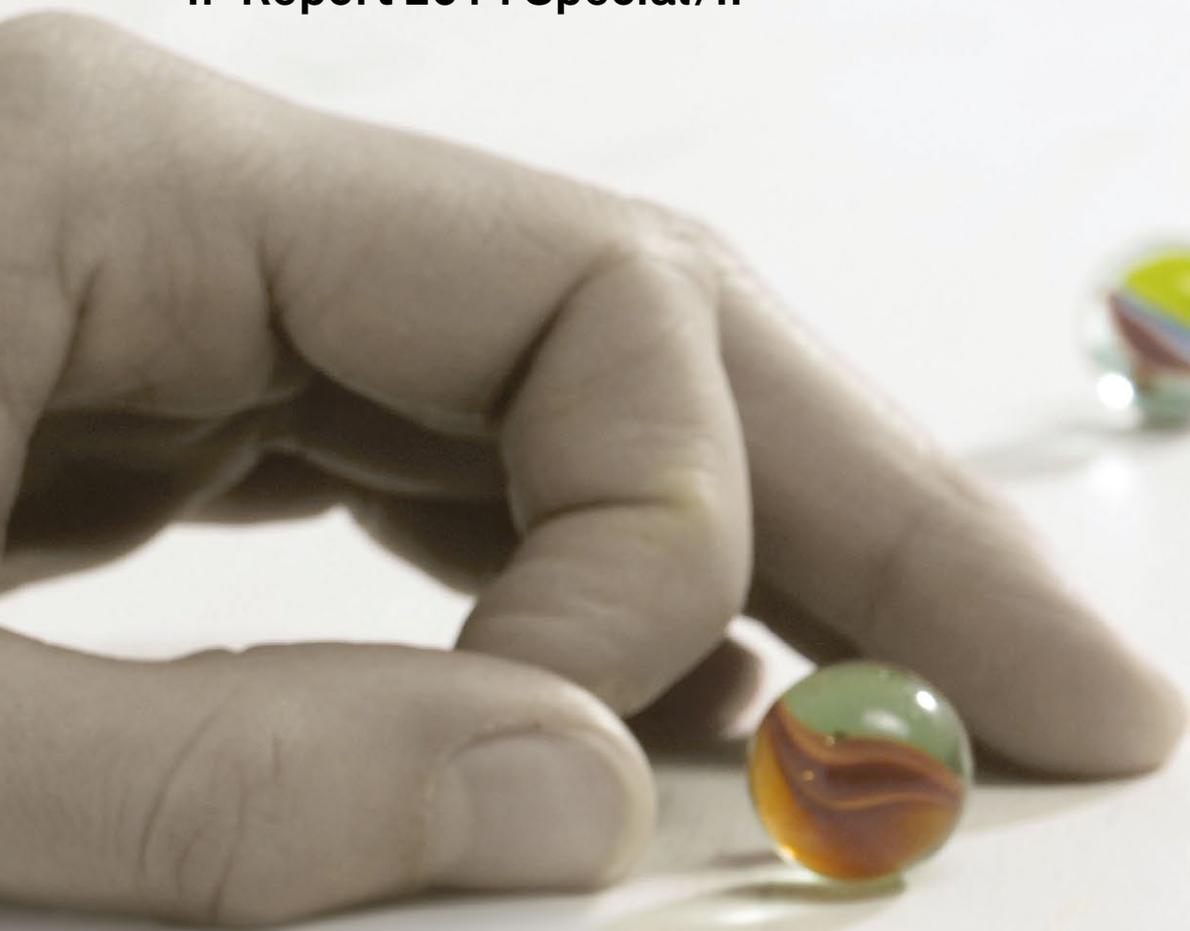




IP Report 2014 Special/II

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Court of Justice of the European Union: Criteria in the “Tripp Trapp” chair case for determining when to register three-dimensional product shapes as a trademark (decision of September 18, 2014 – C-205/13 – Hauck v Stokke *et al*)

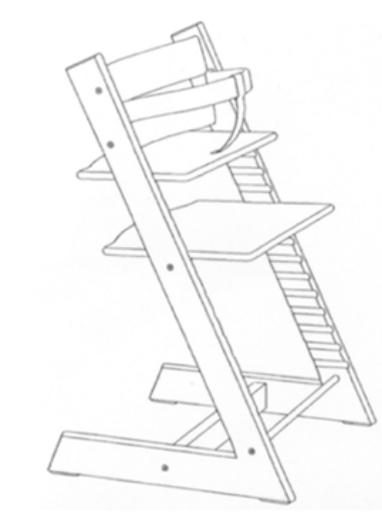
Reported by Dr. Henning Hartwig

The famous “Tripp Trapp” children’s chair in the Court of Justice of the European Union – does the chair consist exclusively of a shape which results from the nature of the good itself or which gives substantial value to the good? The answers of the Court create new uncertainties.

On September 18, 2014, the Court of Justice of the European Union issued its long-awaited decision on how to interpret two specific absolute grounds for refusal or invalidation of a 3-D mark, in a case involving Stokke’s adjustable “Tripp Trapp” children’s chair. More precisely, the case is about how to construct the exclusions from trademark protection for the shapes of goods provided by Article 3 (1) lit e Trademarks Directive, namely the exclusion of signs “consisting exclusively of the shape which results from the nature of the goods themselves” and “consisting exclusively of the shape which gives substantial value to the goods”.

The underlying request for a preliminary ruling under Article 267 Treaty on the Functioning of the European Union was submitted by the Dutch Supreme Court in infringement proceedings between Stokke A/S and others (“Stokke”) against Hauck GmbH & Co. KG. Stokke sued Hauck, *inter alia*, for infringing

the 3-D mark shown below, registered since 1999 as Benelux trademark No 639972 for “chairs, namely chairs for children” (“stoelen, met name kinder-stoelen”):



The Hague Appeal Court had found that the attractive appearance of the “Tripp Trapp” chair gave that product substantial value and that its shape was determined by the very nature of the product – a safe, comfortable, reliable children’s chair. The Dutch Supreme court, where the case was pending on appeal, decided to stay the proceedings and refer three related questions to the Court of Justice for a preliminary ruling.



Dr. Henning Hartwig



Question 1

By its first question, the referring court asked, in essence, whether the first indent of Article 3 (1) lit e Trademarks Directive, which provides for the exclusion of shapes resulting from the nature of the goods themselves, is to be interpreted as meaning that the ground for refusal set out in that provision may apply only to a sign which consists exclusively of the shape which is indispensable to the function of the product in question or whether it may also apply to a sign which consists exclusively of a shape with one or more characteristics which are essential to the function of that product and which consumers may be looking for in the products of competitors.

The Court of Justice, as a starting point, recalled that the rationale of the grounds for refusal of registration laid down in Article 3 (1) lit e Trademarks Directive is to prevent trademark monopolies on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. Furthermore, according to the Court, the ground for refusal of registration set out in the first indent of Article 3 (1) lit e Trademarks Directive (“nature”) pursues the same objective as the grounds set out in the second (“technical result”) and third (“value”) indents of that provision. Accordingly, the first indent must be interpreted in a way that is consistent with the aims of the other two indents.

The Court emphasised that the ground for refusal “shape resulting from the nature of the goods themselves”, on the one hand, does not apply where the trademark “(...) relates to a shape of goods in which another element, such as a decorative or imaginative element, which is not inherent to the generic function of the goods, plays an important or essential role (...)”. On the other hand, such ground for refusal is not limited to “natural” products (which have no substitute) and “regulated” products (the shape of which is prescribed by legal standards). Rather, “(...) shapes with essential characteris-

tics which are inherent to the generic function or functions of such goods must, in principle, also be denied registration.”

Consequently, the answer to the first question, according to the Court of Justice, was:

The first indent of Article 3 (1) lit e Trademarks Directive must be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with one or more essential characteristics which are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors.

Question 2

By its second question, the referring court asked, in essence, whether the third indent of Article 3 (1) lit e Trademarks Directive, which provides for the exclusion of shapes giving substantial value to the goods, is to be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with several characteristics each of which may give that product substantial value and if it is necessary to take the target public’s perception of the shape of that product into account during that assessment.

The Court of Justice started answering this question with finding that the possibility of applying that provision should “(...) not be automatically ruled out when, in addition to its aesthetic function, the product concerned also performs other essential functions.” More specifically, the Court held that “(...) the concept of a ‘shape which gives substantial value to the goods’ cannot be limited purely to the shape of products having only artistic or ornamental value, as there is otherwise a risk that products which have essential functional characteristics

as well as a significant aesthetic element will not be covered.”

As regards the impact of the target public, the Court held that the “(...) presumed perception of the sign by the average consumer is not a decisive element when applying the ground for refusal set out in the third indent of the latter provision, but may, at most, be a relevant criterion of assessment for the competent authority in identifying the essential characteristics of that sign.”

Consequently, the answer to the second question, according to the Court of Justice, was:

The third indent of Article 3 (1) lit e Trademarks Directive must be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with several characteristics each of which may give that product substantial value. The target public’s perception of

the shape of that product is only one of the assessment criteria which may be used to determine whether that ground for refusal is applicable.

Question 3

By its third question, the referring court asked, in essence, whether Article 3 (1) lit e Trademarks Directive is to be interpreted as meaning that the grounds for refusal of registration set out in the first and third indents of that provision may be applied in combination. The Court of Justice considered that a combination of the various grounds for refusing registration was incompatible with the purpose of the provision which required that all the elements of one of the grounds are fulfilled before refusing the registration of a mark:

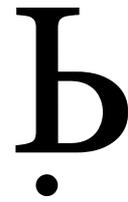
Article 3 (1) lit e Trademarks Directive must be interpreted as meaning that the grounds for refusal of registration set out in the first and third indents of that provision may not be applied in combination.

Remarks

Under European trademark law, a sign does not qualify for trademark protection when “consisting exclusively of the shape which results from the nature of the goods themselves”. The same applies in case of a sign “consisting exclusively of the shape which gives substantial value to the goods”. According to the Court of Justice’s *third answer*, both grounds for refusal may not be applied in combination, *i.e.*, the test is not about whether the shape consist of elements in part resulting from the nature of the goods and, as regards other elements, giving substantial value to these goods. While the reference sought clarification as regards the interpretation of the provisions, the answers provide little

clarity and will leave trademark proprietors and professionals struggling in seeking to understand or, in a case of conflict, to prove, as a matter of fact, when each of these two independent grounds for refusal apply.

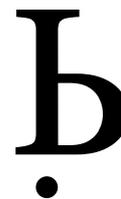
Starting with the second question, the Court, in essence, held that a sign which consists exclusively of the shape of a product “with several characteristics each of which may give that product substantial value” does not qualify for protection. However, it remains obscure how to determine the qualifier “substantial” in relation to each of the specific characteristics. Actually, the referring Dutch Supreme Court



invited the Court of Justice to choose between a higher standard (“main or predominant value in comparison with other values”) and a lower standard (“other values, in addition to that value, to be considered substantial”). Having opted in favour of the first alternative, the Court’s answer, overall, appears too general. Moreover, it is unclear how to demonstrate substantiality of several characteristics. While this seems to be, according to the second sentence of the *second answer*, a matter of fact, it remains unclear whether, for instance, a consumer survey would be acceptable to show that the shape of the “Tripp Trapp” chair, in the target public’s perception, consists of “several characteristics each of which may give that product substantial value”. Once again, it seems that the Court of Justice, being Europe’s final instance on points of law, leaving questions of facts to national authorities or, in Community trademark registration cases, to OHIM and the General Court, pronounces rules of law which are difficult to interpret and even more difficult to apply in practice, resulting in even less legal certainty.

The same, in principle, is true for the *first answer*, according to which, in essence, trademark protection is not available where a sign consists exclusively of the shape of a product “with one or more essential characteristics which are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors.” Again, this legal concept with its cumulation of criteria is hard to be translated into daily administrative or judicial practice. What is or are the generic function of a product (or even more than only one!) and how are they to be proven? And, again, would a survey be a reasonable means of evidence showing that consumers “may be looking” for such particular characteristics inherent to the generic function of a product?

Luxembourg *locuta, causa finita* – but, once again, such kind of case law seems to offer stones instead of bread ...



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Prinzregentenplatz 7, 81675 München
T +49.(0)89.928 05-0
F +49.(0)89.928 05-444
www.bardehle.com

Editors:

Dr. Henning Hartwig
Dr. Tilman Müller-Stoy

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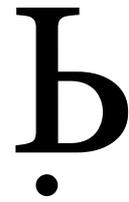
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Offices



Munich

Prinzregentenplatz 7
81675 München
T +49.(0)89.928 05-0
F +49.(0)89.928 05-444
info@bardehle.de

Dusseldorf

Breite Straße 27
40213 Düsseldorf
T +49.(0)211.478 13-0
F +49.(0)211.478 13-31
info@dus.bardehle.de

Paris

10 Boulevard Haussmann
75009 Paris
T +33.(0)1.53 05 15-00
F +33.(0)1.53 05 15-05
info@bardehle.fr

Barcelona

Avenida Diagonal 420, 1^o1^a
08037 Barcelona
T +34.93.4 57 61 94
F +34.93.4 57 62 05
info@bardehle.es

Milan

Viale Regina Margherita 35
20122 Milano
tel. +39.02.87 38 94 50
fax +39.02.87 38 94 52
info@bardehle.eu

www.bardehle.com