

JUDGMENT OF THE GENERAL COURT (Third Chamber)

19 September 2012 (*)

(Community trade mark – Proceedings for invalidity – Three-dimensional Community trade mark – Knife handle – Absolute ground for refusal – Sign constituted exclusively by the shape of the product necessary for obtaining a technical result – Article 7(1)(e)(ii) of Regulation (EC) No 207/2009 – Declaration of invalidity by the Board of Appeal)

In Case T-164/11,

Reddig GmbH, established in Drebber (Germany), represented by C. Thomas, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant,

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

Morleys Ltd, established in Preston (United Kingdom), represented by A. Stein and M. Terbach, lawyers, and E. Gunaratnam, Solicitor,

ACTION against the decision of the Second Board of Appeal of OHIM of 15 December 2010 (Case R 1072/2009-2), concerning invalidity proceedings between Morleys Ltd and Reddig GmbH,

THE GENERAL COURT (Third Chamber),

composed of O. Czúcz, President, I. Labucka (Rapporteur) and D. Gratsias, Judges,

Registrar: S. Spyropoulos, Administrator,

having regard to the application lodged at the Registry of the General Court on 16 March 2011,

having regard to the response of OHIM lodged at the Registry of the General Court on 6 June 2011,

having regard to the response of the intervener lodged at the Registry of the General Court on 6 July 2011,

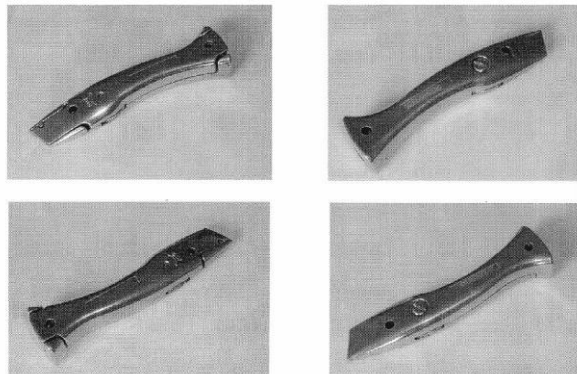
further to the hearing on 21 March 2012,

gives the following

Judgment

Background

- 1 On 25 March 2002, the applicant, Reddig GmbH filed a Community trade mark application at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).
- 2 The mark in respect of which registration was sought is the three-dimensional sign reproduced below:



- 3 The goods in respect of which registration was sought fall within Classes 6, 8 and 20 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, for each of those classes, to the following description:
 - Class 6: ‘Knife handles of metal’;
 - Class 8: ‘Knives, in particular Stanley knives’;
 - Class 20: ‘Knife handles, not of metal’.
- 4 The Community trade mark was registered on 12 May 2004 under number 2630101.

- 5 On 18 June 2007, the intervener, Morleys Ltd, filed before OHIM a request for invalidity of the Community trade mark pursuant to Article 51(1)(a) of Regulation No 40/94 (now Article 52(1)(a) of Regulation No 207/2009), read in conjunction with Article 7(1)(b), (c), (d) and (e)(ii) of the same regulation (now Article 7(1)(b), (c), (d) and (e)(ii) of Regulation No 207/2009). It also filed a request for invalidity of the Community trade mark under Article 51(1)(b) of Regulation No 40/94 (now Article 52(1)(b) of Regulation No 207/2009), claiming that the applicant had acted in bad faith when filing the application.
- 6 On 15 July 2009, the Cancellation Division upheld the request for invalidity and declared the Community trade mark invalid in its entirety on the basis of Article 7(1)(e)(ii) of Regulation No 207/2009.
- 7 On 14 September 2009, the applicant filed a notice of appeal with OHIM, under Articles 58 to 64 of Regulation No 207/2009.
- 8 By decision of 15 December 2010, the Second Board of Appeal confirmed the Cancellation Division's decision and dismissed the appeal. It took the view, in essence, that, although the trade mark in question was not exclusively constituted by the shape which was necessary for it to obtain a technical result, the non-functional elements composing it did not play an important role. Consequently, the disputed trade mark was regarded as a shape which, in its essential characteristics, was exclusively constituted by the shape of the products necessary for obtaining the technical result referred to in Article 7(1)(e)(ii) of Regulation No 207/2009. In particular, like the Cancellation Division, it took the view that the essential characteristics of the disputed trade mark were the following: the curved handle with an angled end, the tapering of the handle at the front and its broadening at the rear and the knurled screw allowing blades to be changed during use. Those characteristics have, in the view of the Board of Appeal, a purely functional purpose, as is apparent from the expired American patent, relied on by the intervener in support of its argument in the context of its request for invalidity.

Forms of order sought

- 9 The applicant claims that the Court should:
- annul the contested decision;
 - order OHIM to pay the costs incurred in the proceedings before the General Court and order the intervener to pay the costs of the proceedings before the Board of Appeal.
- 10 OHIM contends that the Court should:

- dismiss the action;
- order the applicant to pay the costs incurred by OHIM.

11 The intervener contends that the Court should:

- dismiss the action;
- order the applicant to pay the costs, including those incurred by the intervener before the Board of Appeal and the General Court.

Law

- 12 In support of its action, the applicant raises a single plea in law, alleging infringement of Article 7(1)(e)(ii) of Regulation No 207/2009.
- 13 The applicant argues, in essence, that the Board of Appeal applied incorrect criteria in order to identify the essential characteristics of the disputed trade mark, that it did not take account of the general impression produced by that trade mark but assessed the various characteristics of the sign in isolation. In this case, the whole of the functional and non-functional elements led to an original shape reminiscent of that of a dolphin or fish.
- 14 OHIM and the intervener challenge the applicant's assertions.
- 15 A product's shape is a sign which may constitute a trade mark. In the case of the Community trade mark, that follows from Article 4 of Regulation No 207/2009, which provides that a Community trade mark may consist of any signs capable of being represented graphically, such as words, designs, the shape of goods and their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings (Case C-48/09 P *Lego Juris v OHIM* [2010] ECR I-8403, paragraph 39 and case-law cited).
- 16 However, under Article 7(1)(e) of Regulation No 40/94 signs which consist exclusively of the shape which results from the nature of the goods themselves or the shape of goods which is necessary to obtain a technical result or the shape which gives substantial value to the goods are not to be registered.
- 17 According to consistent case-law, Article 7(1)(e)(ii) of Regulation No 207/2009 precludes registration of any shape consisting exclusively, in its essential characteristics, of the shape of the goods which is technically causal of, and sufficient to obtain, the intended technical result, even if that result can be achieved by other shapes using the same or another technical solution

(Case T-270/06 *Lego Juris v OHIM – Mega Brands (Red Lego brick)* [2008] ECR II-3117, paragraph 43).

- 18 Moreover, in accordance with consistent case-law, each of the grounds for refusal to register listed in Article 7(1) of Regulation No 207/2009 must be interpreted in the light of the public interest underlying them. The interest underlying Article 7(1)(e)(ii) of Regulation No 207/2009 is to prevent trade mark law granting an undertaking a monopoly on technical solutions or functional characteristics of a product (*Lego Juris v OHIM*, paragraph 43 and case-law cited).
- 19 In that connection, 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 (*Lego Juris v OHIM*, paragraph 44).
- 20 First, the inclusion in Article 7(1) of Regulation No 207/2009 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 (*Lego Juris v OHIM*, paragraph 45).
- 21 When the shape of a product merely incorporates the technical solution developed by the manufacturer of that product and patented by it, protection of that shape as a trade mark once the patent has expired would considerably and permanently reduce the opportunity for other undertakings to use that technical solution. In the system of intellectual property rights developed in the European Union, technical solutions are capable of protection only for a limited period, so that subsequently they may be freely used by all economic operators (*Lego Juris v OHIM*, paragraph 46).
- 22 Moreover, 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 same shape, but also from using similar shapes (see, to that effect, *Lego Juris v OHIM*, paragraph 56).
- 23 Furthermore, 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 No 207/2009 from the scope of the exception under Article 7(3). It follows, therefore, from Article 7(3) of that regulation 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 (*Lego Juris v OHIM*, paragraph 47 and case-law cited).

- 24 Second, by restricting the ground for refusal set out in Article 7(1)(e)(ii) of Regulation No 207/2009 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 whose registration as a trade mark would therefore actually impede the use of that technical solution by other undertakings, are not to be registered (*Lego Juris v OHIM*, paragraph 48).
- 25 It also follows from consistent case-law that the correct application of Article 7(1)(e)(ii) of Regulation No 207/2009 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 (*Lego Juris v OHIM*, paragraphs 68 and 69).
- 26 Once the sign’s essential characteristics have been identified, the competent authority still has to ascertain whether they all perform the technical function of the goods at issue. Article 7(1)(e)(ii) of Regulation No 207/2009 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. In that case, competitor undertakings easily have access to alternative shapes with equivalent functionality, so that there is no risk that the availability of the technical solution will be impaired. That solution may, in that case, be incorporated without difficulty by the competitors of the mark’s proprietor in shapes which do not have the same non-functional element as that contained in the proprietor’s shape and which are therefore neither identical nor similar to that shape (*Lego Juris v OHIM*, paragraph 72).
- 27 It is in the light of those principles that the present action must be examined.
- 28 First, it is necessary to identify the essential characteristics of the trade mark. In this case, the disputed trade mark is constituted by a slightly curved knife handle characterised by a small angle of 5 to 10 degrees between the knife blade and the longitudinal axis of the shell grip, which has a middle section with a somewhat rounded outer cross section, which broadens towards a tapered rear end. The handle also incorporates a knurled screw in the shell of the knife.

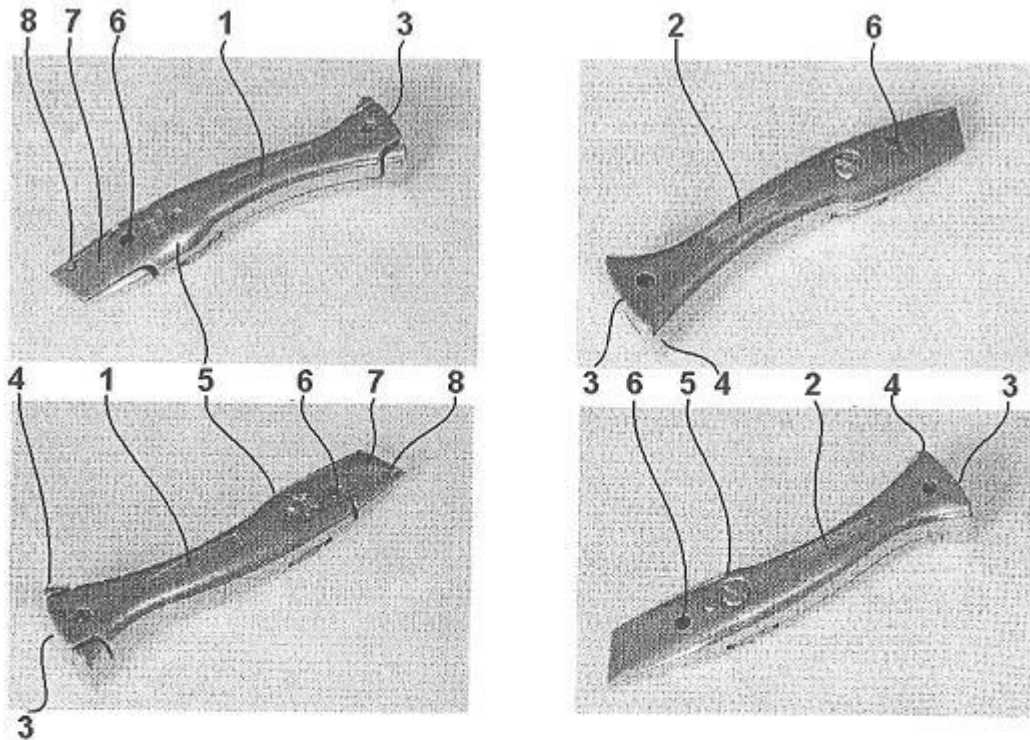
- 29 At point 35 of the contested decision, the Board of Appeal, like the Cancellation Division, identified the elements referred to in paragraph 28 above as being the essential characteristics of the disputed trade mark.
- 30 Second, it needs to be assessed whether those essential characteristics correspond to a technical function of the product in question in accordance with the case-law cited above. In this case, in assessing those elements, the Cancellation Division based its reasoning on the expired American patent (No 4662070) put forward by the intervener in support of its request for invalidity. As is apparent from that patent, the technical effect of the angle between the knife blade and the longitudinal axis of the mother-of-pearl handle is to facilitate cutting. The intermediate section is of particular importance for long cuts. It makes the cut more precise while allowing greater pressure to be exerted. Finally, the knurled screw allows the shell to be opened and the blades of the knife to be changed without using other tools and without hindering manipulation of the knife during use.
- 31 Moreover, it should be remembered that, in accordance with the case-law cited in paragraphs 20 and 21 above, undertakings may not use trade mark law in order to perpetuate, without time-limit, exclusive rights concerning technical solutions, such as patents. Furthermore, the existence of a patent is practically irrefutable evidence that the characteristics which it discloses or claims are functional. As was found by the OHIM bodies, the essential characteristics of the disputed trade mark are described in the expired American patent.
- 32 It must therefore be held that the Board of Appeal and the Cancellation Division correctly applied the case-law criteria set out in paragraphs 25 and 26 above.
- 33 It must be concluded that the most important elements of the disputed sign, constituting its essential characteristics, are all exclusively functional. The elements described in paragraph 28 above describe in themselves the shape of the knife handle constituting the disputed sign. It is precisely the shape that is referred to in Article 7(1)(e)(ii) of Regulation No 207/2009. Moreover, the fact that that shape can be reminiscent of a fish, as the Board of Appeal has also recognised, has no relevance to the application of that provision.
- 34 The applicant accuses the Board of Appeal of misinterpreting the criteria laid down by the judgment in *Lego Juris v OHIM* in that it required that, for a sign not to become the subject-matter of the ground for refusal of registration under Article 7(1)(e)(ii) of Regulation No 207/2009, the non-functional elements must play a more important role than the technically functional elements. According to the applicant, there is no other explanation for the fact that, after identifying various non-technical elements, in paragraph 45 of the

contested decision, the Board of Appeal came to the conclusion that those elements did not play an important role.

- 35 In that regard, it must be held that, in paragraph 45 of the contested decision, the Board of Appeal did not in any way state that, in order for a trade mark constituted by the shape necessary to obtain a technical result to be capable of being registered, the non-functional elements of the latter must play a more important role than the functional elements. On the contrary, it recognised that in this case the trade mark in dispute contained non-functional elements. However, those ornamental elements were not regarded as being capable of constituting the essential characteristics of the trade mark (see paragraph 46 of the contested decision). It follows that the Board of Appeal did not make any error in applying the case-law.
- 36 The applicant also accuses the Board of Appeal of limiting itself to an assessment, in an isolated manner, of all the elements constituting the contested sign without taking into account the overall impression produced by the sign. It was precisely the whole of those elements which led to an original shape reminiscent of a dolphin or a fish. At the hearing, the applicant argued that the functional elements constituting the sign, described in the American patent, could take a different shape from that of the sign in question. Thus, the shape of the knife reminiscent of a fish is due to the elements which are added and which, consequently, do not appear in the patent.
- 37 The identification of the essential characteristics of a sign as referred to in Article 7(1)(e)(ii) of Regulation No 207/2009 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, in determining the essential characteristics of a sign, OHIM 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 (see, to that effect, *Lego Juris v OHIM*, paragraph 70 and case-law cited).
- 38 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 No 207/2009 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 (*Lego Juris v OHIM*, paragraph 71).
- 39 In this case, contrary to what the applicant claims, the Board of Appeal did state, in paragraph 46 of the contested decision, that the shape of the knife

constituting the disputed trade mark could be perceived as being a fish or a dolphin. However, that resemblance with a fish is conditioned by elements having a technical function, namely the invention covered by the expired American patent with a slightly less curved handle and a slight prolongation of the points at the rear end.

- 40 Whilst recognising that the shape of the knife handle could be regarded as resembling a fish, the Board of Appeal nevertheless held that that shape was due to characteristics having a technical function. That analysis must be upheld, since the fact that the sum of the exclusively functional elements contributes to creating an ornamental image of the trade mark of which registration is sought is of no relevance to the possibility of registering a sign such as defined in Article 7(1)(e)(ii) of Regulation No 207/2009 as a Community trade mark. The Board of Appeal thus complied with the requirements of the case-law.
- 41 The applicant maintains, finally, that various non-technical elements of the disputed sign are so important that they alone can justify registration of the trade mark.
- 42 The elements in question are those listed in the representation of the disputed trade mark as reproduced below:



At least these elements are purely ornamental or arbitrary:

Reference numeral 1:	rectangular recess on the left side;
Reference numeral 2:	rectangular recess on the right side;
Reference numeral 3:	convex end wall of the tail fin;
Reference numeral 4:	lower tail fin;
Reference numeral 5:	chin;
Reference numeral 6:	position of the aperture → "dolphin's eye";
Reference numeral 7:	fish mouth like appearance of the front;
Reference numeral 8:	projection for positioning the blade visible from outside

43 With regard to elements 1, 2, 4, 5, 7 and 8, this Court confirms the position of OHIM to the effect that those elements have a technical function. The recesses (elements 1, 2 and 4), contribute to a better grip and are described in the American patent. As for the chin under the handle (element 5), its purpose is to cover the knurled screw or to offer a better grip while blocking the index finger of the user. Finally, the shell in which the blade is positioned (element 7) and the projection indicating where the blade is to be positioned (element 8) clearly fulfil technical functions in connection with the positioning and fixing of the blade in the knife, as indeed the Board of Appeal held in paragraphs 43 and 44 of the contested decision. Moreover, in no case can the abovementioned elements constitute the essential characteristics of the shape of the knife handle constituted by the disputed trade mark.

44 Concerning elements 3 and 6, namely the slightly rounded end of the handle, reminiscent, according to the applicant, of a fish tail and the aperture in the front part of the handle which might be regarded as the dolphin's eye, it must

be held that, although they do not fulfil any technical function, these elements cannot constitute essential characteristics of the sign. The Board of Appeal was therefore right, in paragraphs 39 and 42 of the contested decision, to hold that these were minor elements not constituting an essential characteristic of the trade mark in question.

- 45 It follows from the whole of the above that the Board of Appeal was right to hold that the disputed sign could not be registered in accordance with Article 7(1)(e)(ii) of Regulation No 207/2009. The sole plea in law put forward by the applicant and, in consequence, the action in its entirety, must be dismissed.

Costs

- 46 Under Article 87(2) 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.

- 47 Since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the form of order sought to that effect by OHIM and the intervener.

- 48 In addition, the intervener has pleaded that the applicant be ordered to pay the costs which it incurred in the proceedings before the Board of Appeal. In that connection, it should be recalled that, under Article 136(2) of the Rules of Procedure, costs necessarily incurred by the parties for the purposes of the proceedings before the Board of Appeal are to be regarded as recoverable costs.

On those grounds,

THE GENERAL COURT (Third Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Reddig GmbH to pay the costs**

Czúcz

Labucka

Gratsias

Delivered in open court in Luxembourg on 19 September 2012.

[Signatures]

* Language of the case: English.