In Good Shape?

A Comparative Evaluation of the Registration of 3D Product Forms as Trade Marks and Designs under EU Law

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Abstract

This thesis seeks to develop a normatively well-grounded and practically viable framework for the registration of product shapes under EU design and trade mark law, taking proper account of doctrinal overlaps. The institutional challenge is to develop a model which avoids unnecessary duplication of protection while permitting each regime to function in a principled and complementary manner.

The thesis adopts a multi-dimensional comparative approach focussing on four central criteria (subject matter, subject matter exclusions, protection thresholds and scope). Firstly, US Federal law is employed as a comparator for subsisting legal doctrine and theoretical rationales. Secondly, a comparative analysis is undertaken *between* the two regimes to pinpoint the aspects which distinguish between a 'design' and 'trade mark' right vesting in features of product shape.

The thesis develops a normative model of protection and advances interpretations which EU tribunals should adopt to give effect to the underlying rationales of both registration regimes, as applied to product shapes, while mitigating against over-protection and 'regime clash'.

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Introduction

1. Background

Appropriate supra-national regulation of intellectual property ('IP') rights is an on-going challenge for our knowledge-based economy, exemplified by the varying nature and extent of existing protection for 3D product shapes in different legal jurisdictions.[1] Although design-led industries contribute significantly to the economy,[2] many UK designers feel that current levels of legal protection for designs are too low, creating a 'safe harbour for copyists.'[3] Elsewhere in the competitive market of consumer goods, as brand owners invest in design to attract consumer interest and differentiate their products from others on the supermarket shelves,[4] trade mark law is seen as struggling to keep pace. Until relatively recently, non-conventional trade marks, such as 3D shapes, were not uniformly acknowledged across Europe as registrable trade marks. Even the readily recognisable *Coca-Cola* bottle was refused registration in the UK.[5]

The adoption of EU harmonising directives, accompanied by regulations establishing unitary EU-wide rights, marked a significant milestone. By the 1990s, the EU Trade Mark Directive ('TMD')[6] had removed the definitional barrier to registration of shape marks. Harmonisation of EU design law by the Design Directive,[7] following some ten years later, then extended the range of designs eligible

[1] This is illustrated aptly by the European dispute between Apple and Samsung. Stone 2016, pp.569-610 studies the varying treatment of the same RCD.
[2] Design Report 2012 identifies that design-based industries contributed £33.5bn to the UK economy in 2008.
[3] Sir James Dyson identified a 'stark contrast' between US and UK design protection regimes, describing the UK approach is 'bad for enterprise. ...People simply won't innovate if they think the system supports cheats… unlawfully profiting from the hard graft of another designer.' The Daily Telegraph 26/08/12: <www.telegraph.co.uk/finance/comment/9500480> accessed 01/10/2017.
[4] Bergquist and Curley 2008, p.17.
[5] *In re Coca-Cola Co.* [1986] 1 WLR 693.
[6] First Council Directive 89/104/EEC of 21/12/1988 OJ 1989 L 040, re-codified as Directive 2008/95/EC of the European Parliament and of the Council of 22/10/2008 to approximate the laws of the Member States relating to trade marks, and then Directive (EU) 2015/2436 to approximate the laws of the Members States relating to trade marks.
[7] Directive 98/71/EC of the European Parliament and of the Council of 13/10/1998 on the legal protection of designs [1998] OJ L289/28.

for registration. This blurred the traditional distinction between trade marks and designs. But despite initial promise, applicants soon discovered that shape mark applications struggled to meet the protection criteria which the new trade mark law imposed. Disillusioned brand owners were encouraged to secure registered design protection for their shape marks instead.[8] Conversely, product manufacturers, feeling short-changed by design law's perceived limitations, applied to register the shape of recognisable products as trade marks.[9] This filing cross-over might suggest that trade mark and design registrations relating to product shapes have become, or are perceived to be, largely interchangeable.

The creation of two new unitary rights, the EU Trade Mark ('EUTM') and the Registered Community Design ('RCD'),[10] serves to highlight the extent to which harmonisation efforts have been successful. Applications for these rights are processed centrally by the EU Intellectual Property Office ('EUIPO'),[11] but coexist with national registrations. While validity issues are handled by EUIPO, infringement actions are heard before national courts. This bifurcation of responsibility for EUTMs and RCDs and their equivalence to national rights makes consistent interpretation of legislation by all relevant tribunals imperative, if distortion of the EU single market is to be avoided. However, irreconcilable outcomes in high-profile pan-EU disputes[12] suggest that certain fundamental concepts at the heart of these protection regimes require further elucidation from the Court of Justice of the EU (CJEU), before we might confidently anticipate effective legal uniformity.

[8] Carboni 2006, p.258.
[9] Ibid, p.259.
[10] Implemented by the Council Regulation (EC) No 40/94 on the Community trade mark of 20/12/1993, replaced by Council Regulation (EC) No 422/2004 of 19 February 2004, and amended by Trade Mark Regulation (EU) No.2015/2424 of 23/05/2016, as consolidated in Regulation 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark ('the Trade Mark Regulation' or 'EUTMR') and Regulation 6/2002 of 12 December 2001 on Community Designs amended by Regulation 1891/2006 of 18/12/2006 ('CDR').
[11] Formerly OHIM, is an agency of the European Union.
[12] See Stone 2012, pp.383-396 summarising the *Proctor & Gamble v. Reckitt Benckiser* litigation; likewise, Stone 2016, pp.569-610 summarising *Apple v. Samsung* cases.

2. Research Objectives and Questions

This thesis evaluates the fitness for purpose of current EU law governing registration of 3D product forms[13] as designs and trade marks. A vital step in assessing effectiveness is to establish the intended legislative goal. Typically, legislation attempts to balance competing rights and interests or public policy concerns. In IP law, the balance sought is between fair and free competition.[14] Under-protection would leave trade mark owners and designers vulnerable to unfair competition from free-riders. This might lead to an insufficient supply of new product forms to meet society's needs and would create consumer confusion. Over-protection might concentrate inappropriate market power in the hands of right-holders. Legal regulation must establish the equilibrium.

While a protection regime may work well if the same aspect of a product shape qualifies for a *single* form of protection only, overlapping rights threaten to upset the balance. An assessment of registration regimes which fails to take account of the impact of overlaps is seriously incomplete. Under-protection may arise because of gaps left following legislatures' attempts to keep protection regimes distinct, whereas over-protection may result from the converse: cumulation of different forms of protection on the same subject matter. Where subject matter is eligible for multiple forms of protection, the challenge is to balance competing rights and interests consistently with underlying rationales for discrete IP rights.

This thesis evaluates how EU design and trade mark law balances the competing interests of free and fair competition in relation to registered protection of 3D product forms, taking account of developing jurisprudence, regulatory policy and commercial realities, and against a backdrop of theoretical rationales and general EU law principles. The following inter-related questions will be addressed:

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[13] Unless otherwise stated, the terms 'product shape' or 'product form' refer to protection sought for shape/configuration alone, rather than shape combined with other features, e.g. colour or a conventional trade mark.

[14] See, e.g., *Oakley Inc v. Animal Ltd* [2005] EWHC 210 (Ch),[24].

(i) Should design and trade mark law both protect 3D product forms; if so, what tensions might dual regimes of protection create?

(ii) Which product shapes are protected by the current EU design and trade mark registration regimes, and against which unauthorised variants?

(iii) Do the two registration regimes protect the same or different kinds of product shapes?

(iv) When and why is overlapping protection problematic?

(v) How might problematic overlaps between the two registration regimes under EU law be resolved?

(vi) What comparative lessons may be learnt from the equivalent US law?

The ultimate objective is to develop an intellectually coherent, normatively well-grounded and practically viable framework for protecting product shapes by design and trade mark law, taking proper account of doctrinal overlaps.

3. Methodology

The following discussion combines three overlapping methodological approaches:

(i) doctrinal analysis: concentrating upon EU secondary legislation, CJEU and General Court judgments, and application of these decisions by the UK courts.[15] Although the UK has been selected as the primary national jurisdiction, reference is made to decisions of the tribunals of other Member States and to EUIPO Appeal Board decisions, when illuminating.

(ii) theoretical analysis, comprising:

conceptual analysis, considering the nature of IP rights and the basic building blocks of trade mark and design law from a theoretical view-point; and

normative policy analysis, relating doctrinal law to its underlying justifications and rationales, including safeguarding free competition within the EU single market.

[15] Reference to the courts in the UK jurisdiction in this work specifically means the High Court and Court of Appeal of England and Wales or the UK Supreme Court/House of Lords.

iii) comparative analysis: US Federal law will be employed as a point of comparison for subsisting legal theory and doctrine, and as a source of possible alternatives and models for law reform.

This thesis seeks to determine whether EU-harmonised design and trade mark law, as applied to 3D product shapes, is currently satisfactory. The analysis is consequently primarily doctrinal. It is reasonable to assume that a coherent legal regime is more likely to be effective than an ambiguous or internally conflicted one. Only after completing doctrinal analysis is it possible to determine whether any perceived deficiency in law, or problematic overlap of rights, arises from the doctrine itself, or from practical failures in the application of sound doctrine.[16] EU harmonisation raises specific doctrinal issues,[17] particularly where prior national legislation shows little sign of achieving organic convergence.[18] The harmonising IP texts were born out of compromise.[19] Consequently, it is reasonable to question how effectively this mechanism results in coherent legislation which is capable of uniform application[20] across common law and civil law jurisdictions. Doctrinal analysis will flesh out the parameters of protectable subject matter and the resultant scope of rights, and identify any inconsistent national interpretations of provisions, which might tilt the intended level playing field within the EU. We shall see that stating the current EU law is not always straightforward or uncontroversial.

Questions about what the law *is* naturally lead into questions about what the law *ought* to be. It is instructive to probe the theoretical principles underpinning legal doctrine, and identify whether common principles exist which 'oblige unified perspectives' and consistency across IP doctrines.[21] Various normative justifications

[16] Hutchinson 2013, p.7.
[17] Hesselink 2008 suggests that a new 'European legal methodology' may be required.
[18] Schiek 2011, p.429.
[19] Van Gestel and Micklitz 2011, p.27 suggests the EU legislature 'deliberately uses ambiguous language to reach a compromise between conflicting Member States.'
[20] Uniform law does not arise automatically from a uniform text, but from the uniform application of the texts, Baasch Andersen 2011, p.32. Uniform application relies on cooperation between national tribunals, see Lohse 2011, p.299; van Gestel and Micklitz 2011, p.27.
[21] Dusollier 2012, p.24; but George likens the lack of a common conception of what 'intellectual property' *means* or what 'intellectual propertyness' *is* to the Emperor's non-existent new clothes, see George 2012, pp.1-24.

of IP have been proposed.[22] The theoretical part of the thesis evaluates whether these alternatives are compatible, and considers which rationales are most pertinent when considering legal protection for product shapes. The similarities and differences between the rationales for trade mark and design protection of product shapes are analysed. Since the same shape may combine aspects which are creative, functional or merely the result of financial investment,[23] protection of each may require justification on different bases. Areas of current doctrine which have no (or only weak) theoretical foundations may be a prime target for reform, particularly if these also give rise to doctrinal incoherence and/or generate problematic overlapping rights.

The thesis adopts a comparative methodology, in two important senses. Firstly, regarding EU law. Although most evident when drafting new harmonising legislation,[24] comparative methods are also employed by national courts to assist interpretation and to influence the CJEU.[25] Given that EU trade mark and design law derives from a patchwork which combined neologisms with provisions ostensibly imported from the national legislation of different Member States, comparative law methods will illuminate the extent to which harmonisation has been achieved.[26] Secondly, EU and US law are compared adopting Lemmens' 'modest' method: first, identifying the elements to be compared; second, describing the different legal orders; third, mapping the differences and similarities; and finally, explaining differences. This final stage is 'the one that counts.'[27]

Although arguably a limited 'Country and Western' approach,[28] this choice is justified given the task in hand. The global trend is towards further harmonisation of IP rights, and the EU and the US are both likely to exert significant influence on the

[22] See Chapter 1.
[23] Dusollier 2012, pp.37-41.
[24] Schiek 2011, p.429. Also van Gestel and Micklitz 2011, p.27.
[25] Schiek 2011, p.429.
[26] Legrand 1996 argues that harmonisation is impossible: Xanthaki 2011, p.543 argues harmonised law is not a true 'legal transplant' since it is the result of mutually agreed policies.
[27] Lemmens 2012, pp.321-322.
[28] 'Country and Western' was 'mischievously' coined by Twining for comparative research which focuses on Europe and USA only, see e.g. Twining 2007, p.78.

evolution of these international regimes.[29] Also, the US Supreme Court's role of interpreting statutory law in light of the US Constitution broadly parallels the CJEU's task of interpreting EU law in light of the EU Treaties.[30] These structural similarities invite comparison, particularly where EU and US courts have ruled on the same or related issues. Finally, US and English courts share a common law tradition which will inform the UK courts' interpretation of EU law. Although comparative studies typically compare different families of law, by 'holding constant much that common law jurisdictions naturally share … significant contrasts between them can be teased out and apprehended more vividly.'[31]

Appropriate choices of the level and basic units of comparison are vital in comparative analysis.[32] An approach which focuses upon the most basic building blocks of the relevant law will emphasize similarities and differences. However, 'diving in and out' of the US and EU systems too often might mask the 'internal coherence' of each separate system.[33] This thesis adopts a nuanced approach, to sustain the comparative quality of the account, while appropriately reflecting the internal coherence of the two systems.

To counter the traditional criticism that doctrinal and theoretical approaches fail to consider the impact of the law,[34] the practical implications of the subsisting IP regimes will be examined by reference to actual litigated disputes.[35] This permits theoretical supposition to be tested against real-world examples reflecting commercial realities. The research also draws upon existing empirical research[36] which has canvassed stake-holders' opinions.[37]

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[29] Gerber 2012, pp.128-129.
[30] See Komárek 2012, p.55 for similar reasoning.
[31] Roberts and Hunter 2012, pp.5-6.
[32] Reitz 1998, p.634 advocates, the topic should be broken down into the smallest units that warrant meaningful analysis, and then 'let the contrasts documented in each section build towards [an] overall conclusion.'
[33] Valcke 2012, p.44.
[34] Baldwin and Davis 2003, p.887 identifies that empirical research 'tends to give considerable prominence to the voice of the consumer of legal services.…[which] …is seen as having its own validity'.
[35] Van Gestel and Micklitz 2011, pp.24-25 suggests that case law analysis is a type of empirical research because it sheds light on certain real-world experiences of the law.
[36] Baldwin and Davis 2003, p.881 recommends 'legal scholars, whilst they may not conduct empirical research themselves, [should]… engage with the evidence contributed by empiricists as to how law works and how it affects people's lives.'
[37] E.g. MPI Report 2011; EC Report 2016.

Although some compromises in coverage result from combining multiple research methods, each contributes distinct perspectives on the research questions under review. By integrating doctrinal, theoretical and comparative methods, combined with a selection of case studies, this pluralistic approach will result in a well-rounded and multi-layered evaluation.

4. Structure

The thesis comprises three parts which are split into six chapters. Part I considers the philosophical foundations and theoretical rationales of design and trade mark law. This Part investigates whether product shapes ought to be protected by both IP regimes, and then considers the potential implications of dual protection regimes. Part II comprises analysis of current EU and US legal doctrine. Chapter 2 provides institutional context by outlining the main legal instruments and actors. Chapters 3 and 4 undertake the core of the doctrinal analysis. A template has been devised to facilitate multi-dimensional comparisons and present the results coherently, organised around four central jurisprudential criteria: subject matter definitions; subject matter exclusions, protection thresholds; and scope of protection. Both analytical chapters adopt this framework. Chapter 3 undertakes a comparative evaluation of EU and US design law, while Chapter 4 repeats the exercise for trade mark law.

In Part III of this thesis, Chapter 5 presents a comparative analysis of the two protection regimes. It examines which aspects of each regime serve to distinguish between a 'design' right and a 'trade mark' right vesting in features of product shapes. It identifies functional equivalences between the regimes and highlights areas susceptible to problematic clashes. Chapter 6 then reflects further upon the protection rationales, in light of the foregoing comparative analysis. It formulates principles and advances interpretations which EU tribunals should adopt to achieve a fair balance between the competing interests at stake, affording coherence to both design and trade mark registration regimes as they apply to product shapes.

5. Research Context, Scope and Contribution

The expansion of IP rights towards the end of the 20th century has fostered current interest in the impact of overlapping IP rights and regimes. Much of this scholarship focuses on different IP overlaps or provides a broad overview of multiple regime overlaps.[38] Design and trade mark law remain areas which are overshadowed by patents and copyright in terms of scholarly research. Previous analyses of protection of product shapes have compared either EU trade mark and designs regimes, or US trade mark and design regimes. Existing comparative legal research has compared either EU/US design law or EU/US trade mark law, often focussing upon selective aspects of the law. These works elect *either* a doctrinal/theoretical approach *or* provide a practitioner-oriented commentary.[39] By undertaking a comprehensive and systematic comparative review of protection of product shapes under these two separate regimes, as well as at their interface, utilizing a blend of research methods, this study aims to fill gaps in existing research and contribute new insights, not least by drawing all the individual elements together into a coherent synthesis.[40] Thus, Chapter 3 is the first systematic comparative account of design law which considers the US Federal Circuit case law, post-*Richardson*.[41] Chapter 4 provides the first systematic comparison of shape mark protection incorporating CJEU jurisprudence since *Hauck*.[42] Related rights, including protection of product shapes as unregistered designs and trade marks or via copyright law, raise their own distinctive issues, requiring in-depth analysis, but falling outside the scope of this thesis.

This project was originally conceived at a time when there was a dearth of activity in EU jurisprudence relating to shape marks. The CJEU has now interpreted key provisions determining which shape marks are eligible for protection, including: distinctiveness (*Nestlé*[43]) and the subject matter exclusions: (i) shapes which result

[38] Examples of the former include Moffat 2004, Ginsburg 2008 and Wilkof and Basheer 2013; examples of the latter include Derclaye and Leistner 2011; Tomkowicz 2011.
[39] Compare Wilkof and Basheer 2013 and Derclaye and Leistner 2011.
[40] Feldman 1989, p.506.
[41] *Richardson v. Stanley Works* 597 F.3d 1288 (Fed.Cir. 2010), see Chapter 3.
[42] C-205/13 *Hauck v. Stokke* ECLI:EU:C:2014:2233.
[43] C-215/14 *Nestlé SA v. Cadbury UK Ltd* ECLI:EU:C:2015:395.

from the nature of the goods (*Hauck*); (ii) shapes which are necessary to achieve a technical result (*Simba Toys*[44]*, Pi-Design*[45] and *Nestlé*); and (iii) shapes which add substantial value to the goods (*Hauck*). Having been the subject of divergent interpretations and rival justifications since the harmonising legislation was first introduced, many basic concepts seem open to new interpretations. It is difficult to predict what the combined effects will be, but it is already evident that existing precedents may need to be modified or abandoned.

The impact of Brexit in 2019 cannot be overlooked. The UK government's draft EU (Withdrawal) Bill[46] indicates that the EU legislative *acquis* at the date of exit will be incorporated into domestic law, and that all existing CJEU judgments will enjoy the same status as UK Supreme Court decisions. Thus, whatever final arrangement is negotiated, EU law will continue to be relevant in the UK for the foreseeable future, not least because disputes involving either designs or non-traditional trade marks are relatively infrequent, particularly between parties willing and able to appeal first instance tribunal decisions. By contrasting the approaches of courts in the UK and those in other Member States, this thesis identifies areas where UK and EU design and trade mark law might ultimately diverge.

The research is also timely because EU trade mark reform is underway. Revised EU trade mark legislation[47] expands the scope of the 'functionality' exclusions from 'shapes' alone to cover other characteristics of the goods. Understanding the exclusions' rationale and reach in relation to shapes will assist in their interpretation and application to non-shape marks. The Commission is currently considering proposals for reform of the EU design system.[48] The UKIPO is also taking stock, reviewing the IP landscape in the lead up to Brexit with the 'goal of ensuring an effective IP regime that supports UK innovation and creativity.'[49] This thesis

[44] C-30/15P *Simba v. EUIPO* ECLI:EU:C:2016:849.
[45] C-337/12P to C-340/12P *Pi-Design v Yoshida Metal Industry* ECLI:EU:C: 2014:129.
[46] European Union (Withdrawal) Bill 2017-19, available at <http://services.parliament.uk/bills/2017-19/europeanunionwithdrawal.html> accessed on 01/11/2017.
[47] This revision, arising from Trade Mark Regulation (EU) No.2015/2424, took effect on 1/10/2017.
[48] EC Report 2016.
[49] www.gov.uk/government/news/ip-and-brexit-the-facts.

contributes to on-going policy discussions surrounding this legislative reform, by identifying why the trade mark/design overlap is of practical, not merely theoretical, significance.

Addendum

Since the submission of this thesis in November 2017, the Court of Justice of the EU (CJEU) has issued the guidance sought by the Düsseldorf Higher Regional Court (Oberlandesgericht) in the design case, C-395/16 *DOCERAM*.[50] The (then) pending reference is discussed in Chapters 3,[51] 5[52] and 6[53] hereafter. These passages should now be read in light of the CJEU's decision.

In *DOCERAM*, the CJEU rejected the 'multiplicity-of-forms' approach to the interpretation of Article 8(1) CDR based upon the availability of alternative equivalent designs, in favour of the 'causative' or 'no aesthetic considerations' approach. When considering whether a feature of shape is 'solely dictated by function', the Court noted that design protection is concerned with a product's *appearance*.[54] This supports an interpretation of Article 8(1) CDR which considers whether:

> the need to fulfil a technical function of the product concerned is the only factor determining the choice by the designer of a feature of appearance of that product, while considerations of another nature, in particular those related to its visual aspect, have not played a role in the choice of that feature.[55]

The Court held that this interpretation furthers the objectives identified in Recital 10 CDR, i.e. that design protection should not hamper technical innovation. A multiplicity-of-forms approach would, potentially, permit:

> an operator to benefit… from exclusive protection which is, in practice, equivalent to that offered by a patent, but without being subject to the conditions applicable for obtaining the latter, which would prevent competitors offering a product incorporating certain functional features or limit the possible technical solutions, thereby depriving Article 8(1) of its full effectiveness.[56]

[50] C-395/16 *DOCERAM v. CeramTec* ECLI:EU:C:2018:172.
[51] Sections 3.1, 3.3 and 6 of Chapter 3.
[52] Sections 2 and 5 of Chapter 5.
[53] Section 2.1 of Chapter 6.
[54] C-395/16 *DOCERAM*, [24]-[25] (citing C-361/15P and C-405/15 P *ESS* EU:C:2017:720, [62]).
[55] Ibid, [26].
[56] Ibid, [30].

Thus, to determine whether a design feature is excluded from the scope of protection of an RCD, the Court counselled that tribunals must make an objective assessment of all the relevant circumstances of the individual case. While this might include a review of design alternatives, the mere existence of alternative designs should not be decisive.[57]

It will be obvious from the conclusions drawn in Chapter 6 that the outcome in this reference is welcome, since the CJEU has endorsed the approach advocated in this thesis. Design law's exclusion should be consistent with that developed in respect of the technical shape exclusion in EU trade mark law.[58] However, this ruling also indicates that excluded subject matter is an area where EU and US design law may ultimately diverge, despite cogent arguments in recent US scholarship that the protection screens in US design law should be interpreted more rigorously.[59]

[57] Ibid, [36]-[38].
[58] i.e. Art.7(1)(e)(ii) EUTMR, as interpreted in e.g. C-30/15P *Simba*. See also, the A-GO's discussion in C-361/15P*, [43]-[46] which identifies that the two regimes share the same rationale for excluding 'technical' subject matter.
[59] See, e.g. Fromer and McKenna 2018, Buccafusco et al 2017, Burstein 2016a.

PART I

Chapter 1: Conceptual & Theoretical Foundations

This thesis seeks to evaluate the legal protection afforded to 3D product forms by design and trade mark law, including the potential for, and treatment of, overlapping protection. An essential first step in this evaluation is to question whether IP law *should* protect product shapes, and if protection is justified, how is this best achieved? After all, we cannot determine whether current legislative provisions are appropriate or effective until we clarify the aim of legal protection and identify which interests it seeks to protect.

We also need to consider the significance of design and trade mark rights within the broader scheme of IP law. Mainstream scholarship proposes that there is, and ought to be, coherence between the legal schemes which regulate how intellectual products may be exploited.[1] Each scheme of protection is based upon a core of common principles, which obliges 'unified perspectives and consistency across IP doctrines.'[2] Only at the fringes is the notion that IP *is* a unitary concept viewed as 'a seductive mirage.'[3] Discrete protection schemes 'define and delineate' the different subject matter to which the different IP laws are applied.[4]

Viewed in this light, the task of evaluating whether product shapes should be protected as designs and/or trade marks must be preceded by identifying which underlying principles should underpin all IP rules. This evaluation is undertaken in Section 1. Sections 2 and 3 then investigate how the common principles identified in Section 1 justify more specific theories of design and trade mark law. The particularised aims of design and trade mark law must be established before attempting to determine whether a product shape is proper subject matter for protection under each regime, and if so, which specific product shapes merit

[1] E.g. Hughes 1988, p.294; Drahos 1996, p.6; Suthersanen 1998, p.293; Pires de Carvalho 2006, p.1.
[2] Dusollier, p.24; also Merges 2011.
[3] Stallman 2017.
[4] George 2012, p.144.

protection. Section 4 considers whether it is possible to rationalise the different justificatory models considered, while Section 5 concludes by drawing out the doctrinal implications for dual regimes of protection for product shapes, and explains the methodology to be adopted for the comparative doctrinal analysis undertaken in the following chapters.

1. Justifications of Intellectual Property

IP laws allocate entitlements to some individuals, while simultaneously imposing duties and liabilities upon others.[5] Since this area of law operates to control the exploitation of creation and innovation, we need to be satisfied that there is good reason to grant private rights over such valuable social resources.[6] Hence, to evaluate the respective merits of current EU and US protection regimes for product shapes, we need to have a clear sense of what each protection regime *ought* to be about.[7] This raises normative questions, which find answers by reference to theoretical justifications. Legal theory typically adopts philosophical reasoning to justify the normative basis of any right, e.g. whether it is purported to advance liberty, equality or welfare. There is no universally accepted rationale for granting IP protection. Instead, a wide range of possible normative justifications, arguing both for and against IP rights, have been proposed.[8]

The constraints of the current project mean that it is not possible to consider all of these justificatory arguments. As this thesis evaluates EU and US law, we shall anchor our discussion in a consideration of how legislatures in the EU and USA have sought to justify IP rights.

[5] Becker 1993, p.621.
[6] Waldron 1992, p.887; Becker 1993, pp.609-610.
[7] Hughes 1988, p.293.
[8] These include natural rights (e.g. Hettinger 1989), personality rights (e.g. Hughes 1988), and human rights (e.g. Torremans 2008); theories of redistributive justice (e.g. Merges 2011) and Buddhist perspectives (e.g. Hongladarom 2014). Fisher 2001 classifies theories into four main perspectives.

1.1 Legislative Justifications for Protection

The foundational treaties of the European Union[9] make scant mention of IP rights, and so these texts shed little light on why IP rights are recognised in EU law. The treaty provisions touch upon IP only insofar as is necessary to ensure proper functioning of the European single market.[10] However, the Treaty of Lisbon[11] establishes the Charter of Fundamental Rights of the European Union (the 'Charter') as primary EU law.[12] Article 17(2) of the Charter states: 'intellectual property shall be protected'. On the face of it, this clause presents a bold recognition of IP as a fundamental human right - an end in itself - requiring no further institutional justification.[13] However, upon closer contextual examination, the consensus interpretation is that this provision does not give 'free rein to IP protection.'[14] Instead, the Charter merely defines IP as falling within the generic category of 'property', and it is the latter which is recognised as a fundamental right.[15] This categorisation of rights in intellectual products as 'property' directs our enquiry towards philosophical justifications of private property rights.[16]

The Recitals in the EU secondary legislation seeking to harmonise IP rights shed further light upon the legislature's preferred rationales. The Enforcement Directive,[17] for example, identifies IP's role as 'promoting innovation and creativity' and 'improving competitiveness'.[18] IP rights purportedly further this goal by rewarding inventors and creators by permitting them to 'derive a legitimate profit' from their efforts, while at the same time allowing 'the widest possible dissemination of works, ideas and new know-how.'[19] This is presented as respecting IP rights in the

[9] Treaty on the European Union and the Treaty on the Functioning of the European Union.
[10] Art.118 TFEU. For background discussion, see Geiger 2013, pp.6-8.
[11] Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community [2007] OJ C306/01.
[12] Art.6(1) TEU. Until the Lisbon Treaty entered into force in 2009, the Charter had no binding force.
[13] Similarly, Dusollier 2013, p.30.
[14] Griffiths and McDonagh 2013, pp.75-93; Geiger 2009, p.115.
[15] As the Charter did not aim to 'establish' human rights, but to recognise those already existing within Member States, it is perhaps unsurprising that the Charter itself does not justify these rights.
[16] Hughes 1988, p.288.
[17] Directive 2004/48/EC of the European Parliament and of the Council of 29/04/2004 on the enforcement of intellectual property rights.
[18] Recital 1 of the Enforcement Directive.
[19] Recital 2 of the Enforcement Directive.

manner required by Article 17(2) of the Charter.[20] The Design Regulation[21] seeks to provide 'enhanced protection for industrial designs' in order to 'encourage innovation and development of new products and investment in their production.'[22] The rationale offered for EU trade mark legislation relates to ideas of fair competition. Trade mark protection is required to ensure that 'competition is not distorted'.[23]

In the USA, IP protection is rooted in the US Constitution. The constitutional rationale reflects a desire to stimulate new intellectual products because this is perceived as essential for society's advancement. Article 1, Section 8, Clause 8 of the US Constitution empowers the US Congress to 'promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries'. The stated function of the US Patent Act,[24] passed pursuant to the Constitution, is 'to foster and reward invention; …to stimulate further innovation …and …to assure that ideas in the public domain remain there for the free use of the public.'[25] As in Europe, the US Trademark Act[26] is also premised upon upholding fair business practices.

Primary sources suggest that the EU and US legislative justifications of IP are founded upon principles of 'fairness', 'reward' and 'incentive'. These ideals direct us to two particular branches of political philosophy. A property right in an intellectual product presented as a 'fundamental right' or a 'deserved reward' invoke deontological justifications, associated in legal theory with 'natural law'.[27] When property rights are presented as necessary to incentivise socially beneficial behaviour, this suggests consequentialist, or instrumental, models of justification.

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[20] Recital 32 of the Enforcement Directive.
[21] Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs ('the Design Regulation').
[22] Recital 7 of the Design Regulation.
[23] Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark ('the original Trade Mark Regulation'); Recitals 1-3 of First Council Directive 89/104/EEC of 21/12/1988 to approximate the laws of the Member States relating to trade marks ('Trade Mark Directive').
[24] 35 US Code §§1-376.
[25] *Aronson v. Quick Point Pencil Co.* 440 US 257, 201 (1979). The US Patent Act distinguishes between utility and design patents.
[26] The Lanham Act, 15 U.S.C. §1051-1141n (Chapter 22). The US Constitution only makes explicit provision for copyright and patent protection, see e.g. Bugbee 1967. The Commerce Clause (Article 1, Section 8, Clause 3) provided basis for trade mark protection, see *Trade-Mark Cases* 100 US 82 (1897).
[27] See Afori 2004.

Not only are these justifications more prominent in legislation, but they also provide the most intuitively plausible arguments in support of IP.[28] Interestingly, the two traditions justify IP rights from opposing viewpoints. Deontological justifications centre upon the rights of individuals and consider private property rights as extensions of moral rights requiring recognition in law. In contrast, consequentialists focus upon the collective interest of society, and perceive property rights as socially beneficial and so morally legitimate.[29]

We now consider how these theoretical traditions have been applied to justify IP protection, and evaluate them on their own terms, and in principle.

1.2 Deontological Justifications

Deontological justifications of legal institutions, such as those based upon natural rights, are normative theories concerned with matters of right and wrong. A deontological theory of IP would rely upon moral arguments to determine when and which IP rights *ought* to be granted.[30]

Natural rights are posited as inalienable rights which are the inevitable result of a 'just treatment' of others.[31] Advocates believe that states are duty-bound to recognise such rights by enactment of appropriate positive law. If property generally, or IP specifically, can be justified as a 'natural right', natural law permits property rights to be granted irrespective of whether a non-property status might serve society's interests better.[32] More recently, natural rights arguments have been framed in terms of 'human rights'.[33]

[28] Chandra 2010, pp.62-63.
[29] Chandra 2010, p.26.
[30] Dutfield and Suthersanen 2008, p.51.
[31] Harris 1996, p.182.
[32] Deontological rights are constraints on the general welfare, see e.g. Gordon 1993, p.1564.
[33] As reflected in the EU Charter. For discussion of IP within a human rights context, see e.g. Torremans 2008a. For discussion of the relationship between Lockean rights and human rights, see Freeman 2011, pp.9-36. For the purposes of this thesis, nothing significant seems to turn on any distinction between them.

1.2.1 Labour-based Justification

Appeals to labour is frequently relied upon to provide a deontological justification of IP rights. According to proponents,[34] Locke's natural law theory[35] provides a moral basis for private property ownership, premised upon the belief that an individual rightly owns any intellectual products which they create.[36] References in case law and scholarship to the 'fruits of labours' and unauthorised 'reaping without sowing' are implicitly drawing upon this theory.[37]

Lockean property rights arise by 'mixing labour'[38] with resources from the commons. Locke considered labour was special because the labourer has added something of themselves to the object.[39] Unauthorised use of the result of another's labour is tantamount to treating (in Kantian idiom) a person only as a means to an end. It is this failure to respect human dignity and personality which is considered morally wrong, and which property rights address.[40]

Locke's work provides little guidance as to the kind of labour which gives rise to a property claim or how far the labourer's rights should extend in the resulting fruits,[41] but plausible arguments have been advanced that property rights (qua 'trespassory rules'[42]) are only necessary if the labourer purposefully alters what is available in the commons to create an item of social wealth.[43] While Locke himself did not formally theorise about IP,[44] some perceive a symmetry between Locke's

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[34] Supporters consider the ethical structure of Locke's arguments remains persuasive, irrespective of its age and original theological premises, see e.g. Gordon 1993, p.1544.
[35] Locke 1689.
[36] Gervais quotes Le Chapelier: 'the most sacred, the most legitimate the most unassailable and …the most personal of all properties, is the work which is the fruit of a writer's thoughts.' Gervais 2008, p.4.
[37] Gordon 1993, p.1540.
[38] Merges 2011, pp.14-15 suggests that 'applying' labour is the appropriate contemporary term.
[39] Locke 1689, V, §27.
[40] Shiffrin 2001, p.148; Gordon 1993, p.1545.
[41] Harris 1996, p.191; Nozick 1974, pp.174-175.
[42] Harris 1996, p.198.
[43] E.g. Harris 1996, p.198; Gordon 1993, p.1547; Merges 2011, p.47; Shiffrin 2001, p.151.
[44] Locke did contribute to the debate regarding the monopoly over publishing rights granted to the Company of Stationers by the Licensing Act of 1662. In 1694, he wrote a memorandum opposing the Act's renewal. This is reproduced in Hughes 2010, which also canvasses the interpretations which IP scholars have placed on the piece, including in Shiffin 2001. While IP rights did not exist in the modern recognisable form at this time, Shiffin considers that his opposition to this monopoly fits uncomfortably with an interpretation of his theory which 'endorses strong natural rights' to IP. Hughes and Merges 2011, p.33, disagree. Hughes distinguishes between the granting of control to publishers and authorial rights, whereas Merges, noting that Locke described his own writing as 'labour' (being 'employed as Under-Labourer in clearing Ground a little, and removing some of the Rubbish, that lies in the way to Knowledge') argues that since Locke recognised the work involved in intellectual pursuits, this would legitimise a labour-based property claim in the end result of these efforts.

'commons' and the public domain.[45] Just as Locke recognised that physical products of nature had to be collected and organised to make them socially valuable, so in the creative world, it is argued, it takes creative labour 'to pick and choose, … rework and reshape …. public domain starting materials into a unique creative product.'[46]

Locke's theory simultaneously places limits upon legitimate appropriation. The 'sufficiency' proviso states that a natural right to property is only justified if there remains 'enough, and as good left in common for others.'[47] It is this proviso which provides labour theory with additional moral force.[48] If enough and as good *really does* remain, then it might seem that there are no legitimate grounds for complaint.[49] However, the sufficiency proviso might prove problematic when adjudicating between two independently originating, yet identical creations. If property rights are awarded to the first creator 'one party is made absolutely worse off while the other party is made absolutely better off.'[50] Similarly, intellectual products are more frequently built upon the efforts of others than being created '*ex nihilo*', yet it is not evident how the theory takes proper account of earlier contributions.[51]

All 'natural rights' theorists face criticism from those who believe that legitimate rights derive not from nature, but solely from positive law.[52] Despite such criticism, natural rights theories persist to the extent that universal human rights, arguably a secular and non-absolutist form of natural rights,[53] are now a well-established pillar of the Western legal tradition with global currency. Labour theory reflects a powerful intuition that a person should own what results from their own efforts: 'It's mine because I made it [and it] …wouldn't have existed but for me.'[54]

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[45] See e.g. Merges 2011, pp.32-38.
[46] Merges 2011, p.36.
[47] Locke 1689, V, §33.
[48] Gordon 1993, p.1565; Shiffrin 2001, p.147.
[49] Gordon 1993, pp.1561-1562.
[50] Chandra 2010, p.86; also Hettinger 1989, p.44; Nozick 1974, p.182. Gordon 1993, p.1546 concludes that a creator only has moral rights against a non-creative, commercially motivated copyist.
[51] Hettinger 1989, pp.38-39; Nozick 1974, pp.174-175.
[52] Bentham, founder of utilitarianism, famously described natural rights as 'simple nonsense', and inalienable and imprescriptible natural rights as 'nonsense upon stilts', see Bentham 1796.
[53] Freeman 2011, pp.9-36.
[54] Hettinger 1989, p.36.

Theorists generally agree that Locke's theory rests on the 'no harm' premise: someone who creates a new item of social wealth without harming anyone else has a moral claim to own that new item.[55] Nevertheless, any 'no harm' theory, including Lockean 'fruits of labour' arguments, is seen as providing, at best, only a partial justification of property rights.[56] Awarding ownership in a creation simultaneously imposes new obligations upon the rest of society, but labour-based theory fails to explain how this 'unilateral power' to create obligations on others flows directly 'from the mere non-wrongfulness' of the labourer's actions.[57] Even if it is conceded that the creator has a 'limited natural right' to personally use that intellectual product for their own benefit,[58] it is not self-evident that the justification extends to restrict how others may use *all* physical manifestations of that product, since this potentially interferes with *their* intellectual and tangible products.[59] Although Locke's theory is often characterised as curtailing any unauthorised 'reaping without sowing', closer examination reveals that the most compelling Lockean-based theories are far more nuanced.[60] Lockean-based justifications of IP rights require support from additional deontological considerations.[61]

1.2.2 Labour-Desert Justification

A variation of labour-based theory relies upon the notion of desert. Desert-based arguments reflect a moral imperative[62] which appeals intuitively to our sense of fairness. Simply stated, it is fair that society *should* reward certain kinds of labour with property rights.[63] Unlike labour-based theory, a labourer is not automatically entitled to property in all the fruits of their labours, but only those which are recognised as deserved.[64] For example, if society benefits from the results of an

[55] Harris 1996, pp.196-197; Nozick 1974, pp.150-152.
[56] Harris 1996, p.204/p.297.
[57] Ibid, pp.202-204.
[58] Hettinger 1989, p.39.
[59] Chandra 2010, p.334; Waldron 1992, p.846.
[60] Shiffrin 2001, pp.143-157; Dutfield and Suthersanen 2008, p.53.
[61] Hughes 1988, pp.329-330 considers that the Lockean theory needs the support of a personality-based justification, as proposed by Hegel. Merges 2011 combines theories of Locke with Kant, as well as Rawls.
[62] Hughes 1988, p.303.
[63] Harris 1996, p.206 records that numerous theories of justice accept desert as a proper moral basis for a special claim to social wealth. Becker 1993, p.611 labels 'the thought that people do *sometimes* deserve reward (or blame) for their achievements is unshakable.'
[64] Becker 1993, p.621; Hettinger 1989, pp.41-42; Harris 2006, pp.206-207.

individual's labour, the labourer arguably deserves a reward in return[65] which is 'fitting'[66] and proportional'.[67] Whenever property rights represent a fitting and proportionate reward for the right sort of labour, then labour-desert theory is considered to provide an unequivocal moral justification of property rights.[68]

The labour-desert rationale applies equally well to IP as to tangible property.[69] The main criticism of the approach is focused around whether and in which cases the intellectual effort expended deserves property rights in return. Alternatives such as 'fees, awards, acknowledgement, gratitude, praise, security, power, status and public financial support'[70] have been proposed as better-tailored rewards. Similarly, property rights might be appropriately awarded for some types of intellectual products, but not for others. Each category of intellectual products must be considered on its own merits based upon the nature and extent of the creative intellectual effort expended.[71]

If property rights are predicated upon desert, notions of fairness and proportionality should be relevant and potentially influential at every stage of legal analysis.[72] For example, one might expect a measure of the added-value to be apparent in the protection thresholds, differentiating those intellectual products which merit protection (reward) from those which do not.[73] Fairness dictates that equally deserving creators should receive the same reward, including the scenario where individuals have independently authored the same intellectual product.[74] Furthermore, the scope of the exclusive rights should be commensurate with the value of the creator's own contribution. This requires the value attributable to

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[65] Hughes 1988, p.305; Harris 1996, p.204.
[66] It is proposed that property rights are a fitting reward, when none of the possible alternatives afford labourers a genuine benefit, see: Becker 1993, p.625.
[67] It is proposed that proportionality is based upon an 'equal sacrifice' calculation, since society should not be obliged to reciprocate with a greater sacrifice than that made by the labourer; see: Becker 1993, p.625.
[68] Harris 1996, pp.207-208; also Becker 1993, p.628.
[69] Becker 1993, p.334.
[70] Hettinger 1989, p.41.
[71] Becker 1993, pp.612-614 proposes 'authorship' as the type of intellectual labour which gives rise to a legitimate desert-based property claim.
[72] Becker 1993, pp.617-618.
[73] At 'the operational level', the protection thresholds will be a proxy which will not always reflect 'true desert' in each individual case; see: Merges 2011, pp.114-115. Similarly, Hughes 1988, pp.306-310.
[74] Becker 1993, pp.615-623.

society's contribution to the product to be deducted, otherwise creators will reap socially-subsidised, undeserved rewards.[75]

1.3 Consequentialist Justifications

While deontological theories seek to justify IP rights based upon intrinsic values, consequentialist theories, such as utilitarianism, are outcome-based. A consequentialist justification of a legal institution, such as IP, considers whether any rights granted are the best 'means' to attain a socially desirable 'end'.[76]

1.3.1 Utilitarian and Economic Theories of IP

Utilitarian theories[77] identify the morally right policy as that which produces the maximum net social benefit, or 'utility'. Utilitarianism, denying 'natural law',[78] considers positive law is a tool which should be used impartially for the good of all society.[79] The role of the state, under a utilitarian regime, is to identify which outcomes are rationally likely to be most beneficial to society, and then to determine how these outcomes are most likely best achieved. When aggregating interests to work out what is 'best' overall, every individual's interests is given equal weight.[80]

Utilitarianism establishes a foundation for property rules to allocate scarce resources.[81] This approach establishes a 'simple bright-line policy': property rights should be allocated whenever doing so is beneficial to society. Thus, while deontological and utilitarian theories both allocate property rights to individuals, utilitarianism recognises private property rights only if these are instrumental in promoting the common good.[82]

Although utilitarianism became the dominant theory of Western political philosophy for much of the 19th and 20th centuries, it now struggles to retain its

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[75] Merges 2011, pp.107, 121-123.
[76] Kymlicka 2002, pp.10-11.
[77] For fuller discussion of utilitarian theories, see Chandra 2010.
[78] While acknowledging that society's founding norms 'have their roots in nature', utilitarianism considers these norms are 'nothing but artifice …that grow out of mutual advantage and acceptance'; see: Merges 2011, p.69.
[79] The traditional Benthamite formulation is 'the greatest good for the greatest number'; see: Kymlicka 2002, pp.10-11.
[80] Chandra 2010, pp.51-54.
[81] Ibid, p.54.
[82] Hettinger 2012, p.48; similarly, Chandra (2012), p.102.

original appeal.[83] The overarching reason why utilitarianism has widely been rejected is because it 'makes morality a contingent factor.'[84] In other words, even if utilitarianism 'does get to the right answer …it does so for the wrong reason' because it overlooks factors which take priority over utility maximisation.[85] For example, while utilitarianism appears egalitarian, it places a duty upon individuals to put the welfare of others ahead of their own.[86] In doing so, it gives priority to utility maximisation over all other values.[87] Practical issues also arise when attempting to apply utilitarian principles.[88] Utilitarians disagree on fundamental questions, such as how utility is defined or how it is maximised.[89] While modern utilitarianism tends to equate utility with informed preference satisfaction,[90] the vital step of maximising utility is criticised as being too complex an exercise to actually put into practice.

Utilitarianism's influence extends to IP law.[91] Under a utilitarian justification, producers have no inherent entitlement to rights in the intellectual products which they create. Here, property rights are provided as an incentive to ensure society has enough intellectual products to meet its needs. The purpose of granting exclusive rights over current intellectual products is to ensure that there will be new intellectual products in the future, or in Hettinger's words: 'slowing down the diffusion of technical progress … ensures that there will be more progress to diffuse.'[92] While progress may be impeded in particular cases, the net effect overall is presumed to be beneficial.[93] The theory supposes that, without any protection, few would be

[83] Kymlicka 2002, p.45 suggests that this is because at the time of its conception, utilitarians championed the rights of an oppressed majority against the elite minority, while contemporary legal philosophy is more concerned about upholding the rights of minorities.
[84] Chandra 2010, p.55; Wacks 2012, pp.215-216.
[85] Kymlicka 2002, pp.28-29.
[86] Nozick 1974, pp.28-29. While equality *is* reflected in utilitarianism, Kymlicka 2002, p.37, pp.43-44 considers the way this is achieved does not reflect what we now think it means to treat people as equals. He argues equality and consequences for others should be considered in the 'very formation of our preferences, not just in the aggregation of those preferences.'
[87] Kymlicka 2002, pp.28-29.
[88] Waldron 1992, p.863.
[89] Kymlicka 2002, p.48: the 'wind of utilitarian argumentation blows in too many directions. …Given these disagreements about how and when to measure utility, utilitarianism is bound to yield to fundamentally opposed judgements.'
[90] i.e. 'the extent to which people may achieve what they want': Wacks 2012, p.214. Informed preference satisfaction is concerned with preferences based upon full information and correct judgements, so discounting mistaken or irrational preferences; see: Kymlicka 2002, p.16.
[91] Hettinger 1989, p.47.
[92] Ibid, p.48.
[93] Ibid.

motivated to produce new, socially valuable intellectual products, since others would simply 'free-ride' on their efforts.[94] Rights are allocated only on the basis that the social costs in doing so (e.g. loss of benefits which would have accrued from providing society free access) are outweighed by the positive social gain (i.e. the benefit derived from those new intellectual products which would not have been created but for the incentive).

The utilitarian 'incentives' rationale is the predominant justification relied upon in IP legislation. The strengths and weaknesses of a utilitarian model of IP reflect the contours of the general theory. It is plausible that a system of IP rights creates a net positive impact upon aggregate utility. In addition, unlike natural rights-based theory, utilitarianism potentially identifies positive law rules 'all the way down' at every level of specificity.[95] For example, allocation of ownership in the case of multiple independent creators becomes straightforward, since any detriment to 'late comers' is most likely outweighed by the greater convenience afforded to everyone else by a first-to-file system of registration.[96] However, such specificity is also at the crux of why a utilitarian justification of IP has been described as 'lukewarm'[97] or merely aspirational, rather than achievable.[98] For example, it is questioned whether intellectual products need incentives for their production,[99] or whether property rights are optimally incentivising, relative to possible alternatives.[100] Even if property rights provide optimum incentives, then practical difficulties still remain in framing the appropriate scope of those rights.[101] IP is only morally defensible on a utilitarian basis if it actually maximizes utility, and this empirical conjecture has not been

[94] Ibid.
[95] Becker 1993, pp.620-21.
[96] Ibid, p.618.
[97] Chandra 2010, p.55.
[98] Hettinger 1989, p.51.
[99] Scholars point to the fact that increasingly, creative works are made available for free, and certain creative sectors, e.g. the US fashion industry, appear to thrive while reliant on 'first to market' advantage; see e.g. Hettinger 1989, p.50.
[100] E.g. remuneration rights or public ownership (Hettinger 1989, pp.48-51); or expressive incentives e.g. attribution rights (Fromer 2013).
[101] Waldron 1992, pp.862-863 accepts that conferring rights on creators for the greater public good 'sounds fine and socially respectable', but points out the impossibility of calculating the value which would have been obtained but for those rights.

demonstrated.[102] Lack of convincing evidence casts 'grave doubt', in the minds of some, on the viability of utilitarianism 'as a workable foundation' for IP.[103] This suggests that utilitarian justification of IP rights requires some additional support (or IP rights are not in fact justified). Here, economic theory may assist.

Economic theories and concepts were first used to analyse law and legal institutions in the 1960s, and there is now widespread acceptance, particularly amongst policy-makers, that law which regulates commercial relations, such as IP, is best constructed within an economic framework.[104] From an economic perspective, society is believed to be best served by a free market economy.[105] Legal rights are 'factors of production'[106] which are designed to resolve market failure, thereby preventing distortion of a competitive market.[107] Economics-based theories of law may be divided into two general schools.[108] The first school considers an economic analysis of law to be the 'modern form of utilitarianism'.[109] From this 'welfare economics' viewpoint, a free market economy is 'inherently just' because it promotes economic well-being, or 'welfare', as a proxy for utility, via allocative efficiency.[110] The second, Law-and-Economics approach, adopts wealth maximisation as its ultimate goal.[111] These schools subscribe to different definitions of 'efficiency.'[112]

As with utilitarian theories, economic theories of IP law assert or presuppose that society benefits from the development and dissemination of intellectual products. Like property rights in tangible goods, IP rights correlate owners to resources, and facilitate market transactions which ensure that resources are

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[102] Hettinger 1989, p.51.
[103] Merges 2011, p.3.
[104] See: Landes and Posner 2003, p.4.
[105] Posner 2005, p.177. This idea of the 'invisible hand' of the market was first articulated by Adam Smith in *The Wealth of Nations* of 1776. In a free market economy, with self-interested operators, the market will achieve the optimum balance between supply and demand.
[106] Rahmatian 2013, p.200.
[107] Coleman 1988a, p.28; Dreier 2013, p.134.
[108] Chandra 2010, p.131.
[109] Wacks 2012, p.217. Similarly, some economists equate utilitarianism to welfare economics, and 'regard their activity as applied utilitarianism.' Posner 1979, pp.104-105.
[110] Kymlicka 2002, p.102; Dutfield and Suthersanen 2008, p.49.
[111] Posner 1979.
[112] Welfare economists consider that a 'Pareto efficient' allocation of resources is achieved when any further transaction to improve one party's position will result in others being made worse off (winners, but no losers). Wealth maximisation criterion is based upon 'Kaldor-Hicks efficiency', in which the winners gain more than the losers lose. See, Coleman 1988b, p.95.

allocated efficiently.[113] Free market economies operate upon the principle that freedom to copy is the 'norm', characterising IP rights as an exception to such free competition.[114] Since intellectual products are 'non-excludable', economists categorise them as having 'public-good characteristics'.[115] When controlled only by market forces, free-riding results.[116] In the short-term, this might appear competitively advantageous, because free competition will drive prices down to the marginal cost.[117] However longer-term, if creators are unable to recoup their sunk costs, the supply of intellectual products may decrease below optimal levels, and market failure will result. IP rights *create* artificial scarcity to boost consumer welfare resulting from increased innovation.[118] The exclusive rights granted deter free-riding activity,[119] thereby providing innovators with a defined temporal period to exploit their intellectual product without direct competition. This period of exclusivity provides an opportunity to obtain a return above marginal cost.[120] IP rights can therefore be justified on economic grounds until their social costs[121] exceed their social benefits.[122] From this perspective, 'the proper goal' of IP law is to provide the lowest level of protection (i.e. the minimum incentive) necessary to sustain the required level of product development.[123]

Some legal scholars, perhaps wary of 'economic imperialism', treat any economics-based analysis of law with suspicion.[124] But beyond such 'territorial' concerns, an economic theory of law which relies upon utilitarianism to provide it

[113] Merges 2011, p.154.
[114] Landes and Posner 2003, p.23.
[115] Ibid, p.14; also Blair and Cotter 2005, p.15; Lemley 2005, pp.1050-1051.
[116] Blair and Cotter 2005, p.263); Lemley 2005, p.1053.
[117] Landes and Posner 2003, p.13.
[118] Lemley 2005, p.1055; Landes and Posner 2003, p.21.
[119] Free-riding is most prevalent when fixed costs are high and marginal costs are low, and is less likely when duplication costs are also high. (Landes and Posner 2003, p.24.) For intellectual products which require low up-front investment, or are difficult to reverse-engineer, first-mover advantage may provide enough time to recoup sunk costs. (Blair and Cotter 2005, p.15.)
[120] Dutfield and Suthersanen 2008, p.50.
[121] IP rights enable the right-holder to raise prices above marginal cost, creating social costs from static inefficiencies and deadweight losses. (Lemley 2005, p.1059; Blair and Cotter 2005, p.18.)
[122] Waldron 1992, p.854.
[123] Lemley 2005, p.1031; Blair and Cotter 2005, p.13.
[124] e.g. Rahmatian 2013, pp.192-193: 'There can be law without economics, but there cannot be economics without law.'. The author accepts that economic modelling may help explain the effect of legal intervention on markets, but denies that economics explains 'the nature and effects of legal rules themselves.'

with normative foundation faces the same fundamental criticisms as utilitarianism.[125] While champions of Law-and-Economics assert that wealth maximisation provides a normative principle with all the benefits of utilitarian theory, but none of its drawbacks, [126] this is fiercely contested.[127] Indeed, critics of utilitarianism are likely to consider Law-and-Economics even worse. Few theorists consider that wealth, once divorced from utility, has any intrinsic value, meaning that wealth maximisation lacks widespread acceptance as a normatively defensible principle.[128]

More comprehensively, economics-based property theory is challenged as merely reflecting and advancing a capitalist, free-market ideology, which pre-supposes a (potentially unjust) initial distribution of wealth, which cannot be justified on utilitarian or wealth-maximising grounds.[129] While difficulty deriving working principles from ethical premises is a generally recognised characteristic of any theoretical discussion,[130] such criticisms are particularly relevant to economics-based theory because, as with other consequentialist theories, it advertises and trades on its empirical credentials and scientific approach to bolster its methodological appeal.[131]

These general objections to economics-based legal theories are reflected in criticisms of economic theories of IP. For every scholar who considers that efficiency provides a 'perfectly sound and practical starting point for designing intellectual property rules',[132] another not only challenges the lack of evidence that 'the pie increases with intellectual property rights', but also the very premise that 'increasing the size of the pie' is a proper normative basis for the rights themselves.[133] Although

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[125] Posner, for example, concedes many of the criticisms made of utilitarianism, and accepts that a utility-based efficiency criterion suffers from the same shortcomings, see Coleman 1988b, p.96.
[126] Posner 1979, p.124 considers wealth maximisation a superior normative principle because it 'encourages and rewards traditional virtues and capacities associated with economic progress.'
[127] e.g. Coleman 1988b, p.96; Dworkin 1980a; Dworkin 1980b.
[128] Dworkin 1980a, pp.195-196. p.200; also 'The law-and-economics analysis seeks to replace justice with efficiency and in this way corrupts the law and the idea of justice': Rahmatian 2013, p.226. Coleman 1988b, pp.112-114 considers that as promoting wealth as a good, only makes sense if pursuing wealth promotes other things of value, it would seem more logical to pursue those 'other things' directly.
[129] 'Efficiency therefore becomes a means of rationalizing, and sustaining, existing inequalities' Wacks 2012, p.221; Coleman 1988b, p.109.
[130] Posner 1979, p.114.
[131] Rahmatian 2013, p.197.
[132] Dutfield and Suthersanen (2008), p.47.
[133] Chandra 2010, p.138; similarly: Waldron, 1992, p.856/p.882; Rahmatian 2013, p.225.

innovation is largely accepted as the main driver of growth in modern economies, it remains 'hotly contested' whether IP rights represent the best available mechanism to encourage the innovation which is required.[134] The very fact that a state grants certain rights over certain creations may simply encourage creators to lobby for more and wider rights,[135] distort economic equilibrium by diverting innovation towards those areas where returns are most lucrative,[136] or downplay the significance of other forms of production.[137]

Opponents argue that to be fully justified on economic grounds, not only must there be empirical evidence that IP rights enhance innovation, but such evidence must also demonstrate that better results cannot be obtained by alternative means. Neither has been demonstrated convincingly.[138] It is argued that the absence of empirical vindication constitutes a 'convincing case' *against* an economic theory of IP, precisely because this justification is founded upon the 'evidence *being* conclusive.'[139]

1.4 Two Plausible Generic Theoretical Models

In their more sophisticated variations, labour-desert and incentive-based arguments both provide defensible normative models to justify legal protection of IP, as recognised in legislative provisions,[140] even though neither model is universally accepted.

Desert-based principles can usefully be applied to augment deficiencies in rudimentary Lockean-labour theory and rein in many of the latter's perceived excesses. Arguably, only products which result from *creative* intellectual labour deserve property rights protection, since these are likely to yield the desired added-value. Considerations of fairness and proportionality then justify circumscribing

[134] Chandra 2010, p.112.
[135] Lemley 2005, p.1057-1063; Chandra 2010, p.113.
[136] Chandra 2010, p.116.
[137] Lemley 2005, p.1064.
[138] Merges 2011, p.5.
[139] Chandra 2010, p.109.
[140] See Section 1.1, above.

'some, or even much, of the fruit' of that creative labour, when it results from an undeserved initial advantage.[141] Labour-desert theory advocates that any reward is proportionate to the value of the effort, as well as mandating equal reward for equal effort. These principles should be reflected in the scope of any rights granted. While property law theorists have labelled desert-based property claims as incomplete 'shells' which must be filled by social convention,[142] IP has been recognised as the paradigm where just such a social convention exists. 'Once intellectual property has been in place long enough… desert-assumptions begin to crystallize around it': property *is* what is deserved.[143]

Utilitarian and economics-based theories propound the common proposition that IP rights are a necessary incentive to ensure that society has enough intellectual products to meet its needs.[144] George Priest famously commented that economists could teach IP lawyers 'virtually nothing' about the proper reach of IP law.[145] While this may now be an overstatement, many legal scholars, including IP specialists, are sceptical that the free market solves utilitarianism's problems of how to maximise utility, or that wealth maximisation provides a superior normative principle to utility maximisation.

We now consider how these justificatory models give rise to specific rationales for design and trade mark protection. It is at this level of specificity that general theories most usefully inform positive law.

2. Justifications for Design Protection

Modern product design has moved away from its original role of 'superficial styling'[146] expressed in terms of 'decoration' and 'ornamentation' applied to a product form.[147]

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[141] Merges 2011, p.107.
[142] Harris 2006, pp.207-208.
[143] Ibid, pp.298.
[144] Much IP scholarship discussing economic models makes little distinction between the welfare economics and the Law-and-Economics approaches, although where economic arguments are linked to utilitarianism, the former model may be assumed.
[145] Priest 1986, p.21.
[146] Suthersanen 2010, p.18.
[147] For comprehensive historical reviews, see Sherman and Bently 1999, pp.63-94; Du Mont and Janis 2013.

Design is now described as the 'new art of industrial and technological culture,'[148] a 'hybrid' which encompasses both 'icons of art' and 'practical everyday objects'[149] and combines 'utilitarian function and artistic expression.'[150]

Design's hybrid nature represents a challenge to IP's orthodox legal classifications.[151] Despite the widespread rhetoric espousing design's importance,[152] its apparent lack of an exclusive legal territory[153] may explain design law's 'rather ambivalent status'[154] within the traditional IP scheme. This in turn may explain why few scholars attempt to provide a legal theory of design law.[155] Accepting its label as a hybrid of copyright and patent law at face value, it is generally assumed that normative justifications used to support protection for inventions in patent law[156] and/or artistic works[157] in copyright law apply equally well to product designs which also incorporate creativity and/or innovation.[158] However, this theoretical assimilation may fail to recognise an independent role for design protection within an overall IP scheme.[159] As product 'look and feel' becomes increasingly recognised as 'a driver of market value',[160] designers provide a vital interface needed between inventor and consumer.[161] Product 'marketability' is explicitly recognised as a function of product design.[162] This unique role should also be taken into account in any comprehensive theoretical justification, which might result in refinement of or deviation from corresponding copyright- or patent-based rationales.

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[148] Afori 2008, pp.1106-1107.
[149] Suthersanen 2010, p.18.
[150] Setliff 2006, p.50.
[151] Suthersanen 1998, p.274; Kingsbury 2010, p.382.
[152] E.g. Green Paper 1991, p.57; Afori 2008, p.1110; Lee and Sunder, p.3.
[153] E.g. Afori 2008, pp.1107-1108: 'Industrial design is situated at the crossroads of art, technology, and …attracting the consumer's attention. …[I]t has much in common with the three major intellectual property paradigms …yet it does not exactly fit any one of them.
[154] Suthersanen 2010, p.1.
[155] To similar effect, see: e.g. Afori 2008 p.1110; Bently and Sherman 2009, p.608; Derclaye and Leistner 2011, p.300; Du Mont and Janis 2013, p.840. McKenna and Strandburg 2013, p.2 states 'no persuasive first-principles justification for design patents has been offered.' Lee and Sunder 2013, p.227 describes design law as a 'law without design' having 'little coherent theoretical underpinning.'.
[156] e.g. Landes and Posner 2003, p.332.
[157] Afori 2008, p.1115.
[158] Cf. Lee and Sunder 2016.
[159] Similarly: McKenna and Strandberg 2013, p.4.
[160] Lee and Sunder 2016, p.3.
[161] Suthersanen 2010, p.4.
[162] e.g. Green Paper 1991, p.57: 'Industrial design has developed into one of the most powerful instruments for the marketing of industrial products. …Competition between …some consumer products is based as much on the purity and elegance of the design just as much as on the technical performance.'

2.1 Labour-desert Rationale

Legislative protection of designs is rooted in notions of fairness. Design registration schemes were first implemented during the industrial revolution to protect new product design from being unfairly appropriated by imitators.[163] Fairness was also expressed in terms of equality of treatment:

> if authors can so readily find protection in their labors, and inventors of the mechanical arts so easily secure a patent to reward their efforts, why should not discoverers of designs, the labor and expenditure of which may be far greater, have equal privileges afforded them?[164]

A labour-desert model of design protection would propose that a just society should reward those who create socially useful designs with legal protection whenever property rights represent a fitting and proportionate reward. The social value of any new design is not necessarily limited to its inherent aesthetic quality,[165] but might relate to the market value which consumers attach to a new product's appearance.[166] Despite this apparent 'fit', design protection is rarely justified in terms of the natural rights of designers.[167] However, since product design and 3D artistic works are both concerned with shape, form and external appearance, it seems necessary to probe deeper to understand why natural rights arguments seemingly apply to artistic works, but not to product design.[168]

Some theorists do not consider 'art' and 'design' as equivalents[169] because, while a work of art embodies unconstrained creative effort, a designer's creativity is circumscribed by requirements of 'function, technology and fashion.'[170] The thought

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[163] Sherman and Bently 1999, pp.61-94; Du Mont and Janis 2013.
[164] Commissioner Ellsworth in H.R. Report No. 49-1966, p.2 (1886) cited, inter alia, in Lee and Sunder 2013 p.297.
[165] Arguably the role of copyright protection.
[166] Lee and Sunder 2013, p.302.
[167] Bently and Sherman 2009, pp.608-609. Lee and Sunder 2016, p.34 'consider notions of fairness …have some purchase.'
[168] Similarly, Afori 2008, p.1115.
[169] See e.g. Setliff 2006, p.60.
[170] Denicola 1983, p.740 describes the designer's task as 'quite unlike that confronting the painter or sculptor'; Per Birss J.: 'The difference between …art and …design is that design is concerned with both form and function. …Function imposes constraints on a designer's freedom which do not apply to an artist.' *Samsung v. Apple* [2013] *ECDR* 1, [57]. Dratler 1988, p.891 describes a product designer as 'part artist, part artisan, and more than a little engineer.'

that designs are simply 'less creative than artistic works',[171] suggests the conclusion that designs either deserve no protection, or deserve less than the copyright protection which is afforded to truly 'creative' artistic works. Other scholars find the merits less clear cut.[172] Indeed, bald assertions that whole genres of intellectual efforts simply *cannot* carry the stamp of their designer's personality appear too sweeping.[173] A more nuanced approach would recognise that practical considerations can mask the personal expression contained in a work. Hughes proposes an inverse relationship: 'The more a creative process is subject to external constraints, the less apparent personality is in the creation.'[174] Once design freedom becomes too constrained, a point is reached where it becomes impossible to discern the creator's personal stamp.

Making design protection (the 'reward') contingent upon satisfying a protection threshold, mandating a minimum quantum of creative effort, is wholly consistent with a labour-desert model. Having regard to the nature of product designs and their functional constraints, a fairness-based design protection scheme should also take design freedom into account. If an individual's personal contribution is not evident in a product's design, then any attempt to allocate property rights fairly amongst a pool of equally deserving creators may be unrealistic. While each product design may be original, in the sense that it originates from the designer, in cases where the end result is inevitable,[175] it would be reasonable to conclude that no single party deserves property ownership of that design. Fairness suggests it would be more equitable for the design to remain available for general use. Similarly, the more a product's design is directed at functional objectives, the more processes of 'design' and 'invention' merge, meaning the subject matter might be better assessed under different (patent) protection rules.

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[171] Bently and Sherman 2009, pp.608-609.
[172] Setliff 2006, p.51 notes a product's apparent functional appearance may comprise 'aesthetic expression to a much greater extent than function.'
[173] Hughes 1988, pp.340-341; Jehoram 1992, p.76 describes the design process as 'quintessentially' creative, describing it as an 'activity of human imagination' and 'a human expression and therefore personal and unique.'
[174] Hughes 1988, pp.342-3.
[175] Recognised by the 'merger theory' in US copyright law, also discussed in Lee and Sunder 2016, p.12.

Applying a labour-desert rationale, social convention determines whether the resulting product designs are deserving of design protection. The issue is not necessarily *whether* such designs merit protection, but rather *how* best to reward the designer given the product's value to society. Given the availability of patent protection, it is reasonable to conclude that wholly 'technical' designs (i.e. those which display no 'creativity' or which are better assessed according to patent standards) do not deserve design rights. Alternatively, a different type of IP rights, such as a utility model, or an *un*registered design right might provide a more fitting reward.

We may conclude, therefore, that with certain adaptations, it is possible to apply a similar labour-desert model to justify protection of product designs as has been applied to copyright protection for artistic works. Distinguishing between an artistic work and a product design may be difficult in certain cases. However, where there is little or no design freedom, it does appear legitimate to deny design protection to certain technical product designs in order to respect the Lockean proviso. Specifically, the essential building blocks of product design should not be subject to private ownership, as a commitment to interpersonal and intergenerational equality between designers.[176] Similarly, as reward is directed to past efforts, protection should be reserved to the particular product embodiments which have been expressed, rather than any more general, but unexecuted, product 'idea'.[177]

A fairness-based justification insists that a designers' 'reward' should be proportional to their own contribution. Society's contribution to a successful design should be subtracted.[178] Inevitably, a new product design will be influenced by earlier designs and will only have social value if it meets a need and is adopted by the public.[179] This might suggest that exclusive rights should be 'relaxed' if a particular design is so widely adopted that it becomes 'a socially-expected standard'.[180] Such a

[176] Cf. Shiffrin 2001, p.144.
[177] Cf. Hughes 1988, pp.312-314.
[178] Zemer 2007 argues all creative works are a joint enterprise between the creator and the public.
[179] Lee and Sunder 2016, p.35; Gordon 1993, p.1588.
[180] Lee and Sunder 2016, p.35; Merges 2011, pp.53-55.

restriction acknowledges the contribution of the consuming public to the product's commercial value. An original creation combines with its social milieu to 'shift the baseline'[181] of consumers' future expectations.

Under a labour-desert theory of design law, all these principles will impose limits upon the property rights awarded. They would be reflected in institutional standards and the doctrinal specifications of – in particular - eligible subject matter, the protection threshold and the scope of protection.

2.2 Economics-based Rationale

As previously noted, the dominant justification for IP protection invokes society's need to provide incentives to ensure a sufficient supply of new intellectual products. By extension, the economic rationale for design protection is that designers require the incentive of property rights to encourage them to create and disseminate enough new product designs to satisfy society's needs.[182] Optimal protection is achieved by offering the lowest level of incentive needed, to ensure that the cost of protection does not outweigh the social benefits obtained.[183]

Legal protection, including through design law, which promotes distinctions between technically equivalent goods creates sub-markets within established product markets.[184] While these sub-markets may be sub-optimal in terms of productive efficiency, differentiation can be beneficial to dynamic competition.[185] Product differentiation, according to this view, increases consumer welfare because it accommodates diverse consumer preferences and enables consumers to express themselves through the products they purchase.[186] Design, as Afori explains, 'asks first for whom the product is intended, then determines the appropriate features for…

[181] Gordon 1993, p.1567.
[182] Lee and Sunder 2016, p.31.
[183] Afori 2008, p.1153.
[184] Ibid, p.1113.
[185] Chronopoulos 2012, p.136.
[186] See e.g. Afori 2008, pp.1111-1112; Setliff 2006, p.63; Beebe 2010, pp.819-20.

[that] socio-economic cohort.'[187] The 'social optimum' is achieved when the right number of product varieties is produced in the correct quantities.[188]

The main weakness of this rationale is its lack of empirical support. Some argue that market incentives, such as first-mover advantage, are sufficient to ensure that new, improved products are developed.[189] From this perspective, it is competitive pressure, including the threat of being copied, which spurs innovation. Indeed, some go so far as to argue that the best environment for innovation is one with no design protection at all.[190] In response, it must be said that new product designs are particularly vulnerable to free-riders because they 'bear their know-how on their faces'.[191] Although it may once have taken time to reverse-engineer new products, technological advances have cut the innovator's lead time significantly.[192] Free-riders incur minimal design costs, and 'cherry pick' successful products to copy. This leaves the originator to bear all the commercial risk of innovation, while free-riders may sell their imitations at below marginal cost. With these factors in mind, design law's economic function is to provide designers with sufficient lead time to recoup sunk design costs, while still permitting 'fair followers' to enter the market.[193]

Any incentives-based justification of design protection must recognise that some 'routine' innovation will take place without any regulatory incentive,[194] and must concede that legal rights impose social costs. Therefore, while economic theory encourages some degree of product differentiation, it also suggests that legal protection of designs should be narrow in scope and of limited duration, to ensure that producers continue to strive to optimise the underlying product functionality to maintain their competitive edge.[195] Broader design protection encompassing

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[187] Afori 2008, p.1114.
[188] Chronopoulos 2012, p.130.
[189] Lee and Sunder 2013, p.291. They contrast the position taken in Reichman 1992, p.282-83 in support of design protection with that in Nimetz 1967, pp.128-129.
[190] Raustiala and Sprigman 2006 focuses on the US fashion sector. Beebe 2010, p.865 disputes that fashion *is* innovative, considering the lack of protection explains why fashion is 'notoriously cyclical and *renovative*.'
[191] Reichman 1992, p.283.
[192] Reichman 1994, p.2452; Reichman 1992; p.284.
[193] Reichman 1992, p.292.
[194] Lee and Sunder 2013, p.291.
[195] Beebe 2010, p.812-813; Afori 2008, p.1145-1146; Reichman 1994, p.2453.

technical function is likely to hinder sequential innovation and impede further technological developments,[196] imposing excessive social cost.[197]

There are also egalitarian interests at play. To secure social value, design protection should not mimic 'sumptuary laws' by reserving certain styles and fashions to a social elite.[198] Instead, a product differentiation rationale should promote 'democratic access' to current trends.[199] This requires design protection to accommodate consumer expectations and preclude monopolisation of a product 'zeitgeist' – an 'aesthetic or cultural standard that objectively expresses the spirit of an age.'[200]

2.3 Extrapolating General Rationales to Design Law

The preceding analysis has demonstrated that both the labour-desert (deontological) and economics-based (consequentialist) arguments which are conventionally deployed to justify IP in general can be extended to justify legal protection of designs, although the general limitations of those general theories remain evident.

While both theoretical models support a protection threshold based upon the class of designs which society values, neither prescribes the kind of product designs which should be incentivised, meaning that there is potential for different societies to place value upon different functions of design.[201] Thus, general theorising does not settle the issue whether design law best serves society by focussing (like copyright) upon quantitative concerns, ensuring there is a sufficient variety of designs to appeal broadly to differing 'aesthetic sensibilities',[202] or whether protection should promote quality (like patent law) by reserving protection for designs which 'discard the shackles of orthodoxy' and aim for high aesthetic value.[203] The distinction between

[196] Setliff 2006, p.60; Beebe 2010, p.844.
[197] Beebe 2010, p.837.
[198] Beebe 2010.
[199] As proposed by Lee and Sunder 2013, p.295.
[200] Lee and Sunder 2016, p.5.
[201] Kingsbury 2010.
[202] McKenna and Strandburg 2013, p.11.
[203] Dinwoodie suggests that without a qualitive filter, good design risks becoming lost in a sea of 'bland, ugly designs': Dinwoodie 1996, pp.630-631. Lee and Sunder 2013, p.297 argues that 'progress in the decorative arts' is undermined by pursuit of 'distinctions without a difference.'

'more' or 'more pleasing' designs becomes significant when framing the protection threshold in positive law. While, historically, significance was placed upon translating aesthetic works into usable products,[204] emphasis is shifting towards enhanced marketability, which might arise from, e.g., successfully integrating form and function.[205]

Both theoretical rationales support a distinction between creative designs and those which focus upon a product's technical function. Over-protection of product designs which leaves little scope for design freedom either represents an unfair reward, or an inefficient incentive likely to hinder future design and product innovation.[206] Finally, both theoretical models suggest that protected designs should receive a relatively narrow scope of protection, extending to the specific embodiment which the designer has expressed, rather than the broader design concept. This is a significant theoretical result, given that many theorists tend to advocate on justificatory model or the other and reject rival rationalisations. Despite starting from opposed foundational principles, when investigated more fully, the two most attractive general rationales converge on a general normative framework for design law.

3. Justifications for Trade Mark Protection

While patent, copyright and design laws all grant rights to creators of new intellectual products, trade mark law protects signs and symbols used to convey information to the market regarding the commercial origin of the products on offer. Trade marks enable consumers to differentiate between like products according to their source. In light of this specific function, this section evaluates whether the justificatory arguments and theoretical models previously considered are also applicable to trade marks.

[204] Afori 2008, p. 1111.
[205] McKenna and Strandburg 2013, p.4.
[206] Green Paper 1991, p.44.

3.1 Labour-desert Rationale

Modern trade mark law crystallised at the time when natural rights theory was predominant.[207] Trade mark law originally developed to regulate fair competition between traders, with any benefit to consumers providing, arguably, incidental rather than primary motivation for the right.[208] Protection focussed upon the goodwill which could be demonstrated to be encapsulated by a trade mark, rather than protecting the trade mark *per se*. Courts sought to protect 'the fruits of a producer's honest labour' without interfering with rights of others to compete fairly.[209]

In terms of contemporary labour-desert theory, the idea that a trade mark should be protected because it embodies 'the personality of its creator'[210] or that trade mark law seeks to 'reward originators of marks' has limited scholarly support.[211] Even those who advocate labour-based theories of IP generally view the intellectual labour expended in coining a mark as *de minimis*: trade marks, they assert, 'are examples of things that are made effortlessly'.[212] This might suggest that there is no deserving labour which would entitle a trader to 'natural' trade mark rights, yet trade mark owners might bristle at the suggestion that selecting a new mark is a trivial exercise.[213] An effective trade mark needs to be memorable, resonate positively with consumers and, ideally, encapsulate some aspect of the product or the ethos of the business.

Some theorists do identify an act of 'creation' in making a new 'link' between a particular mark and a product. They argue that protecting this link is justified because exclusive rights are required if a trade mark is to be exploited optimally.[214] Nevertheless, the wider academic consensus is that appropriate labour is expended

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[207] For comprehensive accounts, see Sherman and Bently 1999; McKenna 2007.
[208] McKenna 2007, p.1848; Chronopoulos 2012. Cf. Bone 2006.
[209] McKenna 2007, p.1876.
[210] Sherman and Bently 1999, p.169. In the *Trade-Mark Cases* 100 US 82 (1879), 94, the US Supreme Court held that trade marks are not 'fruits of intellectual labor', stating: 'Trademarks do not depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no genius, no laborious thought. Trademarks are simply founded on priority of appropriation.'
[211] But see Fromer 2011, pp.1894-1895.
[212] Naser 2007, p.13.
[213] Maniatis 2002, p.145; also *Exxon Corp. v. Exxon Insurance Consultants International Ltd* [1982] RPC 69, identifying the efforts undertaken in the 'mark-coining' process.
[214] e.g. Fromer 2011, p.1905; Shiffrin 2001, p.157; Maniatis 2002.

when a mark is used commercially, and investment is made in marketing and promotion to establish goodwill.[215] In other words, Lockean efforts convert a bare trade mark into a recognisable brand. According to this view, it is the 'labour' of use which generates social value and, as a result, merits legal protection.[216]

If the labour and desert conditions can be met, a natural rights theory of trade marks also requires satisfaction of the Lockean provisos. For some theorists, trade marks readily satisfy this requirement, since the supply of possible marks is sufficiently plentiful, at least for certain classes of signs.[217] Others object that not all marks are equally appropriate. They would argue that first-comers generally appropriate the most apt terms. Late-comers will inevitably be disadvantaged, because they will have to settle for second best.[218]

While all natural rights-based justifications face the criticism that general theorising under-determines detailed schemes of legal regulation,[219] proponents consider the theory *does* provide some clarity in the trade mark context.[220] For example, as a desert-based theory is only concerned with rewarding *past* labour, this suggests that trade mark protection should be limited to match the goodwill which has already been established.[221] This rationale, in keeping with the Lockean provisos, would also preclude protection of signs which offer greater social value when freely available, e.g. signs which competitors legitimately need to promote competing products fairly.[222]

Finally, a trade mark holder's 'reward' should be proportionate to the level of effort. The most creative marks have the greatest capacity to create strong links between the product and its producer. These marks afford the most social value and should, therefore, enjoy the broadest scope of protection.[223] Conversely, descriptive

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[215] Maniatis 2002, p.145.
[216] Ibid, p.148; Naser 2007, p.12.
[217] Maniatis 2002, p.149 listing colours as a mark type having a finite number available.
[218] Naser 2007, p.15.
[219] e.g. Derclaye 2008, p.12 in relation to copyright and database rights.
[220] McKenna 2007, p.1887.
[221] Ibid, p.1889; Maniatis 2002, p.150; Naser 2007, pp.15-16.
[222] Gordon also notes a role here for defences to infringement play; see: Gordon 1993, p.1533-1609.
[223] Fromer 2011, pp.1906-1907.

and generic terms should fall beyond protection because their 'meanings' have been created by the public, and not by the putative owner.[224] Similarly, if a producer adopts a weak sign, a trade mark is 'created' *only if* the public learns to associate the mark with the product's source.[225] Theorists conclude in these circumstances that the trade mark is jointly authored.[226] As such, it is fair to afford the mark weaker protection, discounting for the consumer's role in the mark's creation.[227]

In a seminal article,[228] Schechter advocated a different basis for protection which is seen, at least by some, as derived from labour-desert principles.[229] Rather than identifying goodwill as de-limiting the scope of protection, Schechter's proposal was that trade mark law should protect a trade mark's 'individuality'.[230] In his view, because a trade mark's value is dependent upon its uniqueness,[231] preventing any use which interferes with that uniqueness (dilution)[232] is the only 'rational basis for protection.'[233] While Schechter's article is somewhat ambiguous,[234] few scholars infer that he was advocating 'rights in gross'[235] in the mark, not least because so few marks would be unique enough to be eligible for protection on that basis.[236] Contemporary scholars have, however, considered whether a broader mantle of 'anti-dilution' protection can be justified by labour-desert theory. Here, the relevant labour arises from prolonged sale of products of a consistent quality under the mark, along with associated marketing and promotional efforts,[237] which culminate to create a commercial magnetism or selling power.[238] Preventing third parties from taking

[224] Sakulin 2010, p.77; Bone 2006, pp.561-67.
[225] Wilf 1999, p.33.
[226] Ibid.
[227] Ibid, p.36.
[228] Schechter 1927.
[229] See e.g. Sakulin 2010, pp.76-78; c.f. Bone 2008, noting that Schechter himself was silent as to the justificatory model.
[230] Schechter 1927, p.831.
[231] Ibid, p.819.
[232] i.e. uses which 'gradually whittle away or disperse' a mark's distinctiveness character; Schechter 1927, p.825.
[233] Schechter 1927, p.831.
[234] Beebe 2013 posits this was deliberate to disguise that his theory was one of misappropriation.
[235] E.g. Sakulin 2010, p.77 translates Schechter's theory as protecting the modern 'goodwill and advertising functions' of a mark.
[236] Dinwoodie 2013b, p.4 notes 'even some opponents of dilution have been willing to contemplate this form of protection if it were truly restricted (as Schechter's theory appeared to presuppose) to coined or fanciful marks.'
[237] Lunney 1999, p.459; Sakulin 2010, p.76.
[238] Scott 2008, p.298.

advantage of that magnetism i.e. reaping where they have not sown, might be justifiable according to Lockean principles.[239]

This view is contentious. It has been countered that protection which prevents harm to a mark's 'selling power' is, in effect, protecting future goodwill.[240] Protecting future efforts extends beyond labour-desert theory's reward for past efforts.[241] Furthermore, protection of repute against general free-riding may contravene the Lockean Provisos, since over-protection of strong marks may not leave 'enough or as good' for competitors. For example, some use of a protected mark may be necessary to enable competitors to communicate effectively with potential consumers regarding the nature of their product.[242] Finally, affording anti-dilution rights awards the full social value of the brand to the trader, without acknowledging the public's essential contribution to creating a strong brand. Again, this is contrary to labour-desert theory:[243] 'We have met the Author and He is Us.'[244]

From a different perspective, anti-dilution rights may be characterised as protecting the public's mental associations with a particular brand.[245] It is problematic to rationalise these mental associations as Lockean 'property'.[246] Labour-desert theory posits that "X owns Z, if X produces Z through labour". In the case of dilution, the argument would be that "X owns Z if X's labour produces something associated with Z". This de-coupling erodes the fundamental link between labour and property ownership. Again, a Lockean-based defence of dilution seemingly fails.[247]

3.2 Economics-based Rationale

Economics-based arguments, presupposing that law's role is to promote efficient markets (and thereby maximise consumer welfare),[248] are the most prevalent

[239] To similar effect, see Scott 2008, p.298.
[240] Schechter 1927, p.818 describes a mark as 'an agency for the actual creation and perpetuation of goodwill.'
[241] Similarly: Bone 2008, p.486.
[242] Sakulin 2010, p.78; Bone 2008, p.487.
[243] e.g. Hettinger, p.37
[244] Wilf 1999, p.40; also, Gangjee 2013; McDonagh 2015.
[245] Scott 2008, pp.300-305.
[246] Ibid and citations.
[247] Ibid, p.305.
[248] See e.g. Landes and Posner 2003, p.166; Chronopoulos 2012, p.127.

justifications of trade mark law.[249] Proponents[250] *and* those generally critical of economic analysis of law[251] agree that trade mark protection is the best-suited of all IP rights to economic rationalisations. While the traditional economic justification for trade mark protection remains static, the scope of trade mark rights has continued to expand.[252] This growing mismatch may signal either that the economic theory requires re-examination,[253] or suggests that trade mark doctrine is expanding in an unprincipled and possibly unjustifiable manner.

The incentive structure for trade marks is different from that presented for other IP rights.[254] Rather than suggesting that society benefits directly from the creation of new trade marks,[255] economic theorists propose that markets function more efficiently when consumers can differentiate between like products based upon the origin of the goods. As trade marks signal information about a product's source, property rights are granted in recognition of their instrumental value in sustaining efficient markets.[256]

The theory postulates that without protection against free-riding, a producer has little incentive to invest in establishing a reputation, or to maintain quality standards.[257] Trade mark protection ensures that the same mark is only used by a single producer in any particular product market.[258] This encourages firms to invest in 'gaining consumer confidence in their marks,'[259] and consumers are then able to rely upon a mark to assess the product's worth, based upon past experience.[260] Trade marked products may enjoy a price premium because consumers benefit from reduced 'search costs' and value consistent quality.[261] From an economic perspective,

[249] E.g., Beebe 2004, p.624: 'No alternative account of trademark doctrine currently exists.'
[250] Landes and Posner 2003, p.166.
[251] See e.g. Rahmatian 2013.
[252] For EU, see, e.g. Gangjee and Burrell 2010; for US, see, e.g. Lemley and McKenna 2010.
[253] Lemley 1999, p.1697.
[254] Ibid, p.1694.
[255] Ibid, pp.1694-1695.
[256] Lunney 1999, p.441; Carter 1990, p.759.
[257] Carter 1990, p.761. This is what Landes and Posner 2003, p.168 terms trade mark law's 'self-enforcing feature.'
[258] Landes and Posner 2003, p.167.
[259] Carter 1990, p.759.
[260] Fromer 2011, pp.1891-1892; Landes and Posner 2003, p.168.
[261] Landes and Posner 2003, p.168; Griffiths 2013.

the benefits which a trader receives from trade mark protection are instrumental to protecting consumer interests. Lack of consumer confusion signals that there is no unwarranted free-riding because competing trade marks are each conveying accurate information about product origin.[262]

Whilst it may be acknowledged that trade marks are valuable for consumers, it is debatable whether, or to what extent, trade mark protection is genuinely pro-competitive. For example, while trade marks have an informational value, the information provided may be biased and 'imperfect.'[263] Some commentators believe that the manner in which trade marks are used in advertising creates an unwarranted aura of quality.[264] Legal protection, according to this view, merely encourages wasteful spend on marketing and results in artificial, and therefore inefficient, product differentiation.[265] Consumers who become 'locked-in' to a particular brand are unwilling to seek out less expensive equivalents.[266] This generates product monopolies and consolidates market power, as new market entrants face ever-higher barriers to entry.[267] However, the emotional appeal of a brand is now becoming more widely recognised as a valid constituent of a product's value. Purchasing a particular branded product because of the way it makes the consumer feel is arguably as rational and welfare-enhancing as making a purchase based upon objective features e.g. quality and price.[268] Product differentiation via branding, according to this view, increases consumer welfare because it accommodates diverse consumer preferences[269] and enables the market to meet actual, empirically demonstrable demand more efficiently.[270] That said, there seems to be scant normative justification

[262] e.g. ibid, p.201.
[263] see Bradford 2014.
[264] Lunney 1999, p.420 f/n 212.
[265] Notably Brown 1948.
[266] Lunney 1999, p.421, pp.427-429; Chronopoulos 2012, p.131.
[267] Economists define a monopoly when there is only one producer in a distinct product market. Market power arises when no reasonable substitutes are available. It is argued that well-known branded goods engender such brand loyalty that they create a distinct product market, as consumers do not switch products when prices are raised; see Lunney 1999, pp.422-428; Chronopoulos 2012, pp.130-31.
[268] Bradford 2014, p.1256. Bradford also argues that as brands offer consistent quality, it is rational for consumer to put faith in a familiar brand. This represents an 'easy, safe choice without much effort'.
[269] Chronopoulos 2012, p.136.
[270] Lunney 1999, p.432.

for the proposition that trade mark law should award brand owners all the value associated with their investment in brand image.[271]

Trade mark rights are only efficient if the social value created outweighs the social cost incurred.[272] If it is assumed that there is a practically infinite set of marks available for use, and each mark is equally effective, then the informational benefits of protecting trade marks will be seen as outweighing the costs. [273] In practice, however, marks are not equal, and the social cost of protection depends upon the nature of the information which each conveys to consumers.[274] If a mark has no meaning in relation to the goods other than as a designation of origin, its appropriation as a trade mark incurs a lower social cost than one which relates to the nature, character or quality of the product.[275] Economic rationales would deny legal protection to particular certain marks when the costs associated with granting protection become inefficiently high.

Search costs may also justify protection against dilution, thereby precluding imitation of renowned marks, irrespective of any consumer confusion as to origin. Dilution in this model is presented as inefficient because it increases 'internal' search costs by forcing consumers to 'think harder' to recall the original mark and connect it to the originating trader.[276] Essentially, dilution is conceptualised as a 'pre-conscious and automatic' form of origin confusion which impinges upon a mark's ability to convey unequivocal information as to source.[277]

The further trade mark protection strays from protecting the origin function, the more implausible it becomes to appeal to economic rationales. Some level of dilutive appropriation is 'both desirable and necessary' for the market to operate efficiently.[278] For anti-dilution protection to be justified as efficient from this

[271] See e.g. McDonagh 2015; Gangjee and Burrell 2010.
[272] Landes and Posner 2003, p.173.
[273] Carter 1990, pp.760-763.
[274] Ibid, p.770.
[275] 'A trademark is not a public good; it has social value only when used to designate a single brand': Landes and Posner 2003, p.173.
[276] e.g. most prominently, Landes and Posner 2003, p.207.
[277] Lemley 1998/9, p.1705; Bradford 2014, p.1279.
[278] Lunney 1999, p.442.

perspective, it must be demonstrated that businesses require significant incentives to invest in building brands,[279] and/or that the increase in consumer welfare from protecting reputable marks which meet consumer expectations (in terms of both functional and aspirational qualities) is sufficient to off-set the costs of regulation.[280] Anti-dilution protection permits monopoly pricing in circumstances in which permitting others to exploit any surplus brand value under conditions of free competition may be more efficient. Additionally, since it is arguable that mark holders adopting current marketing practices are dependent, at least partially, upon the participatory efforts of consumers to create and maintain their brand image, attributing the full brand equity to the mark holder would seem to set the level of incentive too high.[281] In line with standard critiques of economic theory, practical attempts to balance costs and gains end in stalemate, with anti-dilution protection a hostage 'to empirical fortune';[282] the 'proverbial unicorn, … theoretically plausible, but… empirically unproven.'[283]

In summary, while trade mark law appears to fit broadly within an economic theoretical paradigm, the challenge is to 'protect consumer interests in the reliability of branding signals' without undermining competition by setting the level of incentive too high.[284]

3.3 Extrapolating General Rationales to Trade Mark Law

The theoretical results of this analysis parallel our conclusion in relation to design law protection. Despite their divergent philosophical starting points, labour-desert and economic theories converge to provide justification for protecting trade marks against origin confusion. Both generic rationales recognise the social value gained when consumers can distinguish between like goods from different sources. There is broad agreement concerning which types of marks ought to qualify for trade mark

[279] Scott 2008, pp.296-297.
[280] Tarawneh 2016, p.361.
[281] McDonagh 2015, pp.23-25, and cites therein.
[282] Scott 2008, p.297.
[283] Beebe 2017.
[284] Bradford 2014, p.1237 concludes that the balance of interests is 'quite nuanced.'

protection more readily than others, and receive a broader scope of protection to match. Both theories also direct that the level of legal protection, reflecting either the reward or the incentive, structure should take account of consumer efforts in co-creating the mark (in some cases) and its 'brand image.' Conversely, anti-dilution protection extending beyond that needed to prevent origin-based confusion is not readily accommodated by either rationale. If legal protection of the mark *per se* is warranted, this would seem to require another kind of justification, other than the conventional rationales considered here.

4. Whither Product Shapes?

If it is accepted that design protection is normatively justified, then it seems uncontroversial that product shapes are suitable subject matter for design protection. A product's appearance is most naturally protected, if at all, under design law, since this is the regime's central objective.

It is less clear whether product shapes are suitable subject matter for trade mark protection. Neither labour-desert theory or economic analysis suggests that product shapes should be treated, *prima facie*, as unsuitable for trade mark protection. Protection is allocated based upon a mark's ability to distinguish origin, irrespective of how this is achieved. Some 3D forms are evidently capable of denoting source. The brand mascots which feature on the bonnet of luxury cars - the Rolls-Royce 'Spirit of Ecstasy', Jaguar's leaping cat and the Mercedes-Benz three-pointed star - come to mind as ready examples.[285]

Advocates of natural rights theories of trade mark law have not singled out shape marks for specific attention. However, as Lockean labour is concerned with

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purposeful efforts, this might justify protection of shapes which have been created specifically to be trade marks; while excluding those created for other reasons, or which become 'de facto' distinctive owing to other subsisting IP protection.[286]

It might be more problematic for shape marks to satisfy the 'no harm' proviso than for some other types of marks, particularly when a shape mark is appropriated from the 'commons' of existing product shapes. More pragmatically, since labour-desert theory best justifies protection based upon goodwill attaching to a mark, few shape marks might satisfy protection requirements, since most product shapes are used along with other indicators of origin. Equally, a labour-desert theory might deem another form of protection more fitting for the creators of product shapes, irrespective of the motivation behind the shape's creation. At best, a labour-desert rationale would indicate that product shapes warrant only limited protection. Like other 'weak' marks, creating a shape mark from a product shape seems to rely upon the combined efforts of consumers and producers, suggesting that the public should be credited as 'co-author'.

Advocates of economic justifications for trade mark protection recognise similar issues. On one view, any product shape which is truly synonymous with origin is rightly eligible for protection as a trade mark. Any market power arising from trade mark protection represents the residual cost of promoting competition based upon consumer preferences, rather than on price alone.[287] However, some scholars challenge whether any net benefit is derived from protecting 'unconventional' marks, such as product shapes, given the greater abundance of conventional trade marks which are more apt to communicate source.[288] Others point to the risk that if protection of the origin information which a shape conveys transfers to the *product shape itself*, then protection is no longer justified by trade mark rationales.[289]

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[286] e.g. a mark comes to connote origin because other IP rights in place prevent imitation. The term derives from the US case *Kellogg Co. v. National Biscuit Co.,* 305 US 111 (1938), see Dinwoodie 2007, p.30.
[287] Chronopoulos 2012, p.176.
[288] Lunney 1999, p.436; Lee and Sunder 2016, p.36 and citations.
[289] Lemley 1999, p.1696/p.1705; Chronopoulos 2012, p.130; Landes and Posner 2003, pp.198-201 distinguishes between a 'strong' trade mark (consumers are willing to pay more for lower search costs) and 'attractive' marks (consumers pay more for the higher utility gained from the product).

Economic theory therefore implies that while a product shape may be capable of communicating source-related information, trade mark protection might afford a disproportionate competitive advantage. Where few perfect substitutes exist, trade mark protection of shapes may result in 'distinct markets that are de facto controlled by trademark holders'. [290] In this scenario, the social value gained from lower search costs could be outweighed by the increased cost arising from inefficient market operation.[291] From an economic perspective, it might be considered inefficient to incentivise investment in a type of mark which is just as likely to hinder competition as to promote it.[292]

On balance, one might cautiously conclude that a product shape *may* be suitable subject matter for both trade mark and design protection. While design law protects a shape from imitation to provide a reward or incentive for creation of new product shapes which benefit society, trade mark law protects the origin information which a product shape can convey to consumers to ensure fair, or efficient, market operation.[293] It is plausible that product shapes can fulfil both these functions.

5. From Theoretical Conclusions to Doctrinal Questions: Normative Foundations, Mid-Level Principles and Methodological Pluralism

IP rights require normative justification, because the best way to allocate any kind of property is not self-evident. Apportioning rights to some imposes duties on others. Distributive justice requires property ownership to be determined upon a reasoned and principled basis. This chapter has considered individual justificatory rationales as they apply to IP protection generally and to product shapes in particular. Theorists have traditionally assumed that it is not possible to develop a single integrated theory, since each model appeals to a different fundamental value.[294] Contemporary legal theorists now challenge the validity this assumption. Indeed, the range of

[290] Hughes 2015, p.1283. Lee and Sunder 2016, p.8.
[291] Lunney 1999, p.458; Chronopoulos 2012, p.176; Lee and Sunder 2016, p.9.
[292] McKenna 2007, p.1910; Lunney 1999, pp.370-371; Lemley 1998/9, p.1714 f/n 146.
[293] Suthersanen 2010, p.166.
[294] Kymlicka 2002, p.2.

possible and incommensurable values[295] begs the question how any adequate theory could be based in normative rationalisation upon only one. Intuitively, a pluralist approach accommodating any 'overlapping consensus'[296] is more likely to be fruitful than a reductionist, monist justification.[297]

Robert Merges' theoretical evaluation of IP law[298] proposes an approach which separates normative foundational-level principles (i.e. those used to determine *whether* any IP protection can be justified) from 'mid-level' principles regulating *how* that protection is best achieved in practice. This theoretical reconstruction recognises that one model may be preferred as to the ultimate justification of the right, but another may be more appropriate to put that aim into practical effect.[299] Recognition of foundational pluralism, of either multiple over-lapping or non-overlapping justifications, enables most scholarly discourse to take place at the mid-level, leaving resort to the foundational principles only in instances where the mid-level principles conflict. Detailed rules of positive law are built upon these mid-level principles, which in the context of this thesis relate primarily to issues of subject matter, thresholds and scope. These areas will form the core of the doctrinal analysis in the following chapters.

Appeals to pluralism do not automatically resolve how to adjudicate between competing values, or identify which should be emphasised in any particular case.[300] In Merges' pluralist model, all IP rights are justified based upon the same mid-level principles.[301] This heads off the potential criticism that pluralism is inconsistent, if different values are given different priorities in different circumstances.[302] However, other theorists criticise his 'one-size-fits-all' mid-level principles as inappropriate,

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[295] e.g. the impossibility of equating a gain in autonomy with a loss of utility, see Resnik 2003, p.331.
[296] Rawls 1987, also discussed in Afori 2004, p.553.
[297] Kymlicka 2002, p.3 suggests that all plausible political theories are premised upon equality, meaning the nub of the debate is what it means to treat people 'equally' having regard to e.g. wealth, opportunity, liberty and autonomy.
[298] Merges 2011 draws upon Rawls' and Coleman's work. Becker 1993, p.623 also suggests that it is legitimate to rely upon different models, where one theory provides only equivocal support for IP rights.
[299] Similarly, see: Afori 2004, p.550.
[300] Resnik 2003, p.331.
[301] Merges 2011 identifies dignity, efficiency, non-removal and proportionality.
[302] Resnik 2003, p.332.

given the diverse range of subject-matter covered by IP law.[303] Rather, they argue convincingly that pluralism identifies the relevant values which are in play,[304] and provides a principled way of determining which particular values should be prioritised, having regard to the different social functions which any particular right seeks to promote, without prejudicing detailed outcomes.[305]

The foregoing analysis has already indicated various similarities between the positive law of trade marks and designs which the two theoretical models under consideration would both seem to support.[306] However, although the terms 'incentive' and 'reward' are sometimes used interchangeably in theoretical analysis, they are not synonymous. As an incentive is intended to motivate, it must be compelling enough to be effective and achieve the desired outcome.[307] In contrast, desert is the ultimate criterion of reward. A labour-desert theory requires reward to be set at an appropriate (but not necessarily motivational) level. This difference in priorities might influence the levels of protection in an incentive-based theory compared to one premised upon fair reward.

In terms of reconciling general theoretical perspectives, labour-desert theory identifies general principles of 'fairness' and 'proportionality', but without specifying any particular implementation mechanisms.[308] But, taking account of the fact that trade marks and product designs both function as commercial tools, a market-based analysis might be regarded as an appropriate framework within which to construct a meaningful manifestation of fairness-based principles.[309] Put differently, it has been proposed that while questions of *whether* design and trade mark rights should be granted are best decided by applying deontological reasoning, efficiency-based

[303] Ibid, p.331; also Pila 2013b.
[304] Resnik proposes autonomy, privacy, utility and justice: Resnik 2003, p.331.
[305] Resnik 2003, p.331; also Pila 2013b, p.187.
[306] Sections 2.3 and 3.3.
[307] Becker 1993, p.611 notes that the issues about 'desert' which matter in a Law-and-Economics context are 'merely… ones related to incentives': if people *believe* they deserve IP rights in their creations, how is their motivation to produce them affected if they do not receive the level of reward they believe they deserve?
[308] Harris 2006, pp.207-208 describes the model as an incomplete 'shell' which must be filled by social convention.
[309] Thus, adopting the pluralist approach advocated by Resnik 2003.

calculus has a legitimate role in determining *how* those rights should then be implemented.[310]

This pluralist approach addresses the fundamental criticism of a purely instrumental model: that utility, welfare or wealth maximisation are inadequate normative principles standing alone.[311] While it seems reasonable to adopt efficiency as a mid-level principle, a deontological foundational theory, such as labour-desert, supplies secure normative anchorage for instrumental economic reasoning.[312] Efficiency is then best understood as 'a quality or feature of the way a certain end' is pursued, rather than providing 'the end itself.'[313]

As a general methodological precept, we will proceed on the basis that an economic rationale for designs and trade marks is best utilised to translate the foundational principles of fairness into workable legal doctrine. Principles of fairness and proportionality should then be directly applied if mid-level efficiency goals clash or are indeterminant.

5.1 Anti-dilution and the Problem of 'Overlaps'

Design law and trade mark law appear generally complementary in promoting product differentiation. Design protection enables competing products to be distinguished by their appearance, while trade mark protection enables competing products to be distinguished by their commercial source. The latter is achieved by linking a particular sign to a particular set of product characteristics, such as cost, quality and functionality.[314] The product differentiation rationale, which design and trade mark law share, can be distinguished from patent law's economic rationale which seeks to encourage technological innovation. Patent law protects new products

[310] e.g. Gordon 1993; Merges 2013.
[311] Section 2.3.1, above.
[312] This framework is evident in current EU IP law. Geiger 2013 identifies that originally, EU IP legislation was underpinned by the purely economic concerns of 'proper functioning of the internal market', but the Lisbon Treat now locates IP rights within a fundamental rights framework, meaning competition interests must be reconciled with other ethical and democratic considerations.
[313] Merges 2013, pp.964-965 argues persuasively that efficiency assessments, viewed in this light become more manageable, we 'do not need to decide if the ultimate end …is the best among all possible ends,' but only whether option A is likely to achieve the goal set more efficiently than option B.'
[314] Griffiths 2013. Different (and apparently competing) brands of the same product may share a common commercial source.

and features which are technically different (which might be termed 'absolute utility'), while legal protection which promotes product differentiation arguably creates a 'rarity' value by protecting differences between what are, otherwise, technically equivalent products ('relative utility').[315] Unauthorised imitation dilutes the rarity value of goods.[316]

It seems to follow that design and trade mark protection both confer anti-dilution rights to prevent imitation of the protected aspect. Although IP scholarship conventionally distinguishes between origin-based confusion and dilution, or conceptualises dilution as a peripheral form of origin confusion,[317] in terms of underlying justificatory rationales, origin confusion seems better conceptualised as a weak form of dilution. Trade mark rights prevent imitation only of particular signs (those capable of denoting the origin of goods) and only to a limited extent (when imitation interferes with that denoting of origin).[318] This low level of protection reflects the convergence of normative rationalisation previously noted:[319] trade mark protection is justified only to the extent that consumer and right-holder interests are aligned. Conventional theoretical models do not provide an unequivocal justification for any greater level of anti-dilution protection.[320] Affording too wide a scope of anti-dilution protection in either regime is likely to over-value 'distinction without difference'.[321] This is inefficient. Not only may product differentiation dip below optimal levels as a result, but overly-broad protection risks undermining the complementary role of patent law by impeding technological development.[322]

Indeed, it has been argued cogently that the proper role of trade mark and design law within a coherent IP regime is not to prevent dilution altogether, but to

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[315] Using the terminology proposed by Beebe: Beebe 2010, p.825. Legal protection of relative utility gives rise to a 'sumptuary function' of IP: the value 'one derives from how one's consumption compares to the consumption of others'.
[316] Beebe 2010, pp.825-826.
[317] E.g. Dogan and Lemley 2007, p.72.
[318] Recent CJEU jurisprudence identifies that trade marks have advertising, communication and investment functions, too, although their nature has yet to be fully elucidated, see Kur 2014b.
[319] Section 3.3, above.
[320] Wider dilution protection may be justifiable according to other models which are not considered within the scope of this thesis.
[321] Lee and Sunder 2013, p.297.
[322] Ibid, p.297.

'facilitate it in an orderly and profitable … manner.'[323] While granting exclusive rights allows a *certain* level of difference between products to be maintained, the availability of legal protection simultaneously encourages others to create alternative forms of product differentiation.[324] A ground-breaking product design, for example, may have an immediate cachet simply because it is so different to what has gone before. However, once the market notes that a design convention has been broken, the availability of design protection is an incentive for others to innovate too. Competitors may attempt to retain their market share by producing a derivative variant. In this way, the rarity value attributable to any one unique form is diminished over time. The point will be reached when producers who wish to differentiate their products further must seek out new functionality (or 'absolute' utility), because they can no longer rely upon appearance alone. It is this cycle which ensures that technological progress continues.[325]

If product differentiation supplies a mid-level efficiency-based rationale for both design and trade mark law, this naturally begs the question whether it can be efficient to operate two legal regimes which both recognise product shapes as eligible subject matter. When design and trade mark registration schemes were first introduced in the EU and USA, dedicated protection regimes for intellectual creations were clearly distinguished by the subject matter eligible for protection. Design registration was the only form of protection available for most product shapes, and trade mark protection was limited to certain words, logos and devices.[326] While permitting product shapes to fall within the ambit of multiple protection regimes may avoid undesirable (inefficient) gaps in protection,[327] twin tracks for protection might actually introduce more inefficiency than is saved.[328]

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[323] Beebe 2010, p.868.
[324] Beebe 2010, pp.881-882.
[325] Suthersanen 2010, pp.21-22 explains this in terms of the Howard-Guile three stage 'invention-product-consumer' model for market competitiveness.
[326] see, e.g. s.9(1)(a)-(e) UK Trade Marks Act 1938.
[327] Quaedvlieg 2009, p.490.
[328] The perceived similarity and between the doctrinal treatment of product shapes under design law and trade mark law have prompted some scholars to question whether a separate design protection regime is justified, see, e.g. Beebe 2010, p.863 (noting that both protect based upon different conceptions of 'distinctiveness'); Afori 2008, p.1117 (noting the overlapping subject matter and similarity in the US tests

IP law is generally envisaged as a coherent framework in which different types of intellectual creations are protected by their own legislative scheme, each calibrated to balance the competing interests of stakeholders to meet specified objectives. Each protection regime employs doctrinal definitions of eligible subject matter, protection thresholds and scope to achieve that balance. This may be effective when any particular aspect of a creation qualifies for only a single form of protection, but when subject matter falls to be protected by more than one regime, overlapping protection threatens to upset the balance. Cumulation of protection is not problematic *per se*, since the balance of rights under both forms of protection may remain unaffected. However, uncoordinated IP overlaps may produce undesirable consequences.

Over-protection is threatened if the distinction between the subject matter covered by the respective schemes of protection becomes blurred.[329] A subject matter overlap may enable an exclusion in one regime to be circumvented by securing broadly equivalent protection in another. The scope of doctrinal protection becomes detached from its normative rationale if subject matter protected by a particular regime fails to conform with the underlying protection rationale. This may arise if the legislative definition, or its interpretation, is faulty. 'Doctrinal boot-strapping' is also potentially problematic.[330] This occurs if obtaining protection under one regime advantages the right-holder when securing protection in another.

A comprehensive IP protection scheme should in principle permit product shapes to be eligible subject matter under both design and trade mark regimes. Dual track protection is only justified, however, by awarding protection based upon the *different*, multiple roles a product shape may play in creating social value. If over-protection is to be avoided, a coherent scheme of IP protection requires positive law's subject matter definitions and protection thresholds to track the distinct normative

for infringement); Suthersanen 2011 (also questioning an independent role for design law, since copyright law is apt to protect *creative* designs, patent law protects *technical* designs and trade mark law protects *origin-indicating* designs); Brean 2008 (concluding that trade mark protection of product shapes renders design protection redundant).

[329] Derclaye and Leistner 2011, pp.318-324; Lee and Sunder 2016, p.4.

[330] Discussed in Brean 2008 and Crouch 2010.

rationales for design and trade mark protection. Otherwise, overlapping protection might result in a mismatch between the incentive provided and the value afforded by protected product shapes. In particular, production might be skewed towards those product shapes which are most likely to secure dual protection. In these circumstances, enhanced legal protection is not necessarily matched by any increase in social value. At the mid-level, this is inefficient, while for the deontological foundations, over-protection represents an undeserved windfall because it does not result from deserving effort. 'Bootstrapping' similarly raises concerns at both levels. Foundationally, it represents an unearned advantage, whereas at the mid-level, the ability to leverage one form of protection to secure another should be accounted for when calibrating incentives.

Finally, there is also the prospect of regime clash. This occurs, for example, where one IP law regime permits free use of an intellectual product in circumstances where another regime forbids it.[331] If left unchecked, this might undermine the coherence of the IP system as a whole.[332] A coherent IP protection scheme would seek to avoid or mitigate against regime clash, to ensure that one scheme of protection for product shapes is not used to undermine the objectives of another.

Many scholars argue that a product shape satisfying the requirements of *both* forms of protection should enjoy cumulated trade mark and design rights. On this view, dual protection is unlikely to impact upon the effective operation of either regime.[333] This assumption hinges on the premise that a trade mark right in a product shape is not equivalent to a design right in that shape.[334] For this to be true, there must be a meaningful difference between protecting a product shape from imitation

[331] Quaedvlieg 2009, p.486. Derclaye and Leistner 2011, pp.318-324. Even after protection of a product shape under design law has expired, concurrent or subsequent trade mark protection can delay or prevent the shape from entering into the public domain.
[332] For example, stakeholder interests under patent law are balanced by excluding inventions which fail to meet stringent requirements including inventive step. Such efforts would be undermined if unpatentable inventions could secure equivalent, indefinite protection under trade mark law; see: Derclaye and Leistner 2011, p.297; also further examples in Ginsburg 2008 and Moffat 2004.
[333] See e.g. Chronopoulos 2012, p.176.
[334] e.g. Suthersanen 2010, p.166: 'the shape applied for as a… mark is not protected in itself, as… under design law, but it is protected as an indicator of origin as viewed by the market.'

and protecting the origin information which that shape conveys to consumers.[335] As the scope of trade mark protection strays beyond preventing origin confusion, however, it becomes increasingly difficult to distinguish between a trade mark right and a design right. Yet, as we have said, their shared product differentiation-based rationale requires anti-dilution protection to be curtailed to maintain the overall balance of IP rights.

Concerns regarding overlapping protection crystallise when product shapes are eligible for trade mark *and* design protection, because the regimes cease to be merely complementary, as would be the case for more 'typical' trade mark subject matter. In this scenario, both regimes protect the *same* subject matter for the *same* reason: both protect product appearance to optimise product differentiation by preventing imitation of appearance, albeit potentially to varying extents. It is for this reason that dual protection of product shapes by trade mark and design protection, and any resulting cumulation of protection, may prove especially problematic. It is evident that such overlaps may give rise to over-protection and regime clash, *unless* trade mark and design law are properly equipped to keep the regimes of rights in balance. From a theoretical perspective, protection is unjustified when this provides an undeserved windfall (labour-desert theory) or provides an over-incentive (economics-based theory). Therefore, there is convergence of normative rationalisations. Effective doctrinal regulation of overlaps, including cumulation of protection, is required by the normative foundations *and* mid-level principles of IP law in our explanatory model.

Theoretical considerations thus support the hypothesis that distinguishing between a trade mark right and a design right in a product shape may create doctrinal difficulties. We shall test this proposition empirically through comparative legal analysis in Part III of this thesis. If theoretical modelling is sound, we might anticipate tensions arising in the law of protectable subject matter and the scope of

[335] Chronopoulos 2012, p.176 considers that there is a distinction, but concedes that the difference may be difficult to discern.

protection. For example, if it transpires that there is no clear distinction between the kinds of product shape protected by the two regimes, then the risk is that product shapes are being over-protected. Also, we might expect regimes pursuing different objectives to have different scope, influencing the types and range of unauthorised uses which are precluded. Again, similarities between the tests used to determine infringement might indicate that there is no clear distinction between design and trade mark protection of product shapes, with the risk that regime clash will result. A comparison of these aspects in Part III of the thesis will identify whether overlapping protection of product shapes under the two regimes appears to be a real, or only theoretical, issue of concern.

PART II

Chapter 2: Institutional Context of the Protection Regimes

This Chapter summarises the institutional framework governing the registration of designs and trade marks in the EU and in the USA, to contextualise the comparative analysis in subsequent chapters. We will review the influence of international law in shaping relevant variables, and describe relevant EU and US legislation and identify key institutional actors.

Since the topic of this thesis is product forms enjoying (potentially overlapping) design and trade mark protection, our comparative analysis focuses on protection requirements and the resulting scope of rights, in two dimensions: comparing across legal systems (Chapters 3 and 4); and their respective protection regimes (Chapter 5). Other aspects, such as the practicalities of registration or enforcement, will be considered only to the extent that they impinge on these core issues.

1. International Law

International trade in the 19th century was influential in shaping modern intellectual property laws.[1] The emergent international treaty framework defined protectable subject matter, scope of protection, enforcement and mutual recognition. National and regional design and trade mark laws are required to comply with these international standards. The principal instruments are the Berne Convention,[2] the Paris Convention,[3] and the TRIPS Agreement.[4] Other international IP treaties, administered by WIPO,[5] relate more to procedural issues beyond this thesis's scope.

[1] Sherman and Bently 1999, pp.111-118.
[2] The Berne Convention for the Protection of Literary and Artistic Works 1886; amended 1979.
[3] The Paris Convention for the Protection of Industrial Property 1883; amended 1979.
[4] Agreement on Trade-related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, Annex 1C of the WTO Agreement, 15/04/1994 ('TRIPS').
[5] See full list: <www.wipo.int/treaties/en> accessed 01/10/2017; also, Stone 2016, pp.27-32; Kur and Senftleben 2017, pp.27-61.

1.1 Berne Convention

The Berne Convention 1886 sets minimum standards of copyright protection. Since 1948, it has required Member States to afford *some* protection for industrial designs. Signatories may optionally protect industrial designs with artistic copyright, and this becomes the default position absent alternative protection.[6] The Berne Convention is relevant to trade mark law only to the extent that certain 'signs' are also copyright works, which is beyond the scope of this thesis.[7]

1.2 Paris Convention

The Paris Convention 1883 was the first international IP treaty, but it did not extend to designs until 1958.[8] Designs and trade marks are classified as 'industrial property' with rights secured via registration.[9] The Convention also establishes the principle of national treatment[10] and the right of priority[11] for IP right-holders in all Paris Union countries.

The Convention places few constraints on how design protection must be implemented.[12] Trade mark protection is addressed in more detail. Members may deny or invalidate trade mark registrations on absolute grounds, based on intrinsic characteristics. More specifically, marks *may* be precluded which are:

> devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in the trade, to designate the kind, quality, intended purpose, value… of the goods, …or have become customary in the current language or in the bona fide and established practices of the trade.[13]

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[6] Art.2(7). Industrial design is then categorised as 'applied art': see further, Ricketson and Ginsburg 2008, Chapter 8.
[7] Cf. Derclaye and Leistner 2011; Dinwoodie 2002.
[8] Art.5*quinques* was adopted in 1958 to promote 'sui generis' design protection, after earlier unsuccessful attempts to promote copyright protection of designs: Kingsbury 2010, p.386.
[9] Historically, there was a greater distinction made between registered 'industrial property' and 'intellectual property' (copyright).
[10] Art.2 (prohibiting discrimination against non-nationals): Stoll et al 2009, p.15.
[11] Art.4A(2) and (C)(1)-(4) (establishing six-month priority period for designs and trade marks). According to Art.6, later filings are determined by national law, independently of the priority application.
[12] Failure to 'work' the design cannot trigger revocation (Art.5B), although compulsory licensing is permitted (Art.5A(4)).
[13] Art.6*quinquies* B(2).

Protection may also be denied on relative grounds,[14] arising from conflicts with earlier rights. Members must protect unregistered marks registered elsewhere within the Union, which have become 'well-known' to the 'relevant sector of the public' in that jurisdiction.[15] This is intended to prevent opportunism, though the term 'well-known' is undefined, and its relationship between other levels of renown (e.g. 'fame' and 'repute') remains uncertain.[16] The Convention does not guarantee trade mark owners any minimum scope of protection. However, Article 10*bis*(3) prohibits 'all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities of a competitor.'[17]

1.3 TRIPS

The TRIPS Agreement 1994 consolidates and supplements the Paris Convention, requiring compliance by WTO Members with key provisions.[18]

Regarding designs, TRIPS delegates the definition of 'industrial design'[19] to national law. Members *must*, nonetheless, protect any 'independently created' design which is 'new or original', whilst protection *may* be denied to a design which is 'dictated essentially by technical or functional considerations'.[20] This ostensibly simple definition masks ambiguity. 'Independent creation' could be construed simply to mean that the design has not been copied, or might contemplate individual creativity reflecting the designer's personality.[21] Requirements of 'novelty' and 'originality' appear disjunctive, but might be read cumulatively. Similarly, although 'novelty' suggests an objective threshold, and 'originality' appears subjective,[22] Article 25(1) specifies that the 'new or original' requirement may be used to exclude designs which 'do not significantly differ from known designs or combinations of

[14] Art.6*quinquies* B(1).
[15] Pursuant to Art.6*bis*, use and third-party registration of any 'reproduction, imitation or …translation' of that mark registered must be denied for identical or similar goods.
[16] Kur 1992 make some suggestions.
[17] Member states may specify that non-use of a registered mark for a 'reasonable period' provides basis for its cancellation, see Art.5C (1)-(4).
[18] Arts.1-12,19 Paris Convention (1967); Arts.1-21 Berne Convention. See TRIPS Arts.1, 2 and 9.
[19] Suthersanen 2010, p.42.
[20] Art.25(1) TRIPS.
[21] UNCTAD-ICTSD 2005, p.331.
[22] Pires de Carvalho 2006, p.42.

known design features.' This implies an optional objective 'originality' criterion,[23] requiring individuality[24] or distinguishability.[25] The net result is that Members still retain significant flexibility in complying with TRIPS protection thresholds.[26]

In terms of scope, Article 26(1) protects exclusive rights to commercially exploit[27] 'copies' or 'substantial copies' of the protected design.[28] 'Limited' exceptions are permitted which 'do not unreasonably conflict with the normal exploitation of the protected design.' Here, reasonableness should be assessed by balancing the 'legitimate interests' of the right holder and third parties.[29]

Turning to trade marks, TRIPS obliges Members to provide protection for trade marks via registration, while still permitting complementary protection regimes.[30] Article 15(1) defines a trade mark as any 'sign capable of distinguishing' between the goods of different parties, and includes a non-exhaustive list of examples of protectable signs. Product shapes are neither specifically listed, nor expressly excluded.[31] Article 15(1) further permits Members to distinguish between signs which are 'inherently capable of distinguishing' and those which may be registered based upon 'distinctiveness acquired through use.' Distinctiveness is a necessary, but not a sufficient, condition of registration.[32]

Right-holders enjoy exclusive rights to prevent unauthorised use of the same or a similar mark, made in the course of trade in relation to goods which are identical or similar to those registered, whenever there is likelihood of confusion.[33] In the case of identical mark and goods, 'likelihood of confusion shall be presumed.'[34] Although 'likelihood' is an imprecise term, it seems to convey probability rather than mere

[23] Suthersanen 2010, p.43; Kingsbury 2010, p.388.
[24] UNCTAD-ICTSD 2005, p.333.
[25] Pires de Carvalho 2006, pp.399-403.
[26] Ambiguity could be a deliberate ploy to secure consensus: Gervais 2012, pp.411-412; Pires de Carvalho, pp.397-399; UNCTAD-ICTSD 2005, pp.326-327.
[27] i.e. making, selling or importing articles bearing or embodying the protected design.
[28] Stoll et al 2009, p.24.
[29] Art.26(2) TRIPS.
[30] Art.15 TRIPS.
[31] See Zhan 2017, pp.113-19.
[32] Gervais 2012, p.324. Art.15(2) (clarifying that protection may be denied on other grounds).
[33] Art.16(1).
[34] Art.16(1). Cf. UNCTRAD-ICTSD 2005, p.237; Pires de Carvalho 2006, p.349.

possibility, albeit falling short of demonstrable actual confusion.[35] 'Limited exceptions' to exclusive rights are permitted, e.g. 'fair use of descriptive terms', which 'take account of the legitimate interests of the owner of the trademark and of third parties.'[36]

1.4 Extent of International Harmonisation

Against a general backdrop of ever-increasing harmonisation of IP laws, harmonisation of design and trade mark law has been uneven.

With regard to designs, international law affords significant freedom for regulation of substantive design law at national or regional level. While fragmentation may reflect pragmatic factors (disparate national laws and practices; lack of international consensus), it might also suggest that the 'optimal level or mode of design protection' is best determined by local 'social and economic conditions',[37] placing constraints on greater harmonisation.

There also remains reasonable latitude at the regional and national level to regulate substantive trade mark legislation. In particular, while it is unclear whether protection for any sign which is 'distinctive' in fact is mandatory,[38] national variation is permitted in relation to registering signs with acquired distinctiveness.

Overall, in terms of product forms, international law leaves open the possibility that product shapes may be protected as designs or as trade marks, including the potential for dual protection under both regimes. However, Article 7 of TRIPS, entitled 'Objectives' does state:

> The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

[35] Gervais 2012, p.330.
[36] Art.17; construed in WTO case-law as permitting only 'a small diminution of rights': Gervais 2012, p.337.
[37] Kingsbury 2012, p.385.
[38] Kur 2014a, p.27.

This provision is seen as consistent with the notion of non-absolute IP rights which are subject to appropriate balancing, such as within a human rights framework, for example.[39] Additionally, it seems to provide suitable legal basis in international law for the national and regional regulation of harmful overlaps e.g. those which undermine technological innovation.

2. EU Law

The historical evolution of EU legislation tasked with harmonising design[40] and trade mark[41] law is well-documented. Until the 1990s, IP rights were regulated predominantly by Member States' national legislation. Impetus to harmonise arose in the 1980s, when the CJEU was increasingly called upon to interpret the scope of primary EU law when national IP rights were invoked to hinder free movement of goods within the European Community.[42]

Trade mark law was the first of the two regimes to be addressed. The Trade Mark Directive was implemented to 'approximate' aspects of substantive national law impacting most directly on the functioning of the internal market.[43] This was followed by a Regulation ('CTMR' subsequently renamed 'EUTMR'[44]), which introduced Community-wide trade mark rights alongside national trade mark registrations. For many trade mark owners, one of the most promising features of the new EU trade mark legislation was its non-exhaustive list of protectable subject matter.[45] This paved the way for registration of less conventional 'signs' which businesses had adopted to distinguish their products. In particular, EU trade mark law extended protection to product shapes, signalling a departure from the domestic registration regimes of most member states, including the UK. How successfully this 'non-

[39] Derclaye and Leisner 2011, pp.25-28 and cites therein.
[40] Green Paper, pp.8-41; Musker 2001, pp.i-v; Dinwoodie 1996; EC Report 2016, pp.24-25.
[41] Kur and Senftleben 2017, pp.63-68; Pila 2013.
[42] Early decisions on registered designs include: Case C-144/81 *Keurkoop v. Nancy Kean Gifts* ECLI:EU:C:1982:289; Case C-53/87 *Maxicar v. Renault* ECLI:EU:C:1988:472; Case C-238/87 *Volvo v. Veng* ECLI:EU:C:1988:477. Also see Recital 3, Trade Mark Directive.
[43] Recital 7, Trade Mark Directive.
[44] Trade Mark Regulation (EU) No.2015/2424 amending the Community Trade Mark Regulation No.207/2009, as consolidated in Regulation 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark ('EUTMR').
[45] See White Paper 1990, [2.16]-[2.21].

conventional' subject matter has been assimilated within orthodox trade mark law will be considered in Chapter 4.

Harmonisation of design law was a lengthier process. An early feasibility study in the 1960s identified significant divergence in the national design registration regimes of the then six EEC Member States, and limited prospect of natural convergence.[46] Later, spurred on by progress in trade mark legislation and with the assistance of the Max Planck Institute's preparatory draft,[47] the European Commission issued its 1991 Green Paper.[48] These proposals, for a Directive to harmonise national design law and a Regulation introducing Community-wide design rights,[49] were finally adopted some 10 years later, largely intact.[50] Additional to the overarching 'single market' project,[51] a key driver for reform was the realisation that existing design protection, emphasising product ornamentation, had become misaligned with the role of 'enhanced functionality'[52] in contemporary industrial design. In response, the new EU design legislation adopted a distinctive 'design approach',[53] underscored by a conception of 'design', and with associated protection thresholds, divorced from either 'aesthetics' or 'functionality'.[54]

Despite – or perhaps because – its path to fruition was built on 'pragmatic consensus-building' rather than 'fidelity …to fundamental principles',[55] it was anticipated that this bespoke design regime might serve as an exportable generic model law. The deficiencies of the model, relative to any utopian ideal, may be 'real but at the same time unavoidable in a diverse economic and political community', as Dinwoodie suggests:

> It is therefore not simply …hubris that drives the EU to offer its solution as the international norm, but rather recognition of the fact that its

[46] Working Party on Industrial Design Report 2143/IV/62 of 17/12/1962, see Green Paper, [1.2].
[47] Beier et al 1991. The MPI draft was based upon the draft Community Trade Mark Regulation, and the EPC and CPC.
[48] Green Paper.
[49] Ibid [3.8]-[3.9].
[50] For contemporaneous commentary, see Horton 1994; Also, Suthersanen 2010, pp.53-69; Stone 2016a, pp.1-17, pp.611-624.
[51] Green Paper, [3.3].
[52] Ibid, p.2; also, Dinwoodie 1996, pp.647–648.
[53] Cf. previous 'patent' or 'copyright' approaches: Kur 1993; Dinwoodie 1996.
[54] Cornwell 2013, p.274.
[55] Dinwoodie 1996, p.720.

> solutions already accommodate the myriad of economic and cultural interests that are replicated at the international bargaining table.[56]

Chapter 3 will consider the extent to which these aims and aspirations have been achieved in practice.

2.1 Legislation

Design law has been harmonised in the EU by implementation of the Design Directive and reinforced by the subsequent adoption of the Community Design Regulation ('CDR'). The Directive harmonised substantive aspects of national design laws. The CDR created two new unitary[57] IP rights: registered Community designs ('RCDs')[58] and unregistered Community designs ('UCDs').[59] Although the two legislative bases are distinct, the provisions of the Directive and CDR are to be construed consistently.[60] It is consequently unnecessary for analytical purposes to distinguish between national registered designs and RCDs, which are de facto equivalents. For brevity, this thesis refers to the provisions of the CDR as its point of reference.

The overarching objective of EU design legislation is to enhance economic welfare within the EU.[61] The CDR reflects this rationale by aiming to provide uniform levels of design protection to facilitate competition within the EU single market.[62] The protection regime aims to protect design's 'marketing' role in enhancing products' consumer appeal.[63] But recognising that 'design' encompasses other aspects too, EU design law permits cumulation with other IP protection.[64] The legislation aims to provide 'enhanced' protection for designs[65] serving the needs of all sectors of industry 'as far as possible',[66] thereby encouraging 'innovation and the development of new

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[56] Ibid.
[57] Unitary rights confer protection throughout the EU. Geographical subdivision of the scope of protection, e.g. by partial assignment or findings of partial invalidity in some states but not others, is impermissible: art.1(3) CDR.
[58] Entered into force 06/03/2002 (establishing earliest date of protection for first UCDs).
[59] Earliest filing date 01/04/2003; earliest possible priority date claim 01/10/2002.
[60] Recital 9 CDR.
[61] see Explanatory Memorandum 1993, [3.1].
[62] Recitals 1-4 CDR.
[63] Green Paper, [5.5.8.2]; Suthersanen 2010; p.23; EC Report 2016; p.24.
[64] see Recitals 31 and 32 CDR, Green Paper [2.4]-[2.7].
[65] Recital 7 CDR. Design innovation should 'secure economic progress and improve the situation of consumers': ESC Opinion 1994, [2.11].
[66] Recital 15 CDR.

products and investment in their production.'[67] Chapter 3 examines how these objectives have influenced judicial interpretation of the legislation.

Trade mark law was harmonised across the EU by the Trade Mark Directive, and subsequent adoption of the EU Trade Mark Regulation ('EUTMR'). The Directive harmonised national substantive trade mark law and the EUTMR created new unitary rights (EUTMs), secured via registration. As with designs, EUTMs and national registrations are de facto equivalents.[68] This thesis will refer to the provisions of the EUTMR as its point of reference.

EU trade mark legislation is designed to provide uniform levels of trade mark protection throughout the EU, thereby facilitating EU-wide competition based upon free movement of goods.[69] While international harmonisation of trade mark law sought to establish a loosely articulated framework of 'minimum rights', harmonisation of national law resulting from the Trade Mark Directive has been described as 'tight', resulting in 'an extensive and deep Europeanization of trade mark law.'[70] EU law sets both floors and ceilings to IP rights, and circumscribes the interpretational latitude of national courts.

2.2 Key Actors

The European Union Intellectual Property Office ('EUIPO') bears exclusive responsibility for granting RCDs and EUTMs pursuant to the Regulations[71] as well as jurisdiction to determine the validity of these unitary rights. Appeals from EUIPO Boards of Appeal are to the General Court, with further appeal possible to the CJEU on points of law.[72] EUIPO has no jurisdiction regarding infringement of RCDs or EUTMs. Instead, each Member State designates a minimum number of specialist courts[73] to determine issues of infringement and any counterclaims of invalidity.

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[67] Recital 7 CDR.
[68] E.g. Art.14(1). Indeed, UK courts treat the Trade Mark Directive as a de facto Regulation: *Oracle America Inc. v. M-Tech Data* Ltd [2012] UKSC 27, [12] (Lord Sumption stating that the Directive should be applied uniformly across the EU).
[69] Recitals 2-4, 9 CTMR; see also Explanatory Memorandum 1980, pp.53-54.
[70] Dinwoodie 2013a, p.76.
[71] Art.2 CDR. EUIPO, formerly 'OHIM', was established by Art.2 EUTMR.
[72] Cf. Recital 28 CDR (appeals structure promotes 'uniform interpretation' of validity requirements).
[73] Art.80 CDR; Art.91 EUTMR.

National design and trade mark registries have no role in relation to RCDs or EUTMs, but apply the equivalent provisions of the Design and Trade Mark Directives in respect of grant and validity of national registrations. Similarly, national courts determine infringement and validity of national design registrations, and can apply to the CJEU for a preliminary ruling on interpretation of EU law.[74] CJEU and General Court decisions arising from EUIPO appeals are also highly influential.[75]

Thus, the CJEU[76] is the 'ultimate arbiter' of the authentic interpretation of EU design and trade mark legislation.[77] However, because the *same* substantive law governs EU and national registrations, all competent courts and registries (collectively, 'EU tribunals') exert de facto influence on the development of EU law.[78] Although this thesis focuses on interpretation and implementation of the CDR and EUTMR within the UK, reference will also be made to pertinent jurisprudence of national courts in other Member States.

3. US Law

Design protection was first introduced in the USA in 1842.[79] In *Gorham v. White*[80] ('*Gorham*'), the US Supreme Court expounded the intellectual property clause of the US Constitution:[81]

> The law manifestly contemplates that giving certain new and original appearances to a manufactured article may enhance its saleable value, may enlarge the demand for it, and may be a meritorious service to the public. It therefore proposes to secure for a limited time to the ingenious producer of those appearances the advantages flowing from them… The appearance may be the result of peculiarity of configuration, or of ornament alone, or of both conjointly.[82]

[74] Art.267 TFEU. See further, Broberg and Fenger 2014.
[75] EU Law has no strict doctrine of vertical precedent: Bradley 2014. On the variable quality of GC decisions, see Cornwell 2016.
[76] The CJEU is assisted by an Advocate-General, who considers the parties' submissions and prepares an independent, non-binding opinion on novel points of law; see Favale et al 2016.
[77] Stone 2016a, p.45. Cf. Cornwell 2016, pp.318-351.
[78] Kur and Senftleben 2017, p.641 (CJEU performs 'a bridging function' between 'genuine EU jurisprudence… and the national courts').
[79] The US Patents Act of 1790 was amended to cover ornamental designs in 1842. For comprehensive analysis, see Du Mont and Janis 2013.
[80] *Gorham Mfg. Co. v. White* 81 US 511 (1871).
[81] Art.I, §8, cl.8, see Section 1.1, Chapter 1.
[82] *Gorham*, 524-525.

This superannuated decision remains the touchstone of US design law, and serves as the starting point for most contemporary judicial analysis. While *Gorham* stressed 'promoting progress' in the 'decorative arts',[83] there is no doubt that protection now encompasses industrial product design.[84]

In contrast to recent innovation in European design legislation, the statutory basis for design protection in the United States has remained unchanged since the 1950s.[85] Although a registration regime modelled on the UK's was originally mooted,[86] the US legislature elected to protect designs within the existing framework of patent law,[87] with the result that 'design patents' are granted in place of the 'design registrations' favoured in most other jurisdictions. This early taxonomic decision has had a significant, and arguably detrimental, influence on US design law's development.[88] US courts are reproached for 'blindly forcing'[89] the 'square peg of design' into the 'round hole' of patent doctrines,[90] and there are frequent calls for legislative reform.[91] Adoption of patent-based protection thresholds has been held responsible for periodic oscillation between under- and over-protection of designs.[92] In terms of enforcement, design patents were widely perceived in previous decades as having little commercial value,[93] and were once infamously described as having 'almost no scope.'[94] The *Egyptian Goddess* decision[95] in 2008, adopting a revised approach to infringement, marked a renaissance.[96]

The US design patent regime is, thus, typically characterised as suffering from 'prolonged inattention, rather than any ongoing purposeful development.'[97] One

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[83] *Gorham*, 524.
[84] *In re Laverne* 356 F.2d 1003, 1006 (CCPA 1966); discussed by Burstein 2012, p.173.
[85] Suthersanen 2010, p.211.
[86] Du Mont and Janis 2013, pp.854-868.
[87] Possibly the result of circumstance and bureaucratic self-interest, rather than careful planning (Du Mont and Janis, pp.856-865; Mueller and Brean 2010, p.452).
[88] Du Mont and Janis 2013, p.841 attribute 'design patent's identity crisis' and lack of '*raison* d'être' to this fateful association.
[89] Ibid p.532.
[90] Mueller and Brean 2010, pp.451-452.
[91] On over a century of efforts to reform US design laws, see Mueller and Brean 2010, pp.461-462, pp.465-468; Dinwoodie and Janis 2010, pp.566-572.
[92] e.g. Reichman 1993; Du Mont 2009, p.532; Crouch 2010.
[93] Reichman 1983, p.298 (design patents mainly establish title or priority for foreign design applications).
[94] *In re Mann* 861 F.2d 1581, 1582 (Fed.Cir.1988) (Rich J).
[95] *Egyptian Goddess, Inc v. Swisa, Inc* 543 F.3d 665 (Fed.Cir.2008) en banc.
[96] see e.g. Du Mont 2009, p.532 and cited references.
[97] Mueller and Brean 2010, p.424.

might therefore anticipate that the new EU design regime would boast superior protection and infringement standards, which better reflect contemporary understandings of product design's role. We shall test this hypothesis in our comparative evaluation in Chapter 3.

While shape marks represent a recent addition to EU trade mark law, product shapes have been protected for longer in the USA, first under the common law governing unfair competition and then via federal trade mark law.[98] US trade mark law continues to combine statutory and common law concepts.[99] Product shapes, often termed 'product configuration' in US commentary, are protected within the category of 'trade dress'. This distinguishes any aspect of a product's 'overall appearance'[100] from 'technical' trade marks comprising word marks, stylised forms and device marks. In this thesis, 'trade mark' is used as an umbrella term.

3.1 Legislation

The US Patent Act ('USPA') establishes one regime covering both 'design' and 'utility' patents.[101] The statutory provisions relating to design patents are self-contained within Chapter 16 of USPA.[102] Section 171 further provides that, 'the provisions …relating to patents for inventions shall apply to patents for designs, except where otherwise provided.'[103] US design law is therefore a blend of design-specific concepts and those 'borrowed' from utility patent law.[104]

The Lanham Federal Trademarks Act[105] establishes federal trade mark protection, including via registration, which supplements rather than supersedes common law protection.[106] A trade mark enjoys protection once it has been 'used in

[98] State laws also regulate unfair competition and trade mark registration.
[99] Dinwoodie and Janis 2010, p.41.
[100] Trade dress originally included only the packaging ('dressing') of a product, but is now equated with a product's 'total image and overall appearance': see *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 US 763, 764 n.1 (1992).
[101] Plant patents are also available.
[102] Codified as 35 USC §§171-173.
[103] Du Mont and Janis 2013, p.874 (labelling §171 the 'incorporation' or 'catchall' clause).
[104] Dinwoodie and Janis 2010, p.299.
[105] 15 USC §§1051 ff., hereafter 'the Lanham Act'.
[106] Ginsburg 2008, p.92.

commerce',[107] irrespective of registration. The Lanham Act regulates enforcement of registered and unregistered marks under separate provisions.[108] However, the protection requirements and scope of rights are essentially the same;[109] albeit that registration enjoys a presumption of validity,[110] affording procedural advantages in any enforcement litigation.[111] Whilst this thesis concentrates on registered marks, unregistered marks feature in pertinent US case law because for the matters under consideration, US law makes little distinction between the two.[112]

3.2 Key Actors

The US Patent and Trademark Office ('USPTO') has exclusive responsibility for granting design patents and trade mark registrations. The USPTO also adjudicates disputes between conflicting claims to trade mark rights which arise within the context of opposition or cancellation proceedings. Appeals from USPTO decisions lie to the US Court of Appeals for the Federal Circuit.[113]

Federal district courts determine cases involving allegations of design patent infringement and invalidity, with the Federal Circuit having exclusive appellate jurisdiction. Federal district courts also determine cases involving allegations of (registered and unregistered) trade mark infringement. A district court may cancel a trade mark registration, but certain USPTO decisions concerning registrability are binding on courts during subsequent trade mark infringement proceedings.[114] The Federal Circuit does not have exclusive appellate jurisdiction over trade mark cases.[115] As a result, the Lanham Act is interpreted with less uniformity than the USPA.

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[107] Lanham Act §§ 1(a) and (d). Foreign applicants may secure registration based on prior foreign registration.
[108] §32 and §43(a) respectively; with §43(c) being a common provision.
[109] see, e.g. Dinwoodie 1997, p.476.
[110] §7(b) Lanham Act.
[111] e.g. §15 grants incontestability after 5-years' registration.
[112] Dinwoodie and Janis 2010, p.18.
[113] 'The Federal Circuit'. The Court of Customs and Patent Appeals ('CCPA') had jurisdiction for USPTO appeals 1929–1982, before being merged into the newly-created Court of Appeals for the Federal Circuit.
[114] *B&B Hardware v. Hargis Industries* 135 S.Ct. 1293 (2015).
[115] Discussed in McCarthy and Roumiantseva 2015.

The US Supreme Court has the ultimate role of ensuring uniformity in interpretation of federal law,[116] but in a typical year the Court hears only one or two trade mark cases. *Samsung v. Apple* was the first design case heard in over 100 years.[117] Thus, it is the Federal Circuit which is considered the 'principal expositor' of US design law.[118]

[116] By writ of certiorari, to quash errors of law.
[117] See Saidman 1989 (identifying *Dunlap v. Schofield* 152 US 244 (1894) as previous case).
[118] Dinwoodie and Janis, p.298.

Chapter 3: Protection of Product Shapes by Design Law

Having sketched outlines of the EU and US protection regimes in Chapter 2, this chapter constitutes the first plane in the multi-dimensional comparative analysis. Design protection regimes are examined in more detail to assess which product shapes are likely to qualify for design protection in each jurisdiction. Applying the methodology outlined,[1] we consider which aspects of 'product design' are eligible for protection, and how that subject matter is defined. We next consider designs ineligible for protection, either on grounds of excluded matter or failure to meet the required protection threshold. Finally, scope of design protection is examined. The Chapter also identifies areas where the law is unclear, and evaluates plausible interpretations informed by the protection and legislative rationales discussed in the preceding chapters.

1. Subject Matter of Protection

The subject matter definition determines which aspects of a product's shape[2] qualify for design protection. International design law leaves this to be determined by national and regional law.[3] This section critically considers the subject matter definitions in EU and US design law.

1.1 EU

Pursuant to CDR, 'design' is defined as:

> 'the **appearance** of the whole or **part** of a **product** resulting from the **features** of, *in particular*, the **lines**, **contours**, colours, **shape**, texture and/or materials **of the product itself** and/or its ornamentation' (*emphasis added*).[4]

[1] Section 3 of Introduction.
[2] Although 'design' is broad enough to cover 2D and 3D designs, this thesis considers 3D designs for product configurations only, thereby excluding detailed consideration of product packaging.
[3] Section 1.3, Chapter 2.
[4] Art.3(a)CDR. Pursuant to Art.25(1)(a) CDR, an RCD may be declared invalid and an application refused if it fails to comply with Art.3(a)CDR. This definition of 'design' also defines the 'prior art' because this comprises prior 'designs', see Section 4.1.1.

A 'product' is defined as 'any industrial or handicraft item', thus encompassing articles of applied art and industrial design (although the status of purely artistic works is less certain[5]). The EU legislature intended this definition to cover a (human) designer's effort,[6] which suggests that natural products are excluded.[7] In addition to protection for part of a product, stand-alone protection is available for component parts of a complex product, i.e. one consisting of multiple components which permit its disassembly and re-assembly.[8] While the CDR explicitly requires a qualifying component part to be visible in normal use,[9] the General Court considers this to reflect a general requirement of visibility for all designs.[10] Although this interpretation awaits CJEU endorsement, it seems reasonable based upon the rationale that protection is reserved for features of appearance which afford 'a specific visual value.'[11]

Although CDR defines 'design' by reference to a 'product', RCD protection is not limited to specific articles.[12] Protected subject matter is limited to *appearance*, based upon the *features* which are visible in the graphical representations submitted on filing.[13] This excludes protection of the underlying design or technical concepts which the product exemplifies,[14] as well as other facets of product design, such as

[5] Compare Howe 2010, pp.33-35 with Stone 2012, p.44. The EUIPO classification, EuroLocarno, includes 'works of art' (class 11.02) suggesting that RCD applications listing this subject matter will not be refused *ex ante*. However, Art.2(1) Locarno Agreement states that classification is merely administrative, and non-binding regarding the nature or scope of protection.
[6] Green Paper, [5.6.1].
[7] Ibid, [5.6.1.1]; R-595/2012-3 *Ammerlaan* (*Heart-shaped tomato*) of 18/02/2013, which suggests that other registrations for fruit, e.g. 000549951-0001 for 'melons' are invalid, despite the EuroLocarno classification 01.02 includes fruit and vegetables.



[8] Art.3(b) and (c)CDR.
[9] Art.3(4) CDR excludes maintenance/servicing/repair work from 'normal use'.
[10] See T-494/12 *Biscuits Poult SAS v. OHIM* ECLI:EU:T:2014:757 and T-22/13 and T-23/13 *Senz Technologies v. OHIM* ECLI:EU:T:2015:310. The GC construed the definition of 'design' in light of Recitals 7, 12 and 14 to conclude that non-visible, internal features are unprotected.
[11] Green Paper, [5.4.7.4]. The GC's interpretation is endorsed by EC Report 2016, p.77.
[12] Art.36(2)/Art.36(6) CDR. An RCD application is required to specify an 'indication' of a product which may incorporate the design.
[13] see Recitals 11 and 14 CDR.
[14] A deliberate decision to limit the overlap with patents, see Green Paper, [5.4.3.1]-[5.4.3.4]; T-337/12 *El Hogar Perfecto del Siglo XXI, SL v. OHIM* ECLI:EU:T:2013:601,[52].

choice of materials, weight and size.[15] While the definition of design refers to 'texture and materials', protection only extends to their impact upon *visual* appearance as depicted,[16] e.g. use of translucent, reflective and/or solid materials.[17]

In sum, beyond potentially excluding artistic works, natural products and internal features, as discussed, the subject matter definition does not further differentiate eligible from ineligible designs. Having regard to the broad, non-exhaustive definition of a 'design', a single product may be sub-divided into numerous protectable parts. 'Part' of a product might cover aspects of shape, colour, surface decoration or texture independently, or in any combination.[18] Multiple applications may cover different aspects of the same product, and/or the same aspect at different levels of generality.[19]

1.2 USA

In the USA, design protection is available for any original 'design' for an 'article of manufacture'.[20] The USPA does not define 'design', but its meaning has evolved through case law, as distilled in the USPTO Manual of Patent Examining Procedure ('MPEP'). Protectable aspects of design manifest in 'the visual characteristics embodied in or applied to an article'. This may vest in article's shape or configuration, surface ornamentation applied to the article, or both in combination.[21]

A protected 'design' is 'inseparable'[22] from the specified article of manufacture. An 'article' is broadly defined, comprising: 'anything made "by the hands of man" from raw materials, whether literally by hand or by machinery or by art.'[23] An 'article of manufacture' may be either an 'end product' (as sold to

[15] Suthersanen 2010, p.19.
[16] EC Report 2016, p.55.
[17] See e.g. *Kohler Mira Ltd v. Bristan Group Ltd* [2013] EWPCC 2.
[18] Stone 2016a, p.243.
[19] EUIPO permit a single RCD application to cover 'multiple' designs within the same classification, with lower fees than equivalent separate applications. Post-grant, each is treated as an independent registration.
[20] 35 USC §103 and §171.
[21] MPEP §1502.
[22] It must be a definite, preconceived 'thing', see *Blisscraft of Hollywood v. United Plastics Co.,* 294 F.2d 694 (2ndCir.1961); 37 CFR 1.153(a).
[23] *In re Hruby*, 373 F.2d 997, 1001 (CCPA 1967).

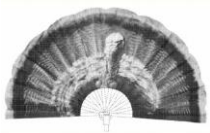
consumers) or a component part, irrespective of whether that component is 'sold separately, or not'.[24] Similarly, although, a design specification title must identify an article, protection may be sought for the appearance of only part of that article.[25]

Design patents protect 'original' product shapes only.[26] Although this requirement is long-standing, its role remains obscure.[27] According to MPEP, designs which 'simulate' either natural objects or existing articles are not original.[28] The reasoning is that a mere simulation does not 'originate' from the named inventor, meaning there is no 'invention' to protect.[29] For example, in *Hunter's Edge*,[30] a design patent for a 'Turkey Feather and Head Fan Decoy' was challenged as an invalid 'design of nature', since it depicted a photograph of a real turkey and the fan shape itself was disclaimed.

1.3 Jurisdictional Comparison

The two legal definitions of 'design', and comparative interpretations of 'product' (EU) and 'article' (USA) appear broadly synonymous. The subject matter of protection is focused upon the visual appearance of features forming the whole or part of man-made items, as depicted in the design representations. Whilst both protection regimes encompass closely similar subject matter, the key distinction is that EU protection attaches to the 'design' whereas US protection links the design to a specified article. Although EU design protection is more expansive in this regard, in

[24] *Samsung Electronics Co. v. Apple Inc.* 137 S.Ct. 429, 436 (2016). Burstein 2016b argues this is incorrect. Historically, 'article of manufacture' was a term of art in design law, meaning 'a tangible item … with unitary structure made by humans and complete in itself for use or for sale.'
[25] *In re Zahn* 617, F.2d 261 (CCPA 1980); MPEP 1503.1.
[26] 35 USC §171.
[27] Du Mont and Janis 2013, pp.854-868 concludes that the provision was transposed from the British design legislation which provided the template for the US legislation. In 19th century, British design and copyright law were closely related and 'new' and 'original' were largely synonymous (see Sherman and Bently 1999). Until its amendment in 2001, the UK Registered Design Act 1949 also required designs to be 'new and original' (Howe 2010, pp.146-153).
[28] MPEP 1504.01(d).
[29] Ibid, citing *In re Smith* 25 USPQ 360 (CCPA 1935) which held a natural-looking baby doll failed to constitute an 'invention'.
[30] *Hunter's Edge LLC v. Primos Inc.* Case No. 1:14-CV-00219-MHT-WC (M.D.Alabama S.D. 08/09/2015). The court did not rule on this, because summary judgment was dismissed based upon non-infringement.



practice many 3D product designs will be product-specific.

2. Representing and Interpreting the Design

We must now consider how the protectable aspects of a product's design are translated into representations which appear on a designs register. This requires examination of comparative principles of interpretation. Interpretation is needed whenever the subject design is compared with earlier designs (to assess validity) or later designs (to assess infringement and/or eligibility of those designs for protection).

2.1 EU

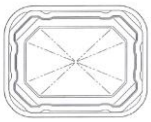
The scope of RCD protection is determined entirely by the images which make up the design representations.[31] CDR rules state simply that the representations must 'consist in a graphic or photographic reproduction of the design, either in black and white or in colour' and be 'of a quality permitting all the details of the matter for which protection is sought to be clearly distinguished.'[32] An applicant is free to select whichever form of representation they deem most suitable, in furtherance of the policy that the EU design registration scheme should be accessible to all classes of applicants.[33] An RCD application must include an indication of the product depicted and its Locarno Classification, and may include further written explanation, none of these effects the scope of the rights.[34] The CJEU has held that 'the scope of the rights conferred …must be determined objectively',[35] but this can prove problematic in practice.

For example, *Sealed Air v. Sharp*, concerned an RCD for fruit punnets featuring a drawing including an array of radiating lines. The UK court was required to consider whose interpretation of the representations was definitive.[36] The right-

[31] Art.36 CDR.
[32] Art.4(1) Commission Regulation (EC) No.2245/2002 as amended by Commission Regulation (EC) No.876/2002.
[33] C-345/13 *Karen Millen Fashions Limited v. Dunnes Stores* EU:C:2014:2013,[42].
[34] Art.36(6) CDR.
[35] C-488/10 *Celaya Emparanza* ECLI:EU:C:2012:88,[55].
[36] *Sealed Air Limited v. Sharp Interpack Limited et al* [2013] EWPCC 23.

holder asserted that it was for the court to apply technical drawing conventions, so that the 'star' represented a raised dome base (a feature of the defendant's design). The defendant countered that a punnet user would understand the lines as a decorative pattern on the punnet base. The court sided with the claimant,[37] which seems logical. It is first necessary to determine the nature of the design, before the visual impression created by the protected aspects may be assessed.

Some RCD representations include dotted lines, normally used to depict features illustrated only to provide context, or to represent features which are invisible from certain perspectives.[38] While EU tribunals generally acknowledge these conventions, UK courts do not feel compelled to follow such 'guidelines' in all cases. For example, in *Kohler v. Bristan*,[39] dotted lines were interpreted as signifying a transparent or translucent material. In *PMS v. Magmatic*,[40] it was the form of graphical representation adopted which created uncertainty for an 'objective' interpretation of the design features claimed. The UK Supreme Court emphasised that it is the right-holder's choice of image-type which determines the level of generality claimed, because the more features which are apparent from the representations, the more limited the protection becomes.[41] In this instance, the uncertainty was whether CAD-rendered monochrome images are equivalent to simple line drawings (i.e. claiming product shape *alone*[42]), or should be treated as a 'minimalist' design (i.e. making a positive claim to the absence of any surface decoration, ornamentation, etc.). Obiter, the Court stated that it should be possible for RCDs to cover minimalist product designs,[43] and that CAD-rendered images are



[37] Ibid, [19]-[20]; also EUIPO Design Examination Guidelines, [5.3.2].
[38] EUIPO Design Examination Guidelines, [5.3.1] and DPN2/03 and 1/04.
[39] Note 17, above. See Stone 2013 for full discussion.
[40] *PMS International Ltd v. Magmatic Ltd* [2016] UKSC 12.
[41] Ibid, [30].
[42] The broadest protection is obtained by filing in black and white line drawings, see T-68/10 *Sphere Time v. OHIM* ECLI:EU:T:2011:269,[82].
[43] *PMS v. Magmatic*, [60].

less likely to cover shape alone than line drawings.[44] Declining to refer the point to the CJEU, the Court considered that the appropriate approach could be derived from the CDR and EUIPO Guidelines;[45] over-looking that the absence of appropriate guidance had generated the appeal to the Supreme Court in the first place.[46] The lack of resolution of this point leaves the interpretation of many RCDs filed using CAD-rendered representations uncertain.

UK experience suggests that once a tribunal becomes distracted by external factors, its interpretation of an RCD might deviate from the required 'objective' approach. In *Kohler v. Bristan*, the conventional interpretation of dotted lines was supplanted by one which was consistent with the right-holder's product, whereas in *PMS v. Magmatic*, both the Court of Appeal and Supreme Court considered the RCD in the 'context' of the right-holder's product offerings and later-filed RCDs.[47] While the courts' instinct to interpret an RCD to cover the right-holder's own product is understandable, the temptation to do so should be resisted. The CJEU has indicated that the commercial form should be used only to illustrate conclusions reached from the representations, and not as an alternative route to determination.[48] (Indeed, it cannot be assumed that the right-holder's commercial product falls within the scope of the corresponding RCD.[49]) Placing weight upon actual products deviates from the required objective approach.[50] Not only is RCD protection independent of commercialisation, but it should be possible to interpret the representations based upon the information available on the public register. What the protected design *is*

[44] Arguably, the Court was satisfied that the presence/absence of surface decoration on PMS's product was not determinative in the Court of Appeal's assessment of the overall impression, as it merely reinforced the 'horned animal' impression created by the shape depicted, see *PMS v. Magmatic*, [41].
[45] *PMS v. Magmatic*, [32]; also, ETMDNN Communication 2016.
[46] Similarly, Stone 2016b, p.671.
[47] The Supreme Court speculated, obiter, (e.g. *PMS v. Magmatic*, [3]/[50]) that existence of later Magmatic RCDs featuring surface decoration suggested that the subject RCD was for an unadorned shape. Arguably, the opposite conclusion seems more likely.



[48] C-281/10P *Pepsi v. Grupo Mon Graphic* ECLI:EU:C:2011:679,[73]-[74].
[49] Noted in *Samsung v. Apple* [2012] EWCA Civ 1339, [4].
[50] C-488/10 *Celaya Emparanza* ECLI:EU:C:2012:88.

should not be contingent upon events occurring after the priority date.[51]

2.2 USA

A US design patent is interpreted based upon two elements: the representations and the accompanying patent claim. US patent rules are prescriptive as to the format of the drawings, and failure to comply will result in refusal of the application. Generally, design representations must be filed as black and white line drawings, rules outline how these should depict features of colour or material.[52] While there are no specific rules which preclude use of CAD-rendered images, practitioner guidance recommends against their use precisely *because* it is unclear how they might be construed.[53] Solid lines must be used to define which features are claimed, whereas unclaimed elements are depicted in dotted lines. Consequently, dotted lines are not used for other purposes.[54] The patent rules require the application to include a single claim presented in standard form, viz: 'The ornamental design for [the article], as shown and described.'[55] The description filed does not describe the design, but rather it identifies the view depicted in each figure,[56] and/or may clarify which aspects of the illustrated product are 'claimed', or equally 'disclaimed'.[57]

While a design patent's scope hinges upon what is shown in the representations, the actual scope of a design patent is defined by what is claimed, and as interpreted by the relevant tribunal.[58]

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[51] Similarly, Stone 2016b, p.671.
[52] MPEP 1503.2, [15.48] states e.g. 'Oblique line shading must be used to show transparent, translucent and highly polished or reflective surfaces, such as a mirror. Contrast in materials may be shown by using line shading in one area and stippling in another.'
[53] See:<www.theordinaryobserver.com/2016/01/design-patent-figures-with-3d-cad.html> accessed 01/10/2017.
[54] See MPEP 1503.1 Pt II.
[55] 37 CFR §1.153.
[56] e.g. Fig.1 is a perspective view etc.
[57] The part of the element claimed is defined by solid lines in the representations, whereas unclaimed elements are depicted in dotted lines, see MPEP 1503.1 Pt II.
[58] *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed.Cir.1995) confirming *Markman v. Westview Instruments, Inc.* 517 US 370 (1996) applies to design *and* utility patents.

2.3 Jurisdictional Comparison

The EUIPO's requirements for design representations are far less prescriptive that the USPTO, meaning few design applications are rejected based upon failure to comply with drawing formalities.[59] The USPTO, in contrast, is bound by more rigid rules which determine how different types of design features must be represented. This is encapsulated in the MPEP which states:

> As the drawing constitutes the whole disclosure of the design, it is of utmost importance that it be so well executed both as to clarity of showing and completeness, that nothing regarding the design sought to be patented is left to conjecture.[60]

Thus, design patent representations are far more uniform, which facilitates an objective interpretation of a protected design. Issues like those debated in *PMS v. Magmatic*[61] are less likely to arise. However, as the rules are applied strictly, applicants must either incur up-front costs for professionally prepared drawings, or risk refusal of an otherwise meritorious design application.[62] In practice, the MPEP sentiment is equally applicable to RCD applicants. The in-built 'flexibility' of the EUIPO filing requirements may be a trap for the unwary.

Within the EU, dotted lines should preferably be construed based upon the accepted EUIPO Guidelines, which is consistent with the USPTO practice. This would promote legal certainty and consistent interpretation of the same design in different EU jurisdictions.[63] In this regard, the on-going ETMDN initiative seeking consensus between EUIPO and EU national registries is welcomed.[64] However, until this consensus extends beyond partial designs to encompass how other design features, such as colour contrasts and surface decoration, should be claimed - or as importantly - disclaimed, the same set of representations will continue to be construed as

[59] EUIPO checks for compliance with formal requirements, and rejects applications which fail to comply with the definition of 'design', or which are evidently contrary to morality/public policy (Arts.45-47 CDR).
[60] MPEP 1503.2.
[61] Section 2.1, above.
[62] Crouch 2009 identifies that 79% of all rejections in a sample group arose from non-compliance of representations, rather than anticipation/obviousness grounds.
[63] See case study in Stone 2016a, pp.569-579, identifying the varying interpretations of dotted lines by different EU tribunals in the *Apple v. Samsung* litigation.
[64] See <www.tmdn.org/network/what_is_europeantmdn> accessed 01/10/2017.

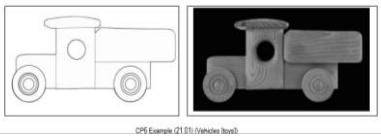
protecting different combinations of features. This, in turn, risks irreconcilable outcomes when issues of validity and infringement are considered.[65]

While US tribunals interpret design representations by reference to the accompanying patent claim, interpretation of an RCD must be based upon the images alone. Article 36(6) CDR precludes any description from influencing the scope of protection, and so it has been suggested that this should no longer form part on an RCD application.[66] Similarly, ETMDN guidance considers text unnecessary because 'visual disclaimers' are considered 'self-explanatory when appreciated in the context of the whole design'.[67] However, tribunals in both *PMS v. Magmatic*[68] and *Apple v. Samsung*[69] failed to reach a uniform interpretation of the same RCD. This suggests it is evidently dubious to presume that visual representations are always self-contained.

A better proposal would be to revise Article 36(6) CDR to render any voluntarily statement filed, such as a verbal disclaimer, meaningful.[70] This would provide applicants with additional means to indicate the level of specificity at which their design is claimed.[71] Given the range of protectable design attributes, and the variety of ways in which each might be represented, absent any written 'claim' from the applicant or compulsory 'guidelines', it is difficult to form an objective determination which combination of design features are protected. If the UK Supreme Court is correct that it is possible for an RCD to protect an unadorned, 'minimalist' design, how is this to be distinguished from a shape-only design, if the applicant's written explanation is ignored?

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[65] ETMDN Communication 2016, p.64/p.39 highlights that some national registries accept representations which mix line drawings and photos, whereas others would construe those, shown below, to depict different designs.



[66] Stone 2016a, p.150.
[67] ETMDNN Communication 2016, p.20.
[68] See Section 2.1, above.
[69] Stone 2016a, pp.569-610.
[70] While the problem of interpretation is noted in the EC Report 2016, this possible solution is not debated.
[71] This option is available for UK national design applications, see DPN1/16 which recommends applicants seeking protection for shape alone specify this with a verbal disclaimer; also: <www.gov.uk/government/publications/preparing-your-illustrations-to-disclaim-or-limit-a-part-of-your-design/design-disclaimer-or-limitation> accessed 01/10/2017.

3. Subject Matter Exclusions

On first principles, design protection should reward creative design efforts which promote consumer choice, while not stifling competition products which incorporate equivalent functionality.[72] Design protection is considered vulnerable to subversion by 'patent smugglers' who secure design protection as proxy patent protection for sub-patentable technical developments.[73] Although the subject matter of EU and US design protection is restricted to *appearance*, the more closely a product's appearance is linked to its manner of operation or its method of production, the more likely it is that design protection will impinge upon competitors' ability to offer competing products offering equivalent technical function. Independent design efforts may inevitably produce similar-looking products *because of the finite choices available*.[74] Granting exclusive rights which reduce the pool of possible product appearances will limit the technical solutions available to others,[75] while bypassing patent law's stricter protection requirements.[76]

Though optional under international design law,[77] both EU and US legislatures have elected to exclude certain 'functional' designs from protection. This section considers the form of exclusion adopted in each jurisdiction, and evaluates how effectively each regime distinguishes between excluded 'functional' and protectable 'non-functional' designs.[78]

3.1 EU

Pursuant to Article 8(1) CDR, EU design protection does not extend to 'features of appearance of a product which are solely dictated by its technical function'. As most

[72] Section 2.3, Chapter 1.
[73] Magliocca 2003, pp.854-855.
[74] Section 2.1, Chapter 1.
[75] Exacerbated, since TRIPS precludes any requirement for the design-holder to actively 'work' the design; to similar effect, see Dinwoodie 1996, p.663.
[76] Suthersanen 2010, p.55.
[77] Art.25(1) TRIPS, see Section 1.3, Chapter 2.
[78] For completeness, Art. 9 CDR, denies protection to a design which is contrary to public policy or to accepted principles of morality. In the US, designs containing subject matter likely to offend 'any race, religion, sex, ethnic group or nationality will be rejected as containing 'non-statutory subject matter', contrary to 37 CFR 1.3. The morality exclusions are not considered in this thesis but US practice will change following *Matal v. Tam* 582 U.S. ___ (2017).

designs have multiple features, an RCD will only be completely ineligible for protection when *all* of its features are 'solely dictated by function'.

According to Recital 10 CDR, the exclusion aims to ensure that technological development is not 'hampered', rather than seeking 'to deny protection to all but aesthetic designs'. Designs features which are 'solely dictated by function' are directed to the public domain or to protection by patent law.[79] While the objective may be clear, the scope of the exclusion is open to competing plausible interpretations. One aligns the provision with the commercial value associated with a product's appearance; the other links the exclusion to the creative efforts which the design embodies. Art.25(1) TRIPS does not assist in providing clarification as this provision adopts similar phraseology.[80]

If a 'multiplicity-of-forms' interpretation is adopted, the exclusion tracks design freedom. It will exclude design features where a designer has made no creative choices because the specific shape is 'mandated' by the function which it must perform;[81] i.e. the *only* means to achieve that technical result. Under this interpretation, an objection could be rebutted by demonstrating alternative design solutions for achieving the same result.[82] This 'mandatory' interpretation might appear consistent with the EU legislature's intent to provide an enhanced level of protection for designs.[83] Few designs would be completely excluded, because most product designs incorporate multiple design features, and typically, there would be *some* design freedom for *some* of the features.[84] This interpretation conforms to the general interpretation principle that any exception to a right should be narrowly construed,[85] and it received *obiter* support from Advocate-General Colomer.[86]

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[79] E.g. R-690/2007-3 *Lindner Recyclingtech GmbH v. Franssons Verstäder AB* of 22/10/2009, [28].
[80] i.e. 'designs dictated essentially by technical or functional considerations.'
[81] Hence, this interpretation is also called the 'mandatory' approach.
[82] Here, only technical equivalence is relevant, rather e.g. cost or ease of production which might render alternative configurations commercially unviable, see Du Mont and Janis 2012, p.289.
[83] Recital 7 CDR
[84] Green Paper [5.4.6.2]. Originally, the exclusion was phrased that rights "shall not subsist in a design to the extent that the realisation of a technical function leaves no freedom as regards arbitrary features of appearance"; see: Directive Memorandum 1993, p.25.
[85] E.g. C-435/12 *ACI Adam* ECLI:EU:C:2014:254, [22]-[23];C-201/13 *Deckmyn* ECLI:EU:C:2014:2132, [22].
[86] C-299/99* *Philips Electronics NV v Remington Consumer Products Ltd* ECLI:EU:C:2001:52,[34].

However, this interpretation renders the exclusion largely redundant: 'it is not easy to think of concrete examples where this exclusion would apply.'[87]

An alternative interpretation relates appearance to commercial value.[88] It asks whether the feature was designed with 'appearance' or 'technical function' in mind. While EUIPO originally adopted the mandatory approach, in *Lindner* the Board determined that 'dictated by technical function' was better construed as meaning 'attributable to' or 'motivated by' technical concerns.[89] The Board considered that this 'causative approach' does not introduce a requirement for 'aesthetic merit.'

> It is simply recognition …that when aesthetics are totally irrelevant, in the sense that no one cares whether the product looks good, bad, ugly or pretty, and all that matters is that the product functions well, there is nothing to protect under the law of designs.[90]

The EUIPO Board subsequently criticised the multiplicity-of-forms approach for being inconsistent with both a literal reading of Article 8(1) CDR,[91] and a purposive interpretation, having regard to Recital 10 CDR.[92] The EUIPO Guidelines now endorse the *Lindner* approach.[93] When considering whether a product (or product feature) is excluded, the Office considers e.g. patent documents and promotional literature attributing technical functions to features of shape. For example, an RCD for a games cartridge design was held invalid because a corresponding patent described how the external features of the cartridge's shape related to technical functionality.[94]

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[87] *Procter & Gamble Co v. Reckitt Benckiser (UK) Ltd* [2006] EWHC 3154*,* [28]; also, *Lindner*, [30].
[88] Green Paper, [5.4.8].
[89] This is based upon the House of Lords' interpretation of the similarly-worded requirement for 'eye-appeal' in pre-harmonised UK design law, see *Amp Inc v Utilux Pty Ltd* [1972] RPC 103 and Howe 2010, [3-047]. Green Paper, [5.4.8.2] considered this approach too restrictive, given the lack of EU-wide utility model protection. This continues to be mooted periodically, but EC proposals have received little support, see: <http://ec.europa.eu/growth/industry/intellectual-property/patents/utility-models_en> accessed 01/10/2017.
[90] *Lindner*, [35].
[91] R-211/2008-3 *Nordson Corporation v. UES AG* of 29/04/2010,[30]: 'Those words [of Art.8(1)] do not, on their normal meaning, imply that the feature in question must be the only means by which the product's technical function can be achieved.'
[92] CJEU has endorsed a 'purposive' interpretation of other IP exclusions, requiring them to be construed broadly enough to meet its stated purpose, see e.g. *Hauck*, [25].
[93] EUIPO Design Examination Guidelines, [5.3.3]: 'Art.8(1) CDR …applies where the need to achieve the product's technical function was the only relevant factor when the feature in question was selected …The examination of Art.8(1) CDR must be carried out by analysing the Community design, and not designs consisting of other shapes.'
[94] R-1772/2012-3 *Nintendo* of 14/04/2014; also, R-1114/2007-3 *Coverplas v. Heinz-Glas* of 07/07/2008; R-211/2008-3 *Nordson*.

Thus, while the EU design regime ostensibly 'eschews any qualitative requirements of artistry or aestheticism',[95] the *Lindner* interpretation might still be perceived as imposing a back-door requirement for 'eye-appeal'.[96] Although the distinction between 'aesthetic considerations' and 'aesthetic merit' has been criticised as artificial and 'confusing',[97] it is submitted that the causative approach is faithful to EU design law's marketing objective. Consumer welfare is optimised via product differentiation, by offering consumers the choice to buy the product variant they find most visually appealing.[98] In this context, there does seem to be a distinction between judging whether outward appearance (rather than technical performance) has the potential to add commercial value to the product and judging the aesthetic merit of that appearance. The causative approach still protects many technically-influenced designs irrespective of whether the appeal of the appearance is derived from actual technical concerns (form following function), or as a proxy for the product's underlying technical capabilities.[99]

While tribunals in the Netherlands had already adopted the causative approach,[100] and it has since been endorsed by the UK courts,[101] elsewhere national tribunals continue to apply the mandatory approach.[102] Even though the two interpretations may sometimes converge to exclude the same product features,[103] this unresolved split in authority threatens the harmonisation objective. Clarification

[95] Suthersanen 2011, p.6.
[96] Ibid; Dinwoodie 1996, p.670.
[97] see, e.g., Suthersanen 2010,-p.106-107. However, under previous UK design law, 'eye-appeal' was also distinguished from 'artistic merit', see Howe 2010, [3-051]-[3-053].
[98] Section 2.3, Chapter 1.
[99] e.g. a sleek design of mobile phone is assumed to reflect enhanced technical capability.
[100] But not consistently, see cases in EC Report 2016, p.83.
[101] *Dyson Ltd v Vax Ltd* [2010] EWHC 1923 (*'Dyson v Vax'*), [23]-[32], and *Samsung v. Apple* [2012] EWHC 1882, [37]-[38], both upheld on appeal.
[102] E.g. 14cO 64/11 *Apple Inc v. Jay tech GmbH* (Landgericht Dussseldorf).
[103] Du Mont and Janis 2012 identifies that the *Lindner* design could have been rejected under the multiplicity-of-form approach based upon a more specific definition of the product's function.

via a pending CJEU reference on this point will be welcomed.[104] Advocate-General Saugmandsgaard Øe has recommended rejection of multiplicity-of-forms.[105]

Although this will be the first time the Court has considered the design law exclusion, the CJEU has considered it obiter. In *Lego*, the Court identified that the concern addressed by the 'technical' shapes exclusion in EU trade mark law, is to ensure that unpatented technical solutions should remain in the public domain. The Court goes onto note that that this same concern underlies the CDR exclusion, also.[106] This seems to lend weight to the causative approach, since granting exclusive rights in 'technical' shapes gives rise to the same issues, irrespective of whether they arise from trade mark or design protection. When the appearance of a feature is motivated solely by it mode of operation, the result *is* a solution to a technical problem: irrespective of whether there are other solutions to the same problem.[107] In *Lego*,[108] the Court also identified that the causative approach has the additional, practical benefit that validity can be determined based upon consideration of the EUTM alone. This same logic applies equally to registered designs,[109] thus avoiding speculation or the need for expert evidence of the technical equivalence of other shapes. Finally, although it remains uncertain (absent CJEU guidance) whether the General Court is correct to interpret visibility in normal use as a requirement for all designs,[110] this is also consistent with a causative interpretation, as aesthetics are 'irrelevant' for 'invisible' designs features.

Article 8(2) CDR further excludes protection for interconnections,[111] i.e., design features which 'must fit' with part of another product for either or both

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[104] In C-395/16 *DOCERAM GmbH v. CeramTec GmbH*, the CJEU will consider various RCDs, including RCD000242730-0001 (shown below), for 'weld centring pins' used in precision welding apparatus.



[105] C-395/16* *DOCERAM GmbH v. CeramTec GmbH* ECLI:EU:C:2017:779,[23]-[47].
[106] C-48/09P *Lego Juris A/S v Mega Brands Inc.* ECLI:EU:C:2010:516,[46].
[107] Afori 2010, p.863.
[108] *Lego*,[46].
[109] See also Howe 2010, p.39; Afori 2010, p.861.
[110] T-494/12, [20], see note 10, above.
[111] Art.8(3) excludes this provision from applying to features which permit the multiple assembly or connection of mutually interchangeable products within a modular system.

products to operate. This exception was framed this exception with spare parts and accessories in mind to promote interoperability of products made by different producers.[112] Article 8(2) CDR relates to features, rather than the design *per se*. So, although the *inner* contours of a protective case designed for a specific tablet computer were excluded as 'must-fit' features, the case's *external* profile was not, and the RCD for the overall design was eligible for design protection.[113] If the multiply-of-forms interpretation of Article 8(1) is adopted, then this provision is considered a specific application.[114] However it could equally be argued that the text support the causative interpretation of Article 8(1). Article 8(2) refers to features of shape which require reproduction in 'their exact form' to 'perform its function' which, on a literal reading, seems more open to a 'multiplicity-of-forms' interpretation than the text of Article 8(1). Adopting the *Lindner* interpretation of Article 8(1) would leave Article 8(2) to serve and independent, rather than a concentric, role.

3.2 US

US design law restricts design protection to product shapes which are ornamental.[115] While the EU exclusion relates to 'features', the US ornamentality requirement relates to the entire design. As in the EU, the exact scope of the exclusion remains an open debate.[116]

Originally, ornamentality was a direct measure of aesthetic appeal.[117] While some courts set a low threshold of 'not ugly',[118] others applied a stricter test which required the design to result from 'aesthetic skill and artistic conception.'[119] Later cases interpreted ornamentality in terms of whether the article's appearance was a

[112] Green Paper, [5.4.10.1]; Recital 10 CDR.
[113] R-2002/2012-3 *TrekStor v. ZAGG, Inc* of 12/05/2014,[32].



[114] Dinwoodie 1996, p.674.
[115] 35 USC §171.
[116] Dinwoodie and Janis 2010, pp.319-320; Suthersanen 2010, pp.220-222; Carani 2014, p.2.
[117] Ornamentality was introduced as a requirement of patentability in 1902. For discussion of early case law, see Du Mont and Janis 2013.
[118] *Contico International, Inc. v. Rubbermaid Commercial Products Inc.* 665 F.2d 820, 825 (8th Cir.1981).
[119] *Blisscraft of Hollywood v. United Plastics Company* 294 F.2d 694, [11].

'matter of concern' based upon the article's visibility in 'normal use' during the period from manufacture to destruction.[120] Adopting this approach, the Federal Circuit overruled the USPTO's rejection of a replacement hip joint design. Although the joint would be invisible, once implanted, it was conceivable that its appearance was 'of concern' to surgeons who might select an implant based upon both ornamental and functional considerations.[121]

This approach faces two main criticisms. Firstly, equating ornamentality with visibility has the potential to exclude whole categories of products from protection, including those which embody 'a high degree of excellence'.[122] Secondly, 'normal use' is given such a wide interpretation that the ornamentality requirement becomes 'a virtual nullity'.[123] While the 'matter of concern' test has echoes of the EU causative approach, it is not a direct translation, since emphasis seems to be placed upon visibility *per se*, rather than whether what is visible appearance has any affect upon the product's market value.

The MPEP alternatively defines an 'ornamental' design as one 'created for the purpose of ornamenting' in the sense of a 'conscious act by the inventor'.[124] This excludes protection in cases where a product's appearance is 'merely a by-product'[125] of 'functional or mechanical considerations',[126] even if the end result has aesthetic appeal.[127] This practice reflects the Federal Circuit's current approach to treat 'ornamentality' and 'functionality' as opposites, which requires the tribunal to assess whether, overall, the article's appearance is 'primarily functional or primarily

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[120] *In re Webb* 916 F.2d 1553 (Fed.Cir.1990).
[121] *Webb*, 1557-58.
[122] Janis and Du Mont 2012, p.270.
[123] Ibid, pp.270-271; cf. Carani 2014, p.20.
[124] MPEP 1504.01(c) citing *In re Carletti*, 328 F.2d 1020 (CCPA 1964) and *Blisscraft*. This suggests a subjective test, as USPTO examiners may accept evidence from the designer that they intended to ornament.
[125] *In re Carletti*, 1022.
[126] MPEP 1504.01(c). While this is reminiscent of *Lindner*, functionality may also be assessed by reference to whether alternative product designs are available, Suthersanen 2010, pp.220-222; Dinwoodie and Janis 2010, p.331.
[127] see *Best Lock Corp. v. Ilco Unican Corp* 94 F.3d 1563 (Fed. Cir. 1996). The shape of a key blade was denied protection since any aesthetic appeal was the inevitable result of matching the corresponding lock. Similarly, in *Power Controls Corp v Hybrinetics, Inc*, 231 USPQ 774, 777-8 (Fed.Cir.1986), the design was held to be 'dictated primarily by …mechanical requirements and any pleasing aesthetic effect is only an inadvertent by-product'.

ornamental'.[128] Yet this dichotomy is difficult to implement in practice, because of the variety of tests applied by the Court itself when assessing a design's functionality.

In some cases, the Federal Circuit characterises each design feature as either 'functional' or 'non-functional', in order to decide whether the overall design is 'primarily ornamental' (protectable) or 'primarily functional' (excluded).[129] In other decisions, a design has been held to be functional because its appearance is 'dictated by' function alone.[130] Here, a functionality objection is generally rebuttable by providing evidence of other designs offering equivalent functionality.[131] This would suggest a multiplicity-of-forms approach, but for the fact that existence of alternative designs is not *always* conclusive. In its most recent decisions, the Federal Circuit has identified other factors which might point to exclusion, such as whether the claimed design represents the 'best design' in terms of performance.[132] Indeed, USPTO examiners are instructed to raise a functionality objection if they identify promotional materials or utility patents claiming that particular features of the design are particularly meritorious.[133] Other decided cases present the 'primarily functional' and 'dictated by function' enquiries as equivalent tests.[134]

Arguably, all the tests in play seem to stretch the statutory language which simply requires the design to be 'ornamental'.[135] Scholars generally concur that US law should only exclude designs which are 'solely dictated by function'.[136] However, it is also recognised that establishing the proper test is only a first step because it leaves unresolved the specificity at which the article's 'function' should be considered. For example, is the function of a mould for a rock pathway to produce *any* rock

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[128] MPEP 1504.01(c) citing *LA Gear v. Thom McAn Shoe Co.* 988 F.2d 1117, 1123 (Fed.Cir.1993).
[129] *PHG Technologies, LLC v. St John Companies, Inc.* 469 F.3d 1361 (Fed.Cir.2006).
[130] e.g. *Best Lock*; *LA* Gear based upon Supreme Court dicta in *Bonito Boats, Inc v. Thundercraft Inc* 489 US 141, 148 (1989).
[131] e.g. *OddzOn Products Inc v. Just Toys Inc.* 122 F.3d 1396 (Fed.Cir.1997).
[132] e.g. *High Point Design LLC v. Buyers Direct Inc.* 730 F.3d 1301, 1316 (Fed.Cir.2013) citing *Berry Sterling Corp. v. Pescor Plastics Inc* (Fed.Cir.1997) and *PHG Technologies.* In *Amini Innovation Corp. v. Anthony California Inc.* 439 F.3d 1365, 1370-1371 (Fed.Cir.2006), the court cited *Inwood Labs Inc. v. Ives Labs. Inc* 456 US 844, 851 (1982) and defined a functional design as one being 'essential to the use or purpose of the article or if it affects the cost or quality of the article.
[133] MPEP 1504.01(c).
[134] e.g. *Rosco, Inc v. Mirror Lite Co.* 304 F.3d 1373, 1378 (Fed.Cir.2002) cited in Janis and Du Mont 2012, p.281.
[135] Carani 2014, p.21.
[136] Afori 2010, p.872; Janis and Du Mont 2012, p.285; Carani 2014, pp.19-32.

pathway (broad) or *the* specific pathway design (narrow)?[137] Without judicial guidance as to what the 'correct' definition of 'function' is, functionality 'becomes like a nose of wax… that can be twisted and turned by litigants' to suit their own argument.[138] In which case, the functionality exclusion serves no genuinely useful purpose.

3.3 Jurisdictional Comparison

While there is no definitive approach to the technical shape exclusion in either the EU or the USA, both jurisdictions will deny design protection to product shapes which are 'solely dictated by function.' Within the EU, the UK courts and EUIPO[139] favour the 'causative' approach, while the multiplicity-of-forms interpretation has gained a firm foothold in US design law, as well as in most other EU Member States. Fewer product designs are excluded by the multiplicity-of-forms approach. In the USA, functionality is an assessment of the design of the article as a whole, whereas EU design law examines the functionality of individual feature comprising the design. Therefore, US design law might protect the overall arrangement of individually functional features,[140] there might be nothing eligible for EU design protection.

Whichever approach is adopted, many technically-influenced designs will remain eligible for protection.[141] Some US scholars regard the ornamentality requirement as redundant, or at best inefficient.[142] Few designs claiming the appearance of entire articles might be expected to lack ornamentality. However, applicants increasingly seek design protection for part of an article or combinations of specific design features.[143] If 'multiplicity-of-forms' functionality ever bites, then it

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[137] *Hupp v Siroflex* 122 F.3d 1456 (Fed. Cir. 1997) discussed in Du Mont and Janis 2012, p.25.
[138] Saidman 2017, pp.1488-1489, referencing *White v. Dunbar* 119 US 47 (1886).
[139] Although R-2081/2011-3 *ASSTEC v. KLB* of 17/09/2013, [25] links Art.8(1) CDR to design freedom.
[140] *LA Gear*. In *High Point*, the district court was criticised for finding a slipper design 'primarily functional' by considering each feature separately, but omitting to assess whether the overall design itself was functional.
[141] Carani 2014, p.21.
[142] Janis and Du Mont 2012, p.263: 'given a design patent's relatively short term and confined scope compared to utility patent protection, one might wonder how much enthusiasm we ought to have for such a mechanism.' Carani 2014 concludes it appropriate that few designs are rejected based upon functionality.
[143] Exemplified in *Samsung Electronics Co., Ltd. v. Apple, Inc.* 137 S.Ct. 429 (2016). Design applicants are counselled to adopt this graduated approach to filing hedge against a statutory rejection, see Carani 2014, p.22.

is likely to exclude these 'partial' product designs. Inevitably, design freedom becomes more constrained as a product is dissected into ever-smaller parts. In contrast, if the causative interpretation is adopted, design protection is denied to entire classes of products because technical performance determines the product's marketability, and 'no one cares' about the product's appearance directly, for appearance's sake. From the latter perspective, design protection has a circumscribed role, rather than serving as a 'residual or universal category' which protects 'all economic value, including …elements which come under the aegis of other intellectual property rights.'[144]

Criteria such as 'primarily functional' or 'solely dictated by function' are increasingly perceived as problematic, because that 'technical function' is itself imprecise, and 'may defy definition'.[145] Thus, 'functionality' is only meaningful relative to a 'coherent normative vison'.[146] This may remain unarticulated for US design law.[147] Within the EU, the task for the CJEU[148] is to determine which approach best meets the stated goal of affording a sufficient incentive without hampering innovation.[149] We will return to this topic in Part III, when we consider protection overlaps.

4. Protection Thresholds

A product design for eligible subject matter must also satisfy the protection threshold. In keeping with underlying rationales,[150] EU design law makes protection contingent upon the design having novelty and individual character',[151] whereas US design law requires novelty and non-obviousness.[152] This section compares the conception of 'novelty' in the two jurisdictions, and evaluates the additional measures

[144] EC Report 2016, p.60.
[145] Ibid, p.91; Saidman 2017.
[146] Afori 2010, p.859.
[147] A different interpretation may be more appropriate for US design law because it may be tasked with different objectives (as argued in Kingsbury 2010), not least because of the different range of IP protection available, e.g. lack of utility model protection less overlap with copyright protection.
[148] Pending C-395/16.
[149] Recital 10 CDR.
[150] Section 2.3, Chapter 1
[151] Art.4(1) CDR.
[152] 35 USC §§102-103 and 171.

of incremental variation (individual character and non-obviousness) in product appearance needed to secure protection.

4.1 EU

EU design law protects an eligible design 'to the extent that it is new and has individual character'.[153] Both criteria are assessed against the design features disclosed in the design representations and measured against the 'design corpus.'[154] We first establish the constituents of the design corpus, before reviewing the requirements of novelty and individual character.

4.1.1 The Design Corpus

Satisfaction of the EU protection thresholds is measured against the design corpus. This comprises all designs which, at the relevant date, have been 'made available to the public.'[155] While broadly defined to include 'anything' which was 'published,….exhibited, used in trade or otherwise disclosed',[156] it is not absolute.[157] Confidential disclosures and any obscure disclosures (those which the party reliant upon the exclusion[158] can prove 'could not reasonably become known in the normal course of business to the circles specialised in the sector[159] concerned operating within the EU'[160]) will be excluded. Disclosures made by the designer, or their successor in title, of the protected design within a one year 'grace period' preceding the priority date are also disregarded.[161]

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[153] Art.4(1) CDR.
[154] Recital 14 CDR. The literature uses the term 'prior art', derived from patent law, interchangeably with 'design corpus'.
[155] Art.7 CDR.
[156] The making available of a prior design necessitates a physical embodiment or a graphical representation of the design, but without requiring any commercialisation; see Stone 2012, pp.111-112, and cites. 'Making available' is pertinent for UCDs, as the first occurrence sets the term of protection (Art.11 CDR).
[157] 'Absolute' novelty is generally associated with (utility) patent law, although the exact definition of 'prior art' varies with national law.
[158] *Magmatic v. PMS* [2013] EWHC 1925 (Pat), [41].
[159] To avoid 'absurd consequences', the 'relevant sectors' relate to the prior design, not the RCD, see *Green Lane Products v. PMS International* [2008] EWCA Civ 358, [75]-[79], confirmed by the CJEU in C-361/15P to C-405/15P *Easy Sanitary Solutions v. Group Nivelles* ECLI:EU:C:2017:720,[96]. This is significant if the two designs relate to different goods.
[160] In C-479/12 *Gautzsch Grosshandel v. MBM* ECLI:EU:C:2014:75, the CJEU confirmed the exclusion should be construed narrowly; similarly C-361/15P to C-405/15P *Easy Sanitary Solutions*.
[161] Art.7(2) CDR. Art.7(3) CDR relates to abusive disclosures of the right-holder's design. While the grace period also excludes prior third-party designs derived from that disclosure, see R-658/2010-3 *Guiyuan Zhang*, [40]; the grace period, otherwise, is ineffective against intervening third-party designs, see Musker 2001, p.47; Dinwoodie et al 2014, p.202; T-68/10 *Sphere Time v. OHIM* ECLI:EU:T:2011:269,[24]-[25].

The introduction of a grace period was seen as a significant modification in the EU protection regime,[162] since a designer has time to market-test the product before incurring registration costs.[163] While this admittedly creates a period of uncertainty for competitors looking to imitate the design,[164] the Register does not become cluttered (inefficiently) with designs which the putative rights-holder has disclosed, but does not intend to commercialise. This escalates the entry of these designs into the public domain.

4.1.2 Novelty

Having identified a relevant prior design, this is compared using the form contained in the RCD as 'the yardstick' for a like-for-like assessment.[165] EU design law defines a design as 'new' unless an 'identical' design has already been made available to the public.[166] Two designs are considered 'identical' if 'their features differ only in immaterial details'.[167] In other words, the variation is 'so insignificant that one cannot speak of a "new" design'.[168] Identical twins may serve as a useful analogy.[169] Close inspection reveals the two are not *exact* replicas of each other.

Novelty is a matter for the tribunal to evaluate. To 'anticipate' an RCD, the earlier design is required to disclose 'each and every element constituting' the registered design, irrespective of whether additional features are also disclosed.[170] Thus, while an RCD for a clog with a heel strap is not anticipated by a prior disclosure of the same clog without a strap, an RCD for the basic clog would lack novelty if the clog-and-strap combination had already been disclosed.[171]

EU design novelty is such a narrowly defined conception that there was some

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[162] see Recital 20 CDR.
[163] Issues may arise if the first-disclosed design and later-filed RCD differ, see Stone 2012, p.128; Musker 2001, pp.49-50.
[164] As the grace period is calculated from the priority date, the RCD may be filed up to 18-months after first disclosure. This may seem 'a regrettably long period of uncertainty for competitors' (Musker 2001, p.48), but those products which are first marketed within the EU, will already enjoy UCD protection against copying during this period.
[165] T-68/10 *Sphere Time v. OHIM* ECLI:EU:T:2011:269,[71]-[78].
[166] Art.5(1) CDR.
[167] Art.5(2) CDR.
[168] Green Paper, [5.5.1.2].
[169] Suggested, also, in Stone 2012, p.134.
[170] EUIPO Design Examination Guidelines, [5.5.2.2].
[171] R-9/2008-3 *Crocs, Inc v. Holey Soles Holdings Ltd* of 26/03/2010,[13].

initial debate whether it was redundant, given the additional requirement for individual character.[172] However, it can operate as a valuable 'first filter' to prevent monopolisation of subject matter which has already been made available to the public. It bars re-registration of lapsed or expired RCDs, or those designs filed late, after the grace period has already expired.[173] It is appropriate, in the interest of fairness and efficient markets, that these designs are available for all to exploit, absent other IP protection.

4.1.3 Individual Character

While novelty requires that a design is different from what has gone before, individual character is a measure of the visual impact of the variation. To enjoy protection, a design must be sufficiently different from any prior design to convey a 'different overall impression' to 'the informed user',[174] taking design freedom into account.[175] The EU protection threshold thus denies protection to variants of existing designs which do not look noticeably different.[176] This complies with TRIPS which permits refusal of a design which does not 'significantly differ from known designs.'[177]

Individual character is a quantitative,[178] rather than qualitative, measure of the product designer's creative input. Protection is dependent upon the design having 'a character of its own'; it is not 'a prize for good design.'[179] Put in terms of the legislative rationale, a design without individual character 'will not be perceived on the market as something different' to what is available already.[180] With no contribution to product differentiation, their creation should not be incentivised by legal protection.

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[172] E.g. Speyart 1997, p.608. Musker 2001, p.33 moots that it may be possible for a design to be novel but lack individual character, but this stance now lacks support from EUIPO, see: e.g. *Katzenholz v. Qwatchme A/S* of 02/11/2010, [27]: 'if two designs produce a different overall impression on the informed user, they cannot be identical for the purposes of Article 5'.
[173] As per R-9/2008-3 *Crocs*.
[174] Art.6(1) CDR. Earlier versions of the draft legislation defined individual character in terms of creating a 'significantly different impression', see Dinwoodie 1996, p.660.
[175] Art.6(2) CDR.
[176] Koschtial 2005, p.298/p.304. Musker 2001, p.37 notes parallels with the old UK requirement for 'eye-appeal' as defined by Lord Morris of Borth-y-Gest in *Amp v. Utilux* [1972] RPC 103, 112.
[177] Section 1.3, Chapter 2; Bently and Sherman 2014, p.737.
[178] i.e. 'details which constitute a development of the prior design sufficiently creative to deserve separate protection': Green Paper, [5.5.1.2].
[179] Musker 2001, p.35.
[180] Green Paper, [5.5.6.2].

While Recital 14 CDR links individual character as appraised against the 'existing design corpus', Article 6 CDR refers to a comparison between the claimed design and 'any' prior design. The CJEU has clarified[181] that the appropriate test is a one-by-one comparison with individual relevant designs, which excludes a 'mosaicking' of features extracted from a plurality of prior designs.[182] As a result, an RCD *may* possess individual character even if it comprises a new combination of 'old' design features.[183]

The practical meaning of 'individual character' turns on the nature of the informed user, how they form their overall impression, and how design freedom should be taken into account.

4.1.3.1 The Informed User

Individual character is assessed by a notional 'informed user', whose characteristics have been fleshed out in case law.[184] As a 'user' of the product, the 'informed user' is not a designer, a technical expert, a manufacturer or a seller. Here, the legislative intent is that the test for protection is 'assessed at the level where the economic significance of the design product is exploited.'[185] Their 'informed' status means that they are 'design-aware'[186] and have 'experience of other similar articles'.[187] These attributes locate informed users on the spectrum between a design expert (akin to patent law's 'skilled person', who might notice every minor difference between two products) and a relatively inattentive average consumer, familiar from trade mark law.[188]

In many cases, the product which the user is 'informed' about will be self-evident, since the RCD and prior art (and/or an alleged infringement) will relate to the *same* product. However, as the exclusive rights associated with an RCD are

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[181] C-345/13 *Karen Millen*, [35].
[182] Cf. to non-obviousness in patent law, including US design law, see Section 4.2.3, below.
[183] The CJEU noted in C-345/13 *Karen Millen*,[34], that while Art.25(1) TRIPS permits refusal for 'combinations of known features', this is an optional ground for refusal.
[184] Summarised in C-281/10P *Grupo Promer*,[53]-[59].
[185] Green Paper, [5.5.6.2].
[186] *Gimex International Groupe Import Export v. The Chillbag Company Limited* [2012] EWPCC 31, [45].
[187] *Proctor & Gamble v. Reckitt & Colman* [2007] EWCA Civ 936, [17].
[188] Presumed to be 'reasonably well-informed and reasonably observant and circumspect', see C-342/97 *Lloyd Schufabrik* ECLI:EU:C:1999:323,[26].

disassociated from the article specified on the Register,[189] this might only provide the starting point for the tribunal's determination.[190] Since the informed user is a legal fiction, attributing it with too many real-life characteristics is likely to confuse more than it informs.[191] The nature of the tribunal's enquiry is to establish 'what the informed user *knows*' (and presumably sees), and not 'who the user *is*.'[192]

4.1.3.2 Overall Impression

Individual character is based upon an evaluation of the overall visual impression which the RCD creates, once the tribunal has 'donned the spectacles' of the informed user.[193] Protection is valid, provided the RCD creates a different overall impression than that created by each relevant prior design when considered from this notional, normative perspective. Evidence from actual users or experts commenting upon the visual similarity between the two designs is unlikely to be decisive.[194]

While individual character is determined based upon a comparison between two designs, the CDR does not specify how this comparison should be undertaken. The CJEU's guidance is that - 'when possible' - a direct, side-by-side comparison should be made between the RCD and the prior design.[195] It is submitted that, ideally, an unequivocal standard should be established across *all* product categories. Otherwise, the RCDs for products which are compared side-by-side would be expected to meet the individual character threshold more readily than those which are compared based upon recollection. This is contrary to the stated objective that EU design protection should serve the needs of all industry sectors equally.[196] In any event, the CJEU's notion that a side-by-side comparison may be impossible seems ill-founded. The Court appears to have adopted Advocate-General Mengozzi's

[189] Art.19(1) CDR.
[190] In C-281/10P *Grupo Promer*, the RCD in issue defined the product as a 'promotional item for games' and the prior design registration was for a 'metal plate for games'. In each case, the design illustrated an item commonly called a rapper, pog or tazo.
[191] Geerts 2014, p.184.
[192] Stone 2012, p.147.
[193] per Jacob LJ *Procter & Gamble* EWCA, [35].
[194] See *Procter & Gamble* EWCA, [4]. The Irish Supreme Court rejected arguments that a design holder must adduce evidence from a person approximating to the informed user, see *Karen Millen Ltd v. Dunnes Stores* [2014] IESC 23, [13].
[195] C-281/10P *Grupo Promer*, [55].
[196] Recital 15 CDR.

proposal that a comparison based upon recollection might be necessary if the design relates:

> to goods which —because of their large size or because they have to be placed far apart— can never …be set alongside one another: …for instance, two …large items of industrial equipment. In such circumstances, the informed user will …seldom be able to make a 'live' comparison.[197]

However, the tribunal should not be seeking to recreate how 'live' end-users will encounter products made to the designs. The appropriate comparison is not between 'product' and 'product', but between the RCD (as depicted in the representations) and another design.[198]

Although individual character requires a global assessment, almost inevitably, the claimed design will be broken down into its constituent features.[199] For example, any features excluded from protection pursuant to Article 8 CDR must be disregarded. The General Court has emphasised in a recent case concerning an umbrella design,[200] that the overall impression is based upon a close inspection of *all* aspects of the claimed design and not just the features which an informed user would see when the product is in use. Otherwise, as the Court astutely observed, articles such as hats or helmets, which a user cannot see in use, would be rendered devoid of any individual character,[201] contrary to Recital 15 CDR.[202]

Typically, different features make an unequal contribution to the overall visual impression. The more unique or more prominent the appearance of a feature is, the greater its impact on the overall impression. This is 'not a proposition of law' but results from 'the way people (and thus the notional informed user) perceive things.'[203] Whilst individual character is assessed on a design-by-design basis,[204] the

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[197] C-281/10P *Grupo Promer*, [51]; cf. *Proctor & Gamble* EWCA, [25]: 'Whilst I do not say that imperfect recollection has no part to play in judging what the overall impression of design is, it cannot be decisive. …I would say that what matters is what strikes the mind of the informed user when it is carefully viewed.'
[198] Geerts 2014 raises similar criticism.
[199] The test is still one of 'overall impression', because the presence or absence of any one element is not determinative.
[200] T-22/13 and T-23/13 *Senz*.
[201] Ibid, [97]; cf. C-281/10P *Grupo Promer,* [32]-[33]; EUIPO Design Manual, C.5.2.3 and *Samsung v. Apple* EWHC, [54].
[202] Similarly, Stone 2016a, p.253.
[203] per Jacob LJ *Procter & Gamble* EWCA, [35].
[204] Art.6(1)CDR, see discussion of *Karen Millen* in Section 3.4.3 above.

overall impression will be informed by the 'existing design corpus'.[205] The significance of any one design feature in the overall impression depends upon its position in a spectrum which exists for any product. This ranges from 'features which are ubiquitous through features which are occasionally found in the art to features which are entirely unique.'[206] When comparing any two designs, an informed user[207] will instinctively 'disregard elements that are totally banal and common to all examples of the type.' Instead, their eye will be drawn to 'features which are arbitrary or different from the norm'.[208]

One issue which has arisen is whether the informed user's awareness extends to designs which are 'relatively obscure', but not so obscure as to be discounted from consideration by the provisions of Article 7 CDR.[209] In *Gimex*,[210] Birss J.'s insight is helpful, because it clarifies that individual character is to be assessed against the entire design corpus. It is the relative obscurity (or prevalence) of the design features disclosed, and not the obscurity of the disclosure itself, which influences the informed user's assessment. Jacob LJ, likewise, emphasised that the 'informed user only comes into play once the prior art to be considered has been identified.'[211] This UK jurisprudence has now been endorsed by the CJEU.[212]

4.1.3.3 The Role of Design Freedom

Article 6(2) CDR requires that assessment of individual character, requires 'the degree of freedom of the designer in developing the design' to be considered. As Advocate-General Mengozzi explained, design freedom is a crucial factor:

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[205] Recital 14 CDR.
[206] per Recorder Purvis in *Mainetti (UK) Ltd v. Hangerlogic UK Limited* [2012] EWPCC 42, [22].
[207] C-281/10P *Grupo Promer*, [54] notes the informed user 'possesses a certain degree of knowledge with regard to the features which those designs normally include.'
[208] T-9/07 *Grupo Promer,* [74].
[209] In *Magmatic v. PMS*, [46], the court (wrongly) concluded that a relatively obscure design which was prior art for the purposes of Arts.5 and 6 CDR, but not for Art.10; discussed further in Stone and Corbett 2014, pp.637-638.
[210] *Gimex v. Chillbag*, [44]-[45]. The judge likened the informed user's design awareness to the common general knowledge which makes the notional 'skilled person' of patent law 'skilled'.
[211] *Green Lane v PMS* EWCA, [41].
[212] C-361/15P to C-405/1P *Easy Sanitary Solutions*,[125]-[134].

> because some features of the product are… 'compulsory'… the designer is not free to change them, and the fact that they bear similarities to the features of another design cannot be regarded as significant.[213]

The legislature's intent is to establish a sliding scale, such that the informed user is 'desensitised to similarities'[214] where design freedom is most limited:

> If there is little room for exceptional creativity on the part of the first designer, he cannot… complain if the same restrictions compel a later designer to create a design that bears a resemblance to his in some respect.[215]

Although the principle is clear, the CDR does not particularise which of the possible restrictions are pertinent. One possibility is that only technical constraints are relevant.[216] The more technically constrained the design feature is, the less it contributes towards individual character: until there is no design freedom at all, and it is excluded from protection altogether.[217] Alternatively, Article 6(2) might also take account of constraints imposed by market conditions,[218] e.g. the need to make products cost-effective to manufacture,[219] meet customer expectations,[220] conform to current trends,[221] and avoid earlier protected design forms.[222]

While the CJEU had an opportunity to clarify the position in *Grupo Promer*, it left the issue unresolved. The General Court had focused upon constraints imposed by technical function,[223] and in an earlier case[224] it had discounted 'constraints' to conform to a design trend were relevant.[225] It is submitted that the General Court's

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[213] C-281/10P* *Grupo Promer*, [29].
[214] Musker 2001, p.42.
[215] Dinwoodie 1996, p.661 f/n 138.
[216] E.g. C-281/10P *Grupo Promer*.
[217] In this respect, Art.6(2) CDR supports Art.8(1) CDR.
[218] Green Paper, [5.5.8.3] listed constraints including: 'standardisation, mechanical or physical constraints, necessity or taking into account deep-rooted marketing requirements by the clients, features imposed by fashion'.
[219] see *Dyson v. Vax*,[34]. The Court of Appeal made no specific comment on the range of factors which the judge had identified, see: [2011] EWCA Civ 1206, [18]-[20]. In *Whitby SV Limited v. Yorkshire SV Ltd* [2014] EWHC 4242 (Pat), [34] Arnold, J. identified design constraints based upon technical, cost, regulatory, practical, commercial and standard practice requirements. In *Samsung v. Apple* EWHC, [40], analysis of design freedom was based on technical considerations only.
[220] In R-1001/2005-3 *PepsiCo v. Grupo Promer*,[20], it was noted that the goods (rappers), needed to be stackable to meet market requirements.
[221] Green Paper,[5.5.8.3].
[222] The German Supreme Court takes market constraints into account equating a 'greater concentration of designs' with 'only little freedom of the designer'; see: Hartwig 2012, p.1.
[223] T-9/07 *Grupo Promer,*[72].
[224] T-153/08 *Shenzhen Taiden Industrial v. OHIM* ECLI:EU:T:2010:248,[58].
[225] See also R-1285/2008-3 *Bell & Ross v. OHIM* of 25/04/13,[118].

approach should be adopted.[226] Market-based concerns are already factored into the informed user's 'design awareness', since lesser significance is placed upon similarity in commonly-used features.[227] While the design corpus may also evidence some standardisation resulting from technical constraints, this does not occur where a design incorporates a new technological development. Here, the constraints on prior designs might be different to those experienced by the RCD's designer[228] and all subsequent designers wishing to exploit the new technology. As the scope of an RCD is to be determined objectively,[229] the tribunal's task is to assess the design freedom[230] available at the RCD priority date.

The General Court in *Shenzhen* emphasised that the concern is not whether a product must incorporate a specific feature, but whether a feature must have a specific appearance.[231] For each feature which has a technical significance, the tribunal should determine the extent to which this limits design freedom.[232] Evidence of alternative designs may assist a tribunal in this respect.[233] For example, in *Apple v. Samsung*, the UK court accepted that technical considerations required tablet display screens to be rectangular, but inferred from the variety of rectangular screens featured in prior art devices, that design freedom was not so constrained to require these screens to have biaxial symmetry or be strictly rectangular.[234]

Although analysis of design freedom assists the court to contextualise the significance of similarities and differences between two designs, it is not clear whether this is integral to the comparison undertaken from the informed user's

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[226] Stone 2012, p.164 argues that market considerations should also be factored in as better reflecting reality, better distinguishing from Art.8(1), and avoiding 'artificial' decisions whether a feature is a technical requirement or a market requirement.
[227] Similarly, Du Mont and Janis 2012, p.35 f/n 193.
[228] In *Samsung v. Apple* EWHC,[50], the court acknowledged that technical constraints vary over time.
[229] C-488/10 *Celaya*,[55].
[230] In *Procter & Gamble* EWHC,[43] the court rejected arguments that commercial constraints imposed on the RCD's designer were relevant, and this was upheld on appeal (EWCA,[38]).
[231] T-153/08 *Shenzhen*,[54].
[232] per Jacob LJ in *Dyson v. Vax*, [22].
[233] T-10/08 *Kwang Yang Motor* ECLI:EU:T:2011:446,[37]. In *Magmatic v. PMS* EWHC, [47]; Arnold J. states 'both a departure from the existing design corpus and the production of a wide variety of subsequent designs were evidence of design freedom.' Cf. 'The design corpus… demonstrate a very wide range of designs of punnets and trays... I am not convinced that this width reflects a high degree of relevant design freedom. The wide range exists because punnets and trays are designed to perform different tasks.' *Sealed Air*, [33].
[234] *Samsung v. Apple* EWHC, [104].

perspective. Recital 14 seems to suggest the latter, whereas the two-part form of Article 6 CDR suggests that design freedom is considered as a subsequent step.[235] The two-step process seems preferable. The tribunal first decides whether the overall impression created by the two designs is the same from the informed user's perspective, and if so, considers whether individual character is nonetheless demonstrated because visual similarity overall results from features where design freedom is constrained. This avoids turning the informed user into a design expert.[236]

Taking proper account of the design corpus *and* design freedom ensures that similarity between designs is appropriately benchmarked, without over-weighting shared use of prominent, but commonplace, features or those for which appearance is determined largely by functional constraints. Instead, an informed user pays most attention to similarity in features which best represents the designer's creative contribution.[237]

It is important that at the next opportunity, the CJEU clarifies whether constraints other than technical ones are relevant, because this determines the threshold level. As the number of limiting factors increases, so too does the level of particularity at which individual character vests. Although convergence in the appearance of a product feature might indicate that design freedom is limited, this is not invariably the case. 'Good design' may lie in revealing the *true* extent of available freedom.[238] Whenever a designer goes beyond conventional boundaries, their design will be visually striking, and this makes it harder for others to mimic the design without creating the same overall impression.[239] The designer's 'reward' is proportionate to their creative input. This reward is undermined with each additional 'market' factor which is conceded as limiting the design freedom of subsequent derivative designs. A fashion trend only constrains the design freedom of those who

[235] T-80/10 *Bell & Ross*,[104]; also Musker 2001, p.42.
[236] UK design cases have identified design freedom as an area where expert evidence may be required, see discussion in Smyth 2013; Dinwoodie et al 2014, p.214/p.260.
[237] Case T-9/07 *Grupo Promer*,[72]/[82].
[238] Musker 2001, p.41.
[239] Green Paper, [5.5.8.4]. The implications of this are discussed further in section 3.5.

elect to follow it.[240] It is inevitable, for trend-followers, that the number of design variants available to them reduces as the sector becomes more crowded.

Arguably, design law's role is to incentivise creative innovation by denying design protection once the number of design variants in any one product 'style' reaches a certain level of saturation.[241] If design freedom takes account of market saturation, then the protection threshold is incrementally reset at ever-increasing levels of particularity.[242] While a greater number of designs then become eligible for protection, the risk is that RCDs might become too alike to fulfil their product differentiation role effectively.[243] Also, if the doctrinal distinction between the novelty and individual character thresholds is eroded over time, then minor modifications, which are likely to occur naturally without requiring an incentive (or deserving a reward), become potentially eligible for protection.

4.2 US Protection Thresholds

US design law requires an eligible design to be novel and non-obvious, as assessed against the 'prior art' at the priority date. We first establish the constituents of the prior art, before reviewing the requirements of novelty and non-obviousness.

4.2.1 The Prior Art

When assessing eligibility for patent protection, the US Patents Act ('USPA') makes no distinction between design and utility patents. The prior art is defined as anything which is already known or used, or already patented or described in a publication anywhere in the world before the priority date,[244] irrespective of its obscurity. A twelve-month grace period excludes any public disclosure of the design made by the inventor.[245] However, as US design protection is sought for the appearance of a

[240] per Jacob LJ in *Procter & Gamble* EWCA, [57]:'Where a departure [from the design corpus] is small that may be for two reasons: technical restraint or simply lack of imagination by prior designers.'
[241] Section 2.2, Chapter 1.
[242] Also A-G Mengozzi in C-281/10P *Grupo Promer*, [31]-[33]: 'any "standard" features which the market expects, but which are not technically necessary, cannot be regarded as constraints on the designer's freedom. …It is totally at odds with [the] aim [of design law] to accept that mere market expectation can justify …certain features of a design being considered mandatory.' Similarly, Dinwoodie et al 2014, p.217.
[243] Design protection is only justified if 'the design protected is perceived as something "different" at market level, where it plays a role in competition between products'; Green Paper, [5.5.6.3].
[244] 35 USC §102(a)(1).
[245] 35 USC §102(b)(1).

specified article, only prior-disclosed designs which relate to the same kind of article are pertinent.[246]

4.2.2 Novelty

The USPA does not include a statutory definition of 'novel', but case law has established an 'ordinary observer' test for design law.[247] A design lacks novelty if an ordinary observer would consider it to be 'identical' to a prior design 'in all material respects',[248] discounting features which are functional and/or hidden in normal use.[249] Thus, the concept of novelty extends beyond strict identity, since immaterial differences are disregarded. The materiality of the difference is determined from the perspective of 'an ordinary observer, giving such attention as a purchaser usually gives.'[250] To be considered 'new', the design when 'viewed as a whole must produce a new impression on the eye … of the average observer'.[251] US design law characterises the ordinary observer as a purchaser or user of the article in question,[252] having some familiarity with the prior art.[253]

It is a long-established principle in US patent law that novelty and infringement are closely related: 'That which infringes, if later, would anticipate, if earlier.'[254] The Federal Circuit extends this principle to design patents.[255] As a result, the focus of any novelty evaluation is on 'significant differences between two designs, not minor or trivial differences that necessarily exist between two designs that are not exact copies of one another.'[256] In short, 'novelty' is pegged to the overall visual impression created in the mind of a typical user of the product, ignoring functional, trivial and invisible features.

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[246] 'The scope of the prior art is not the universe of abstract design and artistic creativity, but designs of the same article… or of articles sufficiently similar that a person of ordinary skill would look to such articles for their designs', see *Hupp*, [20].
[247] MPEP 1504.02 citing *In re Bartlett*, 300 F.2d 942 (CCPA 1962).
[248] *Hupp*, 1461.
[249] see e.g. *Door-Master Corp. v Yorktowne, Inc*. 256 F.3d 1308 (Fed.Cir.2001) cited in Dinwoodie and Janis 2010, pp.335-339.
[250] *Gorham*, 528.
[251] Ibid.
[252] *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1117 (Fed.Cir.1998).
[253] *Egyptian Goddess,* 676: the ordinary observer 'deemed to view the differences between the patented design and the accused product in the context of the prior art.'
[254] *Peters v. Active Mfg. Co.* 129 US 530, 537 (1889).
[255] *International Seaway Trading Corp. v. Walgreens Corp.* 589 F.3d 1233 (Fed.Cir.2009).
[256] Ibid, 1243.

4.2.3 Non-Obviousness

To be eligible for protection, any new design must also represent a 'non-obvious' advance in the art.[257] Non-obviousness is a qualitative measure of the 'success of a product's external design' unconnected with its 'utilitarian functionality'.[258]

Non-obviousness is generally perceived as the bastion of the patent system,[259] selecting 'those inventions which would not be disclosed or devised *but for* the inducement of a patent.'[260] Introduced into US patent law in 1952,[261] non-obviousness was elucidated by the Supreme Court in two (uility) patent cases, *Graham v. John Deere Co*.[262] and *KSR v. Teleflex Inc.*[263] The Federal Circuit recognises that adopting a uniform approach to inventions *and* designs is problematic,[264] but it is adamant that consistency must be attempted.[265] Consequently, courts, scholars and designers alike are confronted with the apparently 'impossible issue'[266] of distinguishing between 'obvious' and 'non-obvious' design variations.[267]

Obviousness is assessed from the perspective of a notional designer of ordinary skill in the relevant field.[268] A two-stage test has been established through case law precedent, which requires identification of valid primary and secondary prior art references. A primary reference is a single prior design[269] which is not close

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[257] 35 USC §103(a). While §171 makes no specific reference to non-obviousness, but courts have interpreted the section's 'catch all' wording to import the requirement from §103. Du Mont 209, pp.531-609 argues convincingly that this was not the legislative intent.
[258] Mueller and Brean 2010, p.425.
[259] See, e.g. 'the final gatekeeper': Merges 1988, p.812 cited in Burstein 2012, p.170.
[260] *Graham v. John Deere Co.,* 383 US 1, 11 (1966).
[261] Du Mont 2009, p.534.
[262] *Graham v. John Deere* establishes three-pronged analysis: the scope of the closest prior art, the variation between the prior art and the claimed invention, and the level of 'ordinary skill' in the relevant art.
[263] *KSR Int'l Co. v. Teleflex Inc.*, 550 US 398 (2007).
[264] see *In re Nalbandian*, 661 F.2d 1214, 1217-19 (CCPA 1981). Here, the court seems unconcerned whether this approach best promotes a design-based rationale, with the priority being to bring design patents in line with utility patents. Rich, J., identifies that issues are an inevitable consequence of requiring 'invention' in design. Du Mont 2009 and Burstein 2012 provide a comprehensive historical narrative of this aspect of the law,
[265] *LA Gear*, 1124.
[266] *Nalbandian*, 1219, per Rich, J.
[267] Mueller and Brean 2010, p.439.
[268] *Apple v. Samsung* 678 F.3d 1314, 1329-1330 (Fed.Cir.2012) citing *Titan Tire* 566 F.3d, 1375 (Fed.Cir.2009) and *Durling v. Spectrum Furniture Co.,* 101 F.3d 100, 103 (Fed.Cir.1996).
[269] It must be 'something in existence', not merely 'something which *might* be brought into existence by selecting individual features from prior art and combining them', see *In re Jennings* 182 F.2d 207, 328 (CCPA 1950).

enough to anticipate the design, but having design characteristics 'which are *basically the same* as the claimed design'.[270] The two designs must create 'the same visual impression'[271] in a side-by-side comparison.[272] For example, in *Apple v. Samsung,*[273] the Federal Circuit rejected a prior design ('Fidler') served as a primary reference because any similarity was at 'too high a level of abstraction'.[274] While also depicting a rectangular device with four rounded corners and a flat back, Fidler lack the specific visual characteristics of Apple's designs. Lack of a suitable primary reference qualifies the design as non-obvious.[275]

Assuming a valid primary reference is found, the second stage is to find a valid secondary reference including the 'missing' feature(s) which 'bridges the gap' between the primary reference and claimed design.[276] If further modification is needed to recreate the claimed design, this is indicative that the design is non-obvious. However, if any residual differences are 'de minimis', relating to 'changes which would be well within the skill of the ordinary designer', then the design will be deemed obvious. In *MRC v. Hunter*,[277] a line of ornamental stitching along seams on a canine football jersey was held to be de minimis, merely highlighting an existing design detail (the seam), rather than introducing a new one.

While the feature from the secondary reference must be identical to the 'missing' feature in the primary reference, the secondary reference and the claimed design do not need to share a similar *overall* appearance.[278] However, a secondary reference must be 'so related' to the primary references that 'the appearance of certain ornamental features in one would suggest the application of those features to the other.'[279] However, there is little judicial guidance how the 'so related' test

[270] *Durling*, 103 quoting *In re Rosen,* 673 F.2d 388, 391 (CCPA 1982). A valid primary reference is a '*Rosen* reference'.
[271] *Apple v. Samsung* (2012), 1330-1331.
[272] *High Point,* 1314.
[273] *Apple v. Samsung* (2012).
[274] Ibid, 1330-1331.
[275] *Durling*, 103-104.
[276] *Apple v. Samsung* (2012), 329; *In re Glavas*, 230 F.2d 447 (CCPA 1956).
[277] *MRC Innovations, Inc v. Hunter Mfg. LLP* 747 F.3d 1326 (Fed.Cir.2014).
[278] Mueller and Brean 2010, p.507.
[279] *In re Borden*, 90 F.3d, 1570, 1575 (Fed.Cir.1996).

distinguishes between combinations which would be 'obvious' and those which are merely 'possible.' This distinction is significant, since denying protection based upon design combinations which an ordinary designer *could* make, rather than those which they *would* make, invokes hindsight, and risks rendering most designs 'obvious'.[280]

In *KSR v. Teleflex*[281] the US Supreme Court rejected a rigid framework of rules determining when it would be held obvious to combine references, thereby permitting the fact-finder 'recourse to common sense'. This case concerned obviousness from a patent perspective, leaving it unclear whether the same approach is required in design cases,[282] and if so, whether the 'so related' test is fully *KSR*-compliant.[283] However, the current approach incorporates some flexibility as applicants can submit expert evidence and secondary evidence of non-obviousness[284] e.g. that a product's commercial success is indicative that its design satisfied a long-felt want.[285]

The principal criticism levied at the non-obviousness standard is its lack of resonance with the 'real world' of design. The simplest product forms may appeal most to the eye and be the trickiest to execute, and yet be most susceptible to an obviousness objection.[286] Given this apparent paradox, it has been suggested that it is more appropriate to assess obviousness from the same 'user' perspective as novelty.[287] This proposal posits that it is more apt to evaluate whether the designer's contribution has enhanced the saleability of a product from a consumer perspective and this also reflects the way that 'designers themselves …measure the value of a design.'[288]

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[280] Mueller and Brean 2010, pp.448-449, 501; Burstein 2012, p.184.
[281] The Federal Circuit had adopted a 'teaching/suggestion/motivation' (TSM) obviousness test for utility patents which considered whether a reference addressed the same problem as the invention. The Supreme Court considered it may be useful in some cases, but too rigid if mandated.
[282] This issue was identified, but left unresolved in *Titan Tire Corp*, 1384. For further critique, see: Mueller and Brean 2010.
[283] In *MRC v. Hunter*, a Petition for Writ of Certiorari on this point was refused.
[284] *Graham v. John Deere*.
[285] The argument runs that if the design was obvious, then it would have been created sooner, given the evident commercial demand. To be persuasive, the evidence must establish sufficient nexus between the commercial success and the protected design; see: *Apple v. Samsung* (2012), 1329.
[286] Mueller and Brean 2010, p.442.
[287] Ibid, p.432.
[288] Ibid, p.521.

Another criticism is that non-obviousness pitches the protection threshold above the skill-set of an 'average' designer, suggesting that US design protection is the preserve of the elite of 'extra-ordinary designers'.[289] Although avant-garde designs will be non-obvious, product designs which are too radical may lack mass consumer appeal.[290] With this consumer psychology in mind, the most successful commercial designs typically blend new and familiar features. As a product design expert explains:

> We deliberately incorporate into the product some remembered detail that will recall to the users a similar article put to a similar use. People will more readily accept something new …if they recognize in it something out of the past.[291]

Thus, while non-obviousness may be appropriate *if* the intended role of design law is to incentivise exceptional design, it seems counterproductive for encouraging creation of a broad spectrum of new designs to meet a wider range of consumer preferences.

In summary, the non-obvious 'patent' standard may be inappropriate for designs,[292] and is a perennial target for those proposing reform.[293] This requirement is arguably most appropriately applied to filter out those designs where the designer's only new contribution is a technical one, or one which is the inevitable result of the product's manufacturing process.[294] Changes of colour, material, scale or orientation are reasonable candidates for obviousness objections too, since such incidental alteration seems to best exemplify an ordinary, rather than inventive, modification.[295]

On a more practical level, the current US threshold seems to create a complex classification of prior designs having subtly different degrees of variation. A prior

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[289] *In re Laverne*, 1005-1008, obviousness was considered from the perspective of an ordinary observer for this reason. This approach was overturned in *Nalbandian*, 1218, with Rich, J. concluding that this was required because of the requirement for 'invention' in design.
[290] Renowned designer Loewy coined 'MAYA' ('Most Advanced Yet Acceptable') as the optimal form. Designers strive for familiar, but surprising designs, see Mueller and Brean 2010, pp.437-438.
[291] Dreyfuss 1955 cited in Mueller and Brean 2010, p.547.
[292] McKenna and Strandburg 2013, p.3 notes that copyright does not impose a qualitative measure (e.g. 'creative step') as a threshold requirement, arguing that it is over-ambitious to attempt this for design law.
[293] See e.g., Du Mont 2009, p.609.
[294] As argued in Burstein 2012, pp.205-208.
[295] Burstein 2012, p.213.

design is novelty-destroying if it creates 'substantially' or 'essentially' the *same* overall visual impression,[296] whereas a prior design is a valid primary reference for an obviousness challenge if it creates *basically the same* visual impression as the protected design.[297] The difference between the two tests seems highly nuanced.[298] Two designs may differ in ostensibly trivial details, so be held to be substantially the same (anticipation). Equally, 'trivial' differences may be trivial because the one commonplace feature replaces another,[299] meaning they are obvious variants of each other.

The net result is that although non-obviousness raises the protection threshold in theory, in practice, few novel designs are then denied protection because they are obvious.[300] Rather than being the preserve of only exceptional designs, many US design patents protect the prosaic.[301] Thus, novelty, not non-obviousness, is the real gatekeeper of US design law. However, this may be the evitable distinction between 'technical' and 'visual' inventions. While many technical solutions to a technical problem will be obvious, it is plausible that the opposite is true in design. Here, the designer's 'problem' is open-ended, 'with many possible – and few obvious – solutions.'[302]

4.3 Jurisdictional Comparison

Acknowledging that product designs may embody creativity (the remit of copyright law) and invention (the remit of patent law), the EU legislature adopted a 'design

[296] *Gorham* defined infringement in terms of 'substantial identity' i.e. two designs are 'essentially the same'.
[297] *Apple v. Samsung* (2012), 1330-1331.
[298] Saidman 2008, p.419 suggests a 'rule of thumb' that two designs are 'basically the same' if there is a 75-80% overlap.
[299] The obviousness test is reminiscent of the pre-harmonised novelty test in UK design law. A design lacked novelty if it differed from an earlier design 'only in immaterial detail or in features which are variants commonly used in the trade.' An 'immaterial difference' was assessed solely by the eye, while a 'variant in the trade' might be visually different. Expert evidence determined whether two features were 'variants'. Novelty would not reside in 'mere workshop modifications which any ordinary competent workman might be expected to produce carrying out their ordinary day-to-day trade.' See Howe 2010, p.151.
[300] Crouch 2009 reports that less than 1% of design application are rejected as obvious, and few of these rejections by the USPTO are appealed to the Federal Circuit; similarly, Mueller and Brean 2010, pp.429-430.
[301] Burstein keeps a collection of such designs: http://design-law.tumblr.com/.
[302] Burstein 2012, p.175.

approach' to the protection criteria for RCDs rooted in product marketability.[303] Via the combined protection thresholds of novelty and individual character, the EU regime aims to promote competition between producers based upon the visual impact of their goods on end-users, irrespective of the artistic or technical merit of the design. While similarly grounded in product saleability, US design protection requires novelty and non-obviousness. On first impression, the two schemes of protection appear to have little in common beyond sharing a 'novelty' requirement.

Novelty, it transpires, is a *faux ami*.[304] Although the test for novelty in both jurisdictions considers whether the design in question differs from a prior design only in respect of 'immaterial differences,' the interpretation of what is 'immaterial' is assessed against different standards and from different perspectives. Novelty is a narrow concept in EU design law, encapsulating the notion of substantial *identity* which is determined by the tribunal on its own account. Novelty in US design law is premised upon substantial *similarity*, as adduced from the perspective of a notional product user.

The state of the art against which novelty is assessed is also a variable standard. US law confines its reach to prior designs for essentially the *same article* of manufacture, whereas EU law protects the design *per se*, meaning the design corpus extends to all design fields. Whether the wider EU design corpus has any practical significance depends upon the nature of the design in question. Many designs for 3D product forms will be product-specific. However, there are groups of *different* but related articles which may share many similar design features (e.g. clocks and watches);[305] as well as product types where replication of a different article is inherent in their nature (e.g. vehicles and toy miniatures), and 'novelty' products which deliberately mimic something else. US design law also requires 'originality'. The stated practice is to deny protection to designs which 'simulate' an existing

[303] Kur 1993.
[304] Borrowed from Burstein 2015a, 'faux amis' being words which appear the same in French and English, but which have different meanings.
[305] Here, it may be possible to use a generic term to describe a wider class of products, which would effectively widen the relevant prior art too.

object.[306] However, this provision does not seem to be applied routinely where an existing design for one type of article is applied to another.[307] Without further modification of appearance, such designs would lack novelty under EU design law. Occasionally, EU law will disregard a prior design because its disclosure is too obscure, whereas any public disclosure is potentially pertinent to the validity of a US design. However, this exception is narrowly construed.[308]

US novelty is assessed from the perspective of a notional 'ordinary observer', sharing certain characteristics with the EU 'informed user' featured in assessments of individual character. The former is deemed to pay 'such attention as a purchaser usually gives' to decide whether two products are 'substantially the same', whereas the latter is held to pay more attention than an 'average consumer'. While informed users may notice minor differences which ordinary observers may overlook, both are (generally) presumed to undertake a side-by-side comparison.[309]

Further parallels might be drawn between the EU test for individual character and the US novelty test. Both evaluate designs based on overall visual impression[310] resulting from the claimed combination of design features. Similarly, both notional users form their impression against the backdrop of the design corpus, ignoring functional features and those invisible during use. In EU and US design law alike, the new design must create sufficient visual impact that consumers will apprehend the design as a *different* design from what has gone before. Only if the 'newness' of the design is evident on the intended market will the design qualify for protection.

In addition, EU design legislation requires the overall impression to be fine-tuned to take account of design freedom. Where design freedom is constrained,

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[306] MPEP 1504.01(d), see Section 2.2, above.
[307] US design law thus protects design creativity embodied in transferring the appearance of one article to other types of articles. See Burstein 2015b, discussing further examples, including US Patent No. D387,541 for the design of a 'novelty hat' in the shape of a wing nut. Only other novelty hats designs, not wing nut designs, are listed as prior art.



[308] *Green Lane v PMS* EWCA; C-361/15P to C-405/1P *Easy Sanitary Solutions*.
[309] The analysis undertaken in *Gorham* case was based upon side-by-side analysis of the two designs *as designs*, rather than a likelihood of confusion test, which the wording might suggest, see *Gorham*, 531.
[310] While this is an EU legislative test, it has evolved from US case law e.g. *International Seaway*.

relatively small changes in appearance may be sufficient to establish individual character. The US novelty test makes a similar adjustment, provided the constraints upon design freedom are evident from the prior art.[311]

US law imposes an additional requirement of non-obviousness, which has no direct equivalent in EU law. This qualitative hurdle denies protection to any routine modification of appearance which a 'designer of average skill' would be expected to make. Non-obviousness signals a key difference in underlying rationale differentiating the two jurisdictions: 'Individual character does not connote a flash of genius; it simply requires the noticeable and non-trivial development of designs beyond what has gone before.'[312] In theory, US design law should deny protection to some product designs with individual character because they are obvious. In practice, however, based upon the current test, very few novel designs are rejected for obviousness.

On the face of it, EU and US design law operate with different concepts and standards. But upon closer examination, this doctrinal diversity masks substantial functional convergence. It is reasonable to conclude that the protection thresholds are set at similar levels, and will result in protection of a similar range of product designs.

5. Scope of Protection

Scope of protection affords concerns the range of later design variants which will infringe the design-holder's exclusive rights. According to Article 26(1) TRIPS, right-holders should have the exclusive right to commercially exploit 'copies' or 'substantial copies' of the protected design.

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[311] The notional observer compares designs 'in the context of the prior art' (*Egyptian Goddess*, 676).
[312] Dinwoodie 1996, pp.660-661. Formalised in *Cuno Engineering v. Automatic Devices* 314 US 84 (1941), an 'inventive' act was once characterised as one arising in a 'flash of creative genius' rather than routine trial and error, until the USPA was revised in 1952. In *Graham v. John Deere Co.* 383 US 15 (1966), the Supreme Court reiterated that patentability was not contingent upon the manner in which the invention was actually made.

Within the EU,[313] an RCD confers the exclusive right to use the registered design in commerce,[314] irrespective of whether the conflicting design results from copying or from independent creation.[315] An RCD is presumed to be valid,[316] even though registration takes place without examination for satisfaction of the protection threshold.[317] The scope of protection extends to any later design which does not produce a different overall impression on the informed user, having taken design freedom into account.[318] Similarly, a US design patent affords the exclusive right to make, import, use, sell or offer to sell the patented design.[319] A design patent is infringed by use of identical copies and 'colorable imitations' of the protected design.[320]

Given the wide range of commercial activities which fall within the right-holder's exclusive control, most design disputes turn upon whether the unauthorised design is similar enough to fall within the protected scope, rather than whether the unauthorised use falls within the exclusive rights.[321] Accordingly, the following discussion concentrates upon how 'substantial copies' are defined and interpreted in the two jurisdictions.

5.1 EU

The test for infringement in EU design law directly mirrors the definition of individual character.[322] The scope of protection extends beyond direct copies, to encompass any later design which creates the same (or 'not different') overall impression on the

[313] Art.19(1)CDR outlines a non-exhaustive list of commercial uses extending from manufacture to use.
[314] C-488/10 *Celaya* confirms that an RCD affords a right to exclude others, not a positive right to use.
[315] This contrasts with the exclusive rights associated with an UCD, which is only infringed by copying, per Art.19(2)CDR.
[316] Art.85(1) CDR. EUTMs have the same presumption of validity, see art.99 CTMR.
[317] The party claiming invalidity must provide evidence of prior designs which call validity e.g. lack of novelty, into doubt. It may be assumed that the Community Register includes a proportion of 'unmeritorious and indeed theftuous registrations that cause great inconvenience to honest traders', per Phillips 2011, p.507.
[318] Art.10 CDR.
[319] 35 USC §271(a). Burstein 2015b debates the contours of 'the patented design'.
[320] 35 USC §289. The Federal Circuit considers that this 'colorable imitation' standard encompasses the doctrine of equivalents, familiar in utility patent law, see e.g. *Pacific Coast v. Malibu Boats, LLC* 739 F.3d 694 (Fed.Cir.2014).
[321] To similar effect, see Dinwoodie and Janis 2010, p.381.
[322] Although Recital 14 CDR states 'clearly differs' which suggests a protection threshold higher than the difference for infringement under Art.10(1), this is the result of 'sloppy drafting'; see: *Dyson v. Vax* EWCA, [34].

informed user. A later design which creates a *similar* impression has individual character of its own and does not infringe. Thus, an RCD's scope is defined by the design corpus and design freedom as the priority date. Any new, non-infringing design is eligible for registration itself.[323] Consideration of individual character in terms of earlier designs is equally relevant when considering later designs.[324] Likewise, the comparison for infringement is based upon the same like-for-like comparison between the RCD and later design, as is undertaken between the RCD and the design corpus in terms of validity.[325] Inevitably, the uncertainties surrounding proper interpretation of RCD representations, discussed earlier,[326] create uncertainties regarding both validity and scope.

PMS v. Magmatic demonstrates that the scope of RCDs using 3D-rendered images remains uncertain, but issues surrounding like-for-like comparisons are not limited to this type of design. In *Samsung v. Apple*, Apple argued on appeal that the High Court had been wrong to include surface decoration (the word SAMSUNG), which appeared on the allegedly infringing tablet in the comparison with the RCD. The Court of Appeal found no error of law,[327] since the trial judge he had merely acknowledged Apple's claim that lack of ornamentation was a 'feature' of the RCD.[328] However, as the RCD's representations were line drawings, these should have been interpreted as protecting product shapes alone, meaning all surface decoration on the Samsung product should have been ignored.[329] Thus, the trial judge's real error seems to have been placing reliance upon Apple's own characterisation of the protected design. It is for the tribunal to make an objective determination of what the RCD protects, as required by the CJEU's ruling in *Celaya*.[330]

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[323] Hartwig 2010 and Hartwig 2012 discuss this concept of 'reciprocity'.
[324] Section 4.1.3, above,
[325] Ibid.
[326] Section 2.1, above.
[327] *Samsung v. Apple* EWCA, [18].
[328] In fact, Apple had described 'a design of extreme simplicity without features which specify orientation.' Arguably, the Court inferred that lacking features were ones of surface decoration, see *Samsung v. Apple* EWHC, [16].
[329] *Samsung v. Apple* EWCA, [16]-[18].
[330] C-488/10,[55].

In *PMS v. Magmatic*, the UK Supreme Court held that findings of infringement must be justified by reference to the overall impression created by the design, based upon the protected design features.[331] This typically results in a three-way comparison between the RCD, the alleged infringement and the most relevant prior designs. This enables the court to assess whether similarity results from features already common in the design corpus or because of shared use of features where design freedom has been exercised creatively. Where the design field is already crowded, constraints upon design freedom become significant. For example, in *Sealed Air v. Sharp*,[332] the court upheld the validity of a fruit punnet, even though many of its design features were conventional or constrained by function. However, the scope of the registration was correspondingly narrow. When comparing the RCD with the alleged infringement, the informed user would be drawn to those features where design freedom *did* exist and where the RCD departs from prior designs. In *these* aspects, the later design was different, and so infringement was avoided.

In the UK, the Court of Appeal has been branded 'anti-designer' because RCDs are afforded too little scope.[333] The Court has yet to uphold that a registered design has been infringed. Yet this criticism seems largely unfounded. A narrow scope of protection seems inevitable, given the legislative test; although arguably this contraction has been compounded by the nature of the particular designs which have been litigated. For example, in *Procter & Gamble v. Reckitt Benckiser*,[334] the Court accepted that the award-winning protected spray canister design created a very different overall impression to those present in the design corpus, and conceded that the P&G design and the Reckitt product shared a generally similar overall

[331] *PMS v. Magmatic*, [39].
[332] *Sealed Air*, [72]-[76].
[333] e.g. Cornwell 2013; Stone 2014.
[334] *Procter & Gamble* EWCA.



configuration. The Reckitt design was closer to the RCD than to the prior art,[335] and the two designs shared the same design concept. But none of this was determinative, since the overall visual impression created must *also* be the same. Here, the similarities were at too high a level of generality for the differences in detail to go unnoticed by the informed user. Thus, the two designs would be perceived as different, albeit related designs, possessing individual character of their own.

This approach now finds support in EU jurisprudence. In *Senz*,[336] the General Court acknowledged that the first design protecting a new and innovative product, having an unusual appearance by default might enjoy a *relatively* broad scope of protection, but this did not mean that an informed user, confronted with a later design having the same general form and overall configuration 'is no longer able to perceive …differences'. Otherwise, the right-holder could preclude 'any future design concerning the same type of product', an outcome which the Court dismissed as 'completely untenable'.[337]

Dyson v. Vax is another example in which the protected vacuum cleaner design was visually striking too, and marked a sea-change from conventional 'cylinder' designs.[338] Again, the alleged infringement reproduced the general configuration of the protected design, included the same features and, consequently, bore more than a passing resemblance to the registered design. Again, the design registration was found not infringed.[339] While the Court of Appeal confirmed that a striking design should receive a broad scope of protection, this must be tempered by

[335] This test was the pre-harmonised UK law 'rule of thumb' used to assess the risk of infringement referred to in *Procter & Gamble* EWCA, [35(iv)].
[336] T-22/13 and T23/13 *Senz*.
[337] Ibid, [95]. The GC was critical of the analogy made in the appealed decision, which commented that Concorde and an Airbus would look similar to an observer who had not seen an aeroplane before. The Court underlined that this was the incorrect test for comparing two designs under EU design law.
[338] *Dyson v. Vax* EWHC.


DYSON DC02 (side view)


VAX MACH ZEN (side view)

[339] The trial judge described the overall impression of the registered design as 'smooth, curving and elegant' contrasting with the 'rugged, angular and industrial' look of the Vax machine (*Dyson v. Vax* EWHC [93]). The appeal court agreed (*Dyson v. Vax* EWCA, [32]).

the design freedom available. In this case, each striking feature had a technical significance, which restricted design freedom.[340] The case seems a good illustration of how technological innovation may create new design constraints. The proximity of the appearance of the RCD to the existing design corpus (old technology, with old design constraints[341]) then becomes less relevant when determining the scope of protection. It is submitted that this is necessary to ensure that design law is truly protecting the product's appearance and not the underlying technology. This requires design freedom to be assessed at the priority date.[342] Otherwise, the scope of an RCD may vary over time, as later technological developments may change what is technically possible.

Overall then, first impressions may prove unreliable when assessing visual similarity between two designs for the purposes of validity or infringement, because the test requires an objective consideration of two factors (design corpus and design freedom) which may pull in opposite directions. As Birss J. remarked in *Apple v. Samsung*:

> When I first saw the Samsung products in this case I was struck by how similar they look to the Apple design when they are resting on a table. …However, to the informed user (which at that stage I was not) …[t]he overall impression produced is different.[343]

While a broad scope of protection might seem necessary to meet the objective expressed in Recital 7, to provide designs with 'enhanced protection', equally, this can be construed as saying 'no more than that design protection is desirable'.[344] Given the linkage between the tests for validity and infringement of an RCD, broad scope means that more subsequent variants will be found to infringe, but in turn,

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[340] *Dyson v. Vax* EWHC, [69]-[81]. In *Samsung v. Apple* EWCA, the court is seen to have tacitly endorsed a more nuanced approach, comparing each feature of the RCD to the design corpus, considering the design freedom available, then weighting the feature's contribution in the overall impression; see Cornwell 2013, p.286, Smyth 2013, p.271.

[341] Mueller and Brean 2010, p.440 notes that electronics exemplifies how design freedom can change overtime. Ever-smaller electronic components afford flexibility for designers to adapt a product to 'fit' a design, rather than having to 'fit' aspects of design around the constraints of the product.

[342] *Dyson v. Vax* EWCA, [18].

[343] *Samsung v. Apple* EWHC, [189]-[190].

[344] per Jacob LJ. in *Procter & Gamble* EWCA, [54]: 'if design protection is too wide, even for a strikingly innovative design, you are likely to discourage innovation and investment. Different designs will be caught or under the threat of being caught. Merely drawing inspiration from prior designs will become dangerous.'

fewer new designs will be registerable. If scope is overly broad, the design regime might then fail to honour the Recital's other objective of 'encouraging innovation and development of new products.' Competitors might be reluctant to introduce incremental designs, fearing allegations of infringement, while the right-holders, largely shielded from direct competition, may become complacent and lack motivation to innovate further during the term of protection. Product variants would then dip below optimal levels.

5.2 US

A design patent is infringed by use of identical copies and 'colorable imitations' of the protected design,[345] assessed through side-by-side comparison between the representations and the later product.[346] The US Supreme Court defined a 'colorable imitation' in *Gorham*, as one in which the 'effect of the whole design' is seen as 'substantially the same' to the 'ordinary purchaser.'[347]

In 2008, the Federal Circuit, in *Egyptian Goddess*, reviewed and restated the test for infringement.[348] Although courts had generally agreed that visual similarity attributable to shared commonplace or functional features should not constitute infringement, there was no agreement how this was best achieved within the 'ordinary observer' framework. In *Egyptian Goddess*, the Court rejected infringement tests which required, for example, appropriation of the 'point of novelty' of the protected design.[349] Instead, it reaffirmed *Gorham*'s requirement that the design's overall visual impression should be the *sole* determinant of infringement.[350] The Court conceded that it would sometimes be immediately apparent that two designs were 'plainly dissimilar', but otherwise, evaluations should be contextual, based upon the design's contribution. Thus, the evaluation should be made through the eyes of an

[345] 35 USC §289.
[346] *LA Gear*, 1125-26; *Crocs, Inc. v. ITC* 598 F.3d 1294 (Fed.Cir.2010).
[347] *Gorham*, 528. The US Supreme Court rejected that the designs should be compared adopting the perspective of an expert. The ordinary purchaser is discussed in e.g. *Goodyear Tire*,[28].
[348] *Egyptian Goddess*. For a full discussion of the case see Kowalczyk 2010.
[349] see e.g. *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed.Cir.1984).
[350] *Egyptian Goddess*, 678.

observer deemed familiar with the prior art.[351] In effect, *Gorham* was restated: a fact-finder should find design infringement only if 'an ordinary observer, familiar with the prior art designs, would be deceived into believing that the accused product is the same as the patented design.'[352] Consequently, in an already crowded field, 'small differences between the accused design and the claimed design are likely to be important.'[353]

Egyptian Goddess also emphasised that the role of claim construction in design infringement cases was to 'guide' the fact-finder on issues relevant to the scope of the rights e.g. by identifying which features of the claimed design were present or absent in the accused design and/or prior art; explain drafting conventions,[354] and distinguishing 'between those features of the claimed design that are ornamental and those that are purely functional.'[355] The Court emphasised that similarity should be assessed based upon the 'overall *ornamental* visual impression.'[356]

Whilst the full impact of *Egyptian Goddess* may remain to be seen, its early repercussions produced a mixed response.[357] In *International Seaway*, the Federal Circuit confirmed *Egyptian Goddess*'s 'overall impression' approach as the standard for determining novelty as well as infringement.[358] Any 'trivial' differences between the claimed design and the alleged infringement could be discounted as part of the claim construction. In other words, any design features which would go unnoticed by the ordinary observer would not contribute to the overall impression. In dissent, Judge Clevenger disapproved of this 'dissection of a design… into its component

[351] Ibid, 676.
[352] *Crocs Inc v. ITC*, 1303 citing *Egyptian Goddess*.
[353] *Egyptian Goddess*, 679.
[354] File-wrapper estoppel might also be relevant to the scope of the design, see: *Pacific Coast*.
[355] *Egyptian Goddess*, 679.
[356] Ibid, citing *OddzOn*, 1405: 'Where a design contains both functional and non-functional elements, the scope of the claim must be construed …to identify the non-functional aspects of the design…'
[357] e.g. see Kowalczyk 2010, Chang 2011 and Saidman 2011.
[358] Section 4.3.2, above. Saidman 2011 is critical of this approach, as traditionally, novelty required design and prior art to be 'identical in all material respects', whereas infringement is found if it is 'substantially similar' to a patented design.

pieces', which –he said- blurred the line between claim construction (being a matter of law) and a factual finding on which the parties could present evidence.[359]

In *Richardson*, the Federal Circuit considered how the 'overall impression' was formed in the case of a predominantly functional design: a multi-purpose hand tool combining a crowbar, a hammer head and a jaw arranged in a known general configuration.[360] Here, the Court determined that the overall impression should be formed by the *ornamental* aspects of the design, instructing district courts to 'factor out' purely functional aspects during claim construction.[361] The patentee petitioned for an *en banc* rehearing,[362] arguing that functionality was relevant only if the validity of the design patent was in doubt for want of ornamentality.[363] *Gorham* required the ordinary observer's perception to be formed from 'the *overall effects* of *all* the depicted design elements' irrespective of whether the elements were 'new or old, functional or ornamental, significant or insignificant'.[364]

The request for a re-hearing was refused and a period of uncertainty followed. It was unclear exactly what the 'factoring out' of functional features entailed. Recent Federal Circuit decisions are restoring clarity. In *High Point II*,[365] the Federal Circuit stressed that 'high-level' conceptual similarities alone are insufficient for infringement. Similarly, in *Apple v. Samsung*, the Court distinguished between the general concept and the specific appearance of the protected design. *Richardson* 'factoring out' should, it directed, take place at the general conceptual level, rather

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[359] *International Seaway*, 1244-45. Determination that certain features were 'trivial', in his opinion, also risked eliding issues of novelty and obviousness, assessed by different notional observers.) Saidman 2011 concurs.

[360] Chang 2011 provides a comprehensive case discussion.

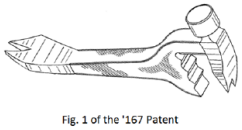
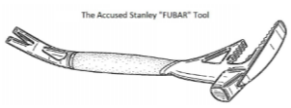


Fig. 1 of the '167 Patent



[361] *Richardson*, 1293.

[362] Available at: http://patentlyo.com/media/docs/2010/04/petition_20for_20rehearing_20en_20banc_20_2800029089_29-1.pdf> accessed 01/10/2017.

[363] Apple Amicus Brief in support of *Richardson* Petition*,* pp.2-4.

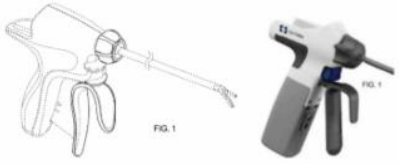
[364] AIPLA Amicus Brief in support of *Richardson* Petition*,* p.3, referring to the 'discounting' of features deemed permissible in the Federal Circuit decisions of *Egyptian Goddess*, *Richardson* and *International Seaway*, respectively. For support for this position, see: Chang 2011; Janis and Du Mont 2012, pp.278-279.

[365] *High Point Design LLC v. Buyers Direct, Inc. No.*14-1464 (Fed.Cir.2015).

than meaning that functional features should be ignored entirely. Equally, the Court rejected Apple's assertion that 'functionality' is all or nothing, in the sense that provided the design patent is valid (ornamental, rather than wholly functional), infringement should be assessed based upon a straightforward comparison between the claimed design and the alleged infringement.[366] Rather, it seems that this decision clarifies that when considering scope (rather than validity), functionality is a matter of degree.

This view is reinforced by the Federal Circuit's later decision in *Ethicon v. Covidien*.[367] Here, the Court held that a district court wrongly concluded that since all the design features of a surgical device (a torque knob, an on-off button and a trigger) were 'functional', all must be excluded from the overall impression, leaving the design covering 'nothing'.[368] Instead, the Court emphasised that the protected design did not claim the *concept* of combining the features together, but the particular (ornamental) appearance of these features. This suggests that *Richardson* 'factoring out' should be interpreted consistently with earlier Federal Circuit decisions. In *Lee v. Dayton-Hudson*,[369] the Federal Circuit held that the mandatory claim to the 'ornamental design'[370] underlines that protection is for the specific embodiment depicted, and not the underlying design concept of the article, nor its general configuration or structure.[371] Similarly, in *OddzOn*,[372] the Court recognised that although the *general* configuration of the article (an American football having a tail

[366] *Apple v. Samsung* (2015), 1332.
[367] *Ethicon Endo-Surgery v. Covidien* 796 F.3d 1312 (Fed.Cir.2015).



D661,804 Accused Design

[368] *Ethicon*, 1328.
[369] *Lee v. Dayton-Hudson Corp.* 838 F.2d 1186 (Fed.Cir.1988).
[370] required by 37 CFR §1.153(a).
[371] In *Lee v. Dayton-Hudson*, the design was construed as protecting the specific appearance of massage device depicted, and not *any* massage device comprising an elongate handle having opposing balls rotatably mounted at one end of the handle.
[372] *OddzOn Products Inc v. Just Toys Inc.* 122 F.3d 1396, 1405 (Fed.Cir.1997): 'Where a design contains both functional and non-functional elements, the scope of the claim must be construed in order to identify the non-functional aspects of the design…'

fin to boost its aerodynamics) was functional, this did not invalidate the design, but served to limit the scope of the protection.[373] In other words, infringement requires substantial similarity in the visual characteristics of both designs, not just a general similarity arising because the two designs are for products sharing the same functionality.

The Federal Circuit has further clarified the relationship between validity and scope functionality. In *Sport Dimension*,[374] the Federal Circuit reminded that in infringement proceedings, validity becomes an issue only if the entire design's appearance is dictated by its function. (If a valid design contains functional *elements*, the scope of the claim must be construed to identify the ornament *aspects* of the design of those functional *elements*.[375]) The Court went on to clarify that the *same* factors are relevant irrespective of whether validity or scope is being assessed.[376] Thus, while a functionality challenge on a design patent's validity is rarely successful,[377] *Sport Dimension* suggests that scope decreases as the degree of functionality increases. The Court's direction to focus upon what 'these [generally functional] elements contribute to the overall ornamentation'[378] chimes with an approach which evaluates creative contribution and the extent to which design freedom has been exercised. Those features which are most constrained by function will contribute least to the overall *ornamental* impression. As the protected design in *Sport Dimension* included 'minimal ornamentation', the Court directed that its scope

[373] Ibid, 1406.
[374] *Sport Dimension Inc. v. The Coleman Company Inc.* Case No.2015-1553 (Fed.Cir.2016).



[375] *Sport Dimension*, p.6: commenting on *Richardson*: 'the hammer's flat head, the crowbar's elongated shape, and the stud climbing tool's jawlike shape—were well known in the art, and their basic design was dictated by their respective functional purposes. But there were nevertheless ornamental aspects of the design of those elements.'
[376] *Sport Dimension*, p.8.
[377] Section 3.2, above.
[378] *Sport Dimension*, p.10.

should be narrow.[379] This addresses post-*Richardson* criticism questioning whether validity and scope functionality objections were based upon the same concerns.[380]

Further, the Court approved of the district court's use of the *Berry Sterling* factors in the functionality assessment. These assess whether a design feature is 'dictated by function' based upon 'whether the protected design represents the best design; whether alternative designs would adversely affect the utility of the specified article; whether there are any concomitant utility patents; whether the advertising touts particular features of the design as having specific utility; and whether there are any elements in the design or an overall appearance clearly not dictated by function.'[381] These factors are more commonly associated with functionality in trade mark cases.[382] It remains to be seen whether *Sport Dimension* marks a renaissance of the *Berry Sterling* factors, and if so, whether they are applied consistently with trade mark jurisprudence.

Critics of *Richardson* 'factoring-out' were sceptical of reconciling analysis of functionality at an elemental level with an infringement assessment based upon a design's overall impression,[383] not least because factoring elements out inevitably distorts the visual impression created.[384] In *Ethicon* and *Sports Dimension*, the Federal Circuit clarified that it is inappropriate to eliminate features entirely at the claim construction stage. However, concerns regarding the 'artificial' nature of this dissection of designs into design features seem to overlook the extent to which strategic selection is already an integral part of the design protection process. As design patents may claim less than a whole article, patentees regularly 'factor out'

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[379] While the court vacated the original non-infringement finding because the claim was misconstrued, the same outcome of non-infringement might be expected because of the narrow scope and different visual impression.

[380] Janis and Du Mont 2012, p.280; Carani 2014. Both consider that the different contexts require different analysis.

[381] *PHG Technologies*, 1366 quoting *Berry Sterling*, 1455.

[382] Section 2.2, Chapter 4.

[383] e.g. Dinwoodie and Janis 2010, p.409 identifying 'a danger that the court will become enmeshed in an analysis of discrete features of the design, and lose sight (literally and metaphorically) of the overall visual impression' the design presents; also, Tushnet 2012, p.419: 'the Federal Circuit approved a process of dissecting a design to screen out identified functional features before performing a holistic assessment. Unfortunately, these two steps are fundamentally contradictory, since analytic dissection interferes with gestalt evaluation.'

[384] Janis and Du Mont 2012, p.278 identifies the difficulty in visualising the design where gaps are left in place of functional features.

elements of their own designs by filing multiple applications covering different combinations of an article's features, or only part of an article, thereby influencing which subsequent designs will fall within the scope of their rights.[385]

This is illustrated in *Weber-Stephen v. Sears*,[386] concerning allegations that Sear's barbeque infringed two Weber design patents. While the court found that a design patent covering the entire barbeque was infringed, a further patent directed to only part of its hood was not. In terms of the design covering the entire product, the court noted that 'where the Weber design departs from the prior art, the [Sears] grills follow'. Differences were 'physically small, and not (relatively speaking) attention-grabbing features'. The ordinary observer was likely to miss subtle points of difference, because their eye would be focus on 'the bigger ticket items' instead.[387] Turning to the design protecting the barbeque hood end-plates, the court conceded that the two designs seemed similar as a matter of initial impression. However, given the few features claimed, and having taken the prior art into account, the differences between the two end-plates became 'inescapable'. The lesson is that 'differences …that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art.'[388]

5.3 Jurisdictional Comparison

Infringement analysis is a two-stage process in both EU and US design law. The first step is to interpret the representations on file to determine which aspects of the design are protected. The second stage is a comparison of the protected aspects of the design with the alleged infringement, on a like-for-like basis.

[385] Similarly, Tushnet 2012, p. 418.
[386] *Weber-Stephen Products, LLC v. Sears Holdings Corp No.13-cv-1686* (NDIII 2015).



[387] *Weber-Stephen v. Sears*, 49-50.
[388] *Egyptian Goddess*, 678.

Inevitably, for the purpose of comparison, the protected design is broken down into its component features, the EU and US courts concur that design infringement is not determined by the presence or absence of any one feature, even if that feature provides the 'point of novelty' of the protected design.[389] Likewise, infringement does not turn upon there being a greater number of similarities than differences. In each jurisdiction, the evaluation considers the overall visual impression, and infringement is found if the two designs create an impression which is substantially the same (USA) or not different (EU) from the perspective of a notional observer.

Within the EU, the notional observer is an informed user. Their 'informed' status reflects their observant nature and familiarity of the product sector and design corpus.[390] Similarly, post-*Egyptian Goddess*, the US observer's impression is generally formed within the context of the prior art, unless the later design is 'plainly dissimilar.' Arguably, it would seem problematic to make findings of similarity *or* dissimilarity *other* than against the backdrop of the design corpus at the relevant date. Not only does this promote transparency in the decision-making process, but the design corpus provides the context to assess whether differences are significant, or not.[391]

Applying the overall impression test, both jurisdictions recognise that a protected design which stands out markedly from the design corpus is likely to enjoy a greater scope of protection than one which is an incremental variation of the prior art. Nevertheless, it does not follow that the later design will infringe automatically, simply because it more closely resembles the protected design than the closest prior design. The US Federal Circuit has emphasised that the legitimate scope of a design patent does not extend to the underlying design concept or the general product configuration, but is pegged to the appearance of the specific embodiment of that

[389] *Egyptian Goddess* over-ruling *Litton v. Whirlpool* in this regard in the US. The EU legislative test is explicitly one of 'overall impression.'
[390] C-281/10P *Grupo Promer*,[53].
[391] *Egyptian Goddess*, 676.

concept which is represented.[392] The comments in *In re Laverne* that a 'design which initiates a new style does not automatically close the field to all other designs within the same style…'[393] echoes the sentiment of the EU General Court in *Senz*, where it was emphasised that an RCD for a new type of product does not enjoy such broad scope to preclude *any* later product of the same type. Replication of a new product's innovative feature should not dominate the overall impression to such an extent that it does not allow for 'identification and perceptions of differences'.[394] This is also consistent with UK jurisprudence. In the UK, the Court of Appeal has consistently rejected infringement claims, notwithstanding some level of overall visual similarity, in cases where the protected design is tied to innovative design concept, meaning there is no kindred prior art. The legislative test requires the overall visual impression to be *the same* (not different). It is not enough that the defendant has appropriated the product idea, however, 'original and clever'.[395]

EU design legislation is explicit that design freedom must be factored in when comparing any two designs. As a result, closer similarity in appearance of a feature must be tolerated where design freedom is constrained. Most weight should be given in the overall impression to those features where the designer has greater creative freedom to vary the appearance. Recent Federal Circuit decisions have clarified that 'functionality' is relevant to scope in US design law, too, rather than being the sole preserve of validity enquiries. In terms of scope, the 'functional' nature of individual features is relevant insofar as functional aspects must be 'factored out'. This does not mean that 'functional' features should be ignored altogether, but that attention should be given to their ornamental aspects, i.e. those aspects which a designer can modify appearance without comprising technical functionality. Although the terminology of 'design freedom' is not explicitly adopted, it is submitted that the Federal Circuit's directions are consistent with the EU approach in this regard.

[392] *OddzOn*.
[393] *Laverne*, 1005-1008.
[394] T-22/13 and T-23/13 *Senz*, [95].
[395] *PMS v. Magmatic*, [57].

Arguably, the ornamental aspects of a functional feature are those where the designer has made creative choices, because design freedom is available.

On balance, the scope of protection afforded to a protected design in both jurisdictions is relatively narrow, and set at broadly comparable levels. Legislative variation is largely superficial. Jurisdiction-specific tests have been interpreted to produce substantial convergence in practical scope of protection for protected designs.

6. Summary and Comparative Lessons

This Chapter has considered the subject matter of protection, the subject matter exclusions, the protection thresholds and scope of protection of EU and US design law.

EU and US design law embrace broad definitions of eligible 'designs' which focus design protection upon the appearance of products. It has been argued[396] that the breadth of definition, when combined with the relative laxity of EU rules governing acceptable representations and the requirement that designs are defined using images alone,[397] hinders an objective, uniform interpretation of the features protected by an RCD. This is significant because validity and infringement are both assessed using 'like-for-like' comparison. The problem would be mitigated by revising Article 36(6) CDR and permitting applicants to submit verbal claims or disclaimers, as allowed by the UK Designs Registry[398] and required by US design law. In addition, all EU tribunals should adopt the EUIPO 'guidelines' regarding the interpretation of dotted lines, rather than vary their meaning depending upon the right-holder's intent.

Regarding protection thresholds, EU law requires designs to be novel and have individual character, while US law requires originality, novelty and non-obviousness. The foregoing analysis suggests that EU 'individual character' and US 'novelty' require

[396] Section 2.1, above.
[397] Art.36(6) CDR.
[398] It is notable that the Design Directive does not include an equivalent of Art.36(6) CDR, thus affording national registries flexibility, as well as creating the opportunity for EU national registered designs and RCDs filed using identical representation to be construed as covering different combinations of features.

a similar degree of difference from prior designs. Both are assessed from the perspective of a notional observer, having similar attributes, and undertaking a side-by-side comparison. Both tests result in a relatively low threshold which is met if the observer, paying a reasonable amount of attention, can discern that the two designs are different from the overall visual impression created by their protectable features. These doctrinal standards serve the economic rationale for protection, whereby design law seeks to incentivize creative, incremental imitation to optimize product differentiation.

The US 'non-obviousness' requirement, sets an additional hurdle which requires any novel design to make a qualitative contribution to the design corpus. Obviousness is concerned with the likelihood that that the claimed combination of design features would result from 'routine' design modification. The current test seems to render the requirement largely redundant.[399] US scholars broadly agree that measuring non-obviousness in design law *either* excludes too much *or* too little. Thus, the US experience suggests that it may be impossible to devise qualitative criteria which differentiate effectively between worthy and merely distinguishable designs.

In the EU, the protection threshold matches the scope of protection, whereas there is only partial mirroring in the USA. In the EU, the same degree of similarity between two designs is needed to deny novelty and to find infringement, whereas non-obviousness sets the US protection threshold slightly higher, attempting to establish 'clear blue water' between designs which are registerable and those which are merely different enough to avoid infringement.[400] Aside from practical difficulties with the non-obviousness criteria, it is submitted that the EU approach is better calibrated to strike an appropriate balance.[401] Not only does matching the protection threshold and scope simplify legal doctrine, it also provides more incentive to

[399] Section 4.2.3, above.
[400] See Recital 8 CDR; also, Carboni 2006, p.116 criticising this approach as anti-designer (or pro-infringer).
[401] This approach is adopted in EU trade mark law. A trade mark which is not confusingly similar to a registered mark will avoid infringement, and will be registerable in its own right.

businesses which elect to innovate, rather than copy. An innovative imitator will not only avoid infringement, but may secure protection for their own creative efforts. The EU model also permits proper recognition of 'major innovations', because super-creative designs receive a correspondingly wider scope of protection.[402] This is one reason for replacing US design patents with a protection regime modelled upon EU RCDs, as Brean advocates.[403] Others call for US legislation to be interpreted more in-line with the EU approach.[404] The provision which requires utility patent doctrines to be applied to design law has been proposed as the obvious starting point for any legislative reform.[405]

Design law's long-standing challenge has been that protecting the appearance of a product may incidentally afford protection to technical, or functional, aspects of the product, with the risk of undermining patent law requirements.[406] The EU design regime ostensibly 'eschews any qualitative requirements of artistry or aestheticism',[407] because it excludes subject matter which is 'solely dictated' by technical function, and because it links validity and the scope of protection to design freedom. In reality, 'the EU has woven functionality concerns into the very fabric of its design laws.'[408] Similarly, US design law protects only 'ornamental' designs, and requires that functional aspects of design features are factored out when determining scope, with recent US Federal Circuit case law suggesting increasing convergence between the EU and USA, in terms of the influence which 'technical' features have upon scope.

Both jurisdictions have grappled with the question of whether the subject matter exclusions and curtailing of scope in respect of functional features are motivated by the same or different concerns. Scope seems to be concerned with

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[402] Stone 2012, p.142.
[403] Brean 2008.
[404] Mueller and Brean 2010; Burstein 2013, p.344.
[405] Du Mont and Janis 2013, pp.874-878, describing the 'Herculean efforts' made by US courts to 'stuff design patents into a utility patent box' because of the §171 'incorporation clause'.
[406] Section 3, above.
[407] Suthersanen 2011, p.6; Recital 10 CDR states the technical shape exclusion 'does not entail that a design must have an aesthetic quality'.
[408] Dinwoodie et al 2014, p.240.

constraints upon design freedom, whereas validity hinges upon whether appearance is 'solely dictated by function'. Does the latter turn on design freedom too, or is it concerned with designs and design features where appearance is motivated by only technical concerns? As Afori notes, uncertainty arises because 'functionality' lacks 'a clear and unequivocal definition'.[409]

When the CJEU comes to review the scope of Article 8(1) CDR,[410] it should endorse the *Lindner* approach to avoid duplication with Articles 6(2) and 10(2) CDR. Design features affording no design freedom already contribute nothing to the overall impression. If a product's appearance results from how, or how well, the product works, then protecting appearance is protecting the solution to a technical problem, which is already incentivised by patent protection.[411] The *Lindner* interpretation better serves the rationale that design protection should promote the marketability of products based upon appearance (for its own sake), rather than broader concerns of saleability only indirectly related to appearance. It supports product differentiation between technically equivalent products without unduly hindering technical innovation.

Whichever interpretation of 'solely dictated by function' is ultimately adopted, design law in both jurisdictions will continue to extend protection to many designs and design features which are heavily influenced by technical concerns.[412] In this respect, those features which best showcase design freedom should be most significant whenever similarity between designs is being assessed.[413] This focus directs attention to how best to take design freedom into consideration, and which constraints are relevant to it. Market-based constraints, such as market saturation, should be ignored to ensure that design protection adequately incentivises break-through, radical design innovations, once the potential for meaningful incremental

[409] Afori 2010, p.859. Saidman 2017, pp.1472-3, notes how frequently decisions use the terms 'functional' and 'ornamental' to define 'functionality' and 'ornamentality'.
[410] Pending Case C-395/16.
[411] Utility model protection is also available in some EU member states, as well as UK unregistered design right which does not exclude technical designs, but only protects against unauthorised copies.
[412] Du Mont and Janis 2012, p.27,34; Cornwell 2013, p.274.
[413] To similar effect regarding EU design law, see Cornwell 2013.

changes have been exhausted.[414] For new technology, UK case law[415] reveals a certain tension between 'aesthetics' and 'functionality', since a feature with a visually striking appearance may have been selected to optimise a technical result. Here, the result may be particularly aesthetically appealing, and yet an RCD may afford a relatively narrow scope of protection against imitation. Additionally, however unique the appearance, where the protected design incorporates a new product concept, the scope of protection is not so broad to prevent others from replicating the concept, providing there are sufficient differences in appearance which would be recognised by the notional observer.[416]

In summary, this chapter has identified many areas of consensus between EU and US design law. A low threshold of protection is matched by a narrow scope of protection. Design jurisprudence in both jurisdictions has come to recognise the importance of taking design freedom/degree of functionality into account when assessing similarity between designs. Case law has converged on these criteria as essential to ensure that design protection promotes innovation in product appearance, without hampering new product or technological development. In addition, the analysis has pinpointed areas of uncertainty. The most significant concerns which 'functional' shapes design law should exclude from protection. Practical issues of how designs should be represented and interpreted have also been discussed.

[414] Section 4.1.3, above, and Chapter 1.
[415] Section 5.1, above.
[416] T-22/13 and T-23/13 *Senz*; *Laverne*, 1006.

Chapter 4: Protection of Product Shapes by Trade Mark Law

This Chapter constitutes the second plane of the multi-dimensional analysis. Its structure mirrors that of Chapter 3. It identifies which product shapes are protected in EU and USA trade mark law, respectively, by considering, in turn, the eligible subject matter; the subject matter exclusions; and the protection thresholds, before evaluating the scope which a protected shape mark will enjoy.

There is more to ground to cover than in Chapter 3. Not only does trade mark law incorporate a plurality of exclusions, and twin-track thresholds, but there are two types of infringement. Although expositive to a large extent, we shall see there are aspects where it is impossible to state what the law 'is' with any certainty. Alternative interpretations are evaluated for consistency with the protection and legislative rationales identified in Chapter 1.

1. Subject Matter of Protection

The subject matter definition determines which aspects of a product's shape might qualify for trade mark protection. As we saw in Chapter 2, International trade mark law reserves this matter to national and regional law.

1.1 EU: A Sign and Its Graphical Representation

Pursuant to Article 4 EUTMR, a registerable trade mark may comprise 'any sign ...including …the shape of goods' which is 'capable of being represented graphically'.[1] Potentially, a 'sign' is any means for conveying information.[2] The CJEU has interpreted the term to exclude that which is not perceptible to any one of the senses, thereby distinguishing a protectable 'sign' from an ineligible 'concept' which 'appeals

[1] From 01/10/2017, the revised EUTMR only requires the sign to be 'represented on the Register …in a manner which enables the competent authorities and the public to determine the clear and precise subject matter'. It seems likely that shape marks will continue to be represented graphically.
[2] *Philips Electronics NV v. Remington Consumer Products Ltd* [1998] RPC 283, 298 ('*Philips* EWHC').

only to the imagination …[and] can cover many physical manifestations.'[3] Thus, protection must be sought for a single, specific sign, not a 'category of signs' or 'numerous permutations, presentations and combinations',[4] potentially affording its holder an unfair competitive advantage.[5]

Applied to product forms, this definition of a 'sign' excludes abstract generalisations. So, an application seeking to protect 'a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner' was rejected because the definition was not limited to any specific configuration of bag-less vacuum.[6] This forges a relationship between a 'sign' and its 'graphical representation', the latter being the version of the sign which is entered on the Register. The representation must be 'clear, precise, self-contained, intelligible and objective'[7] to ensure that the 'competent authorities and economic operators' consulting the public register can determine the 'precise subject of the protection' afforded by registration.[8] Thus, graphical representation promotes legal certainty and proper operation of the registration system.[9] Clarity regarding the nature of the mark is essential when determining whether it satisfies the protection requirements, and when assessing potential conflict with other signs.

In practice, shape marks encounter few problems satisfying these requirements. Having identified that the EUTM application is for a shape mark, the applicant may submit multiple 2D perspectives of the 3D product shape, optionally accompanied by a written explanation.[10] Where the sign is defined by a combination of visual and verbal elements, the description must be easy to understand, and must relate directly to that which is depicted.[11] A shape mark which satisfies the requirements of Article 4 EUTMR is considered to define the protected subject matter

[3] C-321/03 *Dyson* ECLI:EU:C:2007:51,[29]; C-273/00 *Sieckmann* ECLI:EU:C:2002:748,[43]-[44].
[4] *J.W. Spear & Son Ltd v. Zynga Inc* [2013] EWCA Civ 1175,[32].
[5] C-49/02 *Heidelberger* ECLI:EU:C:2004:384,[24]-[31]; C-321/03 *Dyson*,[38]. Bently and Sherman 2014, p.913 is critical of the CJEU's reasoning in the latter.
[6] C-321/03 *Dyson*,[37]-[38].
[7] C-273/00 *Sieckmann,*[46]-[55].
[8] C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* ECLI:EU:C:2003:244,[27]-[28].
[9] C-273/00 *Sieckmann*,[48].
[10] Rules 3(3)-(4) EUTMIR.
[11] T-293/10 *Rubik's Cube* EU:T:2012:302,[62]-[66].

in a sufficiently objective manner that there is no need for a tribunal to 'interpret' the protected mark. If the tribunal is unable to reconcile the visual representation with the description to determine what the sign 'is', the application should be rejected.[12]

Although Article 4 links the sign with its graphical representation, the link does not appear to extend to the sign's capacity to distinguish. Although yet to be considered at EU level, in the UK, the Court of Appeal has roundly rejected, as 'unpalatable', the argument that the more distinctive a sign is, the less precise its graphical representation needs to be.[13] This strongly suggests that evidence of use will not rescue an application facing an objection that its representation is non-compliant.

1.2 USA: Product Shapes as Symbols

In the USA, the Lanham Act identifies that protectable trade marks may include 'any word, name, symbol or device, or any combination thereof …used to identify and distinguish goods.[14] Although this list is non-exhaustive, until relatively recently, it was unclear whether product shape (termed 'configuration') *per se* qualified as an eligible 'symbol'.[15] In *Qualitex*, decided in 1995, the Supreme Court described the 'universe of things' eligible for trade mark protection as 'almost anything at all that is capable of carrying meaning.'[16] Subsequently, the Court affirmed that the Act 'provides no basis for distinguishing' between traditional trade marks and trade dress,[17] and later acknowledged that product shapes are protectable trade marks.[18]

Although the Lanham Act itself does require a trade mark to be capable of graphical representation, all US trade mark application must comply with rules

[12] T-293/10 *Rubik's Cube* EU:T:2012:302; similarly, *Glaxo v. Sandoz* [2016] EWHC 1537(Ch), upheld on appeal [2017] EWCA Civ 335.
[13] *Spear*,[33].
[14] §45.
[15] §.2 states: 'No trademark …shall be refused registration …on account of its nature'. The USPTO has long registered shape marks, see e.g. *Ex Parte Haig & Haig Ltd* 118 USPQ (BNA) 229 (1958); *In re Honeywell Inc.* 497 F.2d 1344 (CCPA 1974). The Cudahy dissent in *Kohler Co. v. Moen Inc* 12 F.3d 632 (7thCir.1993) documents why this was considered so contentious.
[16] *Qualitex*, 162.
[17] *Two Pesos*,773.
[18] *Wal-Mart v. Samara Brothers, Inc* 529 US 205 (2000); *TrafFix Devices, Inc. v. Marketing Displays, Inc.* 532 US 23 (2001).

requiring 'specificity and consistency'.[19] Shape mark applicants must file a visual representation (typically, a single image[20]) and a written description which identifies the mark as a 3D form.[21] Further context, such as identifying that only some of the illustrated features are part of the claimed mark, may be added. A single representation may cover multiple products which share a consistent 'Type-of-Look', i.e., convey a unified impression.[22] For example, a representation depicting a guitar might support a specification covering guitars *and* ukuleles, provided the application only claims those features which could be common to both.[23] The same specificity rules do not apply where the Lanham Act is invoked to protect unregistered marks. In such cases, shape marks are typically described as a list of product features accompanied by an image of an illustrative embodiment. For example, General Motors successfully claimed protection for 'the exterior appearance and styling of the vehicle design which includes the grille, slanted and raised hood, split windshield, rectangular doors, squared edges, etc.'.[24] This imprecise description not only encompassed GM's HUMMER and HUMVEE vehicles, but many other vehicle configurations, too.

The USPTO requires greater precision than the courts because the US Trademarks Register has been established to provide third parties with constructive notice of a claim to ownership of a mark.[25] The Federal Circuit has cited this function as basis to refuse to register 'phantom marks' (which leave a blank space in a logo for an element which will vary when the mark is actually used) because these 'encompass too many combinations and permutations to make a thorough and effective search possible.'[26] The same issues might arise in Type-of-Look shape

[19] 37 C.F.R. §2.52(b)(2); TMEP 1202.02(c)(iv).
[20] Ibid.
[21] TMEP 1202.02(c)(ii).
[22] Cf. *Rose Art Indus., Inc. v. Swanson*, 235 F.3d 165, 173, (3rdCir.2000).
[23] TMEP 1202.02(f)(i).
[24] *General Motors Corporation & AM General LLC v. Lanard Toys Inc.* 468 F.3d 405 (6thCir.2006).



[25] Lanham Act, §22.
[26] *In re Int'l Flavors & Fragrances Inc.*, 183 F.3d 1361, 1367-68 (Fed.Cir.1999).

marks, if an equivocal representation fails to provide adequate notice of the actual rights being claimed.

1.3 Jurisdictional Comparison

EU law's requirement for a 'sign' which is 'capable of graphical representation' when applied to shape marks limits protection to the appearance of specific embodiments of a product or product feature. Applications for more general product 'concepts' will be refused. US law, likewise, requires shape mark applicants to identify a 'specific configuration …and not to the goods in general.'[27] Both jurisdictions also require that the claimed shape features must be evident from the representations, and these will typically comprise a combination of visual images and explanatory text. However, given the possibility of registering Type-of-Look marks, and/or to rely upon unregistered marks, there seems marginally more scope for US trade mark law to protect product features at a higher level of generality than in the EU.

It is submitted that a distinction between a sign/symbol and concept is justified. Permitting registration of a concept would probably exceed what is necessary to protect the origin function of the specific forms which the applicant will actually use. Permitting protection of concepts might also mask embodiments which fail to satisfy the protection requirements, or which have excluded shape characteristics (considered next). In either event, trade mark protection would distort competition by affording the right-holder an unfair advantage.

2. Subject Matter Exclusions

The rationale for trade mark protection is to protect the link between a product and its source.[28] Trade mark law should not provide exclusive rights affording one market player a non-origin-related advantage.[29] While trade mark protection is generally pro-competitive, this is premised upon a large pool of signs being available.[30] We

[27] TTAB decision *In re National Presto Industries, Inc* SN85/883,551 of 19/04/2016.
[28] Section 3.3, Chapter 1.
[29] C-48/09P *Lego*,[38]; C-337/12P to C-340/12P *Pi-Design v. Yoshida Metal* ECLI:EU:C: 2014:129,[42].
[30] Landes and Posner 1987, p.274.

have seen that this assumption is more accurate for some types of marks (e.g. word-based marks) than for others.[31] Although EU and US legislation is permissive regarding the range of signs eligible for trade mark protection, specific categories of marks are denied protection to preserve fair competition[32] and safeguard consumer welfare. This section examines the categories of product shapes which EU and US trade mark law elect to exclude.

2.1 Shapes Excluded by EUTMR

EU trade mark legislation identifies three classes of shapes which are excluded from protection on competition-based grounds.[33] Article 7(1)(e) EUTMR[34] precludes registration of signs which 'consist exclusively' of a shape which:

(i) results from the nature of the goods themselves ('natural shape'); or

(ii) is necessary to obtain a technical result ('technical shape'); or

(iii) gives substantial value to the goods ('value-adding shape').

As the three provisions advance the same general aim, they must be interpreted consistently,[35] with the CJEU's guidelines. The general framework is considered first, before turning to each class of excluded shape.

2.1.1 Common Rationale and Interpretation Principles

The CJEU consistently requires that all grounds for refusal must be interpreted relative to the underlying public interest at stake.[36] The role identified for the shape exclusions is to maintain a fair system in which marks facilitate competition based upon quality and price.[37] Granting trade mark rights for those 'basic features of goods essential to competing effectively on the market concerned' would afford the right-holder an *unfair* competitive advantage.[38] Thus, the role of the EU shape exclusions

[31] Section 3.3, Chapter 1.
[32] see e.g. the Explanatory Memorandum 1980, p.57; Oddi 1985, p.120; White Paper 1990,[2.17].
[33] C-299/99 *Philips* ECLI:EU:C:2002:377,[78].
[34] Regulation (EU) 2015/2424 revises art.7(1)(e) to extend it to other non-shape characteristics of the goods.
[35] C-205/13 *Hauck*,[20].
[36] C-108/97 and C-109/97 *Windsurfing* ECLI:EU:C:1999:230,[25]-[27]; C-299/99 *Philips*,[77].
[37] C-205/13* *Hauck*,[31].
[38] Ibid,[30].

is to keep 'the essential characteristics of particular goods which are reflected in their shape' within the public domain.[39]

In particular, the CJEU identifies that trade mark law's notion of 'fair' competition should respect 'the balance of interests which the legislature established by placing a time-limit on protection conferred by certain other intellectual property rights.'[40] In other words, while trade mark protection might promote market transparency, this should not be at the expense of undermining IP rights which seek to promote innovation and creativity.[41] Thus, when assessing whether an exclusion applies, 'it is necessary to preclude a situation where a trade mark right is exercised exclusively for purposes which other intellectual property rights serve to attain.'[42]

The Regulation excludes shapes which consist 'exclusively' of the specified characteristics, but 'exclusively' could be understood in a variety of ways.[43] The CJEU has equated it with a shape's 'essential characteristics',[44] being its 'most important elements'.[45] Accordingly, 'trivial'[46] features are to be ignored. CJEU jurisprudence establishes that the tribunal must determine whether an exclusion applies objectively at its own discretion, not from the perspective of an average consumer.[47] Article 7(3) EUTMR confirms that any shape falling within an exception is denied registration,

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[39] C-205/13 *Hauck*,[28]; C-299/99 *Philips*,[78]-[79].
[40] C-205/13 *Hauck*,[39].
[41] C-30/15P* *Simba v. EUIPO* ECLI:EU:C:2016:350,[35]; also, C-205/13* *Hauck*,[37].
[42] C-205/13* *Hauck*,[70].
[43] E.g. the mark consists only of the shape, without any additional elements; the shape is the only one which can perform the excluded function, see: Firth 2001, p.91.
[44] C-299/99 *Philips*,[79]-[80].
[45] C-48/09P *Lego*,[68]-[70]. The Court noted that the most important elements might be identified either based upon overall visual impression or following a feature-by-feature analysis.
[46] In C-48/09P *Lego*, the red colouring of a *LEGO* brick was held to be a trivial feature. Cf. R-3021/2014-5,[36]-[37] in which a small logo was enough to render the exclusion inapplicable.



But also see T-580/15 *Flamagas, SA v. EUIPO* ECLI:EU:T:2017:433,[37]-[40]. The GC held that the word CLIPPER (present on the third image forming the representation) was too small and insignificant and 'could not constitute an essential characteristic of the mark at issue, given that it is of minor and secondary importance in relation to the shape of the lighter at issue.'



[47] C-48/09P *Lego*,[76]-[77]. The consumer perception might be relevant when assessing which features are essential.

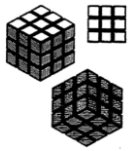
even though it is, in fact, performing a trade mark function.[48] Additionally, while the graphical representation of a shape mark must be 'self-contained,'[49] the CJEU has recognised that it may be necessary to look *beyond* what is made available from the representation alone, to review external sources, such as promotional material, patent applications or the product itself.[50] For example, in *Pi-Design*,[51] the Court conceded that while the representation *might* be interpreted as a decorative dotted pattern, because the applicant's corresponding patent described these dots as grip-enhancing dimples, it was appropriate to take this information into account. This pragmatic approach is welcomed. It is important that trade mark applicants do not unreasonably exploit information asymmetry or ambiguous representations to side-step these important provisions which safeguard the public interest.

The CJEU has clarified that the three classes of excluded shapes are independent, but not necessarily mutually exclusive. Each basis of refusal must be considered independently.[52] Consequently, a shape should only be denied protection if *all* its essential features fall fully within the *one* exclusion.[53] For example, a shape is not excluded if some of its essential features are technically necessary, even if those remaining all result from the nature of the goods.[54]

2.1.2 Natural Shapes

The first category of excluded product forms concerns shapes 'results from the nature of the goods themselves'.[55] If an undertaking were to secure exclusive rights to

[48] C-299/99 *Philips*,[75]; C-371/06 *G-Star*,[25]-[27].
[49] Art.4 EUTMR, see Section 1.1.
[50] C-30/15P *Simba Toys GmbH & Co KG v. EUIPO* ECLI:EU:C:2016:849,[46]-[47].



[51] C-337/12P to C-340/12P *Pi-Design v. Yoshida Metal Industry*, ECLI:EU:C:2014:129,[54]–[61].



[52] C-205/13 *Hauck*,[41].
[53] C-205/13 *Hauck*; C-215/14 *Nestlé SA v. Cadbury UK Ltd* ECLI:EU:C:2015:395.
[54] These facts where considered in C-215/14 *Nestlé*.
[55] Art.7(1)(e)(i) EUTMR.

commercialise the 'natural' shape of a product, it would seriously constrain competition in the market for that product.[56]

Until recently, tribunals including the General Court,[57] interpreted this exclusion narrowly, being applicable only if protection was sought for the only possible shape of the goods.[58] The exception was consequently rarely invoked.[59] In *Hauck*,[60] the CJEU put paid to this narrow interpretation. Here, the referring court was unsure whether the exception should apply to an ergonomically-designed, adjustable high chair. The chair's appearance was far from commonplace,[61] and neither was the specific shape depicted indispensable for it to function *qua* chair. Rather, each of its features could be attributed to generally desirable 'characteristics' for the specific type of chair, by affording it stability and adjustability. The Court considered that the natural shape exclusion would be ineffectual were it only applied to standard shape for the goods.[62] Instead, it held that the exclusion should apply whenever the essential features of a shape are inherent to the product's 'generic' function(s).[63]

Although this interpretation broadens the scope of the exclusion, the CJEU's guidance faces the criticism that it seems too imprecise either to translate it into 'useful guidelines', or to identify when the natural shape, rather than one of the other exclusions, should apply.[64] Although the meaning of 'generic function'[65] is unclear, the Court explained that Article 7(1)(i) EUTMR is concerned with those features of

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[56] *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809, ('*Philips* EWCA'), p.820.
[57] T-122/99 *Procter & Gamble Co. v. OHIM* ECLI:EU:T:2000:39,[54]-[56]; T-450/09 *Simba v. EUIPO* EU:T:2014:983;[78]-[83].
[58] *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809, p.820.
[59] The MPI Report,[2.37], proposed that this exclusion should be combined with art.7(1)(e)(ii) to exclude shapes which result from the 'nature or the (technical) performance of the goods', but this was not adopted.
[60] C-205/13 *Hauck*.



[61] Indeed, the product, having enjoyed patent, copyright and design protection since its inception, was shielded from imitators.
[62] C-205/13 *Hauck*, [24].
[63] Ibid, [25].
[64] Kur 2014, p.16.
[65] C-205/13 *Hauck*, [25].

shape 'which consumers will be looking for in the products of competitors, given that they are intended to perform an identical or similar function.'[66] Much turns upon the level of specificity at which the 'goods' and their 'function' are defined.[67] The CJEU has since clarified that it is legitimate to consider the specific product which the applicant is selling.[68] Also, the Advocate-General in *Hauck* linked a product's 'generic function' to those features which would distort or preclude competition,[69] which suggests that it is necessary to consider the product market in which the putative right-holder's goods (will) compete.

With these observations in mind, it seems reasonable to conclude that the natural shape exclusion should be interpreted to cover 'generic' product shapes having essential features which define a discrete product class,[70] albeit within a broader product category.[71] Having defined the product's intrinsic function, the next step is to identify whether the shape mark incorporates 'a decorative or imaginative element, which is not inherent to [that] generic function'.[72] For example, a v-shaped foot-strap is a defining feature of a 'flip-flop'.[73] This feature is intrinsic to its 'nature' (or 'generic function'), despite not being an essential feature of *all* shoes. Permitting this feature to be registered as a shape mark for footwear would hinder competition because it precludes competitors from competing 'fairly' based upon quality and cost. Consumers seeking an alternative source of supply are unlikely to find other designs of open-toed sandal an adequate substitute,[74] given its lack of equivalent functionality. Thus, even though the 'average consumer' standard has no role in determining *whether* a shape mark is excluded, adopting a consumer-based

[66] Ibid, [26]. The Advocate-General proposed the parallelepiped shape of a brick, or the combination of body, handle, spout and lid for a teapot (C-205/13* *Hauck*, [49]).
[67] Section 3.3, Chapter 3.
[68] C-30/15P *Simba Toys*, [46]-47].
[69] C-205/13* *Hauck*, [93].
[70] i.e. an approach is consistent with identifying the essential elements of a product invention which must feature in the main patent claim.
[71] See also, C-30/15P* *Simba Toys*, [45]-[46]. Although the appeal based upon Art.7(1)(e)(i) was inadmissible, the A-G hinted that 'magic cubes' could be a discrete product sub-class within the general class of 3D puzzles. For similar discussion by UK courts, see: *Philips* EWHC, 305 and *Philips* EWCA, 820.
[72] C-205/13 *Hauck*, [22]
[73] C-205/13* *Hauck*, [57]-[59].
[74] Ibid, [62], notes that trade mark protection prevents competitors from offering products having a confusingly similar appearance, relying upon equivalent reasoning in respect of technical shapes in C-48/09P *Lego*,[56].

perspective may inform *which* essential features of shape mark should be considered as 'generic'.

In addition to its application to commonplace generic product shapes, the natural shape exclusion should logically extend to new product shapes which are the paradigm of a new product concept. In *Hauck*,[75] the CJEU identified the chair's 'essential characteristics' as a pair of slanted supports provided with aligned, regularly-spaced grooves, which permit easy removal and repositioning of a seat and footrest. While clearly not a 'generic' function of all children's chairs, registration of a shape mark combining nothing but these features would make it difficult for competitors to incorporate the same design concept into their products. However, a largely 'functional' product shape having a non-trivial embellishment or decorative feature will remain eligible for protection.

2.1.3 Technical Shapes

The second shape exclusion, covering product shapes which are 'necessary to obtain a technical result',[76] was first considered by the CJEU in *Philips v. Remington*,[77] in which the validity of a shape mark turned upon whether the depicted configuration of three rotary shaving heads was technically 'necessary' for electric shavers. In UK proceedings, the High Court identified that exclusion should prevent 'permanent monopolies in matters of significant engineering design'.[78] The Court of Appeal considered that the provision would apply whenever 'all the essential features of the shape' were there 'for technical reasons'.[79] However, it referred the matter to the CJEU because, in co-pending proceedings, a Swedish court had interpreted the exclusion more narrowly, applying only if competitors needed to replicate the

[75] C-205/13 *Hauck*.
[76] Art.7(1)(e)(ii) EUTMR.
[77] C-299/99 *Philips*.



[78] *Philips* EWHC, 308.
[79] *Philips* EWCA, 830.

appearance claimed because no other configuration would achieve equivalent results.[80]

The Advocate-General agreed with the UK courts. The policy underlying Article 7(1)(e)(ii) EUTMR was to ensure that trade mark rights did not serve to extend the life of corresponding patents.[81] The CJEU agreed too, but it attributed a broader rationale to the exclusion. Trade mark law should not be used to 'acquire *or* perpetuate exclusive rights relating to technical solutions.'[82] Thus, any essential feature of a shape mark included for technical reasons, *is* technically 'necessary'. The Court found no reason to look beyond the shape in issue, and consider alternative configurations. If all essential features of the shape have been adopted for technical reasons, then registration should be denied because protection would limit the solutions available to competitors looking to solve technical problems.[83] In *Lego*,[84] the CJEU expanded on the reasoning in *Philips*. If the existence of alternatives to the shape claimed had been decisive, then an undertaking could foreclose competition by seeking registration of multiple variants, gaining exclusive rights which also covered similar shapes.[85] Although (previous/subsisting) patent protection is not determinative, patent documents are highly pertinent when assessing whether a feature of shape has technical significance.[86]

Most recently, the CJEU considered whether the technical shape exclusion extends to features which, although not necessary to *achieve* a technical result, are the inevitable *result* of a technical process. This distinction was pertinent in the on-going dispute between confectionery manufacturers, Nestlé and Cadbury, concerning registration of the shape of a four-fingered *KIT KAT* bar.[87] The trapezoid shape of the

[80] *Ide Line AG v. Philips Electronics NV* [1997] ETMR 337.
[81] C-299/99 *Philips*,[30].
[82] Ibid, [82].
[83] C-299/99 *Philips*,[79].
[84] C-48/09P *Lego*.

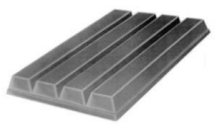


[85] Ibid, [56]-[57].
[86] Here, the studs on the upper surface of each *Lego* brick enabled like-blocks to interlock releasably, a concept which had been patented.
[87] C-215/14 *Nestlé*.

chocolate fingers resulted from the 'technical' choice of manufacturing the bar by a moulding process.[88] Advocate-General Wathelet noted that *Lego* had identified the pertinent question was whether registration of the shape claimed would 'impede' use of a 'technical solution by other undertakings'.[89] Applying this principle, he concluded that 'technical result' should be construed purposively to cover the 'result' of technical processes.[90] Surprisingly, the CJEU took a different view. It qualified the technical shape exclusion as extending to shape marks affording exclusive rights in 'technical solutions …which a user is likely to seek in the goods of competitors'.[91] The Court noted that consumer choice is generally based upon what a product does, not *how* it is made, meaning deviation from the literal meaning of the 'technical result' wording was not justified.[92]

Pace the CJEU, this outcome seems inconsistent with *Hauck*, which held that application of Article 7(1)(e) is independent of consumer perspectives.[93] A literal interpretation of the provision creates the opportunity for trade mark law to be used to monopolise technical solutions which manifest as a process, akin to a 'product-by-process' patent claim. Again, this is at odds with *Hauck*'s objective to prevent trade mark rights from replicating other fixed-term IP rights.[94] If shape mark protection precludes competitors from adopting efficient methods of manufacture it would create an unfair advantage which is inevitably detrimental to consumer welfare.[95]

Ultimately, the impact of this ruling may be limited because national tribunals determine how a shape mark's essential characteristics are defined. For example, although in *Nestle*, the *KIT KAT* finger shape was attributed to a technical function,



[88] *Nestlé v Cadbury* [2014] EWHC 16 (Ch) ('*Nestlé* EWHC'),[29].
[89] C-48/09P *Lego*, [48].
[90] C-215/14 *Nestlé*, [72]-[78].
[91] Ibid, [44] citing C-299/99 *Philips*, [78] and C-205/13 *Hauck*, [18].
[92] C-215/14 *Nestlé*, [54]-[55].
[93] C-205/13 *Hauck*, [34].
[94] C-48/09P *Lego*,[45]; C-205/13 *Hauck*, [31].
[95] To similar effect, see: Kur and Senftleben 2017; Chronopoulos 2017.

equally, it could have been classified as resulting from the (moulded and frangible) nature of the goods.[96] Indeed, following the more expansive interpretation of natural shape exclusion in *Hauck*, there seems significant scope for the technical and natural shape exclusions to overlap. Both are concerned with preventing competitive constraints on product features which are 'attractive to the consumer from a functional perspective',[97] and the CJEU seems to use the terms 'technical' and 'functional' interchangeably.[98] One scholar has suggested that a product's 'generic' function might encompass a broader conception of 'functionality' than 'technical' function.[99] Alternatively, it seems to make sense to determine the 'generic' nature of product features from the consumer perspective and the 'technical' nature of features from a competitor/designer perspective. However, this solution might be difficult to reconcile with the CJEU's comments in *Nestle.*[100] Further judicial clarification is awaited.

2.1.4 Value-Adding Shapes

The final shape exclusion covers shapes which gives substantial value to the goods.[101] The rationale underlying this exclusion is the least understood.[102] Until recently, it was generally assumed to exclude works of art or other decorative products, such as jewellery, which are purchased wholly based upon their aesthetic appeal.[103] Before reviewing the CJEU's explanation in *Hauck*,[104] earlier judicial interpretations of the provision set the scene.

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[96] Similarly Kur 2014, p.14.
[97] C-48/09P *Lego*,[60].
[98] See e.g. C-337/12P *Pi-Design*,[45] which refers to 'functional characteristics' when considering the 'technical shape' exception.
[99] Kur 2014, p.16.
[100] i.e. 'technical solutions …which a user is likely to seek in the goods of competitors' (C-215/14 *Nestlé*,[44]).
[101] Art.(1)(e)(iii) EUTMR.
[102] Torremans 2010, p.412; Suthersanen 2010, p.173; Quaedvlieg 2012; C-205/13* *Hauck*,[69].
[103] Discussed in C-205/13 *Hauck*,[32]; also favoured by German Supreme Court, see I ZB 88/07 of 09/07/2009, *GRUR* 2010 *ROCHER*.



[104] C-205/13 *Hauck*.

In the UK, the exclusion was first considered in *Philips v. Remington*. The High Court, noting that any value arising from the shape's reputation as a trade mark must be discounted,[105] considered it proper to factor in value added by the superior nature of the product's design.[106] The Court of Appeal disagreed. It held that the exclusion applied only to decorative shapes.[107] The CJEU considered the provision in *G-Star*,[108] but its guidance was Delphic. The referring court seemed to have been seeking confirmation that reputation-related value attached to shape should be ignored as raised in *Philips*.[109] In its response, the CJEU stated that any shape which *does* add substantial value to the goods at the priority date cannot be saved by its factual distinctiveness.[110] (Plausibly in this case, by the time protection was sought, the applicant's marketing efforts had created consumer demand for the new style of jeans,[111] rather than creating a distinctive mark. Protection of a 'style' or 'trend' adds substantial valuable which trade mark law ought not to protect.[112])

In *Bang & Olufsen*,[113] the General Court lent weight to the view that the exclusion is not confined to purely decorative products. This case concerned the appearance of a 'designer' speaker. Faced with refusal pursuant on this ground, the applicant argued that the shape did not add substantial value to the goods because

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[105] *Philips* EWHC,309 per Jacob J: 'Good trade marks add value to goods - that is one of the things they are for. So one must not take this exclusion too literally.'
[106] The court based its analysis on this analysis from the earlier White Paper: 'If a shape…does not contribute substantially to the intrinsic value of the product, then it may be registerable as a trade mark.' DTI White Paper, [2.20].
[107] *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809, p.822.
[108] C-371/06 *G-Star*.



[109] C-371/06 *G-Star*,[20].
[110] See also *London Taxi Company v. Frazer-Nash* [2017] EWCA Civ 1729,[70]-[76], in which the Court speculates that it is the consumer perception of the 'shape itself' at the application date which is relevant, not the 'intrinsic' value of the (unused) shape.
[111] Case C-371/06 *G-Star*,[14].
[112] To similar effect, see Torremans 2010, p.413; Quaedvlieg considers it irrelevant to consumers whether the design was 'inherently' attractive or not, see Quaedvlieg 2012, pp.198-201.
[113] T-508/08 *Bang & Olufsen A/S v. OHIM*, ECLI:EU:T:2011:575.



the product's value lay in its technical capabilities. The General Court disagreed. The product appealed to consumers which valued 'good product design', meaning that appearance was *an* essential selling feature of the product. While much of the product's value was attributable to its technical qualities, in the Court's view, the speaker's shape *also* gave substantial value to the goods. It was irrelevant that it was the applicant who had created the demand for such designer-led goods.[114] EUIPO's Second Board of Appeal relied upon *Bang & Olufsen* when reviewing the registrability of the iconic Eames' *Alu-Chair* design.[115] It interpreted the earlier case law as restricting the exception to goods which are purchased based upon 'eye-appeal.'[116] Here, the Board concluded that the *Alu-Chair* shape was not excluded because it was inherently 'banal'. The product was not a 'status symbol' because of its intrinsic attractiveness, but rather, it owed its success to 'the fame of its designers, from its history and from its exclusivity'.[117] This conclusion was the opposite of UKIPO practice, which viewed 'iconic' status as indicative that the shape *did* add substantial, non-trade mark value to the goods.[118]

In *Hauck*, the CJEU clarified the role of the value-adding exclusion. Within the overarching objective of Article 7(1)(e) EUTMR, this exception seeks to prevent monopolisation of 'aesthetic characteristics' (i.e. appearance) which 'strongly influences consumer preference' for the goods.[119] *Hauck* thus ends the debate that the exclusion is confined to wholly decorative or objectively attractive goods. The exception is potentially far-reaching, since it now applies to 'practical objects' whenever product design is 'one of the fundamental elements which determines their …market success.'[120] Value attaching to 'design' may reside in aspects including

[114] T-508/08 *Bang & Olufsen*,[70]-[77].
[115] R-486/2010-2 *High Tech SRL v. Vitra Collections AG* (*'Alu-Chair'*).



[116] R-486/2010-2 *Alu-Chair*,[18].
[117] Although the decision was appealed to the General Court (T-161/11), the mark remains on the EUTM Register because the parties reached agreement and the proceedings were withdrawn.
[118] See e.g. *Dualit Ltd's (Toaster Shapes) Trade Mark Applications* [1999] RPC 304.
[119] C-205/13* *Hauck*, [79]-[80].
[120] C-205/13 *Hauck*, [81].

'comfort', 'solidity' and 'ergonomics' with independent consumer appeal.[121] This, according to the CJEU, should be assessed by considering how the product shape is promoted and perceived by consumers, as well as taking account of the nature of the goods, the shape's artistic value and uniqueness, and the price differential commanded.[122]

This broader interpretation must be correct. As well as being consistent with the best understanding of *G-Star*, the wording of the exclusion does not limit how the value might arise,[123] or require tribunals to determine *why* or *how* consumers have developed a visual preference.[124] *Hauck* also confirms that the exclusion serves a 'channelling' role to prevent trade mark rights from effectively extending other fixed-term IP rights.[125] While the technical shape exclusion serves to channel *all* technical innovation towards patent law, the value-adding exclusion is a partial filter. Were the exclusion to catch *any* product shape eligible for copyright or design protection, then this 'exception' to registration would soon become the rule.[126]

Hauck has been criticised as placing tribunals 'in the awkward position of a design jury condemning instead of rewarding outstanding creative efforts', potentially requiring trade mark registries to perform a design-like examination for shape marks.[127] However, the CJEU directs a comparison with competing products in terms of both appearance *and* price. This suggests that the evaluation should not be directed at whether the shape is eligible for other IP protection. Instead, the focus might be to identify the impact of having those other IP rights in place. If the applicant has already derived a market advantage (i.e. a price premium) from other IP rights protecting the product's unique appearance, then it becomes more likely that additional trade mark rights (also protecting appearance), will – in effect - extend those earlier time-limited rights. After all, it is not trade mark law's role to

[121] Ibid, [29]-[32].
[122] Ibid, [35].
[123] see Firth 2001, p.94; Kur 2011, p.21.
[124] Quaedvlieg 2012, pp.198-201; similarly, Kur 2011, p.57.
[125] C-205/13 *Hauck*, [31].
[126] Quaedvlieg 2012, p.196; Derclaye and Leistner 2011, p.56; Kur 2014, p.23; R-497/2005-1 *Bang & Olufsen*, [26].
[127] Kur 2014, p.24.

reward creative effort. If other IP protection has enabled sunk costs in design to be recouped, additional trade mark protection would be an undeserved, inefficient 'windfall'.[128]

The CJEU's reference to price differential *and* artistic value suggests that iconic 'designer' products should be challenged under Article 7(1)(e)(iii). A product's creative provenance and the renown of its designer contributes significantly to its appeal and ability to command a higher price, irrespective of the source of manufacture. Indeed, in a post-*Hauck* decision, a different EUIPO Board departed from *Alu-Chair* by invalidating a shape mark for the Eames *Lounge* chair on this basis: 'Where an item has become a "style icon" ….it must have substantial value.'[129] Indeed, the value-adding exclusion should exclude the commercially successful work of famous designers. These works have great potential to influence new product designs. Permitting such shapes to be registerable trade marks arguably affords an unfair advantage to the right-holder because trade mark rights would hinder the very creativity and new product innovation which other IP laws seek to promote by affording time-limited protection.[130]

The broader interpretation of the added-value exclusion might also preclude entire classes of consumer products from registration. For example, in UK litigation, the High Court concluded that cars might fall into this category.[131] As consumer goods become more expensive, design value (manifesting in appearance) becomes more influential in any purchasing decision.[132] Arguably, the exclusion is not confined only

[128] Section 6, Chapter 1.
[129] R-664/2011-5,[42]. The mark also remains on the EU Register, as the parties settled while an appeal (T-455/15) was pending, as noted too in Voegl 2017.



[130] Similarly, Quaedvlieg 2012, pp.206-207. See also EFTA Case E-5/16 which considered that retaining 'freedom of the arts' is such importance that trade mark registration of a work recognised as cultural heritage might be contrary to morality and/or public policy, contrary to Art.7(1)(f) EUTMR.
[131] *LTC v. Frazer-Nash* [2016] EWHC 52, [213]. On appeal, the Court found the position less clear cut, and potentially requiring a CJEU reference: [2017] EWCA Civ 1729,[70]-[76].
[132] Kur 2014, pp.14-25 suggests that factors which motivate purchasing decisions may vary overtime. While this is so for specific products, if the exception is applied at the level of categories of goods, it seems

to expensive goods. *G-Star* illustrates that appearance may be significant in the selection of less expensive fashion items.

2.1.5 EU Exceptions Post-*Hauck*

Although the shape mark exclusions were originally envisaged as the 'bastion of control' for policing eligible subject matter,[133] for much of the Regulation's 20-year history only the technical shape exclusion has had any real impact. Perhaps *because* Article 4 EUTMR specifically identified product shapes as an exemplar of a registerable sign, it was presumed that distinctive shape marks *should* be registered. However, now that recent CJEU jurisprudence has articulated the rationales of the exclusions more clearly,[134] *Hauck* has afforded the natural shape and value-adding shape provisions 'more teeth.'[135]

Trade mark rights improve market transparency, yet if the market is to meet consumer expectations, exclusive rights should not be granted which will significantly hinder fair competition in goods based upon quality and cost. Shape mark rights may distort competition by protecting basic features of goods which consumers value, irrespective of origin. When this occurs, an advantage gained from trade mark protection is an unfair advantage, taking proper account of the interests protected by time-limited IP rights.

2.2 USA

As we saw in Chapter 2, US trade mark protection forms that part of unfair competition law which was codified as the Lanham Act.[136] The long-standing common law functionality doctrine was incorporated into statute only in 1998.[137] The subject

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then it is less likely that appearance will cease to be a factor, even if the popularity of specific designs wax and wane.

[133] Suthersanen 2003, p.258.

[134] C-205/13 *Hauck*.

[135] Kur 2014, p.3.

[136] The Lanham Act codified only part of the common law of unfair competition relating to deception, but codification did not supplant it. It remains possible to bring common-law unfair competition claims under state law, see 28 U.S.C. §1338(b).

[137] See Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, tit. II, §201(a)(4), 112 Stat. 3064, 3070 (1998) (codified as amended at 15 USC §1064(3)).

matter exclusion in the Lanham Act[138] is not shape mark specific,[139] prohibiting protection of any 'matter that, as a whole, is functional', even if it is distinctive.[140]

The legislation leaves the definition of 'functional matter' to judicial interpretation. Its role is recognised as targeting 'those instances in which the anticompetitive consequences of exclusive rights outweigh the public and private interest in protecting distinctive designs.'[141] Thus, 'functionality' in US trade mark law is not solely concerned with a feature's use or usefulness, but rather the impact which trade mark protection might have upon competition.[142] However, there are different schools of thought[143] regarding how the functionality exclusion fits with the general free market principle that copying is permissible, how far it is concerned with the structural integrity of the IP system, and whether it is there to mediate constitutional issues (since the IP Clause permits works and inventions to enjoy only a limited term of protection[144]). Analysis of the US functionality doctrine is complex because these different aspects intertwine and give rise to competing definitions of what is 'functional'. Indeed, the only area where all commentators agree is that functionality doctrine is the 'most confusing and unsettled area' of US trade mark law.[145]

Without attempting any comprehensive appraisal,[146] the more modest aim is of this sub-section is to identify the main rationales in play, and highlight the areas of broad consensus and disagreement, for the purposes of comparison with the equivalent EU provisions which have just been considered. We will trace the evolution of the functionality doctrine, and the development of a circuit split, which led the US

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[138] §2(e)(5).
[139] Although, most frequently applicable to non-traditional trade marks, such as shapes, colours and scents, see, e.g. *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.* 457 F.3d 1062 (9thCir.2006) for its (not-altogether successful) application to conventional marks.
[140] §2(f) Lanham Act. §14(3) establishes functionality as a ground of invalidity, §33(b)(8) establishes functionality as a defence to infringement.
[141] The Third Restatement of Torts, §17 cmt.a.
[142] *Qualitex v. Jacobson* 514 U.S. 159, 169 (1995).
[143] For a summary of the points of disagreement on the doctrine as relating to rationales, test, scope, evidence and sufficiency, see Dinwoodie and Janis 2010, p.112.
[144] Hughes 2015, p.1236.
[145] Bone 2015, p.183 including citations therein. Similarly, Cohen 2010; Thurmon 2004, and citations therein; Dinwoodie and Janis 2014, pp.159-160.
[146] For this, see, e.g.: Bone 2015; Johnson 2011; Oddi 1985.

Supreme Court to consider the issue in *TrafFix*.[147] We then assess the impact of this decision on the current interpretation of functionality.

2.2.1 Evolution of Functionality to *TrafFix*

By the 19th century, when trade marks received protection under the tort of unfair competition,[148] it was already well-established that competitors were free to copy another's product *unless* copyright or patent protection was in place.[149] However, the courts also recognised that this 'right' to copy was not absolute, and could be restrained as 'unfair', if attempts were made to deceive or confuse consumers as to the source of the copy.[150] This led to a dissection of products into features needed to make the product work (which could be copied) and unnecessary features (which could not).[151] In *Kellogg v. National Biscuit*, the Supreme Court confirmed this 'freedom to copy' principle applied, even if another's efforts had created an entirely new product market:

> Sharing in the goodwill of an article unprotected by patent …is the exercise of a right possessed by all and in the free exercise of which the consuming public is deeply interested.[152]

The Court endorsed the use of labelling to mitigate against origin-based confusion.

In 1938, the *First Restatement of Torts*[153] characterised permissible copying in terms of 'functional' and 'non-functional' features, defining the former as those affecting the 'purpose, action or performance' of the product, or 'the facility or economy of processing, handling or using them.'[154] The *Restatement* reasoned that protecting functional features would 'substantially hinder… competition.' The *Restatement* noted that 'functionality' was not solely concerned with 'useful' features. When consumers purchased goods for their decorative value, the product's

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[147] *TrafFix Devices, Inc. v. Marketing Displays, Inc.* 532 US 23 (2001).
[148] Bone 2015, p.192.
[149] E.g. 'It is self-evident that on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property': *Singer Mfg. Co. v. June Mfg. Co.,* 163 U.S. 169, 185(1896).
[150] McKenna 2011, p.825; Bone 2015, p.196.
[151] See e.g. *George G. Fox Co. v. Glynn* (191 Mass. 344 (1906)), discussed in Bone 2015, p.196.
[152] In *Kellogg Co. v. National Biscuit Co.* 305 US (1938), 122.
[153] American Law Institute 1938, §§741-742.
[154] Similarly, *Kellogg Co. v. National Biscuit Co.* 305 US 111,122 (1938): 'the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape.'

(aesthetic) function was to look appealing.[155] Applying this logic in *Pagliero*, the Ninth Circuit concluded that if a feature was free from patent or copyright protection, but was 'an important ingredient in the commercial success of a product', it was in the 'interests of free competition to permit its imitation'.[156]

In 1964, the Supreme Court considered how trade marks should fit within the wider scheme of IP protection available for product shapes. In *Sears-Compco*, the Court held that state law which afforded trade mark protection to ornamental product designs was incompatible with federal design law, since the US Constitution guaranteed 'free access to copy whatever the federal patent… laws leave in the public domain'. [157] This ruling might suggest that for product shapes 'utilitarian' and 'aesthetic' functionality doctrines served to prevent trade mark protection overlapping with that provided by patent and design law, respectively. Twenty-five years later, the Supreme Court clarified that a general 'right to copy' was not guaranteed. In *Bonito Boat v. Thunder Craft*, the Court noted that 'efficient operation' of the patent system required (only) 'substantially free competition' in unpatented designs and innovations.[158] As *Sears-Compco* concerned pre-emption of *state* unfair competition law, it did not impact upon *federal* trade mark protection. Put differently, functionality was not, or was no longer, concerned in maintaining rigid boundaries between different forms of IP protection. Where a court is faced with an apparent conflict between two *federal* laws, it is obliged to find an interpretation which will give effect to both.[159]

Between these key decisions discussing product shapes, the Supreme Court had cause to consider functionality more generally, in two cases concerning colour marks. In *Inwood*,[160] the Supreme Court indicated that a feature is functional if it is 'essential to the use or purpose of the article' or which 'affects the cost or quality of

[155] See First Restatement of Torts §742 cmt. a (1938).
[156] *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9thCir.1952).
[157] *Compco Corp. v. Day-Brite Lighting, Inc.,* 376 US 234 (1964); *Sears, Roebuck & Co. v. Stiffel Co.,* 376 US 225, 237-238 (1964).
[158] *Bonito Boats,*164-165.
[159] *Digital Equipment Corporation v. Desktop Direct, Inc.* 511 US 863, 879 (1994).
[160] *Inwood Laboratories v. Ives Laboratories* 456 US 844 (1982).

the article.'[161] In *Qualitex*, the Court determined that features having a finite number of alternatives should remain in the public domain to avoid anti-competitive effects.[162] It identified a functional feature as one which would place 'competitors at a significant non-reputation-related disadvantage.'[163]

In parallel with Supreme Court case law, the circuits had also begun to erode a blanket right to copy unpatented features.[164] Based upon the competitive benefits of trade mark protection, functionality was afforded a more restrictive interpretation, which maintained free access to competitively (rather than intrinsically) necessary features.[165] The functionality enquiry sought to determine whether trade mark protection of the feature would lead to market failure for want of no, or too few, adequate alternatives. For example, in *Morton-Norwich*,[166] the Court of Customs and Patent Appeals (being the predecessor of CAFC) held that a 'useful' product feature became 'functional' if free use was 'essential to effective competition'. The Court identified what became known as the *Morton-Norwich* factors. Likely indicia of functionality included: corresponding patents, advertising promoting the feature's utilitarian advantages, and evidence that it offered manufacturing benefits. Conversely, evidence of alternative equivalents suggested the feature or design was non-functional, because competitors would be able to 'compete effectively' by adopting another available form.[167] Other circuits adopted criteria akin to the *Morton-Norwich* factors.[168] This approach was considered consistent with the Supreme Court's pronouncements, since a feature was essential to the use or purpose of the article or affected its cost or quality (*Inwood*)[169] whenever insufficient alternatives were available. Trade mark protection, in these circumstances, would put competitors at a significant non-reputation-related disadvantage (*Qualitex*). Lack of

[161] Ibid, 850.
[162] *Qualitex*,169.
[163] Ibid,165.
[164] See further: Thurmon 2004; Bone 2015, pp.208-210.
[165] See further: Oddi 1985.
[166] *In Re Morton-Norwich Products, Inc.* 671 F.2d 1332 (CCPA 1982).
[167] Ibid, 1342.
[168] See further: McKenna 2011; Bone 2015; Dinwoodie 1999.
[169] *Inwood*, 850 n.10.

substitutes precluded effective competition. This is reflected in the *Third Restatement of Unfair Competition*, which identifies the 'ultimate' test of functionality as whether affording trade mark rights would 'significantly hinder competition.'[170]

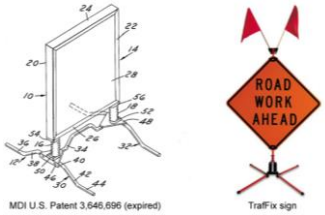
In this way, functionality was increasingly indexed to a demonstrable competitive *need* to copy, rather than placing reliance upon the *right* to copy an unpatented design, or any preoccupation with channelling.[171]

Although largely unconcerned by dual design and trade mark protection, courts were more troubled by the potential for conflict between trade mark and patent law. However, the circuits disagreed whether prior patent protection of the feature should create an absolute functionality bar, or something less.[172] In *MDI v. TrafFix*,[173] MDI had devised and patented a road-sign design incorporating a 'dual-spring' arrangement which maintained the sign upright in heavy winds. Once the patent expired, TrafFix incorporated the dual-spring arrangement into its own signage. MDI claimed the appearance of this feature was distinctive, and launched proceedings to prevent TrafFix's use. TrafFix countered that the spring feature was functional, since trade mark protection would, effectively, extend the life of the now-expired patent. The Sixth Circuit conceded that trade mark rights in the dual-spring might 'hinder competition somewhat', but not enough that the feature was functional. TrafFix had no (competitive) need to adopt the same spring arrangement, as other spring arrangements would look different, yet still provide a wind-resistant sign.

When the issue came before the Supreme Court, in *TrafFix v. MDI* ('*TrafFix*'),[174] not only did the Supreme Court disagree with the Sixth Circuit's

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[170] American Law Institute 1995 §17 cmt.(c).
[171] E.g. *Kohler v. Moen.*, the majority rejecting a designer tap was functional simply because its design patent had expired.
[172] Cf. *Vornado Air Circulation v. Duracraft Corp.* 58 F.3d 1498 (10thCir.1995) and *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7thCir.1998).
[173] *Marketing Displays, Inc. v. TrafFix Devices, Inc.*, 200 F.3d 929, 940 (6thCir.1999).


MDI U.S. Patent 3,646,696 (expired)

TrafFix sign

[174] *TrafFix Devices, Inc. v. Marketing Displays, Inc.* 532 US 23 (2001).

conclusion, but the Court announced that a unitary functionality test based upon competitive need misapplied its earlier jurisprudence. *Inwood* and *Qualitex* were not reiterations of the same test, but identified different ways in which a feature might be functional.[175] While evaluating alternatives within a framework of competitive need was consistent with the *Qualitex* test, this was confined to aesthetic functionality.[176] It did not displace the 'traditional' or 'utilitarian' *Inwood* assessment.[177] In *TrafFix*, the Court was satisfied that the dual-spring was 'not an arbitrary flourish' in the MDI signage, but 'the reason the device works.' This made it functional, per *Inwood*, irrespective of whether alternative arrangements would work equally well.[178]

The *TrafFix* decision appears to recognise that dual trade mark and patent protection *might* give rise to constitutional concerns, but that matter did not fall for resolution.[179] The Court merely indicated that a prior utility patent gives rise to a strong, but rebuttable, presumption of utilitarian functionality.[180]

2.2.2 *TrafFix* - Functionality Clarified?

Commentators have criticised the *TrafFix* judgment as 'vague'[181] and 'opaque'.[182] Although *TrafFix* seems unequivocal on the point,[183] there is on-going debate whether functional equivalents play any role in possible utilitarian functionality cases. The Federal Circuit, for example, continues to determine functionality using the *Morton-Norwich* criteria[184] on the basis that evaluation of alternatives helps to assess whether

[175] The decision came soon after *Wal-Mart*, discussed in Section 3.1.2 below, which stated 'product design… is intended not to identify the source, but to render the product itself more useful or more appealing.'
[176] *TrafFix*, 33.
[177] Ibid, 29.
[178] Ibid, 33.
[179] Ibid, 35. However, see *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34 (2003) holding that trade mark protection should not overlap with patents or copyright protections since that protection is temporary.
[180] *TrafFix*,33.
[181] Johnson 2011, p.126.
[182] Weinberg 2010, pp.323-324.
[183] 'The [*TrafFix*] Court never specified what it meant for a feature to be "essential to the use or purpose" of a device, but it gave a significant clue when it dismissed the need to consider alternative designs'. McKenna 2011, p.835.
[184] *Valu Engineering, Inc. v. Rexnord Corp*. 278 F.3d 1268 (Fed.Cir.2002).

a feature *is* essential to the product's use or purpose.[185] The USPTO is bound by the Federal Circuit's decisions.[186] Additionally, although *TrafFix* differentiated the *Inwood* and *Qualitex* tests in terms of utilitarian and aesthetic functionality, there was no further explanation indicating how or when tests should be applied. Consequently, the different circuits have adopted a range of practices, and arguably, this is why a common approach to functionality has failed to emerge.[187] For example, is it only necessary to consider competitive need if the feature is not excluded by the *Inwood* limb?[188] Is it necessary to characterise the claimed feature as 'useful' (*Inwood* test) or 'aesthetic' (*Qualitex* test)?[189]

Aesthetic functionality remains highly contentious. Indeed, the Fifth Circuit considers the Supreme Court's discussion of aesthetic functionality in *TrafFix* as mere dicta, and rejects the doctrine of aesthetic functionality entirely.[190] Other circuits seem reluctant to apply it, or fail to apply it consistently.[191] General consensus is that only rarely is there a competitive need to copy an 'aesthetic' product shape.[192] Over-judicious application would preclude trade mark protection for most product shapes,[193] penalise successfully designs, or duplicate the role of distinctiveness.[194]

The best approach would seem to be to consider the three parts of the tests sequentially (essential to use/purpose; affects quality/cost; affords significant non-reputational-related advantage) because this circumvents any artificial

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[185] Similar reasoning applied in *McAirlands, Inc. v. Kimberly-Clark Corp*. 756 F.3d 307 (4thCir.2014). Alternatives were considered to see whether a quilting design on a disposable towel was ornamental or 'the reason the product works.'
[186] 15 U.S.C. §1071(a)(4).
[187] See, e.g. Johnson 2011, p.126; Bone 2015, pp.213-215; Mireless 2013, pp.174-175.
[188] See, e.g., *Shire U.S., Inc. v. Barr Labs., Inc.*, 329 F.3d 348, 353 (3rdCir.2003).
[189] See, e.g., *Abercrombie & Fitch Stores v. American Eagle Outfitters* 280 F.3d 619 (6thCir.2002).
[190] *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 487-488 (5thCir.2008): 'We do not believe that the Court's dictum in *TrafFix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality.'
[191] McKenna 2011, pp.849-850 cites examples.
[192] McKenna 2011, p.846 quotes McCarthy's view as typical: 'The range of possible aesthetic designs and configurations is as infinite as are the tastes that desire them, [so] according trademark protection to aesthetic features would not greatly hinder competition.'
[193] See e.g. Mireles 2013, p.178.
[194] McCarthy, §7:81, 7-256-258: noting the 'merely ornamental' rule in assessing distinctiveness asks whether 'customers perceive this feature as mere attractive ornamentation or also as a symbol that identifies and distinguishes a single source?'

'useful/aesthetic' dichotomy.[195] *Franco v. Franek*[196] illustrates that the two tests are not mutually exclusive. In this case, a circular beach towel for heliotropic sunbathers was held functional under both tests. Also, merely contemplating whether a feature is 'aesthetic' may result in a sub-conscious judgement of aesthetic merit, which detracts from the market impact of protection. An ostensibly attractive product appearance might be the inevitable result of a manufacturing method which would fall foul of the *Inwood* test, but not the *Qualitex* test. Conversely, an apparently utilitarian feature may be a style choice, which does not result from any underlying technical concerns. If a sequential, rather than a categorical approach, is adopted 'utilitarian' and 'aesthetic' functionality merely describes the limb of the test under which functionality is found.[197]

Finally, it is worth noting that a mark is only excluded if it is functional 'as a whole'. While the TMEP advises that 'dissecting the design into its individual features' is not necessarily conclusive, it suggests that it can be helpful to analyse utility of the design, at least, from the standpoint of its various features.[198] If feature analysis indicates overall functionality, the addition of 'a few arbitrary or otherwise non-functional features in the design' should not influence the result.'[199] Presumably, this refers only to trivial variations.

2.2.3 Taking Stock of US Functionality

TrafFix has 'spawned a seriously confused and muddled body of case law.'[200] While utilitarian functionality 'helps keep patent and trademark [law] apart, it remains up for grabs exactly how, when, and why functionality does this.'[201] Much of the disagreement surrounding the *proper* interpretation of functionality post-*TrafFix* may be traced to diverging views on the answer to one question. Does trade mark law

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[195] See e.g. Law Professors' Amici Brief 2012, p.6: 'The… line between "aesthetic" and "utilitarian" product attributes is often more linguistic than real. And for this reason, the Court should reject the rigid and shallow dichotomy between "utilitarian" and "aesthetic" features'.
[196] *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 857 (7thCir.2010).
[197] Dinwoodie and Janis 2010, p.172. The authors equate this to a single, but two-step functionality test, based upon a broader conception of 'competitive need' than recognised in *Morton-Norwich*.
[198] TMEP1202.02(a)(v).
[199] Ibid.
[200] Bone 2015, p.215.
[201] Hughes 2015, p.1238; McCormick 2003, pp.570-574.

best serve 'competition' by maintaining an expansive public domain (broad conception of functionality)[202] or by preventing specific instances of market failure (narrow conception)?[203] Shape mark protection is advanced in some quarters as promoting product innovation because competitors, denied the opportunity to copy, must develop a different design.[204] In similar vein, excluding too many product shapes as aesthetically functional is perceived as 'a disincentive to creative design.'[205]

Defining functionality based upon competitive need is concerned with the impact of trade mark protection on the *current* market, whereas locating functionality within a broad public domain is concerned with *dynamic* efficiency. Any short-term inefficiency arising from consumer confusion is off-set by the longer-term competitive benefits of increased product innovation.[206] In *TrafFix*, the Supreme Court seems to take an intermediate position. The *Inwood* test excludes a range of useful product shapes, irrespective of whether alternatives are available, thus reflecting a 'right to copy'. The *Qualitex* test recognises that trade mark protection might hinder competition in different ways, but mandates that features which survive *Inwood* should only be excluded for competitive necessity.

While many commentators concede that there is a legitimate (theoretical) concern that 'trade mark law might afford undue competitive advantages in a discrete market',[207] others consider aesthetic functionality superfluous and ill-founded.[208] At any rate, 'aesthetic functionality' is 'a poorly chosen moniker'[209] which fails to reflect the true nature of the *Qualitex* test. The 'utilitarian' functionality label seems equally unhelpful, as any wholly decorative product which derives all its

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[202] McKenna 2011, p.824: 'Put simply, trademark law lacks a sufficiently robust theory of legitimate competition against which particular actions can be judged "unfair."'
[203] Thurmon 2004 p.341 argues for a single test of competitive need, and concedes this would render most shapes as non-functional.
[204] E.g. *In re Florists' Transworld Delivery, Inc.,* 106 USPQ2d 1784 (TTAB 2013), stating protection 'should not discourage firms from creating esthetically pleasing mark designs, for it is open to their competitors to do the same.'
[205] *Brunswick Corp. v. Spinit Reel Co.* 832 F.2d 513, 518 (10thCir.1987), similar comments being made in *Wallace Int.'l Silversmiths, Inc. v. Godinger Silver Art Co. Inc.* 916 F.2d 79, 80 (2ndCir.1990).
[206] e.g. Strandburg 2012, p.397 sees a broad functionality exclusion provides the base-line necessary for 'the vigorous competition that spurs creativity in the commercial sphere'.
[207] Dinwoodie and Janis 2010, p.131; Hughes 2015, pp.1283-4.
[208] Notably, McCarthy 2014 §7:81, 7-298.
[209] Hughes 2015, p.1230.

commercial value from its appearance would appear to be excluded by the *Inwood* test. On the other hand, *Inwood* alone is plainly insufficient. For example, the Seventh Circuit has noted the need for caution when granting protection to basic product shapes, given the potential to 'impoverish other designers' palettes.'[210] Trade mark rights which appropriate 'designs that under-gird further improvements' might survive the *Inwood* test, and yet 'permanently stifle product development'.[211] Clearly, this would afford the trade mark owner an unfair non-reputation-related advantage.

It is apparent that the *Qualitex* test is more difficult to apply than that from *Inwood*, because the non-trade-mark-related advantage is derived from consumer expectation, rather than objective technical considerations.[212] While assessments of 'competitive need' typically seem to assume that all alternatives are equally appealing to consumers, this is overly-simplistic. As Bone argues, the task of aesthetic functionality is to arbitrate between genuine 'heterogeneity of aesthetic preferences' and those cases where consumers have a discernible preference for a specific appearance.[213] Here, US courts have vacillated between excluding product shapes where design is the primary motivation for the consumer's choice, or merely one important factor.[214] It is difficult for courts *and* consumers alike to identify whether, in any particular case, it is the origin or non-origin significance which dominates.[215] Consumers can come to 'think [a design] is aesthetically appealing because they have a high regard for [a particular] brand'.[216] As the *Qualitex* test requires competitors to be placed at a *significant* disadvantage, aesthetic functionality will be more commonplace for some classes of goods, than others, simply because product appearance is a more significant factor in the purchase of

[210] *Franco v. Franek*, 860.
[211] Ibid, 859.
[212] See: McKenna 2011, p.853; Mireles 2013, p.189.
[213] Bone 2015, p.238; also Hughes 2015, p.1230.
[214] Wong 1998 attempts to rationalise the approaches of the circuits.
[215] Consumer purchasing decisions are based upon 'reasons that are mostly ineffable but nonetheless very powerful' based upon 'the aesthetic sensibility of the moment…': Law Professors' Brief 2012, p.5.
[216] Law Professors' Brief 2012, p.10.

some goods than others. Ultimately, any assessment of competitive need turns on how the relevant market is defined, which is not always self-evident.[217]

Some commentators conclude that there is no 'simple rule',[218] or even any 'principled way'[219] to determine aesthetic functionality. Simplistic standards would 'truncate… what should be a multi-faceted question'.[220] However, a registration-based system places limits upon the resources available to determine registrability while still yielding outcomes which are consistent and predictable for applicants and competitors. The TMEP instructs USPTO examiners to 'exercise caution' before raising an 'aesthetic functionality' objection rather relying upon non-distinctiveness.[221] This operational policy intimates that procedural efficiency concerns reduce the likelihood that a 'non-useful' product shape will be reviewed against the *Qualitex* standard prior to registration. In effect, applicants benefit from a double presumption of non-functionality.[222] If aesthetic functionality is not considered prior to registration, post-grant, the registration is presumed to be valid, and it falls to any party seeking to invalidate the registration to establish functionality.

In *Kohler v. Moen*,[223] Cudahy J., in dissent, argued that designs and patents should be approached in the same way:

> If functional matter not protected by a utility patent is available for all to copy, then it follows that ornamental or aesthetic designs not protected by design patents are also free for everyone to copy.[224]

If functionality *does* relate to the 'patent bargain' and constitutional constraints upon the term of protection, then arguments for equal treatment of design and utility patents appear compelling.[225] However, *TrafFix* reinforces the inference from *Bonito*

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[217] Whether features of baroque design are competitively necessary depends upon whether the mark is defined as 'silverware' or 'baroque silverware', see *Wallace International*. Lemley and McKenna 2012 discusses use of antitrust concepts in IP cases.
[218] Posner J. in *W.T. Rogers Co., v. Keene* 778 F.2d 334 (7thCir.1985).
[219] Welkowitz 1999, pp.341-343; Bone concludes that a per se bar on registration of product shapes is the only logical solution; Bone 2015, pp.241-242.
[220] Dinwoodie 1999a, p.704.
[221] TMEP1202.02(a)(vi).
[222] A party seeking to rely upon the protection afforded by the Lanham Act to unregistered marks must satisfy a court that the mark is non-functional.
[223] *Kohler v. Moen*, 642.
[224] Ibid, 648.
[225] Hughes 2015, p.1269; *Dastar*, 37.

Boats that constitutional matters are not the direct concern of the functionality exclusion. In *TrafFix*, the Supreme Court had no reason to consider the clash between design patents and trade marks. However, recognition in *Wal-Mart* that product shapes are eligible trade mark subject matter cannot be reconciled with a conception of aesthetic functionality based upon an unfettered right to copy any unpatented design.

2.3 Jurisdictional Comparison

The two-pronged US functionality enquiry does not directly parallel the trident exclusions in EU trade mark law. That said, the *Inwood* test for utilitarian functionality closely resembles that identified by the CJEU in *Philips* and *Lego* relating to the 'technical' shape exclusion, as well as having echoes of the natural shape exclusion, post-*Hauck*. In many cases, a product shape which is considered essential to the use or purpose of a product, or one affecting its quality or cost is also likely to comprise essential features which *either* relate to the nature of the goods, or which are necessary to achieve a technical result.

The US Supreme Court and CJEU agree that this 'utilitarian functionality' is concerned with the intrinsic nature of the product,[226] making it unnecessary to consider whether alternative forms might operate equally well. Thus, these exceptions chime with the 'need to keep free.' The Courts entertain a reasonable prediction that permitting free use of these product shapes is likely to extract greater social value than reserving use to a single commercial entity, even if some consumer confusion may result. Put differently, allocating exclusive rights in this subject matter will always place others at a significant enough non-reputation-related disadvantage that trade mark protection should be denied. For these 'technical shapes', the unarticulated underlying premise might be that solutions to technical problems are inherently scarce. The drawback with an alternatives-based 'competitive need'

[226] i.e. what makes that product work in the manner which it does, see: Bone 2015, pp.199-201.

approach, evident in the *Morton-Norwich* factors,[227] is its short-term focus. Even if the number of alternatives is sufficient to satisfy *current* consumer demand, allocating exclusive trade mark rights in respect of specific solutions may prevent later innovation which might result in more and/or better solutions. A narrow 'competitive need' test fails to take account of the potential needs of *future* competitors and consumers.

The case law from both jurisdictions also explains why a corresponding patent should give rise to a 'strong evidentiary inference' of excluded subject matter: not because the exclusions are directly concerned with preventing 'double' protection (although this may be a result),[228] but because patents are typically concerned with solving technical problems. Patent specifications (whether ultimately granted, or not) are 'excellent cheat sheets' which describe the usefulness of the subject matter they cover.[229] For similar reasons, tribunals are correct to focus attention upon the applicant's promotional material identifying product advantages, and to be sceptical when these are explained away as 'mere puffery'.[230]

While product shapes incorporating patentable subject matter are likely to be excluded as functional in both jurisdictions, sub-patentable technical innovations may escape exclusion based upon the *Morton-Norwich* test favoured by the Federal Circuit. Functional equivalents typically exist, and may work equally well. The EU test leans towards ensuring that a product shape/feature will remain in the public domain, based on whether registration of that shape 'limits the freedom of other economic operators to offer for sale goods characterised by the same or even similar functionality.'[231] Even if other technical solutions work as well or better, the competitor's choice of which to select has been curtailed. Conversely, the CJEU's ruling in *Nestlé* which removes shapes which result from their manufacturing process

[227] Section-2.2.1.
[228] Dinwoodie 1999, pp.713-714 notes: 'the [functionality] doctrine seeks to protect the climate of competition, not the interests of particular competitors.'
[229] *Per* Judge Easterbrook *Franco v. Franek*,857; also *Valu Engineering*,1279.
[230] TMEP 1202.02(a)(v)(B) directs US examiners to 'reject …assertions of *puffing*' where promotional material supports their own suspicions that the feature is useful, particularly where there is third-party verification that the shape serves a particular purpose.
[231] Per A-GO Szpunar, C-30/15P*, [111].

from the technical shape exclusion,[232] would be caught by the US *Inwood* test, which does take account of a product shape which reduces production costs.[233]

The optimal approach would surely deny protection in both cases, since removing any technical solution from the public domain has an incalculable downstream effect. It is impossible to predict which ostensibly 'average' change will contribute an essential building block for later innovation. Similarly, the technical value of a product may not be fully appreciated at the time of inception, or may be extracted only after it has been evaluated or exploited by others.[234] Incremental depletion of options by sequential registrations, whether held by the same or different entities, runs the risk that trade mark protection will hinder innovation.[235] The patent system presumes that most social value is achieved from a 'multiplicity of inventions.'[236] It recognises that technological advances often result unpredictably from freedom to 'intermingle and extrapolate from many inventors' solutions to the same problem' rather than from any 'linear approach.'[237] At most, patent protection delays the entry of material into the public domain. Granting potentially permanent trade mark protection for all, bar those few judged to be 'superior' at a specific point in time, would seem detrimental to the balance of interests which patent law seeks to maintain.

Finally, there are practical reasons for adopting a *per se* rule for useful product shapes, based upon arguments of legal certainty, procedural efficiency and 'enforcement costs'.[238] The latter factor-in the sheer impracticality and uncertainty of requiring tribunals and competitors to evaluate technical equivalence, define product markets appropriately, or to project competitive impact, as necessary for any meaningful evaluation of competitive necessity.[239] This reinforces the desirability of an exclusion based upon the intrinsic qualities of the product shape.

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[232] C-215/14 *Nestlé*.
[233] E.g., *Kellogg v. National Biscuits*, Chronopoulos 2017.
[234] E.g. network effects.
[235] Similarly, Strandburg 2012, p.397.
[236] *Vornado v. Duracraft*,[49].
[237] Ibid, [49].
[238] Bone 2015, p.232.
[239] e.g. Lemley and McKenna 2012; Bone 2015, p.232.

While the US aesthetic functionality exclusion and the EU value-adding exclusion both seek to evaluate competitive need pegged to the value consumers attribute to appearance, they adopt different starting assumptions. It is common ground that trade mark protection of a product shape with unique consumer appeal (no viable substitutes) will hinder competition, because consumers wanting to purchase a product *because* of the value placed on appearance will only have one source for those goods. US law operates on the general presumption of product heterogeneity, i.e. all aesthetic designs are equally 'attractive' and substitutable.[240] The *Qualitex* test is then applied to deny trade mark protection only in *specific* cases where there is evidence to rebut this presumption, because 'competitive need' to use is demonstrated. While there is scepticism that granting exclusive rights in non-useful designs does much to hinder genuine competition, protecting the appearance of at least *some* product shapes must afford *some* competitive advantage.[241] After all, this is the premise of design protection.[242]

In contrast, the CJEU's recent ruling in *Hauck*[243] presupposes that trade mark protection for the appearance of design-led goods will hinder competitors, and prevent them from being able to compete effectively, whenever consumer purchasing decisions are motivated to a *significant extent* by a product's appearance.[244] Thus, the EU approach extends the 'keep free' rationale to all strands of the 'functionality' test, not only utilitarian functionality. The EU value-adding exclusion will now presumptively exclude more shape marks than its US equivalent. The EU criterion for exclusion is potentially more straightforward to apply, since it does not require any market-based analysis of specific products to demonstrate non-substitutability in specific cases. Instead, it is based upon an objective assessment of the product

[240] Bone 2015.
[241] Calboli 2014, p.85 state: 'Granting trade mark protection in these features [of decorative styles, shapes] could in fact severely limit important aspects of market competition …in terms of product styles, colours, aesthetic appeal and so on, which …represents fundamental elements to compete in today's market economy.'
[242] McKenna 2011, p.847.
[243] C-205/13 *Hauck*.
[244] Echoing the now-rejected *Pagliero* test for US aesthetic functionality, which enquired whether the feature was 'an important ingredient in the commercial success of the product', also noted and explained in Kur 2011, p.8.

class and likely consumer behaviour.[245] This initial assessment may then be supported by evidence that the applicant has a history of promoting their product as having superior design qualities, evaluation of whether the product shape is particularly unusual in its class, commands an above average price, and/or has received independent recognition of design merit, but without requiring evidence that consumers find that specific product shape particularly beautiful.[246]

The effect of the aesthetic functionality doctrine and value-adding exclusion is to channel certain subject matter to design law, without necessarily precluding double protection in all cases. However, evidence that a design-holder has leveraged design protection successfully to secure a competitive advantage should be indicative that the same shape should be denied trade mark protection, too. If design protection has expired, a reasonable 'open' period has passed, and there are still no competitive imitations, then it becomes reasonable to presume that there is no competitive need to replicate the design.[247] Consumers accept other 'attractive shapes' as reasonable substitutes.[248]

The EU natural shape exclusion, covering generic or potentially generic shapes, straddles US law's considerations of utilitarian and aesthetic functionality. The TRIPP TRAPP chair design from *Hauck* provides a good example. Arguably, the product's appearance is attributable to underlying technical (or functional) concerns regarding the way the product works,[249] but it is aimed at a target market of consumers who are not ambivalent about the product's appearance: the design has a natural elegance, because form follows function. The result is aesthetically appealing *because* the design lacks any obvious decorative, incidental or arbitrary features. While the existence of a third class of 'natural' shapes in EU law serves to

[245] Although, note the concerns expressed by the Court of Appeal in *LTC v. Frazer-Nash* [2017] EWCA Civ 1729, [70]-[76], indicating the need for a CJEU reference to provide clarification.
[246] The Court of Venice rejected a claim that the shape of a *CROCS* clog shoe could not add 'substantial value' because its shape was intrinsically 'ugly'. Rather, the unusual appearance was the product's main draw, as evidenced by the claimant's marketing strategy, see: *Crocs, Inc v. Supermarket Della Calzatura*, Judgment of 15/02/2012.
[247] See also Hughes 2015, p.1270.
[248] See also McKenna 2011, pp.846-848.
[249] See EC Report 2016, p.91 identifying that 'technical function' is reasonably equated to 'nature/purpose/function' owing to a lack of any definition of 'technical.'

foreground consideration of generic forms, it remains to be seen how frequently this exclusion will apply independently, rather than in addition to one of the other shape exclusions. If the natural shape exclusion does have a specific role, this may be to restrict the interpretation of 'technical result'[250] or to distinguish those product shapes which, while not (the natural shape of) 'the goods', adds *substantial* value to them, nevertheless.

3. The Distinctiveness Threshold

Having considered the classes of product shapes which trade mark law excludes, we now focus upon those which it seeks to protect: those that satisfy the protection threshold. The protection threshold excludes product shapes which are not distinctive, and so lack the essential quality required to *be* a trade mark. 'Distinctiveness' signifies a sign's capability to create a link in the mind of consumers between that product and its source. A sign performs this essential 'origin' function if it is 'capable of distinguishing the goods… of one undertaking from those of other undertakings'.[251]

Trade mark law categorises marks according to those which are *inherently* distinctive and those which have *acquired* distinctiveness. Inherent distinctiveness is a prediction of a sign's ability to indicate source based upon its intrinsic characteristics, whereas acquired distinctiveness is an empirically-based quality.[252] A sign which seems to communicate nothing about the product's qualities is treated as inherently distinctive. It is presumed that consumers will understand, by long-standing custom and practice, that it has been applied to goods to indicate source. A sign has acquired distinctiveness if an applicant can demonstrate that any inherent meaning(s) of the sign have been supplanted by a 'secondary meaning'[253] of origin.

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[250] Section 2.1.3.

[251] Arts. 4 and 7(1) EUTMR should be read together, see C-299/99 *Philips*,[39]. Art.7(1)(a) EUTMR is the basis for rejection of applications failing to satisfy Article 4. Art.7 also excludes trade marks which are deceptive or contrary to public policy or accepted principles of morality, consideration of which falls outside the scope of the thesis.

[252] *Two Pesos*,770.

[253] 'Secondary meaning' is equivalent in the USA to 'acquired distinctiveness'. In *Wal-Mart*, the Supreme Court acknowledged that for non-verbal marks, the term was a misnomer, but used the terminology for reasons of clarity.

Distinctiveness of a trade mark is contextual, and assessed relative to the goods for which protection is sought. A sign may give rise to origin-based association in some market sectors, and yet convey different meanings in others.[254]

We shall first consider the kinds of product shapes which are inherently distinctive,[255] according to EU and US rules, before considering how acquired distinctiveness is established.

3.1 Inherent Distinctiveness

A product shape should be protected as inherently distinctive only if it is reasonable to presume that consumers will perceive the 'primary significance' of its shape as a source-identifier.[256] If consumers understand that shape signifies something about the product itself, or signifies nothing at all, then trade mark protection should be denied, unless distinctiveness can be demonstrated through use. The distinction has practical implications for trade mark applicants. In the EU, inherently distinctive marks benefit from legal protection from the application date. In the USA, protection is based upon its date of first use. Any mark which is classified as inherently non-distinctive will only benefit from protection if/when distinctiveness has been established. At best, trade mark protection is deferred; at worst, it may be denied altogether, if the nature of the mark, or the actions of other market players, prevent origin association from developing.

3.1.1 EU

EU trade mark law does not, positively, identify categories of inherently distinctive signs.[257] Instead, Article 7(1)(b) to (d) EUTMR, identifies three categories of signs which are presumed to be inherently non-distinctive. For shape marks, these are shapes which are devoid of any distinctive character ('non-distinctive shapes');

[254] E.g. while the word marks APPLE and ORANGE are inherently distinctive for mobile phones and telecom services, respectively, both are generic terms when used in respect of fruit, and 'orange' is potentially descriptive in respect of phones.
[255] This discussion relates to shape marks used in relation to goods. The merging of the mark and the goods is what sets product shapes apart from other marks, and this does not arise when a 3D mark is used in relation to services.
[256] *Qualitex*,163.
[257] This contrasts with the closed list of registerable marks pursuant to UK Trade Marks Act 1938, for example.

shapes which may serve to designate the kind, quality, intended purpose, or another characteristic of the goods ('descriptive shapes'); and shapes which have become customary in the trade ('generic shapes'). The CJEU has indicated that although the three grounds for refusal share the goal of preventing registration of signs 'which could hinder competition on the market for the goods …concerned',[258] each particularised ground must be assessed independently, and applied in the light of specific public interests.[259] The grounds are not mutually exclusive. Registration of any shape mark falling within one or more of the non-distinctive categories remains possible, but contingent upon acquired distinctiveness.[260]

When assessing distinctiveness, tribunals must make an objective assessment of the mark from the perspective of a notional 'average consumer', and assuming 'normal and fair use' across the claimed range of goods.[261] As the average consumer is deemed to be (only) reasonably well-informed, observant and circumspect,[262] this perspective may differ from actual purchasers of the applicant's goods. It is settled law that the assessment is based upon the *overall impression* the mark creates.[263] The CJEU has considered shape marks on several occasions,[264] and has consistently emphasised that inherent distinctiveness is determined using the same standard as for all other categories of marks.[265] However, this does not mean that traditional heuristics which have evolved for conventional marks assimilate directly to shape marks. While traditional marks are applied to the goods, a shape mark is inseparable from the goods which it seeks to distinguish. The CJEU has recognised this distinction, albeit implicitly, by stating that, as a practical matter, it may be more difficult to

[258] C-468/01P to C-472/01P *Procter & Gamble*,[72].
[259] C-108/97 *Windsurfing*,[27].
[260] Art.7(3) EUTMR.
[261] C-456/01P and C-457/01P *Henkel* v. *OHIM* ECLI:EU:C:2004:258,[35]. When validity is considered post-grant, actual use of the mark may be taken into account.
[262] C-342/97 *Lloyd*. In *Interflora v. Marks & Spencer plc*, [2014] EWCA Civ 1403, the Court of Appeal noted that 'average' means 'typical', rather than being used in any mathematical sense.
[263] see, e.g. C-286/04P *Eurocermex v. OHIM*, EU:C:2005:422,[22]-[23], and the case-law cited therein. This does not preclude the tribunal from evaluating a mark's individual elements when assessing what the overall impression will be. A combination of non-distinctive elements might form a distinctive whole, see: C-453/11P *Timehouse v. OHIM* EU:C:2012:291,[40].
[264] E.g. C-53/01 to C-55/01 *Linde AG, Winward Industries Inc and Rado Uhren AG* ECLI:EU:C:2003:206; C-136/02P *Mag Instrument Inc v. OHIM* ECLI:EU:C:2004:592; C-25/05P *Storck v. OHIM* ECLI:EU:C:2006:422; C-546/10P *Wilfer v. OHIM* ECLI:EU:C:2011:574.
[265] First stated in C-53/01 to C-55/01 *Linde*, [23].

demonstrate that a shape mark is distinctive.[266] In effect, if the protection threshold *seems* to be higher for product shapes, this simply reflects the brute fact that it *is* more difficult for a shape mark to be distinctive.[267] This, in the Court's view, is inevitable:

> Consumers do not normally make any precise connection between the three-dimensional shape of a product and that product's particular origin, but restrict themselves to perceiving that shape as having technical or aesthetic advantages, or even do not attach any special meaning to it at all.[268]

Shape marks typically face the objection that they are devoid of distinctive character. But the CJEU also requires it necessary to consider whether a product shape is 'descriptive.'[269] We shall consider this ground of objection first.

3.1.1.1 Descriptive Shapes

Article 7(1)(c) EUTMR labels any shape which 'may serve in the trade to designate the kind, quality… intended purpose…. or other characteristic of the goods' as inherently non-distinctive. According to CJEU case law, fair competition mandates that descriptive signs 'must be freely available to all and not be registerable.'[270]

Idiomatically, it is unusual to refer to a product shape as being 'descriptive'.[271] CJEU jurisprudence does not explain when or how the provision applies to shape marks. The EUIPO Examination Guidelines suggest that a sign is 'descriptive' whenever it 'has a "meaning" which is immediately perceived by the relevant public as providing information about the goods'.[272] Arguably, product shape does convey a 'meaning' to consumers. Not only does it inform regarding the nature of the goods, but it also communicates the product's visual attributes precisely.[273] This interpretation of 'descriptiveness' seems consistent with the CJEU's observations. The

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[266] C-53/01 to C-55/01 *Linde*, [48]. For similar comments with respect to colour marks, see: C-217/13 *Banco Santander*, ECLI:EU:C:2014:2012, [47].
[267] see also C-24/05P *Storck*, [24].
[268] C-136/02P *Mag Instrument*, [27]; similarly, C-218/01P *Henkel's Application* ECLI:EU:C:2004:88,[52].
[269] C-53/01 to C-55/01 *Linde*, [69].
[270] Ibid, [74].
[271] Kur 2014, p.5 notes that Article 7 was transposed directly from the Paris Convention, which was not drafted with non-traditional marks in mind.
[272] EUIPO Examination Guidelines, Chapter 4, p.3.
[273] Similarly, a passport photo, while not usually described as being 'descriptive', is a far more accurate way of conveying information concerning the holder's physical appearance than any written description.

reason why consumers do not usually 'make assumptions about the origin of products' based upon appearance[274] is that it is more typically that shape gives rise to perceptions concerning the characteristics of those particular goods. If 'descriptiveness' is interpreted this way, then *all* product shape marks are arguably (self)-descriptive,[275] and might expect an initial refusal pursuant to Article 7(1)(c) EUTMR.

An alternative, less radical, interpretation would only catch a shape-based *equivalent* of a common descriptive term, which would exclude ordinary and commonplace shapes.[276] However, then it would seem more appropriate to refuse the shape under Article 7(1)(d) EUTMR, as being 'customary in the trade.'[277] Since examination of shape marks is now focused upon Article 7(1)(b) EUTMR,[278] EUIPO, at least, is evidently reluctant to embrace the notion that all shape marks are self-descriptive.

3.1.1.2 'Non-distinctive Shapes'

Article 7(1)(b) prohibits registration of a sign which is devoid of any distinctive character because it does not convey origin information to the consumer. This provision reflects the logic of trade marks, rather than the need to keep signs 'free.'[279] The CJEU has linked the ability of a shape to indicate origin with its degree of variation from other like shapes, so that:

> in order for the shape of goods alone to be capable of constituting a distinctive indication of the origin of the goods, the shape must display features sufficiently different from the usual shape of the goods for a

[274] Per C-218/01P *Henkel*,[52].
[275] Kur 2014, p.5 also proposes the same definition.
[276] Per EUIPO Board of Appeal: 'if a shape is not sufficiently different from the usual shape of the goods, …then it is descriptive' falling within the scope of Art.7(1)(c), cited in C-136/02P *Mag Instrument*,[8]. See also Kur 2014, p.5.
[277] While Art.7(1)(d) EUTMR could be construed to overlap with art.7(1)(c)/(b), it is typically applied to exclude signs which were once distinctive, but have since become generic; see Chapter 5, EUIPO Examination Guidelines.
[278] E.g. EUIPO Examination Guidelines only discusses shape marks in relation to Art.7(1)(b).
[279] C-173/04P *Deutsche Sisi-Werke GmbH & Co v OHIM* ECLI:EU:C:2006:20,[63]. Given the over-riding objectives of article 7, and overlap between art.7(1)(b) and (c), this distinction is difficult to comprehend. In C-163/16* *Louboutin v. Van Haren* ECLI:EU:C:2017:495,[27] the A-G suggests that Art.7(1)(b) is also based upon a 'keeping free' rationale, citing Kur and Senftleben 2017, p.115.

> potential purchaser to perceive it primarily as an indication of the origin of the goods and not as a representation of the goods themselves.[280]

Applying this logic, the CJEU determined that any product shapes which are mere 'variations' of the usual shape of the relevant goods are devoid of distinctive character. Rather, a shape is distinctive if it incorporates 'some striking feature which attracts attention'[281] and thereby 'departs significantly from the norm or custom of the sector.'[282] Where protection is sought for a new product type, and 'customs' have yet to be established, the Court requires the tribunal to consider which shape is 'most likely to be taken by the product in question', and refuse to protect those which are an 'obvious' choice and most likely to become 'the norm'.[283] In these circumstances, at least, the provision serves a 'keeping free' rationale.[284]

The requirement for the shape mark to be visually striking creates 'de facto …a more demanding protection standard'[285] which effectively, and some say, unfairly,[286] derogates from the stated principle that all marks types are judged by the same standard. When applying the CJEU's test, the General Court has examined whether the shape mark comprises 'a striking design which is easily remembered',[287] has 'a truly individual character …which is likely to attract the attention of the relevant public',[288] or is at least 'capable of leaving an impression …as an indication of commercial origin'.[289] The upshot is that inherent registrability of a shape mark is contingent upon a 'degree of originality, fancifulness, capriciousness or unexpectedness'.[290]

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[280] Board of Appeal reasoning cited in C-136/0P *Mag Instrument*,[8]; see also T-393/02 *Henkel KGaA v. OHIM* [2004] EU:T:2004:342,[21].
[281] Case C-136/02P *Mag Instrument Inc v. OHIM* ECLI:EU:C:2004:592,[27]; Case C-24/05P *Storck* ECLI:EU:C:2006:421,[25].
[282] C-546/10P *Wilfer*,[59] and cites therein.
[283] C-468/01P to C-472/01P *Procter & Gamble*,[60].
[284] Discussed in Phillips 2005; for discussion of the 'public interest' objective in EU trade mark law more generally, see Fhima 2017b.
[285] Kur 2014, p.4.
[286] Friedmann 2014.
[287] T-460/05 *Bang & Olufsen v. OHIM* ECLI:EU:T:2007:304.
[288] T-393/02 *Henkel*,[40].
[289] T-128/01 *Daimlerchrysler Corp. v OHIM* ECLI:EU:T:2003:62,[42]-[49].
[290] INTA Intervention in C-445/13P,[24].

Bracketing the argument that product shapes are inherently self-descriptive, the logic underlying this approach seems to be skewed. Once it has been conceded that some product shapes *are* inherently distinctive, then the proper focus should be on the 'significance' which consumers attach to any normative deviation, rather than on the quantum of deviation itself.[291] Any shape which deviates from what is customary in that sector ought to be inherently registerable, since the shape is then at least *capable* of achieving an 'origin significance'.[292] This would place assessments of distinctiveness of shape marks on all fours with other types of marks. For example, 'any perceptible difference' from the usual term is enough to 'confer distinctive character' for word marks. There is no further requirement that it is a 'significant' difference.[293]

For practical purposes, this debate is somewhat moot. EUIPO seemingly adopts a blanket practice of asserting that most shape marks filed are a non-distinctive 'mere variant' of the norm,[294] leaving unclear the degree of variation which might suffice. This practice is evident in *Wilfer v. OHIM*,[295] where a guitar manufacturer sought protection for an unused headstock shape. The applicant argued that it was long-established, customary practice for guitar manufacturers to distinguish themselves using variations of headstock shape, as illustrated by the numerous registrations already co-existing on the EUTM Register in different ownership. Consequently, consumers of guitars would perceive its specific variant as signifying origin. The CJEU dismissed the relevance of the prior registrations, and

[291] Ibid, [8].
[292] Ibid, [24].
[293] C-383/99 *Proctor & Gamble*, [40].
[294] T-508/08 *Bang & Olufsen*, a product shape which the GC ultimately found so striking that it added substantial value to the goods, had been previously rejected by lower tribunals as devoid of distinctiveness (T-460/05).
[295] C-546/10P *Wilfer v. OHIM*, ECLI:EU:C:2011:574.



ruled the shape devoid of distinctive character, a mere variation of the norm.[296] This reasoning departs from early General Court case law, which suggested that the baseline of consumer perception of shape is not necessarily the same for all types of goods.[297] In *Wilfer*, the CJEU's message is that perceptions of shape as an indicator or origin must be demonstrated for each and every shape. Thus, as Kur notes, while the CJEU purports to make an empirical assessment on the nature of shape marks, it has, in fact, imposed a normative preference.[298]

Different tribunals within the EU interpret the CJEU's requirement for a sufficient deviation differently. In the UK, if a shape is found striking enough to satisfy the CJEU's criteria, the Court of Appeal has previously considered that the CJEU's guidance sets a necessary, but not sufficient, requirement: i.e. 'fancy shapes –those which depart significantly from the norm– *may* fulfil the essential function not that they must.'[299] (What counts is the presumed expectations of the average consumer of the relevant goods, when presented with an unusual shape.) However, more recently, the Court has conceded that this may be inconsistent with the CJEU's intention.[300] Additionally, it remains unclear how, post-*Wilfer*, inherent distinctiveness could then be established.

A further point of criticism is the tension created between the tests for distinctiveness and functionality. Is any shape which is striking enough to be inherently distinctive able to survive the substantial value exclusion?[301] We shall re-visit this shortly,[302] having first considered the US approach to inherently distinctive shape marks.

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[296] The reasoning being that while the earlier shape marks may have been a significant enough deviation from the norm to be registrable, this had no bearing upon whether the shape in question was different enough; C-546/10P *Wilfer*, [59].
[297] T-128/01 *Daimlerchrysler* and T-305/02 *Nestlé Waters France v OHIM* ECLI:EU:T:2003:328.
[298] Kur 2014, f/n28.
[299] per Jacob LJ *Bongrain SA's TM Application* [2004] EWCA Civ 1690,[27].



[300] *LTC v. Frazer-Nash* EWCA, [36]-[42], although in the case in hand, the vehicle shape in question was held to be a mere variant of the norm.
[301] E.g. Kur 2014.
[302] Section 5, below

3.1.2 USA

Prior to 2000, US tribunals did not agree which product shapes should be protected as inherently distinctive marks. Traditionally, during the period when shape marks were only protected by state laws of unfair competition, protection was generally contingent upon evidence of secondary meaning. However, once product shapes received protection under the Lanham Act, it was unclear whether these same principles applied. At least some courts were willing to entertain the possibility of an inherently distinctive product shape.[303] We shall review how inherent distinctiveness of product shapes was assessed first, before considering the landmark decision of *Wal-Mart*.[304]

3.1.2.1 Inherent Distinctiveness pre-*Wal-Mart*

During the 1990s, the Supreme Court considered inherent distinctiveness of non-traditional trade marks in two influential cases. *Two Pesos*[305] concerned the styling of a Mexican restaurant. The Court, finding no textual basis in the Lanham Act to distinguish between traditional and non-traditional symbols, confirmed that trade dress *could* be inherently distinctive. However, the Court did not articulate *when* this would be the case. Later, in *Qualitex*, the Court reiterated that a symbol's 'source-distinguishing ability …not its ontological status' should determine whether a mark should receive protection.[306] This directed that the distinctiveness enquiry should focus upon consumer perceptions, leaving functionality exclusions to address concerns regarding the potentially anti-competitive effect of protecting certain types of marks.[307]

[303] See Dinwoodie 1997, pp.488-492.
[304] *Wal-Mart Stores Inc. v. Samara Brothers Inc.*, 529 U.S. 205 (2000).



Samara Brothers Wal-Mart

[305] *Two Pesos v. Taco Cabana* 505 US 763 (1992).
[306] *Qualitex Co. v. Jacobson Products Co., Inc*. 514 US 159, 164 (1995).
[307] Ibid, also *Two Pesos*, 774-75.

In the search for a workable test to identify inherently distinctive product shapes, some circuits adapted the *Abercrombie* spectrum which had been developed for word marks.[308] This approach located shapes along a registrability spectrum: 'fanciful', 'arbitrary' or 'suggestive' marks being inherently distinctive, 'descriptive' marks requiring evidence of acquired distinctiveness, and 'generic' marks being unregisterable, irrespective of use.[309]

The USPTO, amongst others, applied the *Seabrook* factors instead. This required the tribunal to distinguish between 'mere refinements' or 'variations' of common forms of the goods (inherently non-distinctive) and unique or unusual forms, considered 'capable of creating a commercial impression.'[310]

In *Duraco Products*, the Third Circuit appraised the *Abercrombie* spectrum, but concluded it was inapt for shape marks.[311] (Interestingly, the Court concluded that all shape marks would be classified as 'descriptive' on this spectrum.[312]) Instead, it defined an inherently distinctive product configuration as one which is: striking, unusual and memorable;[313] conceptually separable from the product;[314] and 'likely to serve primarily as a designator of origin of the product.'[315] In *Knitwaves*,[316] the Second Circuit concurred with *Duraco*, by concluding that product configuration was atypical trade dress. Whereas packaging and get-up typically fulfil an origin-identification role, consumers would generally presume that a product's shape was 'functional or aesthetic', meaning that product shapes required a bespoke test.[317] The Court consolidated the *Duraco* test into a single question: is the product shape 'likely to serve primarily as a designator of origin of the product'?[318]

While the *Duraco* court correctly identified the conceptual limitations of the

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[308] *Abercrombie & Fitch Co. v Hunting World Inc.* 537 F.2d 4, 9-10 (2nd Cir.1976).
[309] see, e.g. *Stuart Hall v. Ampad Corp.* 51 F.3d 780 (8th Cir.1995); *Ashley Furniture Industries, Inc. v. Sangiacomo N.A., Ltd.*, 187 F.3d 363 (4th Cir.1999).
[310] *Seabrook Foods, Inc v. Bar-Well Foods, Ltd* 568 F.2d 1342 (CCPA 1977). The shortcomings of this approach have been highlighted in Dinwoodie 1999, p.657.
[311] *Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd*., 40 F.3d 1431, [37] (3rd Cir.1994).
[312] Ibid, [40].
[313] Ibid, [73]-[74].
[314] Ibid, [75]-[76].
[315] Ibid, [78]-[80].
[316] *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996 (2nd Cir.1995).
[317] Ibid, [61].
[318] Ibid, [62].

classic *Abercrombie* taxonomy, the tailored tests crafted for product shapes seem to fare no better. They are near tautologies. Pared down, each test for inherent distinctiveness asks, either directly (per *Knitwaves*) or indirectly (*Duraco*; *Seabrook*), whether the product shape is inherently capable of indicating source.

3.1.2.2 *Wal-Mart v. Samara* – A Game Which isn't Worth the Candle

In *Wal-Mart*,[319] the Supreme Court was tasked with resolving the uncertainty which *Two Pesos* and *Qualitex* had created. The case posed a simple question: 'what must be shown to establish that a product's design is inherently distinctive?'[320] The Court's answer revealed a more fundamental truth: the 'very articulation' of a test 'presupposes the possibility that a product configuration can be inherently distinctive.'[321]

In *Wal-Mart*, the Supreme Court considered designs for a child's dress which the Second Circuit had upheld, based upon the *Knitwaves* test, as inherently distinctive. The Supreme Court concurred with the *Knitwaves* to the extent that consumers perceive product shapes and product packaging differently. Product shapes, unlike packaging, did not serve naturally to distinguish one's goods from others' like products.[322] For that reason, *Two Pesos* was 'inapposite' for shape marks.[323] Further, the Court disavowed attempts to equate a shape's distinctiveness with its individuality. There was no basis for the inference that the more unusual or memorable a product shape is, the more likely it will be perceived as an indication of source.[324] The Court concluded that all product designs should be treated as

[319] *Wal-Mart Stores Inc. v. Samara Brothers Inc.*, 529 U.S. 205 (2000).



Samara Brothers



Wal-Mart

[320] *Wal-Mart*, 208.
[321] Dinwoodie 1997, p.555.
[322] *Wal-Mart*, 212.
[323] Ibid, 215.
[324] Ibid, 211-212.

inherently non-distinctive, placing shape marks in the same category as single colour marks.[325]

Overall, the opinion seems pragmatic. The Justices appear willing to concede that some product shapes *might* be inherently distinctive, but they remained unconvinced that a test could be devised to identify them reliably. Thus, 'the game…[was]…not worth the candle'.[326] More would be lost by adopting an inherent distinctiveness standard for shape marks than would be gained. Ambiguity in the test would be exploited by those seeking to deter legitimate competition,[327] whereas, lack of trade mark protection for unused shape marks was compensated by having the option of design protection available.[328]

Wal-Mart increased consistency and legal certainty. US tribunals now have a definitive bright-line test to apply to shape marks. While some contemporaneous commentaries predicted that *Wal-Mart* would herald a flood of cheap 'knock-offs, or simply transfer debate to where the line should be drawn between packaging and the product,[329] this does not appear to have transpired. *In Re Slokevage*,[330] the Federal Circuit confirmed that *Wal-Mart* applies to product features, not just the overall appearance of a product.

3.1.3 Jurisdictional Comparison

The CJEU and US Supreme Court agree that shape marks are different to other types of marks which can be applied or affixed to goods. It cannot be presumed that consumers will make instinctive assumptions about a product's source, based merely upon the product's appearance. Product shapes more typically convey non-origin

[325] *Qualitex*.
[326] *Wal-Mart*, 215.
[327] Ibid, 214.
[328] Ibid.
[329] E.g. Sequeira 2001, p.264. *Wal-Mart*, 215 directs courts to 'err on the side of caution' and classify ambiguous cases as product design.
[330] *In Re Slokevage* 441 F.3d 957 (Fed.Cir.2006).



related information. The courts disagree, however, regarding the practical implications and how best to respond.

Within the EU, the CJEU's guidance makes no distinction between product shapes and the shape of packaging. In the Court's view, both forms of mark may be inherently distinctive, but only if the shape 'significantly departs from the norms and customs of the sector and thereby fulfils' a source-indicating function.[331] But the phrase 'and thereby fulfils' has given rise to uncertainty, in the UK at least, whether the 'significant departure' is a necessary or a sufficient condition. The position in the USA is clearer. Rejecting all the pre-existing tests, the US Supreme Court has held that all product shapes are inherently non-distinctive, irrespective of their originality or uniqueness. Only 3D packaging can be inherently distinctive, since only packaging has an intrinsic role in distinguishing goods.

A second doctrinal distinction has emerged. The US Supreme Court considers that the distinctiveness threshold is concerned only with consumer perceptions, whereas CJEU jurisprudence establishes that evaluation of distinctiveness must be tempered by the effect which registration will have upon competition, bearing in mind the need to 'keep free'.[332]

3.2 Demonstrating Acquired Distinctiveness

We have established that all US shape marks and many EU shape marks will be protected as only if the applicant can prove that the shape has acquired a distinctive character. We need to consider next how both systems evaluate whether a product shape has acquired a distinctive character.

3.2.1 EU

The EUTMR states that a mark which is inherently non-distinctive will still be eligible for trade mark protection 'if, before the date of application …and following the use which has been made of it, it has acquired a distinctive character.'[333] This begs the

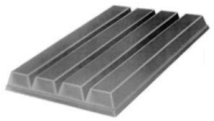
[331] see e.g. C-136/02P *Mag Instrument*,[29] relating to the shape of a torch and C-238/06P *Develey* v *OHIM* ECLI:EU:C:2007:635,[79] which relates to the shape of a container for sauce.
[332] We return to this in Chapter 6.
[333] Art.7(3) EUTMR.

question: what kind of use must an applicant demonstrate to prove that their product shape has become 'distinctive'?[334]

As this question is at the heart of a recent reference to the CJEU, we shall focus discussion around this case. Nestlé and Cadbury were in dispute regarding whether the four-fingered *KIT KAT* bar shape had acquired a distinctive character as a result of Nestlé's use.[335] While the Court of Appeal, considering Nestlé's UK application, and the General Court, considering the corresponding EUTM, ostensibly applied the same CJEU guidance to the same evidence of use, they reached opposite conclusions.[336] To understand why, we need to briefly review the established EU framework for acquired distinctiveness, before considering its application to the case in hand.

The framework for acquired distinctiveness was established by the CJEU in *Windsurfing Chiemsee*.[337] Observing that the test for acquired distinctiveness should be stringent,[338] the Court noted that the protection threshold could be satisfied by circumstantial evidence, establishing the market share of products sold under the mark, and the intensity and extent of the mark's use and promotion.[339] The requirements for registration are met if the tribunal is satisfied 'that a significant proportion of the relevant class of person identifies the goods as originating [from the applicant] because of the trade mark.'[340] In *Oberbank*, the CJEU addressed the relevance of direct evidence from representative consumers, typically presented in the form of a consumer survey or opinion poll. The Court clarified that tribunals must

[334] In a preliminary step, examiners consider whether a contains elements other than shape, e.g. a word mark or logos, which might provide the distinctive character. Generally, an element which is distinctive itself will render the 'composite' shape mark distinctive, provided that the additional element is discernible in the normal use; see: EUIPO Examination Guidelines Chapter 3, p.19.
[335] Case C-215/14 *Nestlé SA v. Cadbury* ECLI:EU:C:2015:604. Further cases are pending before the CJEU on related issues, including Case C-84/17P *Nestlé SA v. Mondelez*.



[336] *Nestlé SA v. Cadbury* [2014] EWHC 16 (Ch); [2016] EWHC 50(Ch), [2017] EWCA Civ 358 and T-112/13 *Mondelez v. EUIPO* ECLI:EU:T:2016:735.
[337] C-108/97 and C-109/97 *Windsurfing Chiemsee*.
[338] Ibid, [45].
[339] Ibid, [49]-[54].
[340] Ibid, [54].

base their overall assessments upon all the evidence available and the circumstances surrounding the mark's use. Thus, while survey evidence may be considered, it 'cannot be the only decisive criterion to support the conclusion that a distinctive character has been acquired through use.'[341]

The Court has also confirmed that there is no requirement for the mark to have been used independently as the *sole* indication of origin. However, relevant consumers must 'perceive the product… designated exclusively by the mark …as originating' from the applicant.[342] As becomes evident in *Nestl*é, this proviso is particularly pertinent to shape marks, because consumers rarely encounter shape marks in isolation.

The CJEU has contemplated the meaning of acquired distinctiveness in relation to shape marks. In *Philips*, the Court confirmed that the fact that an applicant has enjoyed a *de facto* monopoly covering the relevant shape neither diminishes its distinctive character, nor precludes it from registration.[343] However, the applicant must demonstrate that consumers identify origin of the goods 'as a result of use of the mark as a trade mark':[344] 'for the purposes of the identification… of the product… as originating from a given undertaking'.[345] While UK courts understood the need to distinguish between trade mark and non-trade mark use,[346] earlier attempts to clarify what this difference entailed for shape marks were thwarted.[347] The *Nestlé* dispute provided a further opportunity for clarification.[348]

The *Nestlé* case resulted from an appeal from opposition proceedings before the UKIPO. The High Court had to determine whether the applicant's extensive use

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[341] C-217/13 *Oberbank* [48].
[342] C-353/03 *Nestlé v. Mars UK Ltd,* ECLI:EU:C:2005:432,[30]. Unpacking evidence presented by applicants is not straightforward whenever multiple marks are in use. E.g., financial data of sales and promotion might be for the entire 'product', and not reflect individual marks used in combination.
[343] C-299/99, [65].
[344] Ibid, [64].
[345] C-353/03 *Nestlé SA v Mars UK Ltd*, [29].
[346] The meaning of 'trade mark use' remains a matter of debate even for conventional marks, see: Phillips and Simon Fhima 2005.
[347] *Nestlé SA v Unilever plc* [2002] EWHC 2709 (Ch) resulted in reference (Case C-7/03), but the proceedings settled before the CJEU ruled; *Dyson's TM* [2003] RPC 47 resulted in C-321/03, but the CJEU re-framed the question; in *Vibe Technologies* [2009] ETMR 12, the parties were reluctant to support a reference to the CJEU.
[348] *Nestlé* [2014] EWHC, [53].

of the *KIT KAT* four-fingered bar was sufficient to render the familiar shape 'distinctive'. Arnold J. sought guidance from the CJEU.[349] Was it is sufficient for an applicant to demonstrate that consumers *recognise* the product shape and *associate* it a particular source ('in the sense that, if they were asked who markets goods bearing that mark, they would identify the applicant…')? Or is it necessary to show that consumers actually *rely* upon the shape of the goods (and not, for example, other conventional marks also present on the goods) to indicate the product's origin?[350] In framing the referral, Arnold J made clear his preference for the *reliance* interpretation, the approach developed in older UK passing-off cases before shape marks were eligible for registration.[351]

The CJEU's answer was ambiguous. The Court confirmed that acquired distinctiveness requires more than consumer recognition of a shape and its association with a single source, but it stopped short of requiring 'reliance'.[352] The CJEU stated that an applicant must prove that a sufficient proportion of relevant consumers 'perceive' the products:

> designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company.[353]

The High Court,[354] noting the lack of explicit approval for a reliance-based test, interpreted the CJEU's guidance as requiring evidence of consumers perceptions that the goods originate from the applicant *because of* their shape.[355] Having considered the evidence before it, the court concluded that the shape had not acquired a distinctive character. The judge acknowledged that the *KIT KAT* shape was well-known, but determined that neither its extensive use and promotion, nor a consumer

[349] C-215/14 *Nestlé*.
[350] *Nestlé* [2014] EWHC.
[351] see citations in *Nestlé v. Unilever* EWHC.
[352] Advocate-General Wathelet was unequivocal about this; C-215/14* *Nestlé*, [55].
[353] C-215/14 *Nestlé*. The same phase is used in C-353/03 *Nestlé v. Mars*,[30].
[354] *Nestlé* [2016] EWHC.
[355] *Nestlé* [2016] EWHC, [45]-[60], adopting the wording of the Advocate-General in C-215/14* *Nestlé*,[53].

survey demonstrated that the shape was either used *or* perceived as a trade mark.[356] While a significant proportion of survey respondents shown the unadorned product shape immediately linked it with *KIT KAT*, this demonstrated recognition and association, but nothing more. During the period of use relied upon, other producers had sold products with the same appearance. This was 'inconsistent' with the claim that the product shape was linked exclusively to a single source.[357]

The High Court's conclusions regarding the UK application stands in sharp contrast with the findings of the EUIPO Board of Appeal and General Court in co-pending cancellation proceedings involving the equivalent EUTM,[358] and based upon analysis of much the same evidence. Both EU tribunals found the shape mark was distinctive in those EU member states covered by Nestlé's evidence of use, which included the UK.[359] Although these EU tribunals noted that acquired distinctiveness requires 'use of the mark as a trade mark',[360] if the nature of Nestlé's use was subjected to any scrutiny, then neither decision elucidates how this requirement was met. Instead, the analysis focuses upon the product's impressive market share, length of use, and extensive promotion.[361] Ultimately, Nestlé's consumer surveys appear to have been determinative. These demonstrated high levels of spontaneous recognition of the product.[362] The survey questions included:

- 'When you see this picture, which products come to mind?'
- 'Tell me which products this reminds you of?'
- 'Seeing this, what do you associate with it?'[363]

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[356] Similarly, in *LTC v. Frazer-Nash* EWHC, a challenge to the validity of registrations for the 'iconic' shape of a London taxi, the right-holder failed to convince the same judge that any of the promotional use depicting the product shape had been directed at conveying a message that the shape of the taxi denoted its origin. Instead, the evidence demonstrated ([186])that 'LTC's taxis are well-known, regarded with affection and identified with London.' This finding was upheld on appeal, see: [2017] EWCA Civ 1729,[69].
[357] *Nestlé* [2016], [71].
[358] R-513/2011-2 *Nestlé v. Cadbury Holdings Ltd*, appealed as T-112/13 *Mondelez v. EUIPO* ECLI:EU:T:2016:735.
[359] T-112/13,[153]. EUIPO had not reached a conclusion in relation to five of the fifteen member states at the relevant time, meaning its decision was annulled.
[360] T-112/13 *Mondelez*, [63].
[361] R-513/2011-2 *Nestlé v. Cadbury Holdings* Ltd, [53].
[362] T-112/13, [59].
[363] Case R513/2011-2 *Nestlé*, [63]-[65] and [70]. T-112/13 *Mondelez*, [78]-[80] dismissing the concerns as unsubstantiated.

The UK tribunals considered the UK version of the survey results lacked probative value because of the nature of the questions posed.[364]

While the EUIPO Board's decision records that other producers sell chocolate wafers in the EU made to the same shape which Nestlé claimed as their own,[365] this fact was not explored as pertinent to the shape's distinctiveness. The General Court labelled it irrelevant,[366] and was satisfied that the EUIPO Board applied the law correctly.[367]

In the most recent twist in this long-running dispute, both the High Court and General Court decisions have been subject to review by the Court of Appeal of England and Wales.[368] The Court took the CJEU in *Nestlé* to have 'settled' a two-step test for acquired distinctiveness: first, applicants must demonstrate use of their product shape 'as a mark'; secondly, applicants must show that consumers perceive the shape as a 'badge of origin' resulting from this use.[369] The Court conceded that non-trade mark specialists[370] might find the distinction between 'recognition and association' and 'perception as an indicator of origin' to be 'elusive', but it was vital.[371] A test based upon recognition and association alone is incomplete, because it does not countenance that shape may elicit both trade mark and non-trade mark associations. Essentially, the Court of Appeal considered that Nestlé's survey evidence failed to separate respondents who associated the shape with '*KIT KAT*' in

[364] As a result, a further survey was undertaken for the UK proceedings. The Hearing Officer's criticisms of the original survey, relied upon in the EUIPO proceedings, can be found in *Nestlé* [2014] EWHC, [20]-[24].
[365] R-513/2011-2 *Nestlé*,[45]; Mondelez, parent of Cadbury, manufactures competing products made to the same shape, including Milka *LEO* and *OLÉ* bars (available in Belgium/Netherlands), and Freia *KVIKK LUNSJ* (sold in Norway since 1937 and popular in Denmark). A kosher Kif-Kef bar made by Strauss-Elite (shown without/with packaging, below right) originating in Israel is also available for purchase within the EU via online websites.



[366] T-112/13 *Mondelez,* [77].
[367] Ibid, [99]-[107].
[368] *Nestlé v. Cadbury UK Ltd* [2017] EWCA Civ 358.
[369] Ibid, [80] and [102]-[109].
[370] This could be a reference/sleight to the non-specialist nature of the General Court.
[371] *Nestlé* EWCA, [77].

a trade mark sense, and those who, for example, used the term as a synecdoche for *KIT KAT*-type wafer bars of whatever origin, or who meant that the product (of whatever sort and whatever origin) shared the same external appearance as a *KIT KAT*.[372]

The Court underlined why recognition and association were insufficient by quoting Jacob J. in an earlier shape mark case:

> There is a bit of sleight of hand going on here…. The manufacturer sells and advertises his product widely and under a well-known trade mark. After some while the product appearance becomes well-known. He then says the appearance alone will serve as a trade mark… He then gets registration of the shape alone. Now he is in a position to stop other parties, using their own word trade marks, from selling the product, even though no-one is deceived or misled. I do not think that is what the European trade mark system is for. It is a system about trade marks, badges of trade origin.[373]

This critique is consistent with the UK courts' earlier characterisation of shapes as 'limping marks' which are weak and often incapable of independently conveying an origin message.[374]

While Nestlé argued that the CJEU had rejected a reliance test, the Court disagreed that this implied that reliance had no part to play. While an applicant is not required to demonstrate that consumers do *rely* upon the shape to make purchasing decisions, it they can, then this would establish distinctiveness.[375] By qualifying evidence of reliance as sufficient, but not necessary, the Court of Appeal seems willing to entertain other kinds of evidence, but declined ('unwise') speculation on other ways in which consumer perceptions might be demonstrated.[376] However, it is possible to glean some hints based upon their reasoning.

Firstly, the decision emphasises that acquired distinctiveness requires a product shape to be used ***and*** perceived 'as a trade mark'. Trade mark use, in the

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[372] Ibid, [89].
[373] Ibid, [79] citing from *Nestlé v. Unilever* [32]-[33].
[374] *Philips* EWCA, 817.
[375] *Nestlé* EWCA, [82];[98];[124].
[376] Ibid, [108].

UK at least, would seem to require would-be applicants to educate consumers in the deemed meaning of product shape. Arguably, this requires more than simply selling and promoting goods made to the shape. (Nestlé's promotional material for *KIT KAT*, which simply shows the product, may be contrasted to the promotion of the shape of Mondelez's *TOBLERONE* bar.[377] Here, the 'Look-for' link between the triangular shape and source is made implicitly by the corresponding shape of the packaging, as well more directly in the narrative of TV advertisements.[378]) While applicants should not be required to promote their product shape as a trade mark explicitly, promotion of the kind which does is likely to make it more straightforward to demonstrate that consumers perceived the shape as a trade mark.[379] Secondly, while a shape mark may be distinctive, even though it has never been used independently, if the shape has only been promoted in combination with other conventional marks:

> the task inevitably becomes more difficult, because it is the perception of the mark applied for, and not other marks used in combination with it, which it is necessary to isolate and establish. The question in such cases will inevitably be a more hypothetical one.[380]

Similarly, while there is no requirement that the mark must be visible at the point of sale, the fact that the *KIT KAT* shape was hidden from view by opaque wrappers presented Nestlé with an additional hurdle.

In rejecting Nestlé's appeal, the Court of Appeal declined to follow the General Court's finding of distinctiveness within the UK. Aside from the weight placed upon dubious survey evidence, their Lordships concluded that the General Court had

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[377] The product website, www.toblerone.co.uk/chocolate/oursecret, identifies the 'great many legends' surrounding the reasons for the triangular shape, and suggesting that the product's creator, Theodor Tobler, was inspired by the shape of the Matterhorn mountain which also features on the product's carton.



[378] E.g. The lyrics in the brand's well-known advert from 1997, available to view at: www.youtube.com/watch?v=CMfCL5rX2fk, ran: 'Toblerone - out on its own, Triangular chocolate, that's Toblerone. Made from Triangular Almonds from Triangular Trees, and Triangular Honey from Triangular Bees. Oh, Mr Confectioner, please, give me Toblerone!'

[379] *Nestlé* EWCA, [119].

[380] Ibid, [103].

misapplied *Nestlé* because its finding of acquired distinctiveness seemed to be based upon recognition and association only, which the CJEU had said was insufficient.[381]

The conflicting conclusions of these two senior courts suggests that the CJEU's guidance remains incomplete. Applicants and tribunals are uncertain what evidence is needed, and which consumer perception must be proved. As the General Court's decision has been appealed to the CJEU, this *may* provide an opportunity for the CJEU to clarify whether the General Court has interpreted its earlier guidance properly.[382] In the meantime, the *KIT KAT* shape mark is simultaneously distinctive (EUTM) and non-distinctive (UKTM) in the UK: a far from satisfactory position.

3.2.2 USA

Wal-Mart[383] established that trade mark protection of all 'product designs' must be based upon acquired distinctiveness resulting from use. Supreme Court jurisprudence requires that 'the *primary significance*' of the shape in the minds of relevant consumers 'is *to identify the source* of the product' instead of simply signifying 'the product itself'.[384] How is this achieved? Even though the *Wal-Mart* decision is relatively recent, by the time it was handed down, US tribunals were already familiar with assessing shape marks for distinctiveness acquired through use. While some courts had been willing to find certain shape mark inherently distinctive, this was the exception rather than the rule.[385]

Typically, tribunals recognise that shape marks face a greater evidential burden than traditional marks.[386] Thus, while the Lanham Act permits evidence of 'exclusive and continuous use' for a period of five years to serve as a proxy for evidence of distinctiveness for *any* mark,[387] this option is not exercised for shape

[381] Ibid, [100]. See also Schweizer 2016, pp.55-56.
[382] Joined Cases C-84/17P, C-85/17P and C-95/17. The appeal concerns the extent of the territory in which it is necessary to establish distinctive character acquired through use of a mark, and the A-GO issued in April 2018 did not re-visit the evidence of use itself.
[383] Section 3.1.3.
[384] *Qualitex* quoting *Inwood*, n.10 (emphasis added).
[385] Dinwoodie 1997, pp.562-573.
[386] See, e.g. 'secondary meaning in a product configuration case will generally not be easy to establish': *Duraco*, 1435; the TMEP 1202.02(b)(i) states: 'Applicants face a heavy burden in establishing distinctiveness in an application to register trade dress.'
[387] Section 2(f).

marks, or other signs which are deemed inherently non-distinctive as a matter of law.[388] A significant period of exclusive use is still required, but the assessment focuses upon the context of the use and its likely influence upon consumer perceptions.[389] Here, the factors identified in the tests devised to assess inherent distinctiveness of product shapes remain pertinent. A product feature is deemed more likely to be perceived as indicative of origin if it is memorable and readily identifiable. Conversely, the evidence needs to be all the more compelling if the shape mark closely resembles the 'normal' shape of competing products.[390] Generally, evidence submitted to establish acquired distinctiveness comprises circumstantial evidence of the applicant's use, supplemented, where available, with direct evidence that the use has been effective, and caused the purchasing public to identify the mark with the source of the goods.[391]

US tribunals accept the same type of circumstantial evidence of acquired distinctiveness as is submitted to support shape marks within the EU. Although the general premise is that the more consumers are exposed to a mark, the more reasonable it becomes to assume that the mark has acquired a trade mark significance, certain caveats attach to shape marks. Case law cautions that neither long-standing use, nor substantial sales and promotion should be determinative. These factors may simply indicate that the product is successful.[392] Similarly, advertising merely depicting the product shape is generally insufficient.[393] Rather, the applicant's evidence should demonstrate that marketing efforts have been directed at educating consumers to associate the product shape with a single source:[394] i.e. the shape must be used *as* a trade mark.[395]

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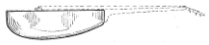
[388] TMEP 1212.05 citing *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed.Cir.1985).
[389] TMEP1202.02(b).
[390] E.g. *Yamaha International Corporation v. Hoshino Gakki Co., Ltd*., 840 F.2d 1572 (Fed.Cir.1988).
[391] *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1125 (Fed.Cir.1985). For a more comprehensive summary, see: *Restatement (Third) of Unfair Competition* (1995) §13, cmt.e.
[392] *Duraco*, 1452–53; *M-5 Steel Mfg. Inc v O'Hagin's Inc* 61 USPQ 2d 1086, 1098 (TTAB) 2001; *In re Van Valkenburgh* 97 USPQ 2d 1757, 1766 (TTAB 2011).
[393] *In re Teledyne Industries, Inc.* 212 USPQ 299, 300 (TTAB 1981).
[394] 'While evidence of a manufacturer's sales, advertising and promotional activities may be relevant in determining secondary meaning, the true test of secondary meaning is the effectiveness of this effort to create it': *International Jensen, Inc. v. Metrosound USA, Inc.*, 4 F.3d 819, 824 (9thCir.1993).
[395] *In re Teledyne Industries, Inc.* F.2d 968 (Fed.Cir.1982).

For example, the USPTO considered that guitar manufacturer, Ovation, had promoted its round-backed guitar shape in a manner which was likely to engender origin-based association based upon product shape. This applicant had adopted promotional slogans such as 'Ovation - The Sound is Getting Round', which alluded to the product's bowl shape.[396] This kind of promotion is termed 'Look-For' advertising because it 'directs the potential consumer in no uncertain terms to look for a certain feature as reassurance that it comes from the intended source.'[397] Look-For promotion has become so synonymous with 'trade mark use' of a product shape that failure to engage in this practice may militate against a finding of distinctiveness.[398] Trade mark significance is also evidenced by trade mark notices, which claim trade mark rights in features of shape.[399]

In US shape mark proceedings, direct evidence from consumers is persuasive.[400] In USPTO proceedings, this typically takes the form of statements from customers and/or the trade[401] which attest that they associate the claimed shape with the applicant. Consumer surveys, assuming they are properly crafted and executed, are well-regarded and viewed as representative. They are more prevalent in *inter partes* proceedings. The survey in *General Motors v. Lanard Toys* appears

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[396] *In re Ovation Instruments, Inc.* 201 USPQ 116, 123 (TTAB 1978).



But the link must be made between the shape and the source. *In re Gibson Guitar Corp.* 61 USPQ 2d 1948, 1951 (TTAB 2001), the shape was held functional since the promotional messages linked the shape to the quality of the sound which the guitar produced, e.g.: 'Our AJ body shape not only looks like a bell, but rings like a bell. The more rounded upper bout produces sweeter highs while the broader waist and wider lower bout creates more powerful lows.'



[397] *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1554 (TTAB 2009).
[398] In *Mag Instruments Inc. v. Brinkmann Corp.* 96 USPQ 2d 1701, 1723-24 (TTAB 2010), lack of 'look for' advertising was 'most damaging' to the applicant's claim that their product shape had acquired distinctiveness.
[399] To be given any weight, these must have been in use for a significant period *before* distinctiveness is claimed. In *Stuart Spector v. Fender*, 1554, the applicant had only recently added guitar body shape into its TM notices; earlier promotional material claimed rights in the FENDER mark and headstock shape only.
[400] see e.g. 'Because …secondary meaning is primarily an empirical enquiry, survey evidence is the most direct and persuasive evidence.' *Herman Miller v. Palazzetti* 270 F.3d 298, 312 (6th Cir. 2001).
[401] *In re Bose Corp.*, 772 F.2d 866 (Fed.Cir.1985), the Federal Circuit affirmed the USPTO's acceptance of a retailer's statement (that a substantial proportion of the relevant public would recognize the products depicted in the application as originating from the applicant) as competent evidence of acquired distinctiveness.

typical. In this instance, a high percentage of those surveyed, when shown a picture of a *HUMMER* vehicle, could correctly identify its make or manufacturer from the picture alone. This evidence was sufficient to establish the vehicle's shape as a distinctive mark.[402]

The Supreme Court has stressed that distinctiveness requires an origin association with the good's producer, and not an association with the party responsible for their creative content.[403] This distinction has proved pertinent in shape mark cases involving furniture designs where the party claiming to have trade mark rights is not the party responsible for the shape's design. The Sixth Circuit confronted this scenario in *Herman Miller v. Palazzetti Imports*,[404] where the plaintiff sought enforcement of trade mark rights in the iconic Eames' Lounge chair and ottoman (a design which it had commissioned) against an importer of less expensive reproductions.[405] Herman Miller established that the chair design enjoyed high levels of consumer recognition, and demonstrated that much of its promotional material identified Herman Miller as the manufacturer. However, the marketing promoted the furniture's design provenance heavily, to the extent that the product was commonly known as 'the Eames chair'. The Court concluded that the applicant had failed to demonstrate that consumers associated the design exclusively with Herman Miller, rather than with the Eames.[406] It characterised the test for shape marks succinctly. A shape had acquired a distinctive character when, if 'shown to a prospective customer' it prompted 'the affirmation: "That is the article I want because I know its source."'[407]

In *Thomas Betts*,[408] a case involving a prior-patented cable tie design,[409] the Seventh Circuit acknowledged that some degree of source association was 'inevitable'

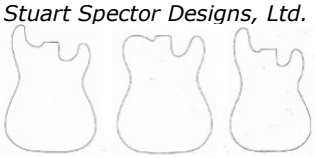
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[402] *General Motors Corporation & AM General LLC v. Lanard Toys Inc.* 468 F.3d 405,[38] (6th Cir.2006).
[403] *Dastar Corp. v. 20th Century Fox Film Corp.* 539 U.S. 23 (2003).
[404] *Herman Miller Inc. v. Palazzetti Imports* 270 F.3d 298 (6th Cir. 2001).
[405] Discussed in Section 3.1.4.
[406] For the contrary conclusion, see *Herman Miller, Inc. v. A Studio srl,* Case 1:04-cv-00781-RHB (W.D.Mich.2006), discussed in 4.3.2, below.
[407] *Herman Miller v. Palazzetti*, [73].
[408] *Thomas Betts Corp. v. Panduit Corp.* 138 F.3d 277 (7thCir.1998).
[409] US Patent No. 3,186,047 which expired in 1982.

when the product-type was only available from a single source *because* other IP protection was already in place. This association was held insufficient to establish distinctiveness. Expressing similar sentiments as the Sixth Circuit, distinctiveness required consumers to 'care that the product comes from a particular producer'.[410] The Court explained that it was not inviting 'explicit testimony' from consumers stating 'I care that X produced this product', but claimants should find some way of demonstrating that consumers used the shape to identify source *because* they wanted to purchase from the claimant.[411] While speculating whether it was possible for a shape to become distinctive if consumers had no choice of supplier, in this case, as the patent rights had long-expired, the Court was satisfied that 'true' origin association existed.[412]

Finally, it is noteworthy that US trade mark law denies protection to generic product shapes, irrespective of evidence purporting to demonstrate acquired distinctiveness. Generic product shapes[413] are refused protection because they are 'incapable'[414] of signifying a single source.[415] A shape is considered generic if it is so commonplace that consumers would consider it represents the basic form of the goods.[416] In *Stuart Spector v. Fender*,[417] Fender applied to register three shape marks corresponding to its popular *STRATO-CASTER*, *TELECASTER* and *PB* guitars. Although accepted at first instance, the shapes' distinctiveness was challenged by evidence from multiple competitors showing that closely similar guitars had been sold by numerous companies for over 30 years. Whilst Fender had originated these designs, they had become 'traditional' and 'omnipresent'. Fender's argument that their

[410] *Thomas Betts*, 294.
[411] The quote derives from *Sinko v. Snow-Craggs Corp.* 105 F.2d 450 (7thCir.1939).
[412] *Thomas Betts*, 294.
[413] Although §14 refers to cancellation of a 'generic *name*' for the goods, the Federal Circuit has held that this must be construed 'expansively' to cover trade dress; see: *Sunrise Jewelry Manufacturing Corp. v. Fred S.A.*, 175 F.3d 1322, 1533 (Fed.Cir.1999).
[414] Lanham Act §§1, 2, and 45.
[415] see TMEP1212.02(i).
[416] *Abercrombie & Fitch v. American Eagle*.
[417] *Stuart Spector Designs, Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549 (TTAB 2009).



products had become iconic was viewed by the USPTO Board as merely confirming that these popular shapes now connoted 'the typical American guitar'. Thus, although the shapes continued to be inextricably linked with Fender, consumers had learnt that the guitars' shared appearance did not designate origin. The shapes were *recognised* and *associated* with Fender, but no longer exclusively, even though Fender remained the paradigm of goods in that class.

3.2.3 Jurisdictional Comparison

Whereas inherent distinctiveness is a categorical prediction of consumers' likely perceptions of a mark, acquired distinctiveness is an empirically-based test, taking account of the actual perceptions of real-life consumers. Shape marks may be protected based upon an acquired trade mark character under both EU and US law. This should require putative owners to educate consumers by using shapes in 'a way that would imbue them with source-identifying significance'.[418]

In the USA, with its longer tradition of shape marks, Look-For adverts are the epitome of trade mark use. Within the EU, shape mark use has yet to be uniformly conceptualised. At least some tribunals, including the EUIPO, appear to adopt an *ex post facto* approach: if consumers recognise a shape and associate it with the applicant (or more often, the well-known brand of the applicant associated with the goods), then their use must have been 'use as a mark'.[419] Some US tribunals also employ the recognition and association standard, provided this association arises from Look-For promotions.

Nestlé strongly suggests that the CJEU requires more than recognition and association. However, the Court's equivocal guidance has produced irreconcilable assessments of the *KIT KAT* shape. We have diagnosed the disagreement between the UK tribunals and the General Court in whether Nestlé's use counts as trade mark use. The UK tribunals found that, as consumer recognition and association flowed

[418] *Stuart Spector v. Fender*, p.67.
[419] Kur and Senftleben 2017,p.195.

from sale of the product, not its use as a mark, the shape was not a distinctive badge of origin. US tribunals would probably have reached the same conclusion.

The UK courts' approach resonates with the US decisions in *Herman Miller* and *Thomas Betts.* These cases suggest that 'true' distinctiveness requires more than an origin-based association: consumers must be shown to Look-For the claimed shape *because* they 'care' who manufactures the goods. Absent enunciation of any specific evidential requirements, such perceptions may be treated as the inevitable effects of Look-For promotions. Thus, until the CJEU clarifies what 'trade mark use' of a shape-mark entails, the UK courts' requirement for evidence of use as a 'badge of origin' may actually align with the US approach, in these circuits at least. This refutes criticisms that the UK courts have established a practically unreachable standard.[420]

The Court of Appeal's decision in *Nestlé* foregrounds two further issues. UK courts regard evidence that others are selling similarly-shaped products (without perhaps being prevalent enough to be the norm) as indicative that the shape is not distinctive of source. US tribunals, likewise, require evidence of exclusive use by one entity. A recent decision suggests that the CJEU might endorse the UK and US approach. In *Klement*, the CJEU considered whether a shape mark had been put to 'genuine use', since the shape mark was always accompanied by a distinctive word mark. Remitting the case to the General Court, the CJEU considered that the General Court's finding that the mark, an oven shaped like an aircraft engine, was 'highly distinctive' appeared to be contradicted by evidence that similarly-shaped ovens were sold by two other producers.[421]

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[420] Fox and Strath 2017.

[421] C-642/15P *Klement v. EUIPO* ECLI:EU:C:2016:918,[39]; registered shape, then two co-existing designs below.



On review, in T-211/14 RENV, the GC again upheld the validity of the registration. This case is now pending review before the CJEU for a second time as C-698/17P.

Secondly, although, acquired distinctiveness is presented as an empirical enquiry, in instances where the shape mark in issue has never been used as an independent mark, the enquiry reverts to a hypothetical, predictive one.[422] In a consumer survey, sample consumers are shown an unadorned shape and invited to speculate what their perception might be, were they to encounter the form in a market environment. The US *Stuart Spector* case highlights that consumers may recognise and associate shapes with a single source, without the shapes being distinctive. In that case, Fender's thwarted attempt to register its guitar shapes illustrates that timing is critical for an entity seeking shape mark protection. Once a design has become so commonplace to be generic, the shape comes to signify the nature of the goods. Its origin significance cannot then be reclaimed, even if the design is iconic, and consumers know who originated the design.

4. Scope of Protection

The scope of protection which trade mark law affords to shape marks determines the range of permissible variations consistent with the holder's exclusive rights. As with design protection, scope is relevant in questions of validity (conflict with earlier marks) and infringement (conflict with later product shapes). A shape mark application may be refused, or later invalidated, on 'relative' grounds, if it is too close to an earlier third-party right. In the EU and USA, relative grounds may be raised during opposition proceedings,[423] or in post-grant cancellation proceedings.[424] In the USA, relative grounds may also be raised prior to acceptance of the application. A trade mark owner who believes that their registered mark will be confused with, or diluted by, a later product shape may challenge its registration and/or commence infringement proceedings to prevent its use.[425] Mirroring the structure of Chapter 3,

[422] For differing views on the relevance of empirical evidence within trade mark law, compare Weatherall 2017 with Gangjee 2017.
[423] Lanham Act §13; Art.8 EUTMR.
[424] Lanham Act §14; Art.53 EUTMR. NB Art.53(2)(d) provides for challenge based upon conflict with other IP rights too, 'where the use of such trade mark may be prohibited pursuant to …Community legislation or national law.'
[425] Lanham Act §32(1)(a); Article 9 EUTMR.

we shall consider scope from the perspective of infringement,[426] although registration practice is also mentioned.

In both EU and US law, infringement is concerned with unauthorised use of a conflicting mark in the course of trade,[427] not necessarily 'as a mark'. Within the EU, the CJEU has adopted trade mark 'functions' to replace trade mark use as a tool to limit acts which amount to trade mark infringement. Unauthorised use of a conflicting mark must be likely to affect (at least) one of the protected functions before it will be enjoined. In addition to the 'essential' origin function, the Court has identified that some protection should be extended to the quality, advertising, investment and communication functions.[428] The precise nature of these latter three 'new' functions is unclear, as is their relationship with the more-established 'traditional' trade mark functions.[429] This makes the impact of this relatively recent development upon the scope of non-traditional subject matter, including shape marks, difficult to discern.[430] US law only requires the use to be 'in connection with the sale of goods'.

Shape marks may be distinguished from 'conventional' trade marks in two salient respects. Firstly, as all US shape marks and many EU shape marks claim acquired distinctiveness, shape marks will have been used for a significant period prior to registration. We shall consider how use affects the scope of protection. Secondly, many discussions of scope centre on how far trade mark protection extends *beyond* the specified goods. Conflicts involving shape marks are most likely to involve the same or closely similar goods. This suggests that shape mark disputes will turn upon the permissible degree of similarity needed for co-existence. We shall need to consider how similarity of shapes is assessed.

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[426] Dinwoodie and Gangjee 2016, pp.357-360 noting difference in approach within the EU depending upon the procedural context; *B&B Hardware, Inc. v. Hargis Indus., Inc.* 135 S.Ct. 1293 (2015), confirming USPTO and courts are applying essentially the same analysis, cf. Tushnet 2016.

[427] Art.9 EUTMR (defined as commercial activity, with a view to gain and not as a private matter, see C-236/08-238/08 *Google v. Louis Vuitton* ECLI:EU:C:2010:159,[50]); §45 Lanham Act.

[428] See: e.g. C-323/09 *Interflora v. Marks & Spencer* ECLI:EU:C:2011:604,[38]; C-487/07 *L'Oreal* ECLI:EU:C:2009:378,[58]; C-17/06 *Céline* ECLI:EU:C:2007:497,[20]; C-63/97 *BMW AG v. Deenik* ECLI:EU:C:1999:82,[38]; C-206/01 *Arsenal Football Club v Reed* ECLI:EU:C:2002:651.

[429] For a critical evaluation of functional analysis, see Burrell and Handler 2016; Tarawneh 2016, and further citations therein.

[430] There seems to be consensus that all additional functions of a mark are contingent upon its ability to indicate origin, as articulated by A-G Jacobs in C-337/95* *Christian Dior SA v Evora BV* ECLI:EU:C:1997:222,[42]. Thus, understanding when a shape mark is fulfilling this function is paramount.

The following analysis of scope is split into three parts. Section 4.1 examines infringement based upon confusion, section 4.2 considers the additional protection afforded to reputed/famous marks, and section 4.3 reviews the defences available where prima facie infringement is established.

4.1 Confusion-Based Infringement

Confusion-based infringement is the 'traditional' claim. Trade marks fulfil an origin function only if protection affords the right-holder exclusive use of any mark which communicates a conflicting origin-related message to potential consumers.

Although there is a significant body of CJEU jurisprudence concerning the protection of shape marks, this does not extend to cases addressing the scope of granted rights.[431] This may simply reflect the low numbers of shape mark EUTMs which achieve registration.[432] We begin our discussion with an outline of the established infringement frameworks, before contemplating how these might extend to shape marks.

4.1.1 The Basic Frameworks

4.1.1.1 EU

An EUTM is infringed by unauthorised use of an identical mark used in respect of identical goods.[433] A third-party sign is identical if it 'reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.'[434] Likelihood of confusion is presumed in these 'double-identity' cases, as permitted by TRIPS.[435] Infringement also covers use of a same/similar mark in respect of similar/same goods which gives rise to a likelihood

[431] Additionally, neither EUIPO nor USPTO produce specific examination guidelines for conflicts between shape marks.
[432] Between 1996-2016, 3D marks made up less than 0.57% of total EUTM applications filed and 0.42% of registrations, meaning shape marks, as defined herein, comprise even smaller percentages, see: EUIPO Statistics of EU Trade Marks 2017.
[433] Art.9(1)(a) EUTMR.
[434] C-291/00 *LTJ Diffusion*,[50]-[54]. An insignificant difference is one which an average consumer will perceive only upon carefully examining the marks side-by-side.
[435] Section 1.3, Chapter 2.

of confusion.[436] The CJEU has determined that a likelihood of confusion exists if an 'average consumer' is likely to assume that the unauthorised goods originate from the right-holder, or from an economically-linked undertaking, such as a licensee.[437] Paralleling the distinctiveness enquiry, an 'average consumer' is 'deemed to be reasonably well-informed and reasonably observant and circumspect.'[438] Average attentiveness varies, depending upon the nature of the goods and the circumstances in which they are purchased.[439]

While the EUTMR links confusion to similarity between the respective marks and goods, the CJEU has stated that the 'strength' (or degree of distinctiveness) of the protected mark is relevant too.[440] The Court's bald assertion that the stronger the mark, the more likely consumers will be confused is controversial as counterintuitive.[441] Commentators infer that the Court is expressing a normative policy choice that stronger marks *should* receive wider protection.[442] The tribunal is required to undertake a 'global appreciation' of the factors (similarity of marks/good and strength),[443] having regard to the circumstances surrounding unauthorised use.[444] While there must be *some* level of similarity for both the marks and goods,[445] a global appreciation renders the factors interdependent. For example, a close similarity between marks, or a strong mark, may offset lesser similarity between the goods.[446] Once a mark acquires strength, more variants will fall within its scope of protection.

Similarity of marks is also determined based upon a global appreciation.[447] The parties' trade marks are not compared side-by-side. Instead, similarity is judged

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[436] Art.9(1)(b) EUTMR.
[437] C-533/06 *O2 Holdings Ltd v. Hutchison 3G Ltd* ECLI:EU:C:2008:339,[59].
[438] C-342/97 *Lloyd*, [26].
[439] Ibid.
[440] C-251/95 *Sabèl*, [24].
[441] For discussion, see e.g. Fhima and Denvir 2015, p.330-331, and cites.
[442] Beebe 2006; Bone 2012; Kur and Senftleben 2017, pp.332-333; Beebe and Scott Hemphill 2017.
[443] Thus, not a check-list of criteria which must be satisfied. Griffiths 2001, pp.359-60 argues that this promotes fairness, but at the price of uncertainty.
[444] C-251/95 *Sabèl*, [18]; C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc* ECLI:EU:C:1998:442.
[445] C-39/97 *Canon*, [22].
[446] Ibid, [17].
[447] C-251/95 *Sabèl,* [23]-[24]; C-39/97 *Canon* [18], weighing visual, phonetic and conceptual similarity.

upon the notional consumer's (imperfect) recollection,[448] of the 'distinctive and dominant components' of the two marks, being the most memorable elements.[449] The mark's strength is judged primarily on its inherent qualities, but a claimant may assert enhanced distinctiveness arising from use, creating the potential for an inherently weak or non-distinctive mark to become stronger.[450] Enhanced strength is demonstrated by evidence of market share; intensity, spread and length of use; investment in promotion; and levels of recognition.[451] These same indicators are used to establish that a mark has acquired distinctiveness.[452] As we shall see, they also demonstrate that a protected mark enjoys 'repute'.[453]

Likelihood of confusion takes account of circumstances surrounding unauthorised use. While consumer confusion may occur before[454] or after[455] sale, confusion at the point of purchase is most critical.[456] Evidence of actual confusion between the marks in issue will be pertinent, and may assist the court to deduce the notional consumer's perception.[457]

4.1.1.2 USA

The US legal framework broadly mirrors EU law, but with a few notable points of distinction. The Lanham Act defines confusion-based infringement as an unauthorised use of 'any reproduction, counterfeit, copy or colourable imitation… which …is likely to cause confusion.'[458] Confusion may relate to the origin of the goods, or whether

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[448] C-342/97 *Lloyd*, [26].
[449] C-251/95 *Sabèl*, [23].
[450] C-39/97 *Canon*, [10].
[451] C-342/97 *Lloyd*, [23].
[452] Section 3.2.1, above.
[453] Section 4.2.2, below.
[454] E.g. C-533/06 *O2*; C-558/08 *Portakabin v. Primakabin* ECLI:EU:C:2010:416. The Court of Appeal is sceptical of the doctrine, considering that it to be an 'unnecessary and potentially misleading gloss' applied to the CJEU's stated test, see *Interflora v. Marks and Spencer plc* [2014] EWCA Civ 1403,[158].
[455] C-206/01 *Arsenal v. Reed*; C-245/02 *Anheuser-Busch Inc. v Budějovický Budvar* ECLI:EU:C:2004:717,[60]. The High Court took account of post-sale confusion in *Datacard Corp. v. Eagle Techs. Ltd.* [2011] EWHC (Pat) 244.
[456] C-361/04P *Ruiz-Picasso and Others* v. *OHIM* ECLI:EU:C:2006:25; also C-412/05 *Alcon v. OHIM* ECLI:EU:C:2006:687,[51].
[457] *Interflora Inc v. Marks and Spencer plc* [2012] EWCA Civ 1501,[76]; [2014] EWCA Civ 1403, [113]-[117]; Dinwoodie and Gangjee 2015, p.353.
[458] §32(1)(a) Lanham Act. §2(d) provides statutory basis for refusal of a mark which 'so resembles' an earlier mark 'as to be likely …to cause confusion'. The US Supreme Court has confirmed that the same standard applies for registration and infringement, see: *B&B Hardware, Inc. v. Hargis Indus., Inc.* 135 S.Ct. 1293 (2015).

they have been endorsed, sponsored or licensed by the right-holder.[459] The Lanham Act originally defined infringement by reference to 'purchaser confusion', but its 1962 revision[460] clarified that confusion of *potential* purchasers is covered.

The US definition contains no explicit link between confusion and the similarity of goods and/or marks, meaning likelihood of confusion must be established in all cases, including those involving 'double identity'. As in the EU, US tribunals undertake multi-factor analysis, but there is no single test for likelihood of confusion. Instead, each Circuit has evolved its own variant of the same legal standard.[461] All circuits consider similarity of the marks and goods, the strength of the protected mark[462] and evidence of actual confusion. In addition, most circuits consider the defendant's intent in selecting their mark,[463] and the likely level of attention paid by typical consumers when purchasing the goods.[464]

When assessing similarity between marks, US tribunals reconstruct the 'impression' which each mark creates:

> Though two products may be readily differentiated when carefully viewed simultaneously, those same products may still be confusingly similar in the eyes of ordinary consumers encountering the products individually under typical purchasing conditions, and that "real world" confusion is the confusion that the Act seeks to eliminate.[465]

Relevant factors are 'balanced' by identifying which (and how strongly) each factor points towards or away from confusion.[466] This methodology appears broadly equivalent to the EU 'global appreciation' approach. Two marks conflict if an appreciable number of ordinarily prudent consumers are likely to be confused as to

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[459] Bone 2012, pp.1316-1334 provides a fuller account.
[460] H.R. REP. NO. 87-1108, at 4, 8 (1961).
[461] Per *B&B Hardware,* a USPTO finding on likelihood of confusion will be binding in subsequent infringement proceedings (provided other factors for preclusion are met), even though the circuit might adopt a different test('minor variations… of in essence the same legal standard'). Commentators identify significant disparity in approaches between the circuits which is likely to affect the outcome, see: Beebe 2006, pp.1581-1654; Bone 2012.
[462] see e.g. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (CCPA 1973).
[463] Bar the Federal Circuit, although their *du Pont* test includes a catch-all 'any other established fact', which might include intent.
[464] Beebe 2006 provides fuller analysis.
[465] *Malletier v. Burlington Coat Factory Warehouse Corp*. 426 F.3d 532, 538-539 (2ndCir.2005) cited in Dinwoodie and Janis 2010, pp.253-254; see also *Sabinsa Corp. v. Creative Compounds, LLC* 609 F.3d 183 (3rdCir.2010).
[466] *du Pont*, 1361.

the source of the goods.[467] Thus, US tribunals anticipate the perceptions of typical, as opposed to 'notional', consumers.[468]

4.1.2 Application to Shape Marks

Having established trade mark law's general approach to confusion-based infringement, we now turn to shape marks in particular.

Shape marks are often used in conjunction with other conventional trade marks. Our first question is whether an unauthorised user may mitigate against any confusion arising from adoption of a similar product shape by use of additional distinguishing indicia. Secondly, we consider the level of generality at which visual similarity is found. Two products will be visually similar to *some* extent, whenever they include similar product features which are arranged in a similar configuration. As confusion is evaluated based upon the imperfect recollection of a somewhat inattentive average consumer, it seems possible that similarity might arise because the two products share a design concept, or both incorporate a prominent but technically necessary feature or commonly-used product component. Finally, given the 'holistic' nature of the likelihood of confusion test, tribunals have latitude to take account of the identity of the goods and enhanced strength of the mark to find infringement despite low visual similarity. The penumbra of protection which a shape mark enjoys might consequently be far-reaching. What constraints, if any, do courts impose to rein in this scope? Absent any CJEU or US Supreme Court jurisprudence relating to shape mark infringement, this part considers EU national and US circuit case law.

4.1.2.1 EU

In *Whirlpool*,[469] the first post-harmonisation shape mark case to come before the UK courts, Whirlpool had registered the shape of its iconic *KitchenAid* food mixer as an

[467] See, e.g., *Nikon, Inc. v. Ikon Corp.* 987 F.2d 91, 94 (2ndCir.1993); *West Point Mfg. Co. v. Detroit Stamping Co.* 222 F.2d 581, 589 f/n.2 (6thCir.1955).
[468] i.e. 'the results of an ideal survey of the relevant consumer population' Beebe 2006; Bone 2012.
[469] *Whirlpool Corporation v Kenwood Ltd* [2008] EWHC 1930 (Ch).

EUTM.[470] When Kenwood, the UK market leader for food mixers, launched the *kMix*, Whirlpool sued, claiming confusion- and dilution-based infringement.[471] The trial judge took note of the range of mixer shapes on the market at the EUTM filing date,[472] by way of context for assessing similarity and mark strength. On this analysis, the two mixers looked similar enough that an average consumer seeing one mixer would call the other to mind: the *kMix* would be seen as '*KitchenAid*-ish'.[473] However, as both mixers were expensive products which were purchased 'for their style and presentation as well as for functional qualities',[474] the court characterised an average consumer as careful and 'design-conscious'. It was unlikely that such a consumer would purchase the goods in question solely based upon an initial impression or a recollection. Overall, the court held that there was insufficient visual similarity that an average consumer would be confused that the *kMix* <u>was</u> the *KitchenAid*,[475] even taking 'initial interest' confusion into account.[476]

The only other time that the UK courts have considered shape mark infringement is *LTC v. Frazer-Nash*,[477] regarding alleged infringement of a EUTM for the shape of a London 'Black Cab'. When considering visual similarity of the rival taxi, the trial judge noted that although each vehicle comprised the same 'check-list' of features, each was 'implemented in a visually distinct way'. As a result, while visual

[470] The EUTM was accepted as inherently distinctive because the word *KitchenAid* appeared in small text on the mixer, however, the adjudication was based upon the distinctiveness of the shape per se.



Whirlpool *KitchenAid* Kenwood *kMix*

[471] The latter claim is considered in Section 4.2.2.
[472] *Whirlpool Corporation v. Kenwood Ltd* [2008] EWHC 1930 (Ch), [26].
[473] Ibid, [71].
[474] Ibid, [5].
[475] Ibid, [71].
[476] Ibid, [75].
[477] *LTC v Frazer-Nash* [2016] EWHC 52(Ch).

EUTM000951871 Protected Shape vs. Alleged infringement

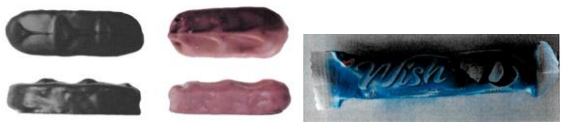


similarity was evident, this existed only at a general level: they both looked like licensed London taxis.[478] This low level of similarity, combined with only an averagely-strong mark,[479] offset the identity of the goods and potential for imperfect recollection.[480] Overall, the court concluded that there was no likelihood of confusion.[481]

The judge also considered whether the competitor's use of conventional trade marks would further mitigate against confusion,[482] but concluded that there was no guarantee of concomitant use.[483] Additionally, he accepted that those aspects of shape which are most noticeable at the point of sale, or when the mark is in use, are likely to be the mark's dominant elements, meaning that similarity in these features might outweigh dissimilarity in other aspects of shape.[484] The environment in which consumers are likely to encounter the product may also be relevant.[485]

While these decisions illuminate judicial reasoning, the non-infringement conclusions may seem surprising. At least as a matter of first impression, the product shapes in issue appeared very similar. While the CJEU decides which factors feed into the global appreciation, courts in member states assess their relative weight in individual cases. This is illustrated by a contemporaneous decision of the German Federal Court (BGH) adjudicating alleged infringement of a shape mark. In this case, Mars[486] secured registration of the shape of an unwrapped *BOUNTY* bar. Mars commenced proceedings following launch of a competing coconut-and-chocolate

[478] *LTC v. Frazer-Nash* EWHC, [259]; upheld on appeal in [2017] EWCA Civ 1729, [85].
[479] As the judge had concluded that the shape mark was invalid, infringement analysis was based upon the assumption that the mark was modestly distinctive (*LTC v. Frazer-Nash*,[242]).
[480] Ibid, [257].
[481] Ibid, [262].
[482] Applying the dicta: 'The sign is not to be considered stripped of its context.' Per Kitchin LJ. *Maier v. ASOS plc* [2015] EWCA Civ 220, [75].
[483] *LTC v. Frazer-Nash* EWHC, [253].
[484] The right-hander argued that similarity of the front view of the two taxis was most significant, since this is what a customer would see as the vehicle approached. The judge conceded the premiss, although disagreed that the front was the most significant view; see *LTC v. Frazer-Nash* EWHC, [255].
[485] Ibid, [256].
[486] Case I ZR 23/14 *BOUNTY* ECLI:DE:BGH:2016:211015IZR23.14.0.



confection. The competitor's product looked similar to the protected shape, but it was not identical and the shape was not visible to consumers at the point of sale. The product was sold in a wrapper bearing the trade mark *WISH*. When considering likelihood of confusion, the German court compared the shape mark as registered and the unauthorised product on a like-for-like basis. Likelihood of confusion was found based upon visual similarity buttressed by the Court's view that the mark was at least averagely strong and that average consumers pay little attention when purchasing these low-cost goods. Thus, German courts appear willing to enforce trade mark rights to prevent product simulation based upon imperfect recollection, an outcome deemed undesirable by the UK judiciary.[487]

It is debateable whether a UK court faced with the *BOUNTY* facts would have found a likelihood of confusion. However, had similarity and the strength of the shape mark been calibrated against co-existing chocolate bars, Mars' shape might have appeared only very weak.[488] In addition, the facts that the defendant's goods were likely to remain wrapped until consumption and this packaging was clearly branded as WISH (dissimilar to BOUNTY) might have pre-empted a finding of origin-based confusion.[489]

4.1.2.2 USA

There is a greater body of US shape mark case law. In terms of the likelihood of confusion matrix, most US court rely upon 'policy considerations' to reduce the number of factors considered.[490] For example, confusion is not considered more likely because the would-be infringer has elected to compete with the right-holder by

[487] *Nestlé v. Unilever* EWHC, [28]-[30].
[488] This was based upon survey evidence filed as evidence of acquired distinctiveness. Around 50% of respondents associated the product shape with Mars. However, only 43% mentioned BOUNTY by name, while 7% named other Mars brands, including SNICKERS and MILKY WAY (shown along side the shape mark below).



[489] Of course, based upon the UK courts' approach to acquired distinctiveness, the validity of the *BOUNTY* shape mark would have also been open to scrutiny.
[490] 'We conclude that …not all of the "Scott factors," are pertinent, because of policy considerations applicable in product configuration cases': *Versa Products Company, Inc. v. Bifold Company (Manufacturing) Ltd* 50 F.3d 189 (3rdCir.1995).

selecting a similar product shape. This reflects a long-standing distinction between (legitimately) seeking to benefit from the goodwill associated with another's *product*, and (illegitimately) seeking to benefit from the goodwill of the *producer*.[491]

Most significantly, shape marks are generally presumed to be weak. Courts recognise that consumers typically distinguish between similar-looking goods by reference to traditional marks affixed to the goods or on product labels.[492] Thus, the steps which a would-be infringer has taken to identify itself as the source of the goods and thereby distinguish them from the goods of the right-holder are not merely taken into account, but are likely to be determinative. Use of a 'house' mark or other branding generally mitigates against all likelihood of confusion.[493] Since actions pleading confusion at the point of sale are unlikely to succeed, shape mark owners have sought to bring actions for infringement based upon consumer confusion arising pre- and/or post-sale.

It is argued that pre-sale confusion should be actionable to discourage businesses from leveraging confusion to gain a 'foot in the door with prospective customers'.[494] The Sixth Circuit considered similar arguments in *Gibson Guitar v. PRS*,[495] concerning Gibson's well-known *Les Paul* electric guitar and a similar-looking competitor model. Although PRS had taken steps to identify itself as manufacturer, and the relevant purchasers would be careful and well-informed,[496] a district court found likelihood of confusion. This was based upon the 'striking similarity' of the products' appearance when viewed at a distance and the 'instant market recognition

[491] 'it is not unfair competition for someone to trade off the goodwill of a product; it is only unfair to deceive consumers as to the origin of one's goods and thereby trade off the goodwill of a prior producer' see: *Kellogg Co. v. National Biscuit Co.* 305 US 111 (1938); also *Duraco*, 1453.
[492] E.g. *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 309 (2ndCir.1972) ("The presence of [the source's] name on the product [stereo speaker cabinets] goes far to eliminate confusion of origin.")
[493] See: Dinwoodie 1999a, pp.743-744, and citations therein.
[494] Grynberg 2004, p.98.
[495] *Gibson Guitar Corp. v Paul Reed Smith Guitars* 423 F.3d 539 (6thCir.2005),[22]-[23].



[496] *Gibson Guitar Corp. v. Paul Reed Smith Guitars*, 311 F. Supp. 2d 690, 709 (M.D.Tenn.2004).

of Gibson's *Les Paul*.'[497] This decision was over-turned on appeal. The Sixth Circuit reasoned that if pre-sale confusion alone sufficed, likelihood of confusion would be found too readily in shape mark cases:

> there are only a limited number of shapes in which many products can be made. …Thus, many legitimately competing product shapes are likely to create some initial interest… due to… resemblance to the better-known product when viewed from afar. …[A]pplication of the initial-interest-confusion doctrine to product shapes would allow trademark holders to protect not only the actual product shapes they have trademarked, but also a 'penumbra' of more or less similar shapes that would not otherwise qualify for trademark protection.[498]

The Court dismissed Gibson's complaint that side-lining initial interest confusion would leave shape marks with effectively no scope of protection.[499] Right-holders 'must simply show… that the marks are sufficiently similar or that purchasers exercise sufficiently little care in choosing a product to show confusion at the point of sale.'[500] The Court further rejected what it termed Gibson's 'Smoky-Bar Theory' of post-sale confusion.[501] While guitarists would know they were purchasing a PRS guitar, those seeing them perform (potential guitar purchasers) might presume these guitars were made by Gibson.[502] The majority could discern no detriment to the right-holder in this scenario. Indeed, any musician motivated to purchase a Gibson guitar, mistaking this for their hero's preference, would benefit Gibson.[503] Without evidence of point-of-sale confusion, Gibson had no valid claim.[504]

Previously, the Sixth Circuit had found infringement based upon likely post-sale confusion, but in this instance, the quality of the unauthorised products was inferior. In *Ferrari SPA v. Roberts*,[505] the Court upheld infringement of the shape of Ferrari's *Spyder* and *Testarossa* sports cars against a manufacturer of replica body

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[497] Ibid, 724.
[498] *Gibson* (2005), 550 n.15.
[499] Ibid, 556 n.7.
[500] Ibid, 552.
[501] Ibid, 552-553.
[502] Ibid, 553: 'On a distant stage, across a smoky bar, wannabe musicians see their heroes playing a guitar they then want.'
[503] Ibid.
[504] Gibson's petition for an en banc rehearing and certiorari were both denied: *Gibson v. PRS* 126 S.Ct. 2355 (2006) (*cert.denied*).
[505] *Ferrari SPA v. Roberts* 944 F.2d 1235 (6thCir.1991).

kits which were sold primarily as stunt vehicles. The district court was satisfied that these car shapes were distinctive and 'instantly recognisable' as Ferrari products, even though few cars had been sold. Drawing a negative inference from Roberts' deliberate and precise copying,[506] the district court found trade mark infringement and the Appeal Court agreed.[507] Despite lack of origin confusion when the kits were purchased, infringement was found to protect the interests of potential subsequent purchasers, as well as protecting Ferrari's reputation.[508] Although Federal anti-dilution protection was not available at the time,[509] the majority's analysis signposts that post-sale confusion is aligned to dilution-based concerns:

> If the country is populated with hundreds… of replicas of rare, distinct, and unique vintage cars, obviously, they are no longer unique. Even if a person seeing one of these replicas driving down the road is not confused, Ferrari's exclusive association with this design has been diluted and eroded. If the replica Daytona looks cheap or in disrepair, Ferrari's reputation for rarity and quality could be damaged.[510]

Kennedy J., in dissent was unconvinced that post-sale confusion should be actionable. This, in his view, extended confusion of 'potential consumers' of the goods to 'the public at large', effectively transforming shape marks into 'a design patent in perpetuity.'[511] We shall re-visit these concerns in the Part III of the thesis.

4.1.3 Jurisdictional Comparison

Degree of visual similarity appears critical to determine whether consumers are likely to confuse two similarly-shaped products, yet relevant infringement decisions include scant analysis indicating how visual similarity is determined. Indeed, in much US litigation, this question is not in dispute. It is evident that the characterisation of the average/typical consumer of the goods will influence the outcome, since confusion is most likely when consumers pay little attention at the point-of-sale. Courts in the two jurisdictions typically attribute different weight to evidence of actual consumer

[506] Ibid, 1239.
[507] Ibid, 1240.
[508] Ibid, 1239-1240.
[509] Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996), discussed in 4.2 below.
[510] *Ferrari v. Roberts*, 1238.
[511] Ibid, 1235 Kennedy J. dissenting.

confusion. Whereas US courts approach the likelihood of confusion analysis as a predictive, empirically-based task which takes account of the actual market conditions, the EU test gauges the likely reaction of a notional consumer. This permits courts to downplay the significance of evidence purporting to demonstrate confusion as to source.[512]

The court's assessment of a shape mark's strength is influential in both systems. An EU national court, faced with an inherently distinctive shape mark, might accept evidence that the protected goods have enjoyed prolonged sales, extensive promotion and widespread public exposure as evidence of enhanced strength. Similarly, continued commercial success of a shape mark registered on the basis of acquired distinctiveness may serve to enhance its scope.[513] The stronger a mark is perceived to be, the easier it becomes for a tribunal to presume that origin-based confusion will result from unauthorised use. UK courts seem to calibrate (seemingly to downplay) the strength of the shape mark according to its proximity to competing goods which pre-date the trade mark rights.

In the USA, courts have taken a 'policy' decision[514] to treat shape marks as perpetually weak, thereby permitting the defendant's actions of adding addition distinguishing marks to the goods to dispel origin confusion. Thus, even if registration has been secured for a shape alone, US courts rarely treat the shape as independently distinctive.[515] For example, the Third Circuit distinguished between a scenario in which 'large numbers of consumers identify the configuration as coming from a particular producer' and one in which 'consumers *rely* on the product's configuration to identify the producer of the goods.' Only when faced with 'evidence of actual *reliance* by consumers on a particular product configuration as a source indicator' is there sufficient 'strength' for other source indicators to be ignored.[516] This suggests

[512] E.g. *Whirlpool* EWHC.
[513] In C-396/15P *Shoe Branding Europe BVBA v. Adidas AG* EU:C:2016:95, the CJEU seems to indicate that once an EU tribunal is satisfied that the mark has reputation, the original non-distinctive character of the mark becomes irrelevant.
[514] E.g. *Versa Products*; *Gibson v. PRS*.
[515] Tushnet 2016, p.26.
[516] *Versa Products*, [55]-[56].

that some US tribunals will treat shape marks as independently distinctive provided a 'reliance' threshold is satisfied. Then UK and US courts might be expected to concur when a shape mark is both deserving of protection and infringed by use of a visually confusing shape, irrespective of use of additional indicators of commercial source.

Within the EU, the standing presumption appears to be that if a shape mark is validly registered, then its shape *should* be treated as independently distinctive. Thus, 'context' of the unauthorised use, in terms of additional marking or distinctive packaging, is insufficient on its own to off-set visual similarity in the likelihood of confusion test. The legislation foregrounds similarity of marks and goods. Indeed, in *Arsenal v. Reed*,[517] the CJEU held that an additional 'disclaimer' actively distancing the unauthorised goods from the right-holder, is insufficient to safeguard the origin function of the protected mark. Although the CJEU has conceded that additional labelling *might* dispel post-sale confusion, this was in the context of further commercialisation of the right-holder's own goods, not of sale of new goods from a competing source.[518] If it is practically inevitable that the EU infringement framework, when applied to shape marks, yields a test for likelihood of confusion which becomes reduced to a *shape-vs-shape* comparison, then this might go some way to explain UK courts' reticence to uphold shape marks as distinctive.

Given the attitude of US courts to additional product marking, shape mark holders have resorted to infringement claims based upon of pre- and post-sale confusion. While these have met with some success, neither doctrine has been endorsed by the Supreme Court. Although the Sixth Circuit, in *Gibson*, considered sole reliance upon confusion other than at the point-of-sale inappropriate in the shape mark context, this might simply reflect a broader lack of justification for either doctrine. Infringement based upon pre-sale confusion is open to criticism that, often, there is no actual harm;[519] while in post-sale confusion, any harm to the origin

[517] C-206/01 *Arsenal v. Reed*,[57].
[518] C-46/10 *Viking Gas A/S v. Kosan Gas A/S* ECLI:EU:C:2011:485,[39]-[41].
[519] Simon Fhima 2013; Lemley and McKenna 2010.

function seems too remote,[520] more akin to a possibility of confusion, not its likelihood.[521] It appears that pre-sale confusion is really concerned with unfair advantage taking,[522] whereas post-sale confusion concerns are aligned with blurring or tarnishment.[523] This suggests that if trade mark law ought to be concerned with confusion arising beyond the point of sale, this should be considered within the anti-dilution framework, to which we now turn.

4.2 Renown-based Infringement

International law demands only that trade mark law must provide redress against confusion-based infringement.[524] However, both EU and US trade mark law offers additional protection to those marks which are reputed[525] or famous,[526] respectively.[527] A mark which enjoys sufficient renown is protected against harm beyond origin-based confusion in recognition of 'the substantial investment the owner has made in the mark and commercial value and aura of the mark itself'.[528] While this cause of action was originally restricted to use in respect of dissimilar goods which fell beyond the reach of traditional infringement, it now covers the same or similar goods as well,[529] irrespective of whether the mark is inherently distinctive or has acquired a distinctive character through use.[530] Consequently, it is now more relevant to shape marks.

This part examines three causes of action. First, EU and US trade mark law both protect against detriment to a mark's distinctive character. By undermining the

[520] E.g. Lemley and McKenna 2010; Sheff 2012.
[521] Also noted in Sheff 2012, pp.778-783.
[522] Similarly, Simon Fhima 2013, p.317.
[523] Indeed, in *Arsenal v. Reed,* [50], the CJEU's discussion of post-sale confusion notes 'the proprietor must be protected against competitors wishing to take unfair advantage of the status and reputation of the trade mark by selling products illegally bearing it.'
[524] Art.16(1) TRIPS, see-Section 1.2,-Chapter 2.
[525] Art.9(1)(c) EUTMR. While this protection was originally optional, in the recast Art.5(3)(a) Directive 2015/2436, protection is now mandatory.
[526] §43(c)(B)-(C) Lanham Act. For a comprehensive treatment, see: Simon Fhima 2011.
[527] Simon Fhima 2011, p.23 discussed possible reasons why additional protection has been extended in EU and USA.
[528] House Subcommittee on Courts and Intellectual Property; H.R.Rep. 104-374 (1995), 104th Congress, 1st Session 4 (1995).
[529] C-292/00 *Davidoff v. Gofkid* ECLI:EU:C:2003:9, now codified in the recast Directive 2015/2436 and EUTMR 2015/2424; §43(c)(1) Lanham Act. Traditionally, anti-dilution protection was considered unnecessary for same/similar goods, because it was assumed that such use would also give rise to origin confusion, meaning other forms of dilution would be prevented simultaneously.
[530] C-375/97 *General Motors Corp v. Yplon SA* ECLI:EU:C:1999:408,[30]; .

individuality of a mark, its ability to create an instant, unique link in the minds of the public is 'blurred'.[531] Secondly, 'tarnishment' is detriment to the repute of a mark, as may occur when the unauthorised goods are of lower quality, or the context of use is insalubrious, undermining the image which the right-holder has fostered.[532] Finally, EU law protects a trade mark owner from use which takes an unfair advantage of the distinctive character or repute of a registered mark. This 'free-riding' exploits the investment made in establishing that distinctiveness or repute. In all three scenarios, which we shall term collectively as 'dilution', infringement can be established without need to demonstrate consumer confusion regarding the origin of the unauthorised goods.[533]

4.2.1 The Basic Frameworks

4.2.1.1 EU

The EU 'reputation' threshold is set lower than the 'fame' standard required in the Paris Convention.[534] The CJEU equates repute with being known by a 'significant' proportion of the relevant public of the *protected* goods,[535] i.e. the market in which the trade mark owner operates.[536] This means that repute may be 'niche'. Protection is not reserved to widely-known 'household marks'. CJEU jurisprudence establishes that repute is demonstrated by factors such as market share, intensity and extent of use and levels of third-party recognition.[537] These criteria are familiar from our earlier consideration of acquired distinctiveness and mark strength.[538]

Repute-based infringement is assessed using a 'global appreciation' approach.[539] Rather than establishing a 'likelihood of confusion', it is sufficient that

[531] Schechter 1927. This is not universally accepted, see Tushnet 2008; Beebe et al 2017.
[532] The paradigm case is that of *Claeryn/Klarein* Benelux Court of Justice [1975] NJ 472, in which use of the latter mark in respect of toilet cleaner was considered to tarnish the earlier registration for gin.
[533] C-251/95 *Sabèl*,[20]; C-408/01 *Adidas-Salomon*,[27].
[534] C-375/97 *General Motors*. Simon Fhima 2011, p.29 notes that a lower threshold was appropriate for registered marks because International law afford protection to famous but unregistered marks.
[535] In the case of an EUTM, reputation must exist in a substantial part of the EU, (C-301/07 *PAGO*,[27]) which may correspond to a single member state (C-125/14 *Iron & Smith v. Unilever* ECLI:EU:C:2015:539],[17]-[19].
[536] C-252/07 *Intel Corp. Inc v. CPM* ECLI:EU:C:2008:655,[34].
[537] C-375/97 *General Motors*,[52].
[538] Sections 3.2.1 and 4.1.2.1 above, respectively.
[539] C-408/01 *Adidas-Salomon*, [27]-[31].

an average consumer makes an association, or link, between the two marks,[540] which *blurs* (demonstrated by a change in economic behaviour, e.g. purchasing the unauthorised goods, rather than the right-holder's);[541] or *tarnishes* (where the mark is shown to be prestigious and the unauthorised use is incompatible with that prestige)[542] the protected mark; or is *unfair*, because the unauthorised user appropriates an unremunerated benefit from the mark's attraction and marketing efforts of the right-holder.[543]

The upshot of the EU definition of repute is that it focuses anti-dilution protection on competitive uses, where the parties' goods are the same or similar, rather than regulating dissimilar goods as envisaged in the original harmonising legislation.[544] Dilution is often pleaded in addition to, rather than instead of, confusion-based infringement, providing right-holders with a second line of attack should they fail to demonstrate any origin-based confusion.[545] The low 'reputation' threshold makes this additional form of protection readily available to registered marks in wide-spread use for reasonable periods. Indeed, since a used mark enjoys wider scope based upon its enhanced strength, and that same use gives rise to repute, there is no sharp demarcation between origin confusion and anti-dilution protection. Rather, the two forms of protection exist on an overlapping continuum.[546]

Tarnishment is confined to specific factual scenarios, and blurring is reined in by the need for the right-holder to demonstrate a change in consumer's economic behaviour. However, the CJEU's loose interpretation of actionable free-riding has

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[540] Ibid, [28]-[30]; C-252/07 *Intel*,[42]. This link is broader that the 'likelihood of association' of Art.9(1)(b) EUTMR which requires indirect origin-based confusion.
[541] The trade mark holder must at least demonstrate a serious likelihood of such a change, see: C-252/07 *Intel*. The CJEU endorsed this requirement proposed by the UK Court of Appeal. It reflects the UK courts' scepticism that dilution should extend beyond cases of misrepresentation; see Simon Fhima 2012, pp.25-26.
[542] Simon Fhima 2011, p.177.
[543] C-487/07 *L'Oreal SA v. Bellure NV* ECLI:EU:C:2009:378,[41].
[544] Simon Fhima 2011, p.30.
[545] C-603/14P *El Corte Inglés SA v OHIM* ECLI:EU:C:2015:807,[40]-[43]. E.g. in the case of a parody of the registered mark, see German Federal Supreme Court decision File No. I ZR 59/13 of 02/04/2015:



[546] To similar effect, Simon Fhima 2011, p.ix.

been widely criticised.[547] This is underscored by concerns that infringement is found even though the right-holder suffers no identifiable harm from the unauthorised use. Not all diluting use will be actionable, since Article 9(1)(c) requires the unauthorised use to be 'without due cause'. Although this provision has received recent CJEU attention, uncertainty remains as to its application.[548]

Interflora[549] involved allegations of unfair advantage taking. Here, the CJEU identified that 'due cause' could be established in respect of 'fair' use which 'puts forward…an alternative to the goods' protected by the reputed mark, provided this was executed without either 'offering a mere imitation of the goods' or 'causing dilution or tarnishment …[or] adversely affecting the functions of the trade mark concerned.'[550] This ruling gives and takes in equal measure. It suggests that use in 'fair competition' (e.g. based upon cost or quality)[551] *is* use with 'due cause', but that due cause is relevant to alleged unfair advantaging taking only, not blurring or tarnishment. *Leidseplein*, which also related to allegations of unfair advantage taking, lends weight to this interpretation.[552] Here, the Court emphasised that 'due cause' protects the interests of competitors, by curtailing scope to that necessary to protect a trade mark's recognised functions, whether for 'objectively overriding reasons' or to protect 'subjective interests of a third party', such as prior, good faith use.[553] Pending further guidance, it remains possible that any use which blurs, tarnishes, confuses or deceives is actionable as lacking due cause, *unless* a specific defence applies (discussed below).[554]

4.2.1.2 USA

The Lanham Act has afforded protection to famous marks against blurring and tarnishment since 1995. The Federal Dilution Trademark Act was enacted to

[547] Not least, Jacob LJ. required to apply the decision, see: *L'Oreal v. Bellure* [2010] EWCA Civ 535,[3]-[17].
[548] E.g. 'Due cause remains an enigma' per Fhima 2017a, p.905
[549] C-323/09 *Interflora Inc. v. Marks & Spencer plc* ECLI:EU:C:2011:604.
[550] C-323/09 *Interflora*, [91].
[551] C-205/13* *Hauck*, [31].
[552] C-65/12 *Leidseplein Beheer BV v. Red Bull GmbH* ECLI:EU:C:2014:49.
[553] Ibid, [30]-[49]. See further, Fhima 2017a.
[554] Section 4.3.1.

harmonise the existing 'patchwork' of state legislation, and was subsequently updated by the Trademark Dilution Revision Act of 2006.[555] The Lanham Act defines a mark as famous if 'it is widely recognized by the general consuming public' as a designation of source.[556] Reference to the 'general public' was added by the 2006 Act to preclude specifically protection of niche market fame.[557] This deliberately high fame threshold[558] marks a distinction between EU and US anti-dilution protection. Fame itself is established in a similar manner as EU repute. The Lanham Act includes a non-exhaustive list of relevant factors, which mirror those established by EU case law.[559]

The Lanham Act defines 'dilution by blurring' as an 'association arising from the similarity between a mark …and a famous mark that impairs the distinctiveness of the famous mark.' This is established based upon 'all relevant factors', including: the degree of similarity, the strength of the mark, the degree of fame, any intent to create an association, and any actual association created.[560] Tarnishment is defined as 'association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark', but without any statutory guidance as to how this is established.[561]

The Lanham Act has no 'in-built' defence to dilution, equivalent to EU law's due cause. Unfair advantage taking is not a standalone cause of action. However, if dilution has been established, use will be enjoined absent a specific defence.

4.2.2 Application to Shape Marks

Having established the fundamental differences between EU and US law's protection of renowned marks in general, we now turn to consider application to shape marks. We have already noted a lack of consensus, particularly within the EU, regarding when a shape mark is distinctive. As renown is founded upon a mark's

[555] Simon Fhima 2011, pp.8-9.
[556] §43(c)(2) Lanham Act.
[557] Simon Fhima 2011, p.25.
[558] *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 33 (1st Cir. 1998).
[559] §43(c)(2)(A) Lanham Act.
[560] §43(c)(2)(B) Lanham Act.
[561] §43(c)(2)(C) Lanham Act.

distinctiveness, it is reasonable to predict that this divergence will carry over to establishing repute. Reputation and dilution of conventional marks are typically discussed in terms of their levels of *recognition*, and the likelihood that consumers will *associate* the unauthorised and protected marks.[562] As recognition and association are necessary, but arguably insufficient, pre-requisites for acquired distinctiveness, this suggests that, in practice, it might be difficult:

(i) to draw a clear distinction between mere distinctiveness and repute; and/or

(ii) detangle recognition/association of the shape as a *product* versus recognition/association as a (reputed) *mark*.[563]

As we saw in Chapter 1, the premise of anti-dilution protection is to enjoin use when consumers are attracted to the mark on its own account. Consumers are motivated to purchase unauthorised goods *because* they carry the same/similar mark, knowing, but not caring, that the goods are unauthorised.[564] A reputed shape mark may be blurred by unauthorised use of a similar-looking product, reducing sales of the protected goods. Tarnishment may arise if the unauthorised product impairs the cachet of the protected goods, because of lower quality or price-point. Finally, the very act of launching a visually similar product which competes with the right-holder may be parasitic free-riding, because it rides on the coat-tails of the marketing efforts of the right-holder. Here, the EU interpretation of due cause is pertinent, since the CJEU has specifically discounted its application in cases of product imitation.[565] In shape mark cases, a competitor will often have taken a deliberate decision to 'live dangerously' by producing goods which are reminiscent of the protected shape.[566]

We now consider how these concerns have been addressed by the courts in shape mark dilution cases in the EU and USA.

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[562] See, e.g. *Starbucks (HK) Limited v. British Sky Broadcasting Group plc* [2015] UKSC 31; *National Pork Board v. Supreme Lobster and Seafood Co.,* 96 USPQ2d 1479 (TTAB 2010).

[563] Similarly, see Simon Fhima 2011, p.2: 'Whilst one can ask a consumer if he was confused, most consumers are not sufficiently self-aware to evaluate whether their perception of the distinctiveness of a mark has been altered by a second use.'

[564] Section 3.2, Chapter 1.

[565] C-323/09 *Interflora*, [91].

[566] *Specsavers International Healthcare Ltd v. Asda Stores Ltd* [2012] EWCA Civ 24,[155], see also *Merck KGaA v Merck Sharp and Dohme Corp* [2016] EWHC 49 (Pat),[59].

4.2.2.1 EU

We shall revisit the cases of *Whirlpool* and *LTC*,[567] because repute-based infringement was alleged in each case. In *Whirlpool*, the repute of the mark was not in dispute, whereas in *LTC*, the shape was held to be non-distinctive, so repute was presumed for the purposes of the decision's subsequent appeal.[568]

In *Whirlpool*,[569] we saw previously that the trial judge acknowledged that the competing mixers looked similar enough that the *kMix* was '*KitchenAid*-ish'.[570] The judge also conceded that this 'calling to mind' was exactly the 'link' needed to support a repute-based claim, and acknowledged that sales of the *kMix* would reduce Whirlpool's market share. By basing the appearance of the *kMix* on Whirlpool's *KitchenAid* design, Kenwood sought to enter the market for 'designer' mixers which Whirlpool had created. While these considerations might point to infringement, instead, Kenwood's conduct was held beyond redress. The judge reasoned that the distinctive character of Whirlpool's mark was so confined to its specific shape that the *kMix* was not similar enough to dilute it. Further, he concluded that Kenwood's actions did not take unfair advantage, as this would be tantamount to protecting Whirlpool's market share.[571] Trade mark law should not afford Whirlpool a monopoly in 'retro-style' food mixers, by making it impossible for competitors to offer consumers an alternative to the protected shape. By marketing a rival product, Kenwood did not seek to ride on Whirlpool's coat-tails, as it had relied upon its own reputation and marketing efforts. Although this was a contentious finding,[572] the decision was upheld on appeal.[573]

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[567] See Section 4.1.2.1.
[568] *LTC v. Frazer-Nash*, EWCA.
[569] *Whirlpool* EWHCA.
[570] *Whirlpool* EWHC, [71].
[571] C-210/03 *Swedish Match AB v Secretary of State for Health* ECLI:EU:C:2004:802,[73]: 'No economic operator can claim a right to property in a market share …[which] constitutes only a momentary economic position exposed to the risks of changing circumstances'; similarly: 'there is no tort of taking a man's market or customers. Neither …are the plaintiff's to own.' per Jacob J. *Hodgkinson & Corby Ltd v Wards Mobility Ltd* [1994] 1 WLR 1564, p.1569.
[572] See, e.g. http://ipkitten.blogspot.co.uk/2009/07/when-is-it-better-not-to-have-trade.html
[573] *Whirlpool Corporation v Kenwood Ltd* [2009] EWCA Civ 753.

When the High Court revisited reputed shape marks in *LTC*,[574] the trial judge reiterated that any product shape which is reminiscent of the shape mark will generally be sufficiently similar to create the required link,[575] but held that more was required for liability. It was necessary to interrogate the reason for the association. In the case before him, the 'nature of the association which the average consumer would make is simply that all [the vehicle] shapes are species of the genus London taxi' which would 'not be detrimental to the distinctive character' of the protected taxi shape.[576] Likewise, as the defendant was characterised as a legitimate competitor, the judge found no evidence of detriment to repute or unfair advantage taking, and dismissed the infringement claim.[577] Interestingly, the judge considered due cause in conjunction with the defendant's defence.[578] We return to defences below.[579]

It might be surprising that the dilution-based claims failed in both cases, despite a striking visual similarity between the product shapes in question. In theory, we might expect infringement requiring only a link or association to succeed where there is insufficient visual similarity to establish confusion. While both defendants set out to compete with the right-holders, each had incorporated modest design changes. Additionally, neither relied upon shape alone to distinguish the origin of their goods, but adopted conventional branding.

4.2.2.2 USA

The Lanham Act extends anti-dilution protection to shape marks.[580] Based upon the higher protection threshold of fame, however, it would be expected to be more

[574] *LTC v. Frazer-Nash* EWHC.
[575] Ibid, [265].
[576] Ibid,[266].
[577] The Court of Appeal was minded to disagreed with this finding, see *LTC v. Frazer-Nash*, EWCA, [91], but as the Court agreed the shape mark was invalid for want of distinctiveness, the question of infringement was moot.
[578] *LTC v. Frazer-Nash* EWHC,[268]:'If I was satisfied that there would be detriment or unfair advantage, it would not be necessary to consider this question separately, since all the factors which are relevant to this question also fall to be considered when dealing with the Defendants' defence.'
[579] Section 4.3.
[580] §43(c)(4) Lanham Act.

difficult than within the EU to establish that a shape marks is eligible for anti-dilution protection.

An early case to be decided under the anti-dilution provisions of the Lanham Act turned on very similar facts to *Whirlpool*. In *Sunbeam v. West Bend*,[581] the two parties were both well-established kitchen appliance manufacturers. Sunbeam asserted trade mark rights in the shape of its *AMERICAN CLASSIC* premium food mixer, a 'retro' design which had remained largely unchanged since the 1950s. By the time of the dispute in 1996, this model accounted for 70% of Sunbeam's mixer sales, and represented approximately 30% of all stand mixer sales within the USA.[582] When West Bend, wanting to introduce a stand mixer into its product range, created a design which was evocative of the Sunbeam market leader. Sunbeam sought an interim injunction, asserting that launch of this 'lookalike' would confuse customers and dilute their famous shape. West Bend, in response, denied any harm would arise because the appliance was clearly marked with its own name and distinguishing mark.

The district court agreed that the product shape was both distinctive and strong because of Sunbeam's long-standing, exclusive use. Likelihood of confusion was high. Although variations were apparent upon closer examination, as a matter of first impression, the two designs were 'as alike as two peas in a pod', and setting out to compete head-on with the market leader was characterised as a deliberate attempt to trade on Sunbeam's established goodwill.[583] While not quite an 'impulse purchase', the court considered that having a price point of around $100, both mixers were 'relatively inexpensive', meaning typical consumers would be less observant than when selecting costlier appliances. Unusually, then, West Bend's use of additional branding was considered insufficient to dispel confusion.

[581] *Sunbeam Products, Inc v. The West Bend Company* 39 USPQ 2d 1545 (S.D.Miss.1996).
[582] *Sunbeam* (1996), 1547.
[583] Ibid, 1547.

Turning to dilution, the court upheld the *AMERICAN CLASSIC* shape as a famous mark, based upon its popularity and sales.[584] In granting an injunction, the district court noted that West Bend's plans to sell its mixer at $20 less that Sunbeam's would cost the company $millions in lost sales, thereby placing the originator 'at an unfair disadvantage… One who attempts to unfairly duplicate a successful product should be excluded from the competitive arena.' [585] This decision was upheld on appeal.[586] According to the Fifth Circuit, rather than 'frustrating competition', this ruling would 'foster it'.[587] Presumptively, the injunction would force West Bend to devise a more creative variation, rather than competing more directly with Sunbeam based upon quality or cost.

Similar arguments were addressed to the First Circuit shortly afterwards, in *Lund v. Kohler*.[588] Here, the contested product shape was an award-winning, designer wall-mounted tap,[589] which Lund had sold for over 30 years. Lund objected to Kohler's launch of a similar-looking, but less expensive, 'mass market' alternative, which was sold bearing the house mark of its manufacturer.[590] Having found no likelihood of confusion between the taps, because of the labelling, the district court held that Kohler's use would, nevertheless, be actionable blurring: Lund's product would cease to be a unique product in the marketplace.

On appeal, the First Circuit labelled dilution an 'exceptional remedy'.[591] Since 'traditional' dilution arises in relation to non-competing goods, the Court found it difficult to conceptualise blurring in shape mark cases, where the goods are directly competing. However, it concluded that it was incorrect to equate blurring with a loss in demand for the original, as the district court (and the Fifth Circuit in *Sunbeam*) had done. This failed to differentiate between 'blurring', being a lessening of a *mark's*

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[584] Ibid, 1555.
[585] Ibid, 1547.
[586] *Sunbeam Products, Inc v. West Bend Company* 123 F.3d 246 (5th Cir.1997); (cert. denied) 523 US 1118 (1998).
[587] Ibid, [70].
[588] *I.P. Lund Trading v. Kohler Co*. 11 F.Supp.2d 112 (D.Mass.1998).
[589] The tap was designed by noted architect, Arne Jacobsen.
[590] Ibiid.,123.
[591] *Lund v. Kohler*, 163 F.3d 27, 48 (1stCir.1998).

ability to distinguish origin, and the lessening of demand for the *product*. The latter was considered inevitable whenever an established trader encounters direct competition for the first time.

The Court did not believe that a shape mark was blurred if customers 'knowingly choose to pay less to get a similar product, and trade lower price against having a product of greater fame'. Otherwise, trade mark law was protecting the product's design *per se*, and not its ability to indicate source.[592] Unfortunately, as the Court held that Lund had failed to demonstrate the tap shape was distinctive, it stopped short of explaining what blurring of a shape mark *should* entail. Subsequently at full trial, the district court also decided in Kohler's favour.[593] Despite the tap design's renown, the court considered that the product shape was recognised for its aesthetic appeal, not its origin associations. Consequently, the shape was neither distinctive nor famous, and so was ineligible for protection as a trade mark.

4.2.3 Jurisdictional Comparison

There are evident similarities between the US courts' analysis in *Lund* and that of the UK courts in *Whirlpool* and *LTC*, which distinguishes these three cases from *Sunbeam*. Although the *Lund* court accepted that shape marks were entitled to anti-dilution protection, this should only be applied to protect against a trade-mark-related harm. In other words, anti-dilution protection should protect the right-holder's investment in sustaining the origin significance of their shape, and not the investment made to establish and maintain a distinct market for the product design. *Whirlpool* explicitly recognises that, if construed too literally, shape mark protection might be exploited to protect the incumbent's profit margin at the expense of consumer choice.

The volte-face of the distinct court in *Lund* between the injunction hearing (finding the shape mark famous) and its final determination (the shape held non-distinctive) emphasises the ease with which it is possible to meld product success,

[592] Ibid,49-50.
[593] *Lund v. Kohler* 118 F.Supp. 2d 92, 105-106 (D.Mass.2000).

recognition and renown *as a design* with distinctiveness and fame *as a mark*.[594] It also underlines the unpredictably of outcomes in shape mark disputes.

4.3 Defences

Not all unauthorised, commercial use of a protected mark is proscribed by law. EUTMR and Lanham Act both include specific defences in recognition that certain socially valuable uses of a trade mark should fall beyond a right-holder's control.[595] We briefly consider the defences most likely to apply to shape marks.

4.3.1 EU

The EUTMR provides a limited number of defences which permit use which would otherwise infringe a protected mark, all of which include the proviso that the use complies with 'honest practices in industrial or commercial matters.'[596]

The CJEU has described 'honest practices' as amounting to 'a duty to act fairly in relation to the legitimate interests of the trade mark proprietor.'[597] This requires tribunals to assess whether the defendant 'can be regarded as unfairly competing with the proprietor of the trade mark.'[598] Use which is deceptive, takes unfair advantage, or is detrimental to the distinctive character or repute of the trade mark is unlikely to be in accordance with honest practices.[599] This suggests that there is no defence if a reputed mark is found to be infringed,[600] but that the confusing use might be tolerated in some instances.[601] In terms of kinds of permitted use, an EUTM is not infringed by 'honest use' of a sign which indicates 'the kind, quality, …intended purpose… or other characteristics of the goods.'[602] As this exception mirrors Article

[594] In a more recent case, *Apple Inc v. Samsung Electronics Co. Ltd* 786 F.3d 983 (CAFC 2015), the Federal Circuit over-turned the district court's finding that Samsung had diluted the Apple's iPhone shape mark, because it held the shape was functional.
[595] Dinwoodie 2009, p.101.
[596] Art.12 EUTMR.
[597] see e.g. C-100/02 *Gerolsteiner v. Putsch GmbH* ECLI:EU:C:2004:11,[24].
[598] Ibid, [26].
[599] C-17/06 *Céline SARL v Céline SA* ECLI:EU:C:2007:497,[34].
[600] UK courts have linked use with due cause with use in accordance with honest practices, see *LTC v. Frazer-Nash* EWHC, [268]; *Argos Ltd v Argos Systems Inc* [2017] EWHC 231 (Ch), [305].
[601] C-100/02 *Gerolsteiner*, [25].
[602] Art.12 also permits a trader to use their own name and address, and to use a trade mark where it is necessary to indicate the intended purpose of a product, e.g. as an accessory or spare part.

7(1)(c) EUTMR, even if a 'descriptive' mark has acquired a trade mark character, honest use of the term in its original descriptive sense is still permissible.

In *Whirlpool*, the High Court intimated that this defence would apply in shape mark cases, since a product shape 'makes a non-verbal statement to the effect' that the unauthorised product *is* that type of goods which it embodies.[603] In *LTC*, the trial judge also held that the defendant's product shape indicated the 'characteristics' of their goods, i.e. it was 'suitable for use as a licensed London taxi'.[604] Since the defendant's use was not considered to interfere with the right-holder's ability to exploit their own mark, that use was 'fair' and in accordance with honest practices.[605] Although not explicitly stated, the inference suggested is that 'descriptive' use of a shape, which is not perceived as a 'mark', will not harm the protected functions of a mark.[606] However, the Court of Appeal disagreed with the hypothesis that a distinctive/reputed shape which had been shown to 'convey a clear message of origin' should be 'trumped' in this way, once likelihood of confusion or detriment to distinctive character had been demonstrated.[607] The BGH reached the same conclusion in the *BOUNTY* case, also rejecting non-trade-mark 'descriptive' use as a defence.[608] Rather, the Court noted that once a product shape has been registered based upon acquired distinctiveness, this acknowledges that a significant proportion of consumers do perceive the shape as a trade mark. The BGH concluded that consumers seeing a confusingly-similar product shape would, consequently, also perceive this as a mark, irrespective of whether shape is actively promoted as such. In effect, once validly registered, the acquired meaning of the shape supplants its original meaning in all cases.

Although precarious to extrapolate from so few cases, EU law may afford no defence to those who infringe shape marks.

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[603] *Whirlpool* EWHC,[74]. The judge expressed surprise that Kenwood did not attempt to rely upon this defence, and hinted strongly that it would have been given favourable consideration.
[604] *LTC v. Frazer-Nash* EWHC,[271].
[605] Ibid, [283].
[606] By analogy to C-408/01 *Adidas-Salomon*, [27]-[31]. No link was established between the three-stripe mark because consumers would see the defendant's stripes would be perceived as decoration.
[607] *LTC v. Frazer-Nash* EWCA,[96].
[608] Case I ZR 23/14 *BOUNTY*, discussed in Section 4.1.2.1.

4.3.2 USA

The Lanham Act includes specific 'fair use' defences to infringement which apply even if consumer confusion or dilution result.[609] In particular, a descriptive mark which has been protected on the basis of acquired distinctiveness is not infringed by good faith, fair use of the term in its ordinary, descriptive sense, as opposed to 'use as a mark'.

The extent to which descriptive fair use applies to non-verbal marks, such as a shape marks, remains unclear. The Second Circuit has accepted that a two-dimensional shape of a pine tree could be used descriptively in respect of air-fresheners (the shape 'describing' both the product's scent and evoking Christmas).[610] However, in *Herman Miller v. A. Studio*,[611] the notion that a shape could be used descriptively was more contentious. Here, Herman Miller sought to enforce trade mark rights in the chair's form against another seller of unauthorised reproductions of the Eames' lounge chair, discussed previously.[612] At the point of sale, the defendant clearly identified that the chair was a reproduction of the Eames' design, as well as identifying the reproduction's manufacturer. They contended this use was the 'shape equivalent' of descriptive fair use. While the court conceded that the use was not trade mark use, it failed to comprehend how a product design could ever be 'descriptive': 'Without such descriptive capability, the fair use defence does not apply'.[613]

Herman Miller might suggest that US law also has no statutory defence applicable in shape mark cases.[614] However, this decision pre-dates *Wal-Mart*, where

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[609] §33(b)(4)/§43(c)(3) Lanham Act. In *KP Permanent Makeup, Inc. v. Lasting Impression I, Inc.*, 543 US 111 (2004), the court emphasised that to find otherwise would render the defences redundant.
[610] *Car-Freshener Corp. v. S.C. Johnson & Son, Inc.* 70 F.3d 267, 269 (2nd Cir.1995).
[611] *Herman Miller, Inc. v. A. Studio Srl,* (W.D.Mich.2006) WL 1307904.
[612] Section 3.2.2, above.
[613] *Herman Miller v. A. Studio*, p.14.
[614] A 'parody' fair use defence is also available which might also apply in certain specific cases, see *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* 507 F.3d 252 (4th Cir. 2007). In this case, LV, the luxury handbag manufacture, challenged the defendant's 'Chewy Vuiton' handbag-shaped dog chews (see below, left) based upon alleged infringement of, *inter alia*, its well-known (bag design). In this case, although the defendant sought to rely upon an affirmative fair use defence, the court considered that the defendant's evident parody would dispel likelihood of confusion, and would not blur the distinctiveness of the protected marks. Also, there was little likelihood of any tarnishment, despite the inferior quality of the defendant's products. More recently, in *VIP Prods., LLC v. Jack Daniel's Props.*, 291 F.Supp. 3d 891 (D. Ar. 2018), a parody defence failed for the manufacturer of a spoof, BAD SPANIELS bottle-shaped dog chew toys (see below, right) following tarnishment claims from Jack Daniels. The court held that any claim to a defence of parody would be disregarded where the parody product is used as a vehicle for financial gain via commercial use.

the US Supreme Court 'implicitly assimilated product design marks to descriptive marks for the purposes of protectability'. Arguably, this ruling provides firmer judicial basis to develop a shape mark descriptive-type use defence.[615]

4.3.3 Jurisdictional Comparison

The foregoing analysis reveals that an already limited array of defences to trade mark infringement is likely to be even more circumscribed in relation to shape marks. There is no guarantee that non-trade-mark use, in which features of shape are simply promoted as features of the product, will be honest 'descriptive use' in either jurisdiction. Within the EU, use which has the potential to harm a protected function of a mark or takes unfair advantage of the distinctive character or repute of a mark will not be 'honest' or 'with due cause.'

EU scholars have argued that continued expansion of EU trade mark protection should be matched by an expansion of available defences.[616] However, the proposal for a specific 'functionality' defence to maintain undistorted competition is absent from the newly-revised EU trade mark legislation. In the US, attempts to establish a doctrine of 'defensive aesthetic functionality',[617] which concedes the validity of a mark in respect of certain goods, but upholds it as functional in respect of others, has proved to be highly contentious.[618] After all, the demand for the unauthorised goods derives from the right-holder's activities, even though consumers know the goods are unconnected with the right-holder.[619]





[615] Dinwoodie 2009, p.131. Similarly, §14 Lanham Act refers to 'generic names', but the Federal Circuit has held this should be construed expansively to include trade dress, see: *Sunrise Jewelry Manufacturing Corp. v. Fred S.A.* 175 F.3d 1322, 1533 (Fed.Cir.1999).
[616] Senftleben et al 2015; also, Dinwoodie 2009.
[617] See Fletcher 2011; Mireles 2013, pp.202-208.
[618] Typically merchandise, where the mark is used decoratively or as a sign of affiliation, see: *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115, 1117 (9th Cir.2011), *withdrawn and superseded by* 654 F.3d 958 (9th Cir.2011). Ultimately, the use was permitted based upon a deficiency in title to the claimed images.
[619] Fletcher 2011; c.f. McKenna 2011, p.857; Mireles 2013, p.206.

When faced with allegations of infringement, the best hope for a legitimate competitor is to question whether trade mark protection has been wrongly awarded to a functional product shape which has significant intrinsic consumer value; or whether recognition and renown of a product *design*, is being confused with distinctiveness and fame *as a mark*. Indeed, within the EU, shape marks accepted for registration before *Hauck*[620] may no longer satisfy the protection requirements, based upon the wider 'purposive' interpretation of the shape exclusions which is now required.[621] Further, following *Nestlé*,[622] more shape marks, in the UK at least, may be open to challenge for want of distinctiveness, because there has been no trade mark use.

5. Summary and Comparative Lessons

This Chapter undertook a comparative evaluation of the four key aspects of trade mark law: subject matter, subject matter exclusions, establishing distinctiveness and the resulting scope of protection. The analysis reveals greater divergence in the interpretation of trade mark legislation than is evident in design law. This is true both intra- and inter-jurisdictionally. Within the EU, there is disagreement between the national courts of EU member states, while in the USA, the circuits disagree. However, there is convergence is the opposing positions adopted.

Section 1 reviewed the subject matter requirements for product shapes. Both systems restrict registered trade mark protection to a specific product shape, as depicted in one or more images, typically accompanied by a written description. Attempts to protect broader 'product concepts' will typically be refused, although US applicants enjoy somewhat greater latitude for Type-of-Look marks, and US courts permit unregistered shape marks to be defined broadly.

Section 2 reviewed the shape mark 'functionality' exclusions. Shape marks may promote product differentiation by distinguishing origin, but EU and US regimes

[620] C-205/13 *Hauck*.
[621] Section 2.1.5, above.
[622] *Nestlé* EWCA.

both seek to exclude subject matter which might afford its holder an additional unfair (i.e. non-trade-mark-related) competitive advantage. This occurs when the benefit of promoting market transparency is outweighed by the detriment to innovation or open competition based upon quality or price. The EU exclusions presuppose that fair competition is best promoted by keeping three (potentially overlapping) designated categories of shapes 'free' for general use (once any time-limited IP rights have expired), irrespective of whether alternative shapes (having different appearances) might appear adequate market substitutes. In contrast, US law reserves only 'useful' product features. If shape is neither essential to their use or purpose, nor affects the cost or quality of the goods, then it will be excluded only if it can be demonstrated that *current* competitors need to use that specific shape, in order to compete effectively with the trade mark holder. This seems difficult to establish where the feature is a product shape.[623] Thus, EU law might be expected to exclude more shapes on the basis that product appearance adds substantial non-trade-mark-related value to the goods.

While US Supreme Court and CJEU jurisprudence suggests that US and EU law will exclude a similar range of technical and useful product shapes, some US tribunals continue to apply the Federal Circuit's *Morton-Norwich* factors, matching a competitive 'need to copy' with lack of possible alternative configurations. This approach permits more 'technical' shapes to be registered. In *Nestlé*,[624] the CJEU signalled that the technical shape exclusion will not 'keep free' shapes which inevitably result from a particular, and potentially optimal, method of manufacture. This seems inconsistent with earlier CJEU jurisprudence. (It remains to be seen whether such shapes are excluded, nevertheless, as the 'natural' shape of the goods.) In both scenarios, although other 'technical solutions' may be available, trade mark protection limits the choice of solutions available for others to use, with potentially detrimental impact on downstream innovation.

[623] Bone 2015; Hughes 2015.
[624] C-215/14 *Nestlé*.

Section 3 considered the distinctiveness threshold, pinpointing a significant difference between the two legal systems. The EU regime entertains the possibility that some product shapes (those sufficiently different from the norm) are inherently distinctive. In the USA, all product configuration marks are inherently non-distinctive. In this way, the EU regime adopts the same registrability test for product shapes *and* the shape of packaging, whereas the US regime makes a distinction between these two types of 3D marks.

A second point of contrast is that US tribunals have a clear understanding of what is required to use a product shape as a trade mark. Significant exclusive use of that shape as a mark is required to support a claim to acquired distinctiveness. Tribunals within the EU are divided. UK tribunals require that product shape is used as 'a badge of origin', and will accept proof of reliance as conclusive that the shape is distinctive. Elsewhere, tribunals, including the EUIPO and General Court, accept that a shape is distinctive based upon evidence that the shape is recognised by the relevant class of consumers as being the shape of a particular branded product. Selling and promoting goods made to the claimed shape, albeit under a conventional brand, is then enough to be using the shape as a trade mark. In the UK and US, this would be interpreted as use of the conventional mark in relation to goods, and not co-branding.

Analysis further revealed that there is uncertainty in both jurisdictions whether the non-functionality and distinctiveness requirements are pursuing parallel or distinct regulatory roles. In early US aesthetic functionality decisions, the two were presented as mutually exclusive: 'functional …connotes other than a trade mark purpose,'[625] suggesting that 'functional' shapes will never acquire distinctiveness, or that features which consumers do associate with origin must be non-functional. In *Qualitex*, the Supreme Court identified discrete roles for these two grounds of refusal: distinctiveness being concerned with consumers' perceptions of the shape and

[625] *Pagliero*, 343.

functionality being concerned with the impact that registration will have upon competitors.[626] In contrast, the CJEU is clear that tribunals should interpret distinctiveness in light of the particular interests which are at stake if the mark is registered.[627] In both systems, there will be some correlation: certain product shapes and features will be *both* functional and non-distinctive. But it is those features which are functional *and* distinctive which are of primary interest, because non-distinctive shapes, whether functional or not, are not 'trade marks' at all.[628]

Finally, we turned our attention to scope in Section 4. Trade mark infringement is determined based upon an assessment of the overall likelihood of confusion with, or harm to the repute of, a protected shape mark. These are questions of fact for national tribunals to assess. For registered trade mark rights, the starting point for comparison is the form as it appears on the register, comparing visual similarity on a like-for-like basis. In both jurisdictions, likelihood of confusion is assessed using similar multifactor tests balancing aggravating and mitigating circumstances. The analysis identified the tribunal's characterisation of the sophistication of the consumer and the strength of the protected mark as being significant in the outcome.

Beyond these core areas of convergence, it is difficult to identify further areas of consensus. Most notably, different tribunals are likely to disagree about the strength which should be attributed to a protected shape mark, as well as regarding the importance attached to the context of unauthorised use. We saw that different EU interpretations of distinctiveness have repercussions in terms of scope. Until there is clarity concerning when a shape mark is distinctive, there can be no consensus whether a shape mark enjoys enhanced distinctiveness, or is reputed. In the US, the general presumption appears to be that while shape marks may acquire a sufficiently distinctive character to enjoy protection, they will always remain weak marks. In terms of enforcement, US shape marks are rarely treated as independently

[626] *Qualitex*, 1306 (1995); also *Two Pesos*, 774-75.
[627] C-108/97 *Windsurfing*, [27].
[628] Similarly, Dinwoodie 1999a, p.732.

distinctive marks, because likelihood of confusion is generally dispelled, provided the unauthorised user adopts additional distinctive marking to indicate the origin of the goods. While a trade mark owner may have only registered the product shape, in effect, the comparison made is *product-vs-product*, and not *shape-vs-shape*. While product labelling may be one factor in the EU likelihood of confusion analysis, it would appear – albeit on limited authority – that labelling will not be determinative. It might serve to support outcomes based upon the other factors.

There is similar bifurcation in terms of non-confusion-based infringement, which protects a mark's fame or repute. In the USA, fewer shape marks are likely to benefit from anti-dilution protection. A stringent fame threshold has been defined to preclude the very 'niche repute' which the EU regime is most likely to protect. However, if fame is established, and dilution found, labelling of the unauthorised product will prove ineffective, unless a defence of 'descriptive' (i.e. non-trade-mark) use succeeds. Within the EU, not only does repute set a low threshold, but unauthorised free-riding is also actionable, unless use is with due cause. The parameters of 'due cause' remain uncertain in EU law. Ultimately, once infringement has been found, it seems uncertain whether due cause or a descriptive use defence will apply in shape mark cases. An interpretation of infringement which renders *all* third-party uses beyond any defence would seem problematic.

PART III

Chapter 5: Comparing Regimes & Analysing Cumulations

Previous chapters have examined individual protection regimes in isolation. Chapter 3 considered how design law encourages new product designs by protecting product appearance from substantial imitation. Chapter 4 explored how trade mark law seeks to facilitate fair competition and market transparency by protecting the origin information which a product's appearance conveys. This Chapter brings these two strands together and explores the cumulative effect of the two protection regimes. It considers how overlaps might occur, as the logical precursor to examining whether potential overlaps might be problematic in terms of underlying rationales.

At the theoretical mid-level, both protection regimes share the same overarching economic objective (optimising product differentiation) and use the same general means (protecting the appearance of products) to achieve this goal. This creates the possibility of needless or unintended cumulative protection. If 'double' protection is available without specific rules to prevent cumulation of rights, savvy businesses will seek to secure the maximum protection available and exploit the fact that perceived gaps (i.e. safeguards) in one right may be 'plugged' by reliance upon protection in the other. Having assessed protection of product shapes under the separate regimes in the preceding chapters, this Chapter applies the preceding doctrinal analysis to investigate similarities and differences between protection regimes.

In this chapter, we begin by comparing the doctrinal definitions relating to: subject matter; subject matter exclusions; protection thresholds; and scope of protection. In each case, we look beyond formalistic legal definitions categories and to consider functional similarities and dissimilarities in their practical application to

product shapes.[1] This will pinpoint the extent of the overlap between the two regimes, and identify the product shapes potentially eligible for dual protection. In the latter part of the Chapter, we reflect upon the areas of overlap in the light of Chapter 1's discussion of theoretical rationales, and identify problematic instances of over-protection and regime clashes.

1. Subject Matter

Traditionally, subject matter definitions prevented overlapping protection. Originally, registerable trade marks comprised a restricted set of 2D marks which could be applied to goods, thereby excluding trade mark protection for the shape of goods themselves or their packaging.[2] Closed subject matter definitions have now been replaced with open functional definitions, making distinctions between the rights more difficult to discern, and overlapping protection possible.[3]

As discussed already, within the EU, Article 4 EUTMR defines a trade mark as: 'any sign … particularly …the shape of goods', while Article 3(1)(a) CDR defines a design as: 'the appearance of the whole or a part of a product resulting from the features of …shape …of the product…' Although EU trade mark legislation does not define 'goods', the comprehensive listing forming the Nice Classification of Goods[4] is indicative that the term is wide-ranging. It is submitted that the term 'goods' encompasses 'any industrial or handicraft item', being the CDR definition of a 'product'.[5] Similarly, the US Supreme Court has identified the Lanham Act applies to anything which is capable of 'carrying meaning'[6] including product configuration,[7] while the subject matter of US design law is 'any aspects of shape, [or] configuration

[1] Kur 2008a, p.616.
[2] see e.g. *In re Coca-Cola Co.* [1986] 1 WLR 693. The definition of a protectable 'mark' in UK Trade Mark Act 1938 required it to be distinct from the goods which it marked.
[3] Derclaye and Leistner 2011, p.1 and cited texts.
[4] Nice Classification is an international classification system established by the Nice Agreement (1957), currently in its tenth edition.
[5] Arguably 'goods' is broader than 'products' as the former may be e.g. natural products, falling outside the CDR definition.
[6] *Qualitex*, 162.
[7] *Wal-Mart*.

… embodied in … an article'. For the purposes of this analysis, the terms 'goods', 'products' and 'articles' are treated as interchangeable.

In relation to shape marks, EU trade mark law's requirement for a 'sign' which is 'capable of graphical representation' is understood to limit protection to the appearance of a specific product embodiment, excluding claims to a general product concept.[8] Likewise, US trade mark law also seeks to protect 'the specific configuration embodied in the applied-for mark' and not the type of goods more generally.[9] Similarly, the focus of EU and US design law is the *appearance* of the whole, or a part, of the illustrated embodiment of a product, and not the general design concept or underlying functionality.[10]

In all cases, the features of shape for which protection is sought must be evident from the applicant's representations. The representations comprising EU and US trade mark applications may be accompanied by a written statement, whereas the patent claim and figure legends fulfil this role in US design law. In contrast, the subject matter of an RCD is defined by the representations alone. Any accompanying text is afforded no weight. While US design law is prescriptive in terms of how design features are represented, EU design law is less well-developed. For example, dotted lines or shading may be afforded different interpretations,[11] potentially changing the nature of the protected design and/or the degree of specificity at which protection may be sought. We shall revisit the impact of this uncertainty of EU design law in the following chapter.

Overall, despite the nuances identified, it is submitted that the subject matter definitions do little to differentiate the product shapes eligible for design protection from those eligible for trade mark protection.

[8] Section 1.1, Chapter 4.
[9] E.g. *In re National Presto Industries, Inc* SN 85883551 (TTAB 2016).
[10] See e.g. *PMS v. Magmatic*; *Richardson*.
[11] Section 2.1, Chapter 3.

2. Subject Matter Exclusions

Both protection regimes exclude certain product shapes which might otherwise satisfy the protection threshold.[12] These exclusions are a key legislative tool to 'channel'[13] subject matter into its most appropriate category. This section compares the subject matter which the design and trade mark regimes, respectively, exclude. While eligibility of protection pursuant to one protection regime is without prejudice to eligibility for the other, it is conceivable that the combined effect of the exclusions is to separate product shapes into those eligible for protection as designs on one hand, and those eligible for protection as trade marks on the other. As this thesis focuses upon protection of product form alone, it does not consider instances in which protection may be available in one regime which is excluded from the other because the two regimes attach different significance to aspects other than shape.[14] A full treatment of this kind of overlap is beyond the scope of this work.

The section begins by considering the subject matter excluded by both regimes. We then consider, in turn, the subject matter which design law and trade mark law exclude, so that we can evaluate the combined effect of the exclusions.

2.1 Shapes Excluded from Design *and* Trade Mark Protection

Some product shapes will be excluded from either form of protection because they fall within the subject matter exclusions of trade mark *and* design law. For this class of product shapes, eligibility for legal protection falls to be determined under other IP regimes, typically patent law.

EU design law[15] excludes subject matter on a feature-by-feature basis. No protection is afforded to a feature if its appearance is 'solely dictated by its technical function' or the need for interoperability, or compatibility, with another product

[12] Section 3.3, Chapter 3; Section 2.3, Chapter 4.
[13] Per McKenna 2011.
[14] When considering the exclusions, tribunals make an assessment based upon the main characteristics of shape, meaning 'trivial' features are ignored. Whereas branding has been considered a significant feature (e.g. *Whirlpool*) and colour a trivial feature (C-48/09 *Lego*) from a trade mark perspective, design law is likely to reach the opposite conclusion (see e.g. Reg.Des GB 2078188 and R-1141/2007-3 *Coverplas v. Heinz-Glas*; *Samsung v. Apple* [2012] EWCA Civ 1339, [16]-[17].
[15] Art.8(1) and (2) CDR.

('must-fit'). A product shape is denied design protection altogether only if all of its 'essential features' fall within an excluded category.[16] EU trade mark law[17] excludes a product shape if each of its essential characteristics (i.e. the most important elements, ignoring trivial features and embellishments)[18] are 'necessary to achieve a technical result.' It is submitted that a 'must fit' feature should be considered a 'technical' feature in trade mark law, since a specific shape is necessary for the 'technical' result of product compatibility.

It remains unclear whether the different wording of the technical shape exclusions is significant. It is settled that EU trade mark law adopts a causative approach, which assesses, objectively, whether the appearance of each of the shape's most important features have been motivated by purely technical concerns. However, the CJEU has yet to clarify whether the same approach should be adopted to determine whether a feature is 'dictated by function'.[19] EU tribunals are currently divided between those which consider that design law and trade mark law should align to exclude the same product shapes[20] and those which consider that it is logical for design law to exclude fewer, preferring a multiplicity-of-forms approach.[21]

In the USA, design law excludes functional, non-ornamental product shapes whereas the trade mark doctrine of utilitarian functionality excludes 'useful' product features which are essential to the use or purpose of the product, or affects its cost or quality. US and EU tribunals adopt a similar approach to exclusion of 'technical' shapes in trade mark law, and a similar bifurcation is evident in the exclusion of functional designs. On occasion, the Federal Circuit has approached design functionality by considering the same factors as trade mark law adopts.[22] More often, a design functionality is determined by whether the appearance is 'dictated by

[16] Case R-211/2008-3 *Nordson*, [36].
[17] Article 7(1)(e)(ii).
[18] C-48/09 *Lego*.
[19] Case C-395/16; The US Supreme Court denied a petition for Certiorari to consider the issue in the *Apple v. Samsung* litigation, see: <http://patentlyo.com/media/2016/01/SamsungLemley.pdf> accessed 01/10/2017.
[20] Notably UK and EUIPO, and supported by C-395/16P*.
[21] Potentially France, Germany, Sweden and Spain, see EC Report 2016, p.86.
[22] See *Berry Sterling* (recently relied upon in *Sport Dimension*), which cites the trade mark *Morton-Norwich* factors.

function alone'[23] based upon whether alternative designs could perform substantially the same function, akin to the EU multiplicity-of-forms approach. This renders the design functionality exclusion narrower than functionality under trade mark law,[24] thereby permitting design law to protect technical shapes which are excluded as shape marks.

While optional in TRIPS, EU and US legislatures concur that there should be limits placed upon the technical subject matter which trade mark and design law ought to protect. *Certain* product forms should be protected only within the parameters defined by patent law to maintain competition based upon quality and price and ensure innovation continues through creative imitation, adaptation and incremental improvement.[25]

In both jurisdictions, despite the uncertainty whether the design regime should tolerate *more* technical subject matter than the trade mark regime, there is agreement that trade mark law should not protect a product shape which design law excludes. Thus, product shapes which are solely dictated by technical function are excluded from protection by design *and* trade mark law.

2.2 Shapes Eligible for Trade Mark, but not Design, Protection

We have seen that product shapes which are solely dictated by technical function are excluded from both design *and* trade mark protection. This is an example of a 'negative overlap'.[26] There are no shapes excluded by design law which trade mark law might protect. Consequently, trade mark law does not appear to offer an alternative route to protect a product shape which design law excludes.

[23] *Bonito Boats*, 148.
[24] Crouch 2010, p.33.
[25] Suthersanen and Dutfield 2007, p.67.
[26] Derclaye and Leistner 2011, p.4.

2.3 Shapes Eligible for Design, but not Trade Mark, Protection

We shall consider excluded technical shapes first, before moving on to consider the remaining shape mark deemed functional based upon the exclusion of natural shapes and those which add substantial value.

2.3.1 Technical Shapes

If design law adopts a multiplicity-of-forms approach to the technical shape exclusion, then (as between design and trade mark law) protection of certain 'technical' subject matter will be available only via design law. Only design protection is available for the appearance of a product feature which, although motivated by technical concerns, is not the only appearance possible to achieve broadly equivalent functionality. Chapter 6, to follow, evaluates whether design protection of these technical product shapes undermines the trade mark law exclusion.

2.3.2 Natural and Value-Added Shapes

While trade mark law and design law both seek to exclude some 'technical' subject matter, trade mark law specifies additional exclusions. EU trade mark law also excludes products shapes which result from the nature of the goods and shapes which add substantial value to the goods, whereas US law excludes similar subject matter via the doctrines of utilitarian and/or aesthetic functionality, as supplemented by the refusal to register generic shapes irrespective of evidence purporting to establish acquired distinctiveness.[27] As has been seen, analysing trade mark law's exceptions is far from straightforward because it cannot be assumed that the categories of excluded matter are mutually exclusive. Thus, some shapes which result from the nature of the goods and/or are considered to add substantial value pursuant to EU trade mark law might also be caught as a 'technical shape'. Similarly, US trade mark case law recognises that an ornamental shape which is essential to the purpose of

[27] Section 2.3, Chapter 4. See also, Rierson 2017, which notes the common goals of the US doctrines of functionality and genericism.

the goods might also be aesthetically functional.[28] Such product shapes will be eligible for design protection.

The upshot is that product shapes which derive significant commercial value from their appearance (EU) or are aesthetically functional (US) will be eligible for design protection while being excluded from trade mark protection. While common 'generic' shapes will be excluded as the natural shape of the goods, putative generic shapes, i.e. the basic design of new product types, should also be classed as natural (EU) or utilitarian (US) shapes which should only be eligible for design protection. Thus, the effect of these additional trade mark exclusions is not to allocate the entire category of product forms either to trade mark protection *or* to design protection,[29] but to allocate exclusive jurisdiction to design law in these particular cases. Often, a shape which adds substantial value to the goods or which is the paradigm form of the goods will epitomise the subject matter which design law is intended to protect, but for a limited period only. In other words, these trade mark exclusions are intended to curtail trade mark law in circumstances which would be detrimental to design law's aims if extended beyond a fixed term of protection.

2.4 Product Shapes Eligible for Design *and* Trade Mark Protection

It is apparent that the substantial value and natural shape exclusions in EU trade mark law, and the equivalent functionality considerations in US trade mark law, serve to limit the type of product shapes which are eligible for dual protection. Although, post-*Hauck*, the EU exclusions are not to be interpreted as narrowly as originally assumed, there remains a significant pool of product shapes for which dual protection remains a possibility. These include product shapes which, while largely 'functional', are not caught by any one exclusion, because *at least* one significant feature of the shape is deemed arbitrary, decorative or imaginative.

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[28] E.g. *Franco v. Franek*.

[29] Indeed, this partial overlap of subject matter is necessary. Otherwise no product shapes would be eligible for trade mark protection, and the recognition of shape marks as potentially protectable 'signs' or 'symbols' would be moot.

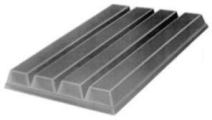
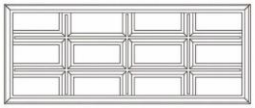
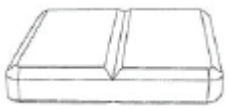
Based upon the earlier analysis,[30] EU and US law will permit differing degrees of overlap.[31] For example, while EU trade mark law would not exclude a product shape which includes three features which are technically necessary and one which results from the nature of the goods,[32] arguably a product shape of this type would be 'functional' pursuant to the US doctrine of utilitarian functionality. Conversely, at the opposite end of the creative spectrum, our analysis suggests that the substantial value exclusion of EU trade mark law will be applied more frequently than the hotly-contested aesthetic functionality doctrine in US trade mark law.[33] While articles which are purely decorative are likely to be excluded from trade mark protection in both jurisdictions, visually striking shapes for useful 'designer' products might avoid the aesthetic functionality exclusion of US law (because products having a different appearance are held to be viable substitutes), and yet be considered under EU law to add too much value to the goods. Such design-led product shapes are, thus, more likely to enjoy dual protection in the US than in the EU.

3. Protection Thresholds

Dual design and trade mark protection remains a possibility for product shapes which survive the trade mark law exclusions, subject to the relevant protection thresholds. This section compares the protection requirements of EU and US law to evaluate whether the two regimes operate functionally equivalent schemes. Design law establishes the criteria of novelty and individual character (EU)/novelty and nonobviousness (US), whereas trade mark law requires distinctiveness, which may

[30] Section 2.3, Chapter 4.

[31] Compare *Nestle v. Cadbury* EWHC (below, left) with *In re Hershey Chocolate & Confectionary Corp* SN77/809223 (TTAB 2012) in which the 'raised border' (below, centre) was determined to be a non-functional embellishment. It seems likely that, adopting the EU test, this may have been classified as a trivial, non-essential element. But, in German Case Nos. I ZB 3/17 and I ZB 4/17 of 18/10/2017, the German Federal Supreme Court overruled the earlier finding that the shape of a dextrose tablet was excluded. Agreeing that the square shape of the bar (space-saving for ease of transport/storage) and the v-shaped indentations (providing a breaking point for portioning) did have a technical function, sloped/sculpted corners and edges did not.

[32] *Hauck*.

[33] Section 2.3, Chapter 4.

be acquired (EU/US) or inherent (EU). This comparative analysis will enable us to identify the characteristics which determine whether single or dual protection is likely to be available, as a necessary prelude to examining over-protection and regime clash at the end of the Chapter.

3.1 Novelty vs. Distinctiveness

Novelty is an essential requirement for protection of a product shape as a design. Design law denies protection to a product shape which is not new at the priority date of the registration. Novelty in design law is 'absolute' and, but for specific and limited exceptions,[34] is assessed against *all* prior designs made available to the public before the relevant date. The novelty requirement ensures that the same design is only protected once,[35] by the first party to file for protection.[36] Securing valid design protection is consequently time-sensitive and contingent upon when the priority date is established.

While a shape mark *may* be novel in this absolute sense, novelty is not essential for distinctiveness. Rather distinctiveness requires 'newness' only to the extent that it excludes product shapes which are generic, or the normal shape of the goods as assessed at the priority date. Consequently, the corpus of prior designs relevant for this enquiry is limited to the paradigm product shapes which competitors are likely to select at the time protection is sought. This aspect of 'distinctiveness' is far less stringent than the novelty requirement in design law. A product shape may be distinctive irrespective of whether the applicant was responsible for devising the product shape, and despite prior sale of similar-looking products by others falling short of establishing the shape as 'the norm'.[37] While it is evident from case law that shape marks are typically devised by, or on behalf of, the party seeking protection,

[34] E.g. the one-year grace period for filing a design patent application after a public disclosure or offer for sale of a product embodying the newly invented design; see 35 USC §102(b) and Art.7 CDR.
[35] Albeit in in the US, novelty of a design is tied to the claimed type of article.
[36] Requiring entitlement derived from the product's designers.
[37] US law seems to require that the shape to be in the exclusive use of the party claiming rights in the mark, whereas in the EU, in T-112/13 *Mondelez*, [77] the GC found this irrelevant.

a distinctive product shape could be selected from the public domain.[38] Indeed, theoretically, the same shape may be the subject of serial trade mark registrations by different owners.

Thus, design law's requirement for 'newness' at the time of application (whether as a stand-alone requirement, as per EU law, or encapsulated in the broader conception of novelty in US design law) is not directly replicated by distinctiveness in trade mark law. As such, the novelty requirement reduces the occurrence of dual protection by separating the product shapes which are eligible for trade mark protection only from those which are eligible for trade mark *and* design protection. Subject to the limited grace period, once a novel design has been made available to the public, whether by making a product to the design or otherwise, the opportunity to obtain valid design protection has been lost, but trade mark protection may still be a possibility.

3.2 Individual Character vs. Distinctiveness

Another source of overlap may be identified in functional similarities between the distinctiveness threshold and design law's requirement that a new design must make a significant enough contribution to the design corpus. EU design law requires a design to have individual character, while the US conception of novelty encompasses the two EU requirements of novelty and individual character.[39]

Within the EU, a shape mark is inherently distinctive, provided that its appearance represents a significant departure from the norm. Product shapes which are 'mere variants' of the norm (EU) or non-generic (US) are deemed capable of acquiring a distinctive character. Individual character requires the product's appearance to be sufficiently different from the design corpus such that it will be perceived as a *different* design. Thus, distinctiveness and individual character are

[38] Validity is open to challenge in the case of conflict with an existing third party protected mark or design, thus providing a mechanism for preventing overlapping protection when rights are held in different ownership. This is considered further below.
[39] Section 4.3, Chapter 3. E.g. *International Seaway* dismissed features which are 'insignificant from the point of view of the ordinary observer' as irrelevant to a design's novelty.

both concerned with the quantum of variation in appearance as measured against the pertinent doctrinal benchmark from the perspective of the relevant observer.[40]

Individual character in design law is assessed based upon a careful, side-by-side comparison of designs, undertaken from the perspective of an informed user of the product, whereas trade mark law assesses the degree of deviation from the perspective of an averagely-attentive consumer. While distinctiveness and individual character both measure the degree of difference between designs, trade mark law sets a higher threshold. Because of the level of attention paid by the notional observer and the way the comparison between designs is made, a variation which might be apparent to the informed user could go unnoticed by the average consumer who is assessing similarity of appearance based upon their memorable design features.[41] For novel product shapes, more will qualify for design protection than will surpass the threshold for trade mark protection. Incremental changes which are too slight for the typical consumer to detect will be incapable of acquiring a distinctive character. Thus, there are discernible quantitative differences between shapes with bare individual character, 'mere variants' capable of acquiring distinctive character, and inherently distinctive shapes representing a significant departure from the norm.

Since individual character recognises the subtlest differences, design law has the potential to protect more modest variations than trade mark law. Trade mark law requires greater variation from the benchmark before a product shape will be eligible for protection.

3.3 Non-obviousness vs. Distinctiveness

US design law includes the additional protection requirement of non-obviousness. This imposes an additional 'peer review' stage, arbitrated from the perspective of the

[40] Similarly, Musker 2001, p.36: each 'test is based upon the reaction of consumers to the design relative to the prior art'. Indeed, early drafts of EU design legislation required a design to have 'distinctive', rather than 'individual' character.

[41] In trade mark terms, the two shapes would be 'identical', see C-291/00 *LTJ Diffusion v. Sadas Vertbaudet* ECLI:EU:C:2003:169.

notional average designer, to evaluate whether the novel aspect of the design has qualities worthy of protection.[42]

It is possible to identify similarity between the nonobviousness and distinctiveness enquiries, insofar as both are *qualitative* assessments concerned with the significance of the visual variation in the design. While US design law denies protection to designs if the difference in appearance results from a merely routine modification, the distinctiveness enquiry reserves trade mark protection for product shapes imbued with origin-related significance. Aside from their qualitative nature – which, it has been seen, gives rise to a shared difficulty in crafting a suitable test to measure satisfaction of the respective threshold – it is not apparent that there is a direct connection between a non-obvious variation and one which gives rise to the appropriate consumer perception.

3.4 Thresholds as Regulators of Overlap

The preceding analysis has identified underlying similarities in the protection thresholds of design and trade mark law. Despite the different criteria adopted, both regimes utilise a market-orientated perspective (consumer/user) to measure whether the appearance is a significant enough departure to differentiate the claimed shape from other similar shapes existing in the relevant design corpus. Given these overarching similarities, the differences between the two regimes become most significant in determining the nature and extent of overlap, not only in terms of whether specific designs are eligible for dual protection, but more generally, in terms of whether the regimes are fulfilling distinct roles (rooted in their distinct rationales), rather than providing alternative routes to broadly equivalent ends.

It has been seen that there is a quantative difference between the protection thresholds. On paper, the threshold for design protection may seem higher, since the requirement that a shape is 'not devoid of *any* distinctive character' seems to imply

[42] Musker 2001, p.36.

that any modicum of difference would be sufficient to secure trade mark protection.[43] In practice, however, it is suggested here that individual character recognises the most modest incremental change.[44] A more significant difference is needed as a precursor to acquired distinctiveness.

While EU design law and EU trade mark law (inherent distinctiveness) establish quantitative protection thresholds, US design law and acquired distinctiveness (EU/US) trade mark law introduce a qualitative element. Not only must the appearance be different; it must be different in the right kind of way. In this respect, design and trade mark law seek to identify *different* qualities, meaning that nonobviousness and acquired distinctiveness *could* be significant in regulating overlaps. Whereas nonobviousness is indexed to the intrinsic characteristics of the design, acquired distinctiveness is contingent upon the applicant's actions (trade mark use of the shape) and subsequent effects on consumers (changed perception of the significance of the shape).

Overall, although trade mark protection of product shapes differs from design protection because it seeks to protect origin information and not the design *per se*, the two enquiries share much in common. Distinctiveness is effective in differentiating between trade mark and design protection only if it isolates those instances where the difference in appearance *is* signalling origin. Otherwise, individual character and distinctiveness are functional equivalents, differing only in the quantum of difference required. This suggests that it is appropriate to probe how accurately the EU test for inherent distinctiveness of product shapes predicts actual consumer perceptions, and scrutinise the reliability of the inferences drawn from circumstantial evidence which purports to demonstrate that a shape mark has acquired a distinctive character based upon use.

Additionally, design law's requirement for 'novelty' (in the EU-sense, also encompassed within the US conception) at the priority date is a key requirement. It

[43] Similarly, Kur A 2008a, p.617.
[44] Section 3.2, above.

not only distinguishes the two regimes, but determines whether dual protection is available.

3.5 Identifying the Overlap

Having compared the similarities and differences between the protection thresholds, it is evident that dual protection remains a possibility. Some shapes will be able to satisfy the protection requirements of both protection regimes, although not necessarily at the same point in time. Timing is significant in determining whether dual protection is available. For example, it is apparent that novelty and acquired distinctiveness will almost always be mutually exclusive.[45] Two combinations of overlapping protection are possible:

a) Markedly different, novel designs, i.e. those which depart most significantly from the design corpus, may be eligible for EU trade mark protection as inherently distinctive trade marks (provided they are not excluded as 'functional'), while also being strong candidates for satisfying the individual character threshold needed for design protection.[46]

b) Any other novel design, which is a noticeably different variant of an existing product design, seems at least capable of acquiring a distinctive character in the EU and US, while also being capable of satisfying the additional thresholds for design protection (individual character/non-obviousness).

In the first scenario, trade mark protection may be secured simultaneously to run concurrently with the design protection, or at any time subsequently, including after the design protection has expired. It is possible to secure dual protection via this route before the product design has been commercialised. The only time constraint is that trade mark protection must be secured before the design is copied too widely by competitors. If this occurs, the product shape may be insufficiently different from the norm to be inherently distinctive.

[45] While it is theoretically possible that a shape could acquire a distinctive character because of use occurring during the grace period before design protection is sought, but typically far more substantial periods of use are required.
[46] Derclaye and Leistner 2011, p.61 concurs.

In scenario two, trade mark protection may be sought after design protection has been secured, *but only once* the product shape has become synonymous with the design holder. EU and US trade mark law both require the product shape to be used and perceived as an indicator of origin. If properly enforced, this precondition will reduce the instances of dual protection occurring in practice.

Concurrent and sequential overlaps[47] under both regimes create the potential to 'evergreen' exclusive rights in a product shape which would otherwise fall into the public domain. Design protection can stand in the stead of an equivalent shape mark which has expired following a failure to renew, or where a registration is cancelled for invalidity or non-use (there being no 'use' requirement in design law). This extension is finite, as the maximum terms of an RCD or design patent are up to 25 years or 15 years from filing, respectively.[48] Extension of a design right through a subsequent shape mark may be more common, and is more controversial,[49] owing to the possibility of indefinite protection.

It is evident that eligibility for design protection has no direct bearing upon a product shape's eligibility for trade mark protection, including as an inherently distinctive mark within the EU. While this might seem counterintuitive, a product shape may lack novelty or individual character because of a close resemblance to a prior disclosure,[50] and yet still represent a significant departure from the norm. Trade mark law, thus, provides an alternative route to secure protection for product shapes which fail to meet the design protection thresholds, because the design is not new, or not quite new enough.

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[47] Derclaye and Leistner 2011, p.3.

[48] Although RCDs enjoy a maximum 25-year term, maintenance fees must be paid every 5 years, whereas US design patents have no maintenance fees. In practice, most RCDs will have lapsed before 15-year renewal is due. On average, less than 50% are renewed at their 5th anniversary, of which around 50% will lapse at the 10-year renewal, see: <https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/about_euipo/the_office/statistics-of-community-designs_en.pdf>.

[49] Not only is consumer confusion-based infringement potentially easier to demonstrate, but the longer the mark is used, the greater its repute giving rise to dilution-based rights. See also Suthersanen 2010, p.167.

[50] Indeed, the prior disclosure may be a self-disclosure, such as prior sale outside the grace period.

4. Scope of Protection

Despite the similarity between the design and trade mark protection thresholds, we cannot presume that a subsequent 'design' or 'trade mark' right directly replicates the earlier right. Any remaining undesirable overlaps fall to be regulated by the scope of protection afforded to these rights and the types of unauthorised use which the right-holder can control. There is very little distinction between design and trade mark law in terms of the type of unauthorised commercial activities which fall within the right-holder's exclusive rights.[51] Our focus will be on the range of product shapes which fall within the scope of a protected shape. If a third-party product is considered too similar to a protected design, will it also infringe the corresponding shape mark, and vice versa?

Design law's test for similarity is based upon a comparison of the overall visual impression which each design creates upon the notional observer. Infringement occurs if both create an impression which is substantially the same (US) or not different (EU), having regard to the design corpus and the technical functionality of the represented features. Infringement is likely if the unauthorised product replicates those aspects of the protected design which either deviate most from earlier designs and/or which take advantage of the available design freedom.[52] Trade mark law's test for infringement also considers overall visual similarity as part of a multi-factor test, which seeks to determine likelihood of confusion, or a likelihood of association giving rise to dilution (EU and US) or unfair advantage-taking (EU). Similarity in trade mark law is assessed based upon the recollections of the typical consumer, whose attention to detail might be expected to vary, according to the nature of the goods being purchased.[53]

Extrapolating from the different notional observers' characteristics, it would be expected that the penumbra of shapes which a typical consumer will find visually

[51] See discussions in Carboni 2006, p.261; Derclaye and Leistner 2011, p.67.
[52] Section 5.3, Chapter 3.
[53] Section 4, Chapter 4.

confusing will extend beyond those sharing the same 'individual character'. It ought to be easier to 'design-around' an RCD or design patent than a corresponding shape mark.[54] Indeed, within the EU, the general expectation is that it is easier for a competitor to avoid infringement of an RCD than a corresponding EUTM covering the same product shape. As Jacob LJ. has commented: 'Things which may infringe a registered trade mark may not infringe a corresponding registered design. I cannot think of any instance where the reverse might be so.'[55] However, when applying US law, we shall see that the reverse is actually more likely. This section draws on the preceding doctrinal analysis to identify which features of the protection regimes contribute to such opposite outcomes in EU and US law. It also aims to locate any common points of difference between the scope of a design right and the scope of a shape mark in the two jurisdictions.

4.1 Range of Protected Goods

EU and US law adopt different approaches to the range of products which may fall within the scope of design and trade mark protection, respectively.

EU design law affords the broadest protection because an RCD protects the design *per se*. Although the Register includes a product designation, the shape is protected for any goods to which the design may be applied.[56] For the purposes of infringement (and likewise validity), it is irrelevant whether a design for a spikey plastic ball is applied to a laundry aid, a dog trainer or a stress reliever. The only concern is whether the designs share a sufficiently-similar appearance.[57] In contrast, US design law is most restrictive because a design patent's scope is limited to the claimed article of manufacture.[58] This limits the range of third-party goods which can

[54] Similarly, Derclaye and Leistner 2011, p.67.
[55] *Procter & Gamble*, [28].
[56] see also Carboni 2006, p.262.
[57] *Green Lane v. PMS.*




Now confirmed by the CJEU in C-361/15P to-C-405/15P *Easy Sanitary Solutions*.
[58] Burstein 2015 sees this as an open question.

infringe to the degree of specificity that the article is identified in the patent claim. Thus, US D792,268 for 'a portion of jewellery'[59] will not be infringed by use of the design for barbed-wire fencing; and because US D789,025 - depicting what looks like a sushi roll - specifies 'cupcakes', its scope does not extend to other food products, including sushi.[60]

The scope of trade mark protection is likewise constrained by the goods for which distinctiveness is claimed. Although trade mark law envisages that infringement may arise by use of a conflicting mark in respect of the same, similar or dissimilar goods, we have seen that shape mark infringement is most likely in respect of the same, or closely similar, goods.[61] When trade mark protection has been secured based upon acquired distinctiveness, the specification will be limited to the goods supported by use. Additionally, for an EUTM, protection of an inherently distinctive mark is possible for any specification of goods, provided the shape is a significant enough departure from the normal shape of those goods. Thus, EU law affords protection to a wider range of goods than US law under both protection regimes.

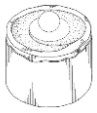
4.2 Visual Similarity, Strength and Scope

Visual similarity and perceived strength of the protected shape are significant in determining infringement pursuant to the two regimes. Although trade mark law and EU design law extend protection beyond the specific goods claimed, for the sake of parity in comparison, unless otherwise stated, we shall assume identity of the parties' goods.

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[61] Section 4, Chapter 4.

Infringement pursuant to design law is based upon a like-for-like comparison of the design depicted on the design register and the unauthorised product. Infringement is determined based upon the visual similarity alone, *shape-vs-shape*. The degree of visual similarity required to fall within the scope of a protected design is matched to its inherent 'strength', being a measure of the uniqueness of design compared to the design corpus, moderated to take account of technical constraints. The more unusual the design, the stronger the design is, and the greater its scope. Conversely, where the protected design is a variant in an already crowded field, and/or if design freedom is constrained, modest variations in appearance may fall beyond the scope of protection.[62]

Infringement pursuant to trade mark law is based upon an evaluation of the likelihood of confusion or association. Visual similarity is one factor in a multi-factor test, which requires the tribunal to take *all* relevant factors into account. Visual similarity is determined based upon the shape's distinctive and dominant elements, i.e. those aspects which the average consumer is most likely to recall. Thus, as with the design comparison, the inherent strength of the shape is a factor in the scope of protection which a shape mark enjoys. However, trade mark law also considers the 'commercial strength' of the mark, taking account of the mark's length of the use and investment made in its promotion. An inherently weak mark may become commercially strong. Trade mark law makes other adjustments to the degree of visual similarity required for infringement based upon its modelling of consumer behaviour. For example, the average consumer is presumed to pay less attention when the goods are inexpensive. This means that shape marks for such goods enjoy a wider scope of protection than those covering more expensive goods. The more closely 'product design' is associated to the value of the goods, the more attentive the average consumer is presumed to be, and the more closely their perspective becomes aligned to that of design law's notional observer.

[62] Section 5.3, Chapter 3.

Aside from visual similarity, likelihood of confusion or association takes other factors into account which might off-set or reinforce visual similarity: the repute (EU) or fame (US) of the mark, and circumstances surrounding unauthorised use. Unsurprisingly, different tribunals have differing views as to which factors are most salient and allocate variable weighting between the factors. While repute/fame is highly pertinent to scope, tribunals do not agree whether this additional threshold has been surpassed. Different tribunals draw different conclusions based upon the same circumstantial evidence.[63] As a result, outcomes in shape mark disputes are less predictable and uniform than in design litigation.

The most significant distinction identified is the differing weight which EU and US tribunals are likely to place upon the circumstances surrounding the sale of unauthorised goods. We have seen that EU tribunals are more likely to treat an EUTM for a shape mark as an independently distinctive mark, whereas US tribunals consider the overall presentation of the unauthorised goods at the point of sale, noting the additional steps which have been taken to ensure consumers are aware of the goods' actual origin.

This is illustrated in *L.A. Gear, Inc. v. Thom McAn Shoe Co.,* a US case in which the claimant sought to enforce both design and (unregistered) trade mark rights in the appearance of a popular line of sports footwear against the manufacturer of a budget look-a-like product.[64] Both the Federal Circuit and first-instance district court concurred that the Thom McAn products looked so similar that it infringed the design patent,[65] but the Federal Circuit over-turned the district court finding of concurrent trade mark infringement. Despite the similarity of appearance of the 'me-too' shoes, the Court held there was no likelihood of confusion,[66] even post-sale,

[63] Sections 4.1.3/4.2.3, Chapter 4.
[64] *LA Gear, Inc. v Thom McAn Shoe Company* 988 F.2d 1117 (Fed.Cir.1993).



[65] US D299,081.
[66] LA Gear did not advance a claim based upon dilution.

because each pair bore a 'conspicuous and permanent' label which identified the source of the product. Typical consumers would be well-aware that designer 'originals' co-exist with cheaper 'look-a-likes.' They would not be confused that the Thom McAn footwear was associated with L.A. Gear, simply because of the similarity of appearance.[67]

As this case illustrates, in the USA, unauthorised use of a visually similar product shape which design law considers too similar is therefore unlikely to give rise to a likelihood of confusion under trade mark law, provided that adequate steps are taken to identify the source of the unauthorised goods by use of additional distinguishing marks.[68] In general, visual similarity of product shape is only likely to be determinative in US shape mark cases in dilution-based claims *if* fame can be established. In contrast, when EU trade mark tribunals do take additional marking into account, this is only likely to be used to support the tribunal's determination based upon other factors.

In broad terms, both protection regimes match the scope of protection to the visual distinctiveness of the shape, benchmarked against the relevant design corpus. However, the two regimes measure the 'strength' of the design in different ways. Trade mark law takes account of additional factors when assessing the degree of visual similarity which should be tolerated. In particular, design law's like-for-like comparison ignores any additional product marking applied to the unauthorised goods, while EU trade mark jurisprudence finds this insufficient to mitigate against confusion or association when confronted with strong visual similarity. In contrast, additional marking is often determinative in US likelihood of confusion analysis. As a result of this difference in trade mark practice, the scope of US trade mark and design protection of the same shape is distinguished in most cases. In contrast, the

[67] Cf. T-145/14 *Adidas v. OHIM* EU:T:2015:303, in which the average consumer of sports footwear was considered unlikely to pay much attention when purchasing these 'everyday' goods.
[68] Here, *Sunbeam v. West Bend*, discussed in Section 4.2.2.2, Chapter 4 seems to be an exception to the general rule.

scope of EU trade mark protection not only encompasses that of EU design protection, but it extends beyond it.

4.3 Fixed vs. Variable Scope

A further consideration arises from the preceding analysis. The scope of a registered design or design patent is defined by the proximity of the design corpus and design freedom at its priority date.[69] This reciprocity arises because the protection requirements (EU individual character/US novelty) mirror the test for infringement. Trade mark law lacks the same mirroring. While eligibility for trade mark protection is assessed at the priority date, the scope of protection is determined at the date of the proceedings. Trade mark scope expands with increasing strength and repute/fame, i.e. circumstances arising *after* the trade mark rights are established.

There are both positive and negative implications for a shape mark owner. While the scope of a design right is not affected by activities arising after the priority date, if a shape mark holder fails to act against those who imitate the product shape, then over time, the mark may eventually lose its distinctive character and become unenforceable. However, provided steps are taken to 'police' the mark, an EU shape mark owner might reasonably expect the scope of protection to expand over time, with greater exposure and commercial success under the mark. If scope expands, then fewer non-infringing variants remain for commercialisation by others; the fewer competing products on the market sharing a similar(ish) appearance, the stronger the consumer association becomes between the shape and the right-holder. This scenario is less likely for a US shape mark, since the ability for a shape mark to gain market strength and fame is impeded because competitors can offer similarly-shaped products, provided these are appropriately marked. An expanding scope of protection for an EU shape mark, however, appears to provide an environment in which shape marks could be enforced to squeeze out competitive alternatives. Rather than

[69] While EU legislation is explicit, Chapter 3, above, concludes that this is implicit in US design law too.

facilitating product differentiation, shape marks would then create product monopolies based upon product appearance.

While this difference between fixed and variable scope will have an impact on subsequent competitors wishing to market 'me-too' products, it also impinges upon prior users. In view of design law's novelty requirement, a design right will not be valid if its scope of protection encompasses the activities of a prior commercial user. Design law respects a prior user's rights to continue to commercialise a product which was made available before the priority date, irrespective of whether design protection has been secured for the prior design.[70] In contrast, because trade mark protection is not contingent upon novelty, the scope of a registration may extend to cover the commercial activities of a prior user of an independently created, but similar-looking, product shape.[71] Similarly, a product shape taken from the public domain may become distinctive, notwithstanding that it co-exists on the market with similar-looking products from other sources.[72] Within the EU, prior use *per se* is neither a ground of invalidity of the protected shape, nor recognised as a stand-alone defence.[73] In this regard, US trade mark law better respects prior-user rights, since registration serves to validate the rights which have been established by use. The first user in interstate trade has the best claim to trade mark protection,[74] provided use continues uninterrupted.

This underlines that trade mark rights are not necessarily awarded to the originator of a product design, but to the producer which has been most successful

[70] EU design law disregards prior disclosures which are obscure from invalidating a later design, but Art.22 CDR protect a prior user who has made serious and effective preparations in good faith to commercially exploit a design which conflicts with a later RCD.
[71] The first user may enjoy copyright or unregistered design right protection which could be enforced, but these rights are only infringed if a causal connection can be established between their product and the later design.
[72] T-211/14 *Klement v. OHIM* ECLI:EU:T:2015:688.
[73] Section 4.3.1, Chapter 4. In the case of a protected shape mark with reputation, prior use may be use with 'due cause', see C-65/12 *Leidseplein.* In terms of confusion-based infringement, prior users may be able to rely upon e.g. s.11(3) TMA 1994 (implementing Art.6(2) TMD) which precludes a trade mark owner from preventing a third party from using an earlier local unregistered trade mark right. Questions might arise whether any 'local' sales established sufficient local goodwill, or amounted to use of a mark.
[74] Lanham Act §§ 1(a) and (d) and §2(d). Common law rights acquired by use alone may be limited to the area in which use has taken place.

at commercially exploiting that shape.[75] This could result in a situation in which an originator of a product design is precluded from selling the product by a subsequent competitor. While this might seem unfair, it is consistent with the 'consumer protection' rationale, according to which protection relates to the origin information communicated to consumers by the product shape, rather than rewarding the designer's original investment.

4.4 Relative Grounds for Refusal and Product Families

A further factor to consider is how the two regimes regulate ownership of subsequent product shapes falling within the scope of protection. As we have seen, provided a new design is different enough from all prior disclosed designs to satisfy the protection thresholds, it will be non-infringing in view of the mirroring between the scope of protection and protection thresholds. In terms of 'relative' grounds of refusal, design law is more concerned by whether the subject matter is prior-disclosed, rather than whether (or how) that prior disclosure is already protected.[76] In trade mark law, a shape mark will not be validly registered if it falls within the scope of an existing third-party mark or if its use can be prevented by another protected third-party right. However, these relative grounds of objection are not directly concerned with preventing overlapping protection *per se*, but rather in preventing conflict between the exclusive rights of *different* parties, while those rights remain in force. Consequently, the validity of a shape mark is not open to challenge because it is too close to an earlier shape mark held in common ownership.

This differential treatment between third party rights and the applicant's own rights marks a further distinction in terms of scope between the two regimes, which is relevant when the same entity develops a series of related product designs.[77] In the case of design protection, each subsequent variation is only protectable to the

[75] See Nestle's attempt to secure protection for the 3D annular form of the POLO mint in the UK and challenge from right-holders of LIFE SAVER and NAVY brand of annular mints which were both launched before POLO, reported at <www.ipo.gov.uk/t-challenge-decision-results/o44002.pdf> accessed on 01/10/2017.
[76] But see also Art.25(1)(e)/(3) CDR.
[77] E.g. *CROCS* shoes or Apple's *IPHONE*.

extent that it is novel and it has individual character (EU) or is a novel, nonobvious variant (US), compared to each and every preceding design in the 'family'. It follows that the scope of each derivative protected design is narrower than that of the original, and that minor variations may be ineligible for protection. As the protection for each design in the family lapses or expires, design law permits competitors to copy those designs without fear of infringement, even though later, protected, variants may remain 'out of bounds'.

In contrast, a trade mark holder is permitted to accumulate a 'family' of shape mark registrations, each of which may be a sub-registerable variant of a previous registration.[78] Trade mark law is not concerned whether a right-holder's mark is likely to be confused or dilute their own earlier shape mark. Protection of subsequent variations is likely to be straightforward, since distinctiveness of a slight variant of an existing registration will often be assumed. (In trade mark terms, a variant which is unlikely to be perceived as a different mark by the typical consumer is 'identical' to the original). Once protection of a family of similar marks has been secured, the scope of protection afforded to the family is recognised as being broader than that of its constituent elements.[79] Thus, while design rights become successively weaker as more variants join the 'product family', trade mark rights grow potentially stronger. Given the possibility of perpetual trade mark rights, the potential that a single entity might establish a family of shape marks exacerbates the concerns, identified previously, surrounding the expansion of scope under trade mark law, the longer the mark is in use. It gives rise to the possibility that the holder of a family of shape

[78] Although the COKE bottle shape is oft cited as the paradigm of a distinctive shape mark, the bottle shape has varied significantly over time. It is not evident which form is *the* 'iconic' COKE bottle.



[79] C-270/14P *Debonair Trading Internacional Lda v. OHIM* ECLI:EU:C:2015:688; USPTO TMEP 1207.01(d)(xi).

marks in the EU might come close to securing protection for the underlying design concept which each of the protected shape variants share.[80]

4.5 Functionality

While we have seen that both regimes exclude certain technical shapes from protection, we have yet to consider the scope afforded to product shapes which, while largely motivated by technical/functional concerns, are not denied protection altogether. In particular, while design freedom is taken into account explicitly (EU) or implicitly (US) in design law to permit greater similarity between technical aspects of product shapes, it is not obvious whether functionality concerns are relevant to trade mark infringement. In a scenario in which a product shape escapes exclusion because it includes one non-trivial, non-functional feature, do the functional and arbitrary features of shape contribute equally to the overall visual impression which a mark creates?[81]

One possibility is that trade mark law might take 'functionality' into account via the attributes of the notional observer. Where the goods are specialist and technical, then it may be reasonable to assume the typical consumer is 'tech-savvy' and able to distinguish between technically necessary and arbitrary aspects of shapes, attaching trade mark significance only to the latter. Similarly, even a typical average consumer might be expected to be able to identify banal features, thereby downgrading the visual significance of certain dominant but obviously functional or technical features in the global appreciation of visual similarity. However, this is not wholly satisfactory, since it leaves open the possibility that two products might be found confusingly similar solely based upon a visual similarity of technically-necessary features. A typical consumer (or a tribunal) may fail to appreciate that the features which are unusual and memorable embody new technology,[82] or arise

[80] Cf. *esure Insurance Ltd v. Direct Line Insurance plc* [2008] EWCA Civ 842.
[81] Considered in the Advocate-General's opinion in C-48/09 *Lego*, but not discussed in the CJEU decision.
[82] Here, the Dyson 'bladeless' fan might be a useful hypothetical example (arguably a functional shape under EU law, and refused protection on this basis by the USPTO, as USSN8570819).

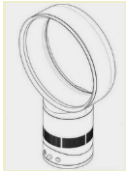
largely from the functionality of the goods.[83] As a result, not only is it likely that the scope of trade mark protection will extend to exclude more product variants than design law (including variants which design law might protect as having individual character), but the test for infringement might afford protection to the very subject matter which tailored exceptions recognise have the potential to hinder technical innovation, or preclude competition.

Again, US trade mark law addresses, or side-steps, these issues by taking account of additional product marking in the likelihood of confusion analysis. Neither the EUTMR nor current CJEU guidance seem compatible with the US approach. Pending further guidance, EU tribunals must either address competition-based concerns in some other way, or accept an occasional undesirable outcome as the inevitable cost of an otherwise socially valuable regime of shape mark protection.

4.6 Normative vs. Empirical Evaluations

The final area of comparison between the regimes is the different nature of the infringement enquiry. This is illuminating not least because it goes some way to explain the reason why the EU and US trade mark regimes have evolved such different treatment of product shapes.

Within both the EU and US schemes, design infringement is a normative exercise in which the tribunal determines whether the two designs in issue are sufficiently different that they ought to be able to coexist on the market. Both the design rights under consideration arise from the act of registration, and none of steps



While the technical aspect is not immediately evident, the blades are hidden within the pedestal, and the ring entraps more air to multiply the airflow emitted (see <www.youtube.com/watch?v=8he8afjQyd8> accessed 01/10/2017).

[83] E.g. In C-642/15P *Klement v. EUIPO* ECLI:EU:C:2016:918, the CJEU referred the case back to the GC for review, taking issue with the GC's finding that the protected oven shape was 'highly distinctive and usual' despite noting that competitors sold very similar shapes, and speculating this similarity was attributable to technical reasons. On review, in T-211/14 RENV, the GC again upheld the validity of the registration. This case is now pending review before the CJEU for a second time as C-698/17P.

of obtaining, maintaining (EU)[84] or enforcing these rights are contingent upon commercialisation of the protected design. Eligibility for protection and infringement is assessed from the perspective of a purely notional observer and based upon legally determined factors. Determining the scope of design protection is largely a paper-based exercise, meaning that some considerations which might impact upon designers and product users in 'real life' are ignored. For example, EU design jurisprudence takes account of technical or regulatory constraints which limit design freedom, but ignores financially- or commercially-based constraints.[85] Similarly, the informed user is imbued with knowledge of the entire design corpus without any suggestion that this replicates the product knowledge of actual product users. While the assessment of visual similarity may be perceived as somewhat artificial, the tribunal 'dons the spectacles' of the informed user to determine whether two product shapes are different enough, taking due account of the underlying rationale for design protection.

In the USA, trade mark registration serves to record rights which have been derived from use, and there is little distinction between protection afforded to registered and unregistered trade marks. Determining the scope of protection is an empirically-based exercise. The tests for likelihood of confusion seek to replicate the results of an ideal consumer survey of real consumers.[86] As real consumers are unlikely to encounter a product shape stripped of all other product markings, US courts seem inclined to have regard to the commercial forms of the products of both parties to the proceedings,[87] even though the representation on the US Trademark Register depict a product shape *per se*. Although this approach has the merits of being realistic, and has the additional benefit that it differentiates the scope of trade mark and design protection, it remains open to the criticism that it creates a mismatch between the 'mark' (i.e. product shape) which is registered and the 'mark'

[84] Enjoyment of the full term of US design patents is not subject to payment of regular renewal or maintenance fees.
[85] Section 4.1.3.3, Chapter 3.
[86] Section 4.1.2.2, Chapter 4.
[87] See e.g. Tushnet 2016, p.15.

which is actually enforced (i.e. shape plus additional branding). This undermines one role which establishing a register is intended to fulfil, namely providing clarity and certainty to the business community.[88] Additional features which do not appear in the registered form of the mark are potentially determinative. A shape mark *per se* may be registered on the basis that it has acquired a distinctive character, but then in contested proceedings is not treated as independently distinctive.[89]

Within the EU trade mark regime, the normative and empirical standards are inter-linked. While, at some level, EU trade mark law is intended to reflect marketplace realities, analysis of shape marks serves to emphasize a more general uncertainty whether the scope of protection should be empirically-based or is normatively-grounded. As rights arise from the act of registration and because shape marks may be registered without any prior use, then it might be reasonable to infer that the 'average consumer', like the 'informed user', is a normative construct with the capacity to influence, not merely reflect, how trade marks function in market conditions. However, in common with US law, shape marks may also be protected based upon evidence of use, and the nature and extent of use is also relevant to the scope of protection. While 'acquired distinctiveness' and 'likelihood of confusion' may have the appearance of empirical evaluations, product shapes are typically registered as shape-only marks, based upon evidence which actually demonstrates use of product shape combined with other branding. This evidence is used to predict whether the shape mark alone is likely to have an independent distinctive character. Once registered, the starting point for EU infringement evaluations is that the product shape depicted on the register *is* an independently distinctive mark. Although some tribunals may have regard to the trade dress adopted by the alleged infringer,[90] others may undertake a simple comparison between the visual appearance of the respective products based upon unadorned shape alone.

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[88] Ibid.
[89] Ibid.
[90] C-252/12 *Specsavers*, [37].

In practice, the EU trade mark regime is a hybrid which falls between the purely normative and purely empirical extremes, with the exact stance depending upon the nature of the proceedings and the legal tradition of the jurisdiction. Put otherwise, the 'normatively-infused [average] consumer offers (a more objective) vantage point' from which to assess (subjective) empirical evidence of actual 'consumer perceptions and behaviours'.[91] When tribunals do include value judgments in determining the scope of EU trade mark protection, it seems that the rationales relied upon, generally, remain unarticulated. However, the fact that EU tribunals are able to adopt a normatively-influenced perspective creates an environment in which they can and, it is submitted, *should*, take IP overlap issues into account.

5. Potential for Conflict between the Two Regimes

Based upon the comparison of the similarities and differences of the two regimes, and in the light of Chapter 1's discussion of theoretical rationales, we now explore occasions when overlapping design and trade mark protection of product forms might become problematic.

Pursuant to EU and US design and trade mark legislation, protection under one regime is without prejudice to eligibility for the other.[92] An applicant is not required, for example, to elect only one form of protection.[93] Rather, to benefit from dual protection, a product shape must satisfy the protection requirements of each regime, whilst avoiding the exclusions of both. Indeed, it seems reasonable that a product shape which satisfies both sets of criteria should be eligible for dual protection. *In re Mogen David Wine Corp.*, for example, the CCPA justified dual design and trade mark protection on the basis that these two rights:

> 'exist independently …under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the [design] monopoly ends, it ends. The trademark rights do not extend it.'[94]

[91] Dinwoodie and Gangjee 2016, p.364.
[92] E.g. a US 'doctrine of election' (albeit between trade mark and copyright protection) was abandoned in *In re Yardley* 493 F.2d. 1389,1394 (CCPA 1974), the lack of any statutory basis for such a doctrine was considered to reflect a clear intent on the part of Congress to permit overlapping protection.
[93] Derclaye and Leistner 2011, p.74.
[94] *In re Mogen David Wine Corp.* 328 F.2d 925, 930 (CCPA 1964).

However, this statement only holds if it is possible to distinguish between the two forms of protection in a meaningful way. Having probed behind the different terminology employed, the preceding analysis identifies some functional equivalents and commonalities in approach.

We have seen, in Section 2, that the trade mark 'functionality' exclusions serve as a partial filter between trade mark and design protection. Product shapes which add substantial value (EU) or are aesthetically functional (US), as well as generic product shapes will be eligible for design protection only. Additionally, both regimes converge to exclude certain 'technical' shapes which are 'solely dictated by function', and channel this subject matter to another IP regime.[95] Of the remaining product shapes, Section 3 concluded that those which incorporate more than de minimis individual character seem capable of satisfying the protection thresholds of both protection regimes, subject to novelty at the date of submitting the design application and suitable commercial exploitation thereafter. EU trade mark law also entertains the possibility that product shapes which have most individual character are registerable as inherently distinctive trade marks. The cumulative effect of the respective exclusions and protection thresholds is not to separate entirely those product shapes which are eligible for design protection from those which are potentially protectable shape marks. A sub-set of product shapes can enjoy both design and trade mark protection, with rights subsisting either concurrently or subsequently.[96] We have also seen, in Section 4, that when faced between potential conflict between any two product shapes, visual similarity is assessed in a similar manner.

There are notable differences, too. For example, trade mark protection is available to product forms which are ineligible for design protection because they are not new at the time when protection is sought. Design protection is calibrated to

[95] Generally, the patent regime, but potentially also utility model protection, and unregistered rights including UKUDR.
[96] To similar effect, see e.g. Crouch 2010, p.30: 'The minute distinction between design patent distinctiveness and trade dress distinctiveness …are, of course, largely overlapping. It would seem almost unworkable to truly separate the two.'

protect more modest increments and afford an equally modest and fixed scope of protection. Trade mark protection, in contrast, would be expected to protect fewer product forms, but afford those which are protected with a broad, and potentially expanding, scope of protection. Finally, the term of design protection is finite, whereas trade mark protection may be renewed indefinitely.[97]

Similarities between the protection requirements may be indicative of asymmetric convergence.[98] This arises when the conceptual differences between the objects of protection (*marketability v. origin information*) are not captured adequately by the legislative provisions, or the way in which the provisions have been interpreted. Additionally, if both rights afford approximately the same kind of protection to approximately the same subject matter it becomes reasonable to question whether both forms of protection are necessary, and/or whether right-holders are using one form of protection as a proxy for the other.

Thus, while overlaps may be problematic because of inefficiencies and over-protection arising from dual protection in specific cases, it is the general similarity between the two regimes which creates the potential for regime clash in instances where the two regimes embody principles which are contradictory.[99] We shall consider three key instances of regime clash regarding: (a) incentive levels; (b) depletion of the public domain; and (c) scope of protection.

5.1 Distorting Incentives

With efficiency as a mid-level justificatory principle,[100] IP protection serves as an incentive to encourage socially-valuable behaviour. The optimum incentive is the lowest level of protection which achieves the desired goal. One concern with overlapping protection is that it creates the potential for a mismatch between the

[97] Maintenance in the US is contingent upon filing periodic statements of use, and rights can be challenged bases upon non-use in both jurisdictions.
[98] see: Kur 2008a, p.616.
[99] Derclaye and Leistner 2011, p.3; Quaedvlieg 2009, pp.479-480.
[100] Section 5, Chapter 1.

incentive provided and the value obtained. This has adverse implications for market efficiency.

The economic justification of design protection is based upon low protection thresholds balanced by a limited scope of protection. We have seen that, pursuant to EU trade mark at least, a shape mark enjoys a wider scope of protection because it is pitched at a level to avoid consumer confusion or association. While some businesses will adopt shape marks to communicate the origin of their goods, others aim to secure a competitive edge by securing maximum legal protection. Trade mark protection is perceived as the 'gold standard' because of its broad scope and potential for indefinite protection from competitive imitation.[101]

When creating a new product design, it seems reasonable that rational economic operators would seek to secure trade mark protection whenever possible. In effect, trade mark protection then replaces design protection as the incentive for the creation of new product shapes.[102] This has knock-on effects on competitors and consumers. As trade mark law sets a higher quantitative threshold for protection, the number of protectable variants decreases. Competitors wishing to market a lawful variant of that third-party product are required to modify the design enough that average consumers, rather than informed users, can tell the two variants apart. Design law criteria may consider two product forms to be different enough to co-exist in circumstances in which trade mark law criteria would block the later product form.

Design protection is reserved for new product shapes to increase the pool of new products which are available to satisfy market demand based upon different consumer preferences. The scope of design protection is matched to the creativity which the design embodies. This is intended to reward designers who take full advantage of the design freedom available and push back the boundaries of convention. Trade mark rights do not flow automatically from the act of creation but may be allocated based upon a party's ability to market the product successfully.

[101] See also Suthersanen 2010, p.167.
[102] Chronopoulos 2012.

Similarly, the scope of a shape mark is influenced by the length of use and scale of promotion.[103] Thus, trade mark law provides product forms with broad and ostensibly design-like protection without requiring the risk and financial investment associated with innovation. Indeed, shape mark protection has the potential to dis-incentivise innovation. Because a shape mark may be protected without being new, previously innovative businesses may divert money away from product development to invest (or, perhaps waste)[104] in promoting products with an existing track record, instead.[105] Trade mark protection, rather than design protection, then serves to provide the competitive edge.

Finally, the uncertain scope of shape mark protection has a potentially chilling effect upon innovation-based competition. Design law's limited scope of protection is intended to promote product differentiation based upon creative imitation and incremental modifications. This contrasts with the broader scope of trade mark protection which has greater potential to create a product monopoly, or protection of a design concept, particularly in the case of a renowned shape marks. Product designers, familiar with consumer psychology, recognise that mass-market consumer tastes are typically conservative,[106] and are most receptive to relatively modest levels of change.[107] While design law accommodates this aspect of marketability, it may prove too nuanced for trade mark rules which determine conflict between two product shapes based upon consumer associations, and whether one product calls the protected shape to mind. Consumer choice may suffer as a result.

5.2 Eroding the Public Domain

Design protection, like patent and copyright protection, provides exclusive rights for a finite duration only. This limited term of protection affords designers with a lead

[103] Section 4.2-4.3, above.
[104] Per Brown 1948.
[105] Extensive promotion is needed to support trade mark protection based upon acquired distinctiveness, repute or fame.
[106] Consider also, the Veblen trickle-down theory of distribution (discussed further in Sheff 2012), based upon social hierarchy, in which a new style is first adopted by society's most affluent as a sign of conspicuous consumption to distinguish themselves from the lower social classes. As soon as the fashion becomes more universally accepted, the social elite reject that look and seek out another.
[107] Loewy's MAYA principle is discussed in Section 4.2.3, Chapter 2.

time to recoup their development costs, before the product design enters the public domain. Once design protection expires, the right-holder may no longer prevent competition based upon product appearance. Instead, consumers benefit from competition based upon product e.g. quality or price. Trade mark protection has no fixed term of protection. It may remain in place for the entire commercial life of the product. In the case of shape marks, some protected product designs will never enter the public domain and will never be open to free competition.

The fixed term of design protection is also justified based upon ideals of intergenerational fairness. Each generation of designers can take inspiration and build upon the common stock of designs created by their predecessors, while adding their own works to the public domain for use by subsequent generations.[108] A regime which permits indefinite shape protection breaks this virtuous circle. In addition, trade mark law permits shape marks which were once free for all to use in the public domain to be removed into private ownership. It is submitted that this unfairly favours one generation of designers over others.

The finite duration of design protection has been described as 'self-annealing' because once design protection ceases, any accidental 'over-granting of rights' is naturally corrected.[109] In a trade mark regime which permits indefinite rights, there may be no opportunity for this self-correction to take place. This lack of a safeguard signals that shape marks should be carefully vetted before trade mark protection is granted.

5.3 Dilution and Bootstrapping Controversies

It has been seen that EU and US trade mark legislation provides protection against dilution. Dilution is not concerned with ensuring that consumers purchase products based upon accurate origin information, but rather protects the trade mark holder's investment in promoting their brand. Chapter 1 argues that given the expansion of

[108] Section 2.1, Chapter 1.
[109] Albeit that the self-correction process is potentially too slow given the shorter market lifespans of many consumer products: Crouch 2010, p.38.

confusion-based infringement, anti-dilution protection lacks any convincing justification. It is, therefore, perhaps unsurprising that anti-dilution protection is problematic when the 'brand' which benefits from this additional protection is the very product which that 'mark' signifies.

Chapter 4 demonstrates that anti-dilution protection of shape marks serves to protect the right-holder from unauthorised imitation of a product shape which diminishes its 'uniqueness'. This form of trade mark protection closely replicates design protection, but with the potential of a broader scope and an indefinite term.[110] Unlike design protection, this protection is not intended to compensate for investment in new product innovation, but rather, protects the investment made in promoting the shape (ostensibly as a 'brand'). While acknowledging this enhanced trade mark protection will not be available for all shape marks, it will happen more frequently within the EU (based upon repute) than in the US (based upon fame). But in either case, the additional protection will be afforded to the most successful products, i.e. in circumstances which suggest any investment made in product design is likely to have been recouped. In other words, the strongest trade mark protection is reserved for the very product designs which design theory suggests yield the greatest social value if exploited under conditions of free competition.[111]

The case law discussed in Chapter 4 illustrates that this is not just a theoretical concern. One of the justifications given for the infringement finding in *Sunbeam*,[112] was that the defendant intended to sell their 'emulation' at a significantly lower price than Sunbeam's 'original'. While consumers may have welcomed this undercutting, the court noted the anticipated loss of sales would significantly reduce the claimant's profits and equated this to trade mark-related damage. In contrast, on appeal in *Lund v. Moen*,[113] the First Circuit noted that, once design protection has expired,

[110] In *Bonito Boats*, the US Supreme Court recognised that New York state dilution law clashed with US federal protection of designs 'for a limited period' only.
[111] Similarly, Dinwoodie 2001, p.836: 'If trademark law's purpose becomes to ensuring a return on producer investment, it will become difficult to establish limits on its reach.'
[112] Section 4.2.2.2, Chapter 4.
[113] The district court conceded that finding dilution afforded the shape mark 'patent-like protection against competitive copying… even when there is insufficient likelihood of confusion.' *Lund v. Moen*, 126 n.31.

third-party 'free-riding' without origin confusion should, generally, epitomise 'successful competition.'[114] Anti-dilution protection of shape marks clashes directly with design law's finite term.

Lund also highlights one of the more controversial aspects of overlapping design and trade mark protection. First-mover advantage alone is unlikely to offer enough lead time for a new product shape to acquire a distinctive character, if it becomes the target for third-party copies or substantial imitations. However, with design protection in place, products having the protected form *will* originate from a single source. Design protection preserves a new shape's uniqueness in the market while distinctiveness is being acquired. It limits the extent to which competitors can offer a similar-looking product, thereby affording the design holder a 'head start' to establish an origin-association in the minds of consumers. Once the original design faces competition for the first time from a product having a similar appearance, then it is almost inevitability that consumers will call the 'original' product to mind.[115]

Opinion on this use (or perhaps 'misuse') of design protection is divided. Indeed, the practice of obtaining successive design and trade mark protection has attracted the pejorative label 'bootstrapping.' One US commentator considers bootstrapping to be 'cheating the trademark system',[116] since product designs benefit from a period of exclusivity which other types of marks do not enjoy.[117] Another characterises it as a benign 'alternative rule of evidence for trade dress protection'[118] and 'justified as part of the pathway to establishing rights so long as the grant does not create problems of over-privatization.'[119]

The extent to which 'bootstrapping' *is* a misuse of design protection is debatable. After all, design law (at least that concerning registered designs/design

[114] Welkowitz 1999, p.363.
[115] This corresponds with the US definition of acquired distinctiveness and likelihood of confusion, see, e.g. *L.A. Gear*.
[116] Brean 2008, p.364.
[117] This is arguably truer of US position, since EU design law extends greater protection to 2-D designs. Tomkowicz 2012, p.113 is critical of this practice because it undermines 'the public right to competition.'
[118] Crouch 2010, p.3.
[119] Ibid, p.32.

patents)[120] does not concern itself with how, or indeed whether, a protected design is used. Thus, it would seem a legitimate use of the design regime for an undertaking to secure design protection for a feature of shape which is created with the sole intent that it will be used as a badge of origin. Whether, or not, that feature of shape assumes a trade mark significance subsequently, depends upon how the feature is used by the rights holder and is perceived by consumers.

On balance, it is submitted that the real concern with successive protection of the same shape by design and then trade mark law is that this might facilitate trade mark registration of a shape which is not truly distinctive. In other words, trade mark protection is secured to 'evergreen' the design protection and prevent any competitive emulation, thereby demoting protection of the origin function to an ancillary by-product. Such concerns are then exacerbated by the relatively broad scope of protection which trade mark law bestows, including potentially indefinite protection against dilution. Indeed, undertakings in the EU may not need to resort to bootstrapping at all, since a new product form which is particularly unique may well be protectable as an inherently distinctive shape mark, based upon current EU rules. We shall explore possible solutions to these issues in Chapter 6, which follows.

6. Conclusions

Some commentators perceive that the extent of overlap between the trade mark and design regimes is so great that having both forms of protection is an unnecessary duplication.[121] Others suggest that the potential for over-protection is best addressed by denying trade mark protection to product shapes which have been the subject of design protection.[122] Certainly, the analysis in Section 5 suggests that there is valid cause for concern. However, these proposals would require new legislation, at national, regional and international levels.

[120] Community unregistered design protection may arise based upon use e.g. the act of first marketing products made to the design, see art.11 CDR.
[121] E.g. Brean 2008; Suthersanen 2013.
[122] See Derclaye and Leistner 2011, p.316.

The evaluation undertaken in this chapter suggests that the *real* concern is not specific instances of dual-protection, but that checks and balances enshrined in design protection is vulnerable to 'encroachment' by shape mark protection.[123] The differences between the two regimes mean that trade mark law has *de facto* dominance when instances of regime clash arise. Trade mark protection of shapes has the potential to undermine principles which are fundamental to design law. Comparative analysis indicates that EU law gives more cause for overlap-related concerns, for the following reasons:

i) US trade mark law, distinguishing between product and packaging shape marks, has rejected the notion of an inherently distinctive product shape, whereas CJEU case law treats the two kinds of 3D marks as equals, and envisages that some product forms (not just packaging shapes) may be registered as inherently distinctive.[124] Furthermore, it is unclear whether the CJEU test for inherent distinctiveness of a 'significant departure from the norm' is necessary or sufficient, although case law from lower courts suggest the latter.[125]

ii) In the US, acquired distinctiveness may be established based upon the 'recognition and association' standard, provided there is evidence of 'trade mark use' which demonstrates the producer has sought to educate consumers as to the origin significance of the product shape. While CJEU case law likewise requires use 'as a trade mark', it is unclear in the case of shape marks whether this significant requirement is satisfied simply by demonstrating sale and promotion of the goods, but nothing more.

iii) When considering likelihood of confusion, US courts rarely treat a shape mark as independently distinctive, they are reluctant to place much significance upon initial interest or post-sale confusion, and they attribute significant weight to additional indicators of origin which appear on the defendant's products at the point

[123] Welkowitz 1999, p.351.
[124] C-53/01 *Linde* (product shape) and C-218/01 *Henkel* (packing assimilated to the shape of the goods).
[125] E.g., T-629/14 *Jaguar Land Rover Ltd v. OHIM* ECLI:EU:T:2015:878, discussed in *LTC v. Frazer-Nash* EWCA, [36]-[42], see Chapter 4, Section 3.1.1.

of sale. In contrast, within the EU, registered shape marks are treated as independently distinctive, and CJEU case law suggests that harm to the origin function of a protected mark is not prevented by use of additional source-identifiers. Distinctive packaging or labelling is not decisive, but one factor which courts may choose to consider.

iv) US shape marks are generally treated as independently distinctive only if they become eligible for anti-dilution protection, based upon a high threshold of 'fame'. The definition of fame curtails anti-dilution protection applying in respect of competitive use i.e. where the unauthorised use is in respect of the same or similar goods. Case law has recognised that special care is needed in the case of shape marks to distinguish between a 'famous' *product* and a 'famous' *mark*. With repute, EU law sets a lower threshold for anti-dilution protection, which extends protection in instances of 'niche' repute. This additional form of protection is most likely to apply in respect unauthorised use by direct competitors. Furthermore, EU trade mark law provides additional protection against unfair advantage taking (misappropriation) without due cause.

Chapter 6: Resolving Incoherence between EU Design and Trade Mark Law

In this final chapter, we identify steps which, if adopted, would provide a (more) coherent scheme of protection for product shapes while alleviating the main points of tension between EU design and trade mark protection regimes previously identified. One obvious way to achieve this would be to remove product shapes from the category of protectable signs, but the *status quo ante* shape mark protection was, itself, criticised because it left undesirable gaps.[126] The more modest proposal advanced here is continuing to accept product shapes as subject matter for both protection regimes, albeit to a potentially limited pool of product forms, but recognising that the two forms of protection are more similar than the different legislative provisions and doctrinal tests might suggest. Tribunals examining cases involving product shapes will often presume that design and trade mark law *will* preserve their respective distinct values,[127] rather than purposefully seeking to interpret the legislative provisions in a manner which distinguishes between the two. Acknowledging that there is the potential for overlap issues, such as over-protection and regime clash to arise, makes it possible to harmonise the two regimes more satisfactorily.

We consider three aspects. First, we identify how tribunals sometimes exacerbate the impact of trade mark/design overlaps by confusing the norms to be applied. Secondly, we identify instances in which the two regimes treat the similar subject matter differently in instances where, arguably, consistency is required. Finally, we resolve uncertain aspects of EU doctrine to arrive at a balanced interpretation of EU design and trade mark law.

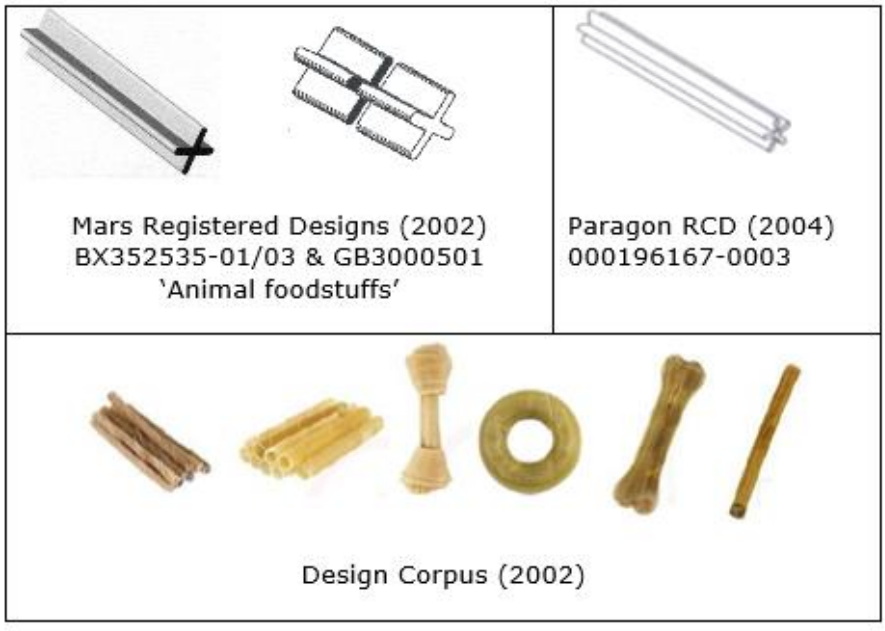
[126] Considered in more detail in e.g. Kur 2008a, pp.619-620; Derclaye and Leistner 2011.
[127] Welkowitz 1999, p.351:'Courts assume, sometimes without any supporting analysis, that patent and trademark protect different values'.

1. Applying Appropriate Norms

The overlapping nature of subject matter creates opportunities for tribunals considering product shapes to confuse design and trade mark norms. Concepts and values typically associated with one of the regimes manifest in decisions concerning the other. Failure to keep the specific protection rationales in mind can result in preventable instances of regime clash and over-protection. These issues are explored via two case discussions involving design disputes. The first considers validity of a RCD and the second considers allegations of infringement.

1.1 Case Study 1: Mars v. Paragon

In 2002, Mars devised a new dog chew, widely promoted as *PEDIGREE DENTASTIX*. Mars secured registered design protection for the product's appearance in several EU member states, including Benelux, as illustrated below. Mars relied upon these prior registrations to challenge the validity of an RCD for a competing product design submitted by Paragon Products BV in 2004.



Mars challenged the validity of the RCD before the EUIPO Invalidity Division,[128] claiming the Paragon design lacked individual character because it was too close to

[128] ICD-1410 *Mars UK Ltd v. Paragon Products BV* of 29/08/2006.

Mars' earlier design: both depicted similarly proportioned, multiple-pronged, elongate dog chews. Pointing to the wide-ranging shapes of chews evident in the design corpus, Mars argued that Paragon's design freedom was unlimited. Consequently, the 'minor difference' of the number of prongs did not detract from the overall sameness of impression created by the two designs.[129] Paragon countered that its design freedom was constrained. The product needed to have prongs so that it could fit between canine teeth and provide a cleaning action whilst being chewed. Given these functional constraints, Paragon contended that the difference in cross-sectional shape was significant and would be appreciated by an informed user. Although dismissing Paragon's arguments regarding design freedom, the Invalidity Division concluded the RCD met the individual character requirement. The number of prongs - x-shaped (4-prongs) versus star or flower-shaped (5-prongs) - contributed to a different overall impression.[130]

Mars appealed the decision to the EUIPO Board of Appeal, where the parties filed additional submissions. Specifically, Mars alleged that the similarity between the two designs did not arise for technical reasons. Instead, it was alleged that Paragon sought 'to mimic the earlier design which enjoyed enormous reputation on the market.'[131] Mars claimed that the Invalidity Division had placed too much emphasis on the cross-sectional shape, since the lengthwise view would be most prominent when the product was packaged.[132] In the retail environment, 'the difference in the number of prongs… [would be] hardly noticeable' and 'even if the two products are viewed outside the packaging, they look extremely similar unless one deliberately counts the prongs.'[133] The Board agreed. While the Paragon RCD was novel, it was not different enough to have individual character. The fifth prong did not 'radically alter' the overall visual impression created. Rejecting arguments that the appearance was constrained by technical function, the Board stated that Paragon 'could' (or

[129] R-1391/2006-3 *Mars UK Ltd v. Paragon Products BV* of 25/01/2008, [4]-[6].
[130] ICD-1410, [12].
[131] R-1391/2006-3, [6].
[132] Ibid, [11].
[133] Ibid, [9]-[11].

presumably should) 'have distanced itself much more from the earlier product than by merely adding a prong to its design.'[134]

With the benefit of hindsight, the Board's decision is open to criticism on several fronts. Firstly, the Board considered the 'function' of the product at too high a level of generality, and therefore failed to take design freedom properly into account, as required by Article 6 CDR. While all dog chews function to 'satisfy a dog's pleasure of gnawing and chewing'[135] and, thus, might remove some dental plaque in the process, both chews were designed with a more specific function in mind. As is evident from Mars' own promotional material, the chews are designed to fit 'between the teeth and down to the gum line'.[136] By embodying what appears to be new functionality, the Mars designers faced new limits on design freedom which did not constrain earlier design corpus. Therefore, a faulty inference was drawn from the deviation in appearance of these two designs from the earlier design corpus.

Secondly, the Board's finding on individual character should not have been swayed by whether the RCD had been influenced by the earlier design or its commercial success. Mars' idea to create an inter-dental, plaque-removing dog chew may have been innovative but, by seeking to protect it via design rather than via patent law, it was legitimate for Paragon to copy the underlying 'product idea', even though this might involve replicating certain aspects of the earlier design's appearance.[137] The 'prongs' were not arbitrary or decorative elements of the chews, but were fundamental to how the products worked. In dismissing the functionality arguments altogether, the Board failed to consider how far the appearance of the

[134] Ibid, [25].
[135] Ibid, [15].
[136] See: <www.youtube.com/watch?v=GwHa_nFCGmM> accessed 01/10/2017.



[137] T-22/13 and T23/13 *Senz*; *PMS v. Magmatic* UKSC.

RCD was constrained by technical concerns, which might have permitted a finding of individual character, despite some visual similarity.

Thirdly, the Board's acknowledgement that the chew's cross-sectional shape might be obscured by packaging suggests that its comparison took account of the manner products made to the design might be presented for sale.[138] The CJEU has since confirmed that the notional user's impression should be based upon a side-by-side examination of the respective designs on a like-for-like basis. As such, it is inappropriate to consider commercial aspects, such as additional trade dress, because these are irrelevant to individual character, unless forming part of the claimed design. Thus, it is submitted that the Board was incorrect to overturn the Invalidity Division's conclusion. Given the simple nature of the design, an additional prong would be apparent to the informed user based upon a considered comparison of the two designs: the RCD would be appreciated as being different, albeit a derivative of the DENTASTIX design. The legislative test is whether the overall impression created is different, without requiring it to be a 'radical' alteration.

Finally, the Board also appears to have given weight to Mars' arguments that, as the design was applied to a low-cost product, purchasers were unlikely to pay much attention to the appearance of the goods. This confuses the 'informed user' of design law with the 'average consumer' of trade mark law, as the CJEU has now since clarified in *Grupo Promer*.[139] Only an average consumer is deemed less observant when goods are inexpensive.[140] Here, the CJEU seems to have missed the opportunity to prevent future confusion between the respective tests. The Court failed to reject explicitly a suggestion from the General Court that recollection may be relied upon

[138] In reality, the Mars packaging emphasises the cross-sectional shape.



[139] C-281/10P *Grupo Promer*, [74].
[140] Contrary to the assertion of EUIPO's Invalidity Division in Case ICD-8242 *Nokia Corporation v. Kalwat Iwona Trak Electronics* of 28/10/11 cited in Stone 2016, p.253.

in circumstances when it is 'impractical or uncommon in the sector concerned' to make a side-by-side comparison.[141] It is difficult to conceive when such circumstances would arise.[142] While trade mark law requires the comparison to consider context of the unauthorised use, for design law, the comparison is *design-vs-design*. This renders it irrelevant whether real-life consumers, or end-users, would ever encounter two products incorporating the respective designs together to enable a side-by-side comparison.

Failure to appreciate the underlying 'technical' nature of a design (or its component features), and/or failure to compare two designs carefully enough (resulting from mischaracterisation of the informed user/having regard to extraneous factors) seems to have afforded Mars unjustifiably broad design protection. Contrary to the rationales of design protection, design law has been applied in such a way to be tantamount to protecting the general concept of an extruded, multi-pronged, elongate dog chew.[143] The clear message that the Board's decision communicated to Mars' competitors was that the mere addition, and presumably subtraction, of a single prong was insufficient to provide individual character. However, it is not self-evident that chews having only two prongs or more than five prongs would provide the same teeth-cleaning functionality.

The net result is that Mars' design protection is mimicking a patent. Technical innovation is now required to design around it to devise a product which looks different enough but can compete in terms of technical function. Recital 10 CDR recognises that this is problematic, since RCDs do not undergo the same level of scrutiny as patent applications. Over-protection of new product functionality via design law in this manner undermines the coherence of the overall scheme of IP protection, unduly restricting innovation and fair competition.

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[141] T-9/07 *Grupo Promer*, [77]; C-281/10P *Grupo Promer* ECLI:EU:C:2011:302, [48]-[52]; ECLI:EU:C:2011:679,[55]-[58].
[142] Geerts 2014, pp.182-183 concurs.
[143] Cf. *PMS v. Magmatic* UKCS, [57]: '"[t]here is no dispute that the Trunki was an innovative design"…. Unfortunately for Magmatic, however, this appeal is not concerned with an idea or an invention, but with a design.'

We shall consider the potential downstream impact of over-broad design protection on the design/trade mark overlap later, in Section 4.3. However, we now move on to consider how utilising a 'trade mark' approach might, conversely, result in an under-protection of a registered design.

1.2 Case Study 2: PMS v. Magmatic

The UK courts arguably elided trade mark and design concerns in the *PMS v. Magmatic* litigation. As discussed in Chapter 3, this dispute considered the appropriate scope of protection for an RCD for a child's ride-on suitcase.[144]

A first instance finding of infringement against PMS was over-turned on appeal, and confirmed by the Supreme Court. During these proceedings, the courts not only considered the protected form, as shown in the RCD representations, but they also reviewed the RCD holder's commercial products made to the protected design.[145] It is possible that, perhaps subconsciously, this approach limited the scope of the RCD. When comparing the RCD with the PMS products, the Court of Appeal noted that 'the global comparison' of the overall impression formed of the respective designs 'necessarily requires account to be taken of the context in which the accused shape appears.'[146] Further, the Supreme Court noted that Magmatic had later sought protection for 'adorned' versions of it suitcases, and seemed to imply this added weight to the presumption that the RCD protected an *un*adorned product shape.[147]

This reference to 'context' is reminiscent of the likelihood of confusion test of trade mark law, and again, this deviates from the like-for-like comparison which the General Court[148] and UK Supreme Court[149] has endorsed for design cases.[150] In fact, the accused shape will, more often, be considered out of context, because unclaimed and unprotected features in the RCD are to be ignored. Both judicial remarks suggest

[144] Section 2.1, Chapter 3.
[145] *PMS v. Magmatic* UKSC, [3].
[146] *PMS v. Magmatic* EWCA, [37].
[147] *PMS v. Magmatic* UKSC, [50].
[148] T-68/10 *Sphere Time v. OHIM*, [82].
[149] *PMS v. Magmatic* UKSC, [34].
[150] Stone 2016b, p.667 agrees.

that the scope of protection of the Magmatic RCD may have been influenced by factors occurring *after* its priority date. If so, the effect was to narrow the scope of protection by using the context of subsequent use to 'add in' a feature (lack of ornamentation) to the claimed design. This fails to respect a fundamental design-based norm: for validity *and* infringement considerations, the scope of protection is fixed at the priority date.[151] Thus, when assessing scope in a balanced design protection regime, *subsequent* actions (whether by the unauthorised user or the right-holder) are irrelevant.

2. Consistency in Interpretation

Although tribunals should take care to apply regime-appropriate norms, there are circumstances in which shared aims and common subject matter require design and trade mark law to be interpreted consistently. This section highlights three problematic aspects: interpretation of technical shape exclusions, interpretation of representations defining the rights and inferences based upon the defendant's intent.

2.1 Technical Shapes and Negative Overlaps

We have seen that trade mark and design doctrine converge (in both the EU and USA) to exclude[152] 'technical' shapes from protection when they are 'solely dictated by function.'[153] However, tribunals within each jurisdiction disagree regarding whether there should be greater convergence such that both regimes exclude product shapes where design freedom has been exercised, and yet the commercial value in the design vests in the product's technical performance or utility, not its appearance. Trade mark doctrine interprets the technical shape exclusions broadly to avoid awarding right-holders a significant competitive advantage which hinders competition, yet is unrelated to reputational interests. Is design protection justified if appearance results from technical imperatives and 'no one cares' what the product

[151] Section 4.3, Chapter 5.
[152] Termed 'negative convergence', see Derclaye and Leistner 2011, p.4.
[153] Section 2.1, Chapter 5.

looks like? When the CJEU comes to consider the functionality exclusion in EU design law, it is submitted that it should endorse the causative approach to provide consistency across the two regimes.[154]

While some argue that trade mark exclusion requires broader interpretation because of the potentially indefinite term of protection or broader scope,[155] permitting design law to protect technically-motivated product forms creates the *Mars v. Paragon* problem. The short-comings of adopting a narrow 'competitive need' approach, as in *Morton-Norwich*, to utilitarian functionality in trade mark law[156] seem to be equally applicable in design law. Seeking to protect all forms of economic value which may manifest in product appearance creates the environment for 'back-door' patent-like protection for significant periods for sub-patentable technical solutions.[157] The broader, causative approach also appears more consistent with the stated aims of EU design protection, which promotes product differentiation based upon marketability derived from appearance. While design law *could* serve to protect technical function (indirectly by protecting appearance), this merely duplicates protection which, it is submitted, is safe-guarded more fairly and efficiently by other IP rights.[158]

Additionally, consideration of US design case law reveals that a multiplicity-of-forms approach, determining exclusion based upon availability of technically-equivalent designs, is problematic because it leaves unresolved the level of specificity at which technical function is defined.[159] In this regard, the CJEU has recognised that a causative approach is more straightforward to apply, since the relevance of the exclusion can be determined based upon consideration of the design at hand.[160] Also, it seems possible to assess whether the appearance of a feature is motivated by

[154] Pending C-395/16 DOCERAM. The recent A-G Opinion endorses this approach, see: C-395/16*.
[155] E.g. C-299/99* *Philips*, [34]; Brancusi 2016, p.24.
[156] Section 2.2.1, Chapter 4.
[157] Brean 2008.
[158] E.g. patents, utility models, and unfair competition protection, see: Kamperman Sanders 2009, pp.567-574.
[159] Section 3.2, Chapter 3. The current approach of defining 'function' specifically has left the US exclusion largely redundant.
[160] Section 3.1, Chapter 3, citing *Lego*, [46].

technical concerns without needing to pinpoint its exact technical function. Bringing EU design law into line with EU trade mark law in this respect would yield greater coherence because regulation of technical aspects of product design would then be the proper preserve of patent law.[161] The narrower interpretation of the exclusion, which permits design protection of technically motivated designs, fails to carve out a distinct role for design protection within the overall EU scheme of IP protection.

The fact that design protection may be a precursor to trade mark protection[162] reinforces the argument for the technical exclusions to be aligned.[163] If technical shapes which trade mark law excludes enjoy market exclusivity via design protection, they may acquire a distinctive character. This may create origin-based confusion and claims of unfair competition once design protection has expired and competitive imitations are produced. Both impair efficient market operation.

A recent review of EU design law has also concluded that a unified approach to technical shapes has the 'advantage… that it allows… Art.8(1) of the Design Regulation ...to function in a more meaningful and purposive manner.'[164] Ultimately, however, the report favours an interpretation which excludes designs based upon lack of design freedom to change 'features of appearance of the design.'[165] It remains to be seen whether the CJEU will agree. While the US Supreme Court was recently petitioned to consider the same issue, Certiorari was denied.[166] However, there are signs that the Federal Circuit, fortified by some US scholars, may be moving towards the uniform approach advocated here.[167]

2.2 Interpretation of Representations

As EU legislation permits protection for product shapes under both regimes, consistency is desirable in the way aspects of shape may be claimed and in how

[161] Suthersanen 2010, p.260-261 further suggests that in an optimal system, a single doctrine of technical functionality would be used for all IP rights, including copyright.
[162] Sections 3.5 and 5.3, Chapter 5.
[163] Quaedvlieg 2005, p.69 also advocates negative convergence in this instance.
[164] EC Report 2016, p.90.
[165] Ibid, p.92.
[166] *Samsung v. Apple* Docket No.15-777; Petition granted on 21/03/2016, but limited to Question 2. see:<www.supremecourt.gov/search.aspx?filename=/docketfiles/15-777.htm>.
[167] See *Sport Dimension*, discussed in Section 5.3, Chapter 3; IP Professors' Amici Brief 2016, pp.3-5.

representations of product shapes are interpreted. Indeed, where dual protection is sought, it is typical for applicants to submit essentially the same representations to support both applications.[168]

Magmatic illustrates the need for greater clarity and consistency in the way in which design features are claimed pursuant to CDR, so that the baseline for a like-for-like comparison can be determined objectively. EU design law requires tribunals to interpret RCD representations based upon the images alone, subject to any visual disclaimers. As discussed in Chapter 3, visual disclaimers are open to varying interpretation and are ill-suited to some aspects of 'design' which EU design law encompasses. Although written statements can be submitted as part of an RCD application, Article 36(6) CDR precludes these from influencing the scope of protection. EU trade mark law also compares a registered shape mark with the alleged infringement on a like-for-like basis (albeit that context of use might feature in global appreciations).[169] However, EU trade mark rules permit the 'graphical representation' of a shape mark to combine images with written text which identifies the aspects of the product appearance for which protection is sought. US trade mark and design rules both adopt a similar approach. There appears to be no reason for treating EU designs differently from EU trade marks in this regard, or any context suggesting it would be inappropriate to transplant the US design approach into EU design law.

It would seem fair to permit EU design *and* shape mark applicants to claim, or disclaim, aspects of their designs in writing, when this is the only practical way to do so.[170] For example, current UKIPO practice, established under the Design Directive,[171] permits applicants for UK national designs to submit visual *or* written disclaimers, and issued guidance recommends written disclaimers are used to clarify

[168] Seen in *LTC v. Frazer-Nash.*
[169] Section 4.1.2.1, Chapter 4.
[170] The descriptions may be used by EUIPO during the formalities examination. EC Report 2016 does not suggest revising this practice.
[171] As identified in Chapter 3, the Design Directive does not contain a provision which is equivalent to art.36(6) CDR.

whether protection is sought for shape alone or for a minimalist design.[172] It is submitted that this approach provides greater clarity and promotes consistent interpretation of the same design by different tribunals. This is more satisfactory than the current resort to conjecture, which may leave RCD holders justifiably feeling short-changed.

2.3 The Defendant's Intent

We have seen that design infringement is established on a 'strict liability' basis. Neither registered design nor design patent infringement is contingent upon there being a causal connection between the two product shapes, thereby distinguishing it from copyright infringement,[173] or UDR infringement within the EU.[174] Intent to imitate is irrelevant. Despite this, it is not uncommon for right-holders to refer to the defendant's motives for copying and invite an adverse inference to be drawn. When considering trade mark law, intent is not a factor in establishing infringement pursuant to EU law. Tarnishment and blurring are, likewise, assessed based upon the actual or likely harm to the reputed mark, and even infringement based upon 'unfair advantage taking' contemplates an objective standard. However, intent does feature in the multifactor test for likelihood of confusion in some US circuits.[175] At the extreme, some courts have relied upon a third party's intent to imitate as evidence of acquired distinctiveness.[176] Thus, a decision to compete with a successful product may be sufficient to establish the trade mark rights *and* determine infringement, which appears detached from pro-competitive trade mark protection rationales.

It is submitted that intent should not be a factor which determines infringement under either regime. The scope of the rights should be based upon an

[172] See DPN1/16.
[173] E.g. s.16 Copyright, Designs and Patents Act 1988; 17 USC §106.
[174] Art.19(2) CDR. Pursuant to 35 USC §284, in US infringement proceedings, intent may influence the damages awarded, if liability is established.
[175] Section 4.1.1.2, Chapter 4.
[176] E.g. 'Weber's strongest evidence, however, consists of emails and other documents showing that Sears intentionally copied Weber's trade dress. …Copying like this is strong evidence of secondary meaning because the only reason that Sears would have expected copying Weber to make consumers think of Weber is if, in fact, Sears believed that Weber's trade dress had acquired secondary meaning.' *Weber-Stephen Products LLC v. Sears Holding Corporation* 116 USPQ 2d. 1929 (N.D Ill, ED (2015)).

objective assessment of whether the visual appearance is sufficiently different, when viewed from the relevant perspective. Attaching significance to intent to copy risks extending the scope of protection too far to curtail what should be fair, competitive use, thus undermining the common protection rationale of promoting *optimum* product differentiation.

That said, it is submitted that the defendant's intent *should* be considered in assessing trade mark defences. Design law affords practically no defences in the case of unauthorised commercial use, although this is balanced by a limited scope of protection. Consequently, reasonable bona fide attempts at creative emulation should escape liability. Trade mark law's protection of shape marks offers a broader scope of protection. US law recognises 'descriptive fair use' as a defence to infringement, which arguably could encompass unauthorised use of a conflicting product shape, provided the shape is not 'used as a mark.' EU trade mark law is less clear-cut, and defences appear more limited. While some tribunals are willing to concede that a descriptive (or non-trade mark) use defence can apply in shape mark cases, others seem to infer trade mark use, irrespective of the intent of the unauthorised user.[177]

EU trade mark law rightly identifies that intent is a relevant factor when considering whether use which might take unfair advantage of a protected mark is used with 'due cause'. As we have seen, the design and trade mark regimes clash because the scope of trade mark protection may expand over time, encompass variants which design law would permit, and disregard prior use.[178] Prior use and continued use of a now-expired, but validly registered design are instances where 'good faith' unauthorised use should be held to be 'with due cause', and/or 'in accordance with honest commercial practices'. Not only does this seem fair, but it alleviates regime clash. Otherwise, trade mark law serves to curtail the number of

[177] Section 4.3.1, Chapter 4.
[178] Section 4.3, Chapter 5.

choices which consumers already have available, meaning product differentiation may dip below optimal levels.

3. Interpretations to Mitigate Problematic Overlaps

At the start of the thesis,[179] it was mooted that design and trade mark protection of product shapes might prove unproblematic because the combined application of the respective legislative exclusions and protection thresholds identify distinct sets of product shapes: those eligible for design protection and those eligible for trade mark protection. However, Chapter 5's evaluation demonstrated that this is not the case. While the subject matter exclusions ensure that some product forms will be eligible for design protection only, once product shapes are recognised as eligible for trade mark protection, some overlap is inevitable.

The foregoing analysis has also revealed circumstances in which twin-tracks for protection are undesirable. Although it is inevitable that right-holders will leverage the differences between the two regimes and 'forum shop' to select the regime which suits their needs best,[180] dual protection of the same shape is not inevitably problematic. Rather, issues of over-protection and regime clash may arise because the regimes are generally similar, but diametrically opposed in certain aspects. Design law affords narrow protection to more designs for a fixed term, whereas trade mark law affords comparatively broad protection to fewer shapes for an unlimited period. Consequently, trade mark law protection of product shapes has the potential to override safeguards considered essential to an efficient and fair design protection regime. Is it possible that the two can be rationalised in a coherent IP scheme? In the USA, this is achieved by protecting product shapes as trade marks, but then severely curtailing the right-holder's ability to enforce their 'exclusive' rights. Shape marks are rarely treated as independently distinctive marks, as they are within the EU. The EU scheme of protection requires a different approach.

[179] Section 6, Chapter 1.
[180] Illustrated by Case Studies 1 and 3.

Kur also identifies that overlaps are not necessarily problematic, but that overlap analysis is useful since it 'tend[s] to enhance the visibility of imbalances which might otherwise remain undetected.'[181] If an act is permitted under one right, but precluded by the other, the different outcome may be justifiable based upon the different nature of the right, but equally, it may be indicative that there is something awry with the implementation of one of the regimes. According to her proposal, overlap analysis assists to arrive at 'a sensible interpretation of the respective IP laws.'[182] The doctrinal analysis in Part II has identified conflicting interpretations of key provisions of EU trade mark law. In this chapter, we identify those interpretations which best reflect the theoretical rationale for protection and/or which minimise harmful overlaps. It is proposed that this may be achieved by identifying which clashes are most detrimental, and determining which regime should yield to the other, having regard to the underlying deontological foundational principles of fairness and proportionality identified in Chapter 1. It is proposed that by adopting a principled approach to minimise regime clash which give effect to both regimes of protection, yet respects the justifying rationales for each, we should arrive at a 'sensible interpretation' of EU design and trade mark law which fairly protects product shapes.

3.1 Recalling the Complex EU Landscape of Shape Marks

Putting interpretation of 'technical function' exclusion aside, harmonisation of EU design law, while introducing an entirely new approach seems to be progressing slowly but smoothly, whereas the EU jurisprudential approach to shape marks has been criticised as arbitrary, uncertain, convoluted and opaque.[183] Part II concluded there were three main reasons for this state of affairs, which our analysis needs to address.

[181] see Kur 2008a, p.616.
[182] Kur 2008a, p.616.
[183] E.g. Kur 2014, p.3; Friedmann 2014, p.35.

Firstly, there is a lack of clarity surrounding the meaning of 'distinctiveness' in respect of shape marks. CJEU case law intimates that product shapes *may* be inherently distinctive but it is difficult to predict when this will be the case. More typically, shape marks are registered based upon acquired distinctiveness, but CJEU guidance to-date has failed to pre-empt divergent interpretations of what 'trade mark use' entails, resulting in irreconcilable decisions, as in *Nestlé*.

Secondly, in *Hauck*, the CJEU has clarified that a 'purposive' interpretation of all Article 7(1)(e) exceptions is required.[184] This dispels any lingering view that each shape exception covers a limited, discrete class of shapes. However, the full reach of the natural and value-adding exclusions, and the degree to which the three exclusions overlap with each other, remains to be fully specified.

Thirdly, the relationship between distinctiveness and the shape exclusions of Article 7(1)(e) EUTMR remains murky. While Article 7(1)(b)-(d) EUTMR is ostensibly concerned with weeding out signs which fail to communicate source, the CJEU has indicated that these provisions should be interpreted more broadly to 'prevent the grant to one operator alone of exclusive rights which could hinder competition.'[185] As the role of shape exclusions is to curtail potentially anti-competitive effects of granting exclusive rights in certain distinctive shapes, this suggests that the interpretation of both the distinctiveness *and* exclusion provisions are influenced by the same underlying rationale: i.e. to ensure that trade mark protection does not grant exclusive rights which afford an unfair (non-reputation-related) advantage or otherwise hinder competition.

The EU assessment of 'distinctiveness' combines normative and empirical aspects: a 'traditional' examination based upon 'real-life' consumers' perceptions fused with the predicted effect of registration on competition, including the 'need to keep free'.[186] In some cases, the distinctiveness threshold and the shape exclusions

[184] The CJEU had already endorsed a purposive interpretation of Art.7(1)(e)(ii) in C-48/09P *Lego*.
[185] C-468/01P to C-472/01P *Procter & Gamble*, [72]; also C-108/97 and C-109/97 *Windsurfing Chiemsee*, [26].
[186] Kur 2014, p.29 cites C-104/01 *Libertel* as an example of how the distinctiveness enquiry has extended to 'avoid granting competitive advantages through registration in the interests of competitors'.

will converge to deny protection to the same types of product shapes, albeit with different motivations. However, without further judicial guidance, the relationship between the 'natural' shape of goods (which should be permanently excluded) and the 'normal' shape of goods (which are merely indistinctive, or even generic, and so potentially registerable with the correct kind of use) is unclear.[187] Similarly, trade mark applicants are left navigating between the Scylla of Article 7(1)(b) EUTMR, which requires enough product shape variation to be striking, and the Charybdis of Article 7(1)(e)(iii) EUTMR, which rejects a product shape which is so striking that it adds significant value to the goods.[188]

Yet, the position is even more complex. We have seen that prosaic shapes might face exclusion pursuant to Article 7(1)(e)(iii) too, if the product has been created by a renowned designer or an on-trend brand.[189] When considering whether a shape adds too much value to the goods, it seems that attractiveness, like distinctiveness, can either be inherent or 'acquired', based upon the circumstances surrounding its use before any application to register was filed, and the 'meaning' it conveyed at that time to perspective consumers.[190] Similarly, it might generally be the case that 'functional' or 'technical' shapes and features 'will be perceived by the consumer as such',[191] and so will not contribute much to a shape's uniqueness. But it is also possible that a technical/functional product may have an unexpected appearance because it incorporates a new technological development, and such shapes are likely candidates for a value-added objection too. While it may seem counterintuitive that the same product shape (say, the *TRIPP TRAPP* chair considered in *Hauck*) can face objection pursuant to *both* Articles 7(1)(e)(i) and (iii) EUTMR, this

[187] The two might be synonymous, if the 'norm' signifies the particular combination of features which consumers would seek in the products of competitors. Indeed, the EUIPO Examination Guidelines Chapter 6, p.5 instruct examiners to object under Arts.7(1)(b) and 7(1)(e)(i), whenever the shape of the goods applied for is a simple form or one which appears commonplace.
[188] Kur 2011, pp.2–3; Quaedvlieg 2012, pp.195-196. Gielen 2014, pp.164-169 argues that the added-value exclusion is unnecessary because it duplicates distinctiveness concerns.
[189] E.g. the Eames' designed *Alu-Chair* and the *G-Star* jeans discussed in Section 2.1.4, Chapter 4.
[190] *LTC v. Frazer-Nash* EWCA, [70]-[76]; *G-Star*.
[191] EUIPO Examination Guidelines, Chapter 3, p.22.

may be inevitable where the shape mark covers the optimal generic form of a new product type, which is elegant precisely because form follows function.

Viewed in this light, few would dispute that tribunals 'face tough questions about the taxonomy of shapes'[192] or would downplay the difficulty of disentangling the 'different layers' to 'establish appropriate and feasible criteria' for registrability of shape marks.[193] The disagreement continues even after a shape mark has been registered. Are shape marks forever weak and limping,[194] or can they be strong and capable of gaining repute?

Recalling the overlapping consensus identified in Chapter 1 (i.e. duplication of protection is not justified) and adopting Kur's proposal that overlap analysis enhances 'the visibility of imbalances which might otherwise remain undetected',[195] the following sections revisits, in turn, the unresolved aspects of distinctiveness, repute and scope of protection identified in Chapter 4. In each case, we consider which interpretation seem most apt, based upon the trade mark protection rationales and coherence with design law. These steps are necessary to arrive at our 'sensible interpretation' of EU trade mark law[196] in the final section.

3.2 Distinctiveness

'Distinctiveness' is the fundamental essence of a trade mark. Yet for shape marks, there is still no consensus regarding when this kind of 'sign' is inherently distinctive or when it has acquired a distinctive character. In particular, we have seen in Chapter 4 that proxies, such as uniqueness or market exposure and recognition, which work well for 'traditional' marks applied to the goods, may be unreliable in respect of a sign which is only conceptually (not tangibly) separable from the goods to which it relates.

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[192] Friedmann 2014, p.35.
[193] Kur 2014, p.26: 'It remains a mystery how it shall be possible in practice to sort out those different layers and establish appropriate and feasible criteria to identify 'champions' in this contest, i.e. those lucky shapes that are neither too plain nor too splendid to be accorded inherent distinctiveness'.
[194] Section 3.2.1, Chapter 4.
[195] Kur 2008a, p.616.
[196] Ibid.

Three conceptions of distinctiveness have been identified: inherent distinctiveness; acquired distinctiveness based upon recognition and association; and acquired distinctiveness deriving from trade mark use as a 'badge of origin'. Each will be considered in turn, with particular regard to rationales for trade mark protection and overlap with design protection.

3.2.1 Inherent Distinctiveness

According to one school of thought, because product shapes are specifically listed as a type of sign eligible as trade mark subject matter, the EU Legislature has tasked EU tribunals with creating the most favourable conditions for protection of shape marks.[197] Adopting this approach, it seems reasonable to recognise some product shapes as inherently distinctive marks, and fall back upon the subject matter exclusions to 'police' anti-competitive overlaps.[198] Current CJEU jurisprudence recognises that product shapes which represent a significant departure from the norm may be accepted as inherently distinctive marks (albeit that EU national tribunals seem unsure how radical a departure is required, and whether this is a necessary or a sufficient condition of acceptance.)[199] In contrast, US Supreme Court jurisprudence has established that shape marks fall within the class of signs which are inherently non-distinctive.[200]

It is submitted that the CJEU test, which equates distinctiveness with uniqueness (i.e. 'distinctive' in the lay-sense of the word), is an unreliable measure of the shape's ability to communicate source-related information. The CJEU has not explained why unique product shapes are distinctive, or cited any empirical evidence that consumers do associate an unusually-shaped product with its source. Rather, it seems more, or as, likely that the product will be perceived as nothing more than an unusually-shaped product. As Justice Scalia noted in *Wal-Mart v. Samara*:

> product design almost invariably serves purposes other than source identification…. Consumers are aware of the reality that…

[197] Ullmann 2003, p.84 cited in Kur 2008b, pp.208-209.
[198] Indeed, the UK courts have conceded that EU legislatures may have intended these concerns to be the sole preserve of the shape exceptions, *Nestlé SA v. Unilever* [2002] EWHC 2709 (Ch), [45].
[199] *LTC v. Frazer-Nash* EWCA, [36]-[42].
[200] Single colour marks fall in this class too, as in the EU, see C-104/01 *Libertel*.

> even the most unusual of product designs— such as a cocktail shaker shaped like a penguin— is intended not to identify the source, but to render the product itself more useful or more appealing.[201]

At the heart of the issue is the possibility of distinguishing, *ex ante*, between 'a fancy shape to sell as such and a fancy shape which truly in itself will denote trade origin if used.'[202] The US Supreme Court decided that this was an impossible task, which if attempted risked over-protection. When trade mark law protects merely 'fancy shapes', the mark is not providing any source-indicating value, meaning exclusive rights are not justified by trade mark protection rationales. Instead, shape mark protection duplicates design protection by protecting the enhanced 'saleable value' which result from the product's appearance.[203] Trade mark registries are 'in effect… acting as design registries.'[204]

Further, protecting product shapes based upon a threshold of significant individual character parallels the criterion for design protection, thereby privileging a class of super-creative designs but without making protection contingent upon novelty.[205] This undermines the principle that adding a new design to the corpus is the *quid pro quo* for design protection. Applicants may seek to register novel products as shape marks either in addition to, or instead of, design protection. Trade mark protection also offers an opportunity to secure design-like protection for designs which are already in the public domain. Yet this undermines the public notice function of a design register.[206]

Additionally, case law analysis reveals that registering shape marks as inherently distinctive marks has at least two practical drawbacks. Firstly, if a shape mark is registered without requiring it to have been used, it may not be apparent,

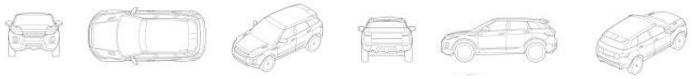
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[201] *Wal-Mart,* 213-214.
[202] *Bongrain SA's Trade Mark Application* [2004] EWCA Civ 1690, [27].
[203] *Gorham*, 513. Kur 2014, p.26 notes that while trade mark protection is not intended to promote creativity, this is the inevitable result of protecting unique product shapes as shape marks.
[204] *Nestlé v. Unilever*, [18]; citing Lloyd J. in *Dualit (Toaster Shapes)* [1999] RPC 890, 897: 'The relevant question is not whether the container would be recognised on being seen a second time, …but whether by itself its appearance would convey trade mark significance to the average customer.'
[205] 'The minute distinction between design patent distinctiveness and trade dress distinctiveness …of course, largely overlapping. It would seem almost unworkable to truly separate the two': Crouch 2010, p.30.
[206] Burrell 2008, n.6.

based only on the representations submitted, whether the product shape claimed is excluded subject matter. Although trade mark representations must be self-contained, the CJEU has recognised that this should not be taken to mean that evidence of the product's practical application should be ignored when considering the shape exclusions. For example, seemingly decorative dimples may, in fact, serve a technical function.[207] Indeed, adopting the CJEU's tests, the information required to assess the shape exclusions may only be available following commercial application by the applicant.[208] Requiring an applicant to have used the 'mark' before protection is available promotes a more informed assessment of the true qualities of the product shape. Given the other forms of IP protection available, notably design protection, this stipulation does not prejudice applicants' interests unduly, but the net result would be a higher proportion of valid registrations (albeit that fewer shape marks may be registered than is currently the case).

Secondly, protecting product shapes as inherently distinctive because they deviate significantly from the norm provides an unintended incentive to engage in 'covetous claiming'. With judicious wording of the specification of goods, an applicant may secure a 'ghost' registration[209] for goods which are similar to those of actual interest. Jaguar Land Rover's shape EUTM[210] exemplifies this strategic practice. Here, the EUIPO considered the shape of a Range Rover EVOKE was not unusual enough to be inherently distinctive for land vehicles, but permitted registration for 'apparatus for locomotion for air or water.' Indeed, the Board relied upon the sheer practical impossibility of manufacturing a functioning aeroplane or boat in this shape to support the conclusion that the shape *must* be one which significantly departs from

[207] C-337/12P to C-340/12P *Pi-Design*.
[208] e.g. *Hauck*, [35]: 'a substantial price difference in relation to similar products, and the development of a promotion strategy which focuses on accentuating the aesthetic characteristics of the product in question.'
[209] The paradigm case, being registration of NERIT when the real mark of interest was MERIT, see: *Imperial Group plc v. Philip Morris Ltd* 1982 FSR 72.
[210] R-1622/2013-2 *Jaguar Land Rover Ltd* of 24/04/2014, upheld in T-629/14.



the norm.[211] While this result is perverse and inefficient, it seems an inevitable result of the CJEU's test. Ultimately, phantom registrations of this type will be vulnerable to challenge based upon non-use.[212] However, it is submitted that the very fact that the practice exists indicates that these defensive registrations afford a non-reputation-based competitive advantage. Businesses willing to exploit the definition of inherent distinctiveness can secure an additional layer of protection which supplements any concurrent design protection, or provides design-like protection for product designs which would not have satisfied the design protection requirements, e.g. for want of novelty.

The CJEU, or EU legislature, should consequently take its lead from the US Supreme Court by classifying shape marks as inherently non-distinctive signs. Otherwise, sufficient deviation from the norm should be a necessary, but never sufficient condition of registration. Registration of an unusual, but unused, shape mark might then be possible based upon evidence demonstrating that average consumers of the goods would perceive the unusual shape as having trade mark significance. This might be possible in sectors where shape marks are already commonly adopted to distinguish like goods from different sources. It is possible, for example, that guitar headstocks might be inherently distinctive on this basis.[213]

3.2.2 Acquired Distinctiveness: Recognition and Association

Requiring a trade mark owner to demonstrate use of a shape mark ameliorates many of the concerns identified in the preceding sub-section. It permits a more objective assessment of the nature of the shape. Subject matter exclusions then function effectively, and inefficient covetous claiming of goods or the filing of phantom marks are precluded.

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[211] Ibid, [20]:'Actually, it would be quite remarkable if the applicant succeeded in producing an airplane or a ship looking like the vehicle applied for. Consequently, the mark applied for must be considered to depart significantly from the norms and customs of the sector for apparatus for locomotion by air and water.'

[212] An application filed solely to block third parties from entering the market may be invalid for bad faith pursuant to art.51(1)(b) (C-529/07 *Lindt & Sprüngli v. Hauswirth* ECLI:EU:C:2009:361,[44]). The Range Rover registration may be open to challenge pursuant to Art.7(1)(e)(iii). As this application was examined before the *Hauck* decision, this might explain why an objection on this ground was not raised.

[213] Contrary to the conclusion in C-546/10P *Wilfer*.

Prevailing practice within the EU is to accept inherently non-distinctive shape marks as factually distinctive, based upon survey evidence that consumers recognise the product from its shape and associate it with a single source or brand.[214] Where distinctiveness is measured by recognition and association, shape mark protection is most likely to be secured by established players who are best-placed to 'educate' or influence consumers' perceptions with concerted marketing campaigns, often reinforced by pre-existing IP protection barring others from offering close imitations. In essence, 'legal protection becomes a matter of time plus market power.'[215]

Even then, it is difficult to dispel the sense that this method often equates acquired distinctiveness with the popularity of the product, what US scholars might describe as 'product goodwill'. There is no general requirement for evidence to isolate the goodwill vesting in the product shape from that which vests in other trade marks which appear on the goods. The *KIT KAT* and *BOUNTY* cases, discussed in Chapter 4,[216] are examples where the right-holders already enjoyed significant market power based upon a well-established brand name. It is unsurprising that an applicant in this position can supply impressive figures for turnover, promotional spend and market share. Where the mark is the product which is being promoted, it becomes impossible to apportion this between the 'shape mark' and the accompanying brand name. Besides, survey evidence is problematic because of the difficulty of devising questions which are not leading. Responses linking the shape to a particular source beg the question whether consumers are using the brand name to identify the source, or as a synecdoche for the type of goods – what philosophers might refer to as a 'type-token'[217] distinction. UK courts are, therefore, rightly sceptical that consumer survey evidence of spontaneous recognition demonstrates distinctiveness of a shape mark.[218]

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[214] Although C-215/14 *Nestle*,[66] seems to have held that 'mere' recognition and association is insufficient, the ruling is ambiguous such that it affords sufficient latitude for existing practices to continue.
[215] Kur 2008b, p.217.
[216] Section 4.1.2.1, Chapter 4.
[217] See generally, Wetzel 2009.
[218] See, e.g., *Nestle v. Unilever*, [31]-[33].

Evidence purporting to demonstrate distinctiveness may in fact indicate that the product shape is generic and results from the nature of the goods. If a successful branded product establishes a niche market of its own, trade mark protection of the associated product shape affords a monopoly in respect of that product class. Trade mark protection in these circumstances would be inefficient because of its negative impact upon competition. It also fails to satisfy the protection rationales founded upon the essential origin function of a mark.

While the test for inherent distinctiveness faces the criticism that it sets a higher threshold for shape marks than conventional trade marks, it is submitted that the converse is true when shape marks are accepted as having acquired distinctiveness based upon recognition and association. Consumers may recognise an inherently non-distinctive word mark (say, cornflakes) and associate with a particular producer (say, Kellogg's), but without presuming that all cereal boxes carrying that word originate from a single source. Just as recognition and association are insufficient to demonstrate acquired distinctiveness for word marks, so they should be insufficient for shape mark protection.

3.2.3 Acquired Distinctiveness: Use as a 'Badge of Origin'

CJEU jurisprudence has long required shape mark distinctiveness to be acquired based upon 'use as a mark',[219] but to-date this has been interpreted inconsistently. At the extreme, simply selling goods made in that shape appears to suffice, if recognition and association can be shown.[220] Requiring 'trade mark use' to be meaningful within the shape mark context is surely the corner-stone of ensuring that shape marks are treated 'on all fours' with other protectable signs. This is supported by the earlier analysis that consumers' perception of shape is the most significant factor which distinguishes between trade mark and design protection of product shapes.[221]

[219] C-299/99 *Philips*.
[220] T-112/13 *Mondelez v. EUIPO*.
[221] Section 3.4, Chapter 5.

US tribunals rely upon 'Look-for' advertisements as evidence that the product shape is used 'as a mark', but this practice seems less well-established within the EU.[222] One well-known UK example would be the consistent use of the strapline 'The Mint with the Hole' to promote *POLO* mints. The fact that 'Look-for' adverts seem an essential precursor to shape mark protection renders it impossible to determine whether this practice reflects or controls the way in which US consumers form origin-related associations with product shapes. Nevertheless, the practice is open to the criticism that it measures the producer's intent to attach a trade mark significance to the shape (or, more cynically, their desire to secure trade mark protection), rather than measuring whether the message has been effective in changing consumer perceptions. However, evidence purporting to demonstrate that descriptive word marks have acquired a distinctive character is arguably open to the same criticism.

UK courts have traditionally adopted a test of 'reliance'. This requires an applicant to demonstrate that consumers 'rely' on the product shape, rather than any other marks appearing on the goods, to determine the origin of the goods. Certain US circuits adopt a similar benchmark to establish that a shape mark is distinctive enough to be treated as independently distinctive (i.e. infringement is not avoided by use of additional distinguishing marks) within the context of infringement by dilution.[223] Both tests require evidence that rather than simply associating the product shape and source, consumers use (rely upon) the shape to inform their purchasing decisions *because* they want to purchase a product from that particular source. This approach seems consistent with general trade mark CJEU jurisprudence which states that acquired distinctiveness requires evidence that 'the relevant class of persons… *identifies* goods… as originating from a particular undertaking *because of* the trade mark in question.'[224]

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[222] Indeed, in T-508/08 *Bang & Olufsen*, use of Look-for adverts backfired, and were seen as indicative that the product's appearance was a selling point which added substantial value to the goods.
[223] Section 4.2.2.2, Chapter 3.
[224] C-217/13 and C-218/13 *Oberbank* ECLI:EU:C:2014:2012,[41]-[42]; the sign must have a 'certain and definitive [trade mark] meaning in the minds of the relevant consumers.'

It is submitted that of the three alternatives considered, this approach is best-suited for regulating overlaps between the two protection regimes since it seeks to distinguish between the goodwill associated with the *product*, and the goodwill associated with the *producer* embodied in the product shape.[225] Although trade mark applicants are unlikely to favour this approach, because it sets the highest hurdle to protection, it is reasonable to question how acquired distinctiveness measured on this basis is demonstrated. In the UK, the Court of Appeal has indicated that evidence of reliance would demonstrate distinctiveness has been acquired, but the Court seems open to the possibility that there might be other ways to show that product shape is perceived as a badge of origin.[226] Once tribunals and applicants share a clear conception of what exactly 'distinctiveness' is trying to measure, appropriate forms of evidence should become established over time through practice. It is hoped, therefore, that if and when the matter comes before the CJEU again, the Court will endorse the Court of Appeal's analysis that in *Nestlé* that the 'trade mark' use requirement should be interpreted as meaning more than merely having sold goods made in that shape.

Demonstrating that a shape mark is a 'badge of origin' will be most straightforward where protection is sought for a 'capricious addition',[227] such as the car bonnet mascots mentioned in Chapter 1, as well as the guitar headstocks discussed in Chapter 4. The more readily consumers can distinguish conceptually between the 'mark' and the 'goods', the more likely it is that consumers will perceive the shape as indicating source, rather than being integral to the purchased product. 'Look-for' adverts work best for these types of marks too. In terms of potential overlaps, trade mark protection covering the shape of *part* of a product is far less likely to be detrimental to competition than protection of a product shape in toto.

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[225] *Kellogg Co. v. National Biscuit Co.* 305 US 111 (1938).
[226] *LTC v. Frazer-Nash* EWCA, [60]-68].
[227] In C-299/99 *Philips*, [49]-[50], the CJEU rejected that a shape mark must be an additional embellishment.

3.3 Recognising Repute?

Distinctiveness is an essential precursor to building renown. Alternative conceptions of 'distinctiveness' have ramifications for whether and when a shape mark is deemed renowned. This is illustrated by a further dispute involving the *DENTASTIX* product, considered earlier in Case Study 1.

3.3.1 Case Study 3: *Mars v. Gedon*

In 2004, Mars filed an EUTM application for the *DENTASTIX* chew shape in respect of a range of goods including 'edible chews'.

<table>
<tr><td>  </td><td>  </td><td>  </td></tr>
<tr><td>Registered Design
BX352535-01/03 (2002)</td><td>EUTM No. 003844164
(2004)</td><td>Gedon's Product
(2014)</td></tr>
<tr><td>The Products</td><td>  </td><td>  </td></tr>
<tr><td colspan="3"> 
Design Corpus 2002</td></tr>
</table>

The mark was accepted as inherently distinctive and registered a few months later. In 2014, Mars commenced proceedings before the Commercial Court of Brussels against Gedon Pet NV,[228] alleging trade mark and registered design infringement based upon Gedon's sale of competing dog chews.

[228] Case No. A/14/02029 *Mars v. Deters & Gedon NV* (Tribunal de Commerce de Bruxelles) of 29/10/2014.

In terms of the EUTM, despite distinctively different packaging, Mars alleged that the defendant's product was a deliberate attempt to confuse consumers and to 'ride on the coat-tails of the reputation and recognition enjoyed by the x-shape among the public as originating from the claimants.'[229] Gedon counterclaimed that the EUTM was non-distinctive and thus invalid, and further contended that its product shape was sufficiently different to be distinguished from the earlier design and trade mark registrations because of the functional nature of the product shape.[230]

The Brussels Court first considered the allegation of invalidity. It was satisfied that the protected shape represented a significant departure from the norm.[231] Although Mars had argued in the earlier design proceedings that the cross-sectional shape of its product would go largely unnoticed by consumers, it now identified this aspect as a significant feature. The Court accepted the x-shape was a distinctive and 'arbitrary element' which would enable consumers to identify the product and distinguish it from other makes of chew. The decision simply notes the Court's view that the shape's essential characteristics are not dictated by function without any deeper analysis.[232]

In terms of confusion-based infringement, the court compared the shape as registered and the sign 'as used' on a like-for-like basis. In terms of visual similarity, the Court identified the dominant features of both products as their elongated shape and the X-shaped cross section produced by the four prongs. While noting that the protected shape mark was regular along its length, whereas the prongs of the Geldon chew were curved and varied in size, the Court concluded that the two shapes were visually similar.[233] In this regard, the protected mark was deemed to enjoy an enhanced level of distinctiveness, since Mars (armed with its registered designs) was the only company selling multi-pronged dog chews.[234] As the parties' goods were

[229] *Mars v. Gedon*, p.6.
[230] Ibid.
[231] Ibid, pp.9-10, defining the 'norm' as the shape most likely to be adopted by competitors, or those which most obviously come to mind.
[232] Ibid, p.10. The registration was not challenged as functional under Art.7(1)(e)(i), probably because the litigation took place before *Hauck*.
[233] Ibid, p.14.
[234] Ibid.

taken to be identical and the average consumer's level of attention presumptively low,[235] the Court found a strong likelihood of confusion. From the text of the decision, it is unclear whether the Court took the context of the unauthorised use into account, i.e. the fact that consumers would encounter the goods in very different packaging, each bearing additional branding. In particular, while the Mars packaging illustrates their product 'end-on', the Gedon packaging does not. As the Gedon goods were visible through the packaging, the elongate, bone-shaped aspect which was most prominent.

The Court also considered infringement based upon the claimed EUTM's repute. Applying the CJEU's test in *Pago*,[236] reputation was assessed based upon the product's market share and associated promotional expenditure, plus the geographical extent and duration of use. The Mars product had enjoyed considerable commercial success in the ten years since its launch, and was market leader for tartar-preventing dog chews. It held a 60% market share in Belgium. The Court concluded that the shape mark enjoyed a significant reputation.[237] Having already found the two shapes to be visually similar, it determined that the link required by Article 9(1)(c) was present. 'The more consumers are confronted with the distinctive X-shaped mark …the more that image is kept in mind, the easier consumers will make a connection with or think of DENTASTIX when faced with a new similar product that also has four (similar) prongs.'[238] Having established the necessary association, the defendants' use was held to have taken an unfair advantage of the distinctive character and repute of the mark without due cause. The Court saw no plausible explanation for the choice of product shape other than 'as a deliberate attempt to make consumers establish a quick and strong association with *MARS DENTASTIX*, the only other four-pronged product on the market.'[239]

[235] Ibid, p.13.
[236] C-301/07 *PAGO* ECLI:EU:C:2009:611.
[237] Ibid, pp.15-16.
[238] Ibid, p.17.
[239] Ibid, p.18.

Finally, the Court turned its attention to the infringement allegation relating to Mars' registered design. The defendant claimed that the difference in product shape *would* be evident to the informed user, particularly as design freedom was constrained by the task of providing 'optimal cleaning of the interdental spaces.'[240] The Court favoured Mars' counter-arguments. Contemplating 'fast-moving and inexpensive consumer goods, hastily purchased by consumers and grabbed from shelves in their packaging from the supermarket',[241] the Court concluded that an informed user would not make a direct comparison of the two product shapes, but rather assess visual similarity based upon recollection. Pointing to the wide range of chew shapes in the design corpus at the time of Mars' filing, the Court concluded that design freedom was unconstrained: 'even if the designer would …have to use prongs, then there are dozens of ways to shape those, let alone that the designer would be forced to use exactly four prongs.'[242] Unsurprisingly, based upon this reasoning, the Court concluded that these 'minute' differences in product appearance failed to create a different visual impression overall.[243] The Gedon product also, therefore, infringed the registered design.

In reaching this conclusion, the Belgian court replicated the flawed approach of the Board of Appeal in Case Study 1, above. By assimilating the 'informed user' to an end-user having average consumer-like characteristics, differences in detail were overlooked. Design infringement seems to have been predicated upon the general similarity of the product configurations: the Gedon product looked more like the Mars product than it resembled the 'norm'. Likewise, the Court paid only lip service to the intrinsic function of the protected design, because it failed to reflect on how straightforward it would actually be to replicate the concept of the *DENTASTIX* chew without replicating its appearance to some extent. Objectively, even if the Court had undertaken the 'proper' evaluation, it is still debatable whether Gedon had made

[240] Ibid, p.20.
[241] Ibid.
[242] Ibid, p.21.
[243] Ibid, p.22.

sufficient changes to afford its product shape individual character. However, it is arguable that the waisted 'bone' shape is visually noticeable, when compared to the evident uniformity of the protected design. While trade mark infringement is based upon *similarity*, design infringement requires the shapes to produce the *same* overall visual impression.

There are three additional points which the Study demonstrates. Firstly, the Court concluded that the mark was strong because there were no other multi-pronged chews on the market at the relevant date. This is an example of the 'bootstrapping' discussed in Chapter 5.[244] Mars retained this market exclusivity by enforcing its registered designs against would-be competitors. Had the EUIPO Board of Appeal, in Case Study 1, permitted Paragon 5-pronged design to co-exist, then this may have paved the way for other competitive emulations, and the invalidity and infringement of Mars' shape mark might have been determined differently.

Secondly, the case exemplifies how straightforward it can be for a shape mark holder to establish repute, once the shape mark is accepted to be inherently distinctive. Although Mars' mark comprises a basic product shape, designed with specific utility in mind, the registration now enjoys a wide scope of protection for an unlimited period. This strong position has been secured based upon circumstantial evidence of commercial success and promotion under the prominent *PEDIGREE* and *DENTASTIX* brands. No evidence appears to have been adduced that the product shape is either used *or* perceived as an independent badge of origin. It is submitted that by failing to interrogate rigorously whether the product shape was a distinctive badge of origin, the Belgian Court confused a well-known, but arguably generic, product form with a reputed mark.

Once a shape mark is recognised as having reputed status, product emulation can be prevented independently of any origin confusion. Mars' shape mark could be enforced to prevent sale of competing products which are similar enough that

[244] Section 5.3, Chapter 5.

consumers will call the x-shaped chew to mind. In this scenario, there ceases to be any meaningful difference of roles between design and trade mark law. Both protect the right-holder's interest in preventing visual imitation of the product shape. Protecting shape marks against dilution creates indefinite design protection, but without the safeguards built into design law. In this example, although a shape might be largely 'technical', unless caught by the technical shape exclusion, there is no obvious mechanism for tribunals to take design freedom into account.

Overall, Mars has successfully leveraged the shape protection available to secure a product monopoly. Those wishing to offer a competing product which offers 'cleaning of canine interdental spaces' will need to undertake product development before they are able to offer consumers a product which not only offers equivalent utility, but looks different enough to avoid trade mark infringement. In this way, shape mark protection is incentivising innovation. By failing to adhere strictly to the protection rationales of first design, and then trade mark law, tribunals have contrived to grant Mars an everlasting 'back door' patent – an outcome which undermines the overall coherence of the IP protection regime.

Thirdly, this case study also demonstrates how readily EU design protection becomes redundant once EU shape mark protection has secured, since product variants which are different enough to create a different overall impression to the informed user may still be confusingly similar to the average consumer. Once the Belgian Court concluded that the shape was highly distinctive and reputed, trade mark infringement seemed inevitable. Even had Gedon avoided design infringement, the company could not sell the product without infringing the EUTM. As we have seen, this is an area where the outcome pursuant to EU law and US law is likely to diverge.[245] Because labelling may be used to dispel point-of-sale confusion in the USA, design law remains the dominant protection of the two for product forms. In particular, design law determines the degree of modification required for subsequent

[245] E.g. *LA Gear*, discussed in Section 4.2, Chapter 5.

products. If a new product enjoys commercial success, there may be a reasonable expectation that the product will face competition from 'me-too' products. Provided these commercial rivals are different enough to be novel according to US design law, they may compete with the original design. Accumulating market power on the back of a commercially successful design would appear more difficult to achieve under the US regime.

As EU tribunals have shown no inclination to adopt the US approach to product labelling in trade mark law, it is submitted that requiring acquired distinctiveness would serve to retain a distinct role for EU design protection. Then, product shapes only become registerable as shape marks once they have been used for a significant period and have enjoyed a reasonable level of success. Unless and until trade mark distinctiveness has been acquired, it is design law which regulates degree of variation for permitted competitive imitations. During this period, lawful (fair) competition would be measured by design law's lower thresholds. Then, it might be reasonable to presume that a product shape which has enjoyed a period of commercial success, but has failed to attract competitive imitation is providing little functional benefit or adding minimal (non-origin-related) consumer value to the goods. It then becomes far more reasonable to infer that product shapes which are recognised and associated with a single source *are* serving a trade mark function. In this way, delaying trade mark protection enables design law to serve as a discriminating filter to arbitrate when subsequent trade mark protection is warranted. The two forms of protection cease to be largely interchangeable.

Finally, Case Study 3 serves to reinforce the concern identified in Chapter 1, that trade mark protection against dilution lacks a solid theoretical foundation. Duplication of anti-dilution protection by the two regimes for 'reputed' shape marks is simply one consequence of this unprincipled expansion of protection. However, the fact that over-protection of this kind is foreseeable suggests that careful consideration is needed at the initial stage when determining whether, or not, a

product shape is distinctive. This consideration reinforces the stringent interpretation of distinctiveness advocated in the previous section.

3.4 Scope and 'Functionality': A Lesson from Design Law

Case Study 3 verifies that the concern that EU trade mark law might afford near-functional product shapes over-broad scope[246] is not wholly theoretical. Once registered, likelihood of confusion is based upon visual similarity assessed from the perspective of the average consumer. It is not evident how consumer-based tests could accommodate contemplation of the origins behind visual similarity, except in the scenario where, e.g. technical design constraints already manifest in standardisation of the product norm. Similarly, consumers might be unaware of the market ramifications of reporting that one product shape is reminiscent of another. A possible solution is proposed here, based upon the approach adopted in the two UK shape mark infringement cases, *Whirlpool* and *LTC*, discussed in Chapter 4.

In *Whirlpool,* the trial judge noted that an EUTM registration 'cannot validly deprive third parties of the right to use signs of the kind specified in Article 7(1)(e).' Then, although the judge identified that the considerations underlying the shape exclusions were relevant to assessing similarity between product shapes, he provided no further explanation.[247] On appeal, there was much debate concerning what the trial judge might have meant by these comments, but without any clear resolution.[248] Although the judge outwardly eschewed a normative approach,[249] one plausible interpretation is that the shape exclusions should moderate the degree of visual 'similarity' which should be tolerated. It seems that a similar link between functionality and scope is evident, if unarticulated, in the trial judge's reasoning in *LTC*.[250] In reaching his conclusion that there was no likelihood of confusion or

[246] Section 4.2, Chapter 5.
[247] *Whirlpool* EWHC, [78].
[248] *Whirlpool* EWCA, [120]-[124].
[249] *Whirlpool* EWHC, [70]: 'I am aware that in some Member States the average consumer test is regarded as a means for determining the scope of protection on a 'normative'…basis. …The appropriate scope of protection is a matter of law, not a matter of fact… I therefore think that the appropriate scope of protection should in each case be determined with as great a sense of reality as the circumstances of the case will allow.'
[250] Section 4.1.2.1, Chapter 4.

association between the two, ostensibly similar-looking taxis, Arnold J. seems to have discounted the similarity which resulted from the 'nature' of these goods. For example, the judge took trouble to explain that as the appearance of London taxis is regulated, vehicles only gain official approval if the public will recognise them as a 'London black cab.' In other words, as design freedom is limited, a level of standardisation of appearance is inevitable. Thus, when assessing similarity between the registered shape and the defendant's vehicle, the relevant question was not whether the latter looked like 'a licensed London taxi', but rather whether it conveyed the impression of 'an LTC black cab.'[251]

The reasoning in the *LTC* and *Whirlpool* cases seems highly reminiscent of the 'squeeze' arguments relied upon in design infringement cases which force right-holders to elect between non-infringement and invalidity. Similarly, the right-holder's claims in *Whirlpool* that functionality is relevant to validity of the registration only, and has no role in defining the scope of a validly protected shape, echoes the now-settled *Richardson* design debate in the USA.[252] Thus, trade mark law may be able to learn a valuable lesson from design law in this regard.

As we have seen, EU trade mark law already acknowledges that normative factors have a role to play in determining scope, since CJEU case law established that trade marks ought to enjoy different scope depending upon whether they are 'strong' or 'weak'.[253] It is submitted that this model can be utilised to ensure that trade mark law does not afford exclusive rights which are of such broad scope that it would be anti-competitive.[254] Article 7(1)(e) - like Article 7(1)(b) and (c) - EUTMR is concerned with the public interest in keeping certain signs in the public domain.[255] This aim is thwarted if trade marks for *almost* functional shapes enjoy a scope of protection broad enough to preclude others from commercialising wholly functional shapes, even if consumers might find the two shapes confusingly similar.

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[251] *LTC* EWHC, [259]
[252] Section 5.2, Chapter 3.
[253] Section 4.1.1.1, Chapter 4.
[254] C-468/01P-C-472/01P *Procter & Gamble*, [72].
[255] Section 4.1; C-163/16* *Louboutin v. Van Haren Schoenen BV* ECLI:EU:C:2017:495,[27].

The *degree* of functionality should serve as a measure of the strength of a shape mark in the global appreciation tests of trade mark infringement. In other words, it is proposed that the closer the protected shape mark approximates to an excluded shape, the 'weaker' the mark is, and the narrower the scope of protection should be.[256] In this way, trade mark law would adopt the same inversely proportional relationship between scope and functionality which is evident in design law. This approach would rein in the potentially broad and expanding scope which shape marks might otherwise enjoy, which risks undermining the pro-competitive rationale which provides the justification for trade mark protection.[257]

An incidental benefit is greater harmonisation between design and trade mark protection of product shapes. This proposed interpretation respects the origin function of a shape mark, while mitigating against the risk that trade mark rules will be applied to cut across design law principles. The objectives of the two regimes are thereby balanced in a fair and proportionate manner. Just as design law takes account of functional constraints, so trade mark law should tolerate greater visual similarity when freedom to develop a 'functional equivalent' is limited. This is not because consumers are necessarily less likely to be confused where design freedom is limited, but because failure to limit the scope of trade mark protection in these circumstances is likely to be detrimental to fair competition. Trade mark protection of functional shapes equates to legal protection of market share.[258]

Shape marks illustrate why anti-dilution protection of trade marks is problematic, since erosion of market share arising from use of a similar sign *is* the judicial test for actionable blurring.[259] This suggests that where 'fame' or 'repute' of the shape mark is claimed and sufficient similarity is found, careful scrutiny is required to ascertain whether it is possible to compete with the trade mark holder

[256] See *Whirlpool* EWHC,[80]: While the Kenwood mixer design was '*Kitchenaid*-ish', there was 'little scope to deviate from the paradigm form' such that the degree of resemblance between the product was insufficient to 'impinge upon the distinctiveness of the trade mark.'
[257] Section 3.2, Chapter 1.
[258] C-210/03 *Swedish Match v. Secretary of State for Health*: 'No economic operator can claim a right to property in a market share … [which] constitutes only a momentary economic position exposed to the risk of changing circumstances' cited in *Whirlpool* EWHC, [80].
[259] Section 4.2.1.1, Chapter 4.

without replicating the product's appearance to that degree. If not, then the shape mark might be famous, but functional. While trade mark law lacks the exact balance between validity and scope which is present in design law, by considering competitive concerns during evaluation of validity *and* scope, trade mark law's treatment of product shapes would better complement, rather than clash with, design law's approach.

Design law's low protection threshold reflects the human brain's ability to differentiate between visual images far more readily than it distinguishes text.[260] As a result, 'we can identify a product which we have used before based upon visual appearance alone, but [we] may not remember information we read about the product.'[261] This asymmetry implies that assumptions of similarity and confusability in trade mark evaluations based upon imperfect recollection of traditional word-based marks are inappropriate when assimilated to product shapes. Additionally, it suggests that it is not that unfair to afford shape marks a relatively narrow scope of protection. Harm to the origin function of a distinctive shape mark may be avoided despite relatively modest degrees of variation in competitive products, and protection of 'repute' may have little practical application beyond origin-confusion, where distinctiveness is confined to one type of goods.[262] In short, constraining the scope of shape marks within the bounds provided by the functionality exclusions should reduce the risk of regime clash, while still cohering with trade mark law's traditional objectives.

4. *Hauck v. Stokke* – An Opportunity to Recalibrate

Drawing these strands together, it is submitted that the CJEU's *Hauck* decision should be taken as an opportunity to recalibrate EU trade mark law. Having equipped Article 7(1)(e) EUTMR exclusions with a wider 'purposive' role, based upon a 'competitive

[260] Townsend and Sood 2016, p.86 cited in Design Professors' Amici Brief 2016, p.19.
[261] Ibid.
[262] *Whirlpool* EWHC,[87] links the degree of 'similarity' required for infringement to the shape's limited distinctiveness, 'there being only a relatively narrow range of variation' from the protected shape 'which the distinctive quality would…be maintained.'

need'[263] to keep free, this aligns the role of the exclusions directly with the interests underlying the interpretation of 'distinctiveness' which the CJEU has already articulated. Having made this link between Articles 7(1)(b),(c) and (e) EUTMR more explicit, it would be timely and appropriate to recalibrate the distinctiveness criterion for product shapes.

As a first step, in relation to inherent distinctiveness, EU trade mark doctrine should adopt the same divide between product and packaging shapes which the US Supreme Court introduced in *Wal-Mart*. Rather than placing emphasis upon the degree of deviation from the norm, it is proposed that the distinctiveness examination should focus instead upon the rationale underlying that test: i.e. the fact that 'consumers do not normally make any precise connection between the three-dimensional shape of a particular product and that product's particular origin'.[264] This is adequate basis to require acquired distinctiveness in all product shape cases. Product shapes (however unusual) should be presumed to be devoid of distinctive character, optimally by treating them as self-descriptive.[265] In effect, any product shape which is not specifically excluded by one of the Article 7(1)(e) functionality exclusions should be deemed to be at least capable of acquiring a distinctive character, but this would need to be based upon use *as a trade mark*, or 'badge of origin.'

While this stipulation would might require a change of tack by the CJEU, the Court of Appeal of England and Wales has held that the current law on this point is not *acte claire*, and indicated that a future reference to the CJEU *is* required.[266] The interpretation proposed here is compliant with Article 15(1) TRIPS, and consistent with the US test as well as established EU jurisprudence in colour mark cases. The recent revision to expand the scope of Article 7(1)(e) EUTMR in October 2017[267] to

[263] Here, 'competitive need' should not be interpreted narrowly, as in e.g. *Morton-Norwich*.
[264] C-136/02P *Mag Instrument v. OHIM* ECLI:EU:C:2004:592,[27].
[265] Acknowledging that a product shape is *prima facie* descriptive would undergird the relevance of the 'descriptive use' defence of art.12 EUTMR to shape marks, see Chapter 4, Section 4.3.
[266] *LTC v Frazer-Nash* EWCA, [42].
[267] Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark.

encompass marks other than shapes might be another suitable catalyst for a re-evaluation by the CJEU. Since it is now possible to refuse colour marks on the basis that they are 'functional', it becomes even more difficult to understand why the Court's finding in *Libertel* (requiring acquired distinctiveness in all cases for single colour marks on the basis that consumers cannot be presumed to make a connection between the colour of goods and their origin)[268] is not equally applicable to other non-conventional marks, including product shapes. The revised scope of Article 7(1)(e) seems to acknowledge that the potential for anti-competitive depletion[269] exists in both cases.

In line with this recalibration, it is proposed that trade mark courts and tribunals within the EU should take account the degree of functionality into account, ideally as a measure of the mark's 'strength', in the likelihood of confusion analysis.[270] This standard considers the extent to which design freedom is constrained by the need to replicate features which consumers are likely to seek in competitors' products, irrespective of whether these are technical, useful, natural or attractive. Although this adjustment will rein in the scope of protection which shape marks enjoy, this is necessary to ensure that the scope of protection does not expand to encompass product shapes which fall within the shape mark exclusions. These shapes should remain free for all to use, once all other IP protection has expired.

It is submitted that this approach offers a balanced interpretation of EU trade mark law, having regard to embedded protection rationales, as well as the foundational principles of fairness and proportionality, which necessitate a balancing between private property rights on one hand and freedom of competition on the other. This approach is also consistent with the recent revision to EU trade mark legislation which recognises that trade mark rules must 'be applied in a way that

[268] C-104/01 *Libertel*, [66].
[269] C-104/01 *Libertel*, [44]-[60].
[270] This also alleviates the concerns expressed in Senftleben et al 2015 regarding the lack of a 'functionality' defence to trade mark infringement.

ensures full respect for fundamental rights.'[271] Firstly, distinctiveness of shape marks would be assessed using the same approach which is adopted for other types of marks, based upon the perspective of a 'blended' average consumer which takes account of normative concerns whilst being alive to market realities. Trade mark tribunals would no longer be required to measure distinctiveness in terms of the quantum of the shape's deviation from 'kindred art', which would seem more fitting for evaluating a registered design.[272] Secondly, requiring a trade mark applicant to provide evidence demonstrating how their mark is used for the purposes of demonstrating distinctiveness also provides a mechanism for assessing whether one of the shape exclusions is appropriate. The more the shape mark applied for approached an excluded functional shape, the more compelling the evidence of acquired distinctiveness would need to be. Additionally, greater reliance upon the shape exclusions would facilitate debate concerning when protection is likely to afford an applicant an unfair competitive advantage. 'Spelling this out more openly', as Kur identifies 'would add transparency to a line of jurisprudence that otherwise appears as nebulous and inconsistent.'[273] Finally, but of equal significance, adopting an approach which is more consistent with the treatment of product shapes under design law mitigates against many of the concerns identified in this thesis regarding potential over-protection, bootstrapping and regime clash.

[271] Recital 21 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark. CJEU case law in the field of copyright has held that balancing of fundamental rights should take into account the principle of proportionality, see e.g. C-275/06 *Promusicae* ECLI:EU:C:2008:54, [58]. Although 'freedom to conduct business' rather than 'freedom of competition' is recognised as a fundamental right , the CJEU has held that trade mark law should not extend to protect 'practices inherent in competition' (C-323/09 *Interflora* ECLI:EU:C:2011:604,[57]), in order to support a system of undistorted competition. See also Senftleben et al 2015.
[272] To similar effect, see MPI Report, [2.27].
[273] Kur 2014, p.30.

Conclusions

This thesis considered the question: to what extent is EU law governing the registration of 3D product forms as trade marks and designs 'in good shape'? In a coherent scheme, each protection regime should have a distinct and identifiable role. The legislative/institutional challenge is to develop a model which avoids unnecessary duplication of protection while permitting each regime to function in a principled and complementary manner.

In addition to answering the primary research questions, by demonstrating how existing legislation yields interpretations which either exacerbate or mitigate against the concerns identified, this thesis provides a template for evaluating other IP overlaps in future research. For example, as EU-harmonised design law permits greater protection of 2D designs, it has created more scope for overlap between protected designs and 2D marks, such as logos and devices, which could be analysed using the same four-criteria matrix (subject matter, exclusions, protection threshold and scope). There is further potential to extend this general framework to incorporate the national interpretation of the same harmonised EU law by additional EU member states, as well as related national law in the field of unfair competition/passing-off. Additionally, the comparative law methodology could be extended to encompass the law in other non-EU jurisdictions, while the multi-dimensional comparative methodology might also be extended to analyze other IP overlaps.

We first considered the basic concepts and established a normative foundation for design and trade mark protection. Design and trade mark law are the least theorized of the mainstream IP rights. Additionally, IP theorists have paid little attention to the impact of IP overlaps. Chapter 1 sought to develop a normative model of protection. It identified potential difficulties when product shapes became eligible for protection under both regimes because of the common economic rationale

for protection. The thesis proposed that, in instances of mid-level regime clash, it is necessary to appeal to foundational deontological principles of fairness and proportionality. Also, regulation of overlaps between regimes to avoid duplication of protection formed part of the 'overlapping consensus' where there is convergence of normative rationalisations.

Comparative analysis of EU design and trade mark law viz-a-viz US law was undertaken in Part II. We identified areas of consensus as well as areas of uncertainty. In terms of design law, despite the different protection criteria, we saw a general convergence regarding the kinds of product shapes which EU and US design law will protect. Although US design law includes non-obviousness, a qualitative criterion having no functional equivalent in EU law, it has proved problematic to develop a workable test, and its current incarnation denies protection to very few otherwise eligible designs. Neither jurisdiction has resolved the extent to which technically functional subject matter should be protected. However, there is growing consensus that design freedom, or the degree of technical functionality, should fine-tune the degree of similarity of appearance which should be tolerated. It was seen that reciprocity between the validity of a protected design and its resultant scope is a fundamental aspect of design law.[274]

Trade mark protection is more disparate, both in terms of the criteria which should be adopted to differentiate between protectable and non-protectable product shapes, and with respect to the scope which registered shape marks should enjoy. EU and US law were seen to diverge. In the USA, shape mark protection is restricted to distinctiveness acquired through trade mark use. EU trade mark law, in contrast, will protect some shape marks as inherently distinctive, while others will acquire a distinctive character based upon use, but without necessarily requiring use as a 'badge of origin'.[275] While parallels can be drawn between the EU shape 'functionality'

[274] Section 6, Chapter 3.
[275] Section 3.2.3, Chapter 4.

exclusions and the US doctrine of functionality, closer examination reveals differences in their likely application.[276]

Although shape marks are entitled to protection, US law affords them practically little independent scope, since the context of unauthorised use is a key factor in the likelihood of confusion analysis. Use of additional marks or labels is likely to dispel any origin-based confusion attributed to similarity of product appearance. In this context, few shape marks will become famous marks and enjoy anti-dilution protection which would preclude competitive emulation. In terms of scope, once registered, EU shape marks are treated as independently distinctive marks, and might go on to acquire additional strength and repute. Third-party use of additional labels or other distinguishing brands might provide context to evaluate the likelihood of confusion, but this seems unlikely to be determinative and permit competitive use, if sufficient visual similarity with the protected shape mark is established. Thus, while EU-harmonised trade mark law has embraced established US practices such as anti-dilution protection and protection of product shapes, it has done so without explicitly incorporating comparable limitations upon the scope of such rights.[277]

Chapter 5 sought to compare the two IP protection regimes directly and comprehensively, firstly to identify the key distinctions between the types of product shapes which would be eligible for protection; and secondly to consider the extent to which the two regimes overlap. We saw that novelty of the shape (design protection) and consumer perception (trade mark protection) were the main factors which distinguished between the two regimes. Otherwise, the vital distinction is that design law will protect more modest increments and afford a narrower scope of protection than trade mark law. While overlap between the regimes was regulated to some extent by the functionality exclusions in trade mark law,[278] it was shown to be problematic in several respects. Foremost amongst the concerns identified are the potential for trade mark rights to yield anti-competitive outcomes and the risk that

[276] Section 2.3, Chapter 4.
[277] Section 5, Chapter 4.
[278] Section 2.4, Chapter 5.

design law's carefully crafted balancing becomes subsumed within trade mark law's broader scope.[279]

Chapter 6 advanced proposals to address the concerns identified in Chapter 5. The first part of the discussion proposed that 'regime creep' could be avoided by ensuring that instances where the same subject matter should be treated in the same way are distinguished from instances where the protected rights are assessed using regime-specific norms. Specifically, in design cases, mixing the informed user's comparison with an 'average consumer'-based approach; or failing to consider the design constraints facing the designer of the RCD in question (rather than overarching constraints imposed upon a more general class of products) should be avoided. Either will produce design rights with a disproportionately broad scope of protection relative to enhanced marketability arising from the product's appearance. In contrast, permitting the scope of design protection to be influenced by events occurring after the priority date might achieve insufficient scope. Design protection then ceases to offer an efficient incentive.[280] To address the latter concern, it was proposed that (akin to EUTM and US design applicants[281]) RCD applicants should be entitled to submit written statements to accompany their visual representations to outline the scope of protection claimed, particularly where visual disclaimers are insufficient.[282]

Additionally, since trade mark and design protection share the same economic product differentiation rationale, it was proposed that their 'technical' functionality exclusions should be aligned. Patent law alone[283] should provide the incentive for technical innovation, while design law supplies the incentive for creating product appearances which appeal to a variety of consumer tastes. It was argued that this solution preserves the structural integrity of the overall scheme of IP protection.[284]

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[279] Section 5, Chapter 5.
[280] Section 1, Chapter 6.
[281] As well as applicants for *national* registered designs in some EU member states, including the UK.
[282] Section 2.2, Chapter 6.
[283] Including any second-tier patent-like protection, e.g. utility model protection, assessed using technical, rather than visual criteria.
[284] Section 2.1, Chapter 6.

The second part of Chapter 6 considered alternative interpretations of 'distinctiveness', and delineated their further implications for the scope of protection. As distinctiveness is the essence of a trade mark, it is vital that we can distinguish between a (mere) product shape and a shape mark. Otherwise, shape mark protection will yield no net positive social effects. Distinctiveness also provides the conceptual and doctrinal foundation for 'repute' and 'strength', both of which are factors which widen a shape mark's scope. In light of this analysis, it was proposed that shape marks should be registered based upon acquired distinctiveness only, as in the USA. The CJEU's current test for inherent distinctiveness of product forms[285] should be rejected as lacking support in either traditional trade mark protection rationales or in empirical evidence. It results in over-protection and regime clash with design law.[286] Distinctiveness based upon bare use resulting in recognition and association was also rejected. This fails to distinguish between shape marks which are serving as badges of origin, and those which give rise to non-trade mark related associations. Instead, it is proposed that the CJEU should endorse the English Court of Appeal's approach, emphasising use as a 'badge of origin'. While this approach incidentally serves to minimise the degree of overlap between the design and trade mark regimes, this is the natural corollary of treating shape marks in the same way as conventional trade marks. Unless consumers are educated to 'use' product shape to determine source, the shape cannot be presumed to be fulfilling an origin-related function, and shape mark protection serves only to reinforce the market power enjoyed by commercially successful products.[287]

Finally, it was proposed that the scope of a shape mark should be moderated by indexing its 'strength' to the inverse of its 'functionality'. In other words, the closer that a protected shape mark resembles one which is excluded by Article 7(1)(e) EUTMR, the weaker it should be deemed to be, and the narrower the scope of

[285] As in *Wal-Mart* in the USA, the CJEU's test might be suitable for determining the inherent distinctiveness of product packaging.
[286] Section 3.2.1, Chapter 6.
[287] Section 3.2.3, Chapter 6.

protection it should enjoy. Then, the degree of similarity which is tolerated between shapes is self-adjusted to take account of design constraints imposed by competitive market conditions. In this way, trade mark protection of product shapes incorporates a similar reciprocity which is evident in design law and in doing so, mitigates against overprotection and the risk of regime clash between the two protection regimes. Just as normative factors[288] condition the shape marks which are validly registered, so should they de-limit the resultant scope. This is a proportionate and balanced approach which preserves protection of the origin function of the mark whilst still ensuring that the scope of protection does not extend to encompass product shapes which fall within excluded subject matters. These categories of shape should become available for all to use once all other IP rights, including design protection, expire.[289]

Ultimately, the aim of trade mark protection is to promote fair competition by balancing all the competing interests at stake, considering the trade mark holder, the competitor and the consumer. Where regime clash arises from implementation of legal doctrine reflecting mid-level economic principles, the normative foundational principles must be applied to resolve the impasse. This thesis has argued that where the protected subject matter is a shape mark which may also enjoy protection as a design, it is fair and proportionate for the balance to tip against the trade mark holder,[290] in favour of free competition, consumer choice and maintenance of the public domain.

[288] Section 4, Chapter 6.
[289] Sections 3.4.4, Chapter 6.
[290] Sections 2.3 and 4, Chapter 6.

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