Reports of Cases

JUDGMENT OF THE GENERAL COURT (Second Chamber)

24 September 2019*

(EU trade mark — Invalidity proceedings — EU figurative trade mark depicting a black square containing seven concentric blue circles — Absolute ground for refusal — Sign consisting exclusively of the shape of goods which is necessary to obtain a technical result — Article 7(1)(e)(ii), of Regulation (EU) 2017/1001)

In Case T-261/18,

Roxtec AB, established in Karlskrona (Sweden), represented by J. Olsson and J. Adamsson, lawyers,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by V. Ruzek and H. O'Neill, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

Wallmax Srl, established in Milan (Italy), represented by F. Ferrari and L. Goglia, lawyers,

ACTION brought against the decision of the Second Board of Appeal of EUIPO of 8 January 2018 (Case R 940/2017-2), relating to invalidity proceedings between Wallmax and Roxtec,

THE GENERAL COURT (Second Chamber),

composed of M. Prek, President, E. Buttigieg (Rapporteur) and B. Berke, Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the application lodged at the Court Registry on 26 April 2018,

having regard to the response of EUIPO lodged at the Court Registry on 30 July 2018,

having regard to the response of the intervener lodged at the Court Registry on 31 July 2018,

having regard to the written question put by the Court to the parties on 28 February 2019 and the responses to that question lodged at the Court Registry on 13 and 14 March 2019,

* Language of the case: English.

further to the hearing on 29 March 2019,

gives the following

Judgment

Background to the dispute

1 On 6 July 2015, the applicant, Roxtec AB, lodged an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).

2 Registration as a mark was sought for the following figurative sign, indicating the colours 'blue and black':



3 The goods in respect of which registration was sought are in Class 17 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 revised and amended, and correspond to the following description: 'Cable and pipe penetration seals, made from plastic or rubber'.

4 The EU trade mark application was published in *Community Trade Marks Bulletin* No 127/2015 of 10 July 2015, and the mark was registered on 22 October 2015 under number 14338735.

5 The applicant develops and markets sealing modules which were protected by patent until 2010.

6 On 7 January 2016, the intervener, Wallmax Srl, which produces and distributes similar sealing modules, filed an application for a declaration of invalidity of the trade mark reproduced in paragraph 2 above, in respect of the goods covered by that mark, invoking, in the first place, the absolute grounds for invalidity under Article 7(1)(b), (d) and (e) of Regulation No 207/2009 (now Article 7(1)(b), (d) and (e) of Regulation 2017/1001), read in conjunction with Article 52(1)(a) of that regulation (now Article 59(1)(a) of Regulation 2017/1001) and, in the second place, the absolute ground for invalidity referred to in Article 52(1)(b) of Regulation No 207/2009 (now Article 59(1)(b) of Regulation 2017/1001), alleging that the applicant acted in bad faith when filing its application.

7 By decision of 14 March 2017, the Cancellation Division rejected the application for a declaration of invalidity in its entirety. As regards the absolute ground for invalidity under Article 7(1)(e)(ii) of Regulation No 207/2009 (now Article 7(1)(e)(ii) of Regulation 2017/1001), the Cancellation Division found in particular that, first, as admitted by the applicant, the contested sign clearly alluded to a view of a cable-sealing module; secondly, the essential characteristics of the contested sign are seven blue concentric circles set against a black square background and separated from each other by a distance

equal to their width, where the smallest, innermost circle encloses a larger black circle in its middle; and thirdly, (i) the contested figurative mark in no way objectively resembled a technical drawing or a two-dimensional depiction of a three-dimensional product, and (ii) there are many objective differences between the contested mark and the shape of the applicant's sealing module ('the sealing module'), such as the colour, the number of concentric circles and the absence of a dividing line. The Cancellation Division therefore concluded that registration of the contested trade mark was not likely to unduly impair the opportunity for competitors to place on the market goods whose system incorporates the same or similar technology as a technical solution and that, consequently, it should not be cancelled under Article 7(1)(e)(ii) of the aforementioned regulation.

8 On 8 May 2017, the intervener filed a notice of appeal against the decision of the Cancellation Division, pursuant to Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001).

9 By decision of 8 January 2018, the Second Board of Appeal of EUIPO annulled the decision of the Cancellation Division and upheld the application for a declaration of invalidity under Article 59(1)(a) of Regulation 2017/1001, read together with Article 7(1)(e)(ii) of that regulation.

10 In the first place, the Board of Appeal found, first, that aside from the non-distinctive element of the background colour, the contested sign consists exclusively of the main characteristic of the sealing module, namely an exact depiction of the end view of the concentric removable layers lining the inside of the cylindrical cavity and hardly differs at all from a photograph of the leading surface of the sealing module. Secondly, the Board of Appeal indicated that all the other aspects of the sealing module — the fact that it can be divided in half, that it takes the form of a block, and that it can assume any colour — are largely irrelevant to its function, because such elements may vary considerably without interfering with the seal's function. Thirdly, the Board of Appeal found that the front-end surface clearly showing the concentric circle structure, contains all the relevant indications needed to achieve the intended technical result.

11 In the second place, the Board of Appeal found, first, that the fact that the background colour of the contested trade mark (black) is not the same as the background colour of the sealing module (blue) and that the number of concentric circles differs are not important differences since they are marginal variations in the non-distinctive characteristics of the contested trade mark. Secondly, the Board of Appeal noted that, although it is true that the contested trade mark is not split by a horizontal line separating the upper part from the lower part to enable removal of the various layers, in practice, the extent to which the line is visible would be directly proportional to the quality of the finish since, in a high-quality finished product, the dividing line might not be visible at all. Therefore, the absence of a dividing line in the contested trade mark is not decisive. Thirdly, the Board of Appeal found that no decorative or imaginative element is, in the present case, an essential characteristic of the sign at issue, and, fourthly, it found that the fact that the contested trade mark is figurative and depicts a two-dimensional design by no means precludes the application of Article 7(1)(e)(ii) of Regulation 2017/1001.

12 Finally, and in the third place, the Board of Appeal found, first, that registration of the contested trade mark was likely to unduly impair the opportunity for competitors to place on the market sealing modules whose function relies on the removal of concentric layers from a cylindrical cavity to securely fit a pipe, tube, wire or cable, and secondly, that the applicant had filed trade mark applications for concentric circle marks, including the contested trade mark, for a strategic purpose which is contrary to the rationale of Article 7(1)(e)(ii) of Regulation 2017/1001.

Forms of order sought

13 The applicant claims that the Court should:

– annul the contested decision;

– order EUIPO to pay the costs incurred both in these proceedings and in the proceedings before EUIPO.

14 EUIPO contends that the Court should:

– dismiss the application;

– order the applicant to the pay the costs.

15 The intervener contends that the Court should:

– uphold the contested decision;

– declare the contested trade mark invalid under Article 7(1)(e)(ii) of Regulation 2017/1001.

Law

Admissibility of the intervener's heads of claim

16 As a preliminary point, it should be noted, to begin with, that, given that upholding the contested decision is tantamount to dismissing the action, the intervener's first head of claim should be understood as requesting, in essence, that the action be dismissed (see, to that effect, judgment of 5 February 2016, *Kicktipp* v *OHIM — Italiana Calzature (kicktipp)*, T-135/14, EU:T:2016:69, paragraph 19 and the case-law cited).

17 Next, regarding the intervener's second head of claim asking the Court to declare the contested trade mark invalid under Article 7(1)(e)(ii) of Regulation 2017/1001, it should be noted that it follows from Article 72(2) and (3) of Regulation 2017/1001 that the purpose of the action before the Court is to review the legality of the decisions of the Boards of Appeal and obtain, as the case may be, the annulment or alteration of those decisions, not to obtain declarative judgments in respect of those decisions (see, to that effect, judgment of 14 December 2017, *GeoClimaDesign* v *EUIPO — GEO (GEO)*, T-280/16, not published, EU:T:2017:913, paragraph 14 and the case-law cited).

18 Accordingly, as the intervener's second head of claim seeks a declaration of invalidity of the contested trade mark, it must be declared inadmissible.

Substance

19 In support of its action, the applicant raises a single plea in law alleging infringement of Article 7(1)(e)(ii) of Regulation 2017/1001.

20 In support of its single plea, the applicant submits, in the first place and in essence, that the contested trade mark is not the shape of the actual product in question, as it merely alludes to the sealing module and does not describe it. In that regard, the applicant argues that three of the characteristics of the sealing module do not feature in the contested trade mark, namely the dividing line, the three-dimensional rectangular shape and the peelable layers of that module. Moreover, as to the fact

that the contested mark does not incorporate the dividing line, the applicant claims, contrary to the findings of the Board of Appeal, that the product in question features a highly visible dividing line that does not disappear as a result of the quality of the finish to the product, as the sealing module is made of rubber and intended for industrial use. Owing to those differences, the applicant claims that relevant consumers will perceive the contested trade mark as a figurative mark featuring the applicant's signature colours, namely black and blue, and alluding to its line of products, not as a mark depicting a sealing module marketed by the applicant or a view of that module.

21 In the second place, the applicant claims, in essence, that the Board of Appeal failed to correctly identify the essential characteristics of the contested sign, in finding that the concentric circles were the only essential characteristic of relevance for the purpose of applying Article 7(1)(e)(ii) of Regulation 2017/1001, without taking into account the 'box shape', the colour blue and the blue and black colour combination, which the applicant claims are also essential characteristics of the contested trade mark.

22 In particular, the applicant argues that the combination of the colours black and blue is, to begin with, an essential characteristic of the contested trade mark in that, first, along with the concentric circles, it is the most distinctive characteristic of the contested trade mark, as borne out by the decision of the Second Board of Appeal of EUIPO of 15 June 2012 (Case R 2244/2010-2) concerning another of the applicant's trade marks consisting solely of those two colours, which found that the mark had acquired distinctive character through use, specifically with respect to 'Cable and pipe penetration seals, made from plastic or rubber' under Class 17, and secondly, that colour combination dominates the overall visual impression given by the contested sign. Next, the applicant claims that the combination of colours in question is a major non-functional element of the contested trade mark, and therefore registration of the contested trade mark should not be cancelled under Article 7(1)(e)(ii) of Regulation 2017/1001, in accordance with the case-law of the Court.

23 In the third place, the applicant argues, in essence, that the contested trade mark does not incorporate the characteristics that are necessary and indispensable for the product at issue to function and be used, such as the dividing line indicating that the product can be split in two, the rectangular three-dimensional shape and the peelable layers of the product, without which the intended technical result could not be achieved. The applicant adds that as the aforementioned characteristics do not feature in the contested trade mark, they can be incorporated in competing products with other designs, and therefore registration of the contested trade mark should not be cancelled under Article 7(1)(e)(ii) of Regulation 2017/1001. The applicant also claims that there is no risk that competition will be impaired as many other colour combinations are available on the market aside from those used by the applicant, as is evident from the mark registered by the intervener that was the subject of decision B 3035 519 of the Opposition Division of 22 February 2019, which found that there was no likelihood of confusion between the mark requested by the intervener and the applicant's earlier trade marks on account, in particular, of the differences in colour. Finally, the applicant claims that there are other sealing solutions on the market for which that particular technical solution is not even necessary.

24 EUIPO and the intervener contest the arguments put forward by the applicant.

25 As a preliminary point, it should be noted, in the first place, that under Article 7(1)(e)(ii) of Regulation 2017/1001, signs which consist exclusively of the shape of goods which is necessary to obtain a technical result are not to be registered.

26 The underlying rationale of Article 7(1)(e)(ii) of Regulation 2017/1001 is to prevent trade mark law from granting an undertaking a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in competitors' products (see, by analogy, judgment of 18 June 2002, *Philips*, C-299/99, EU:C:2002:377, paragraph 78).

27 In that regard, the rules laid down by the legislature reflect the balancing of two considerations, both of which are likely to help establish a healthy and fair system of competition (judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraph 44).

28 On the one hand, the inclusion in Article 7(1) of Regulation 2017/1001 of the prohibition on registration as a trade mark of any sign consisting of the shape of goods which is necessary to obtain a technical result ensures that undertakings may not use trade mark law in order to perpetuate, indefinitely, exclusive rights relating to technical solutions (judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraph 45).

29 On the other hand, by restricting the ground for refusal set out in Article 7(1)(e)(ii) of Regulation 2017/1001 to signs which consist 'exclusively' of the shape of goods which is 'necessary' to obtain a technical result, the legislature duly took into account that any shape of goods is, to a certain extent, functional and that it would therefore be inappropriate to refuse to register a shape of goods as a trade mark solely on the ground that it has functional characteristics. By the terms 'exclusively' and 'necessary', that provision ensures that solely shapes of goods which only incorporate a technical solution, and registration of which as a trade mark would therefore actually impede the use of that technical solution by other undertakings, are not to be registered (judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraph 48).

30 In the second place, it should be noted that the correct application of Article 7(1)(e)(ii) of Regulation 2017/1001 requires that the essential characteristics of the three-dimensional sign at issue be properly identified by the authority deciding on the application for registration of the sign as a trade mark. The expression 'essential characteristics' must be understood as referring to the most important elements of the sign (see, to that effect, judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraphs 68 and 69).

31 The identification of those essential characteristics must be carried out on a case-by-case basis. There is no hierarchy that applies systematically between the various types of elements of which a sign may consist. Moreover, when determining the essential characteristics of a sign, the competent authority 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 (judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraph 70).

32 Consequently, the identification of the essential characteristics of a three-dimensional sign with a view to a possible application of the ground for refusal under Article 7(1)(e)(ii) of Regulation 2017/1001 may, depending on the case, and in particular in view of its degree of difficulty, be carried out by means of a simple visual analysis of the sign or, on the contrary, be based on a detailed examination in which relevant criteria of assessment are taken into account, such as surveys or expert opinions, or data relating to intellectual property rights conferred previously in respect of the goods concerned (judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraph 71).

33 The possibility afforded to the competent authority to take into account relevant criteria that help to identify essential characteristics of a contested three-dimensional sign has been extended to the assessment of two-dimensional signs (see, to that effect, judgment of 6 March 2014, *Pi-Design and Others* v *Yoshida Metal Industry*, C-337/12 P to C-340/12 P, not published, EU:C:2014:129, paragraph 55).

34 In the third place, it must be noted that, once the sign's essential characteristics have been identified, EUIPO still has to ascertain whether they all perform the technical function of the goods at issue. Article 7(1)(e)(ii) of Regulation 2017/1001 cannot be applicable where the application for registration as a trade mark relates to a shape of goods in which a non-functional element, such as a decorative or imaginative element, plays an important role (see judgment of 28 June 2016, *Peri* v *EUIPO (Shape of a formwork coupler)*, T-656/14, not published, EU:T:2016:367, paragraph 18 and the case-law cited).

35 The examination of the functionality of the essential characteristics of a sign consisting of the shape of goods must be carried out by analysing the sign filed with a view to its registration as a trade mark, and not signs consisting of other shapes of goods. The technical functionality may be assessed, inter alia, by taking account of the documents relating to previous patents describing the functional elements of the shape concerned (see judgment of 31 January 2018, *Novartis* v *EUIPO — SK Chemicals (Representation of a transdermal patch)*, T-44/16, not published, EU:T:2018:48, paragraph 25 and the case-law cited).

36 It is in the light of those principles that the Court must examine the arguments in support of the single plea, alleging infringement of Article 7(1)(e)(ii) of Regulation 2017/1001.

37 In the first place, as to the applicant's claim that the contested trade mark is not the shape of the actual product as it merely alludes to the sealing module and does not describe it (see paragraph 20 above), it follows from the case-law that, first, the graphic representation of a mark must be self-contained, easily accessible and intelligible in order that a sign may always be perceived unambiguously and in the same way so that the mark is guaranteed as an indication of origin. Secondly, the function of the graphic representability requirement is, in particular, to define the mark itself in order to determine the precise subject of the protection afforded by the registered mark to its proprietor (see, to that effect, judgment of 6 March 2014, *Pi-Design and Others* v *Yoshida Metal Industry*, C-337/12 P to C-340/12 P, not published, EU:C:2014:129, paragraph 57 and the case-law cited).

38 It also follows from the case-law referred to in paragraphs 30 to 33 above that in order to identify the essential characteristics of a two-dimensional sign, such as the contested sign, the Board of Appeal may carry out a detailed examination that takes into account, in addition to the graphic representation and any descriptions filed at the time of the application for registration, relevant criteria that make it possible to assess what the sign at issue actually represents.

39 In that regard, it is apparent from paragraph 21 of the contested decision that in its assessment of the characteristics of the contested trade mark, the Board of Appeal first took into account the two-dimensional graphic representation of the sign, as well as the sealing module protected by the applicant's patent which expired in 2010. In the light of those two elements, the Board of Appeal found at the outset, in paragraph 22 of that decision, that the concentric circle structure of the contested trade mark could be distinguished in the two technical drawings of the sealing module from the original patent document.

40 The Board of Appeal went on to cite, first, in paragraph 23 of the contested decision, the description of the sealing module from the applicant's patent, as follows: 'the invention, consisting of a "lead through or transit" seal embodies a method to guarantee a tight fit for the secure insertion of a cable, tube or wire. The inner circular longitudinal cavity consists of concentric removable sealing layers. The layers are peeled away until the correct diameter is achieved for the insertion of a cable. The module consists of high-quality rubber'. Secondly, in paragraph 25 of that decision, the Board of Appeal referred to the applicant's product catalogue, in which the applicant asserts that '[the invention] is a solution based on rubber modules with removable layers' and that it 'allows for a perfect sealing regardless of the outside dimensions of the cable or pipe'.

41 Finally, in paragraph 27 of the contested decision, the Board of Appeal referred to photographs of the sealing module from the applicant's advertising materials showing how the sealing modules are used, specifically by peeling away the concentric sealing layers and inserting a cable.

42 On the basis of all those considerations, the Board of Appeal concluded, in essence, in paragraphs 38 and 44 of the contested decision, that the contested trade mark was a two-dimensional depiction of the leading surface of the sealing module.

43 The Board of Appeal's finding on that point must be upheld. A comparison of the contested trade mark with the technical drawings of the sealing module from the applicant's expired patent, and a comparison of that trade mark with the photographs of the sealing module from the applicant's advertising materials both show that the contested trade mark consisting of a square black background with seven concentric blue circles hardly differs at all from the leading surface of the sealing module, which consists of a square shape from which the ends of the removable concentric sealing layers lining the inside of the cylindrical cavity can be seen, and which is split by a thin horizontal line.

44 The descriptions of the sealing module in the aforementioned patent and the applicant's product catalogue also indicate that the 'invention' is a solution based on rubber modules consisting of removable concentric sealing layers. It can therefore be concluded that the concentric circles in the contested trade mark are 'the visible consequence of the "plurality" of layers that are to be stripped away', each corresponding to 'an edge view of the removable layer', as the Board of Appeal correctly found in paragraph 28 of the contested decision.

45 In the light of the foregoing, contrary to what the applicant claims, it must be found that the contested trade mark consists of the actual shape of the product at issue, namely a two-dimensional depiction of the leading surface of the sealing module which shows the end of the removable concentric sealing layers that make up the inside of the cylindrical cavity of that module.

46 The applicant's arguments do not cast doubt on that finding.

47 First, as to the fact that the dividing line in the sealing module does not feature in the contested trade mark, it must be pointed out, as rightly noted by the applicant, that the two halves that make up the module may not be considered individually, but must be considered as a whole, as the product only actually performs its sealing function when both halves are overlaid. Once they are overlaid, the two halves form a single uniform element with only a faint dividing line, as is evident, first, from the photographs of that module reproduced in paragraph 27 of the contested decision and, secondly, in the applicant's product catalogue, which indicates that once the two halves of the module are overlaid, the thickness of the dividing line at issue is between 0.1 to 1.0 mm. Therefore, the Court finds that since the dividing line is a minor and inconspicuous characteristic of the sealing module, the fact that that element does not feature in the contested trade mark is not decisive, as rightly held by the Board of Appeal in paragraph 37 of the contested decision, because it would not prevent the contested trade mark from being perceived as a depiction of the leading surface of the sealing module in the light of the considerations set out in paragraphs 43 to 45 above.

48 Secondly, as to the fact that the three-dimensional rectangular shape of the sealing tube does not feature in the contested trade mark, it should be noted that Article 7(1)(e)(ii) of Regulation 2017/1001 does not define the signs which must be deemed to constitute a shape within the meaning of that provision. It makes no distinction between three-dimensional shapes, two-dimensional shapes, or two-dimensional depictions of three-dimensional shapes. It must therefore be held that that provision may apply to the contested sign, which is a two-dimensional depiction of the leading surface of a sealing module (see, to that effect, judgment of 31 January 2018, *Representation of a transdermal patch*, T-44/16, not published, EU:T:2018:48, paragraph 19 and the case-law cited). Accordingly, the applicant's argument that the contested sign does not reproduce a three-dimensional characteristic is not relevant, as Article 7(1)(e)(ii) of that regulation applies to the contested sign, which is a two-dimensional depiction of the leading surface of a sealing module.

49 Finally and thirdly, as regards the applicant's argument that the contested trade mark does not depict the peelable layers of the sealing module, it is sufficient to refer to the considerations in paragraph 44 above, which establish that the concentric removable sealing layers are depicted by the concentric

circles in the contested trade mark, in so far as they are the 'visible consequence of the "plurality" of layers that are to be stripped away', each corresponding to 'an edge view of the removable layer'. Therefore, that argument must be rejected.

50 In the second place, as to the applicant's claim that the Board of Appeal did not correctly identify the essential characteristics of the contested trade mark (see paragraph 21 above), it must be noted, as a preliminary finding, that the parties' written submissions make reference to the distinctive character of the elements of the contested sign as a means to identify the essential characteristics of that sign. The applicant claims that the combination of the colours black and blue is an essential characteristic of the contested trade mark because, along with the concentric circles, it is 'its most distinguishing' feature. EUIPO, for its part, contends that the elements which are clearly devoid of inherent distinctive character cannot be considered to be essential characteristics. Finally, the intervener argues, inter alia, that the 'distinctive element of the sign' is undoubtedly the 'concentric design' which depicts the main technical characteristics of the sealing module.

51 In that regard, there is nothing in the case-law of the Court of Justice or the General Court to indicate that the concept of 'essential characteristics' of the sign, for the purposes of Article 7(1)(e)(ii) of Regulation 2017/1001, refers to that of 'distinctive elements' of the sign, but only to 'the most important elements of the sign', as noted in paragraph 30 above, which should be identified on a case-by-case basis.

52 Furthermore, trade marks which may be refused registration on the grounds listed in Article 7(1)(b) to (d) of Regulation 2017/1001 may, under Article 7(3) of that regulation, acquire distinctive character through the use made of them. However, a sign which is refused registration under Article 7(1)(e) of Regulation 2017/1001 can never acquire distinctive character through use for the purposes of Article 7(3) of that regulation. Article 7(1)(e) of Regulation 2017/1001 thus concerns certain signs which are not such as to constitute trade marks and is a preliminary obstacle liable to prevent a sign consisting exclusively of the shape of a product from being registered as a mark (see, by analogy, judgment of 18 June 2002, *Philips*, C-299/99, EU:C:2002:377, paragraphs 75 and 76).

53 Therefore, since the absolute ground for refusal under Article 7(1)(e)(ii) of Regulation 2017/1001 constitutes a preliminary obstacle that is liable to prevent a sign consisting exclusively of a shape of a product from being registered, it is clear that it cannot be assessed under the same rules as those applicable in the assessment of distinctive elements, the purpose of which is to ascertain whether the sign serves as an indication of origin of the product in the eyes of the consumer, which is not the same as determining the essential elements of a shape.

54 Unlike in the situation covered by Article 7(1)(b) of Regulation 2017/1001, where the perception of the relevant public must be taken into account, since it is essential in order to determine whether the sign filed for registration as a trade mark is capable of identifying the goods or services concerned as originating from a particular undertaking, no such obligation may be imposed in the context of Article 7(1)(e)(ii) of Regulation 2017/1001. Therefore, the presumed perception of the sign by the average consumer is not a decisive element when applying the ground for refusal in the context of Article 7(1)(e)(ii) of Regulation 2017/1001, but, at most, may be a relevant criterion of assessment for the competent authority in identifying the essential characteristics of the sign. Consequently, the identification of the essential characteristics of a sign in the context of Article 7(1)(e)(ii) of Regulation 2017/1001 must not necessarily be carried out from the perspective of the relevant public (see, to that effect, judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraphs 75 to 77).

55 The Court of Justice has thus upheld the General Court's case-law that the determination of the essential characteristics of the shape at issue is made, in the context of Article 7(1)(e)(ii) of Regulation 2017/1001, with the specific aim of examining the functionality of that shape. The average consumer's perception is not relevant to the analysis of the functionality of the essential characteristics of a shape.

The average consumer may not have the technical knowledge necessary to assess the essential characteristics of a shape and therefore certain characteristics may be essential from his point of view even though they are not essential in the context of an analysis of functionality and vice versa. Accordingly, it must be held that the characteristics of a shape must be determined objectively for the purposes of applying Article 7(1)(e)(ii) of Regulation 2017/1001, on the basis of its graphic representation and any descriptions filed at the time of the application for the trade mark (see, to that effect, judgments of 12 November 2008, *Lego Juris v OHIM — Mega Brands (Red Lego Brick)*, T-270/06, EU:T:2008:483, paragraph 70, and of 31 January 2018, *(Representation of a transdermal patch)*, T-44/16, not published, EU:T:2018:48, paragraph 99).

56 In the light of the case-law cited in paragraphs 54 and 55 above, it must be noted, first, that in order to assess the distinctive character of a sign, the perception of the relevant public must be taken into account, unlike when assessing the essential characteristics of a sign consisting of a shape, within the meaning of Article 7(1)(e)(ii) of Regulation 2017/1001, in which case the perception of the relevant public is neither necessary nor decisive for the reasons set out in paragraph 55 above, and, at most, may constitute a relevant, but not decisive, criterion of assessment for the competent authority in identifying the essential characteristics of the sign.

57 Secondly, it should be noted that the object of the perception of the relevant public in the context of the assessment of distinctive character under Article 7(1)(b) of Regulation 2017/1001 is different from that which 'at most, may constitute a relevant, but not decisive, criterion of assessment for the competent authority in identifying the essential characteristics of the sign' in the context of Article 7(1)(e)(ii) of the aforementioned regulation.

58 Under Article 7(1)(b) of Regulation 2017/1001, the perception of the relevant public seeks to determine whether the sign in respect of which registration as a trade mark is sought is capable of distinguishing the goods or services in question as originating from a given undertaking, whereas under Article 7(1)(e)(ii) of the same regulation, that perception merely serves, as a relevant criterion of assessment, to identify which elements are perceived as most important, with the specific aim of examining the functionality of the shape at issue. Therefore, it follows that the perception of the relevant public in the context of Article 7(1)(b) of Regulation 2017/1001 and the perception of the relevant public in the context of Article 7(1)(e)(ii) of that regulation share neither the same object nor the same aim. Therefore, it follows that the distinctive character of the element of a sign is not relevant for the purposes of identifying its essential characteristics in the context of Article 7(1)(e)(ii) of that regulation.

59 As regards distinctive character acquired through use for the purposes of Article 7(3) of Regulation 2017/1001, invoked by the applicant with regard to the combination of the colours black and blue in the contested sign in order to demonstrate that it is an essential characteristic of that sign, as set out in paragraph 52 above, the legislature has laid down with particular strictness that shapes necessary to obtain a technical result are unsuitable for registration as trade marks, since it has excluded the grounds for refusal listed in Article 7(1)(e) of Regulation 2017/1001 from the scope of the exception under Article 7(3) thereof. It thus follows from Article 7(3) of Regulation 2017/1001 that, even if a shape of goods which is necessary to obtain a technical result has become distinctive in consequence of the use which has been made of it, it is prohibited from being registered as a trade mark (see judgment of 31 January 2018, *Representation of a transdermal patch*, T-44/16, not published, EU:T:2018:48, paragraph 103 and the case-law cited). Therefore, since Article 7(3) of Regulation 2017/1001 does not apply to Article 7(1)(e)(ii) of that regulation, it must be found that distinctive character acquired through the use of a sign is not relevant in the context of the latter provision.

60 Furthermore, it must be noted that the perception of the relevant public in the context of Article 7(3) of Regulation 2017/1001 is, first, necessary and decisive, and, secondly, intended to determine whether the sign has come to distinguish the goods and services from those of other undertakings because they are perceived as originating from a particular undertaking. Therefore, the inevitable conclusion is that

the object and purpose of the perception of the relevant public in the context of the aforementioned provision differ from that which might be taken into consideration in the context of Article 7(1)(e)(ii) of Regulation 2017/1001, as stated in paragraphs 54 to 58 above on the perception of the relevant public in the context of Article 7(1)(b) of Regulation 2017/1001.

61 Having regard to the considerations above, it must be found that distinctive character acquired through the use of a sign is not relevant for the purpose of identifying its essential characteristics either.

62 Finally, although the case-law referred to in paragraph 34 above indicates that the ground for refusal under Article 7(1)(e)(ii) of Regulation 2017/1001 will not apply if the shape of the goods at issue incorporates a major non-functional element, such as a decorative or imaginative element that plays an important role in that shape, but that the presence of one or more minor arbitrary elements does not preclude the application of the aforementioned provision (see also, to that effect, judgment of 14 September 2010, *Lego Juris* v *OHIM*, C-48/09 P, EU:C:2010:516, paragraphs 51 and 52), it must also be held, contrary to what EUIPO contends, that the terms 'imaginative' and 'arbitrary' in the case-law referred to above, which it claims are similar to the terminology used in the context of the assessment of distinctive character within the meaning of Article 7(1)(b) of Regulation 2017/1001 still do not lend weight to its argument that distinctive character is among the factors to be taken into consideration in order to identify the essential characteristics of a sign.

63 Indeed, it follows from the case-law referred to in paragraphs 30 to 32 and 34 above, that to correctly apply Article 7(1)(e)(ii) of Regulation 2017/1001, the first step for the competent authority is to identify the essential characteristics of the sign at issue, and then, as a second step, assess whether all those characteristics perform the technical function of the product at issue. Accordingly, whether an essential characteristic is 'decorative', 'imaginative' or 'arbitrary' is only assessed in the second step of the analysis under Article 7(1)(e)(ii) of the aforementioned regulation, on the functionality of the essential characteristics previously identified, not as part of the first step on the identification of the essential characteristics of the sign. Accordingly, contrary to what EUIPO argues, the terms 'imaginative' and 'arbitrary' used in the case-law referred to in paragraph 62 above do not lend weight to the argument that distinctive character is among the factors to be taken into consideration in order to identify the essential characteristics of a sign.

64 In the light of all the foregoing, it must be held that neither the distinctive character of the elements of a sign nor the distinctive character acquired through the use of a sign are relevant in determining its essential characteristics for the purposes of Article 7(1)(e)(ii) of Regulation 2017/1001.

65 Therefore, as it has been demonstrated, in particular in paragraphs 51 to 64 above, that the distinctive character of the elements of a sign is not relevant for the purpose of determining its essential characteristics, it must be held that the Board of Appeal erred in finding that the box shape of the sealing module, the colour blue and the combination of the colours black and blue were not to be taken into account on the grounds that those were 'purely non-distinctive' elements. However, that fact is of no consequence to the lawfulness of the contested decision, as the Board of Appeal's finding that the concentric circles are the essential characteristic of the contested sign remains correct.

66 In that regard, in the first place, upon a mere visual analysis of the contested sign, it appears that the sign consists of a black square background containing seven concentric blue circles. However, given that the concentric circles are in the centre, take up at least three quarters of the sign, and stand out as a result of the contrast between the blue of those circles and their black square background, it must be found that they are the most important element of that sign.

67 In the second place, upon a detailed examination within the meaning of the case-law referred to in paragraph 32 above, it must be found that the importance of the removable concentric sealing layers in the sealing module depicted by the concentric circles of the contested trade mark is borne out,

first, by the descriptions of the invention from the expired patent and the applicant's product catalogue which indicate that the sealing module is made up of removable concentric sealing layers and that it is precisely those layers which allow for 'perfect sealing regardless of the outside dimensions of the cable or pipe'. Secondly, the importance of the removable concentric sealing layers is illustrated by the photographs of the sealing modules from the applicant's advertising materials reproduced in paragraph 27 of the contested decision, all of which show the leading surface of that module revealing not only its constituent removable concentric sealing layers, but also the importance of their function, namely that they can be peeled away one by one until the correct diameter is achieved to insert a cable. Thirdly, the importance of the removable concentric sealing layers is borne out by other trade marks registered by the applicant, reproduced in paragraph 40 of the contested decision, which differ from the contested trade mark only by their colour and the addition of a barely visible dividing line, as they all contain exactly the same series of concentric circles.

68 Accordingly, since a mere visual analysis and a detailed examination of the contested sign both show that the concentric circles of the contested sign are the most important element of that sign, the Board of Appeal was correct in finding, in paragraph 41 of the contested decision, that the concentric circles were the only important characteristic of the sign.

69 While the applicant does not dispute that the concentric circles are an essential characteristic of the contested sign, it argues, nonetheless, that those circles are not the only essential characteristic of that sign. The applicant submits that the combination of the colours black and blue, the box shape of the sealing module and the colour blue are also essential characteristics. However, it must be found that none of those arguments affect the Board of Appeal's conclusion in paragraph 41 of the contested decision that the concentric circles are the only important characteristic of the contested sign.

70 First of all, as to the applicant's argument that the combination of the colours black and blue is an essential characteristic of the contested sign on the ground that it has acquired distinctive character through use and dominates the visual impression produced by the mark, it is sufficient to note, first, that neither the distinctive character acquired through the use of a sign nor the distinctive character of one or more elements of a sign are relevant for the purposes of identifying its essential characteristics in the context of Article 7(1)(e)(ii) of Regulation 2017/1001, as demonstrated by paragraphs 59 to 61 above. Accordingly, the combination of the colours black and blue cannot be regarded as an essential characteristic on the grounds that it has acquired distinctive character through use.

71 Secondly, a mere visual analysis of the contested sign, as described in paragraph 66 above, shows that the aforementioned combination of the colours serves only to enable the series of concentric circles in the contested trade mark to stand out as a result of the contrast between the square black background and the blue of the concentric circles set against that background. Accordingly, contrary to what the applicant argues, in essence, it is not the combination of colours that is the most important element of the contested sign, but the series of concentric circles.

72 Therefore, since the applicant has not established to the requisite legal standard that the combination of the colours black and blue is an essential characteristic of the contested sign, the applicant's claim that the combination of those colours is a major non-functional element of the sign at issue must also be rejected. As pointed out in paragraphs 34 and 62 above, while Article 7(1)(e)(ii) of Regulation 2017/1001 will not apply where the application for registration as a trade mark relates to a shape of goods in which a non-functional element, such as a decorative or imaginative element, plays an important role (see also, to that effect, judgment of 31 January 2018, *Representation of a transdermal patch*, T-44/16, not published, EU:T:2018:48, paragraph 24 and the case-law cited), it must be held that such was not the case here. As the applicant has not demonstrated to the requisite legal standard that the combination of the colours black and blue was an essential characteristic of the contested sign, as one of its 'most important elements', that combination of colours is therefore only a minor arbitrary element. As indicated in paragraph 62 above, the presence of minor arbitrary elements does not

preclude the application of Article 7(1)(e)(ii) of the aforementioned regulation (see also, to that effect, judgment of 31 January 2018, *Representation of a transdermal patch*, T-44/16, not published, EU:T:2018:48, paragraph 86 and the case-law cited). Therefore, the applicant's argument that the combination of colours in question is a major non-functional element of the contested sign must be rejected.

73 Next, as regards the applicant's argument criticising the Board of Appeal for failing to take into account the box shape of the sealing module and the colour blue which it claims also constitute essential characteristics of the contested sign, it must be held that, as noted in paragraph 65 above, even though the Board of Appeal erred in excluding those two elements on the grounds that they are 'purely non-distinctive elements', the fact remains that the applicant has not substantiated its assertion that those two elements should be found to constitute essential characteristics of the contested sign. Accordingly, that argument must be dismissed.

74 Therefore, as none of the applicant's arguments cast doubt on the Board of Appeal's finding that the concentric circles are the only essential characteristic of the contested sign, the applicant's argument that the Board of Appeal failed to identify the essential characteristics of that sign correctly must be rejected.

75 In the third place, regarding the applicant's argument that the contested trade mark does not incorporate the necessary and indispensable characteristics for the product to function and be used, such as the dividing line, the three-dimensional rectangular shape and the peelable layers of the product without which the desired technical result could not be achieved (see paragraph 23 above), it should be noted, first of all, that, in order for the absolute ground for refusal in Article 7(1)(e)(ii) of Regulation 2017/1001 to apply, it is sufficient that the essential characteristics of the shape combine the characteristics which are technically causal of, and sufficient to obtain, the intended technical result, and are therefore attributable to the technical result (see, to that effect, judgment of 12 November 2008, *Red Lego Brick*, T-270/06, EU:T:2008:483, point 39).

76 Furthermore, as demonstrated in paragraph 48 above, Article 7(1)(e)(ii) of Regulation 2017/1001 may apply to the contested sign, which is a two-dimensional depiction of the leading surface of the sealing module.

77 It can therefore be inferred that Article 7(1)(e)(ii) of Regulation 2017/1001 applies to a sign that does not include every detailed characteristic of the product at issue, particularly when, as in the present case, the sign is a two-dimensional depiction of a three-dimensional shape, provided that it is demonstrated that the essential characteristics of that sign combine at least the characteristics which are technically causal of, and sufficient to obtain, the intended technical result.

78 In the light of that finding, it must thus be assessed, in the first place, whether the concentric circles, as the only essential characteristic of the contested sign, perform a technical function of the product at issue, and, in the second place, whether they combine the characteristics which are technically causal of, and sufficient to obtain, the intended technical result.

79 First, as to whether the concentric circles perform a technical function, it has been demonstrated, in particular in paragraph 44 above, as the Board of Appeal correctly found in paragraph 28 of the contested decision, that the concentric circles of the contested trade mark depict the removable concentric sealing layers of the sealing module, since they are the 'visible consequence of the "plurality" of layers that are to be stripped away', each corresponding to 'an edge view of the removable layer'.

80 It should also be noted that the description of the sealing module as reproduced in paragraphs 23 to 25 of the contested decision indicates that the invention 'consisting of a "lead through or transit" seal embodies a method to guarantee a tight fit for the secure insertion of a cable, tube or wire', that 'the

inner circular longitudinal cavity consists of concentric removable sealing layers', that 'the layers are peeled away until the correct diameter is achieved for the insertion of a cable', that the invention is 'a solution based on rubber modules with removable layers' which 'allows for a perfect sealing regardless of the outside dimensions of the cable or pipe'.

81 Therefore, having regard to the description of the aforementioned sealing module, it must also be found that the removable concentric sealing layers, represented by the concentric circles of the contested trade mark, perform a technical function of the product at issue, namely that they are peeled away 'until the correct diameter is achieved for the insertion of a cable'.

82 Secondly, as to whether the concentric circles, which depict the removable concentric sealing layers of the sealing module, combine the characteristics which are technically causal of, and sufficient to obtain, the intended technical result, it must be noted, in the first place, that the description referred to in paragraph 80 above indicates that the intended technical result for the sealing module is to achieve 'a tight fit for the secure insertion of a cable, tube or wire' and to allow for 'perfect sealing regardless of the outside dimensions of the cable or pipe'. It also follows from that description that the technical result is achieved specifically by peeling away the removable layers, as it is indicated that 'the layers are peeled away until the correct diameter is achieved for the insertion of a cable'.

83 This is borne out by the applicant's product catalogue which specifies that the product at issue is 'based on peelable layers', thus demonstrating that the removable concentric sealing layers are the main technical concept on which the sealing module is based, which the contested trade mark describes by depicting the leading surface of the sealing module, which is also the only view of that module that shows the removable concentric sealing layers, thus revealing the mechanism on which the module is based in order to achieve the intended technical result, namely, 'a tight fit' and 'perfect sealing regardless of the outside dimensions of the cable or pipe'.

84 Furthermore, as the Board of Appeal rightly noted in paragraph 35 of the contested decision, in order for the seal of the sealing module to function, it must, in particular, take the form reproduced in the contested trade mark. The cross-section must be circular, because that is usually the shape of the cross-section of the items to be inserted into the sealing module, namely the cable, wire or tube, and the layers must be concentric so that they can be peeled away one by one until the intended diameter is achieved.

85 Given the technical function of the removable concentric sealing layers and the intended technical result for the sealing module as described in paragraphs 81 to 84 above, it must be inferred that the essential characteristic of the shape at issue, namely the concentric circles depicting the removable concentric layers of the sealing module combine the characteristics which are technically causal of, and sufficient to obtain, the intended technical result, since the 'tight fit for the secure insertion of a cable, tube or wire' and 'perfect sealing regardless of the outside dimensions of the cable or pipe' are achieved precisely by peeling away the concentric removable layers one by one until the correct diameter is achieved for the insertion of a cable, and that the concentric circles depicting the removable concentric sealing layers of the sealing module are an indispensable characteristic of the invention, as they form the main technical concept on which the product at issue is based, as the Board of Appeal rightly held in paragraph 39 of the contested decision.

86 Therefore, the Board of Appeal was correct in finding in paragraph 45 of the contested decision that the 'the front-end surface which clearly shows the concentric-circle structure contains, when the particular goods are borne in mind, all the relevant indications required to determine the technical result', that 'although the actual product, being of three dimensions, has depth, there is no variation along that depth', that 'any cross-section selected at random along its length would reveal an identical structure' and that 'although the other faces of the module are not visible, it is of no great importance, since they would not convey any technical information of relevance to the mark's function.'

87 The applicant's arguments do not cast doubt on that finding.

88 First of all, as to the applicant's argument that the contested trade mark does not incorporate the dividing line or the three-dimensional rectangular shape claimed to be indispensable characteristics for the product at issue to be used and to function, without which the technical result intended by the sealing module could not be achieved, it is quite clear that the applicant has failed to substantiate its assertion that the fact that the product at issue can be divided in half and that it is rectangular in shape is 'an absolute pre-requisite' for achieving the intended technical result, as set out in paragraph 82 above. Accordingly, that argument must be rejected.

89 Next, regarding the applicant's claim that, first, the characteristics of the sealing module which do not feature in the contested trade mark, namely the dividing line and the three-dimensional rectangular shape, could be incorporated in competing products with a different design and, secondly, that there are other sealing solutions on the market which do not even require that particular technical solution, it should be borne in mind that the case-law regarding Article 7(1)(e)(ii) of Regulation 2017/1001 makes it clear that the condition of necessity does not mean that the shape at issue must be the only one capable of obtaining the technical result in question. It is true, as the applicant points out, that in some cases, the same technical result may be achieved by various solutions. However, contrary to the applicant's submission, that fact does not in itself mean that registering the shape at issue as a trade mark would have no effect on the availability, to other economic operators, of the technical solution which it incorporates. In that connection, it should be observed that registration as a trade mark of a purely functional product shape is likely to allow the proprietor of that trade mark to prevent other undertakings not only from using the shape, but also from using similar shapes. A significant number of alternative shapes might therefore become unusable for the proprietor's competitors (see judgment of 31 January 2018, *Representation of a transdermal patch*, T-44/16, not published, EU:T:2018:48, paragraph 56 and the case-law cited).

90 Thirdly, as regards the applicant's submission that there is no risk that competition will be impaired as many other colour combinations are available on the market other than that used by the applicant, as evidenced by the trade mark registered by the intervener that was the subject of decision B 3035 519 of the Opposition Division of 22 February 2019, it must be noted that by answering the question whether the sign contains a decorative or imaginative element that plays an important role it will be possible to determine whether competing undertakings will have easy access to alternative shapes with equivalent functionality, so that there is no risk that the availability of the technical solution will be impaired. As it has been found in paragraph 72 above that the combination of the colours black and blue was a minor arbitrary element, not a major decorative element that would preclude the application of Article 7(1)(e)(ii) of Regulation 2017/1001, the applicant's argument that there is no risk that competition will be impaired as there are many other colour combinations available must be rejected as the combination of colours in question plays only a minor role that does not allow competing undertakings to have easy access to alternative shapes with equivalent functionality.

91 Furthermore, neither does the fact that in decision B 3035 519 of 22 February 2019, the Opposition Division concluded that there was no risk that the intervener's trade mark would be confused with the applicant's earlier trade marks, taking account, in particular, of the differences in colour, support a finding that there is no risk that competition will be impaired, since the general interest objective underlying Article 8(1)(b) of Regulation 2017/1001 is not the same as that in Article 7(1)(e)(ii) of that regulation. Article 8(1)(b) of Regulation 2017/1001 is intended to protect the essential function of the trade mark, which is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin (see, to that effect, judgment of 29 September 1998, *Canon*, C-39/97, EU:C:1998:442, paragraph 28 and the case-law cited), not to prevent, as is the case in Article 7(1)(e)(ii) of Regulation 2017/1001, the use of trade mark law by undertakings to perpetuate, indefinitely, exclusive rights relating to technical solutions. Accordingly, the colours of a sign must be assessed differently in the context of each of the aforementioned provisions.

92 As it must be concluded from all the foregoing that all the conditions referred to in Article 7(1)(e)(ii) of Regulation 2017/1001 are satisfied and none of the applicant's arguments cast doubt on that finding, the Court finds that the Board of Appeal was correct in finding, in paragraph 49 of the contested decision, that registration of the contested trade mark was likely to unduly impair the opportunity for competitors to place on the market sealing modules whose function relies on the removal of concentric layers from a cylindrical cavity to securely fit a pipe, tube, wire or cable, and the contested trade mark registration must therefore be cancelled under the aforementioned provision.

93 It follows from all the foregoing that the applicant's single plea, alleging infringement of Article 7(1)(e)(ii) of Regulation 2017/1001, must be rejected, and that the action must therefore be dismissed in its entirety.

94 Under those circumstances, and having regard to the intervener's head of claim asking the Court to dismiss the action (see points 15 and 16 above), it is not necessary to rule on the intervener's alternative pleas alleging, in essence, that the contested trade mark is invalid on grounds other than those in Article 7(1)(e)(ii) of Regulation 2017/1001, namely those in Article 7(1)(b) and (d) of that regulation and in Article 59(1)(b) of the same regulation.

Costs

95 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

96 Since the applicant has been unsuccessful, it must be ordered to pay the costs incurred by EUIPO, in accordance with the form of order sought by EUIPO. Since the intervener has not applied for costs, it must bear its own costs.

On those grounds,

THE GENERAL COURT (Second Chamber)

hereby:

1. **Dismisses the action;**

2. **Orders Roxtec AB to pay its own costs along with those incurred by the European Union Intellectual Property Office (EUIPO);**

3. **Orders Wallmax Srl to pay its own costs.**

Prek Buttigieg Berke

Delivered in open court in Luxembourg on 24 September 2019.

E. Coulon
Registrar

E. Buttigieg
President