

JUDGMENT OF THE COURT (Second Chamber)

18 September 2014 (*)

(Trade marks — Directive 89/104/EEC — Article 3(1)(e) — Refusal or invalidation of registration — Three-dimensional trade mark — Adjustable ‘Tripp Trapp’ children’s chair — Sign consisting exclusively of the shape which results from the nature of the goods — Sign consisting of the shape which gives substantial value to the goods)

In Case C-205/13,

REQUEST for a preliminary ruling under Article 267 TFEU from the Hoge Raad der Nederlanden (Netherlands), made by decision of 12 April 2013, received at the Court on 18 April 2013, in the proceedings

Hauck GmbH & Co. KG

v

Stokke A/S,

Stokke Nederland BV,

Peter Opsvik,

Peter Opsvik A/S,

THE COURT (Second Chamber),

composed of R. Silva de Lapuerta, President of the Chamber, J.L. da Cruz Vilaça, G. Arestis (Rapporteur), J.-C. Bonichot and A. Arabadjiev, Judges,

Advocate General: M. Szpunar,

Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearing on 26 February 2014,

after considering the observations submitted on behalf of:

- Hauck GmbH & Co. KG, by S. Klos, A.A. Quaedvlieg and S.A. Hoogcarspel, advocaten,
- Stokke A/S, Stokke Nederland BV, Peter Opsvik and Peter Opsvik A/S, by T. Cohen Jehoram and R. Sjoerdsma, advocaten,
- the German Government, by T. Henze and J. Kemper, acting as Agents,
- the Italian Government, by G. Palmieri, acting as Agent, assisted by M. Salvatorelli, avvocato dello Stato,
- the Polish Government, by B. Majczyna, B. Czech and J. Fałdyga, acting as Agents,
- the Portuguese Government, by L. Inez Fernandes and R. Solnado Cruz, acting as Agents,

- the United Kingdom Government, by M. Holt, acting as Agent, and N. Saunders, Barrister,
 - the European Commission, by F.W. Bulst and F. Wilman, acting as Agents,
- after hearing the Opinion of the Advocate General at the sitting on 14 May 2014,
- gives the following

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Article 3(1)(e) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1, ‘the trade marks directive’).
- 2 The request has been made in proceedings between the German company Hauck GmbH & Co. KG (‘Hauck’) and Stokke A/S, Stokke Nederland BV, Peter Opsvik and Peter Opsvik A/S (collectively, ‘Stokke and Others’) concerning an application for the annulment of the Benelux trade mark registration of a sign in the shape of a children’s chair marketed by Stokke and Others.

Legal context

EU law

- 3 Under the heading ‘Grounds for refusal or invalidity’, Article 3(1)(e) of the trade marks directive provides:

‘The following shall not be registered or if registered shall be liable to be declared invalid:

...

(e) 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’.

The Benelux Convention

- 4 Article 2.1(2) of the Benelux Convention on Intellectual Property (Trade Marks and Designs), signed at The Hague on 25 February 2005, which came into force on 1 September 2006, provides:

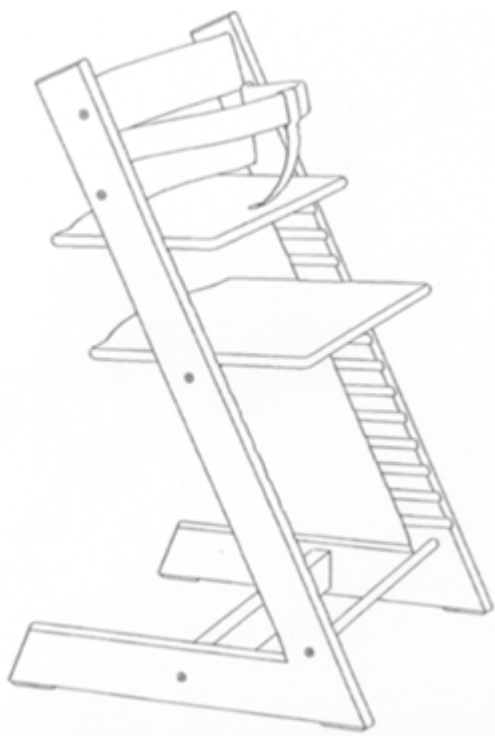
‘Signs capable of constituting Benelux trade marks[:]

...

2. However, signs solely comprising a shape which is imposed by the very nature of a product, which gives the product substantial value, or which is necessary for obtaining a technical result, may not be regarded as trade marks.’

The dispute in the main proceedings and the questions referred for a preliminary ruling

- 5 Mr Opsvik designed a children's chair called 'Tripp Trapp'. That chair consists of sloping uprights, to which all elements of the chair are attached, and of an L-shaped frame of uprights and gliders (sliding plates) which — according to the Hoge Raad der Nederlanden (Supreme Court of the Netherlands) ('the referring court') — give it a high level of originality. The design of that chair has won a number of prizes, has been highly praised, and has been displayed in museums. Since 1972, 'Tripp Trapp' chairs have been marketed by Stokke and Others, particularly on the Scandinavian market and — since 1995 — on the Dutch market.
- 6 Hauck manufactures, distributes and sells children's articles, including two chairs which it has named 'Alpha' and 'Beta'.
- 7 On 8 May 1998, Stokke A/S filed an application with the Benelux Office for Intellectual Property for the registration of a three-dimensional trade mark resembling the 'Tripp Trapp' children's chair. The trade mark was registered in the name of Stokke A/S for 'chairs, especially high chairs for children' and concerns the shape represented below:



- 8 In Germany, in proceedings between Stokke and Others and Hauck, the Oberlandesgericht Hamburg (Higher Regional Court, Hamburg) accepted, by a judgment which now has the force of law, that the 'Tripp Trapp' chair was protected by German copyright and that the 'Alpha' chair infringed that copyright.
- 9 Stokke and Others brought a separate action in the Netherlands before the Rechtbank 's-Gravenhage (District Court, The Hague) ('the Rechtbank') claiming that Hauck's manufacturing and marketing of the 'Alpha' and 'Beta' chairs infringed the copyrights arising from the 'Tripp Trapp' chair and its registration as a Benelux trade mark, and sought compensation for that infringement. In its defence, Hauck brought a counterclaim seeking a declaration that the Benelux trade mark Tripp Trapp filed by Stokke A/S was invalid.
- 10 The Rechtbank fully upheld Stokke and Others' claims in so far as they were based on Stokke and Others' exploitation rights. However, it also upheld the counterclaim seeking a declaration that the Benelux trade mark was invalid.
- 11 Hauck brought an appeal against that decision before the Gerechtshof te's-Gravenhage (Court of

Appeal, The Hague, Netherlands) ('the Gerechtshof'). In its judgment, that court held that the 'Tripp Trapp' chair was protected by copyright and that the 'Alpha' and 'Beta' chairs came within the scope of that copyright. The Gerechtshof therefore concluded that, from 1986 to 1999, Hauck had infringed the copyright held by Stokke and Others.

- 12 However, the Gerechtshof held that the attractive appearance of the 'Tripp Trapp' chair gave that product substantial value and that its shape was determined by the very nature of the product — a safe, comfortable, reliable children's chair. Thus, according to the Gerechtshof, the mark at issue was a sign consisting exclusively of a shape corresponding to the grounds for refusal or invalidity set out in the first and third indents of Article 3(1)(e) of the trade marks directive. Accordingly, that court concluded that the Rechtbank had been right to declare the three-dimensional trade mark invalid.
 - 13 Hauck brought an appeal in cassation before the referring court against the judgment of the Gerechtshof, and Stokke and Others lodged a cross-appeal in the context of those proceedings. The referring court rejected the appeal in cassation, but is of the view that the cross-appeal calls for the interpretation of Article 3(1)(e) of the trade marks directive which, to date, has not been covered by the case-law of the Court of Justice.
 - 14 In those circumstances the referring court decided to stay the proceedings and refer the following questions to the Court of Justice for a preliminary ruling:
 - '1. (a) Does the ground for refusal or invalidity in [the first indent of] Article 3(1)(e) of [the trade marks directive], namely that [three-dimensional] trade marks may not consist exclusively of a shape which results from the nature of the goods themselves, refer to a shape which is indispensable to the function of the goods, or can it also refer to the presence of one or more substantial functional characteristics of goods which consumers may possibly look for in the goods of competitors?
 - (b) If neither of those alternatives is correct, how should the provision then be interpreted?
 2. (a) Does the ground for refusal or invalidity in [the third indent of] Article 3(1)(e) [of the trade marks directive], namely, that [three-dimensional] trade marks may not consist exclusively of a shape which gives substantial value to the goods, refer to the motive (or motives) underlying the relevant public's decision to purchase?
 - (b) Does a "shape which gives substantial value to the goods" within the meaning of the aforementioned provision exist only if that shape must be considered to constitute the main or predominant value in comparison with other values (such as, in the case of high chairs for children, safety, comfort and reliability) or can it also exist if, in addition to that value, other values of the goods exist which are also to be considered substantial?
 - (c) For the purpose of answering Questions 2(a) and 2(b), is the opinion of the majority of the relevant public decisive, or may the court rule that the opinion of a portion of the public is sufficient in order to take the view that the value concerned is "substantial" within the meaning of the aforementioned provision?
 - (d) If the latter option provides the answer to Question 2(c), what requirement should be imposed as to the size of the relevant portion of the public?
3. Should Article 3(1)(e) of [the trade marks directive] be interpreted as meaning that the ground for exclusion referred to in subparagraph (e) of that article also exists if the [three-dimensional] trade mark consists of a sign to which the content of [the first indent] applies and which, for the rest, satisfies the content of [the third indent]?'

Consideration of the questions referred

Question 1

- 15 By its first question, the referring court asks, in essence, whether the first indent of Article 3(1)(e) of the trade marks directive is to be interpreted as meaning that the ground for refusal of registration set out in that provision may apply only to a sign which consists exclusively of the shape which is indispensable to the function of the product in question or whether it may also apply to a sign which consists exclusively of a shape with one or more characteristics which are essential to the function of that product and which consumers may be looking for in the products of competitors.
- 16 Under that provision, signs which consist exclusively of the shape which results from the nature of the goods themselves are not to be registered or, if registered, are liable to be declared invalid.
- 17 The Court has already held that the various grounds for refusal of registration listed in Article 3 of the trade marks directive must be interpreted in the light of the public interest underlying each of them (see, to that effect, judgment in *Windsurfing Chiemsee*, C-108/97 and C-109/97, EU:C:1999:230, paragraphs 25 to 27, and judgment in *Philips*, C-299/99, EU:C:2002:377, paragraph 77).
- 18 In that regard, concerning the second indent of Article 3(1)(e) of the trade marks directive the Court has stated that the rationale of the grounds for refusal of registration laid down in Article 3(1)(e) of the trade marks directive is to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors (judgment in *Philips*, EU:C:2002:377, paragraph 78, and — regarding Article 7(1)(e) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), a provision which is essentially identical to Article 3(1)(e) of the trade marks directive — judgment in *Lego Juris v OHIM*, C-48/09 P, EU:C:2010:516, paragraph 43).
- 19 The immediate aim of the prohibition on registering purely functional shapes set out in the second indent of Article 3(1)(e) of the trade marks directive and the prohibition on registering shapes which give substantial value to the goods set out in the third indent of that provision is to prevent the exclusive and permanent right which a trade mark confers from serving to extend indefinitely the life of other rights which the EU legislature has sought to make subject to limited periods (see, to that effect, judgment in *Lego Juris v OHIM*, EU:C:2010:516, paragraph 45).
- 20 As the Advocate General observed in points 28 and 54 of his Opinion, it should be noted that the ground for refusal of registration set out in the first indent of Article 3(1)(e) of the trade marks directive pursues the same objective as the grounds set out in the second and third indents of that provision. Accordingly, the first indent must be interpreted in a way that is consistent with the aims of the other two indents.
- 21 Consequently, in order to apply the first indent of Article 3(1)(e) of the trade marks directive correctly, it is necessary to identify the essential characteristics — that is, the most important elements — of the sign concerned on a case-by-case basis, that assessment being based either on the overall impression produced by the sign or on an examination of each the components of that sign in turn (see, to that effect, judgment in *Lego Juris v OHIM*, EU:C:2010:516, paragraphs 68 to 70).
- 22 In that regard, it must be emphasised that the ground for refusal of registration set out in the first indent of Article 3(1)(e) of the trade marks directive cannot be applicable where the trade mark application relates to a shape of goods in which another element, such as a decorative or imaginative element, which is not inherent to the generic function of the goods, plays an important or essential role (see, to that effect, judgment in *Lego Juris v OHIM*, EU:C:2010:516, paragraphs 52 and 72).

- 23 Thus, an interpretation of the first indent of that provision whereby that indent is to apply only to signs which consist exclusively of shapes which are indispensable to the function of the goods in question, leaving the producer of those goods no leeway to make a personal essential contribution, would not allow the objective of the ground for refusal set out therein to be fully realised.
- 24 Indeed, an interpretation to that effect would result in limiting the products to which that ground for refusal could apply to (i) ‘natural’ products (which have no substitute) and (ii) ‘regulated’ products (the shape of which is prescribed by legal standards), even though signs consisting of the shapes formed by such products could not be registered in any event because of their lack of distinctive character.
- 25 Instead, when applying the ground for refusal set out in the first indent of Article 3(1)(e) of the trade marks directive, account should be taken of the fact that the concept of a ‘shape which results from the nature of the goods themselves’ means that shapes with essential characteristics which are inherent to the generic function or functions of such goods must, in principle, also be denied registration.
- 26 As the Advocate General indicated in point 58 of his Opinion, reserving such characteristics to a single economic operator would make it difficult for competing undertakings to give their goods a shape which would be suited to the use for which those goods are intended. Moreover, it is clear that those are essential characteristics which consumers will be looking for in the products of competitors, given that they are intended to perform an identical or similar function.
- 27 Consequently, the answer to the first question is that the first indent of Article 3(1)(e) of the trade marks directive must be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with one or more essential characteristics which are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors.

Question 2

- 28 By its second question, the referring court asks, in essence, whether the third indent of Article 3(1)(e) of the trade marks directive is to be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with several characteristics each of which may give that product substantial value and if it is necessary to take the target public’s perception of the shape of that product into account during that assessment.
- 29 It can be seen from the order for reference that the doubts expressed by the referring court regarding the interpretation of that provision stem from the fact that, according to that court, although the shape of the ‘Tripp Trapp’ chair gives it significant aesthetic value, at the same time it has other characteristics (safety, comfort and reliability) which give it essential functional value.
- 30 In that regard, the fact that the shape of a product is regarded as giving substantial value to that product does not mean that other characteristics may not also give the product significant value.
- 31 Thus, the aim of preventing the exclusive and permanent right which a trade mark confers from serving to extend indefinitely the life of other rights which the EU legislature has sought to make subject to limited periods requires — as the Advocate General observed in point 85 of his Opinion — that the possibility of applying the third indent of Article 3(1)(e) of the trade marks directive not be automatically ruled out when, in addition to its aesthetic function, the product concerned also performs other essential functions.
- 32 Indeed, the concept of a ‘shape which gives substantial value to the goods’ cannot be limited purely to the shape of products having only artistic or ornamental value, as there is otherwise a risk that

products which have essential functional characteristics as well as a significant aesthetic element will not be covered. In that case, the right conferred by the trade mark on its proprietor would grant that proprietor a monopoly on the essential characteristics of such products, which would not allow the objective of that ground for refusal to be fully realised.

- 33 Moreover, regarding the impact of the target public, the Court has observed that, in contrast to the situation referred to in Article 3(1)(b) of the trade marks directive, where the perception of the target public must be taken into account since it is essential for the purposes of determining whether the sign filed for registration as a trade mark enables the goods or services concerned to be recognised as originating from a particular undertaking, such an obligation cannot be imposed in the context of paragraph 1(e) of that article (see, to that effect, judgment in *Lego Juris v OHIM*, EU:C:2010:516, paragraph 75).
- 34 The presumed perception of the sign by the average consumer is not a decisive element when applying the ground for refusal set out in the third indent of the latter provision, but may, at most, be a relevant criterion of assessment for the competent authority in identifying the essential characteristics of that sign (see, to that effect, judgment in *Lego Juris v OHIM*, EU:C:2010:516, paragraph 76).
- 35 In that regard, as the Advocate General indicated in point 93 of his Opinion, other assessment criteria may also be taken into account, such as the nature of the category of goods concerned, the artistic value of the shape in question, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference in relation to similar products, and the development of a promotion strategy which focuses on accentuating the aesthetic characteristics of the product in question.
- 36 In the light of the foregoing, the answer to the second question is that the third indent of Article 3(1)(e) of the trade marks directive must be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with several characteristics each of which may give that product substantial value. The target public's perception of the shape of that product is only one of the assessment criteria which may be used to determine whether that ground for refusal is applicable.

Question 3

- 37 By its third question, the referring court asks, in essence, whether Article 3(1)(e) of the trade marks directive is to be interpreted as meaning that the grounds for refusal of registration set out in the first and third indents of that provision may be applied in combination.
- 38 According to that provision, signs which consist exclusively of the shape which results from the nature of the goods themselves, 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 or, if registered, are liable to be declared invalid.
- 39 It is clear from this wording that the three grounds for refusal of registration set out in that provision operate independently of one another: the fact that they are set out as successive points, coupled with the use of the word 'exclusively', shows that each of those grounds must be applied independently of the others.
- 40 Thus, if any one of the criteria listed in Article 3(1)(e) of the trade marks directive is satisfied, a sign consisting exclusively of the shape of the product or of a graphic representation of that shape cannot be registered as a trade mark (judgment in *Philips*, EU:C:2002:377, paragraph 76, and judgment in *Benetton Group*, C-371/06, EU:C:2007:542, paragraph 26, third indent).
- 41 In that regard, the fact that the sign in question could be denied registration on the basis of a

number of grounds for refusal is irrelevant so long as any one of those grounds fully applies to that sign.

- 42 In addition, it must be pointed out that — as the Advocate General indicated in point 99 of his Opinion — the public interest objective underlying the application of the three grounds for refusal of registration set out in Article 3(1)(e) of the trade marks directive precludes refusal of registration where none of those three grounds is fully applicable.
- 43 In those circumstances, the answer to the third question is that Article 3(1)(e) of the trade marks directive must be interpreted as meaning that the grounds for refusal of registration set out in the first and third indents of that provision may not be applied in combination.

Costs

- 44 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

1. **The first indent of Article 3(1)(e) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with one or more essential characteristics which are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors.**
2. **The third indent of Article 3(1)(e) of Directive 89/104 must be interpreted as meaning that the ground for refusal of registration set out in that provision may apply to a sign which consists exclusively of the shape of a product with several characteristics each of which may give that product substantial value. The target public's perception of the shape of that product is only one of the assessment criteria which may be used to determine whether that ground for refusal is applicable.**
3. **Article 3(1)(e) of Directive 89/104 must be interpreted as meaning that the grounds for refusal of registration set out in the first and third indents of that provision may not be applied in combination.**

[Signatures]

* Language of the case: Dutch.