



Comments of **MARQUES**

In the matter of the Reference for a preliminary ruling to the Court of Justice of the European Union ("CJEU") from the High Court of Justice, Chancery Division (United Kingdom) made on 28 April 2014 – Société de Produits Nestlé SA v Cadbury UK Ltd (Case C-215/14)

1. Status of these comments

- 1.1 **MARQUES**, the European Association of Trade Mark Owners ("**MARQUES**"), through its *Amicus Curiae* team, respectfully submits these comments to Interested Parties ultimately for the consideration of the CJEU to assist it in coming to its decision.
- 1.2 We invite you, as an Interested Party, to quote these comments in your written observations or such oral submissions as you plan to make in this matter or, otherwise, to incorporate them within your observations as you consider appropriate and expand on any of points we make here. Our wish is to have the views of **MARQUES**' members brought to the attention of the CJEU, as well as those in a position to effect any desirable legislative amendments.
- 1.3 **MARQUES** does not seek to make a formal intervention in the matter, but would be prepared to attend by Counsel at the hearing to answer any questions which the CJEU may wish to ask in relation to any of the points made here.
- 1.4 **MARQUES** does not seek any contribution to its costs in relation to these comments and assumes that the provision of these comments will not involve any of the Parties in additional costs. **MARQUES** believes it is in the public interest for third parties interested in a matter which has an impact beyond the dispute between the parties to be able to contribute to the debate. **MARQUES** hopes that these comments will be seen in that light and will be of assistance.

2. **MARQUES**

- 2.1 **MARQUES**, the European Association of Trade Mark Owners, is an Association created to educate and promote the professional development of brand owners in the selection, management, protection and exploitation of their trademarks within a global economy. **MARQUES** offers a forum for the free exchange of such ideas and information and to provide an effective platform for the representation of its members' interests.
- 2.2 **MARQUES** was established in 1986 and is incorporated in the United Kingdom as a not-for-profit company limited by guarantee. It has no shareholders, issues no dividends and its directors are expressly prohibited from being paid for their services. **MARQUES** represents the interests of trade mark owners in Europe and beyond, in the protection and utilization of trademarks as essential elements of commerce. Its current membership crosses all industry lines and includes brand owners and IP professionals in more than 80 countries.

- 2.3 An important objective of **MARQUES** is to safeguard the interests of the public by ensuring the proper protection of trade marks and to safeguard the interests of trade mark proprietors with regard to the regime of trade mark protection. **MARQUES** attempts to achieve this objective by advancing the cause of trade mark laws which protect the public from deception and confusion.
- 2.4 **MARQUES** is an accredited association before the Office for Harmonisation of the Internal Market ("OHIM"), appointed observer at the OHIM Administrative Board and Budget Committee, an official non-governmental observer to the World Intellectual Property Organization ("WIPO") and a registered interest representative organisation (ID 97131823590-44) in the Transparency Register set up by the European Parliament and the European Commission, which extends and replaces the former Register of Interest Representatives, opened by the Commission in 2008. **MARQUES** is managed by an elected Council and external relations teams are appointed to monitor trade mark issues affecting brand owners, identifying issues and problems and proposing responsive action.
- 2.5 These teams include an *Amicus Curiae* team. It has a brief to intervene in or comment upon legal proceedings where deemed appropriate and where permissible on behalf of the organisation in cases considered to involve important trade mark issues likely to have a significant impact on trade mark owners and the public. In doing so, **MARQUES** adopts a position of neutrality with respect to the case and the parties. It wishes to address general principles and certain specific points of law and does so on behalf of the constituency of trade mark owners it represents.
- 2.6 The *Amicus Curiae* team has thus prepared these comments which have been approved by the Chairman of the **MARQUES** Council.
- 2.7 With these objectives in mind, and in the context of Council Regulation 207/2009/EC of 26 February 2009 on the Community trade mark ("the CTMR"), **MARQUES** is keen to see clarity and consistency of approach in how tribunals and trade mark registries throughout the European Community ("EC") interpret provisions concerning the perception of EC consumers, including regarding the distinctiveness of signs and the burden of proof related thereto.

3. The questions referred

- 3.1 The following questions were referred:

1. In order to establish that a trade mark has acquired distinctive character following the use that had been made of it within the meaning of Article 3(3) of Directive 2008/95/EC, is it sufficient for the applicant for registration to prove that at the relevant date a significant proportion of the relevant class of persons recognise the mark and associate it with the applicant's goods in the sense that, if they were to consider who marketed goods bearing that mark, they would identify the applicant; or must the applicant prove that a significant proportion of the relevant class of persons rely upon the mark (as opposed to any other trade marks which may also be present) as indicating the origin of the goods?
2. Where a shape consists of three essential features, one of which results from the nature of the goods themselves and two of which are necessary to obtain a technical result, is registration of that shape as a trade mark precluded by Article 3(1)(e)(i) and/or (ii) of Directive 2008/95/EC?
3. Should Article 3(1)(e)(ii) of Directive 2008/95/EC be interpreted as precluding registration of shapes which are necessary to obtain a technical result with regard to

the manner in which the goods are manufactured as opposed to the manner in which the goods function?

3.2 **MARQUES** comments are restricted to Question 1.

4. Question 1, Option 1: recognition and association

4.1 **MARQUES** prefers the answer proposed in the first option within Question 1: it is sufficient “for the applicant for registration to prove that at the relevant date a significant proportion of the relevant class of persons recognise the mark and associate it with the applicant’s goods”

4.2 This is most closely in line with the Community case law concerning acquired distinctive character summarised by the referring court at paragraphs 38 – 45¹. At paragraph 43 it stated:

43. Fourthly, in assessing whether a trade mark has acquired a distinctive character the competent authority must make an overall assessment of the relevant evidence If the relevant class of persons, or at least a significant proportion of them, identifies goods or services as originating from a particular undertaking because of the trade mark, it has acquired a distinctive character: *Windsurfing Chiemsee v Huber* at [49]-[53], Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-1318 at [23], *Philips v Remington* at [60]-[62], *Libertel v Benelux-Merkenbureau* at [67], *Nestlé v Mars* at [31] and C-25/05P *August Storck KG v Office for Harmonisation in the Internal Market (Storck II)* [2006] ECR I-5719 at [75].

4.3 The requirement that the relevant class of persons “identifies” goods or services as “originating from a particular undertaking” is satisfied where the relevant class recognises the mark and associates it with the applicant’s goods.

4.4 **MARQUES** has a concern about the additional reference in the first option to the relevant class of persons “if they were to consider who marketed goods bearing that mark”. This implies that the notional consumer first has to give the matter such consideration, albeit not necessarily having been invited to do so (e.g. as part of a survey). However, it is disagreed that such a consideration should be part of the test for registrability.

4.5 A further concern is about the reference to identifying “the applicant” in the first option. **MARQUES** respectfully suggests it is enough for the evidence to show that the relevant proportion of consumers associate the mark (in the present case the shape of the goods) with a single source, irrespective of who marketed them. The main point is that the consumer needs to conclude that, because of their recognition of the shape and the association they make with it, the goods will have been marketed by one entity. It does not matter if they identify the applicant specifically. If a relevant part of the consumers have come to attribute a particular shape to a single source then a danger of confusion will arise if competitors use an identical (or closely similar) shape. If there were, for example, quality issues with the later shape this would have a negative impact on the business of the first user of the shape. This damage arises because consumers will associate the later shape (and that poor quality) with the first user’s business and products. Such consequences are exactly what trade mark law should avoid. Therefore, such a shape must qualify for trade mark protection.

¹ *Société des Produits Nestlé SA v Cadbury UK Ltd* [2014] EWHC 16 (Ch).

4.6 The association between the shape and the single source does not have to arise at any one moment in time, e.g. at the moment of selection or point of sale, and it is enough for it to arise generally, including post-sale perhaps when other branding has been removed.

5. Question 1, Option 2: reliance for indicating origin

5.1 **MARQUES** does not agree with the answer proposed in the second option within Question 1. In fact, it is put to question that the words "rely upon" are the right words to use as part of the test. **MARQUES** suggests that the evidence needs to demonstrate that it is the shape of the goods, on its own, that makes the relevant consumers conclude that goods of that shape have a single source or origin. Whether that amounts to "reliance" as such is unclear and ought not to matter.

5.2 The requirement stated above at paragraph 4.2 above that the relevant class of persons "identifies" goods or services as "originating from a particular undertaking" does not require an additional concept that the class of persons "rely upon" the mark in some way.

5.3 In English, "rely upon" will mean "to depend on with full trust or confidence". There is a substantial danger that jurisdictions that speak English, or translate the term in a similar way, will apply this test strictly so as to effectively preclude virtually all shapes from achieving registration.

5.4 Further, it seems that the words "rely upon" can have subtly different interpretations when translated into other languages within the EU. For example, "rely upon" can be translated in multiple ways in German which are broadly similar but have a different degree/intensity of reliance. These ways are:

German	English
sich auf jemanden/etwas verlassen	to count on, to depend on
auf etwas angewiesen sein	to be dependent on
auf jemanden/etwas bauen	to trust on, to build on
sich auf jemanden/etwas berufen	to refer to
auf etwas beruhen	to be based upon,
sich auf etwas stützen	to lean on
auf jemanden/etwas vertrauen	to trust in

5.5 There could be a very material difference between someone leaning on something, someone counting on something, or someone depending on something. And it appears that, in each case, they could be said to "rely upon" it.

5.6 As a result, there is a material risk that any answer from the CJEU that uses the term "rely" could lead to different tests being applied around the EU.

6. Relevance for Trade Mark Owners

6.1 **MARQUES** highlights the importance for brand owners that the standard of evidence mandated to establish that a trade mark has acquired distinctive character is, as a practical

matter, achievable. The Trade Mark Directive provides that the shape of goods is capable of registration as a trade mark. **MARQUES** is concerned that an answer to Question 1 does not result in the *de facto* impossibility of registering the shape of goods. The practical limitations of survey evidence should be considered in any answer that is given by the CJEU.

- 6.2 **MARQUES** recognises that this should result in a narrower scope of protection for trade marks the subject of which is the shape of a good. If the standards for an acquired distinctiveness are relatively low, the registration resulting from such proceedings can only have a narrow scope of protection. If the standards are higher, it might be more difficult to achieve a registration, but it could then have a broader scope of protection.
- 6.3 **MARQUES** emphasizes the relevance of trademark protection of 3D shapes for brand owners. Obtaining such protection should not be made more difficult by the expected decision than it was in the past.

Respectfully submitted,

This 1st day of December 2014



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Chair of MARQUES