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3D Kit Kat mark: advocate general delivers further blow to Nestlé European Union - Hoogenraad & Haak, Advertising + IP Advocaten

Registration Cancellation International procedures Non-traditional marks

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- Nestlé's 3D Kit Kat mark declared invalid following application by Mondelez
- General Court found that acquisition of distinctive character was proven for only part of European Union
- According to advocate general, Nestlé failed to prove that mark had acquired distinctive character

Advocate General Wathelet has given his opinion in Joined Cases C-84/17 P, C-85/17 P and C-95/17 P, which involved Nestlé's three-dimensional mark for the shape of its four-fingered Kit Kat bar.

Background

Nestlé applied for registration of a three-dimensional mark back in March 2002:



The EU trademark was registered in July 2006 but Mondelez filed an application for a declaration of invalidity on the grounds that the mark was devoid of any inherent distinctive character in 2007. This led to the trademark being declared invalid by the European Union Intellectual Property Office (EUIPO) in 2011. The Second Board of Appeal annulled this decision because Nestlé had shown that the trademark had acquired distinctive character through use in the European Union. The General Court, however, considered that the

Second Board of Appeal had erred in this conclusion given that such acquisition had been proven for only a part (albeit substantial) of the European Union. It should also have analysed the evidence adduced in respect of Belgium, Ireland, Greece and Portugal (Paragraphs 1-19).

Both Nestlé and Mondelez appealed that decision.

Advocate general opinion

The advocate general found Mondelez' appeal inadmissible because it does not comply with Article 169 (1) of the Rules of Procedure of the Court requiring that an appeal shall seek to have set aside, in whole or in part, the decision of the General Court as set out in the operative part of that decision. An appeal may not merely seek the amendment of some of the grounds of that decision (Paragraphs 42 to 47).

Nestlé and the EUIPO criticised the judgment under appeal as being an incorrect interpretation and application of Paragraphs 60 to 63 of the *Chocoladefabriken Lindt & Sprüngli v OHIM* judgment of May 24 2012 (Case C-98/11 P), where it was stated that distinctive character acquired through use must be shown throughout the territory of the entire European Union and not only for a substantial part of the majority thereof (Paragraph 51). Mondelez argued that this would lead to the paradox of relying on an EU trademark before the courts of a member state where that mark has not acquired distinctive character (Paragraphs 55 and 56).

According to the advocate general, the correct interpretation and application is that evidence of the acquisition of distinctive character must not only be quantatively sufficient but also be geographically representative (Paragraph 82). This means that the acquisition of distinctive character is not linked simply to a majority of member states and populations, but to the concept of 'geographical representativeness' in the sense that the trademark in question must acquire a distinctive character in the perception of the public in all parts of the territory of the European Union, not necessarily corresponding to the borders of the member states. The confusion was probably caused by an error in the translation of the judgment (Paragraphs 70 to 74).

For the purposes of extrapolation, although account must not be taken of the territories of the member states as such, the existence of the single market within the European Union does not imply the non-existence of national or regional markets. It is common for economic operators such as Nestlé to group together certain national markets because of their geographical proximity, the existence of historical links



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between them or even a common language (Paragraph 78).

The General Court should have examined whether, with regard to the product covered by the trademark at issue, the acquisition of distinctive character through use in the five remaining countries could be extrapolated on the basis of the evidence for other national or regional markets (Paragraph 86). However, Nestlé confirmed at the hearing that it had not included evidence in the case file seeking to establish that the evidence provided for the other 10 countries (or markets) also applied to the Belgian, Irish, Greek, Luxembourg and Portuguese markets *or* could act as a basis for extrapolating the acquisition of distinctive character through use in those countries. In other words, Nestlé did not establish the comparability of the remaining five markets with some of the national markets for which it did provide sufficient evidence (Paragraph 87).

For these reasons, the advocate general proposed that the court dismiss the appeals brought by Nestlé and the EUIPO.

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