OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER

delivered on 23 January 2001 [1]

1. In this case, the Court is requested to rule on the scope of the exclusion from trade mark registration of 'signs which consist exclusively of the shape of goods which is necessary to obtain a technical result', provided for by the second indent of Article 3(1)(e) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks. [2]

Background

2. According to the order for reference and other documents in the file, the facts of the main dispute may be summarised as follows.

3. Since 1966, Philips Electronics NV ('Philips') has marketed a shaver comprising three rotary heads arranged in the shape of an equilateral triangle.

4. In 1985, Philips filed a trade mark application consisting of a picture of a shaver having those characteristics. That mark was registered under the Trade Marks Act 1938.

On the basis of Schedule 3 of the Trade Marks Act 1994, [3] which repealed the former legislation, Philips's trade mark now has the same effects as if it had been registered under the new Act.

5. Philips has advertised its shavers in the United Kingdom extensively and they are very well known in that country. In particular, the three-headed rotary shaver is well known as a product manufactured by Philips and widely recognised as such.

6. In 1995, Remington Consumer Products Limited ('Remington') began to manufac-

1 — Original language: Spanish.

2 — OJ 1989 L 40, p. 1.

3 — 'An Act to make new provision for registered trade marks, implementing Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.'

ture and sell in the United Kingdom its DT55 shaver, a three-headed rotary shaver whose blade heads are arranged in an equilateral triangle, a layout similar to that used by Philips.

7. On 4 December 1995, Philips brought an action against Remington claiming, inter alia, infringement of its trade mark. Remington counterclaimed for revocation of the Philips trade mark.

8. The High Court of Justice, Chancery Division, Patents Court, which heard the case at first instance, upheld the counterclaim and revoked Philips' trade mark on the ground that it was incapable of distinguishing the goods concerned and was devoid of any distinctive character. It also held that the trade mark consisted exclusively of a sign which served in trade to designate the intended purpose of the goods and of a shape which was necessary to obtain a technical result and which gave substantial value to the goods. It went on to hold that, even if the trade mark had been valid, it had not been infringed.

Philips appealed against that decision, claiming that the trade mark was valid and that its trade mark had been infringed.

The questions referred for a preliminary ruling

9. The Court of Appeal decided to stay proceedings and to refer the following seven questions on the interpretation of the Directive to the Court:

'1. Is there a category of marks which is not excluded from registration by Article 3(1)(b) to (d) and Article 3(3) of the Council Directive 89/104/EEC ("the Directive"), which is none the less excluded from registration by Article 3(1)(a) of the Directive (as being incapable of distinguishing the goods of the proprietor from those of other undertakings)?

2. Is the shape (or part of the shape) of an article (being the article in respect of which the sign is registered) only capable of distinguishing for the purposes of Article 2 if it contains some capricious addition (being an embellishment which has no functional purpose) to the shape of the article?

3. Where a trader has been the only supplier of particular goods to the market, is extensive use of a sign, which consists of the shape (or part of

the shape) of those goods and which does not include any capricious addition, sufficient to give the sign a distinctive character for the purposes of Article 3(3) in circumstances where as a result of that use a substantial proportion of the relevant trade and public

(i) associate the shape with that trader and no other undertaking;

(ii) believe that goods of that shape come from that trader, absent a statement to the contrary?

4. (i) Can the restriction imposed by the words "if it consists exclusively of the shape of goods which is necessary to achieve a technical result" appearing in Article 3(1)(e)(ii) be overcome by establishing that there are other shapes which can obtain the same technical result or

(ii) is the shape unregistrable by virtue thereof if it is shown that the essential features of the shape are attributable only to the technical result or

(iii) is some other and, if so, what test appropriate for determining whether the restriction applies?

5. Article 3(1)(c) of the Directive applies to "trade marks which consist *exclusively* of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose ... of the goods or service". Article 6(1)(b) of the Directive applies to the use by a third party of "indications concerning the kind, quality, quantity, intended purpose ... of goods or services". The word "*exclusively*" thus appears in Article 3(1)(c) and is omitted in Article 6(1)(b) of the Directive. On a proper interpretation of the Directive, does this omission mean that, even if a mark consisting of the shape of goods is validly registered, it is not infringed by virtue of Article 6(1)(b) in circumstances where

(i) the use of the shape of goods complained of is and would be

taken as an indication as to the kind of goods or the intended purpose thereof and

(ii) a substantial proportion of the relevant trade and public believe that goods of that shape come from the trade mark proprietor, absent a statement to the contrary?

6. Does the exclusive right granted by Article 5(1) extend to enable the proprietor to prevent third parties using identical or similar signs in circumstances where that use was not such as to indicate origin or is it limited so as to prevent only use which wholly or in part does indicate origin?

7. Is use of an allegedly infringing shape of goods, which is and would be seen as an indication as to the kind of goods or the intended purpose thereof, none the less such as to indicate origin if a substantial proportion of the relevant trade and public believe that goods of the shape complained of come from the trade mark proprietor, absent a statement to the contrary?'

Analysis of the questions

Definition of the issue in the main proceedings

10. It is appropriate to define, from the outset, the issue in the main proceedings for the purposes of Community law.

I will start from the national court's finding in the order for reference that Philips' trade mark, for the purposes of the second indent of Article 3(1)(e) of the Directive, is nothing more than a 'combination of technical features produced to achieve a good practical design'.

11. As counsel for Philips acknowledged at the hearing, the relative complexity of this reference for a preliminary ruling is due more to the manner in which the questions have been drafted than to the inherent difficulty in interpreting the Directive in the present case.

12. Furthermore, I have the impression that there is a certain amount of confusion in the order for reference — or, rather, a certain overlap — between the *raisons d'être* of each of the absolute grounds of

invalidity in subparagraphs (b) to (d) of Article 3(1) and that contained in subparagraph (e).

13. According to subparagraph (b), trade marks which are devoid of any distinctive character are not be registered or if registered are liable to be declared invalid. Signs which do not fulfil the primary purpose of distinguishing the goods and which, therefore, do not make it possible to identify their origin, that is to say their manufacturer, are not covered by the exclusive protection conferred on trade marks.

14. Subparagraphs (c) and (d) of Article 3(1) exclude from registration certain signs on account of their generic nature (inasmuch as they serve to designate the kind, quality, intended purpose, value, geographical origin, or the time of production of the goods) or because they have become customary. They contain, therefore, a partial legal definition of the concept of distinctive character.

15. The legislature acknowledged the basic similarity of those three grounds of exclusion in providing, in Article 3(3), that they do not apply if, before the date of application for registration and following the use which has been made of it, it has 'acquired a distinctive character'.

16. Subparagraph (e), however, is not of the same legal nature. It applies to three-dimensional signs which arise solely from the nature of the goods themselves, seek to obtain a technical result or give substantial value to the goods. This exclusion is based not on the lack of distinctiveness of certain natural, functional or ornamental shapes — in which case it would only serve to define the scope of subparagraph (b) — but reflects the legitimate concern to prevent individuals from resorting to trade marks in order to extend exclusive rights over technical developments.

17. Consistent with that logic, the legislature did not include subparagraph (e) among the grounds for refusal which may be 'overcome' by virtue of Article 3(3). Natural, functional or ornamental shapes are incapable, by express intention of the legislature, of acquiring a distinctive character. It is altogether otiose — as well as contrary to the scheme of the Directive — to consider whether or not such shapes have acquired distinctiveness.

18. The ground for refusal provided for at subparagraph (e) resembles, so far as concerns the scope of its effects, those provided for in, for example, subparagraphs (f) or (g) of Article 3(1) of the Directive. Subparagraph (f) refuses registration for trade marks which are contrary to public policy, while subparagraph (g) likewise refuses registration for trade marks which are of

such a nature as to deceive the public. Thus, if an application were made to register the trade mark 'Babykiller' for a pharmaceutical abortifacient, there is no doubt that it would not be necessary to analyse the distinctive character — which, in any event, it is likely to possess — of that word. Merely by virtue of being contrary to public policy it would have to be barred from registration.

19. In my view, for the purpose of resolving the present case, only the second indent of subparagraph (e), which excludes from registration 'signs which consist exclusively of the shape of goods which is necessary to obtain a technical result', is relevant.

20. A trade mark having the characteristics of that at issue in the main proceedings, that is to say consisting of an overhead view of a shaver with three rotary heads arranged in the shape of a triangle, seems to be the perfect example of a merely functional shape. Indeed, at least in appearance, its essential features fulfil a function and are there only in so far as they perform that function.

21. Philips, which describes its design as 'minimalist', seems to accept that its trade mark lacks any arbitrary or capricious addition, although it contends in its defence that the registered mark in question reflects but one of the various ways of achieving the same technical result. As I shall explain below, I do not think that any account should be taken of this fact.

22. In the order for reference, the national court observes that the essential features of Philips' trade mark are attributable to a particular function.

23. In those circumstances, I consider that it would be appropriate to look at the distinguishing capacity of Philips' trade mark only if it were accepted that the only shapes having a functional purpose, for the purpose of subparagraph (e), are those necessary to obtain a technical result.

24. On the basis of the foregoing, I consider it appropriate to analyse first the fourth question referred by the United Kingdom court.

Question 4

25. By this question, the referring court seeks to ascertain the criteria for assessing the exclusion from registration of 'signs which consist exclusively of the shape of goods which is necessary to obtain a technical result' to be applied under Article 3(1)(e).

26. As I said above, the fact that the national court considers — rightly, in my opinion — that Philips' trade mark is nothing more than a 'combination of technical features produced to achieve a good practical design' renders the fourth question the only relevant one in approaching the issue in the present case. The other questions refer to different aspects of possessing or acquiring through use a distinctive character, matters which do not require to be analysed in the present case.

27. The national court seeks to ascertain, in particular, whether a merely functional shape is caught by the exclusion provided for in subparagraph (e) even when it can be shown that the same technical result can be achieved by other different shapes.

28. 'Merely functional' is to be understood — as suggested by the national court — as any function whose essential features are attributable to the achievement of a technical result. Use of the phrase 'essential features' means that a shape containing an arbitrary element which, from a functional point of view, is minor, such as its colour, does not escape the prohibition.

There is nothing in the wording of subparagraph (e) of Article 3(1) which makes it possible to conclude that a merely functional shape could be registered if another shape, capable of achieving a comparable result, exists. It suffices that the signs of which the trade mark consists should comprise exclusively features which are necessary in order to achieve a particular technical result.

29. This literal interpretation can just as easily be applied to the other main language versions of the Directive. [4]

I arrive at the same conclusion by applying a teleological interpretation to the provision.

30. The immediate purpose in barring registration of merely functional shapes or shapes which give substantial value to the goods is to prevent the exclusive and permanent right which a trade mark confers from serving to extend the life of other rights which the legislature has sought to make subject to limited periods.

4 — The French text reads 'signes constitués exclusivement par la forme du produit *nécessaire* à l'obtention d'un résultat technique', the Spanish text 'signos constituidos exclusivamente por la forma del producto *necesaria* para obtener un resultado técnico', the Italian text 'segni costituiti esclusivamente dalla forma del prodotto *necessaria* per ottenere un risultato tecnico', and the German text 'Zeichen, die ausschliesslich bestehen aus der Form der Ware, die zur Herstellung einer technischen Wirkung *erforderlich* ist'. No italics in the original texts.

I refer, specifically, to the legislation on industrial patents and designs. [5]

31. Were it not for the existence of subparagraph (e) of Article 3(1), it would be easy to overturn the balance of public interest which must exist between rewarding innovation fairly, by granting exclusive protection, and encouraging industrial development, which entails placing time-limits on such protection, with the purpose of making the goods or the design freely available once the time-limit expires.

32. In the case of the second indent of subparagraph (e), the interpretation of which is at issue, it is clear that the Community legislature sought to delimit the scope of protection of a trade mark from that of an industrial patent. Likewise, it distinguishes between the scopes of patents and designs respectively. It is therefore highly significant that the directive on the legal protection of the latter instruments [6] granted no exclusive rights in features of appearance of a product which are solely dictated by its technical function (Article 7(1)). Similarly, the proposal for the related regulation [7] provides that Community design rights are not to be granted in features of appearance solely dictated by their technical function (Article 9(1)).

33. Reference to the Community legislation on designs serves not only to clarify the *ratio* of the ground for exclusion contained in subparagraph (e) of Article 3(1) of the Trade Marks Directive but also to grasp the exact scope of that ground, which is precisely the purpose of the fourth question.

34. The wording used in the Designs Directive for expressing that ground for refusal does not entirely coincide with that used in the Trade Marks Directive. That discrepancy is not capricious. Whereas the former refuses to recognise external features 'which are solely *dictated* by its technical function', the latter excludes from its protection 'signs which consist exclusively of the shape of goods which is *necessary* to obtain a technical result'. In other words, the level of 'functionality' must be greater in order to be able to assess the ground for refusal in the context of designs; the feature concerned must not only be *necessary* but *essential* in order to achieve a particular technical result: form follows function. [8] This means that a functional design may,

5 — By way of illustration, the European patent, as governed by the Convention of 5 October 1973, protects inventions susceptible of industrial application for a period of 20 years, whereas Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (OJ 1998 L 289, p. 29) provides for a term of protection which may be renewed up to a total term of 25 years (Article 10). Article 13 of the amended proposal for a Council Regulation on Community designs (Com 00) 660 final) is to the same effect.

6 — Cited in footnote 4, above.

7 — *Ibidem*.

8 — The semantic contrast which exists in the German version between the adjectives 'erforderlich' and 'bedingt' is particularly telling.

none the less, be eligible for protection if it can be shown that the same technical function could be achieved by another different form.

35. The Trade Marks Directive excludes all shapes necessary (in the sense of *ideally suited*) to achieve a technical result. That is to say, in so far as the essential features of a shape are necessary in order to fulfil a function, trade mark protection must not be granted without investigating whether that function could also be achieved by other features.

36. It is logical that the bar for assessing whether a ground for excluding a functional form applies is set higher for designs than for trade marks: the nature and scope of their protection are completely different from one another.

37. First, a trade mark seeks to protect the identity of the origin of the goods and, therefore, indirectly, the *goodwill* which the goods attract, whereas designs — like patents — seek to protect the goods, in their own right, as an economic factor: their substantial value (in the case of designs) or the value which derives from their technical performance (in the case of patents). In that sense, it is entirely logical that the legislature is less concerned by the strict delimitation between designs and patents than by that which ought to exist between the latter and trade marks. Moreover, this makes it easier to give protection to designs that combine functional and aesthetic features.

38. Secondly, whereas trade marks enjoy protection unlimited in time, rights in designs — like rights in patents — are limited in time. From that viewpoint, too, it is appropriate to use a stricter test for excluding functional or ornamental shapes from registration as trade marks than that to be used in separating designs from patents.

39. If we were to accept Philips' argument, which consists in accepting evidence of the existence of other shapes capable of achieving the same technical performance with the aim of preventing the exclusion of a merely functional mark, nothing would stop an undertaking from registering as trade marks *all* imaginable shapes which achieved such a result, thus obtaining a permanent monopoly over a particular technical solution. Furthermore, the trade mark court would have to carry out a comprehensive assessment concerning the equivalence of the performance of the different technical processes.

40. Thirdly, even if it should be accepted that the restrictive test for the ground for refusal put forward by Philips carries only a slight risk that trade mark rights might

unduly encroach on the field of patents, I cannot see why the public interest should tolerate such a risk, since there are other effective ways available to owners of a product to protect their commercial asset, such as adding arbitrary features.

41. The main objections to the interpretation I propose are historic and have been expressed, in the course of the proceedings, by the Commission and, of course, by Philips. I shall merely say that its explanations as to how the provision at issue came about — as a means of ascertaining the intention of the legislature — are not particularly helpful nor, in any event, can they supplement the higher considerations on which I base my arguments. Philips' contention that the reference to the 'essential features' of a shape does not correspond to the terminology of the directive is not any more persuasive. Furthermore, the Directive does not take up the test put forward by Philips, either. It is for the judicature to supplement legislation in compliance with the legislative purpose.

42. In summary, I agree with the national court that it is appropriate to bar from registration, as signs which consist exclusively of the shape of goods which is necessary to obtain a technical result, those signs the essential features of which are attributable only to the aim to achieve that technical result.

Questions 1, 2, 3, 5, 6 and 7

43. By its first question the Court of Appeal essentially seeks to ascertain whether there is a category of marks which possess a distinctive character, so that they are not excluded under Article 3(1)(b) to (d) of the Directive, or which have acquired it by use, as provided for by Article 3(3), and which, none the less, are invalid under subparagraph (a), which itself refers to Article 2.

44. According to the Directive, the reply must be in the negative: a sign which is incapable of distinguishing cannot logically have a distinctive character. Contrariwise, I do not think that the different language used in each of those provisions ('capable of distinguishing' in one and 'distinctive character' in the other) and the undeniable semantic difference thus arising (between potentiality and actuality) necessarily suffices in order to assert that there exists a category of signs which are, by their nature, incapable of acquiring a distinctive character. That is how the Court appears to have understood it in its judgment in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [9] in accepting that the *distinctive nature* of the trade mark acquired through use means that it is capable of identifying the goods and that, consequently, it is *capable of distinguishing the goods* from those of other undertakings.

9 — [1999] ECR I-2779.

45. Nevertheless, for the reasons set out above, I do not believe that this question is relevant in resolving the matter.

46. By its second question, the referring court seeks to ascertain whether the definition of 'trade mark' contained in Article 2 of the Directive, when applied to shapes, means, in so far as it requires that they must be capable of distinguishing, that they must contain some arbitrary addition, such as an embellishment with no functional purpose.

47. Whether or not there are functional features in a three dimensional trade mark must be examined in the light of subparagraph (e) of Article 3(1), so that I would refer to the analysis of the fourth question of the national court. Moreover, as I explained above, that provision, contrary to what happens in relation to the cases provided for in subparagraph (b) to (d), does not have as its purpose the protection of the distinctive character of a trade mark. To that extent, the question is irrelevant.

None the less, if 'arbitrary addition' means any element the essential features of which do not seek to achieve a technical result, the answer must be in the affirmative. Only if a shape contains an addition of this type will it be appropriate to consider whether it has a distinctive character, assuming that it is not a shape dictated by its nature or which gives substantial value to the goods.

48. By the third question, the referring court again asks about the consequences, this time in relation to Article 3(3), of a merely functional shape or, as that court puts it, which does not include any capricious addition.

49. For the reasons already set out above, it is also not necessary to examine the possibility of a merely functional, three-dimensional sign acquiring a distinctive character through use. Indeed, Article 3(3) refers exclusively to subparagraph (b) to (d) of paragraph (1).

50. By its fifth question, the court making the reference seeks clarification of the term 'exclusively', as contained in Article 3(1)(c) of the Directive.

51. By its sixth question, the national court asks the Court of Justice for guidance on the existence of identicality as required by Article 5(1) of the Directive.

52. Lastly, by its seventh question, the national court inquires how the capacity of goods, sold in infringement of trade mark rights, to make people identify them with the trade mark proprietor is to be assessed.

53. Those three questions concern, from different angles, the question of the distinctive character of a trade mark. As I have argued, it is sufficient that the essential features of a particular sign should serve the achievement of a technical result in order for registration to have to be refused. Since the court making the reference in the present case takes that view, it is not appropriate to analyse, for merely hypothetical purposes, the potential difficulties in assessing the distinctive character of a shape having those characteristics.

Conclusion

54. The second indent of Article 3(1)(e) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that any shape the essential features of which serve the achievement of a technical result must be regarded as a sign which consists exclusively of the shape of goods which is necessary to obtain such a result, irrespective of whether it is possible to achieve that result using other shapes. If a sign meets those conditions, there is no need to consider whether it has any distinctive character.