

OPINION OF ADVOCATE GENERAL
RUIZ-JARABO COLOMER

delivered on 24 October 2002¹

1. This reference for a preliminary ruling concerns general aspects of the method of assessing whether three-dimensional shape-of-product marks are distinctive. The recent judgment of 18 June 2002 in *Philips*² resolves most of the doubts entertained by the national court.

Facts and the main proceedings

Case C-53/01

2. Linde AG, a company established in Wiesbaden (Germany), applied for registration as a three-dimensional mark of the representation of a vehicle of the type ‘motorised trucks and other mobile works vehicles, particularly fork-lift trucks’.

It is worthy of note that, although the method which the referring court appears to favour and that derived by the Court of Justice from the Trade Mark Directive³ differ appreciably, that difference is not reflected in the practical results of the respective methods. Both cases show how difficult it is for such signs to be eligible for registration.

The competent trade mark office of the Deutsches Patentamt (German Industrial Property Registry) refused registration on the ground that the mark was devoid of any distinctive character.

The appeal lodged by the applicant at the Bundespatentgericht (Federal Patents Court, Germany) did not succeed. That court held that registration of the trade mark applied for had to be refused under Paragraph 8(2)(1) of the Markengesetz

1 — Original language: Spanish.

2 — Case C-299/99 [2002] ECR I-5475 (*Philips*).

3 — First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) (‘the Directive’ or ‘the Trade Mark Directive’).

(German Trade Mark Law),⁴ and gave the following reasons (as they appear in the order for reference):

'It is not necessary to decide whether the sign for which registration has been applied [for], and which consists entirely in a realistic representation of the goods in question from different angles, is a three-dimensional image eligible for registration as a trade mark within the meaning of Paragraph 3 of the Markengesetz or, rather, falls within Paragraph 3(2) of the Markengesetz [equivalent to Article 3(1)(e) of the Trade Mark Directive].

function to it, as long as it remains in its familiar context. The shape of the product does not go beyond the parameters of modern industrial design. In its non-technical aspects, it is not so different from standard shapes as to cause the trade to see it not merely as a variation of a familiar shape, but as the distinctive sign of an undertaking. In the motor vehicle sector in particular — including the commercial vehicle sector — the tendency to use "soft-line" contours has been standard for years, so that this sort of design gives no indication as to a specific producer. The trade mark applied for differs too little from the usual shapes. It displays no supplementary imaginative element. The trade does not regard it as a reference to the undertaking of origin.'

The trade mark applied for is in any event devoid of any distinctive character in the terms of Paragraph 8(2)(1) of the Markengesetz [Article 3(1)(b) of the Directive]. To determine whether the trade mark has distinctive character in the present case, it is necessary, as in the case of all other signs capable of constituting trade marks, to establish whether and to what extent they may serve, in trade, to indicate the undertaking from which the products in question originate. This is not the case here. The trade does not see in the representation of the product anything more than the product itself and attributes no distinctive

Case C-54/01

3. Winward Industries Inc., established in Taipei (Taiwan), applied for registration of a torch as a three-dimensional mark.

The trade mark office of the Deutsches Patentamt refused registration on the ground that the sign was devoid of any distinctive character.

⁴ — Gesetz zur Reform des Markenrechts und zur Umsetzung der ersten Richtlinie 89/104/EWG des Rates vom 21. Dezember 1988 zur Angleichung der Rechtsvorschriften der Mitgliedstaaten über die Marken (*Bundesgesetzblatt* 1, p. 3082).

4. The appeal to the Bundespatentgericht did not succeed for the following reasons (according to the order for reference):

Nor can distinctive character be asserted by analogy with signs consisting of words in the case of which only the graphic effect is capable of being protected. There are stricter requirements as to the distinctive character of the shape of goods than there are for the usual types of trade marks consisting of words or pictures. The reason for this is the fundamental difference between trade mark law, which serves to identify origin, and design rights, which primarily protect designs. Trade mark law, unlike the law on design rights, prevents no one from marketing the same product with a different designation. The trade is used to signs consisting of words and pictures. It will therefore not perceive the shape of goods as identifying a firm but will refer to the brand name on the product, except in exceptional cases.’

‘It can be assumed that the design is capable of being a trade mark in the abstract under Paragraph 3(1) of the Markengesetz [equivalent to Article 2 of the Directive]. The question whether there are grounds for refusal under Paragraph 3(2)(1) or (2) of the Markengesetz [equivalent to the first two indents of Article 3(1)(e) of the Directive] can be left aside. Concerns might arise over the fact that few possibilities would be left open to competitors for variations on the design of torches. No definitive decision is required since the trade mark applied for lacks the distinctive character required by Paragraph 8(2)(1) of the Markengesetz. It is a typical torch shape, which, notwithstanding a certain elegance, remains commonplace in the market. A consumer in this sector will not see in the shape of the product any indication that it originates from a particular undertaking. In view of the minimal differences compared to competing products, even an observant consumer will hardly be in a position to identify a particular manufacturer from memory.

Case C-55/01

5. Rado Uhren AG (Rado Watch Co. Ltd) (Rado Montres SA), established in Lengnau bei Biel (Switzerland), applied for registration of a three-dimensional mark consisting of the graphic representation of a wristwatch which it already owned as an international mark.

The trade mark office of the Deutsches Patentamt refused registration on the ground that the sign was devoid of any distinctive character and that there was a need to preserve availability.

The appeal was dismissed. The Bundespatentgericht found that the sign could not be protected, since it fell within the ground of refusal in Paragraph 8(2)(1) of the Markengesetz, and gave the following reasons in that regard (as stated in the order for reference):

under Paragraph 8(2)(1) of the Markengesetz. The three-dimensional depiction of the watch face with or without covered time display and cut-away strap which is the same width as the watch face lacks the required distinctive character in its specific design.

'It should be assumed that the subject of the application to extend protection is the specific three-dimensional shape of this watch face with or without covered time display and cut-away strap and not a form of blanket protection for individual features of watch shapes of otherwise differing designs.

Protection can only be conferred where an original design that is indicative of origin can overcome the need to preserve the availability of the elementary shape of the product and its lack of distinctive character. A fairly strict test must be applied for the purposes of establishing the originality of the product or its parts because they are themselves the most important means of description and, if they are monopolised, there is a risk that competitors will be impeded in the design of their products and it is at least conceivable that there is a need to preserve availability. The degree of originality required for registration of a trade mark also depends on the particular conditions in the product sector in question.

On that interpretation of the application to extend protection there are no objections regarding the abstract distinctive character of the internationally registered trade mark under Paragraph 3(1) of the Markengesetz. Nor are there apparent grounds for refusing protection under Paragraph 3(2) of the Markengesetz.

On the market in wristwatches there is traditionally an extraordinary variety of shapes and designs. There is therefore a particular need to keep this sector free from trade mark protection which unnecessarily restricts freedom of design so that, in the future, competitors are still able to make full use of the shapes available in any new combination. The internationally registered

However the internationally registered trade mark is not capable of protection because it is devoid of distinctive character

trade mark before us predominantly displays elements of design which are commonplace or already in use in a similar form.’

or alternatively Article 3(1)(e) — must regard be had to the interest of the trade in having the shape of the product available for use, so that registration is, at least in principle, ruled out and is possible as a rule only in the case of trade marks which meet the requirements of Article 3(3), first sentence, of the Directive?’

The questions referred for a preliminary ruling

6. The applicants in the three sets of proceedings all lodged appeals for infringement of the law before the Bundesgerichtshof (Federal Court of Justice), which decided to stay proceedings and refer for a preliminary ruling the following questions on the interpretation of Article 3(1)(b), (c) and (e) of the Trade Mark Directive:

‘(1) In determining whether a three-dimensional trade mark which depicts the shape of a product has distinctive character within the meaning of Article 3(1)(b) of the above Directive is there a stricter test for distinctive character than in the case of other forms of trade marks?

(2) In the case of three-dimensional trade marks which depict the shape of the product, does Article 3(1)(c) of the Directive have any significance independently of Article 3(1)(e)? If so, when considering Article 3(1)(c) —

Procedure before the Court of Justice

7. The requests for a preliminary ruling were received at the Court Registry on 8 February 2001. The applicants in the various actions before the national court appeared before the Court, as did the United Kingdom and Austrian Governments and the Commission. By order of the President of the Court of 15 March 2001, the cases were joined for the purposes of the written procedure and the oral procedure.

Analysis of the questions referred

The first question referred to the Court

8. By its first question, the Bundesgerichtshof wishes to know whether Article 3(1)(b)

of the Trade Mark Directive must be interpreted as meaning that the assessment of distinctive character is stricter in the case of three-dimensional signs consisting of the shape of the product.

Directive contains other provisions, to which I shall refer below, which deal with the requirement that certain signs should not be the object of exclusive rights.

9. All the parties appearing before the Court are of the view that there is no reason why the assessment of the distinctive character of three-dimensional signs should entail a stricter test than any other of the signs referred to in Article 2 of the Directive. The referring court itself suggests that interpretation.

11. In any event, the Court of Justice has stated that this is so with particular clarity, by holding that ‘Article 2 of the Directive makes no distinction between different categories of trade marks’. As a result, ‘the criteria for assessing the distinctive character of three-dimensional trade marks... are thus no different from those to be applied to other categories of trade mark’.⁶

10. I share the parties’ view. First, the Directive does not contain any provision suggesting that three-dimensional product shapes merit different — stricter — treatment when an assessment is made as to whether they possess *actual distinctive character*.⁵ However, there are public-interest reasons which militate in favour of applying different rules by reference to the types of signs which may constitute trade marks, which are, in accordance with the non-exhaustive list in Article 2 of the Directive, ‘words, including personal names, designs, letters, numerals, the shape of goods or of their packaging’. The

12. A separate issue is, as the Austrian and United Kingdom Governments have pointed out, how hard it is in practice for many product shapes to demonstrate sufficient distinctive character for the purposes of registration.

First, the essential characteristics of those signs must not result from the nature of the product itself or be attributable to the need to obtain a technical result or to give substantial value to the product, otherwise the sign will be caught by the absolute grounds for refusal in Article 3(1)(e), as interpreted by the Court of Justice in

⁵ — Which is not to be confused with ‘capable of distinguishing’ or *potential distinctive character* (Article 2 of the Directive) or *acquired distinctive character* (Article 3(3)).

⁶ — Paragraph 48 of the judgment in *Philips*.

Philips. I shall refer to this issue below in the analysis of the second question.

The second question referred to the Court

However, in addition, inasmuch as shape is dictated by function and similar products are therefore usually similar in appearance, it can be difficult for the original shape to be distinctive, although it may none the less acquire distinctiveness through use, in accordance with Article 3(3) of the Directive. In any event, it is unlikely that the average consumer will perceive minor differences as an indication of the product's origin.

It is necessary to point out that such practical difficulties derive from the very nature of three-dimensional shapes and from the idiosyncrasies of consumers' habits rather than from what is alleged to be a stricter approach in the assessment of distinctive character.

13. In short, to my mind the answer to be given to the national court is that Article 3(1)(b) of the Trade Mark Directive is not to be interpreted as requiring a stricter test of distinctive character for a three-dimensional sign depicting the shape of the product than for the other types of trade marks referred to in Article 2.

14. With its second question, the Bundesgerichtshof wishes to know, first, whether the assessment of three-dimensional marks consisting of the shape of the product is to be carried out solely under Article 3(1)(e) of the Directive or whether Article 3(1)(c) also enters into play. In the latter case, the national court asks whether in the course of that assessment account should also be taken of the interest of the trade in certain signs not being appropriated (the so-called 'need to preserve availability' or *Freihaltebedürfnis*, to use the term coined in German legal writing),⁷ so that registration is systematically refused and consequently possible only where the sign has acquired distinctiveness through use (Article 3(3), first sentence, of the Directive).

15. The question before the Court of Justice is whether account should be taken of the public interest in restricting the extent to which certain signs consisting of the shape of the product may be appropriated in order that they may be freely used by operators as a whole and, in particular, under which provision it is necessary to proceed.

⁷ — Which the referring court describes as 'the interest of the trade in having the shape of the product available for use' but which includes any consideration of public interest which militates in favour of restricting registration of certain signs in order that they may be freely used by operators as a whole.

Once the answer to that question is known, any doubts are dispelled as to the possibility of ‘remedying’ the lack of distinctive character by acquisition of distinctiveness through use. That remedy is impossible in so far as the public interest in the availability of a sign is determined in the context of Article 3(1)(e);⁸ that is not the case if that determination is made under Article 3(1)(c).

preclude the acquisition of distinctiveness through use, which appears to it to be unjustified. Such a view also relies on subparagraph (c) being interpreted in such a way that the ground for refusal that it contains will cease to apply as soon as the sign displays any feature which is not dictated by the product’s nature, function or substantial value.

16. The parties agree that Article 3(1)(c) applies independently to three-dimensional shapes, although they disagree in part on the significance to be attributed, in that sphere, to considerations relating to availability. Whilst the applicants in the main proceedings claim that the need to preserve availability is exceptional in nature, the United Kingdom Government submits that it has a limited role to play provided that a reasonable, purposive construction is given to Article 3(1)(e) and the Commission sees no reason why that need should be applied more strictly.

18. The Court of Justice came to a different decision in its judgment in *Philips*.

19. First, it dispelled the doubts which had existed since the judgment of 20 September 2001 in *Procter & Gamble v OHIM*,⁹ as to whether it is appropriate to assess, together with the obstacles related to the possible lack of distinctiveness in the broad sense, other public-interest considerations which favour restricting registration of certain signs so that they may be freely used by operators as a whole. The existence of such considerations had been recognised unequivocally in the judgment of 4 May 1999 in *Windsurfing Chiemsee*,¹⁰ although only in relation to descriptive signs falling within Article 3(1)(c).

17. It can also be inferred from the order for reference that the Bundesgerichtshof thinks it unlikely that the assessment of whether it is necessary to preserve the availability of a sign is carried out on the basis of Article 3(1)(e), since that would

20. In its judgment in *Philips*, the Court, whilst pointing out that the purpose of the

⁸ — On account of Article 3(3), first sentence. See also paragraph 75 of the *Philips* judgment.

⁹ — Case C-383/99 [2001] ECR I-6251 (‘the *Baby-dry* judgment’).

¹⁰ — Joined Cases C-108/97 and C-109/97 [1999] ECR I-2779.

protection afforded by a trade mark is primarily to guarantee the trade mark as an indication of origin,¹¹ acknowledged that when the various grounds for refusal are applied, other underlying general-interest considerations may be taken into account.¹² It is appropriate in each case to analyse the rationale for the refusal or nullity of registration.

freedom of choice in regard to the technical solution they wished to adopt in order to incorporate such a function in their product.¹⁴

In the sphere of three-dimensional shape-of-product signs, the importance of the interest in preserving availability was thus acknowledged.

21. The Court found that the rationale for the ground for refusal in Article 3(1)(e) was to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors.¹³

22. Second, and on the basis of such considerations of general interest, which dictate that certain signs may be freely used by all, the Court proceeded to set out the conditions in which the second indent of Article 3(1)(e) of the Directive applies, declaring it applicable provided that a shape possesses *essential characteristics* which perform a technical function and were chosen to fulfil that function.¹⁵ It follows that, if this ground for refusal is to be surmounted, it is not sufficient that certain elements of the sign are not intended to obtain a technical result.

As regards, in particular, signs consisting exclusively of the shape of the product which is necessary to obtain a technical result, mentioned in Article 3(1)(e), second indent, the Court pointed out that the aim of the provision was to preclude the registration of shapes to the extent to which they perform a technical function, because the exclusivity inherent in the trade mark right would limit the possibility of competitors supplying a product incorporating such a function or at least limit their

That reasoning can logically be extended to the other cases referred to in Article 3(1)(e) and consequently registration is also refused when the essential characteristics of a three-dimensional sign consisting of the

11 — Paragraph 29.

12 — Paragraph 77.

13 — Paragraph 78.

14 — Paragraph 79.

15 — Paragraph 80.

shape of the product result from the nature of the product or give the product substantial value.

23. For the remainder, the principles relating to the need to preserve availability in the domain of Article 3(1)(c), as formulated in *Windsurfing Chiemsee*, continue to apply.

24. The Court stated in that instance that Article 3(1)(c) of the Directive pursues a general-interest aim which requires that descriptive signs or indications may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.¹⁶

25. As regards indications of geographical origin, the Court found that it is in the general interest that they remain available because they may be an indication of the characteristics of the products concerned, and may give rise to a favourable response,¹⁷ a reasoning which applies *mutatis mutandis* to descriptive signs as a whole.¹⁸

26. The Court thus stated that underlying Article 3(1)(c) was a requirement that any assessment should be guided by the general interest in preserving the availability of certain signs.

27. So no legislative provision requires three-dimensional signs consisting of the shape of the product to be treated differently, which suggests that they are to remain subject to a multifaceted examination of whether they are eligible to be registered as trade marks.

28. First, they must satisfy the abstract requirements of Article 2 of the Directive: they must be capable of being represented graphically and must have the capacity to have distinctive character.

29. Furthermore, and above all, they must not fall within the ground for refusal in Article 3(1)(e). So far as three-dimensional shapes are concerned, it is in general under that provision that considerations of availability are invoked. On that point, I share the view of the United Kingdom Government and disagree with the court making the reference: the purpose of excluding from trade mark protection three-dimensional signs which are exclusively dictated by the nature of the product, by the need for a technical result or by the need to give substantial value, reflects the *paramount concern* not to permit individuals to use

16 — *Windsurfing Chiemsee*, paragraph 25.

17 — *Ibid.*, paragraph 26.

18 — As may be inferred from the wording of paragraph 26 of *Windsurfing Chiemsee* ('more particularly') and from the general tenor of paragraph 35.

trade marks to perpetuate exclusive rights over natural forms, technical developments or aesthetic designs. In keeping with that logic, the legislature did not include subparagraph (e) among the grounds for refusal which may be cured by virtue of the first sentence of Article 3(3). Natural, functional and ornamental shapes are incapable, by express intention of the legislature, of acquiring distinctive character.

features to a three-dimensional shape, innovative arrangement of the whole, word and figurative marks).

30. If that ground for refusal, as thus interpreted, does not apply, it is necessary to consider whether the sign concerned is actually distinctive in the light of Article 3(1)(b), (c) and (d) of the Directive.

The judgment in *Philips*, in not accepting the narrowest definition of this ground for refusal — which is the one adopted by the Bundesgerichtshof in its decision — confirms the importance of the role of that ground.

The assessment under Article 3(1)(e) of the Directive of the need to preserve availability does not preclude or prejudice a further examination, where appropriate, which is also guided by the objective that availability should be preserved and which is carried out under Article 3(1)(c). Its nature is distinct: the present or future interest of other operators in using the sign as a descriptive indication has to be weighed against the relative need of the owner to use that type of trade mark in order to make known the trade origin. The fact that the mark claimed has acquired distinctiveness through use may have an impact on the end result of this second assessment of the need to preserve availability — contrary to the case of the first assessment.

It cannot be denied that that interpretation means that many unadorned signs ('soft-line', according to the description in the decision of the Bundespatentgericht) will never be eligible for registration but in my view that consequence is not disproportionate: the public interest should not have to tolerate even a slight risk that trade mark rights unduly encroach on the field of other exclusive rights which are limited in time, whilst there are in fact other effective ways in which manufacturers may indicate the origin of a product (addition of arbitrary

31. I acknowledge that many three-dimensional shape-of-product signs will probably

not succeed in overcoming the various obstacles to registration.

32. Consequently, the answer to the second question referred to the Court must be that, in assessing whether the essential characteristics of a three-dimensional sign consisting of the shape of the product result from the nature of the product itself, from the need to obtain a technical result or from the need to give substantial value to the

product, it is necessary to take into account the general interest in preserving the availability of the sign concerned for operators as a whole. That assessment does not prevent the sign, if it is descriptive, from being subject to a further assessment of the need to preserve availability under Article 3(1)(c) of the Directive. Only the result of the second assessment may be influenced by a finding that distinctiveness has been acquired through use in accordance with the first sentence of Article 3(3) of the Directive.

Conclusion

33. For the reasons set out above, I suggest that the Court of Justice should reply to the questions referred by the Bundesgerichtshof as follows:

- (1) Article 3(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is not to be interpreted as requiring a stricter test of distinctive character for a three-dimensional sign depicting the shape of the product than for the other types of trade marks referred to in Article 2.

- (2) In assessing whether the essential characteristics of a three-dimensional sign consisting of the shape of the product result from the nature of the product itself, from the need to obtain a technical result or from the need to give substantial value to the product, it is necessary to take into account the general interest in preserving the availability of the sign concerned for operators as a whole. That assessment does not prevent the sign, if it is descriptive, from being subject to a further assessment of the need to preserve availability under Article 3(1)(c) of Directive 89/104. Only the result of the second assessment may be influenced by a finding that distinctiveness has been acquired through use in accordance with the first sentence of Article 3(3) of Directive 89/104.