

JUDGMENT OF THE COURT

18 June 2002 *

In Case C-299/99,

REFERENCE to the Court under Article 234 EC by the Court of Appeal (England and Wales) (Civil Division) (United Kingdom) for a preliminary ruling in the proceedings pending before that court between

Koninklijke Philips Electronics NV

and

Remington Consumer Products Ltd,

on the interpretation of Articles 3(1) and (3), 5(1) and 6(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 (OJ 1989 L 40, p. 1),

* Language of the case: English.

THE COURT,

composed of: G.C. Rodríguez Iglesias, President, P. Jann, F. Macken (Rapporteur), N. Colneric and S. von Bahr (Presidents of Chambers), C. Gulmann, D.A.O. Edward, A. La Pergola, J.-P. Puissochet, J.N. Cunha Rodrigues and C.W.A. Timmermans, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: D. Louterman-Hubeau, Head of Division,

after considering the written observations submitted on behalf of:

- Koninklijke Philips Electronics NV, by H. Carr QC and D. Anderson QC, and by Professor W.A. Hoyng, instructed initially by Eversheds Solicitors, and, subsequently, by Allen & Overy, Solicitors,
- Remington Consumer Products Ltd, by Lochners Technology Solicitors, Solicitors,
- the United Kingdom Government, by R. Magrill, acting as Agent, and S. Moore, Barrister,
- the French Government, by K. Rispal-Bellanger and A. Maitrepierre, acting as Agents,
- the Commission of the European Communities, by K. Banks, acting as Agent,

having regard to the Report for the Hearing,

after hearing the oral observations of Koninklijke Philips Electronics NV, represented by H. Carr and W.A. Hoyng; of Remington Consumer Products Ltd, represented by S. Thorley QC and R. Wyand QC; of the United Kingdom Government, represented by R. Magrill, assisted by D. Alexander, Barrister; and of the Commission, represented by K. Banks, at the hearing on 29 November 2000,

after hearing the Opinion of the Advocate General at the sitting on 23 January 2001,

gives the following

Judgment

- 1 By order of 5 May 1999, received at the Court on 9 August 1999, the Court of Appeal (England and Wales) (Civil Division) referred for a preliminary ruling under Article 234 EC seven questions concerning the interpretation of Articles 3(1) and (3), 5(1) and 6(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 (OJ 1989 L 40, p. 1, hereinafter ‘the Directive’).
- 2 Those questions have arisen in a dispute between Koninklijke Philips Electronics NV (‘Philips’) and Remington Consumer Products Ltd (‘Remington’) concerning an action for infringement of a trade mark which Philips had registered on the basis of use under the Trade Marks Act 1938.

Legal context

Community legislation

- 3 The purpose of the Directive is, as the first recital in its preamble states, to approximate the laws of the Member States on trade marks in order to remove existing disparities which may impede the free movement of goods and freedom to provide services and may distort competition within the common market.

- 4 However, according to the third recital in its preamble, the Directive is not intended to effect full-scale approximation of the laws of the Member States relating to trade marks.

- 5 Article 2 of the Directive provides, under the heading 'Signs of which a trade mark may consist':

'A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

6 Article 3 of the Directive, which lists the grounds for refusal or invalidity of registration, provides:

‘1. The following shall not be registered or if registered shall be liable to be declared invalid:

- (a) signs which cannot constitute a trade mark;
- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks 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;
- (d) trade marks 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;
- (e) signs which consist exclusively of:

— the shape which results from the nature of the goods themselves, or

— the shape of goods which is necessary to obtain a technical result, or

— the shape which gives substantial value to the goods;

...

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

...'

7 Article 5(1), which concerns the rights conferred by a trade mark, provides:

'The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark’.

8 Article 6 of the Directive provides, under the heading ‘Limitation of the effects of a trade mark’:

‘1. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;

provided he uses them in accordance with honest practices in industrial or commercial matters.

...'

National legislation

- 9 Trade mark registration in the United Kingdom was formerly governed by the Trade Marks Act 1938. That Act was repealed and replaced by the Trade Marks Act 1994, which implements the Directive and contains the new law on registered trade marks.

- 10 On the basis of Schedule 3 of the Trade Marks Act 1994, trade marks registered under the Trade Marks Act 1938 may be considered to have the same effect as if they had been registered under the 1994 Act.

The main proceedings and the questions referred

- 11 In 1966, Philips developed a new type of three-headed rotary electric shaver. In 1985, Philips filed an application to register a trade mark consisting of a graphic representation of the shape and configuration of the head of such a shaver, comprising three circular heads with rotating blades in the shape of an equilateral triangle. That trade mark was registered on the basis of use under the Trade Marks Act 1938.

- 12 In 1995, Remington, a competing company, began to manufacture and sell in the United Kingdom the DT 55, which is a shaver with three rotating heads forming an equilateral triangle, shaped similarly to that used by Philips.
- 13 Philips accordingly sued Remington for infringement of its trade mark. Remington counter-claimed for revocation of the trade mark registered by Philips.
- 14 The High Court of Justice of England and Wales, Chancery Division (Patents Court) (United Kingdom), allowed the counter-claim and ordered revocation of the registration of the Philips trade mark on the ground that the sign relied on by Philips was incapable of distinguishing the goods concerned from those of other undertakings and was devoid of any distinctive character. The High Court also held that the trade mark consisted exclusively of a sign which served in trade to designate the intended purpose of the goods and of a shape which was necessary to obtain a technical result and which gave substantial value to the goods. It went on to hold that, even if the trade mark had been valid, it would not have been infringed.
- 15 Philips appealed to the Court of Appeal against that decision of the High Court.
- 16 As the arguments of the parties raised questions relating to the interpretation of the Directive, the Court of Appeal (England and Wales) (Civil Division) decided to stay proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

‘1. Is there a category of marks which is not excluded from registration by Article 3(1)(b), (c) and (d) and Article 3(3) of Council Directive 89/104/EEC

which is none the less excluded from registration by Article 3(1)(a) of the Directive (as being incapable of distinguishing the goods of the proprietor from those [of] other undertakings)?

2. Is the shape (or part of the shape) of an article (being the article in respect of which the sign is registered) only capable of distinguishing for the purposes of Article 2 if it contains some capricious addition (being an embellishment which has no functional purpose) to the shape of the article?

3. Where a trader has been the only supplier of particular goods to the market, is extensive use of a sign, which consists of the shape (or part of the shape) of those goods and which does not include any capricious addition, sufficient to give the sign a distinctive character for the purposes of Article 3(3) in circumstances where as a result of that use a substantial proportion of the relevant trade and public
 - (a) associate the shape with that trader and no other undertaking;

 - (b) believe that goods of that shape come from that trader absent a statement to the contrary?

4. (a) Can the restriction imposed by the words “if it consists exclusively of the shape of goods which is necessary to achieve a technical result”

appearing in Article 3(1)(e)(ii) be overcome by establishing that there are other shapes which can obtain the same technical result or

(b) is the shape unregistrable by virtue thereof if it is shown that the essential features of the shape are attributable only to the technical result or

(c) is some other and, if so, what test appropriate for determining whether the restriction applies?

5. Article 3(1)(c) of the Directive applies to “trade marks which consist *exclusively* of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose ... of the goods or service”. Article 6(1)(b) of the Directive applies to the use by a third party of “indications concerning the kind, quality, quantity, intended purpose ... of goods or services”. The word “*exclusively*” thus appears in Article 3(1)(c) and is omitted in Article 6(1)(b) of the Directive[.] On a proper interpretation of the Directive, does this omission mean that, even if a mark consisting of the shape of goods is validly registered, it is not infringed by virtue of Article 6(1)(b) in circumstances where

(a) the use of the shape of goods complained of is and would be taken as an indication as to the kind of goods or the intended purpose thereof and

(b) a substantial proportion of the relevant trade and public believe that goods of that shape come from the trade mark proprietor, absent a statement to the contrary?

6. Does the exclusive right granted by Article 5(1) extend to enable the proprietor to prevent third parties using identical or similar signs in circumstances where that use was not such as to indicate origin or is it limited so as to prevent only use which wholly or in part does indicate origin?

7. Is use of an allegedly infringing shape of goods, which is and would be seen as an indication as to the kind of goods or the intended purpose thereof, none the less such as to indicate origin if a substantial proportion of the relevant trade and public believe that goods of the shape complained of come from the trade mark proprietor absent a statement to the contrary?'

17 By application lodged at the Court Registry on 25 April 2001, Philips requested the reopening of the oral procedure, which was closed on 23 January 2001 following the delivery of the Opinion of the Advocate General, and/or the joinder of the present case with Case C-53/01 *Linde AG*, Case C-54/01 *Winward Industries* and Case C-55/01 *Rado*, in which requests for preliminary rulings referred by the Bundesgerichtshof (Federal Court of Justice) (Germany) had been lodged with the Court Registry on 8 February 2001.

18 In support of its application, Philips submits that, before replying to the referring court in the present case, it would be sensible to take account of the views of the Bundesgerichtshof in the cases mentioned in the previous paragraph, which raise similar questions, and thus to give the parties concerned an opportunity to submit their observations in that connection.

- 19 By letters of 8 and 16 May 2001, Remington opposed the request for reopening and/or joinder.
- 20 The Court may of its own motion, on a proposal from the Advocate General or at the request of the parties, order that the oral procedure be reopened, in accordance with Article 61 of its Rules of Procedure, if it considers that it lacks sufficient information, or that the case must be dealt with on the basis of an argument which has not been debated between the parties (see Joined Cases C-270/97 and C-271/97 *Deutsche Post* [2000] ECR I-929, paragraph 30).
- 21 The Court considers that it is not appropriate to join this case to those mentioned in paragraph 17 of this judgment and that it has all the information it needs to answer the questions raised in the main proceedings.
- 22 The application made by Philips must therefore be dismissed.

The first question

- 23 By its first question the referring court seeks to know whether there is a category of marks which is not excluded from registration by Article 3(1)(b), (c) and (d) and Article 3(3) of the Directive which is none the less excluded from registration by Article 3(1)(a) thereof on the ground that such marks are incapable of distinguishing the goods of the proprietor from those of other undertakings.

- 24 According to Philips, by this question the national court seeks to know whether there is a special class of marks which, even though distinctive in fact, are none the less incapable of distinguishing as a matter of law. Philips submits that this cannot be the case, in the light of the Court's reasoning in its judgment in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779. Subject to the exception in Article 3(1)(e) of the Directive, if a shape has acquired a distinctive character in accordance with Article 3(3), the grounds for refusal or invalidity listed in Article 3(1)(a) to (d) cannot apply and the shape cannot be considered devoid of distinctive character as a matter of law.
- 25 Remington contends that there is a significant difference between signs which do not fulfil the conditions laid down in Article 2 of the Directive in that they are not capable of distinguishing the products of one undertaking from those of another, referred to in Article 3(1)(a) of that Directive, and marks which do not meet the criteria listed in Article 3(1)(b), (c) and (d) thereof. Whereas the former can never be registered, even on proof of 'extensive use', the latter can be registered, under Article 3(3), on proof of a distinctive character arising from such use.
- 26 The United Kingdom Government submits that if a sign which on its face is non-distinctive is nevertheless proved to have acquired a distinctive character, that sign must in fact be capable of distinguishing the goods of one undertaking from those of others within the meaning of Article 2 of the Directive. In its judgment in *Windsurfing Chiemsee*, cited above, the Court made the point that the Directive permits the registration of highly descriptive words, which prima facie would not be capable of distinguishing the goods or services of one undertaking from those of other undertakings within the meaning of Article 2, where those words have in fact acquired a distinctive character within the meaning of Article 3(3) and, accordingly, a secondary meaning as a trade mark.
- 27 The French Government submits that the Directive does not in itself exclude from registration a particular category of trade marks. Article 3 of the Directive may

lead on a case-by-case basis to the exclusion of signs from trade mark protection but it must not be interpreted as excluding from such protection a category of signs *per se*.

- 28 The Commission contends that a mark which has acquired a distinctive character within the meaning of Article 3(3) of the Directive cannot be excluded from registration on the basis of Article 3(1)(a) thereof on the ground that it is incapable of distinguishing the goods of the trade mark proprietor from those of other undertakings.

Findings of the Court

- 29 In this connection, it should be recalled to begin with that, as stated in the tenth recital in the preamble to the Directive, the purpose of the protection afforded by a trade mark is *inter alia* to guarantee the trade mark as an indication of origin.
- 30 Moreover, according to the case-law of the Court, the essential function of a trade mark is to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin, and for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality (see, in particular, Case C-349/95 *Loendersloot* [1997] ECR I-6227, paragraphs 22 and 24, and Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28).

- 31 That essential function of the trade mark is also clear from the wording and the structure of the various provisions of the Directive concerning the grounds for refusal of registration.
- 32 First of all, Article 2 of the Directive provides that all signs may constitute trade marks provided that they are capable both of being represented graphically and of distinguishing the goods or services of one undertaking from those of other undertakings.
- 33 Second, under the rule laid down by Article 3(1)(b), (c) and (d), trade marks which are devoid of any distinctive character, descriptive marks, and marks which consist exclusively of indications which have become customary in the current language or in the bona fide and established practices of the trade are to be refused registration or declared invalid if registered (*Windsurfing Chiemsee*, cited above, paragraph 45).
- 34 Finally, Article 3(3) of the Directive adds a significant qualification to the rule laid down by Article 3(1)(b), (c) and (d) in that it provides that a sign may, through use, acquire a distinctive character which it initially lacked and thus be registered as a trade mark. It is therefore through the use made of it that the sign acquires the distinctive character which is a prerequisite for its registration (see *Windsurfing Chiemsee*, paragraph 44).
- 35 As the Court observed at paragraph 46 of its judgment in *Windsurfing Chiemsee*, just as distinctive character is one of the general conditions for registering a trade mark under Article 3(1)(b), distinctive character acquired through use means that the mark must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings.

36 It is true that Article 3(1)(a) of the Directive provides that signs which cannot constitute a trade mark are to be refused registration or if registered are liable to be declared invalid.

37 However, it is clear from the wording of Article 3(1)(a) and the structure of the Directive that that provision is intended essentially to exclude from registration signs which are not generally capable of being a trade mark and thus cannot be represented graphically and/or are not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

38 Accordingly, Article 3(1)(a) of the Directive, like the rule laid down by Article 3(1)(b), (c) and (d), precludes the registration of signs or indications which do not meet one of the two conditions imposed by Article 2 of the Directive, that is to say, the condition requiring such signs to be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

39 It follows that there is no class of marks having a distinctive character by their nature or by the use made of them which is not capable of distinguishing goods or services within the meaning of Article 2 of the Directive.

40 In the light of those considerations, the answer to the first question must be that there is no category of marks which is not excluded from registration by Article 3(1)(b), (c) and (d) and Article 3(3) of the Directive which is none the less excluded from registration by Article 3(1)(a) thereof on the ground that such marks are incapable of distinguishing the goods of the proprietor of the mark from those of other undertakings.

The second question

- 41 By its second question, the national court seeks to know whether the shape of an article (being the article in respect of which the sign is registered) is capable of distinguishing for the purposes of Article 2 of the Directive only if it contains some capricious addition, such as an embellishment which has no functional purpose.
- 42 As to that, Philips submits that if, contrary to its argument relating to the first question, there is a category of marks which can be shown to have acquired a distinctive character, but which are nevertheless incapable of distinguishing goods, it is not appropriate to use the capricious addition test formulated by the referring court in order to ascertain which marks come within that category. If it were necessary to create a special category of marks which are not capable of distinguishing those goods, even though they have, in fact, a distinctive character, Philips suggests that an alternative test would be to ask whether the mark in question is the only practical way of describing the goods concerned.
- 43 Remington, in contrast, contends that if the shape of an article contains no capricious addition, it will consist solely of a functional shape which will be incapable of distinguishing goods made to that shape from the same goods of another undertaking. A capricious addition alone is capable of acting as an indication of origin in such cases. Moreover, Remington contends that the degree of descriptiveness is an important factor, so that the more descriptive the sign, the less distinctive it will be. Accordingly, a wholly descriptive sign cannot be capable of distinguishing goods and the presence of a capricious addition is necessary to give a sign the ability to develop distinctive character.

- 44 The United Kingdom Government submits in this regard that it is not helpful to consider whether a sign consisting of a shape contains some capricious addition or embellishment as a means of assessing whether it is capable of distinguishing for the purposes of Article 2 of the Directive.
- 45 According to the French Government, there is nothing in the provisions of Articles 2 and 3 of the Directive to suggest that the shape of an article can be capable of distinguishing that article from those of other undertakings only if it contains some capricious addition, consisting of an embellishment which has no functional purpose.
- 46 In the light of its observations relating to the first question, the Commission proposes not to reply to the second question. In any event, it observes that Articles 2 and 3(1)(a) of the Directive do not constitute a separate ground for refusing registration of a sign in connection with a lack of distinctiveness.

Findings of the Court

- 47 First, it is clear from Article 2 of the Directive that a trade mark has distinctive character if it serves to distinguish, according to their origin, the goods or services in respect of which registration has been applied for. It is sufficient, as is clear from paragraph 30 of this judgment, for the trade mark to enable the public concerned to distinguish the product or service from others which have another commercial origin, and to conclude that all the goods or services bearing it have originated under the control of the proprietor of the trade mark to whom responsibility for their quality can be attributed.

- 48 Second, Article 2 of the Directive makes no distinction between different categories of trade marks. The criteria for assessing the distinctive character of three-dimensional trade marks, such as that at issue in the main proceedings, are thus no different from those to be applied to other categories of trade mark.
- 49 In particular, the Directive in no way requires that the shape of the article in respect of which the sign is registered must include some capricious addition. Under Article 2 of the Directive, the shape in question must simply be capable of distinguishing the product of the proprietor of the trade mark from those of other undertakings and thus fulfil its essential purpose of guaranteeing the origin of the product.
- 50 In the light of those considerations, the answer to the second question must be that, in order to be capable of distinguishing an article for the purposes of Article 2 of the Directive, the shape of the article in respect of which the sign is registered does not require any capricious addition, such as an embellishment which has no functional purpose.

The third question

- 51 By its third question, the referring court essentially seeks to know whether, where a trader has been the only supplier of particular goods to the market, extensive use of a sign which consists of the shape of those goods is sufficient to give the sign a distinctive character for the purposes of Article 3(3) of the Directive in circumstances where, as a result of that use, a substantial proportion of the relevant class of persons associates the shape with that trader, and no other undertaking, or believes that goods of that shape come from that trader in the absence of a statement to the contrary.

- 52 According to Philips, the criterion in Article 3(3) of the Directive is satisfied where, because of extensive use of a particular shape, the relevant trade and public believe that goods of that shape come from a particular undertaking. Moreover, Philips submits that a long-standing *de facto* monopoly on products with the relevant shape is important evidence which supports the acquisition of distinctiveness. If a trader wishes to base an application for registration upon distinctiveness acquired through use, a *de facto* monopoly is almost a prerequisite for such registration.
- 53 Remington submits that in the case of a shape which is made up of functional features only, strong evidence is required that the shape itself has been used also as an indication of origin so as to confer on that shape a sufficient secondary meaning to justify registration. Where there has been a monopoly supplier of goods, particular care needs to be taken to ensure that the factual analysis is focused on the relevant matters.
- 54 The United Kingdom Government submits that any shape which is refused registration under Article 3(1)(e) of the Directive cannot be protected by Article 3(3) since the latter applies only to signs that would otherwise be declared invalid under Article 3(1)(b), (c) or (d), and not to those that fall within the scope of Article 3(1)(e). Assuming, however, that the shape is not excluded from registration pursuant to the latter provision, the United Kingdom Government submits that the requirements of Article 3(3) are not satisfied where the public's recognition has come about not because of the trade mark but because of the monopoly on the supply of the goods.
- 55 The French Government submits that the third question should be answered in the affirmative. The distinctive character required by Article 3(3) of the Directive may perfectly well be constituted by the fact that, as a result of use, a substantial

proportion of the relevant trade and public associate the shape of the goods with a given trader and no other undertaking and believe that goods of that shape come from that trader.

- 56 In the Commission's view, whether the distinctive character was acquired in a monopoly situation or in some other way, the requirements of Article 3(3) are satisfied as long as a substantial proportion of the relevant public believes that goods bearing the mark in question come from a particular undertaking.

Findings of the Court

- 57 In that regard, it must first be observed that if a shape is refused registration pursuant to Article 3(1)(e) of the Directive, interpretation of which is the subject of the fourth question, it can in no circumstances be registered by virtue of Article 3(3).
- 58 However, Article 3(3) of the Directive provides that a mark which is refused registration under Article 3(1)(b), (c) or (d) may acquire, following the use made of it, a distinctive character which it did not have initially and can thus be registered as a trade mark. It is thus through use that the mark acquires the distinctive character which is the precondition of registration.
- 59 The distinctive character of a mark, including that acquired by use, must be assessed in relation to the goods or services in respect of which registration is applied for.

- 60 As is clear from paragraph 51 of the judgment in *Windsurfing Chiemsee*, in assessing the distinctive character of a mark in respect of which registration has been applied for, the following may *inter alia* also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.
- 61 The Court has also held that if, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must in any event hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied (*Windsurfing Chiemsee*, paragraph 52).
- 62 However, it must first be pointed out that the Court has made clear that the circumstances in which the requirement under Article 3(3) of the Directive may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data, such as predetermined percentages (*Windsurfing Chiemsee*, paragraph 52).
- 63 Second, the distinctive character of a sign consisting in the shape of a product, even that acquired by the use made of it, must be assessed in the light of the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well-informed and reasonably observant and circumspect (see, to that effect, the judgment in Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 31).

- 64 Finally, the identification, by the relevant class of persons, of the product as originating from a given undertaking must be as a result of the use of the mark as a trade mark and thus as a result of the nature and effect of it, which make it capable of distinguishing the product concerned from those of other undertakings.
- 65 In the light of those considerations, the answer to the third question must be that, where a trader has been the only supplier of particular goods to the market, extensive use of a sign which consists of the shape of those goods may be sufficient to give the sign a distinctive character for the purposes of Article 3(3) of the Directive in circumstances where, as a result of that use, a substantial proportion of the relevant class of persons associates that shape with that trader and no other undertaking or believes that goods of that shape come from that trader. However, it is for the national court to verify that the circumstances in which the requirement under that provision is satisfied are shown to exist on the basis of specific and reliable data, that the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well-informed and reasonably observant and circumspect, are taken into account and that the identification, by the relevant class of persons, of the product as originating from a given undertaking is as a result of the use of the mark as a trade mark.

The fourth question

- 66 By its fourth question the referring court is essentially asking whether Article 3(1)(e), second indent, of the Directive must be interpreted to mean that a sign consisting exclusively of the shape of a product is unregistrable by virtue of that provision if it is established that the essential functional features of the shape are attributable only to the technical result. It also seeks to know whether the ground for refusal or invalidity of the registration imposed by that provision can be overcome by establishing that there are other shapes which can obtain the same technical result.

- 67 In that regard, Philips submits that the purpose of that provision of the Directive is to prevent the obtaining of a monopoly in a particular technical result by means of trade mark protection. However, the registration of a mark consisting of a shape which has a technical result imposes no unreasonable restraint on industry and innovation if that technical result can be obtained by other shapes which are readily available to competitors. According to Philips, there are many alternatives to the shape constituting the trade mark at issue which would achieve the same technical result in shaving terms at an equivalent cost to that of its products.
- 68 According to Remington, the clear meaning of Article 3(1)(e) of the Directive is that a shape that is necessary to achieve a technical result, in the sense that it performs a function in achieving that result but is not necessarily the only shape that can achieve that function, must be excluded from registration. The construction argued for by Philips would render the exclusion so narrow as to be useless and would require a technical evaluation of alternative designs, which would mean that the Directive could not ensure protection of the public interest.
- 69 The United Kingdom Government submits that registration must be refused if the essential features of the shape of which the sign consists are attributable only to the technical result.
- 70 According to the French Government, the purpose of the exclusion provided for in Article 3(1)(e), second indent, is to prevent the protection of technical creations, which is limited in time, from being circumvented by recourse to the rules on trade marks, the effects of which are potentially longer lasting.

- 71 Both the French Government and the United Kingdom Government take the view that the ground for refusal of registration under Article 3(1)(e), second indent, of the Directive cannot be overcome by establishing that there are other shapes capable of achieving the same technical result.
- 72 Given the legislative history of Article 3(1)(e), second indent, and the need to construe exceptions narrowly, the Commission is of the view that the relevant criterion is the availability of alternative shapes to achieve the desired technical result.

Findings of the Court

- 73 It must first be observed in this regard that, under Article 2 of the Directive, a trade mark may, as a rule, consist of any sign capable both of being represented graphically and of distinguishing the goods or services of one undertaking from those of other undertakings.
- 74 Second, it must also be borne in mind that the grounds for refusal to register signs consisting of the shape of a product are expressly listed in Article 3(1)(e) of the Directive. Under that provision, signs which consist exclusively of the shape which results from the nature of the goods themselves, or the shape of the goods which is necessary to obtain a technical result, or the shape which gives substantial value to the goods cannot be registered or if registered are liable to be declared invalid. According to the seventh recital in the preamble to the Directive, those grounds for refusal have been listed in an exhaustive manner.

- 75 Finally, the marks which may be refused registration on the grounds listed in Article 3(1)(b), (c) or (d) of the Directive may under Article 3(3) acquire a distinctive character through the use made of them. However, a sign which is refused registration under Article 3(1)(e) of the Directive can never acquire a distinctive character for the purposes of Article 3(3) by the use made of it.
- 76 Article 3(1)(e) thus concerns certain signs which are not such as to constitute trade marks and is a preliminary obstacle liable to prevent a sign consisting exclusively of the shape of a product from being registrable. If any one of the criteria listed in Article 3(1)(e) is satisfied, a sign consisting exclusively of the shape of the product or of a graphic representation of that shape cannot be registered as a trade mark.
- 77 The various grounds for refusal of registration listed in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them (see, to that effect, *Windsurfing Chiemsee*, paragraphs 25 to 27).
- 78 The rationale of the grounds for refusal of registration laid down in Article 3(1)(e) of the Directive is 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. Article 3(1)(e) is thus intended to prevent the protection conferred by the trade mark right from being extended, beyond signs which serve to distinguish a product or service from those offered by competitors, so as to form an obstacle preventing competitors from freely offering for sale products incorporating such technical solutions or functional characteristics in competition with the proprietor of the trade mark.

- 79 As regards, in particular, signs consisting exclusively of the shape of the product necessary to obtain a technical result, listed in Article 3(1)(e), second indent, of the Directive, that provision is intended to preclude the registration of shapes whose essential characteristics perform a technical function, with the result that 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 freedom of choice in regard to the technical solution they wish to adopt in order to incorporate such a function in their product.
- 80 As Article 3(1)(e) of the Directive pursues an aim which is in the public interest, namely that a shape whose essential characteristics perform a technical function and were chosen to fulfil that function may be freely used by all, that provision prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, to that effect, *Windsurfing Chiemsee*, paragraph 25).
- 81 As to the question whether the establishment that there are other shapes which could achieve the same technical result can overcome the ground for refusal or invalidity contained in Article 3(1)(e), second indent, there is nothing in the wording of that provision to allow such a conclusion.
- 82 In refusing registration of such signs, Article 3(1)(e), second indent, of the Directive reflects the legitimate aim of not allowing individuals to use registration of a mark in order to acquire or perpetuate exclusive rights relating to technical solutions.

- 83 Where the essential functional characteristics of the shape of a product are attributable solely to the technical result, Article 3(1)(e), second indent, precludes registration of a sign consisting of that shape, even if that technical result can be achieved by other shapes.
- 84 In the light of those considerations, the answer to the fourth question must be that Article 3(1)(e), second indent, of the Directive must be interpreted to mean that a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result. Moreover, the ground for refusal or invalidity of registration imposed by that provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained.
- 85 The referring court makes clear that consideration of the questions relating to the infringement would not be required if its interpretation of Article 3 were to be upheld by the Court of Justice. As the answer to the fourth question confirms that interpretation, there is no need to reply to the fifth, sixth and seventh questions.

Costs

- 86 The costs incurred by the French and United Kingdom Governments and by the Commission, which have submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT,

in answer to the questions referred to it by the Court of Appeal (England and Wales) (Civil Division) by order of 5 May 1999, hereby rules:

1. There is no category of marks which is not excluded from registration by Article 3(1)(b), (c) and (d) and Article 3(3) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks which is none the less excluded from registration by Article 3(1)(a) thereof on the ground that such marks are incapable of distinguishing the goods of the proprietor of the mark from those of other undertakings.
2. In order to be capable of distinguishing an article for the purposes of Article 2 of the Directive, the shape of the article in respect of which the sign is registered does not require any capricious addition, such as an embellishment which has no functional purpose.
3. Where a trader has been the only supplier of particular goods to the market, extensive use of a sign which consists of the shape of those goods may be sufficient to give the sign a distinctive character for the purposes of Article 3(3) of Directive 89/104 in circumstances where, as a result of that use, a substantial proportion of the relevant class of persons associates that shape with that trader and no other undertaking or believes that goods of

that shape come from that trader. However, it is for the national court to verify that the circumstances in which the requirement under that provision is satisfied are shown to exist on the basis of specific and reliable data, that the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well-informed and reasonably observant and circumspect, are taken into account and that the identification, by the relevant class of persons, of the product as originating from a given undertaking is as a result of the use of the mark as a trade mark.

4. Article 3(1)(e), second indent, of Directive 89/104 must be interpreted to mean that a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result. Moreover, the ground for refusal or invalidity of registration imposed by that provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained.

Rodríguez Iglesias

Jann

Macken

Colneric

von Bahr

Gulmann

Edward

La Pergola

Puissochet

Cunha Rodrigues

Timmermanns

Delivered in open court in Luxembourg on 18 June 2002.

R. Grass

G.C. Rodríguez Iglesias

Registrar

President