

and inventive step should be different. Thus, the claimant has to be aware that, even if it devised what is claimed in the broadest claim of another's patent, it may still lose its entitlement action if the Comptroller or Court finds the 'heart' of the invention to reside in a subsidiary claim.

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doi:10.1093/jiplp/jpm241

## Trade marks

### ■ ECJ denies relevance of 'acquired attractiveness' for registration of shape marks

*Benetton Group SpA v G-Star International BV*, ECJ case C-371/06, 20 September 2007

**The ECJ rejects the suggestion of the Dutch Supreme Court that a shape which gives substantial value to the product (in this case, a specific stitching on G-Star jeans) may nevertheless be registered as a trade mark if the shape's attractiveness has predominantly become the result of its recognition by the public as a distinctive sign.**

#### Legal context

Article 2 of Trade Mark Directive 89/104 mentions the shape of a product as a sign which may be registered as a trade mark. In Article 3(1)(e), however, three categories of shapes are specified which are nevertheless excluded from registration, the third of these being 'the shape which gives substantial value to the goods'. These exclusions under (e) are part of the absolute grounds for refusal listed in Article 3(1). Some of these grounds, but not the exclusions under (e), may be overcome by acquiring distinctiveness through use as set out in Article 3(3).

These provisions on shape marks were to some extent inspired by Benelux trade mark law. The first text of the Benelux Trade Mark Act, which dates back to 1962, allowed registration of shape marks and mentioned substantially the same three categories as excluded from registration, including shapes 'which influence the substantial value of the goods'. The relevant concepts have been the subject of considerable case law in the Benelux from the 1970s onwards, most notably from the Benelux Court of Justice. There was therefore some expectation (at least in

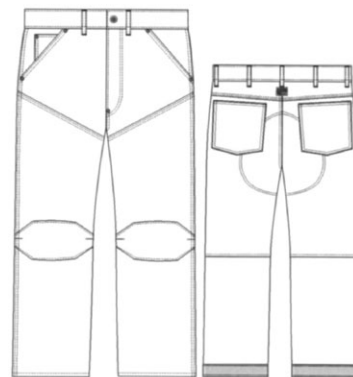
the Benelux) that the ECJ, in interpreting these provisions of the Directive, might be inspired by the earlier Benelux decisions.

Two decisions of the Benelux Court of Justice are of specific relevance here. In *Adidas three stripes* (23 December 1985, NJ 1986/258), the Benelux Court stipulated that shapes which influence the substantial value of the goods (which are excluded from registration) cannot become trade marks through intensive use.

In a later decision referred to as *Burberry I* (14 April 1989, NJ 1989/834), the Benelux Court defined the test for 'substantial value' as follows: 'Is the nature of the product such that its appearance and design, by their beauty or original character, to an important extent determine its market value?' Essentially, under this test, a court will have to decide whether the public is mainly attracted to the relevant goods by their aesthetic or original appearance. What should however *not* be taken into account, the Benelux Court explicitly stated, is attractiveness resulting from the fact that the shape is well known. The Court thus distinguished between shapes which are attractive because of their appearance, and shapes which have become attractive because they have been used or marketed intensively. Both types of 'attractiveness' may adhere to the same product, and their respective importance may vary. These complex notions are behind the questions phrased by the Hoge Raad in *G-Star*.

#### Facts

G-Star, a Dutch manufacturer of clothing, is well known for its jeans and other basic but fashionable gear. One of the G-Star's products is a pair of jeans named the 'Elwood', with a specific pattern of stitching, kneepads, and yoke on the seat of the trousers. G-Star holds two Benelux shape marks with respect to these features.



In 1999, the Italian firm Benetton started selling trousers with similar stitching and kneepads within the Benelux. G-Star took Benetton to court and requested an injunction, alleging infringement of copyright and its two trade marks. As a counterclaim, Benetton requested cancellation of G-Star's shape marks on the ground that (in the terms

of the Directive) the relevant shape gave substantial value to the goods.

Both the Court of First Instance and the Court of Appeal allowed G-Star's claim. With respect to the validity of G-Star's trade marks, the Court of Appeal held that G-Star had proven that the Elwood jeans were a big commercial success and had been extensively promoted with specific attention to the features registered as shape marks. Therefore, according to the Court of Appeal, the popularity of the Elwood jeans was to a large extent the result not of the shape's aesthetic merit, but of its reputation as a trade mark, so that the shape would not qualify as 'affecting the substantial value of the goods'.

The Hoge Raad (Supreme Court) rightly identified this reasoning as a *non sequitur*. The fact that a particular product is a commercial success and has been promoted with specific attention to its shape does not, in itself, justify the conclusion that the public is attracted to that product because of the reputation of the shape (as a sign of the good's origin) as opposed to its aesthetic value. A proper assessment would involve, first, establishing that the public does indeed find the jeans attractive because of its shape, and, secondly, establishing whether this is the case because of the shape's inherent features or because the shape identifies the jeans as originating from G-Star. In other words, do we want a pair of jeans with this particular stitching, or do we want an original G-Star?

This would be sufficient reason to refer the case back to another Court of Appeal. But the Hoge Raad realized that it should verify the underlying assumptions, set out by the Benelux Court of Justice in *Burberry I*, with the European Court of Justice.

## Analysis

The Hoge Raad phrased its questions to the ECJ firmly in Benelux language. It assumed that under Article 3(1)(e), third indent, of the Directive a shape is precluded from registration 'where the nature of the product is such that its appearance and shaping determine its market value entirely or substantially as a result of their beauty or original character'. Then it asked whether such preclusion is 'permanent', or alternatively may not apply where, before the application 'the attractiveness of the relevant shape to the public has been determined predominantly by the recognition of it as a distinctive sign'. A follow-up question asks about the extent to which 'acquired attractiveness' should prevail, to allow registration.

In Community language, the question would be whether a shape which is excluded from registration because it gives substantial value to the goods may nevertheless be registered if, before the application, the public became mainly attracted to the shape because it recognized that shape as a trade mark. The Hoge Raad stated that it would not regard such a process as

'acquiring distinctiveness through use', as covered by Article 3(3) of the Directive. That shape marks which are explicitly excluded from registration cannot qualify for registration through acquiring distinctiveness was already accepted in the Benelux since *Adidas three stripes* in 1985. The process suggested here might better be described (but is not by the Hoge Raad) as 'acquiring attractiveness through use'.

The ECJ rejected this suggestion of a new route to registration in a few brief paragraphs. Crucial to the ECJ's reasoning is that it rephrased the Hoge Raad's main question (quite against the Hoge Raad's own intention) as whether a shape giving substantial value to the goods can nevertheless constitute a trade mark *under Article 3(3) of the Directive*. Once the question is rephrased in this way, the answer is straightforward. The ECJ simply repeats the principles already set out in *Philips/Remington* (Case C-299/99). A shape refused registration under Article 3(1)(e) of the Directive can never be registered under Article 3(3) and cannot acquire distinctiveness for the purposes of that clause. Article 3(1)(e) is a preliminary obstacle preventing signs which cannot constitute trade marks from registration. So a shape which gives substantial value to the goods cannot constitute a trade mark under Article 3(3), even in the scenario sketched here, where prior to the trade mark application the shape has been the subject of advertising campaigns, is recognized by the public as a distinctive sign and has become attractive for that specific reason.

The outcome of this decision seems acceptable, as the Benelux approach is admittedly complex and can be criticized for numerous reasons. One would, however, have preferred the ECJ to provide a straightforward response to the suggestion put forward by the Hoge Raad, instead of rephrasing the question so that the answer becomes quite uninformative.

## Practical significance

For Benelux practitioners, this decision will create an awareness that the law as to shape marks is firmly European and cannot be traced back to older Benelux sources. More specifically, shape marks excluded from registration cannot qualify for registration through acquired attractiveness, as was suggested by the Benelux Court of Justice in *Burberry I*. For practitioners outside the Benelux, this decision will serve mainly as a confirmation of some of the principles set out in *Philips/Remington*.

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