

Accordingly, the court rightly held that:

Colours or combinations of colours which are the subject of an application for registration as a trade mark, claimed in the abstract, without contours, and in shades which are named in words by reference to a colour sample and specified according to an internationally recognised colour classification system may constitute trade mark... where:

- It has been established that, in the context in which they are used, those colours or combinations of colours in fact represent a sign, and
- The application for registration includes a systematic arrangement associating the colours concerned in a predetermined and uniform way.<sup>292</sup>

#### ***D. Grounds for Trade Mark Refusal***

To qualify for registration, a CTM must be subjected to absolute and relative grounds for trademark refusal. These grounds are respectively discussed in sections D(I) & (II) of this chapter.

##### *I. Absolute Grounds*

While many signs may be used to market some products or services, not each of these trade symbols may withstand the rigorous registrability test stipulated under Article 7 of the CTMR. The Article serves as an absolute bar to registration of signs, which do not meet the requirements of Article 4 of the CTMR; or signs and indications which are generic, descriptive, non-distinctive and those signs covered under Articles 7(1) (f) – (k) of the CTMR. In summary, subparagraphs (f) to (k) prohibit the registration of signs which contravene public policy and/or good morals of the society; signs, the use of which is considered to be unauthorised use of emblems, badges or hallmarks; and geographical indications for wine not having that origin.

##### **1. Requirements of Article 4 of the CTMR**

Article 4 stipulates that, to constitute a CTM, a sign must meet both formal (capability to be represented graphically) and substantive (capability to distinguish goods and services) requirements. Article 7(1) (a) incorporates these requirements as absolute grounds for CTM refusal. Thus, the formal and

<sup>292</sup> Case C-49/02, *Heidelberger Bauchemie GmbH* [2004] ECR I-6129, para. 1.

substantive requirements for trademark registration under Article 4 of the CTMR each form a distinct absolute ground.<sup>293</sup>

## 2. Distinctiveness

The general principle underlying trademark protection is hinged on the requirement of distinctiveness. In this regard, the importance for trade signs to be distinctive is substantiated by the fact that a proprietor of a non-distinct symbol would unreasonably “prevent other producers from conveying important information to consumers” if he were allowed to monopolise the symbol by way of trade mark registration.<sup>294</sup> Pursuant to Article 7(1) (b) of the CTMR, “trademarks which are devoid of any distinctive character” cannot be registered. This prohibition reflects the historic basis for trademark protection, namely “to protect marks as, in a broad sense, indicators of origin”.<sup>295</sup> Indeed, the limitation as to the signs capable of serving as trademarks contained in Article 7(1), highlights the significant role of the trade mark protection regime to prevent the grant monopoly rights in certain non-distinctive signs: If trade mark law did not put such a limit, consumers would, in reality, make many ignorant or blind purchase decisions due to want of concrete information regarding the origin and quality of the products. The limitation as to signs which can serve as trademarks provides a rational basis for economic justification of a trademark protection regime.<sup>296</sup>

The main concern under Article 7(1) (b) of the CTMR is “not whether the sign has the potential of being distinctive, but if the trade mark as applied for is distinctive with respect to the goods and services to which it relates”.<sup>297</sup>

The World Intellectual Property Organisation (WIPO) has also elucidated on the concrete distinctiveness required under Article 7(1) (b) by offering the following analysis:

293 Cf. *Philips v Remington* [1998] ETMR 124, 141.

294 Cf. HORTWITZ, J. A., “Conflicting mark: embracing the consequences of the European Community and its unitary trademark regime” 18 Ariz. J. Int’l & Comp. L. 245, 254 (2001).

295 CORNISH, W. & LLEWELYN, D., “Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights” (6th ed.) 688 (Sweet & Maxwell, London 2007).

296 Cf. HORWITZ, J. A., “Conflicting marks: Embracing the consequences of the European Community and its unitary trademark regime”, 18 Ariz. J. Int’l & Comp. L. 245, 253 (2001).

297 DAVIES, I. M., (ed.), “Sweet & Maxwell’s European Trade Mark Litigation Handbook” 37 (Sweet & Maxwell, London 1998).

Single tones or trivial sounds would not be perceived as distinctive signs, and the same would apply to a lengthy musical piece or a long play, even if it includes words. Following the principle of availability, sounds that would be regarded as common to the trade and required by other traders could not be registered as trademarks, for example, the sound of glass breaking in relation to “windscreen repair services” or well known classical music pieces in relation to “dancing tuition” services. However, many sounds have no particular descriptive relationship with the proposed goods or services and would be considered *prima facie* acceptable, for example, the sound of a “wolf howling” in relation to alcoholic beverages.<sup>298</sup>

The *British Sugar plc* case<sup>299</sup>, while interpreting Section 3(1) (b) of the United Kingdom Trade Marks Act 1994, which is similar to Article 7(1) (b) of the CTMR, elucidated the phrase “devoid of any distinctive character”. According to the case, the phrase “devoid of any distinctive character” stands alone as a ground of exclusion from registration. It is nevertheless fallacious to discern that symbols which are not completely descriptive and therefore, not prohibited under Article 7(1) (c) of the CTMR, are distinctive. The phrase devoid of any distinctive character may still apply even where the signs concerned are neither descriptive nor generic.<sup>300</sup> The recurrent objection against registration of trademarks on the “devoid of distinctive character” ground is in relation to surnames. In view of the holding in *Unilever Plc’s Application*<sup>301</sup> where registration of MISTER LONG regarded as surname in the United Kingdom was in issue; words possessing surnominal significance are “neither automatically eligible nor automatically ineligible for registration”. Registration of names, and particularly of common surname, will generally be withheld unless it is clear to the registry that the name concerned has acquired distinctive character, hence its registration is not likely to extend unfair advantage to the first applicant for such a name.<sup>302</sup>

To establish whether a particular sign is devoid of any distinctive character (in relation to goods and services) it is inevitably needed to show that such sign has no potential characteristics that would allow the relevant consumers to draw a

298 Cf. the analysis by WIPO’s Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications on the “Relation of Established Trademark Principles to new types of Marks”, Seventh Session (May 7 to 11, 2007) contained in SCT/17/3 dated 30 March 2007; available at <[www.wipo.int/edocs/mdocs/sct/en/sct\\_17/sct\\_17\\_3.pdf](http://www.wipo.int/edocs/mdocs/sct/en/sct_17/sct_17_3.pdf)> (status: 30 July 2012).

299 *British Sugar plc v. James Robertson & Sons Ltd* [1996] RPC 281.

300 CORNISH, W. & LLEWELYN, D., “Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights” (6th ed.) 696 (Sweet & Maxwell, London 2007).

301 [1999] E.T.M.R. 406

302 Cf. ECJ, 16 September 2004, Case C-404/02, *Nichols plc* [2004] ECR I-08499, para.12.

distinction between the trade mark proprietor's goods and/or services and the products and/or services from a different commercial source.<sup>303</sup>

OHIM Examination Guidelines, particularly Guideline 8.3,<sup>304</sup> also clarify the phrase “devoid of any distinctive character”. It stipulates that:

The trademark must not be devoid of any distinctive character and must therefore, do more than describe the goods or services, whether in words or graphically. A word such as ‘wine’ in respect of wine is devoid of distinctive character. A trademark consisting one or two letters or digits, unless represented in an unusual fashion, would, except in special circumstances, be considered devoid of distinctive character. ... Simple signs such as circles or squares, whether on their own or in conjunction with descriptive elements, are generally considered to be devoid of distinctive character. Single, especially primary colours, of simple designs are usually devoid of distinctive character. Where a trade mark consists of a combination of several elements which on their own would be devoid of distinctive character, the trade mark taken as whole may have distinctive character. However, if a trade mark comprises nothing more than a combination of [a description, a generic sign or a functional shape] it is likely to be devoid of distinctive character.

It is noteworthy that the distinctiveness requirement is contained in both Articles 4 and 7(1) (b) of the CTMR. One may thus question whether, in view of the concept of distinctiveness as stipulated under Article 7(1) (b), the fusion of the requirements of Article 4 into Article 7(1) (a) is merely a repetition of the concept that any registrable mark must be capable of distinguishing goods or services of one origin from those tracing their origins from different sources; or whether the concepts in the two provisions differ. The EC legislature seems to have already provided an answer to this question, vide Article 7(3) of the CTMR. Within the ambit of this Article, the provisions of Article 7(1) (b), (c) and (d) do not, but only 7(1) (a), apply while assessing registrability of a sign which upon being used on the market acquires a secondary meaning in relation to goods and services corresponding to those in respect of which a CTM registration is sought.<sup>305</sup> This clarification throws some light to the main difference between paragraphs (a) and (b) of Article 7. In the circumstances, a sensible conclusion may be drawn to the effect that while Articles 4 and 7(a) of the CTMR connote “a general, absolute, abstract capacity to distinguish products of different

303 *Celltech R&D Ltd v. OHIM*, 37(2) IIC 225, 226 (2006).

304 OHIM OJ 9/96, p. 1331.

305 Acquisition of a distinctive character as a consequence of the use of a mark requires that at least a significant proportion of the relevant section of the public identifies products or services as originating from a particular undertaking because of the mark (*cf.* CFI, 29 April 2004, Case T-399/02, *Eurocermex v OHIM* (‘Botella Corona’) [2004] ECR II-391, para. 42). That use must be demonstrated in substantial part of the Community where the mark is devoid of any distinctive character within the meaning of Article 7(1) (b) of the CTMR (*cf.* CFI, 15 December 2005, Case T-262/04, *BIC SA v OHIM* [2005] ECR II-5959, para. 62).

origins,” Article 7(b) refers to CTM’s distinctiveness in view of the class of goods or services marketed under the CTM in question.<sup>306</sup> Thus, by incorporating the provisions of Article 4, Article 7(1) (a) intends fundamentally to bar registration of signs, which are generally considered to be incapable of serving as a trademark, whereas the prohibition enshrined under Article 7(1) (b), (c) and (d) excludes from registration signs, which do not meet a specific condition enshrined under Article 4 of the CTMR, namely, the capability to distinguish.<sup>307</sup>

Judged in terms of cogency, the stipulation on distinctiveness under Article 4, being an abstract requirement, must be observed just as a matter of theory,<sup>308</sup> whereas that under Article 7(1) (b) of the CTMR may be waived provided that Article 7(3) applies to the mark in question.<sup>309</sup>

The concept of “fair play underscores the purpose and necessity of trademark law”.<sup>310</sup> Article 7(1) of the CTMR is a vehicle through which a fair play in the marketplace may be brought about. Indeed, the need for symbols to be distinctive is reinforced by the fact that the owner of non-distinctive signs would prevent other business operators from conveying products or services information to consumers. While monopolisation of a non-distinctive trade sign would unfairly shield the proprietor against competition, “consumers would have great difficulty in identifying alternatives from the non-distinctive mark owner’s goods, and in turn, would end up making misinformed purchases”.<sup>311</sup> Thus, by prescribing some guidelines for registrability of a CTM, Article 7(1) tends to balance the public interests against an unwarranted trademark monopoly.

Frequently, the ECJ has held that “in order to determine whether a sign presents a characteristic such as to render it registrable as a trade mark, it is

306 Cf. *SAT.1 Satellitenfernsehen GmbH v. OHIM* [2005] 1 C.M.L.R. 57.

307 Cf. MANIATIS, S. M., (2003), “Whither European Trade Mark Law? Arsenal and Davidoff: The Creative Disorder Stage”, 7 Marq. Intell. Prop. L. Rev. 99, 109 (2003).

308 Since it has been held 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 4 of the CTMR (Cf. Case C-299/99, *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd.* [2002] E.C.R. I-05475, para. 39).

309 Article 7(3) excludes application of Article 7(1) (b) by allowing registration of a mark, which would otherwise be prohibited under Article 7(1) (b).

310 HORWITZ, J. A., “Conflicting marks: Embracing the consequences of the European Community and its unitary trademark regime”, 18 Ariz. J. Int’l & Comp. L. 245, 249 (2001).

311 HORWITZ, J. A., “Conflicting marks: Embracing the consequences of the European Community and its unitary trademark regime”, 18 Ariz. J. Int’l & Comp. L. 245, 252 (2001).

appropriate to take the view point of the relevant public”.<sup>312</sup> Consequently, each of the grounds for trademark refusal stipulated under Article 7 (1) attracts varied public interests; hence, these grounds have to be considered differently.<sup>313</sup> It has, for instance, been held that the public interest underlying Article 7(1) (b) of the CTMR cannot be severed from the trademark’s basic function, which 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”.<sup>314</sup> This position tends to highlight that the public interest underlying Article 7(1) (b) is to prohibit registration of signs, which are devoid of any distinctive character<sup>315</sup> – a solitary fact, which renders the signs concerned incapable of performing the trademark’s basic function.

### 3. Descriptiveness

Signs or indications are descriptive “if they are inevitably suggested by some quality of the product or business”.<sup>316</sup> The general prohibition under Article 7(1) (c) of the CTMR applies to the signs, which exclusively serve to describe or indicate the goods and services by referring to the nature (and/or properties of the use intended) of the goods concerned.<sup>317</sup> In case the “mark does no more than describe the type or quality of product on offer”, it is descriptive of those products, and hence cannot fulfil the function of indicating the origin of that

312 Cf. *Lloyd Schuhfabrik Meyer* [1999] E.C.R. I-3819, para. 26; and Case C-104/01, *Libertel Groep BV v. Benelux-Merkenbureau* [2003] ECR I-3793, para. 46.

313 Cf. ECJ decision, April 29, 2004, joined cases C-456 P and C- 457/01 P, *Henkel KGaA v. OHIM* [2004] ECR I-05089, paras. 45 and 46.

314 Cf. *Hoffmann-La Roche* [1978] E.C.R. 1139, para. 7 and *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd.* [2002] E.C.R. I-5475, para. 30.

315 The public interest demand that symbols which lack distinctive character should not be registered as trademarks (cf. *SAT.1* [2005] 1 C.M.L.R. 57, para. AG19). In view of “legal certainty and sound administration” stressed in *Canon* [1998] E.C.R. I-5507, para. 28, it is important to exclude non-distinctive marks from registration since their registration could be challenged.

316 MCKEOUGH, J., STEWART, A. & GRIFFITH, P., “Intellectual Property in Australia” (3rd ed.) 458 (LexisNexis Butterworths, Sydney 2004). The sign “soap” for instance, is a descriptive term; hence, cannot be registered for soap business. Nevertheless, such a sign upon passing a test of acquired distinctiveness or secondary meaning may be distinctive in respect of clothing (CORNISH, W. & LLEWELYN, D., “Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights” (6th ed.) 689 (Sweet & Maxwell, London 2007).

317 *Telefon & Buch VerlagsgmbH v. OHIM* [2001] 3 C.M.L.R. 3.

product.<sup>318</sup> The CTMR<sup>319</sup> does not allow such signs to be monopolised by way of trademark registration. It prefers that the signs of this kind<sup>320</sup> be freely available to all instead of being reserved for one undertaking alone. There could, for instance, be good reasons for disallowing a monopoly in respect of descriptive word mark ‘green’ for any environmental conservation-related activity.<sup>321</sup> In a different scenario, a combination of descriptive words may be registered as a CTM if it creates an impression which is different from that produced by the literal meaning of the word elements of the combination.<sup>322</sup>

Refusal of trademark registration will therefore be justified if the sign concerned induces the public, “immediately and without further thought, to perceive a description of the goods and services for which registration is sought”.<sup>323</sup> To identify whether a particular trade symbol is descriptive of the goods’ or services’ nature, quality or properties, the examiner has to make an assessment in light of the extent to which the consumers are likely to associate such symbol with the goods or services marketed under it. In *FON WIRELESS Limited* case,<sup>324</sup> for instance, the sign FON was denied registration. The registration had been sought in relation to communications software, wireless communication systems and devices, transmission equipment for communication via internet, on-line or via computer network (class 9); provision of communications services (class 38); and design and development of communications software and equipment (class 42). The board of appeal held that “the sign ‘FON’ was a German way of writing ‘PHONE’ which is derived from the old Greek word ‘PHON’ which means sound” and used in German as an abbreviation for word *Telefon* (Telephone). It was found that when “FON” used for the goods and the services in relation to which it was applied for, it would serve as a description of the nature or of the intended purpose of the goods and/or the services concerned.

- 318 MCKEOUGH, J., STEWART, A. & GRIFFITH, P., “Intellectual Property in Australia” (3rd ed.) 523 (LexisNexis Butterworths, Sydney 2004).
- 319 Article 7(1) (c) of the CTMR.
- 320 Descriptive signs and other indications mentioned in Article 7 (1) (c) of the CTMR.
- 321 F. GIOIA, “Alicante and the Harmonization of Intellectual Property Law in Europe” 41(1) CML Rev. 975, 981 (2004).
- 322 Cf. ECJ, 12 February 2004, Case C-265/00, *Campina Melkunie BV v Benelux-Merkenbureau*, [2004] ECR I-01699, para. 43. Cf. also the decision of OHIM’s Board of Appeal in Case R 0793/200-1.
- 323 OHIM, 29 April 2008, Case R 49/2008-4 *D.C.M.S., Inc.* (‘DATA CENTER WORLD’), para. 11. Cf. also CFI, 20 March 2002, Case T-355/00, *DaimlerChrysler AG v OHIM* (‘Tel Aid’) [2002] ECR II-1939, para. 28.
- 324 OHIM, 29 April 2008, Case R 1744/2007-5, *FON WIRELESS Limited*.

In *D.C.M.S., Inc* case<sup>325</sup> a firm position regarding descriptiveness of neologism signs was reiterated. There, OHIM's Board of Appeal stated that "a sign consisting of neologism or a word composed of elements each of which is descriptive of the characteristics of the goods or services in respect of which registration is sought", itself remains descriptive of those goods or services within the meaning of Article 7(1) (c) of the CTMR.<sup>326</sup> Consequently, the sign 'DATA CENTER WORLD' (Whose registration was sought in respect of Class 35 (i.e. provision of extensive information about the field of data bases, a substantial area of information technology on a professional organised basis)) could not be registered for it consists of a combination of elements each of which is descriptive of the services covered by the said sign. Such a sign (i.e. the word mark 'DATA CENTER WORLD') is not an allusive combination of words to which a meaning different from its individual elements can be attached. Thus, the word 'WORLD' contextualised in light of "the elements 'DATA CENTER' clearly refers to an event where information and services in the field of data centres is the subject matter".<sup>327</sup> The relevant public (i.e. English speaking people) would therefore perceive the expression as referring to services in respect of which registration of the sign was sought (i.e. provision of extensive information about the field of data bases, a substantial area of information technology on a professional organised basis) rather than the company owning the mark.

Similarly, in *Telefon & Buch Verlagsgmbh v. OHIM*<sup>328</sup> an application for registration of "UNIVERSALTELEFONBUCH and UNIVERSAL COMMUNICATIONSVERZEICHNIS" trademarks was refused under Article 7(1) (c) because they tended to describe the goods and services. Registration of the marks was sought in respect of "recorded media for data processing installations and apparatus, in particular tapes, discs, CD-ROMs (class 9); printed matter, reference works (class 16); publishing services, in particular the publication of texts, books, magazines, newspapers (class 41); editing of written texts (class 42)". Semantically construed, the German words in the mark mean universal telephone directory and universal communication directories. In view of this translation, the court observed that the mark described the goods and services in respect of which registration was sought.

325 OHIM, 29 April 2008, Case R 49/2008-4 *D.C.M.S., Inc.* ('DATA CENTER WORLD').

326 OHIM, 29 April 2008, Case R 49/2008-4 *D.C.M.S., Inc.* ('DATA CENTER WORLD'), para. 12.

327 OHIM, 29 April 2008, Case R 49/2008-4 *D.C.M.S., Inc.* ('DATA CENTER WORLD'), para. 20.

328 [2001] 3 C.M.L.R 3.



Jurisprudence regarding trademarks prone to be barred from registration under Article 7(1) (c) is very rich also in respect of geographical designations.<sup>329</sup> According to ECJ's decision in *Windsurfing Chiemsee* case<sup>330</sup>, the prohibition against registration of geographical names stipulated under Article 7(1) (c) of the CTMR applies in two main scenarios, namely; where the relevant class of persons associate the place designated by the geographical name in question with the category of goods; and where, currently, there is no such association, the possibility that the geographical name may be used in future by the "undertakings concerned as an indication of the geographical origin of that category of goods".

An exception to the general rule regarding prohibition of registration of descriptive terms applies with respect to collective marks. Collective marks are normally registered to describe some quality and characteristics of goods. Registration of geographical names or indications of origin as Community collective marks is nevertheless allowed under Article 66(2) of the CTMR. This is not a contravention of the provisions of Article 7(1) (c) of the CTMR. Article 7(1) (c) proscribes registration of a descriptive term, as a trade mark, only to avoid a monopoly right to exclude others, which is customarily extended to a distinctive mark, being unfairly conferred to a proprietor of a descriptive sign: A registrant of a Community collective mark has no right to prevent third parties entitled to use a geographical name from using a Community collective mark based on such a geographical name.<sup>331</sup>

Even where indications which designate the geographical origin of goods are excluded from registration based on Article 7(1) (c), such exclusion cannot be

329 For extensive coverage on the registrability of geographical designations and how they can be used to challenge registration of CTMs and vice versa, see BEIER, F.-K., "Der Schutz geographischer Herkunftsangaben in Deutschland" 65(4) GRUR 169 *et seq.* (1963); HACKER, F., *et al*, "Das Verhältnis zwischen Marken und geographischen Herkunftsangaben (Q 191)", 55(8/9) GRUR Int 697 *et seq.* (2006); HEATH, C., "Parmigiano Reggiano by another Name: the ECJ's Parmesan Decision", 39(8) IIC 951 *et seq.* (2008); and EVANS, G.E., "The Comparative Advantages of Geographical Indications and Community Trade Marks for the Marketing of Agricultural Products in the European Union", 41(6) IIC 645 *et seq.* (2010).

330 Joined cases C-108/97 and C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v. Boots- und Segelzubehor Walter Huber and Attenberger* [1999] E.C.R. I-2799, para. 37.

331 Cf. MÜHLENDAHL, A., "Die Gemeinschaftsmarke" 29 (Staempfli Verlag AG, Bern 1998). Cf. also the last sentence of Article 67(2) of the CTMR pursuant to which any person whose goods or services originate in the geographical area concerned has a right to become a member of the association owning the Community collective mark. This is one of the conditions to which the use of collective mark is subjected.

endorsed if the indication of geographical origin fulfils the conditions enshrined under Article 7(3).<sup>332</sup>

The public interests underlying Article 7(1) (c) is to the effect that “descriptive signs or indications relating to characteristics of goods or services in respect of which registration is sought may be freely used by all”.<sup>333</sup> The public interest stipulated under Article 7(1) (c) is nonetheless distinguishable from that accompanying registrability of some special categories of marks, such as a colour, which is assessed in light of the provisions of Article 7(1) (b). The public interest appreciated in *Libertel*<sup>334</sup>, for instance, was hinged on the need not to unduly restrict the availability of colours for other traders providing goods or services of the type in respect of which registration is sought. Thus, the public interest regarding restorability of colour marks envisages the fact that because there is a limited number of colours, giving a blanket monopoly in respect of colour marks would unnecessarily restrict other traders from enjoying the marketing advantage of a particular colour. *Jeremy Phillips* is more elaborate on the point. He states that:

The notion of avoidance of undue restriction is an interesting one, since in *Libertel* it appears to have evolved as response to the fact that the range of colours is itself the object of the limitation. If all telephone equipment is black, a trader who chooses to sell telephones that are orange may rightly be able to claim that his use of orange serves the function of indicating the identity of the origin of his telephone without actually inconveniencing any of his competitors. Yet by the time there are eight or nine makes of coloured telephone on the market, each having argued that its choice of colour is a unique means of identifying the source of that product, we suddenly find that we are approaching a situation in which subsequent market entry is barred to others because no telephone colour remains (except perhaps black for “generic” phones) that is not either (i) monopolised by an existing trader or (ii) similar to a colour monopolised by an existing trader.<sup>335</sup>

Some legal opinion tends to draw a sharp distinction between the public interest underlying Article 7(1) (b) (i.e. the need not to unduly restrict availability of marks) and Article 7(1) (c) (i.e. signs or indication may be freely used by all).<sup>336</sup> Nevertheless, a critic’s eye may spot a point where the public interests in the two provisions converge. It is no doubt true that within the ambit of Article 7(1) (c) trade signs which exclusively serve to designate geographical origin of the goods

332 These conditions relate to the concept of secondary meaning or acquired distinctiveness which is considered in section D (I) (7) *infra*.

333 Cf. *Windsurfing Chiemsee* [1999] E.C.R. I-2799, at [25]; *Linde and others* [2003] E.C.R. I-3161, para. 73 and point 2 of the operative part.

334 *Libertel Groep* [2003] ECR I-3793, paras. 44 to 60.

335 PHILLIPS, J., “Trade Mark Law and the Need to Keep Free”, 36(4) IIC 389, 393(2005).

336 See *SAT.1 Satellitenfernsehen GmbH v. OHIM* [2005] 1 C.M.L.R. 57, para. AG26.

or services are excluded from registration because the public interest behind such a provision is to let indicators of geographical origins available for the use by other traders. However, a broad view would lead to a conclusion that, as the case is with the colour mark, geographical indications are limited in number;<sup>337</sup> hence, a blanket monopolisation would unduly restrict a particular section of the society from using such indications in the marketplace. Thus, the distinction between the public interests under paragraphs (b) and (c) of Article 7(1) are more semantic and apparent than real.<sup>338</sup>

#### 4. Generic Signs

Generic signs are, by their general nature, distinctive but due to excessive generic use in the course of time and trade lose their distinctiveness. A term which is initially non-descriptive of the goods or services for which it is used may later acquire a meaning that makes it generic. This phenomenon can be explained: “Just as a descriptive sign can become distinctive by its use as a trade mark, so a trade mark can lose distinctiveness through misuse as a product description”.<sup>339</sup> This opposite trail, in relation to generic marks, becomes eminent when trademarks of new products appearing in the market for the first time are not referred to by the generic name; but later on the trademarks become customary in the language to the extent that consumers do no longer regard the marks as a designation of origin, rather as the name of the products. Essentially, success of numerable trademarks increases a chance for these marks to lose distinctiveness and thus becoming generic. Famous examples regarding this fact can be cited: “SELLOTAPE, ASPRIN, ESCALATOR, HOOVER, FRIGIDAIRE, TERYLENE, FORMICA and THERMOS”.<sup>340</sup>

Article 7(1) (d) of the CTMR bars registration of generic trademarks. According to the Article, “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” shall not be registered.

337 Since in a particular geographical location there can only be one geographical designation/or indication, such indications are even fewer than colours.

338 Both colour and geographical designations need to acquire secondary meaning in respect of goods and services as condition for the grant of a trademark monopoly to individuals.

339 Cf. FIRTH, A., et al, “Trade Marks – Law and Practice” (2nd ed.) 35 (Jordan Publishing, Ltd., Bristol 2005).

340 Cf. SHYLLON, F., “Intellectual Property Law in Nigeria” 189 IIC Studies Vol. 21 (Verlag C. H. Beck, München 2003).

*Merz & Krell GmbH & Co.*, case<sup>341</sup> demonstrates one of the instances where the ECJ ceased an opportunity to discuss the issue concerning registration of a generic sign. A question regarding restorability of a word mark “BRAVO” arose in the above case. The German Patent and Trade Mark office refused registration of the word “BRAVO” for typewriters. The court based its decision on Article 3(1) (d) of the Community trade mark directive, which is similar to Article 7(1) (d) of the CTMR, on the ground that such word constituted a term of praise or an advertising slogan in respect of “writing implements” whose source of supply was sought to be designated by the word mark in question. The case went up to the German Federal Patent Court (Bundespatentgericht). The federal court encountered some difficulties in interpreting the provisions of Article 7(1) (d) of the CTMR, and thus asked the ECJ to throw some light on the matter. The federal court framed the following question:

Is Article 3(1) (d) of First Council Directive ... to be interpreted restrictively, contrary to the wording thereof, as meaning that only signs or indications which directly describe the specific goods and services in respect of which registration is sought, or the essential characteristics of features thereof, are affected by the bar to registration? Or is the provision to be construed as meaning that, in addition to generic signs and names, signs or indications which have become customary in the current language or in the bona fide and established practices of the trade in the relevant or a similar sector as advertising slogans, indications of quality or of incitements to purchase etc., without directly describing specific characteristics of the goods or services in respect of which registration is sought, may likewise not be registered?”<sup>342</sup>

In response thereto, the ECJ reasoned that the reliance on the provisions of Article 7(1) (d) of the CTMR only excludes “registration of a trade mark where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought”.<sup>343</sup>

Regarding registrability of the word mark “BRAVO”, some authorities have been quick to point out that the sign, in principle, is regarded as an exclamation mark in most languages of the EC Member States. While it may be unsound to deny registration of the sign for “typewriters”, it would be tenable to withhold

341 Case C-517/99, *Merz & Krell GmbH & Co., v. Deutsches Patent- und Markenamt* [2001] E.C.R. I-6959.

342 Case C-517/99, *Merz & Krell GmbH & Co., v. Deutsches Patent- und Markenamt* [2001] E.C.R. I-6959, para. [16].

343 Case C-517/99, *Merz & Krell GmbH & Co., v. Deutsches Patent- und Markenamt* [2001] ECR I-6959, para. 31.

the grant of monopoly for “goods or services in the field of sports where the exclamation was used habitually”.<sup>344</sup>

## 5. Shape Marks

Shapes of goods may constitute a sign registrable as a trademark within the meaning of Article 4 of the CTMR. However, for a shape to be registered, besides meeting the requirements of graphical representation and capability to distinguish, it must not be one of the signs excluded from registration by Article 7(1) (e) of the CTMR. Thus, the three-dimensional shape of a product mark must, like any other category of trade mark, be examined for compliance with all the conditions listed in the Article mentioned in the immediately preceding sentence, and that these conditions must be construed and applied in the light of the public interest underlying each one.<sup>345</sup> Article 7(1) (e) of the CTMR states that “signs which consist exclusively of the shape which results from the nature of the goods themselves<sup>346</sup> or which is necessary to obtain a technical result<sup>347</sup> or which give substantial value to the goods” cannot be registered.<sup>348</sup> The Article concerns therefore, certain signs which, as a matter of principle, should not constitute trademarks and hence cannot be accommodated in a CTM register.<sup>349</sup> In this way, Article 7(1) (e) contributes to the realisation of one of the principal aims of the trade mark protection regime, namely, to prevent monopolisation of

344 MANIATIS, S., “Trade Marks in Europe: A Practical Jurisprudence” (1st ed.) 229 (Sweet & Maxwell, London 2006).

345 ECJ, 8 April 2003, joined cases C-53/01 to C-55/01, *Linde AG, Winward Industries Inc. & RadoUhren AG*, [2003] ECR I-03161, para. 76.

346 A shape of a bicycle tube is an example of the shape resulting from the nature of the goods themselves. It would be unfair to grant a monopoly to one individual for such a shape. Granted, that kind of monopoly would unreasonably contravene the legitimate expectations of other traders to legitimately use such a shape in course of their business.

347 The shape under this category would be the shape of a propeller shaft or a fan. These instruments have to retain their form in order to function as they should.

348 This refers to the aesthetic appearance of the mark. While it is true that such an aesthetic appearance may be instrumental to enable a consumer reach a particular conclusion as to whether he may buy the goods or not, still such aesthetic features are not protectable as trademarks. However, such a shape may be protected under other branches of intellectual property such as design law. Moreover, pursuant to the Statement No 5 of the Joint Statements ([1996] O. J. O.H.I.M 613.); “Article 7(1) (e) applies to both the shape of the goods and that of their packaging, although this is not expressly mentioned in the provision” (cf. DAVIES, I. M. (ed.), “Sweet & Maxwell’s European Trade Mark Litigation Handbook” 39 (Sweet & Maxwell, London 1998).

349 Case C - 371/06 *Benetton Group SpA v G-Star International BV* [2007] ECR I-07709, para. 26.

certain shapes whose elements cannot be isolated from the products bearing those shapes and hence the need for the shapes concerned to be freely accessible by competitors.<sup>350</sup> Concept-related shapes may be singled out as an example of the shapes covered under Article 7(1) (e) of the CTMR: This kind of shapes cannot be regarded a trade mark sign per se for they are more related to technical solutions (such as technical inventions whose protection is the concern of patent law) or functional characteristics of a product (which makes the shape generic and thus unregistrable as a trade mark).<sup>351</sup>

A proper decision by a trade mark examiner to refuse registration of a shape which results from the nature of the goods themselves within the ambit of Article 7(1) (e) of the CTMR cannot be overruled. Rigorous examination is required before the examining officer concludes as above: It is not an easy task to determine that a particular shape results from the nature of the goods, unless the goods concerned are the products of nature, such as pineapples and coconuts.<sup>352</sup> Whereas a sign consisting of the shape of coconut for coconuts would be a shape which results from the nature of the goods themselves, the three-dimensional appearance of a bar of soap with longitudinal curved indents in the sides cannot be held to result from the nature of the soap itself.<sup>353</sup> Assuming that the word ‘nature’ is to be taken literally, an orange’s shape cannot be registered (for oranges) as a CTM for it results from the nature of oranges. Nevertheless, if the goods were orange juice, it is likely that an orange shape would, subject to the provisions of Article 7(1) (b) & (c) of the CTMR respectively,<sup>354</sup> be registered. Similarly, since “a liquid can have any shape, the shape of a container for liquids does not arise from the nature of the goods themselves” hence such a shape can be registered as a CTM.<sup>355</sup>

In its judgment in *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd*<sup>356</sup>, the ECJ has commented upon the clause excluding from

350 DAVIES, I. M. (ed.), “Sweet & Maxwell’s European Trade Mark Litigation Handbook” 39 (Sweet & Maxwell, London 1998).

351 Case C- 321/2003 *Dyson Ltd v Registrar of Trade Marks* [2007] ECR I-00687, para. 29.

352 KITCHIN, D., et al, “Kerly’s Law of Trade Marks and Trade names” (4th ed.) 205 (Sweet & Maxwell, London 2005).

353 CFI, 16 February 2000, Case T-122/99, *The Procter & Gamble Company v OHIM* (SOAP), [2000] E.C.R. II – 265; [2000] E.T.M.R. 580.

354 In connection with this provision and since an orange’s shape is naturally descriptive of orange juice and hence, not inherently distinctive; such a shape would only be registered for orange juice business upon acquisition of secondary meaning.

355 GASTINEL, E. & MILFORD, M., “The Legal Aspects of the Community Trade Mark” 74 (Kluwer Law International, The Hague 2001).

356 ECJ, 18 June 2002, Case C-299/99 *Philips v Remington*. The material facts of the case

protection product shapes consisting exclusively of the shape of goods, which is necessary to attain a technical result.<sup>357</sup> In the previous literature, it had frequently been held that “a shape is only necessary to obtain a certain technical result when there are no equivalent alternatives to it for obtaining the same technical result”.<sup>358</sup> However, in *Philips v. Remington*, the ECJ clarified that the ground for refusal or invalidity of registration based on technical functionality of a shape cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained. The configuration of the electric shaver that was the object of the underlying conflict was therefore found to be excluded from protection. The same conclusion was drawn by the Grand Board of Appeal at OHIM regarding the LEGO building block and confirmed by the CFI.<sup>359</sup> Where shapes are excluded for technical reasons, this applies even where people are inclined to think that the respective shape “looks good”, for such a shape “is not there to indicate a connection with a trade mark owner but to do a job of work”.<sup>360</sup>

reveal that the bone of contention in the case was the use, by manufacturing and selling, by Remington, of an electric razor (in the UK) whose shape was similar to Phillips’ shape mark (registered in the UK) made up of three rotary shaving heads set in an equilateral triangle on the shaving surface of the shaver. Basing on its trademark rights in the shape and configuration of the head of an electric shaver, Phillips sued Remington for trademark infringement. Remington counterclaimed and sought revocation of Phillips’ registered rights in respect of the contentious shape. The High Court of Justice of England and Wales, Chancery Division (Patents Court) (United Kingdom) ordered revocation of Phillips’ trade mark on the ground that the subject matter of trademark protection was devoid of any distinctive character and consisted 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”. Phillips appealed, against the High Court’s decision, to the Court of Appeal (England and Wales) (Civil Division), which decided to refer the case to the ECJ as the arguments of the parties raised questions relating to the interpretation of Article 3(1) (e) of the TD.

- 357 The concept ‘shape of the good necessary to obtain a technical result’ may be likened “to the must-fit exclusion in design-right protection” where “[There] is no design freedom if a shape is dictated by the external need of fitting in with other part” (*cf.* HAYS, T., “Distinguishing Use Versus Functional Use: Three Dimensional Marks” 97, in: PHILLIPS, J. & SIMON, I. (eds), “Trade Mark Use”, (Oxford University Press, New York 2005).
- 358 DAVIES, I. M., (ed.), “Sweet & Maxwell’s European Trade Mark Litigation Handbook” 39 (Sweet & Maxwell, London 1998).
- 359 Case T-270/06, *LEGO Juris A/S v. OHIM*, [2008] ECR II-03117, para. 13. Regarding the decision of the Grand Board of OHIM, *cf.* Case R856/2004 G, *LEGO Juris A/S v MEGABRANDS Inc.*, [2007] ETMR 169.
- 360 PHILLIPS, J., “Trade Mark Law: a Practical Anatomy” 146 (Oxford University Press, Oxford 2003).



Shapes further remain unregistrable if they exclusively give substantial value to the goods. A product shape “gives substantial value to the goods if the shape in itself has intrinsic value, for example, if the product has a particularly elaborate design”, in which case “protection may often be sought for the design as such”.<sup>361</sup>

Three dimensional shapes must, therefore, “satisfy the general tests of distinctiveness, under which inherent objections are balanced against evidence of use as an indication of origin” and that “shape, just as much as other product ingredients such as colour, patterning or smell, is not inherently distinctive as a mark” for “whatever form it takes, it will usually require considerable evidence of use before it can be registered”.<sup>362</sup>

Thus, where the shape possesses special characteristics as a result of which the public perceives such shape as departing from the usual and expected shape of the category of the product concerned it can neither be held to be part of the public domain nor denied registration. These special characteristics may be achieved through an application to the respective product shape or its packaging of two-dimensional features such as verbal or figurative elements and colours<sup>363</sup> necessary to trigger a special impression produced by the three dimensional architecture.<sup>364</sup>

## 6. Further absolute grounds – Article 7(1) (f) – (k)

Article 7(1) (f) of the CTMR prohibits the granting of legal monopoly in respect of signs whose registration would be contrary to public policy or accepted principles of morality; whereas Article 7(1) (g) of the CTMR excludes from registration as a CTM those trade symbols which are of such a nature as to deceive the public, for instance, as to the nature, quality or geographical origin of the goods or services.

Whether or not some signs contravene public policy or morality, it is the question for the court to address. The use of religious symbol such as “hallelu-

361 DAVIES, I. M. (ed.), “Sweet & Maxwell’s European Trade Mark Litigation Handbook” 39 (Sweet & Maxwell, London 1998).

362 CORNISH, W. & LLEWELYN, D., “Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights” (6th ed.) 707 (Sweet & Maxwell, London 2007).

363 However, it was held in Case C-299/99 *Philips v Remington* (para. 49) that the EU law does not require that “the shape of the article in respect of which the sign is registered must include some capricious addition”.

364 Cf. WIPO Document No. SCT/17/3 at 4.



jah”<sup>365</sup> in relation to women clothing would obviously contravene both moral and public policy in the Christian community. Similarly, the use of Islamic name such as “Muhammad” as a Beer brand would unquestionably offend against the morality of people and public policy in the Muslim communities. In recent times the public policy principle acclaims strict adherence by trade mark practitioners and courts of law. In *Phillips* case,<sup>366</sup> for instance, Attorney-General Ruiz-Jarabo opined that the word mark *Babykiller* for pharmaceutical products that are used for abortion was infringing on the accepted sentiments of right-thinking members of the society. Thus, justification for the exclusion from registration of signs that contravene the good morals of the society may be grounded on the fact that such signs “would cause offence to a section of the public” particularly where issues regarding sex, race, general matters of taste and decency or religious belief are reflected by a subject matter of trademark registration.<sup>367</sup>

There are some good reasons to exclude deceptive trade signs from registration: Since deceptive marks may claim the nature, quality or geographical origin which they do not have, consumers may be misled and turn to the goods or services marketed under the deceptive mark with a certain level of expectation based on their previous experience as far as the claimed nature, quality or geographical origin are concerned.<sup>368</sup> Therefore, a deceptive mark is only concerned with the deceptiveness which is inherent in the sign itself. This is opposed to the deceptiveness which ensues in the relevant market where the use of similar or identical trade signs deceive (or rather, misleads) the consuming public.

Article 7(1) (h) and (i) of the CTMR outline some signs that cannot be registered as a CTM, unless a competent authority consents to the registration. While paragraph (h) prohibits registration of state emblems, official hallmarks, and emblems of intergovernmental organisations within the meaning of Article 6<sup>ter</sup> of the Paris Convention for the Protection of Industrial Property of 20 March 1883 as last revised at Stockholm on 14 July 1967 (hereinafter the Paris Convention)<sup>369</sup>; paragraph (i) protects symbols of public interest,<sup>370</sup> other than

365 ISAACS, N., “Law of Trade Marks” 38 (CLT Professional Publishing, Birmingham 1996).

366 *Phillips v. Remington* [2001] E.T.M.R. 509, 516.

367 Cf. KITCHIN, D., et al, “Kerly’s Law of Trade Marks and Trade names” (4th ed.) 212 (Sweet & Maxwell, London 2005).

368 The OHIM’s Board of Appeal found the sign “POLYblend” to be deceptive for ‘raw natural resins’ as these materials could not be a mixture of polymers but the consumer may still think that the products which are marketed under the sign “POLYblend” were made of mixed polymers (cf. OHIM, Case R-0924/2006-1).

369 Paragraph (1) of Article 6ter of the Paris Convention provides in part as follows: “(a) The countries of the Union agree to refuse or to invalidate the registration, and to

those already protected under paragraph (h), such as the Red Cross symbol. However, a cross containing some colour other than the red colour cannot be denied registration based on Article 7(1) (i), provided that words other than the “Red Cross” appear on it.<sup>371</sup>

A judgment of the CFI in *Concept – Anlagen* case<sup>372</sup> expounds on the practical application of Article 7(1) (h). The appellant in the case sought to register a figurative mark which included a ring of twelve stars which made it look like the emblem of the European Union. Rejecting the application for registration, OHIM reasoned that since the EU emblem was reproduced in the mark applied for, “the impression that a mark sought designated a suborganisation of the European Union” was inevitable.<sup>373</sup> As far as the emblems under Article 6<sup>ter</sup> (a) and (b) of the Paris Convention are concerned, the prohibition does not apply if a registered trademark does not mislead the public as to the existence of connection between the user and the organisation. A decision by OHIM to allow registration of trademarks prohibited under Article 7(1) (h) and Article 7(1) (i) of the CTMR should analogically find justifications under Article 6<sup>ter</sup> (1)(c) of the Paris Convention. Within the ambit of the second sentence of Article 6<sup>ter</sup> (1) (c):

... it is permissible, in the case of the emblem of an international organisation, to allow registration of a mark if it is not of such a nature as to suggest to the public that a connection exists between the organisation concerned and armorial bearings, flags, emblems, abbreviations and names or if such registration is probably not of such a nature as to mislead the public as to an existence of a connection between the user and the organisation.<sup>374</sup>

prohibit by appropriate measures the use, without authorisation by the competent authorities, either as trademarks or as elements of trademarks, of armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view. (b) The provisions of subparagraph (a), above, shall apply equally to armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organisations of which one or more countries of the Union are members, with the exception of armorial bearings, flags, other emblems, abbreviations, and names, that are already the subject of international agreements in force, intended to ensure their protection.”

370 These symbols include badges, emblems or escutcheons which are of particular public interests (*cf.* Article 7(1) (i) of the CTMR).

371 See OHIM’s Board of Appeal decision in Case R 315/2006-1 (*D&W Repair*) where a cross containing a different colour and the word “REPAIR” used in relation to spare parts was held not to contravene the Red Cross emblem.

372 CFI, 21 April 2004, Case T-127/02, *Concept – Anlagen u. Geräte nach ‘GMP’ für Produktion u. Labor GmbH v. OHIM*, not reported in the ECR.

373 See CFI, 21 April 2004, Case T-127/02, para. 6.

374 CFI, 21 April 2004, Case T-127/02, para 63.

Literally interpreted, no sign can be registered within the ambit of Article 7(1) (j) of the CTMR, as a CTM for wines if such sign contains or consists of a geographical indication which tends to identify wines not having that origin. For this prohibition to apply, it is not necessary to prove that the use of false geographical indication is likely to mislead consumers. The only decisive factor is the falsehood implied in the relevant geographical indication.

## 7. Acquired distinctiveness and public policy

Article 7(3) of the CTMR stipulates that the absolute grounds against trademark registration provided for under paragraphs (b), (c) and (d) must not be observed where trade signs which were otherwise descriptive or generic acquire a secondary meaning, which when associated with the goods and services in respect of which registration of the signs in question is sought makes those signs distinctive. The question may thus arise as to whether the public interest enshrined in Article 7(1) of the CTMR is not observed under Article 7(3).<sup>375</sup> A sound response would negate this question on two main grounds. Firstly, it is axiomatic that “a mark may be distinctive by nature or by ‘nurture’”.<sup>376</sup> Similarly, distinctiveness of a trademark may be inherent or acquired.<sup>377</sup> Secondly, acquired distinctiveness, otherwise known as secondary meaning, can only be appreciated after the mark has been used in the market.

The ECJ has once, in relation to acquired distinctiveness, opined that:

In determining whether a trade mark has acquired distinctive character following the use which has been made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings. If the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied. Where the competent authority has particular difficulty in assessing the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude it

375 *Jeremy Phillips* posed, and addressed the same question: “what happens to “Need to Keep Free” in the Face of Conflicting Public Interests? It is not known what happens to the public interests in keeping a sign free once a sign that is barred from registration under “keep free” principles subsequently achieves registrability on the basis that it has acquired distinctiveness through use. Does it evaporate in the mists of time? Is it displaced by a higher public interest...?” (PHILLIPS, J., “Trade Mark Law and the Need to Keep Free”, 36(4) IIC 389, 394 (2005).

376 FIRTH, A., et al, “Trade Marks – Law and Practice” (2nd ed.) 32 (Jordan Publishing, Ltd., Bristol 2005).

377 *Cf.* Articles 7(1)(b) and 7(3) of the CTMR.

from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment.<sup>378</sup>

Distinctiveness that is ascertainable as above can be judged in light of several surrounding circumstances such as the goodwill a mark has given to the business in the relevant market.<sup>379</sup> Thus, acquired distinctiveness is surely evidence that justifies the trademark protection regime which tries to avoid trademarks being dumped in the trademark register without the said mark being used in the marketplace.<sup>380</sup> It follows that Article 7(3) of the CTMR is designed to protect another category of public interest, namely prohibition against free riding the reputation of the mark developed in relation to particular goods or services. Reputation or goodwill of a mark does not emerge abruptly; it takes time for a person to create stronger business goodwill in the mind of the consuming public. Such process involves substantial investment in promotional activities for the said mark.<sup>381</sup> It would be untenable to allow a third party to benefit from the goodwill in question, to which he has not made any contribution. Thus, the grant of a trademark monopoly on the basis of Article 7(3) (i.e. acquired distinctiveness) cannot be tantamount to the waiver of the public interests enshrined in Article 7(1) of the CTMR, but tends to define the scope of such interests. The public interest under Article 7(1)(b), for instance, applies as long as a particular sign lacks some concrete distinctiveness, while that under Article 7(1)(c) becomes relevant to a mark which is descriptive of goods or services. None of these two situations arises under Article 7(3). A mark to which the Article applies is distinctive and does not exclusively define the nature or quality of goods or services.

An important point regarding registrability of a sign as CTM under Article 7(3) looms high: acquired distinctiveness or secondary meaning, required for the

378 Cf. Joined cases C-108/97 and C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v. Boots- und Segelzubehör Walter Huber and Attenberger* [1999] E.C.R. I-2799, operative part of the judgment. More on surveys and opinion polls as evidence of distinctiveness refer to NIEDERMANN, A., “Surveys as evidence in proceedings before OHIM”, 37(3) IIC 260 *et seq.* (2006).

379 A sign acquires distinctiveness or secondary meaning when the consumers begin to believe that goods or services commercialized with the mark have one origin.

380 Inherent, as opposed to acquired, distinctiveness is the quality associated with the mark itself which makes it unique in the context of the goods or services it markets.

381 Such promotion may involve selling the products at loss, so that when the brand becomes stronger through acquired distinctiveness, the trademark proprietor may be able to recoup the business by selling at higher price. Incidentally, through extensive marketing and advertisement, the trademark proprietor teaches the relevant “consuming public that the sign, when used by him, is his way of demonstrating that goods or services bearing it originate with him” (cf. PHILLIPS, J., “Trade Mark Law and the Need to Keep Free”, 36(4) IIC 389, 392 (2005).

registration of a trade symbol which was otherwise devoid of distinctive character in some parts of the Community, must substantially be appreciated in those parts of the Community. This argument stems from the provisions of Article 7(2) of the CTMR, which bars registration of a sign as a CTM even where the mark lacks distinctiveness, or is generic, descriptive<sup>382</sup> or customary in view of some circumstances obtaining only in a single part of the Community. While Article 7(2) incorporates the requirement that a registrable sign must possess distinctive character throughout the Community, the provisions in the Article enforce the “principle of unitary character” of the CTM.<sup>383</sup>

It is important to note that the provisions of Article 7(3) of the CTMR do not apply to shape marks. In view of the ECJ’s decision in *Benetton/G-Star*<sup>384</sup> “the shape of a product which gives substantial value to that product cannot constitute a trademark<sup>385</sup> where, prior to the application for registration, it acquired attractiveness as a result of its recognition as a distinctive sign following advertising campaigns presenting the specific characteristics of the product in question”.

To the extent that Article 15(1), second sentence of TRIPs, assumes that every medium is eligible for registration provided it is distinctive, the legal protection of three dimensional marks under the CTMR must be subjected to scrutiny. Whereas Article 4 of the CTMR already confirms that three dimensional shapes may be registered, such registration is only possible if these shapes are not specifically excluded from registration on the basis of absolute grounds under Article 7(1) (e) of the CTMR according to which signs resulting exclusively from the nature of the goods, which are necessary to obtain a technical result, or which give substantial value to the goods cannot be registered. Article 7(3) of the CTMR which permits registration of a sign based on a secondary meaning does not render the same result in respect of signs excluded from registration under Article 7(1) (e) of the CTMR. This position is a partial deviation from the

382 Where combination of words are, for instance, descriptive in one of the EU’s languages used for trade in one of the Member States, such word combination are ineligible to be registered as a CTM (cf. Article 7(2) and Case C-1112/99, *Toshiba Europe GmbH v. Katun Germany GmbH* [2001] ECR I-7945).

383 CFI, Case T-91/99, *Ford Motor Company v. OHIM* [2000] E.C.R. 1925, paras. 24 and 25.

384 ECJ, 20 September 2007, Case C-371/06, *Benetton Group SpA v G-Star International BV* [2007] ECR I-07709, para. 28. The case concerns interpretation of Article 3(1) (e) of the TD, which is similar to Article 7(1) (e) of the CTMR. It was a reference made in the

course of the proceedings between the parties regarding the marketing by *Benetton* of an item of clothing which, by of its shape, infringes two shape marks registered by *G-Star* (cf. para. 2 of the judgment).

385 On the basis of acquired distinctiveness under Article 7(3) of the CTMR.

provisions of second sentence of Article 15(1) of TRIPs whose literal import necessitates a conclusion that the shapes described under Article 7(1) (e) of the CTMR may be registered just upon meeting the distinctiveness test. The problematic aspect of those exceptions is that registration is not warranted even where the shapes referred to in Article 7(1) (e) of the CTMR acquire a secondary meaning. However, “[according] to the position adopted by the European Union, there is no conflict between this regulation [the CTMR] and the obligations under TRIPs, because shapes falling under the reservation clause cannot be regarded as “signs” in the meaning of the definition laid down in the first sentence of Article 15(1)”.<sup>386</sup>

It follows that the above position as adopted by the EU can only be justified under the public interests rather than the basic function of trademark; for “consumers are capable of recognizing the distinctive character of a product’s shape”, to the extent that they may even be confused as to the origin of two identically shaped products which bear different word marks.<sup>387</sup>

## *II. Relative grounds for refusal*

Six types of relative grounds for refusal to register a CTM may be identified pursuant to Article 8(2) – (5) of the CTMR. These are: (1)earlier trademark registrations or applications, (2)earlier trademark registrations or applications with reputation, (3)earlier well-known marks, (4)agents’ mark, (5)earlier unregistered trademarks, and (6)earlier signs used in the course of trade, except for signs with only local significance.<sup>388</sup>

According to Article 8(1) of the CTMR, relative grounds for trade mark refusal may be invoked by third parties to oppose registration of a CTM registration.<sup>389</sup> Since the relative grounds for trademark refusal define the scope of a trademark monopoly, they are thus discussed in section E below in the context of CTM infringement.

386 KUR, A., “TRIPs and Trademark Law”, in: BEIER, F., & SCHRICKER, G. (eds.), “From GATT to TRIPs – The Agreement on Trade-Related Aspects of Intellectual Property Rights” 100 IIC Studies Vol. 18 (VCH, Weinheim 1996).

387 PHILIPS, J., “Trade Mark Law: a Practical Anatomy” 143 (Oxford University Press, Oxford 2003).

388 Cf. also Rule 15(2) (b) of the CTMIR.

389 For the extensive discussion on opposition procedure and grounds for opposition cf. PAGENBERG, J., “Das Widerspruchsverfahren der Gemeinschaftsmarke – Neue Strategien im Markenrecht”, 1998 GRUR 288.