “depart significantly” inquiry into a single question, namely the extent of the mark’s divergence from the norms. The *Freixenet* approach omits the requisite contextual evaluation into the *impact* such divergence is likely to have upon the average consumer, bearing in mind the initial hurdle that there is generally no consumer predisposition towards marks consisting of the appearance of goods, as the CJEU itself recalled in *Freixenet*.⁴⁶⁹ Therefore, *Freixenet* wrongly deviates from the settled principle that registration authorities must always verify that impact,⁴⁷⁰ as *Philips Morris* and *Enercon* clearly followed.⁴⁷¹ Indeed, the Freixenet packaging marks were eventually allowed upon the questionable ground that, at the relevant date, it was simply an “unusual” type of packaging for sparkling wines without verifying whether, from the viewpoint of consumer behavior, they would function as source-identifiers.⁴⁷²

Thirdly, nor is it possible to square *Freixenet* with subsequent CJEU’s decisions where the issue of inherent distinctiveness did not resolve itself into a single question of being significantly different but instead the verification of consumer habits (through the branding practices of the sector) carried the key analytical weight of the non-inherent distinctiveness conclusion.⁴⁷³ In *Lindt*, the argument “that according to the case law of the Court of Justice a mark which merely departs significantly from the customs of the industry has the requisite distinctive character” was never endorsed.⁴⁷⁴ Instead, the CJEU endorsed the

⁴⁶⁷ *Develey Holding GmbH*, 2006 E.C.R. II-820, ¶ 14; *August Storck KG*, 2006 E.C.R. I-05719, ¶ 71; *Philips Morris Products SA*, 2007 E.C.R. II-00113, ¶ 11; *Enercon GmbH*, 2007 E.C.R. II-00516, ¶ 19.

⁴⁶⁸ *Id.*

⁴⁶⁹ Joined Cases C-344/10 P & C-345/10 P, *Freixenet*, 2011 E.C.R. I-10210, ¶ 46.

⁴⁷⁰ Case C-218/01, *Henkel KGaA v. Deutsches Patent- und Markenamt*, 2004 E.C.R. I-1755, ¶ 51; Case 136/02 P, *Mag Instrument Inc. v. OHIM*, 2004 E.C.R. I-9190, ¶ 32.

⁴⁷¹ Case T-140/06 P, *Philips Morris Products*, 2007 E.C.R. II-00113, ¶ 11; *Enercon GmbH*, 2007 E.C.R. II-00516, ¶ 19.

⁴⁷² Joined Cases R-2464/2011-2 & R-2465/2011-2, *Freixenet*, ¶ 37 (2nd Bd. of App., Feb. 1, 2012).

⁴⁷³ See *Think Schuhwerk*, ECLI:EU:C:2014:2222, ¶ 55; Case C-98/11 P, *Chocoladefabriken Lindt & Sprüngli AG v. OHIM*, ECLI:EU:C:2012:307; Joined Cases C-344/10 P & C-345/10 P, *Freixenet SA v. OHIM*, 2011 E.C.R. I-0205, ¶¶ 47, 33; Case C-453/11 P, *Timehouse GmbH v. OHIM*, ECLI:EU:C:2012:291, ¶¶ 43–44.

⁴⁷⁴ Case C-98/11 P, *Chocoladefabriken Lindt & Sprüngli AG*, ECLI:EU:C:2012:307, ¶ 33.

“evaluation of both current practices in the industry and the perception of the average consumer” undertaken by the EGC relying upon acknowledged facts from general experience, as established in *Develey/Storck II*.⁴⁷⁵ Similar reasoning based on general experience led the CJEU in *Timehouse* to uphold the conclusion that the impact upon highly attentive jewelry consumers, who are accustomed to seeing a wide range of stylistic variations around the edges of clock-faces, would be to treat the applicant’s clock-face primarily as mere decoration.⁴⁷⁶ Even if reminiscent of a postage stamp, jewelry consumers would still treat the clock-face merely as an ornamental feature of the product rather than as means of differentiating between brands of wrist watches. Similarly, in *Think Schuhwerk* the CJEU agreed that, following an independent assessment of the customs in the fashion industry, it was irreproachable of the EGC to conclude that the applicant had not “[produced] any information suggesting the coloring of certain parts of shoe laces is usually perceived by the relevant public as an indication of commercial origin.”⁴⁷⁷

B. *Voss of Norway Decision: Clarifying Freixenet*

The recent *Voss* ruling offered the CJEU the opportunity to clarify the most important issue besetting the case law on the “depart significantly” criterion, namely that a get-up mark cannot be assumed to be devoid of distinctiveness if it is unusual or arbitrary in the relevant sector. That is, whether consumers’ capacity to infer business origin from the appearance of goods could simply be assumed from the fact that a unique shape differs significantly from the adopted norms and could perform, for that reason alone, the source-indicating function of a trademark. At issue was *Voss* of Norway’s appeal against the Board and EGC’s decisions to cancel its CTM in respect of a three-dimensional bottle for consumable liquids on the basis of non-inherent distinctiveness, contrary to Article 7(1)(b)CTMR.⁴⁷⁸ The bottle packaging mark was described as a “perfect cylinder” that consisted of a “cylindrical, transparent container with a non-

⁴⁷⁵ *Id.* ¶ 41 (citing Case C-25/05 P, *August Storck KG v. OHIM*, 2006 E.C.R. I-05719, ¶ 25; Case C-238/06 P, *Develey Holding GmbH & Co. Beteiligungs KG v. OHIM*, 2007 E.C.R. I-09375, ¶ 79; *id.* ¶ 47). Given the wide range of chocolate animals in the confectionery sector and the commonplace elements of the sitting bunny mark, its impact upon consumers would be simply to see the mark as another chocolate rabbit without linking to a particular commercial origin.

⁴⁷⁶ *Timehouse GmbH*, ECLI:EU:C:2012:291, ¶¶ 43–44 (well-known facts from general experience show that consumers are accustomed to seeing a broad range of designs around the borders of clock-faces, so the perforated edges of the clock’s square base forming part of the composite mark would be perceived a mere decoration).

⁴⁷⁷ *Think Schuhwerk*, ECLI:EU:C:2014:2222, ¶ 55.

⁴⁷⁸ Case R-795/2010-1 *Nordic Spirit*, ¶ 42.

transparent cap having the same diameter as the cylinder.”⁴⁷⁹ Before the CJEU, the International Trademark Association (INTA) was able to intervene as *amicus curiae* in support of the multiple pleas brought by *Voss*.⁴⁸⁰ The CJEU roundly rejected all those pleas.⁴⁸¹

For instance, *Voss* complained there was a breach of the presumption of validity that registered CTMs enjoy because the lower tribunals reversed the evidentiary burden of proof, which rested solely upon Nordic Spirit as the cancellation applicant.⁴⁸² This was rejected because the EGC—and the Board—had conducted a fresh independent examination into inherent distinctiveness without requiring the proprietor to evidence the CTM’s validity.⁴⁸³ As previously established in *Louis Vuitton Malletier*,⁴⁸⁴ the test for applying any of the statutory grounds for refusal remains the same, both in *ex parte* and *inter partes* actions, with no room for “any ambiguity or doubt [to] be resolved in favor of the proprietor,” as INTA argued.⁴⁸⁵ Nor did the CJEU accept that the application of the *departs* significantly criterion required beforehand the proper definition of the norms and customs of the relevant sector by reference to concrete and verifiable evidence of normal or customary shapes.⁴⁸⁶ According to *Voss* and INTA, the EGC could not lawfully conclude the registered CTM was non-distinctive without such evidence.⁴⁸⁷ However, the CJEU agreed that the EGC could carry out its independent analysis upon well-known facts and practical experience to conclude that, despite being somewhat original and one of a kind, the bottle packaging mark was a mere variant of existing shapes.⁴⁸⁸ Thus, it flatly rejected the *amici*’s interpretation of *Freixenet* as prohibiting reliance upon practical experience.⁴⁸⁹

⁴⁷⁹ *Id.* ¶¶ 47, 51.

⁴⁸⁰ See Statement of Intervention for International Trademark Association (INTA) as Amici Curiae Supporting Appellant § 1; Case T-178/11, *Voss of Norway ASA v. OHIM*, 2013 E.C.R. <http://www.inta.org/INTABulletin/Documents/Vos%20Brief%202014.pdf> [hereinafter Statement of INTA].

⁴⁸¹ Case C-445/13 P, *Voss of Norway ASA v. OHIM*, ECLI:EU:C:2015:303, ¶¶ 49, 59, 75, 100, 111, 120.

⁴⁸² *Id.*

⁴⁸³ *Id.* ¶¶ 58, 70–71.

⁴⁸⁴ Case C-97/12 P, *Louis Vuitton Malletier v. OHIM*, ECLI:EU:C:2014:324, ¶¶ 72–73.

⁴⁸⁵ Statement of INTA, *supra* note 480, ¶ 3.

⁴⁸⁶ *Voss*, ECLI:EU:C:2015:303, ¶ 96.

⁴⁸⁷ *Id.*

⁴⁸⁸ *Id.* ¶ 86. The same support for the EGC’s reliance upon practical experience and knowledge of the market without offering concrete examples appears in *Louis Vuitton Malletier*. See *Louis Vuitton Malletier*, ECLI:EU:C:2014:324, ¶ 72.

⁴⁸⁹ Statement of INTA, *supra* note 480, ¶ 8.

Under settled case law, the spatial and objective delimitation of the context may include a wider sector taking into account the structure of the market and the marketing methods used for other goods of the same general class or type (perhaps outside the market for the products concerned), as those methods might have already influenced consumer reaction and expectations.⁴⁹⁰ The *amici*'s complaint that tribunals could not conclude that the *Voss* bottle failed to depart significantly from the norms, simply because there was no evidence of other similar bottles on the market at the relevant date, reflects deep-seated confusion about important nuances in the settled European approach to distinctiveness.⁴⁹¹ That approach has nothing to do with anticipatory evidence demonstrating novelty. It is grounded upon what presentational features consumers would naturally *expect* products to have—even if the particular design or arrangement does not yet exist—according to common commercial knowledge.⁴⁹² In *Voss*, the individual elements of the bottle were typical characteristics of the packaging for the products without evidence to conclude that the manner in which those features are combined might result, from the consumer's perception, in the whole get-up mark being “greater than the sum of its parts.”⁴⁹³ This by no means has the effect of being practically impossible to find an inherently distinctive packaging mark, as there is no presumption that an arrangement of typical commonplace elements cannot confer distinctiveness upon being combined in a particular manner.⁴⁹⁴

C. Outstanding Questions

Perhaps the most important aspect of *Voss* is the rejection of INTA's reliance upon *Freixenet* to frame the “depart significantly” analysis into a single question about the trade dress mark's unusualness and the Court's affirmation of the need to always verify whether, in the eyes of average consumers, an unusual get-up

⁴⁹⁰ Case C-173/04 P, *Deutsche SiSi-Werke v. OHIM*, 2006 E.C.R. I-00551, ¶¶ 32–33 (permitting the reliance upon the much broader sector of liquids for human consumption in general rather than the more restrictive market for fruit juices). Thus, the Cancellation Division's restrictive definition of the sector that *Voss* supported in its pleas on appeal is simply contrary to case law.

⁴⁹¹ *Voss*, ECLI:EU:C:2015:303, ¶¶ 76–77.

⁴⁹² This is clearly the principle upon which the *Tabas* Cases rest and which the CJEU neatly summarized in 2007. See *Joined Cases C-456/01 P & C-456/01 P, Henkel KGaA v. OHIM*, 2004 E.C.R. I-05089, ¶¶ 43–44 (get-up of a red and white rectangular dishwashing tablet with an oval blue center).

⁴⁹³ *Voss*, ECLI:EU:C:2015:303, ¶ 126; see also Case T-237/10, *Louis Vuitton Malletier v. OHIM*, 2011 E.C.R. II-00449, ¶¶ 72–73, *aff'd, Louis Vuitton Malletier*, 2014 E.C.R. ¶ 72.

⁴⁹⁴ *Voss*, ECLI:EU:C:2015:303, ¶ 124; see also R-127/2013-2, *Oy Sinebryhoff Ab* ¶¶ 19–22 (2d Bd of App., Nov. 12, 2013) (unreported) (a successful application to register the trade dress of a can for energy drinks resembling a “torch battery”).

may ultimately serve as a source-identifier *irrespective* of the extent of its unusualness or divergence.⁴⁹⁵ Nonetheless, *Voss* represents yet another missed opportunity for the CJEU to elaborate upon the implications underlying its empirical rule that there is ordinarily no consumer habit of assuming commercial origin of products/services by reference to their appearance “in the absence of any graphical or word element.”⁴⁹⁶ For instance, what is the analytical weight of the fact that the relevant goods or services are generally presented with a label displaying the applicant’s name or logo? Is it permissible to assume that market reality and experience may show that, at least for certain categories of goods, purchasers will instinctively pay more attention to the labeling than to the shapes? These questions are crucial to the investigation into whether a product shape may have acquired secondary meaning following market use or may have been put to genuine use.⁴⁹⁷ They remain, however, highly relevant to the contextual analysis underpinning all questions about predicting consumer behavior to determine the inherent suitability of such marks to serve as source-identifiers.

In *Voss*, the Board interpreted the empirical rule about consumer habits as meaning “that the average consumer will not normally choose a product ... merely on the basis of its design or the design of its packaging but will look for signs—on the product or its packaging—that will inform him more reliably about the origin of the product.”⁴⁹⁸ This view is also endorsed in some English decisions.⁴⁹⁹ It also coincides with the CJEU’s often-cited statement that “it could prove more difficult” to establish the distinctiveness of product shape marks than for verbal/figurative marks.⁵⁰⁰ According to the Board, the branding practices of manufacturers who very rarely sell their products in unmarked

⁴⁹⁵ *Voss*, ECLI:EU:C:2015:303, ¶ 92. The CJEU thus rejected INTA’s interpretation of *Freixenet* as implying that marks that differ significantly from the shapes that are normally used in the relevant sector are *necessarily* distinctive for protection.

⁴⁹⁶ *Id.*

⁴⁹⁷ Case C-642/15, *Toni Klement v. EUIPO*, ECLI:EU:C:2016:918 (registered shape of an oven but always marketed with the word mark “Bullerjan.”). For a final ruling, see Case C-698/17, *Toni Klement v. EUIPO*, ECLI:EU:C:2019:48.

⁴⁹⁸ Case R-785/2010-1, *Nordic Spirit AB v. Voss of Norway ASA*, ECLI:EU:T:2013:272, ¶ 18. Before the Board, the cancellation applicant argued that before assessing if the mark differed significantly from the norms, it was necessary to consider the principal question of whether, in the beverages market, there is a consumer habit of inferring trade origin from a shape. Thus, unlike the Cancellation Division which focused solely on how unusual the cylindrical transparent bottle was on the market, the Board of Appeal decided to address this initial question first.

⁴⁹⁹ *Produits Nestlé SA v Unilever* [2002] EWHC (Ch) 2709 [36] (Eng.); *Bongrain SA’s Trade Mark Application* [2005] 14 RPC 306 (EWCA) [28].

⁵⁰⁰ *Nordic Spirit AB*, ECLI:EU:T:2013:272, ¶ 19.

containers, but invariably bearing some labeling constitute “a decisive factor” in predicting the habits and behavior of consumers in the marketplace.⁵⁰¹ These are more reliable indications which allow consumers to distinguish between products.⁵⁰² In the Board’s opinion, this new approach was consistently emerging in the case law of the EGC,⁵⁰³ and we find it consistent with the requirement that, in the factual prediction of the likelihood that consumers will use a sign as a source-identifier, the registrar must consider *all* the relevant factors and circumstances including practices in the trade. This is part of settled case law.⁵⁰⁴ Whilst this does not create a general rule that unmarked containers, like bottles, may never *per se* function as source-identifiers because they are invariably sold with a label,⁵⁰⁵ it *does* require applicants to do more than simply highlight striking features of the get-up mark to sufficiently catch consumer’s attention. Applicants must also adduce evidence to rebut inferences from practical experience and from which material circumstances may be drawn to establish the existence of different branding practices.⁵⁰⁶

Unlike *Freixenet*, however, the Board in *Voss* did proceed to examine the extent to which the packaging mark departed significantly from the norms after finding no evidence of a commercial practice to infer business origin from the container’s shape alone.⁵⁰⁷ On appeal, *Voss* criticized the Board’s interpretation of the case law for imposing a new test based upon the weight given to existing branding practices but the EGC chose to focus solely on the complaint about the absence of a significant divergence rather than address the compatibility of its

⁵⁰¹ *Id.*

⁵⁰² *Id.* ¶ 22. The same approach has been adopted by English tribunals, see “Cycling Is ...” TM Applications [2002] RPC 37, 729, 744 (It is relevant to consider the various methods and practices of marketing that the average consumer of the relevant goods is likely to encounter under normal and fair trading conditions.); see also Bongrain SA’s Trade Mark Application [2005] 14 RPC 306 (EWCA) [28]; Dyson Ltd.’s Trade Mark Application [2003] EWHC (Ch) 1062 [39], [2003] RPC 47 (appeal taken from Eng.); O-127-07 *In Re O2 Holdings BL* (UK IPO, 11 May 2007, unreported) at [42]; O-079-10 *In re Coca-Cola Co BL* (Feb.(UK IPO, 28, 2010, UK IPO) (unreported) at [35].

⁵⁰³ *Nordic Spirit AB*, ECLI:EU:T:2013:272, ¶ 24 (citing Case T-12/04 *Almdudler-Limonade A. & S. Klein v. OHIM*, 2005); Case T-358/04, *George Neumann GmbH v. OHIM*, 2007 E.C.R. II-03329; Case T-140/06, *Philip Morris v. OHIM*, 2007 E.C.R. II-00113; Case 7-109/08, *Freixenet SA v. OHIM*, 2010 E.C.R. I-10205; Case T-110/08, *Freixenet SA v. OHIM*, 2010 E.C.R. II-0068. Of these decisions, on appeal, *Philip Morris* was affirmed whilst the *Freixenet* decisions were both annulled.

⁵⁰⁴ C-329/02 P, *SAT.1 Satellitenfernsehen GmbH v. OHIM*, 2004 E.C.R. I-8338, ¶ 44; Case C-363/99 *Koninklijke KPN Nederland NV v. Benelux-Merkenbureau*, 2004 E.C.R. I-01619, ¶¶ 37, 76; Case C-104/01, *Libertel Groep BV v. Benedux-Merkenbureau*, 2003 E.C.R. I-03793, ¶ 62.

⁵⁰⁵ Case R-381/2000-1, *Cabot Safety Intermediate Co*, 2001 E.T.M.R. ¶ 20.

⁵⁰⁶ Case R-785/2010-1, *Nordic Spirit AB*, ECLI:EU:T:2013:272, ¶ 32; see also *Produits Nestlé SA v. Unilever* [2002] EWHC (Ch) 2709 [37] (Eng.).

⁵⁰⁷ *Nordic Spirit AB*, ECLI:EU:T:2013:272, ¶¶ 36–41.

own case law—upon which the Board had relied—with *Freixenet*.⁵⁰⁸ This limited analysis became the core of the appeal before the CJEU.⁵⁰⁹ While this important evolution of the case law remains to be addressed head on, there is tacit approval in some CJEU rulings.⁵¹⁰ Indeed, the AG Opinion in *Sisi-Werke*, which the CJEU closely followed, is consistent with the Board’s rationalization of the evolved case-law⁵¹¹ and “real world” considerations in which consumers buy products supported in English cases.⁵¹² Though *Freixenet* explicitly condemned excessive reliance upon the unmarked bottle factor to the extent that it automatically excludes registration of product packaging marks, such cases as *Philip Morris*, *Enercon*, *Timehouse*, and *Think Schuhwerk* strongly suggest that this contextual factor *does* have an important role to play.

Furthermore, *Philips Morris*, *Timehouse*, and *Enercon* confirm the principle established in a line of EGC case law that, though a specialized public is more likely to pay more attention to different technical and aesthetic features of products, this does not automatically imply that it may attribute the role of a trademark to those differences.⁵¹³ After all, a novel and unusual shape is bound to be outside the norm of a given sector and attentive consumers are likely to notice it from a range of others without much difficulty. Nevertheless, the proper

⁵⁰⁸ See *Freixenet*, 2011 E.C.R. I-10205.

⁵⁰⁹ Case T-128/11, *Voss of Norway ASA v. OHIM*, 2013 E.C.R. I-00000, ¶¶ 23, 27–28.

⁵¹⁰ Case R-1590/2008-1, *FRIIS Group Int v. LVM*, ¶ 37 (1st Bd. of App., OHIM) (Apart from being perceived primarily as functional items or ornamental features, another reason why consumers would not perceive these clasp locks as Trademarks is that these devices often bear the engraved brand name of the product. It is *that* brand name rather than the shape of the device that allows consumers to establish a link between the product and the manufacturer. On appeal, the EGC endorsed these findings as being compatible with practical experience and acknowledged facts. Case T-237/10, *LVM v. OHIM*, 2011, ¶ 48–49. On a further appeal, the CJEU wholeheartedly endorsed the EGC’s conclusions based upon practical experience, which were derived from the Board’s analysis, see Case T-237/10, *Louis Vuitton Malletier*, 2011 E.C.R. II-00449, ¶ 53; see also R-367/2003-2, *Develey Holding GmbH*, ¶ 41 (2d Bd. of App., Jan. 20, 2004) (unreported) (In view of the wide variety of shape bottles, the consumer pays more attention to the label than the bare bottle.), *aff’d*, Case T-129/04, 2006 ¶ 47, and Case C-238/06 P2007, ¶ 92.

⁵¹¹ Case C-173/04 P, *Deutsche Sisi-Werke v. OHIM*, 2006 E.C.R. I-00551, ¶ 54; *Id.* ¶ 45 (opinion of the AG).

⁵¹² *Produits Nestlé SA v. Unilever* [2002] EWHC (Ch) 2709 [47] (Eng.) (Jacob, J.); “Cycling Is ...”, Applications [2002] RPC 37, 729, 744, (“It is implicit in [the European] approach to the assessment of distinctiveness that the perceptions of the average consumer are to be assessed in context, with due regard to the realities of the market place.”); *Dualit Ltd’s (Toaster Shapes) TM Applications*, [1999] RPC 890, 898, ¶ 29.

⁵¹³ Case T-358/04, *Georg Neumann GmbH*, 2007 E.C.R. II-03329, ¶ 46 (shape of a microphone head grill); Case T-351/07, *Somm Srl v. OHIM* 2008 E.C.R. II-00331, ¶ 29 (shelter for shade); Case T-152/07, *Lange Uhren v. OHIM* 2009 E.C.R. II-00144, ¶ 106 (geometric shapes on a watch-face); Case T-391/07, *Alfons Alber v. OHIM*, 2009 E.C.R. II-00157, ¶ 61 (part of a hand grip); Case T-25/11, *Germans Boada SA v. OHIM*, ECLI:EU:T:2013:40, ¶ 50 (shape of a ceramics cutter); Case T-363/15, *Työhönvalmennus Valma Oy v. OHIM*, ECLI:EU:T:2016:149, ¶ 26 (representation of a wooden carrying crate containing a throwing game).

application of the “depart significantly” criterion requires *more*. Through a blend of empirical and normative rules underpinning distinctiveness, European courts have concluded that it is insufficient that the public is capable of recognizing differences among various product designs or packaging in the sector, which is actually within the capabilities of specialized consumers.⁵¹⁴ It is also essential that “the departure of the shape applied for is so significant that the consumer circles will recognize it as an indication of origin.”⁵¹⁵

Close examination of EU case law strongly suggests that it is not only whether the shape or appearance of get-up marks differs significantly from those of existing ones that is relevant, but also whether *material circumstances* exist to assume that consumers will use the appearance alone to guide themselves in the market. In other words, evidence must show that the differences are indicative of commercial origin, not merely of different design or presentation style. In developing this interpretation, EU courts have adopted the same view as that expressed in some English decisions, namely that “the consumer must conclude not just that [the shape mark] is different, but that the difference signifies that the goods come from a given commercial undertaking.”⁵¹⁶ Therefore, the European distinctiveness approach is aligned with that adopted in *Bongrain* as a matter of principle even though the examination has escaped proper academic scrutiny.

CONCLUSION

Distinctiveness is an important doctrinal tool for setting appropriate limits around protectable subject-matter. The CJEU has hitherto offered little elaboration on its departs significantly criterion as the primary test for predicting the potential capacity of unconventional signs to serve as source-identifiers for consumers. Its case law however offers significant guidance on the contextual factors that the Office and the courts should follow in their predictive inquiry

⁵¹⁴ *Id*

⁵¹⁵ Case T-171/12, *Peri GmbH v. OHIM*, ECLI:EU:T:2014:817, ¶ 44 (quoting from Case R-1209/2011-1, *Peri GmbH* (1st Bd of App., Jan. 26, 2012)). *Id.* ¶ 18 (Shape of a turnbuckle); see also Case T-654/13, *Gako Konietzko GmbH*, ECLI:EU:T:2015:381, ¶ 35 (shape of a medical container with a red lid).

⁵¹⁶ *Betafence Ltd. v. Registrar of Trademarks*, [2005] EWHC (Ch) 1353, [24] (Eng.) (Floyd, J.). The Court derived this interpretation from the *Henkel* ruling whereby the CJEU stressed the need for the get-up mark to enable the consumer to *distinguish* the designated products from those of other traders, not merely to spot differences in the products offered. See Case C-144/06 P, *Henkel KGaA v. OHIM*, 2007 E.C.R. I-08109, ¶ 53; see also *Dyson Ltd's TM Applications*, [2003] EWHC 1062 (Ch) RPC [34]; *Yakult Honsha KK's Trademark Application*, [2001] RPC 39, 756, 759 ¶ 10 (even though the Yakult bottle might be recognized as “different” to other bottles on the market on account of being both new and visually distinctive, this does not mean it is inherently distinctive in a Trademark sense.); *P&G Ltd's TM Applications*, [1999] RPC 673, 680.

underpinning inherent distinctiveness. That case law unquestionably highlights the need for trade dress marks to be significantly unusual from what is customary in the relevant sector but this, alone, cannot be the basis for assuming they will be understood by consumers to designate source. The contextual analysis of case law undertaken in this Article has demystified deep-seated misconceptions around the policies underpinning the departs significantly criterion and has uncovered an (implicit) additional step in distinctiveness evaluations, namely it is crucial not only that consumers view the shape as different/unusual from existing designs but also that they do not perceive it as being expected or naturally coming to mind in the light of their utilitarian or functional advantages. In the absence of statutory definition, courts have an important responsibility to monitor the outer limits of trademark law. There are important policies packed into the departs significantly criterion even if they are poorly understood in the current literature. Overall, this article has demonstrated that the distinctiveness requirement can and *does* play an important but limited role in preserving competition; other statutory obstacles such as functionality, descriptiveness, and customariness have a much greater role and a complementary purpose within the structure of the European Union's law. However, the persistent legacy issues identified here highlight that distinctiveness is under unnecessary pressure to achieve competition goals that are generally more appropriately addressed through the functionality doctrine.