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LOGOS AND NO-GOS



NO BREAK FOR KIT KAT

On 11 June, Advocate General (AG) Wathelet of the Court of Justice of the European Union (CJEU) gave his opinion on certain questions referred by the English High Court regarding the registrability of the “Kit Kat” shape shown in the full article (the Mark) as a trade mark in the UK. AG Wathelet opined that the Mark could not be registered if one or more of its essential features was necessary to obtain a technical result. If the CJEU follows this opinion (which it usually does), this is likely to prevent Nestlé from being able to register the Mark since one of the essential features of the Mark, the grooves in the chocolate, is necessary to obtain the technical result of allowing the fingers of the snack to be separated. AG Wathelet’s opinion is a good demonstration of the difficulties of registering shapes as trade marks and provides a useful clarification of when a trade mark may have acquired sufficient distinctiveness to be registered.

BACKGROUND

The European Trade Mark Directive (on which the Trade Mark Act 1994 (TMA) is based) recognises that shapes can be registered as trade marks. Numerous shapes have successfully been registered in the past, including the shape of Toblerone packaging and the shape of the Coca-Cola bottle. In 2010 Nestlé applied to register the three dimensional, four fingered, shape below (the Mark) as a trade mark for its snacks. The application was opposed by Cadbury on the basis that, under the TMA a mark shall not be registered if:

- i. it is not distinctive of the applicant’s goods (s.3(1)(b) TMA); or
- ii. the shape which is sought to be registered is necessary to achieve a technical result (s.3(2)(b) TMA).

Although the Intellectual Property Office (IPO) initially accepted Nestlé’s application, on review, the IPO’s examiner agreed with Cadbury that:

- i. the Mark was not distinctive of Nestlé’s goods (viz. its Kit Kat bar) when compared to other chocolate bars; and
- ii. the shape of the Mark was necessary to achieve a technical result since its deep grooves allowed the fingers of the snack to be separated.

Nestlé appealed against the examiner’s decision to the High Court, arguing that the Mark:

- i. was distinctive of its Kit Kat bar (as evidenced by a survey in which over 90 per cent of people asked about the Mark mentioned Kit Kat in their responses); and
- ii. consists of various elements, not all of which were required to produce the technical result (for example, the size and shape of the chocolate “slab” and the number, depth and position of the separating grooves) and that the prohibition from registering shapes that obtain a technical result applies only to the manner in which the goods function – not in the way that they are manufactured.

QUESTIONS REFERRED TO CJEU

The High Court stayed proceedings between Nestlé and Cadbury to refer the following questions to the CJEU:

1. In terms of whether the Mark had become distinctive of Nestlé’s goods through use, was it sufficient for the public to recognise and associate the Mark with Nestlé’s goods, or was it necessary to prove that the public relied on the Mark alone (and not other features such as the Kit Kat name embossed on the bar or displayed on the packaging) to identify the snack’s origin? AG Wathelet considered that for the Mark to be eligible for protection, it must be capable of designating the origin of the goods by itself (i.e. without the logo on the bar or packaging) and without any confusion with a competitor’s goods (i.e. other similar shaped chocolate bars).
2. Where a shape consists of a number of essential features, only two of which are necessary to obtain a technical result, is registration of that shape as a trade mark precluded? AG Wathelet found that, if a mark consists of at least one essential feature which is necessary to obtain a technical result, it should be precluded from registration. It was irrelevant that the mark might contain other features which were not necessary to obtain a technical result.
3. Does the prohibition on shapes that achieve a technical result apply only to the manner in which goods function, or also to the method by which they are manufactured? In other words, if the goods are shaped as they are because it is necessary to manufacture them in a certain way, is this shape also precluded from registration? In AG Wathelet’s view, a mark must be precluded from registration if its shape is necessary to produce a technical result either in the way the goods function or in the way they are manufactured.

WHAT NEXT?

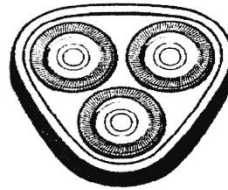
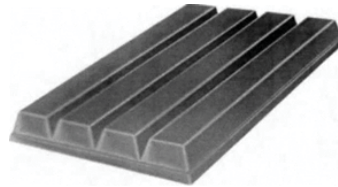
If AG Wathelet's opinion is followed by the CJEU it seems likely that, whether or not consumers associate the Kit Kat shape as exclusively identifying Nestlé goods, Nestlé will be precluded from registering the Mark because one of the essential features of this shape, the deep grooves, is necessary to achieve the technical result of separating the fingers of the bar.

The shape of a Kit Kat has remained largely unchanged since 1935 and, given the high degree of recognition of the Mark amongst consumers, some might find it surprising if Nestlé is unable to register this as a trade mark. However, AG Wathelet's opinion reflects the policy considerations behind the trade mark regime, namely, shapes whose essential characteristics are necessary to obtain a technical result should not be registered as this would effectively give the proprietor an indefinite monopoly over the manufacture of the underlying product.

For example, the shape of a coke bottle is registrable as a trade mark since its curved indentations are aesthetic and are not necessary incidents of the manufacturing process or a product of how the bottle is designed to function. In contrast, Philips was denied registration of its triple-headed rotor blade shape since the triangular layout of the rotors was necessary to obtain the technical result of ensuring that the blades overlapped.

Characteristics which are necessary to obtain a technical result are instead left to be protected by the law of patents since a patent provides a monopoly of only limited duration; whilst the distinctive triangular packaging of a Toblerone chocolate bar is registered as a trade mark, its manufacturing process (which, like the Kit Kat, allows its "peaks" to be separated) is patented.

If Nestlé is denied registration of this Mark it is likely to intensify the rivalry between it and Cadbury as it was only recently that Nestlé successfully opposed Cadbury's attempt to register the colour purple as a trade mark for its chocolate bars.



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