

**GUIDELINES FOR EXAMINATION OF  
EUROPEAN UNION TRADE MARKS**

**EUROPEAN UNION  
INTELLECTUAL PROPERTY OFFICE  
(EUIPO)**

**PART B**

**EXAMINATION**

**SECTION 4**

**ABSOLUTE GROUNDS FOR REFUSAL**

**CHAPTER 6**

**SHAPES OR OTHER CHARACTERISTICS  
RESULTING FROM THE NATURE OF THE  
GOODS, WITH AN ESSENTIALLY  
TECHNICAL FUNCTION OR SUBSTANTIAL  
VALUE**

**ARTICLE 7(1)(e) EUTMR**

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## 1 General remarks

Article 7(1)(e) EUTMR excludes from registration signs that consist exclusively of (i) the shape or other characteristic that results from the nature of the goods themselves; (ii) the shape or other characteristic of goods that is necessary to obtain a technical result; or (iii) the shape or other characteristic of the goods that gives substantial value to the goods.

The wording of this provision implies, in principle, that it does not apply to signs for which registration is sought in respect of services.

In relation to shapes, the **objective** pursued by Article 7(1)(e) EUTMR is the same for all of its three grounds, namely to prevent the exclusive and permanent rights that a trade mark confers from serving to extend the life of other IP rights indefinitely, such as patents or designs, which the EU legislature has sought to make subject to limited periods (judgments of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 19-20; 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 43; 06/10/2011, T-508/08, Loudspeaker, EU:T:2011:575, § 65).

Regulation (EU) 2015/2424 amending Regulation (EC) No 207/2009 on the Community trade mark introduced the reference to 'another characteristic' of the goods. To the Office's understanding, most of the trade marks that fall foul the new wording of this provision are currently objectionable under Article 7(1)(b) and/or (c) EUTMR, as they are descriptive or otherwise non-distinctive. However, an important practical difference lies in the fact that an objection under Article 7(1)(e) EUTMR cannot be overcome by invoking Article 7(3) EUTMR.

Importantly, unlike in the situation covered by Article 7(1)(b) EUTMR, the **average consumer's perception is not a decisive element** when applying the ground for refusal under Article 7(1)(e) EUTMR, but, **at most**, may be a relevant criterion for assessment by the Office when the latter identifies the sign's essential characteristics (judgment of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 34).

For these reasons, **an objection under Article 7(1)(e) EUTMR** to marks consisting of shapes or other characteristics that follow from the nature of the goods, shapes or other characteristics that are necessary to obtain a technical result or shapes or other characteristics giving substantial value to the goods **cannot be overcome** by demonstrating that they have **acquired distinctive character**. In other words, Article 7(3) EUTMR is not applicable to such shapes or other characteristics, regardless of whether that particular shape or other characteristic might actually be distinctive in the marketplace.

It is therefore essential to **undertake a prior examination of the sign under Article 7(1)(e) EUTMR where several of the absolute grounds for refusal provided for in Article 7(1) EUTMR may apply** (judgment of 6/10/2011, T-508/08, Loudspeaker, EU:T:2011:575, § 44).

For the sake of sound administration and economy of proceedings, the Office will raise any objections to registration of the sign under Article 7(1) EUTMR at once in one communication. The reasoning of the objection will address first Article 7(1)(e) EUTMR, even if this ground of refusal may be less evident than, for instance, an objection for a lack of distinctiveness under Article 7(1)(b) EUTMR. This is justified by the fact that a registration of a sign that falls foul of Article 7(1)(e) EUTMR is clearly impossible even if acquired distinctiveness through use has been proven.

It may also be the case that following an initial objection under Article 7(1)(b) and/or (c) EUTMR, the evidence submitted by the applicant shows that the sign consists exclusively of a shape or other characteristic as listed in Article 7(1)(e) EUTMR. In these cases, a further objection under Article 7(1)(e) should be raised as well.

Article 7(1)(e) EUTMR does not define the category of mark that must be considered as a shape within the meaning of that provision. **It makes no distinction between 2D or 3D shapes, or 2D representations of 3D shapes.** Therefore, the applicability of Article 7(1)(e) EUTMR is not confined to 3D shapes but also applies to other categories of marks such as figurative signs representing shapes (judgment of 06/03/2014, C-337/12, Surface covered with circles, EU:C:2014:129, § 55).

A sign consists ‘**exclusively**’ of the shape of goods or other characteristics when all its **essential characteristics** — that is to say, its most important elements — result from the nature of the goods (Article 7(1)(e)(i) EUTMR), perform a technical function (Article 7(1)(e)(ii) EUTMR) or give substantial value to the goods (Article 7(1)(e)(iii) EUTMR). The presence of one or more minor arbitrary elements, therefore, will not alter the conclusion (judgments of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 21-22; 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 51-52). However, an objection under Article 7(1)(e) EUTMR would not be justified if the sign applied for were a shape or other characteristic(s) combined with additional, distinctive matter such as word or figurative elements (that qualify as essential characteristics of the sign) as the sign in its entirety would then not consist exclusively of a shape or other characteristic(s) (see the Guidelines, Part B, Examination, Section 4, Absolute Grounds for Refusal, Chapter 3, Non-Distinctive trade marks (Article 7(1)(b) EUTMR), paragraph 12.3, Step 3 above).

The correct application of Article 7(1)(e) EUTMR requires that **the essential characteristics of the sign at issue be properly identified**. There is no hierarchy that applies systematically between the various types of elements of which a sign may consist. Moreover, in determining the essential characteristics of a sign, the Office may either base its assessment directly on the overall impression produced by the sign, or first examine in turn each of the components of the sign concerned (judgments of 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 70; 19/09/2012, T-164/11, Knife handles, EU:T:2012:443, § 37).

This identification may, depending on the case and particularly in view of its degree of difficulty, be carried out by means of a simple visual analysis of the sign or, alternatively, be based on a detailed examination in which relevant assessment criteria may be taken into account, such as surveys or expert opinions, or data relating to intellectual property rights conferred previously for the goods concerned such as patents (judgment of 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 71 and 85).

Once the sign’s essential characteristics have been identified, it will have to be established **whether they all fall under the respective ground set out in Article 7(1)(e) EUTMR** (judgment of 14/09/2010, C-48/09 P, Lego brick, § 72). In this respect, each of the three grounds must be applied independently of the others. In addition, where none of those grounds is fully applicable for the entire shape or other characteristic, they do not preclude registration of the sign (judgment of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 39 and 42). Therefore, if parts of the shape or other characteristic are necessary to obtain a technical result within the meaning of Article 7(1)(e)(ii) EUTMR, for instance, and the remaining parts merely give substantial value to the goods under Article 7(1)(iii) EUTMR, neither of these two provisions bars the registration of the shape or other characteristic as a sign.

## 2 Shape or other characteristic that results from the nature of the goods

Under Article 7(1)(e)(i) EUTMR, signs that consist exclusively of the shape or another characteristic that results from the nature of the goods themselves cannot be registered.

This ground of refusal will apply when the sign, whether 2D or 3D, consists exclusively of the only natural shape of the good, that is, **'natural' products that have no substitute**: for example, the realistic representation below of a banana for bananas.



The same would apply to **'regulated' products** (the shape or other characteristic of which is prescribed by legal standards), such as a rugby ball.

Apart from 'natural' and 'regulated' products, all shapes that are **inherent to the generic function or functions** of such goods must, in principle, also be denied registration (judgment of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 23-25). The Court of Justice has not given any further guidance about exactly when a shape is inherent to the generic function(s) of goods. In the absence of any case-law in this respect, the examples given by the Advocate General may be referred to: legs with a horizontal level for a table; an orthopaedic-shaped sole with a V-shaped strap for flip-flops (opinion of 14/05/2014, C-205/13, § 59). Even considering that the opinion of the Advocate General is not binding, it can give useful guidance.

There is no practice yet on cases where a trade mark consists of **'other characteristics'** that result from the nature of the goods. As an invented example, a sound mark representing the sound of a motorbike for *motorbikes* could be captured by Article 7(1)(e)(i) EUTMR if the sound results from the nature of the goods (in the sense of its technical performance). Another hypothetical example of a sign that consists exclusively of 'other characteristics' that result from the nature of the goods could be an olfactory mark of a smell for a *perfume*.

## 3 Shape or other characteristic of goods necessary to obtain a technical result

Article 7(1)(e)(ii) EUTMR excludes from registration signs that consist exclusively of the shape or other characteristic of goods that is necessary to obtain a technical result.

The Courts have not yet ruled on the interpretation of ‘another characteristic’ of the goods. However, the Court of Justice has rendered two leading judgments concerning the subject of essentially functional shapes, which provide guidance concerning the examination of trade marks consisting exclusively of functional shapes (preliminary ruling of 18/06/2002, C-299/99, Remington, EU:C:2002:377, and judgment of 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516), interpreting, inter alia, Article 3(1) TMD, which is the equivalent of Article 7(1) EUTMR.

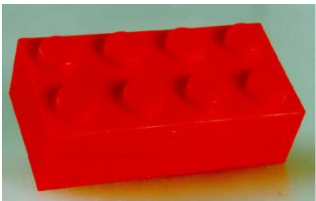
A sign consists ‘exclusively’ of the shape of goods that is necessary to obtain a technical result when **all the essential characteristics of a shape perform a technical function**, the presence of non-essential characteristics with no technical function being irrelevant in that context (judgment of 14/09/2010, C-48/09 P, Lego brick, § 51). The fact that there may be **alternative shapes**, with other dimensions or another design, capable of achieving the same technical result does not in itself preclude the application of this provision (judgment of 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 53-58). Likewise, the combination of different elements, which are all functional in themselves, does not render the sign registrable.

In assessing an EUTM application against Article 7(1)(e)(ii) EUTMR, consideration should be given to the meaning of the **expression ‘technical result’**. This expression should be interpreted broadly and includes shapes or other characteristics that, for example:

- fit with another article
- give the most strength
- use the least material
- facilitate convenient storage or transportation.

Other characteristics of the goods that are necessary to obtain a technical result may include particular sounds. For instance, as an invented example, a sound mark for insect repellents may be objected to under Article 7(1)(e)(ii) EUTMR if the sound in fact repels insects.

In the ‘Red Lego Brick’ case, following a cancellation action, two instances of the Office declared the 3D shape of a building block in a construction toy set as invalid:

Sign	EUTM No	Goods and services
	EUTM No 107 029 R 856/2004 G T-270/06 C-48/09 P	Class 28 (construction toys)

In particular, the Grand Board held that the various features of the ‘Red Lego brick’ all performed particular technical functions, namely (i) *the bosses [studs]*: height and diameter for clutch power; number for fixing versatility; layout for fixing arrangement; (ii) *the secondary projections*: clutch-power; the number for best clutch-power in all positions; the thickness of the wall to act as a spring; (iii) *the sides*: connected with sides of other bricks to produce a wall; (iv) *the hollow skirt*: to mesh with the bosses and to enable fixing for clutch power and (v) *the overall shape*: brick shape for building; size for children to hold (decision of 10/07/2006, R 856/2004-G, § 54).

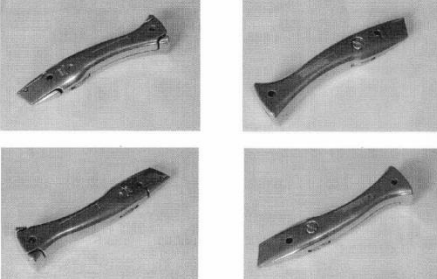
The General Court dismissed the appeal against the above decision and confirmed the findings of the Grand Board, holding that the latter had correctly applied Article 7(1)(e)(ii) EUTMR (judgment of 12/11/2008, T-270/06, Lego brick, EU:T:2008:483).

Following an appeal, the Court of Justice, in its ruling of 14/09/2010, C-48/09 P, Lego brick, confirmed the judgment of the General Court, holding that:

... the solution incorporated in the shape of goods examined is the technically preferable solution for the category of goods concerned. If the three-dimensional sign consisting of such a shape were registered as a trade mark, it would be difficult for the competitors of the proprietor of that mark to place on the market shapes of goods constituting a real alternative, that is to say, shapes which are not similar and which are nevertheless attractive to the consumer from a functional perspective' (para. 60).

The fact that the shape concerned is, or has been, the subject of a claim in a **registered patent or patent application** constitutes prima facie evidence that those aspects of the shape identified as being functional in the patent claim are necessary to achieve a technical result (this approach has been followed by the Boards of Appeal, for example, in their decision of 17/10/2013, R 042/2013-1).

A case regarding the following shape for 'knives and knife handles' provides an example of **how to identify the essential characteristics** of a shape and how to assess if all of those characteristics perform a technical function:

Sign	Case no
	<p>Judgment of 19/09/2012, T-164/11, Shape of knife handles</p>

In this case, the shape applied for was described as

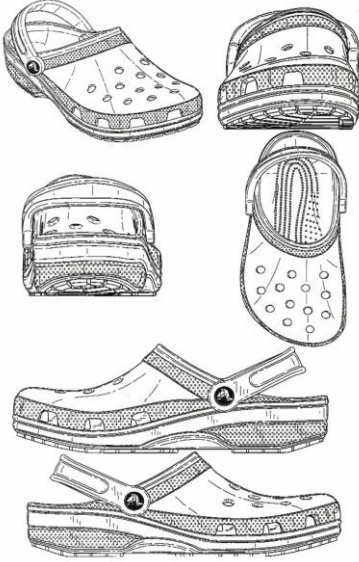
... a slightly curved knife handle characterised by a small angle of 5 to 10 degrees between the knife blade and the longitudinal axis of the shell grip, which has a middle section with a somewhat rounded outer cross section, which broadens towards a tapered rear end. The handle also incorporates a knurled screw in the shell of the knife.

The Court stated that

As is apparent from that patent [relied upon by the invalidity applicant], the technical effect of the angle between the knife blade and the longitudinal axis of the mother-of-pearl handle is to facilitate cutting. The intermediate section is of particular importance for long cuts. It makes the cut more precise while allowing greater pressure to be exerted. Finally, the knurled screw allows the shell to be opened and the blades of the knife to be changed without using other tools and without hindering manipulation of the knife during use (para. 30).

and concluded that the most important elements of the sign, constituting its essential characteristics, are all exclusively functional (para. 33). The applicant, in this regard, accused the Boards of Appeal of limiting itself to an assessment, in an isolated manner, of all the elements constituting the contested sign without taking into account the **overall impression** produced by the sign. However, as the Court noted:

In this case, contrary to what the applicant claims, the Boards of Appeal did state ... that the shape of the knife constituting the disputed trade mark could be perceived as being a fish or a dolphin. However, that resemblance with a fish is conditioned by elements having a technical function, namely the invention covered by the expired American patent with a slightly less curved handle and a slight prolongation of the points at the rear end (para. 39).

Sign	Case no
	<p>Decision of 29/01/2016, R 3021/2014-5</p>
<p>The Boards of Appeal rejected the cancellation action. It considers that where there is a decorative or imaginative element that plays an important role in the depiction of a shape, competitor undertakings will easily have access to alternative shapes with equivalent functionality, so there is no risk that the availability of the technical solution will be impaired. In the Board's opinion, the addition of the 'crocodile logo' is sufficient to render each of the grounds under Article 7(1)(e) inapplicable (paras. 36-37).</p>	



## 4 Shape or other characteristic that gives substantial value to the goods

Under Article 7(1)(e)(iii) EUTMR, signs that consist exclusively of the shape or other characteristic that gives substantial value to the goods cannot be registered, or if registered they are liable to be declared invalid.

Whereas the same shape or other characteristic can, in principle, be protected both as a design and as a trade mark, Article 7(1)(e)(iii) EUTMR only refuses trade mark protection for shapes or other characteristics in certain specific cases, namely, when the sign consists exclusively of a shape or other characteristic that gives substantial value to the product.

The **concept of ‘value’** should be interpreted not only in commercial (economic) terms, but also in terms of ‘attractiveness’, that is to say, the likelihood that the goods will be purchased **primarily because** of their particular shape or of another particular characteristic. When other characteristics may give the product significant value in addition to this aesthetic value, such as functional value (for instance safety, comfort and reliability), Article 7(1)(e)(iii) EUTMR cannot be ruled out automatically. Indeed, the concept of ‘value’ cannot be limited purely to the shape or other characteristic of goods having only artistic or ornamental value (judgment of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 29-32).

**The concept of ‘value’ should not be interpreted as meaning ‘reputation’**, since application of this absolute ground for refusal is justified exclusively by the effect on the value added to the goods **by the shape or other characteristic** and not by other factors, such as the reputation of the word mark that is also used to identify the goods in question (see in this regard, decision of 16/01/2013, R 2520/2011-5, § 19).

Furthermore, that the shape or other characteristic may be **pleasing or attractive** is not sufficient to exclude it from registration. If that were the case, it would be virtually impossible to imagine any trade mark of a shape or other characteristic, given that in modern business there is no product of industrial utility that has not been the subject of study, research and industrial design before its eventual launch on the market (decision of 03/05/2000, R 395/1999-3, Gancino quadrato singolo, § 1-2 and 22-36).

In assessing the value of the goods, account may be taken of **criteria** such as the nature of the category of goods concerned, the artistic value of the shape or other characteristic in question, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference compared with similar goods, and the development of a promotion strategy that focuses on accentuating the aesthetic characteristics of the product in question (judgment of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 35).


The fact that the shape performs, in addition to its aesthetic function, also other functions (e.g. functional functions) does not exclude the application of Article 7(1)(e)(iii) EUTMR (judgment of 18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 31).

An example of a sign that consists exclusively of ‘other characteristics’ that give substantial value to the goods could be a sound mark, representing a specific sound of a *motorbike* that may be appealing to a significant part of the relevant public to the extent that it may indeed affect the consumer’s choice of purchase.

For the examination of these trade marks, a **case-by-case approach is necessary**. In most of these cases a proper examination will only be possible where there is evidence that the aesthetic value of the shape or other characteristic can, in its own right, determine the commercial value of the product and the consumer's choice to a large extent.

If a shape or other characteristic derives its appeal from the fame of its designers and/or marketing efforts rather than from the aesthetic value of the shape or other characteristic itself, Article 7(1)(e)(iii) EUTMR will not apply (decision of 14/12/2010, R 486/2010-2, Shape of a chair (3D mark), § 20-21).

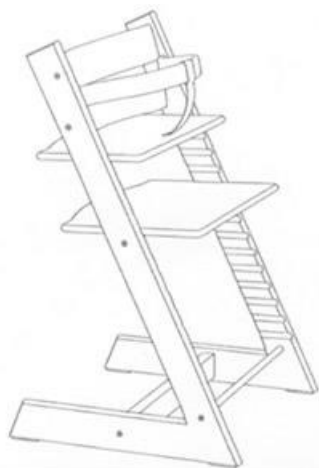
A leading case when it comes to shapes bestowing substantial value on the goods concerns the three-dimensional representation below of a loudspeaker.

Sign	Case no	Goods
	<p>Decision of 10/09/2008, R 497/2005-1</p> <p>Judgment of 06/10/2011, T-508/08</p> <p>Representation of a loudspeaker</p>	<p>Apart from loudspeakers, other apparatus for the reception, processing, reproduction, regulation or distribution of sound signals in Class 9 as well as music furniture in Class 20.</p>


The General Court confirmed the Board of Appeal's finding that the sign at issue fell within the scope of Article 7(1)(e)(iii) EUTMR (judgment of 06/10/2011, T-508/08, Loudspeaker, EU:T:2011:575).

The General Court held that for goods such as those listed above, the design was an element that would be very important in the consumer's choice even if the consumer took other characteristics of the goods at issue into account. After having stated that the shape for which registration was sought revealed a very specific design and that it was an essential element of the applicant's branding, which increased the appeal of the product and, therefore, its value, the General Court also noted that it was apparent from the evidence on record, namely extracts from the distributors' websites and online auction or second-hand websites, that the aesthetic characteristics of that shape were emphasised first and that the shape was perceived as a kind of pure, slender, timeless sculpture for music reproduction, which made it an important selling point (judgment of 06/10/2011, T-508/08, Loudspeaker, EU:T:2011:575, § 75). The General Court thus concluded that, independently of the other characteristics of the goods at issue, the shape for which registration was sought bestowed substantial value on the goods concerned.

It follows from the above judgment that it is important to determine whether **the aesthetic value of a shape (or, by analogy, other characteristic) can, in its own right, determine the commercial value of the product and the consumer's choice to a large extent**. It is immaterial whether the overall value of the product is also affected by other factors, if the value contributed by the shape or other characteristic itself is substantial.



See another example of such an application below:

EUTM	Case no
	<p>R 664/2011-5 (pending T-455/15)</p>
<p>The BoA cancelled the EUTM in view of the fact that the chair shape as registered had substantial value. The BoA examined the evidence put forward in detail and concluded, among others, that the promotional strategy of the EUTM proprietor had been dominated by references to the aesthetic value of the chair shape over many years, including well before the registration date.</p>	