



Reports of Cases

OPINION OF ADVOCATE GENERAL
SZPUNAR
delivered on 14 May 2014¹

Case C-205/13

Hauck GmbH & Co. KG

v

Stokke A/S,

Stokke Nederland BV,

Peter Opsvik

and

Peter Opsvik A/S(Request for a preliminary ruling

from the Hoge Raad der Nederlanden (Netherlands))

(Trade marks — Grounds for refusal or invalidity of registration — Three-dimensional mark consisting of the shape of the goods — Directive 89/104/EEC — First indent of Article 3(1)(e) — Sign consisting exclusively of the shape which results from the nature of the goods — Third indent of Article 3(1)(e) — Sign consisting exclusively of the shape which gives substantial value to the goods — Tripp Trapp high chair for children)

I – Introduction

1. The issue of trade marks which are a reflection of the goods themselves is not new in intellectual property law. The documents drawn up in the World Intellectual Property Organisation (WIPO) show that as earlier as the mid-nineteenth century the French courts acknowledged the possibility of protection conferred by trade marks representing the shape of the goods themselves or their packaging. For example, in 1858 protection was conferred by a trade mark which was the shape of a chocolate bar.²

2. There is no doubt that the issues surrounding the registration of this type of sign are quite specific in nature. This is clear from the fact that the difference between the sign and the object which the sign indicates is blurred in that the object becomes the sign in relation to itself. In the context of trade mark law it is associated with the risk that the exclusive right arising from registration of the trade mark will be extended to certain features of a product expressed in its shape, which may consequently restrict the possibility of placing competing goods on the market.

1 — Original language: Polish.

2 — See the proceedings of the Seventeenth Session of the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (available at <http://www.wipo.int/policy/fr/sct/>). Legal opinion at the time observed that the registration of such signs should not give rise to doubt, with the exception of shapes which 'arise by force of circumstance' or are determined by production requirements. It also noted the possibility of accumulation with protection under the 1806 Law on industrial designs; see E. Pouillet, *Traité des marques de fabrique et de la concurrence déloyale en tous genres*, Paris, Marchal et Billard 1875, pp. 38 to 41. In interwar Poland Article 107 of the Law of 5 February 1924 on inventions, designs and trade marks expressly permitted the possibility of registering trade marks consisting of three-dimensional shapes.

3. That fact was taken into account in EU law on trade marks in that a special provision on signs representing the shape of goods was introduced. During the period to which the facts of the case relate the relevant provision was contained in Article 3(1)(e) of Directive 89/104/EEC.³

4. The issues raised by the Hoge Raad der Nederlanden (Supreme Court of the Netherlands) in the reference for a preliminary ruling concern a claim seeking a declaration of invalidity in respect of a three-dimensional trade mark representing a Tripp Trapp high chair for children. This case gives the Court its first occasion to interpret the scope of the two grounds for refusal contained in Article 3(1)(e) of Directive 89/104 which prohibits the registration of signs which consist exclusively of the shape ‘which results from the nature of the goods themselves’ (first indent of the provision) or ‘which gives substantial value to the goods’ (third indent).

II – Legal background

A – EU law

5. Article 3(1) of Directive 89/104, entitled ‘Grounds for refusal or invalidity’, provides:

‘The following shall not be registered or, if registered, shall be liable to be declared invalid:

...

(e) signs which consist exclusively of:

- the shape which results from the nature of the goods themselves, or
- the shape of goods which is necessary to obtain a technical result, or
- the shape which gives substantial value to the goods;

...’

B – Brussels Convention

6. Trade mark law in the Netherlands is laid down in the Benelux Convention on Intellectual Property, signed on 25 February 2005 in The Hague (‘Benelux Convention’). Article 2.1 of that convention, entitled ‘Signs capable of constituting Benelux trade marks’, provides:

‘...

2. However, signs solely comprising a shape which is imposed by the very nature of a product, which gives the product substantial value, or which is necessary for obtaining a technical result, may not be regarded as trademarks.’

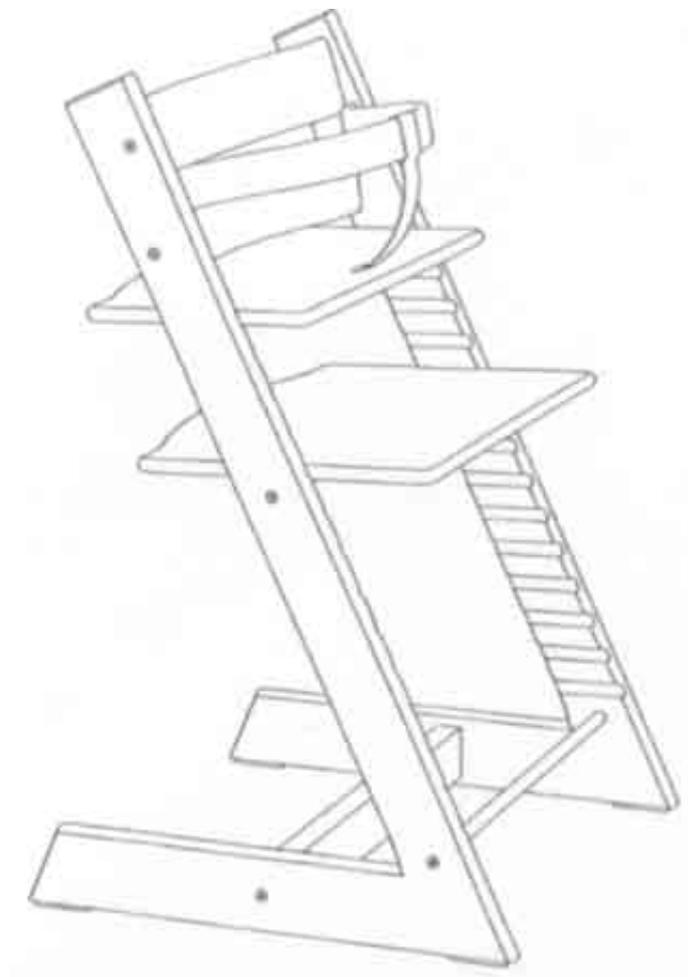
³ — First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1). That directive was subsequently replaced by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25). None the less, Directive 89/104 applies with regard to the facts of the case under consideration. In both legal acts the issue of trade marks resulting from the shape of the goods is governed by the provisions of Article 3(1)(e), which have an identical wording.

III – Main proceedings

7. In the early 1970s Peter Opsvik designed the Tripp Trapp high chair for children. That design was awarded various prizes and has been displayed in museums.

8. In 1972 the Stokke group, to which the two defendant companies in the main proceedings belong, that is to say the Norwegian company Stokke A/S and the Netherlands company Stokke Nederland BV, placed the Tripp Trapp high chair on the market. The intellectual property right to the shape at issue is also held by the other two defendants, Peter Opsvik and the Norwegian company Peter Opsvik A/S.

9. On 8 May 1998 Stokke A/S filed an application for a three-dimensional trade mark representing the shape of the Tripp Trapp chair with the Benelux Trade Mark Office. The application related to ‘chairs, including high chairs for children’ in Class 20 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended. That trade mark, registered under number 0639972 (‘the Tripp Trapp trade mark’), concerns the shape reproduced below:



10. The German company Hauck GmbH & Co. KG (‘Hauck’) manufactures and distributes children’s articles, including two models of high chairs for children named ‘Alpha’ and ‘Beta’.

11. Stokke A/S, Stokke Nederland BV, Peter Opsvik and Peter Opsvik A/S ('Stokke and Opsvik') brought a claim against Hauck before the Rechtbank 's-Gravenhage on the ground that sale of the 'Alpha' and 'Beta' high chairs infringes their copyright and the Tripp Trapp trade mark.

12. Hauck brought a counterclaim seeking inter alia a declaration of invalidity in respect of the Tripp Trapp trade mark.

13. By a judgment of 4 October 2000 the Rechtbank 's-Gravenhage found in favour of Stokke and Opsvik with regard to the claim based on copyright infringement. As to the remainder, that court ruled that the claim arising from the counterclaim brought by Hauck was well-founded and declared the Tripp Trapp trade mark invalid.

14. In the appeal proceedings the Gerechtshof 's-Gravenhage set aside that judgment in part, inter alia as regards the claim for damages arising from infringement of copyright. As regards the declaration of invalidity in respect of the trade mark the judgment was upheld.

15. According to the order for reference, in the appeal proceedings Stokke and Opsvik argued that the essential value of the Tripp Trapp chair lies not only in the attractiveness of its shape but also in its functionality. They also argued that the shape covered by the Tripp Trapp trade mark does not result exclusively from the nature of the goods, on account of the diversity of shapes of high chairs for children. Hauck, on the other hand, contended that the attractive shape of the Tripp Trapp high chair affects the essential value of the goods and furthermore that shape constitutes a largely functional form and is therefore determined by the nature of the goods.

16. In its judgment the Gerechtshof 's-Gravenhage ruled inter alia that the shape at issue is very attractive and gives substantial value to the Tripp Trapp high chair. Precisely on account of its shape that chair is particularly suitable for use as a high chair for children. The chair is safe, reliable and comfortable and therefore its shape must be regarded as 'pedagogically' and 'ergonomically' sound. Thus, the shape of the Tripp Trapp high chair is determined by the nature of the product concerned. Consequently, the consumer will buy that high chair on account of both its aesthetic and practical qualities. It may be assumed that consumers will seek such features in the goods of competitors. A trade mark which — as in the case of the Tripp Trapp trade mark — consists exclusively of the shape whose essential characteristic result from the nature of the goods concerned, and also gives those goods substantial value, is subject to the grounds for invalidity set out in Article 2.1(2) of the Brussels Convention. The fact that the above characteristic can be obtained using different shapes is irrelevant in this respect.

17. Both parties to the proceedings brought an appeal in cassation before the Hoge Raad der Nederlanden.

IV – Questions referred and procedure before the Court

18. In those circumstances, that Hoge Raad der Nederlanden decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:

'(1) (a) Does the ground for refusal or invalidity in [the first indent of] Article 3(1)(e)(i) of Directive [89/104], as codified in Directive [2008/95], namely that shape trade marks may not consist exclusively of a shape which results from the nature of the goods themselves, refer to a shape which is indispensable to the function of the goods, or can it also refer to the presence of one or more substantial functional characteristics of goods which consumers may possibly look for in the goods of competitors?

(b) If neither of those alternatives is correct, how should the provision then be interpreted?

- (2) (a) Does the ground for refusal or invalidity in [the third indent of] Article 3(1)(e)(iii) of Directive [89/104], as codified in Directive [2008/95], namely, that (shape) trade marks may not consist exclusively of a shape which gives substantial value to the goods, refer to the motive (or motives) underlying the relevant public's decision to purchase?
- (b) Does a “shape which gives substantial value to the goods”⁴ within the meaning of the aforementioned provision exist only if that shape must be considered to constitute the main or predominant value in comparison with other values (such as, in the case of high chairs for children, safety, comfort and reliability) or can it also exist if, in addition to that value, other values of the goods exist which are also to be considered substantial?
- (c) For the purpose of answering Questions 2(a) and 2(b), is the opinion of the majority of the relevant public decisive, or may the court rule that the opinion of a portion of the public is sufficient in order to take the view that the value concerned is “substantial” within the meaning of the aforementioned provision?
- (d) If the latter option provides the answer to Question 2(c), what requirement should be imposed as to the size of the relevant portion of the public?
- (3) Should Article 3(1) of Directive [89/104], as codified in Directive [2008/95], be interpreted as meaning that the ground for exclusion referred to in subparagraph (e) of that article also exists if the shape trade mark consists of a sign to which the content of sub-subparagraph (i) of subparagraph (e) applies, and which, for the rest, satisfies the contents of sub-subparagraph (iii) of subparagraph (e)?

19. The order for reference was received at the Registry of the Court on 18 April 2013.

20. Written observations have been submitted by the parties to the main proceedings and also the German, Italian, Polish, Portuguese, and United Kingdom of Great Britain and Northern Ireland Governments, and the European Commission.

21. Those parties, with the exception of Italian and Portuguese Governments, also took part in the hearing, which was held on 26 February 2014.

V – Assessment

22. As I have already mentioned, in addition to the general grounds for refusal and invalidity, Directive 89/104 introduced, in Article 3(1)(e), a special provision which relates solely to signs which consist of the shape of the goods concerned.⁵

⁴ — It should be noted here that there is a certain difference between the part of the provision cited – and as used in the language of the case – namely ‘shape which gives substantial value to the goods’ (the same wording was adopted in German, Spanish, English and French, among other languages) and the wording of that provision in Polish, namely ‘a shape which significantly increases the value of the goods’ (*kształcie zwiększającym znacznie wartość towaru*). To my mind, that difference does not lead to a different understanding of the provision in question.

⁵ — That term covers three and two-dimensional shapes and graphic (figurative) signs representing the shape of the goods. See Case C-299/99 *Philips* EU:C:2002:377, paragraph 76. An identical provision was placed in Article 7(1)(e) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1) and previously in Article 7(1)(e) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

23. A trade mark cannot be registered if any of the three grounds listed in Article 3(1)(e) obtain. Those grounds are definitive in nature in the sense that — unlike the grounds for refusal contained in Article 3(1)(b), (c) and (d) of Directive 89/104 — they cannot be disappplied on the ground that the trade mark concerned acquires ‘derived distinctive character’ by the use made of it (Article 3(3) of the directive).⁶

24. On several occasions the Court has made an interpretation of the ground contained in the second indent of Article 3(1)(e) of the directive. That ground relates to the non-registrability of signs which consist exclusively of the ‘shape of goods which is necessary to obtain a technical result’.⁷ However, in the present case the Court has been asked to make an interpretation of Article 3(1)(e) in relation to the grounds contained in the first and third indents. The reference from the national court also concerns the possibility of applying both those grounds cumulatively.

A – *Legal rationale of Article 3(1)(e) of Directive 89/104*

25. The Court considers that the various grounds for refusal or invalidity listed in Article 3(1) of Directive 89/104 must be interpreted in the light of the public interest underlying each of those grounds.⁸

26. According to the Court’s case-law concerning the second indent of Article 3(1)(e) of the directive, the public interest underlying that provision at issue consists in preventing the monopolisation of certain basic characteristics of goods resulting from their shape.

27. *In the Court’s view, the second indent of Article 3(1)(e) seeks to prevent a situation where registration of a trade mark would result in the grant of a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. That provision prevents the protection conferred by the trade mark right from forming an obstacle preventing competitors from freely offering for sale products incorporating such technical solutions or functional characteristics.*⁹

28. I have no doubt that the objective set out above underlies all three grounds laid down in Article 3(1)(e) of Directive 89/104. All three grounds serve to keep in the public domain the essential characteristics of particular goods which are reflected in their shape.

29. Moreover, that objective has a deeper justification which relates to the axiological grounds for the right to trade mark protection.

6 — *Philips* EU:C:2002:377, paragraph 75, and Case C-371/06 *Benetton Group* EU:C:2007:542, paragraphs 25 to 27.

7 — *Philips* EU:C:2002:377, Case C-48/09 P *Lego Juris v OHIM* EU:C:2010:516, and the Court’s judgments in Case T-331/10, *Yoshida Metal Industry v OHIM — Pi-Design and Others (Representation of a triangular surface with black dots)* EU:T:2012:220; Case T-416/10 *Yoshida Metal Industry v OHIM — Pi-Design and Others (Representation of a surface with black dots)*, EU:T:2012:222; Case T-164/11 *Reddig v OHIM — Morleys (Knife handle)* EU:T:2012:443.

8 — Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* EU:C:1999:230, paragraphs 25 to 27, and *Philips* EU:C:2002:377, paragraph 77.

9 — *Windsurfing Chiemsee* EU:C:1999:230, paragraph 25, and *Philips* EU:C:2002:377, paragraphs 78 and 79.

30. A trade mark — as a non-tangible asset — is capable of establishing in the minds of consumers certain associations between goods (or services) and the trade mark concerned.¹⁰ Consequently, consumers can associate a trade mark with the origin of goods of a consistent standard of quality. A trade mark ensures that the features of the purchased goods are uniform and thus reduces, one, the risk associated with restricted access to information and, two, the cost of searching for similar goods. Thus, the trade mark system enhances market transparency by redressing the imbalance between a complicated marketing background and the consumer's limited knowledge of that background.¹¹

31. On account of its economic function, the system of trade mark protection is an essential element in developing fair competition based on the price and quality of the goods.¹² In that regard it should be noted that the exclusive right to use an intangible asset, which is a feature of all intellectual property law, does not, in the trade mark context, normally lead to a restriction of competition. The exclusive right to use a sign (trade mark) does not restrict competitors' freedom to offer goods for sale. They can draw freely from the pool of potential signs (trade marks), the number of which is in fact limitless.

32. However, in certain situations the existence of exclusive rights to a trade mark may give rise to a distortion of competition.

33. Article 3(1)(e) of the Directive 89/104 serves to avoid a situation where registration of a shape — by reserving the exclusive right to the basic features of goods essential to competing effectively on the market concerned — would make it possible to obtain an unfair competitive advantage. That would lead to an undermining of the purpose of the system of trade mark protection.

34. One — but by no means the only — example of such use of the system of trade mark protection is the cumulation of protection based on trade mark registration with protection on the basis of other intellectual property rights. In that regard I would like to point out expressly that in principle such cumulation of protection is permitted under EU law. For example, the registration of an industrial design does not preclude the grant of a protected right to the same three-dimensional shape as a trade mark if, of course, the requirements for trade mark registration are satisfied.¹³

35. However, it should be recalled that the purpose of the system of trade mark protection, which serves to provide the bases for fair competition by enhancing market transparency, differs from the premises underlying certain other intellectual property rights which serve, in essence, to promote innovation and creativity.

36. That difference in purposes explains why the protection conferred by marks is indefinite but the protection conferred by other intellectual property rights is subject to a time-limit imposed by the legislature. That limit results from the balance which is struck between the public interest in protecting innovation and creativity, on the one hand, and the economic interest based on the possibility of exploiting the intellectual achievements of other persons to promote future socio-economic development, on the other.

10 — See R. Skubisz, *Prawo z rejestracji znaku towarowego i jego ochrona. Studium z zakresu prawa polskiego na tle prawnoporównawczym*, Lublin 1988, pp. 15 to 18, 235 to 236; E. Wojcieszko-Głuszko, *Pojęcie znaku towarowego*, in: *System prawa prywatnego*, Volume 14b — *Prawo własności przemysłowej*, Warsaw, CH Beck, Instytut Nauk Prawnych PAN 2012, p. 427 and 428.

11 — See W.M. Landes, R.A. Posner, *The Economic Structure of Intellectual Property Law*, Cambridge, Harvard University Press 2003, pp. 166 to 168; A. Griffiths, *An Economic Perspective on Trade Mark Law*, Cheltenham, Elgar Publishing 2011, pp. 47 to 53, and 157.

12 — See, to that effect, judgments in *Lego Juris v OHIM* EU:C:2010:516, paragraph 38, and *Pi-Design and Others v OHIM*, and Joined Cases C-337/12 P to C-340/12 P *OHIM v Yoshida Metal Industry* EU:C:2014:129, paragraph 42.

13 — This is clear inter alia from Article 16 of Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (OJ 1988 L 289, p. 28). See J. Szwaja, E. Wojcieszko-Głuszko, I.B. Mika, *Kumulacja i kolizja praw własności przemysłowej (na przykładzie wzorów przemysłowych i znaków towarowych)*, *Kwartalnik Prawa Prywatnego*, 2001, Vol. 2, p. 343.

37. Exercise of a trade mark right in order to extend an exclusive right to immaterial assets protected by other intellectual property rights could — after those rights have expired — jeopardise the balance of interests which the legislature established inter alia by limiting the scope of protection conferred by those other rights.

38. This problem is dealt with differently in different legal systems.¹⁴ The EU legislature resolved it by laying down the legislative criteria which can constitute an absolute ground for refusing a trade mark which is the shape of the goods.

39. Those criteria, which are contained in Article 3(1)(e) of Directive 89/104, therefore prevent a trade mark right from being exercised for a purpose which is incompatible with it. They serve to protect fair competition by making it impossible to monopolise the basic characteristics of a product which are essential from the point of view of effective competition on the market concerned. In particular, they also serve to maintain the balance of interests which the legislature established by placing a time-limit on the protection conferred by certain other intellectual property rights.

40. I will examine the questions referred by the national court on the basis of the above observations.

B – *Interpretation of the first indent of Article 3(1)(e) of Directive 89/104 (First Question)*

41. By its first question the national court seeks an interpretation from the Court of the term ‘shape which results from the nature of the goods themselves’.

42. As regards the context of that question, it is clear from the order from the Hoge Raad der Nederlanden that the features of the children’s high chair concerned are determined, at least in part, by its functional characteristics, and in particular its safety, comfort and reliability. The high chair also has ‘pedagogical’ and ‘ergonomic’ qualities.

43. In the main proceedings Stokke and Opsvik argue that the characteristics of that high chair are not sufficient to find that the ground for refusal relating to the shape arising from the nature of the goods (first indent of Article 3(1)(e)) obtains. In the view of Stokke and Opsvik, that ground relates to goods of a pre-determined shape, which do not have alternative shapes.

44. As I have stated, the Court has not yet had an opportunity to rule on the interpretation of the first indent of Article 3(1)(e) of Directive 89/104.¹⁵

45. First of all, I would like to point out that there are two views on the interpretation of this provision which have been reflected both in the literature on the subject and the observations of the parties to the proceedings.

14 — In Federal US law that problem is covered by the ‘functionality doctrine’ developed in case-law and subsequently codified in law; see A. Horton, *Designs, shapes and colours: a comparison of trade mark law in the United Kingdom and the United States*, *European intellectual property review*, 1989, Vol. 11, p. 311.

15 — See, with regard to Article 7(1)(e)(i) of Regulation No 40/94, Case T-122/99 *Procter & Gamble v OHIM (Soap bar shape)* EU:T:2000:39, paragraph 55.

46. The first, narrower view is that the term ‘shape which results from the nature of the goods themselves’ relates to the shape which results inherently from the nature of the goods and therefore which leaves no room for individual input from the manufacturer.¹⁶ That interpretation restricts the scope of the ground for refusal at issue to goods which do not have alternative shapes, and thus to natural goods (a classic example of the application of that ground for refusal is the non-registrability of the ‘shape of a banana in respect of bananas’) and products with standardised features of shape (such as, for example, a rugby ball).

47. This appears to be the prevailing view in the administrative practice of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) concerning the Community trade mark.¹⁷

48. The second view, which is based on a broader interpretation, is that the ground at issue covers — in relation to all goods — the most accepted shape which most closely expresses the nature of the goods.¹⁸ This concerns signs which are typical of a particular semantic category, in other words, signs which relate to consumers’ ideas of the essential characteristics of the goods concerned. The prohibition on registration applies only to the generic features of the product concerned which result from its function. However, the prohibition does not apply to the peculiar features of the product concerned or those which result from the specific use of that product.¹⁹

49. The second view is that it is not permitted to register a shape consisting exclusively of the universally accepted features for the goods concerned, such as — to use the examples given by the UK Government at the hearing and frequently referred to in academic writings — the shape of an oblong in relation to a brick, the shape of a container with a spout, a lid and a handle in relation to a kettle, or fork-shaped prongs in relation to a fork.

50. In my opinion, although the first, narrow view is permissible by way of a literal interpretation of the provision, it is incorrect in light of the legal rationale for that provision.

51. First of all, the first view may result in the essence of the ground contained in the first indent of Article 3(1)(e) of the directive being undermined. It is difficult to envisage a rational legislature which would lay down a ground for refusal with such a narrow scope, which essentially covers only shapes created by nature or standardised by law. On such a narrow interpretation the abovementioned criterion would appear to be unnecessary since those shapes clearly do not have distinctive character and cannot acquire it through use. They are unregistrable in any event under Article 3(1)(b) and (c) of Directive 89/104 and Article 3(3) does not apply to them.

52. Furthermore, proposing such a strict interpretation of that provision would not only deprive it of its normative effect, but also be contrary to the premise that the three criteria contained in Article 3(1)(e) of the directive have a common purpose.²⁰

16 — In the present case this view is clear from the observations of Stokke and Opsvik in the main proceedings, and also from the observations of the Italian and Portuguese Governments and the Commission.

17 — See guidelines relating to proceedings before OHIM, approved most recently by Decision of the President of OHIM No EX-13-5 of 4 December 2013 (‘the OHIM Guidelines’), Part B, Section 4 (Absolute grounds [for refusal]), point 2.5.2. See also A. Folliard-Monguiral, D. Rogers, The protection of shapes by the Community trade mark, *European intellectual property review*, 2003, Vol. 25, p. 173.

18 — This view is reflected in the observations of Hauck and — with certain reservations — those of the German, Polish and United Kingdom Governments.

19 — See H. Fezer, ‘MarkenG § 3’, in: H. Fezer (Hrsg.), *Markenrecht*, 4th edition, Munich, Beck 2009, para. 663; G. Eisenführ, ‘Art 7’, in: G. Eisenführ, D. Schennen (Hrsg.), *Gemeinschaftsmarkenverordnung*, 3rd edition, Cologne, Wolters Kluwer 2010, para. 197; and also A. Firth, E. Gredley, S. Maniatis, Shapes as trade marks: public policy, functional considerations and consumer perception, *European intellectual property review*, 2001, Vol. 23, p. 92.

20 — In the present case the Commission concludes — in my view incorrectly — that the ground for refusal laid down in the first indent of that provision is different from the grounds laid down in the other two indents, namely the second and third indents. In the view of the Commission, that ground does not relate to the monopolisation of certain essential characteristics of goods, but rather serves to prevent the creation of a ‘natural monopoly’ on goods as such and thus a situation where the reservation to one person of the only possible shape of the goods would exclude all competition.

53. Before I move on to my conclusion as regards the interpretation of the first indent of Article 3(1)(e), I would like to examine the Court's case-law on the second indent of that provision. I note that that provision prohibits the registration of 'shapes necessary to obtain a technical result'. In its judgment in *Philips* (EU:C:2002:377) the Court held that that ground relates to shapes whose *essential characteristics (emphasis added) perform a technical function. The exclusivity which is inherent in trade mark protection cannot limit the possibility of competitors supplying goods incorporating such a function. Nor can it limit competitors' freedom of choice in regard to the technical solution to obtain a particular function. Where the essential functional characteristics of the shape of a product are attributable solely to the technical result, Article 3(1)(e), second indent, precludes registration of a sign consisting of that shape, even if that technical result can be achieved by other shapes.*²¹

54. I consider that having regard to the similarity of the assumptions underlying the three criteria set out in Article 3(1)(e) of Directive 89/104 that reasoning also applies to the criterion for precluding registration of a sign consisting exclusively of 'the shape which results from the nature of the goods themselves'.

55. In the light of the foregoing, I take the view that the first indent of Article 3(1)(e) precludes registration of a shape all of whose essential characteristics result from the nature of the goods concerned and which are therefore determined by the practical function which those goods perform.

56. In that case the following fact must, in my view, be taken into account: certain characteristics of the shape have a particularly significant effect on the function which a product performs. They can also be characteristics of a shape which are difficult to identify as necessary to obtain 'a technical effect' within the meaning of the second indent of Article 3(1)(e) of Directive 89/104.

57. Since they are characteristics which have a substantial effect on the function of the product concerned, they are unquestionably also characteristics which a user is likely to seek in the products of competitors. In economic terms they are the features of a shape which for which there is no equally good substitute (perfect substitute feature).

58. Reserving such characteristics to one operator would make it difficult for competing undertakings to give the goods a shape which was equally suitable for use. It would result in the trade mark proprietor obtaining a significant advantage which would have an unfavourable effect on the structure of competition on the market concerned.

59. In the light of the above considerations, I have no doubt that the first indent of Article 3(1)(e) of Directive 89/104 clearly precludes the registration of shapes whose essential characteristics result from the function of the goods concerned. This relates, for example, to legs with a horizontal level in relation to a chair, or an orthopaedic shaped sole with a V-shaped strap in relation to flip-flops. However, that provision may also be of great relevance in considering the registrability of trade marks consisting of the shapes of more complex products, such as the shape of the sailing boat hull or aircraft propeller.

60. Account should also be taken of the fact that, in relation to the grounds for refusal contained in Article 3(1)(b), (c) and (d) of Directive 89/104, the legislature provided for the possibility of a sign acquiring derived distinctive character following the use which has been made of it within the meaning of Article 3(3) of the directive.

21 — *Philips* EU:C:2002:377, paragraphs 79 and 83.

61. However, the ground for refusal referred to in the first indent of Article 3(1)(e) of Directive 89/104 cannot be disapplied on the basis of Article 3(3) thereof. Therefore, reference to that ground means that registration of a shape is precluded definitively. This conclusion is consistent with the purpose of the provision at issue since it serves to ensure that the essential characteristics of the shape which are essential to the function of the goods cannot be monopolised by demonstrating derived distinctive character.

62. In interpreting the first indent of Article 3(1)(e) of the directive, account must also be taken of the fact — which also emerges in the case of the ground contained in the third indent — that registration of a trade mark representing the shape of the goods may not prevent only use of that shape but also of similar shapes. If a sign in the form of a shape consisting exclusively of the characteristics resulting from the nature of the goods were registered, a significant number of alternative shapes might become inaccessible to competitors.²²

63. That finding is particularly relevant in relation to the shapes of practical objects in respect of which creativity is limited by the need to obtain a functional effect. This fact justifies the non-registrability of shapes whose fundamental characteristics are determined exclusively by the practical function of the product concerned.

64. None the less, as I read it, the ground for refusal contained in the third indent of Article 3(1)(e) does not apply to shapes which, in addition to those generic functional characteristics, contain other essential features. However, those features cannot result directly from the function of the goods but must be solely an expression of the specific application of that function. Such a specific application may be, for example, the body of a guitar shaped in a manner which differs from the normal idea of the shape of that instrument.

65. In the light of the foregoing considerations, I consider that the following answer should be given to Question 1(a) referred by the national court. The first indent of Article 3(1)(e) of Directive 89/104 relates to a shape all of whose essential characteristics result from the nature of the product concerned and the fact that that product can also take a different, alternative shape is irrelevant in that respect.

66. In the light of that interpretation, it is not necessary to provide an answer to Question 1(b).

C – Interpretation of the third indent of Article 3(1)(e) of Directive 89/104 (Question 2)

67. By its second question the national court raises a number of issues linked to the interpretation of the ground for refusal or invalidity relating to a ‘shape which gives substantial value to the goods’.

68. As is clear from the order for reference, in the main proceedings Stokke and Opsvik challenge the finding by the *Gerechtshof ’s-Gravenhage* that the shape under consideration falls within the scope of the above ground for refusal on the grounds that it is very attractive and gives substantial value to the Tripp Trapp high chair for children. In particular, they contend that customers buy Tripp Trapp primarily because it is a reliable, functional and ergonomic. Furthermore, although it affects its value, the design of that high chair is not the basic reason for the purchase thereof.

²² — See, as regards Article 7(1)(e)(ii) of Regulation No 40/94, *Lego Juris v OHIM* EU:C:2010:516, paragraph 56.

69. I would like to point out at the outset that the third indent of Article 3(1)(e) of the directive is not worded clearly. That is demonstrated by the large variance in the interpretation of it.²³

70. I have the impression that all the interpretations of the third indent of Article 3(1)(e) that have been considered in academic writings and case-law are based on similar teleological premises. Those considerations arise from the assumption that the purpose of prohibiting the registration of shapes which give substantial value to the product is to demarcate the protection conferred by trade marks and that conferred by other intangible assets (subject to protection on the basis of industrial designs and copyright). Therefore, in making an interpretation of the provision at issue, it is necessary to try to preclude a situation where a trade mark right is exercised exclusively for purposes which other intellectual property rights serve to attain.²⁴

71. However, the adoption of similar teleological premises does not result in a uniform interpretation of the third indent of Article 3(1)(e) of Directive 89/104.

72. In that regard it is possible to point to two views emerging in case-law. One concerns primarily the rulings of the German courts, and the other the case-law of the OHIM boards of appeal and the General Court of the European Union.

73. According to the case-law of the Bundesgerichtshof²⁵ (the German supreme federal court) and German academic writings,²⁶ that provision precludes the registration of shapes in whose case the aesthetic quality of the product expressed in its shape is so significant that the principal function of the trade mark, which is to indicate a particular origin, loses its relevance. Where, however, the goods concerned do not — from a marketing perspective — constitute only the aesthetic shape per se and that shape is merely an ‘element’ of the goods as a whole, whose practical function or intended purpose results from other characteristics, registration of that shape is permitted.

74. On the interpretation set out above, that ground for refusal or nullity at issue relates primarily to works of art and applied art and products which perform a solely decorative function. However, it does not preclude the registration of shapes of goods which, in addition to a decorative function, also perform another practical function, such as, for example, a chair or an armchair.²⁷

75. A different direction is taken by the decision-making practice of OHIM, which was upheld by the Court in the case of *Bang & Olufsen v OHIM (Shape of a loudspeaker)*.²⁸

23 — For example, the authors of a study compiled for the Commission by the Max Planck Institute for Intellectual Property and Competition Law noted that the legal rationale of this provision is unclear and suggest that it be repealed or amended. See Study of the overall functioning of the European trade mark system, Munich 2011, points 2.32 and 2.33, at pp. 72 and 73 (available at http://ec.europa.eu/internal_market/indprop/tm/index_en.htm). However, the current proposal for amending the directive assumes that the provision will be retained unchanged (COM(2013) 162 of 27 March 2013).

24 — See the Opinion of Advocate General Ruiz-Jarabo Colomer in *Philips* Case C-299/99 EU:C:2001:52, points 30 and 31.

25 — See the judgment of 24 May 2007, ‘Fronthaube’ (I ZB 37/04) BGH GRUR 2008, 71, paragraph 23. In it the Bundesgerichtshof referred to case-law from the 1950s: the judgments of 22 January 1952, ‘Hummelfiguren’ (I ZR 68/51) BGHZ 5, 1, and of 9 December 1958, ‘Rosenthal-Vase’ (I ZR 112/57) BGHZ 29, 62, 64.

26 — See Fezer, op.cit. (referred to in footnote 19), para. 696, Eisenführ, op. cit. (referred to in footnote 19), para. 201.

27 — See, for example, the judgment of the German Bundespatentgericht of 8 June 2011, ‘Barcelona — Sessel’ (26 W (pat) 93/08), concerning the ‘Barcelona chair’ designed by the renowned German architect Ludwig Mies van der Rohe. The German court held that the shape at issue is not covered by the ground for invalidity relating to a shape giving substantial value since its primary intended purpose and practical function is to act as seating furniture (‘Sitzmöbel’), which, beyond any aesthetic considerations, must satisfy ergonomic requirements.

28 — Case T-508/08 EU:T:2011:575. That judgment concerned an action against the First Board of Appeal of OHIM of 10 September 2008 (Case 497/2005-1).

76. According to that judgment, recognition that the shape gives substantial value to the goods does not preclude other characteristics of the goods, such as the technical qualities — in the case of a loudspeaker —, from also giving substantial value to the goods. In other words, the very fact that the design of the product concerned is rather essential from the point of view of the consumer, it indicates that the shape gives the product substantial value. In that regard it is irrelevant that the consumer will also take account of other characteristics of that product.²⁹ That interpretation would appear to be applied consistently in the decision-making practice of OHIM.³⁰

77. In this first view in case-law, which is represented primarily by the case-law of the German courts, the ground laid down in the third indent applies only in situations where the aesthetic qualities of a product are so significant that the principal function of the trade mark loses its relevance. This occurs where the economic value of the product is based solely on the design, as in the case of works of functional art or certain collector's items.

78. I have doubts about this view. I naturally agree that the shape of a work of art, including a work of functional art, cannot by its nature function as a trade mark in relation to that work. None the less, the fact that a shape serves exclusively as an aesthetic object and therefore cannot function as a trade mark is not, in my view, the only situation covered by that provision. Therefore, I find it difficult to concur with the basic premise of that view which assumes that the term 'shape which gives substantial value to the goods' is confined to situations where the economic value of the goods lies solely in its aesthetic shape.

79. In my view, the interpretation of that provision must seek to confer on it a meaning which is compatible with the general objective pursued by Article 3(1)(e) of Directive 89/104. That provision serves to ensure that the protection conferred by the trade mark is not used for a purpose other than that for which it was laid down, and in particular that it is not used to gain an unfair market advantage which does not result from competition based on price and quality.

80. As I read it, the ground contained in the third indent of Article 3(1)(e) is designed to prevent the monopolisation of the external features of goods which do not perform a technical or practical function and at the same time substantially enhance the attractiveness of goods and strongly influence consumer preferences.

81. On that interpretation, the scope of the ground laid down in the third indent of the provision at issue does not merely cover works of art or functional art. It also extends to all other practical objects in respect of which design is one of the fundamental elements which determine their attractiveness, and thus the market success of the goods concerned.

82. In this regard I mean not only certain categories of goods which — in general — are purchased on account their aesthetic shape, as in the case of jewellery or fine cutlery.

83. In my view, that provision also relates to goods which are not generally regarded as objects which perform a decorative function but in relation to which the aesthetics of the shape play an essential role in a certain limited segment of the market, such as in the case of designer furniture, for example.

29 — See, as regards Article 7(1)(e)(iii) of Regulation No 40/94, *Bang & Olufsen v OHIM (Shape of a loudspeaker)* EU:T:2011:575, paragraphs 73 and 77. A similar, broader view, which is not limited to products with an exclusively decorative function, is also supported in academic writings. See Folliard-Monguiral, Rogers, *op. cit.* (referred to in footnote 17), p. 175; Firth, Gredley, Maniatis, *op. cit.* (referred to in footnote 19), p. 94.

30 — See the decisions of the OHIM boards of appeal concerning the 'Alu-Chair' designed by the American architects Charles and Ray Eames (decision of 14 December 2010 in Case R 486/2010-2) and the diamond-shaped bottle designed by Egyptian designer Karim Rashid (decision of 23 May 2013 in Case R 1313/2012-1), and the OHIM guidelines, Part B, Section 4, point 2.5.4.

84. It is true that no one buys a loudspeaker simply to put it in a corner as a decorative object in a room. None the less, in a certain segment of the market the shape of loudspeakers certainly determines their attractiveness.

85. The interpretation of that provision which I am proposing takes account of the fact that a particular product may perform multiple functions. There is no doubt that in addition to its original practical function (for example, a loudspeaker as an appliance for listening to music) a product can also satisfy other consumer needs. It is conceivable that a substantial value of the product results not only from the features which serve to carry out its practical function but also from its aesthetic qualities (for example, a loudspeaker can also perform a decorative function). The fact that a particular product performs a decorative as well as a practical function does not, in my opinion, rule out the possibility of applying the third indent of Article 3(1)(e) of Directive 89/104. That, in my view, is so in the case of certain designer goods whose aesthetic characteristics constitute the principal reason, or at least one of the fundamental reasons, for the customer deciding to make his or her purchase.

86. However, it is necessary to consider separately which fact must be taken into consideration in demonstrating that a particular shape of a product gives that product 'substantial value' (Question 2(a), (c) and (d)).

87. The question referred by the national court concerns primarily the possible need to take account of how the shape concerned is perceived by the target public.

88. I would firstly like to point out that the grounds for refusal or invalidity contained in Article 3(1) of Directive 89/104 can — in simplified terms — be divided into two groups. One, there are the grounds which view non-registrability from the perspective of the consumer since they concern signs which do not satisfy the criterion relating to distinctiveness, which cannot provide the consumer with an indication of the origin of the goods or may mislead the consumer (subparagraphs (b) and (g)). Two, there are the grounds which also serve to protect competing undertakings since they are designed to keep certain signs in the public domain (subparagraphs (c) and (e)).

89. In assessing a sign in the light of its compatibility with the first group of grounds, the perception thereof by the target public must of necessity be taken into account.³¹ In the case of the second group of grounds the perception of the sign concerned must be assessed more broadly. Account must be taken both of the perception of the sign by the consumers of the goods and the economic effects which will result from reserving the sign concerned to a single undertaking. In other words, it is necessary to consider whether or not registration of the sign will have a negative impact on the placing of competing goods on the market.

90. With regard to the interpretation of a provision similar to the second indent of Article 3(1)(e) of Directive 89/104, the Court has ruled that the perception of the sign by the average consumer is not a decisive element but, at most, may be a relevant criterion of assessment for the competent authority when it identifies the essential characteristics of the sign.³²

91. I consider that similar reasoning can be applied in the case of the third indent of Article 3(1)(e) of Directive 89/104.

31 — Case C-363/99 *Koninklijke KPN Nederland* EU:C:2004:86, paragraphs 34 and 56, and Case C-173/04 P *Deutsche SiSi-Werke v OHIM* EU:C:2006:20, paragraphs 60 to 63.

32 — See, as regards Article 7(1)(e)(ii) of Regulation No 40/94, Case C-48/09 P *Lego Juris v OHIM* EU:C:2010:516, paragraph 76. Also, as regards subparagraph (iii) of that article, *Bang & Olufsen v OHIM (Shape of a loudspeaker)* EU:T:2011:575, paragraph 72.

92. I cannot rule out the possibility that in the case of the application of the third indent of Article 3(1)(e) of Directive 89/104, the presumed perception by the consumer may be of greater relevance than in the case of the application of the second indent of that provision. Unlike in the case of shapes necessary to obtain a technical result (second indent), the assessment whether a shape gives substantial value to the goods (third indent), for example through the aesthetic features of the shape, makes it necessary to take account of the perspective of the average consumer.

93. However, as I have pointed out in point 89 of this Opinion, the perception of the shape concerned by the consumer is not the decisive assessment criterion. It constitutes one of several, fundamentally objective facts which demonstrate that the aesthetic characteristics of a shape affect the attractiveness of the goods to such an extent that the reservation thereof to a single undertaking would distort competition on the market concerned. Other such circumstances are, for example: the nature of the category of goods under consideration, the artistic value of the shape concerned, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference in relation to other competing products with similar characteristics, and the development by the manufacturer of a promotion strategy emphasising principally the aesthetic characteristics of the goods concerned.³³

94. In the light of the foregoing considerations, I consider that in order to answer Question 1(b) referred by the national court, it is necessary to acknowledge that the term shape 'which gives substantial value to the goods' within the meaning of the third indent of Article 3(1)(e) of Directive 89/104 relates to a shape whose aesthetic characteristics constitute one of the principal elements determining the market value of the goods concerned, which is at the same time one of the reasons for the consumer's decision to purchase. That interpretation does not preclude the goods from having other characteristics which are important to the consumer.

95. However, with regard to the issues referred to in Question 2(a) (c) and (d), it must be held that the perception of the average consumer is one of the circumstances which must be taken into consideration in assessing the application of the ground for refusal under consideration. Those circumstances include, inter alia, the nature of the category of goods under consideration, the artistic value of the shape concerned, its dissimilarity from other shapes in common use on the market concerned, the substantial price difference in relation to competing products, and a promotion strategy emphasising principally the aesthetic characteristics of the goods concerned. None of those circumstances is decisive per se.

D – Possibility of joint application of the grounds contained in the first and third indents of Article 3(1)(e) of Directive 89/104 (Question 3)

96. By its third question the national court considers the possibility of applying cumulatively the two separate grounds for refusal of invalidity contained in the first and third indents of Article 3(1)(e) respectively.

97. As is clear from the order for reference, the question at issue concerns the registrability of signs representing a three-dimensional shape, certain characteristics of which give substantial value to the goods (third indent), and the others which result from the character thereof (first indent).

98. The views of the parties to the proceedings differ as to whether such cumulation is permitted.³⁴

³³ — See similar circumstances taken into account by the Court, with regard to Article 7(1)(e)(iii) of Regulation No 40/94, in *Bang & Olufsen v OHIM (Shape of a loudspeaker)* EU:T:2011:575, paragraphs 74 and 75.

³⁴ — Hauck, and the Polish and United Kingdom Governments propose an answer which permits such cumulation, whilst the other parties to the proceedings rule out such a possibility.

99. In my opinion, the answer to that question is clear to a certain degree from the substantive structure of Article 3(1)(e) of Directive 89/104 which contains three alternative grounds, each of which independently precludes registration. That structure of the provision would appear to rule out its application to a situation where none of those three grounds is fully applicable.

100. This view is also substantiated by a literal interpretation. According to the wording of that provision, each of the three alternative grounds contained in Article 3(1)(e) of Directive 89/104 concern signs which consist ‘exclusively’ of the shapes referred to in the relevant indents.

101. If regard is had to the teleological interpretation of Article 3(1)(e), then — as I have already noted — that provision serves a single, general purpose. Each of the three grounds contained in the individual indents serves to prevent a situation where an exclusive right to a particular sign would result in the monopolisation of the essential features of a product which are reflected in its shape.

102. The interpretation of Article 3(1)(e) which I am proposing means that application of the criterion laid down in the first indent does not preclude the product concerned from having various shapes and application of the criterion laid down in the third indent does not preclude the product performing another function in addition to an aesthetic function which is equally important to the consumer.

103. On that interpretation of Article 3(1)(e), joint application of the grounds at issue does not appear to me to be necessary to attain the objective sought by that provision.

104. In the present case, since the national court found that the shape of the Tripp Trapp high chair gives substantial value to it within the meaning of the third indent of Article 3(1)(e) of Directive 89/104, and thus as a whole satisfies the requirements for application of that ground, the fact that that shape also provides other characteristics, such as safety and ergonomic requirements, which could additionally be considered from the point of view of the ground contained in the first indent of Article 3(1)(e), is irrelevant.

105. Therefore, the interpretation of Article 3(1)(e) of Directive 89/104 which I am proposing does not preclude a parallel assessment of the same circumstances to determine whether one or more of the grounds referred to in the individual indents obtains. A trade mark can be refused registration or declared invalid only if at least one of those grounds obtains in full.

106. That being said, I would like finally to add one proviso to the proposed interpretation of that provision.

107. I would like to point out that the joint application of the grounds contained in Article 3(1)(e) of Directive 89/104 must be permitted in the case of signs which are perceived by consumers merely as a collection of different shapes. By that I mean signs which are a combination of several separate objects such as, for example, a sign reflecting the layout of a petrol station or the décor of a retail outlet,³⁵ and which do not therefore represent the shape of the goods but rather a physical reflection of the circumstances in which a service is provided.

108. In my view, if we acknowledge that this type of ‘collective’ sign can perform the function of a trade mark, it is also necessary to consider whether cumulation of the criteria is permitted when applying Article 3(1)(e) of Directive 89/104 to them.

109. However, that issue goes beyond the scope of the present case.

35 — See, as regards the décor of a shop, the judgment of the French Cour de cassation (court of cassation) of 11 January 2000, No 97-19.604, and also pending Case C-421/13 *Apple*.

110. On the basis of those considerations, I consider that the answer to Question 3 should be that the same sign can be examined in parallel in the light of the grounds contained in the first and third indents of Article 3(1)(e) of Directive 89/104, but cause to refuse registration of a trade mark or declare it invalid exists only where the conditions for applying at least one of those grounds are satisfied in full.

VI – Conclusions

111. In the light of the foregoing considerations, I propose that the Court should answer the questions referred by the Hoge Raad der Nederlanden as follows:

- (1) The term shape ‘which results from the nature of the goods themselves’ within the meaning of the first indent of Article 3(1)(e) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks relates to a shape all of whose essential characteristics result from the nature of the product concerned. The fact that that product can also take a different, alternative shape is irrelevant.
- (2) The term shape ‘which gives substantial value to the goods’ within the meaning of the third indent of Article 3(1)(e) of that directive relates to a shape whose aesthetic characteristics constitute one of the principal elements determining the market value of the product concerned, which is at the same time one of the reasons for the consumer’s decision to purchase. That interpretation does not preclude the goods from having other characteristics which are important to the consumer.

The perception of the average consumer is one of the circumstances which must be taken into consideration in assessing the application of the ground for refusal under consideration. Those circumstances include, inter alia, the nature of the category of goods under consideration, the artistic value of the shape concerned, its dissimilarity from other shapes in common use on the market concerned, the substantial price difference in relation to competing products, and a promotion strategy emphasising principally the aesthetic characteristics of the goods concerned. None of those circumstances is decisive per se.

- (3) The same sign can be examined in parallel in the light of the grounds contained in the first and third indents of Article 3(1)(e), but cause to refuse registration of a trade mark or declare it invalid exists only where the conditions for applying at least one of those grounds are satisfied in full.