**Arnold J rules that shape of KitKat chocolate bar cannot be registered as a trade mark**

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Further to the decision of the Court of Justice of the European Union (CJEU) in *Société des Produits Nestlé SA v Cadbury UK Ltd* , C-215/14, EU:C:2015:604, in early 2016 the High Court of England and Wales ruled that the shape of a KitKat chocolate bar cannot be registered as a trade mark on the grounds that it has acquired distinctiveness through use.

**Legal context**

In his decision, Arnold J addressed issues relating to both the absolute grounds for refusal of registration for shapes and the notion of acquired distinctiveness. In 2014 he made a reference for a preliminary ruling to the CJEU, seeking guidance as to: whether a shape consisting of three essential features that either result from the nature of the goods themselves or are necessary to obtain a technical result may be registered as a trade mark; whether it is possible to register a shape that is necessary to obtain a technical result with regard to the manner in which the goods are manufactured as opposed to the manner in which they function; what is required to prove that a trade mark has acquired distinctiveness through use.

In its 2015 decision, the CJEU held that:

* The absolute grounds for refusal of registration within Article 3(1)(e) of Directive 2008/95 (the Trade Mark Directive) must be applied independently from each other and potentially cumulatively. This means that Article 3(1)(e) precludes registration as a trade mark of a sign consisting of the shape of goods where that shape contains three essential features, one of which results from the nature of the goods themselves and two of which are necessary to obtain a technical result. This is so provided, however, that at least one of the grounds for refusal of registration set out in that provision is fully applicable to the shape at issue (paragraph 51).
* Article 3(1)(e)(ii) of the Trade Mark Directive only refers to the manner in which goods function, not to the manner in which the goods are manufactured.
* Mere recognition/association is not sufficient to prove acquired distinctiveness within Article 3(3) of the Trade Mark Directive. Although the sign for which registration is sought may have been used as part of a registered trade mark or in conjunction with such a mark, for the purposes of the registration of the mark itself the trade mark applicant must prove that that mark alone, as opposed to any other trade mark which may also be present, identifies the particular undertaking from which the goods originate (paragraph 66). In order to obtain registration of a trade mark which has acquired a distinctive character following the use which has been made of it within the meaning of Article 3(3), regardless of whether that use is as part of another registered trade mark or in conjunction with such a mark, the trade mark applicant must prove that the relevant class of persons perceive the goods or services designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company (paragraph 67).

**Facts**

The decision of the High Court of England and Wales was rendered in the context of litigation between Nestlé and Cadbury over the former’s attempt to register the shape of its KitKat chocolate bar as a UK trade mark in Class 30 of the Nice Classification (‘Chocolate; chocolate confectionery; chocolate products; confectionery; chocolate-based preparations; bakery goods; pastries; biscuits; biscuits having chocolate coating; coated wafer biscuits; cakes; cookies; wafers’). Litigation before the High Court of England and Wales followed a 2013 decision of the UK Trade Mark Registry (Trade mark application No 2552692 by Société des Produits Nestlé S.A. to register a trade mark in Class 30 and Opposition No 101495 by Cadbury UK Ltd, O-257-13), in which hearing officer Allan James had sided with Cadbury, and held that the shape of the KitKat chocolate bar was not eligible for registration.

**Analysis**

Before addressing the merits of the case, Arnold J engaged in a discussion of the CJEU reference and noted at the outset how the French and German translations of his question on acquired distinctiveness—notably the phrase ‘rely upon’—were not entirely correct. Arnold J then noted that Advocate General (AG) Melchior Wathelet delivered his opinion in *Société des Produits Nestlé SA v Cadbury UK Ltd* , C-215/14, EU:C:2015:395, in French, and the judgment itself was likely drafted in French since the judge rapporteur was François Biltgen.

Arnold J then criticized the practice of the CJEU to reformulate the questions referred by national judges:

While it is understandable for the Court to do so on occasion, since experience shows that questions referred by national courts for preliminary rulings can be badly worded, in this case the question was worded with precision. The result of the Court’s reformulation of the question I asked is that its answer to that question is unclear, save that it rejected the first of the two alternatives posed. (paragraph 45)

Arnold J did not suggest that because the CJEU rejected the first alternative regarding acquired distinctiveness, it was bound to accept the second alternative. However, ‘[i]f a referring court asks whether the answer to a question is A or B, the [CJEU] is perfectly entitled to say that the answer is neither A nor B, but C. After all, it is for the [CJEU] to determine issues of European law, not the referring court. The problem in the present case is that the [CJEU] has said that the answer is not A, but C. Since the Court has not explicitly addressed B, however, it is not clear whether C is different from B’ (paragraph 46). Arnold J had thought of referring the question again, although he concluded that there could be ‘no realistic prospect of a further reference yielding a materially different result’ (paragraph 48).

Following these remarks, Arnold J considered the CJEU judgment and—by relying upon both the AG Opinion and paragraphs 64 and 67 of the CJEU judgment—concluded that:

in order to demonstrate that a sign has acquired distinctive character, the applicant or trade mark proprietor must prove that, at the relevant date, a significant proportion of the relevant class of persons perceives the relevant goods or services as originating from a particular undertaking because of the sign in question (as opposed to any other trade mark which may also be present). (paragraph 57)

The submission made by Nestlé that association is sufficient to demonstrate the acquisition of a distinctive character was thus deemed incorrect. As such, Nestlé had failed to pass the CJEU test on acquired distinctiveness, and Arnold J confirmed that the shape of the KitKat chocolate bar, having acquired no distinctive character through use, is not eligible for registration.

**Practical significance**

Despite its objective ambiguities, by rejecting mere association as a criterion to prove acquired distinctiveness the CJEU decision may be considered substantially in line with the UK approach. UK courts have traditionally required applicants to prove that a significant proportion of the relevant class of persons rely upon the mark (as opposed to any other trade marks which may also be present) as indicating the origin of the goods. However, in formulating its response, the CJEU did not provide an unequivocal response to the question of what is needed for acquired distinctiveness. Following the decision of Arnold J, further clarity has been provided: it appears that what is required is to demonstrate that a significant number of relevant consumers have a *perception* of the origin of the relevant goods and services because of the sign at hand. Yet whether this should be read as a rigorous reliance test is questionable.