

Court of Justice of the European Union

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Judgment in Joined Cases C-84/17 P Société des produits Nestlé SA v Mondelez UK Holdings & Services Ltd, formerly Cadbury Holdings Ltd, and EUIPO, C-85/17 P Mondelez UK Holdings & Services Ltd, formerly Cadbury Holdings Ltd v EUIPO, and C-95/17 P EUIPO v Mondelez UK Holdings & Services Ltd, formerly Cadbury Holdings Ltd

Press and Information

EUIPO must reconsider whether the three-dimensional shape of a '4 Finger KitKat' can be retained as an EU trade mark

The Court dismisses the appeals brought by Nestlé, EUIPO and Mondelez

In 2002, Nestlé applied to EUIPO (European Union Intellectual Property Office)¹ to register the following three-dimensional sign as an EU trade mark, which corresponds to the '4 Finger KitKat' product which it markets:



In 2006, EUIPO registered the mark in respect of the following goods: 'Sweets; bakery products; pastries; biscuits; cakes; waffles'.

In 2007, Cadbury Schweppes (now Mondelez UK Holdings & Services) filed an application with EUIPO for a declaration of invalidity of the registration. In 2012, EUIPO rejected that application; it took the view that Nestlé's mark had acquired distinctive character through the use that had been made of it in the EU. Mondelez brought an action before the General Court for the annulment of EUIPO's decision.

By its judgment of 15 December 2016,² the General Court annulled EUIPO's decision. It considered that EUIPO had erred in law in finding that the mark at issue had acquired distinctive character through use in the EU, when such acquisition had been proved only for part of the territory of the EU.

Although it had been established that the mark at issue had acquired distinctive character through use in ten countries (Denmark, Germany, Spain, France, Italy, the Netherlands, Austria, Finland, Sweden, and the UK), the General Court held that EUIPO could not validly conclude its examination without ruling on the relevant public's perception of the mark in four other Member States in particular (Belgium, Ireland, Greece and Portugal) and without analysing the evidence adduced in respect of those Member States.

Nestlé, Mondelez and EUIPO appealed to the Court of Justice against the judgment of the General Court.

¹ At the time, EUIPO was still called the Office for Harmonisation in the Internal Market (OHIM).

² Case: <u>T-112/13</u> Mondelez UK Holdings & Services Ltd and EUIPO see Press Release No. <u>138/16</u>

Mondelez complains that the General Court found, wrongly, that the mark at issue had acquired distinctive character through use in Denmark, Germany, Spain, France, Italy, the Netherlands, Austria, Finland, Sweden, and the UK.

Nestlé and EUIPO submit that the General Court was wrong to hold that the proprietor of an EU trade mark must show that that trade mark has acquired distinctive character through use in each of the Member States separately. They argue that the General Court's interpretation is incompatible with the unitary character of the European trade mark and the very existence of a single market.

In today's judgment, the Court holds, first of all, that **Mondelez's appeal must be rejected as inadmissible**, as it does not seek to have the operative part of the judgment under appeal set aside, but only requests that certain grounds of that judgment be amended.

The Court then goes on to examine the appeals of Nestlé and EUIPO.

The Court refers to its case-law, according to which a sign without inherent distinctive character can be registered an as EU trade mark only if it is proved that it has acquired distinctive character in the part of the EU in which it did not previously have such character. Where appropriate, that part may be comprised of a single Member State. Thus, the Court finds that it is not sufficient, in order for such a mark to be registered as an EU trade mark, to prove that it has acquired distinctive character through use in a significant part of the EU

In that regard, the Court points out that it is necessary to distinguish between the facts to be proved, namely the acquisition of distinctive character through use by a sign that is devoid of inherent distinctive character, and the means of proving such facts.

The Court notes that the regulation does not require that the acquisition of distinctive character through use be established by separate evidence in each individual Member State.

The Court states that it is possible that, for certain goods or services, the economic operators have grouped several Member States together in the same distribution network and have treated those Member States, especially for marketing strategy purposes, as if they were one and the same national market. In such circumstances, the evidence for the use of a sign within such a cross-border market is likely to be relevant for all Member States concerned.

The Court concludes that, although it is not necessary, for the purposes of registering a mark that was formerly devoid of distinctive character, that evidence of the acquisition by that mark of distinctive character through use be submitted in respect of each individual Member State, the evidence submitted must be capable of establishing such acquisition throughout the Member States of the EU in which that mark was devoid of inherent distinctive character.

Therefore, the Court upholds the General Court's judgment in which the latter held that the acquisition of distinctive character by a mark that was initially devoid of inherent distinctive character must be shown throughout the EU, and not only in a substantial part of the territory of the EU, and consequently, although such proof may be produced globally for all the Member States or groups of Member States, it is not, however, sufficient that the party with the burden of providing such evidence produces only evidence that fails to cover part of the EU, even a part consisting of only one Member State.

It follows from the above that the General Court was right to annul EUIPO's decision, in which EUIPO concluded that distinctive character had been acquired through use of the mark at issue without adjudicating on whether that mark had acquired such distinctive character in Belgium, Ireland, Greece and Portugal.

On the basis of those considerations, the Court dismisses the appeals of Nestlé and EUIPO.

NOTE: An appeal, on a point or points of law only, may be brought before the Court of Justice against a judgment or order of the General Court. In principle, the appeal does not have suspensive effect. If the appeal is admissible and well founded, the Court of Justice sets aside the judgment of the General Court. Where the state of the proceedings so permits, the Court of Justice may itself give final judgment in the case. Otherwise, it refers the case back to the General Court, which is bound by the decision given by the Court of Justice on the appeal.

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The full text of the judgment is published on the CURIA website on the day of delivery.

Pictures of the delivery of the Judgment are available from "Europe by Satellite" ☎ (+32) 2 2964106