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European Court of Justice: Nestlé Failed to Sufficiently Prove Acquired Distinctiveness for KitKat's 3D EUIPO Trademark Registration

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The European Court of Justice ("**ECJ**") has considered the European Union Intellectual Property Office's ("EUIPO") decision about a request to invalidate a 3D trademark registration for the four-fingered KitKat chocolate bar. It declared that the evidence which Nestlé had provided about acquired distinctiveness through use was insufficient on the basis that the evidence did not include all European Union ("**EU**") countries. The case will be sent back to EUIPO for reassessment.

Nestlé registered its KitKat chocolate bar's four-finger shape in 2006 as a three-dimensional sign before the EUIPO. In 2007, Cadbury Schweppes filed an application seeking to have the registration declared invalid. Cadbury Schweppes was later sold to Mondelez UK Holdings & Services ("**Mondelez**") and this company took the position of Cadbury Schweppes in the invalidation claim.

EUIPO rejected the invalidation application in 2012. It stated that surveys conducted in ten EU member states showed that the four-finger shape had acquired sufficient distinctiveness throughout the EU. Mondelez brought an action before the General Court seeking to annul EUIPO's rejection decision.

The General Court confirmed that three-dimensional KitKat mark has acquired distinctiveness in Denmark, Germany, Spain, the Netherlands, Austria, Finland, Sweden and England, where the surveys had been conducted. However, it annulled EUIPO's decision because it had failed to consider the public's perception in Belgium, Ireland, Greece and Portugal, which had not been included in the surveys.

Both Nestlé and Mondelez appealed the General Court's decision to the ECJ, which upheld the General Court's decision. The ECJ stated that there is no obligation to submit separate evidence in each individual EU member state to prove acquisition of distinctive character through use. However, the evidence which is submitted must be capable of establishing such acquisition throughout the EU member states.

For example, for certain goods or services, the economic operators have grouped several member states together in the same distribution network and treat those countries as if they were a single national market (especially for marketing strategy purposes). In such circumstances, evidence of using a sign within such a cross-border market is likely to be relevant for all member states concerned.

The case will be sent back to EUIPO, which will examine the proof of use for all EU members. Nestlé is expected to continue its struggle at the national level, after losing the battle with Mondelez which has lasted 16 years so far.

Under the decision, the ECJ has declared that for a three-dimensional trademark which lack distinctive character to obtain EUIPO registration, it should submit evidence which proves distinctiveness has been acquired in all EU member states through use.

Three-dimensional trademarks received legal basis in Turkey for the first time in early 2017, via Industrial Property Law number 6769. The distinctiveness of three-dimensional trademarks which do not have any word elements is controversial in Turkey and evidence which proves acquired distinctiveness is crucial.

Please see this link for the full text of the ECJ's decision dated 25 July 2018.

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