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Shape Mark (Trade Dress) Distinctiveness: A Comparative Inquiry into U.S. and E.U. Trademark Law

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SHAPE MARK (TRADE DRESS) DISTINCTIVENESS: A COMPARATIVE INQUIRY INTO U.S. AND EU TRADEMARK LAW

QADIR QEIDARY*

ABSTRACT

Nowadays, the increasing application of visual elements, as non-traditional trademarks, to convey commercial information has brought about some new challenges to pioneer legal systems. In this regard, the question of shape marks' (trade dress) distinctiveness has also caused some hot debates in U.S. and EU trademark law. Indeed, the most challenging legal question before those legal jurisdictions is about the method of transplanting the concept of trademark distinctiveness into the mechanism through which shape marks, as visual mediums, perform a trademark communicative function. Technically, the indefinite nature of shape marks or trade dress marks and lack of a definitive or pre-intended source of meaning has made them unpredictable in terms of distinctiveness examination. This Article has employed a comparative perspective to investigate the U.S. and EU's historical and current legal positions towards shape marks' distinctiveness. This Article has also found that both the U.S. "ontological tests" and EU "significant departure criterion" suffer from the heavy emphasis on the "distinguishing" capability among other comparable shapes or designs and ignorance of the "source-identifying" function of shape marks. Furthermore, their endeavors for posing the question of inherent distinctiveness in a contextual environment will make the normative parts of the tests useless and cause time and cost expenditures. Finally, having considered the competitive and public interests in EU and U.S. trademark law, this Article suggests that relying on a market-led approach, in which the collected information from the relevant consumers is the most decisive method in finding distinctive character.

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INTRODUCTION

Using visual signs as an effective medium to convey specific information has occupied a significant part of modern commercial communications.¹ Technically speaking, visual signs can mutely or intuitively communicate the meanings that even lingual mediums could not convey.² Meanwhile, the trademark system's role has classically been defined as a communicative structure that transmits the relevant information to minimize search costs and simultaneously maximize economic utility.³ The expansive scope of the modern trademark system and teleological interpretation of its function has resulted in incorporating product shapes or designs and product packaging into the protective umbrella of trademark law.⁴ It seems that it has been recognized as a well-established principle that almost any sign, regardless of its innate characteristics, which can distinctively convey commercial information, could be posed as a protectable trademark in the pioneer legal systems like EU and U.S. law.⁵ From a theoretical point of view, as

¹ See Keith Aoki, *How the World Dreams Itself to Be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 *LOY. L.A. ENT. L.J.* 523, 528–29 (1997).

² GUNTHER KRESS & THEO VAN LEEUWEN, *READING IMAGES: THE GRAMMAR OF VISUAL DESIGN 1* (1996), stating that “[it is] [i]ntend[ed] to provide inventories of the major compositional structures which have become established as conventions in the course of the history of visual semiotics, and to analyse how they are used to produce meaning by contemporary image-makers.”

³ See, e.g., William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 *TRADEMARK REP.* 267, 270–72 (1988). Landes and Posner argued that the total cost of a good is an aggregate of the nominal price and the cost of searching with respect to that good. *Id.* When search costs are reduced, social welfare is increased because the cost premium a brand owner charges for trademarked goods is less than the cost of a search without the trademarks. *Id.*

⁴ See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 209 (2000) (“‘[t]rade dress’—a category that originally included only the packaging, or ‘dressing,’ of a product ... in recent years has been expanded by many Courts of Appeals to encompass the design of a product.”).

⁵ MAX PLANCK INST. FOR INTELL. PROP. AND COMPETITION L., *STUDY ON THE OVERALL FUNCTIONING OF THE EUROPEAN TRADE MARK SYSTEM* 66 (2011) [hereinafter *STUDY ON THE OVERALL FUNCTIONING*] (observing that “[i]t seems to be an accepted principle that basically all imaginable forms of signs which can be perceived by the human senses and hence are able to perform a communication function are also able to distinguish goods or services of one enterprise from those of another”).

Professor Economides rightly argues: “[t]he degree of a trademark’s success is a function of: (a) the consumer’s ability to recall the mark and its associated features; (b) the inability of others to use a confusingly similar mark; and (c) the reluctance of firms to change the variety and quality features of the trade-marked product.”⁶ Indeed, when a product shape or design is utilized as a trademark, any visible piece of it could comprise a considerable amount of indicative commercial information that may not be expressed by words concisely.⁷ Comparing to other traditional trademarks, particularly word marks, that characteristic of shape marks, or in its U.S. name trade dress marks,⁸ could prove this fact that those newfound marks could even perform the trademark system’s objectives more efficiently.⁹ Nevertheless, in a legal context, the unique nature of shape marks has caused challenging debates concerning the proper method of applying the essential provisions of trademark law for them.¹⁰ One of the enigmatic inquiries in this regard is about transplanting the concept of *trademark distinctiveness* into the mechanism through which shape marks, as visual mediums, perform a trademark communicative function.¹¹ The present Article will investigate this question through a comparative analysis between U.S. and EU trademark law.

Under EU trademark law, product shapes or designs and product packaging could obtain community trademark registration provided that they “guarantee the identity of the origin of the

⁶ Nicholas S. Economides, *The Economics of Trademarks*, 78 TRADEMARK REP. 523, 527–28 (1988); see also S. REP. NO. 79-1333, at 3 (1946), as reprinted in 1946 U.S.C.C.A.N. 1274, 1274–75 (stating that “[o]ne is to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trademark owner.”)

⁷ See Aoki, *supra* note 1, at 528.

⁸ The present Article uses “trade dress marks” and “shape marks” interchangeably.

⁹ See Désirée Fields & Alasdair Muller, *Going Against Tradition: The Effect of Eliminating the Requirement of Representing a Trademark Graphically on Applications for Non-Traditional Trademarks*, 39 EUR. INTELL. PROP. REV. 238, 238 (2017).

¹⁰ *Id.* at 241.

¹¹ *Id.*

marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.”¹² In this respect, they can be protected as inherently distinctive and, there is no prerequisite of prior market use or acquired distinctiveness.¹³ The removal of the “graphical representation” requisite from the EU Trademark Directive in 2015 shows the EU legislature’s growing willingness to expand the scope of trademark protection and ease the product shapes’ or designs’ protection under trademark law.¹⁴ The EU Trademark Directive (TMD) Article 4(1) and EUTMR Article 7(1) have outlined trademark’s register-ability through several negative conditions that any registrable mark should be devoid of even in the case of meeting the general positive requirements that TMD Article 3 and EUTMR Article 4 have required.¹⁵ According to those prohibitive provisions, functional and aesthetic shapes or designs could not carry out a source-identifying function and obviously could not obtain acquired distinctiveness even subsequent to establishing a successful market use.¹⁶ However, neither the removal of “graphical representation” nor the other relevant regulations in EU trademark law have specified the mechanism upon which the EU courts can examine the distinctive character of shape marks.¹⁷ Therefore, it has left the door open to the EU courts to articulate a normative criterion for shape marks’ distinctiveness.¹⁸

¹² Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 30; *see* Case C-349/95, *Loendersloot v. Ballantine & Son, Ltd.*, 1997 E.C.R. I-6244, ¶¶ 22, 24; Case C-39/97, *Canon v. Metro-Goldwyn-Mayer, Inc.*, 1998 E.C.R. I-5525, ¶ 28; Joined Cases C-344/10 P & C-345/10 P, *Freixenet v. Off. For Harmonisation in the Internal Mkt.*, 2011 E.C.R. I-10205, ¶ 42; Case C-136/02 P, *Mag Instrument Inc. v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-9182, ¶ 29.

¹³ *See* Joined Cases C-344/10 P & C-345/10 P, ¶ 32.

¹⁴ *Fields & Muller*, *supra* note 9, at 238.

¹⁵ *See* Council Directive 2015/2436, art. 4(1), 2015 O.J. (L 336), 7–8 (EU); Council Regulation 2017/1001, art. 7(1), 2017 O.J. (L 154), 8–9. *But see* Council Directive 2015/2436, *supra*, at art. 3, 7; Council Regulation 2017/1001, *supra*, at art. 4, 8.

¹⁶ *See* Council Directive 2015/2436, *supra* note 15, at art. 4(1), 7–8; Council Regulation 2017/1001, *supra* note 15, at art. 7(1), 8–9.

¹⁷ *Fields & Muller*, *supra* note 9, at 240–41.

¹⁸ *Id.* at 238, 241.

In the U.S. trademark law, a trade dress mark is defined as “[t]he overall appearance and image in the marketplace of a product or a commercial enterprise.”¹⁹ From a historical point of view, protection of trade dress has included product dressing (packaging) and product designs.²⁰ Meanwhile, they were originally protected under common law action for unfair competition.²¹

By applying the language of Section 43(a) of the Lanham Act and its amendment in 1988, any unfair competitive practices caused by applying “word, term, name, symbol, or device, or any combination thereof [or any] ... false designation of origin, [and] a false or misleading description of fact”²² was inhibited. Subsequently, the U.S. courts commenced gradually to consider trade dress as an exclusive nontechnical trademark.²³ Like EU trademark law, there

¹⁹ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992) (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)). It is also defined as “[t]otal image and overall appearance ... [which] may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.” *Two Pesos, Inc.*, 505 U.S. at 764–65 n.1 (quoting *Blue Bell Bio-Med. v. Cin-Bad, Inc.*, 864 F.2d 1253, 1256 (5th Cir. 1989) and *John H. Harland Co.*, 711 F.2d at 980).

²⁰ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. a (AM. L. INST. 1993). “Trade dress” traditionally includes the appearance of labels, wrappers, and containers used in packaging a product as well as displays and other materials used in presenting the product to prospective purchasers. *Id.* The design features of the product itself are also sometimes included within the meaning of “trade dress,” although the substantive rules applicable to the protection of product designs differ in some respects from those applicable to packaging and related subject matter. *Id.*

²¹ *Id.*

²² Lanham Trademark Protection Act § 43(a), 15 U.S.C. § 1125(a).

²³ Amy B. Berge, *Trade Dress Protection: What’s Left for the States?*, 27 N. KY. L. REV. 1055, 1056–57 (2000); see also *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995) (holding that the term ‘trade-mark’ “includes any word, name, symbol, or device or any combination thereof ... [adopted and used by a manufacturer or merchant] to identify and distinguish his goods ... from those manufactured or sold by others”); S. REP. NO. 100-515, at 40 (1988) (explaining that “as written, Section 43(a) appears to deal only with false descriptions or representations and false designations of geographic origin. Since its enactment in 1946, however, it has been widely interpreted as creating, in essence, a federal law of unfair competition. For example, it has been applied to cases involving the infringement of unregistered marks, violations of trade dress and certain nonfunctional configurations of goods and actionable false advertising claims.” *Kipling v. G.P. Putnam’s Sons*, 120 F. 631, 636 (2d

is no directive protocol on the applicable method for examining the trade dress marks' distinctiveness.²⁴ It has opened a room for courts to address this question in a dynamic legal environment. In the U.S. trademark law, courts' approaches towards trade dress marks' distinctiveness could be divided into two main categories, namely ontological²⁵ and traditional.²⁶

The present Article has comparatively analyzed the EU and U.S. trademark provisions regarding the applicable methods for examination of distinctive character in product shapes or designs and product packaging. It comprises four main parts. Part I is dedicated to juxtapose the principle of equal treatment and the imposed restrictive provisions on shape mark distinctiveness.²⁷ Part II deals with the complexity of developing a fitting test for shape marks as visual-based signs and analytical comparison between the methods that are currently applied in U.S. and EU trademark law for assessing the distinctive character of shape marks.²⁸ Part III investigates the impact of word mark tests on the shape mark distinctiveness.²⁹ Finally, Part IV talks about the relationship

Cir. 1903) ("it is customary to publish books with ornamental designs stamped or printed on the covers, but no one ... ever imagined that such pictures and ornaments were the trade-marks of the authors of the books").

²⁴ Compare Lanham Trademark Protection Act § 43(a), with Council Regulation 2017/1001, *supra* note 15, at art. 7(1), 8–9.

²⁵ The term "ontological" for trade dress marks' distinctiveness was first used by Justice Breyer in *Qualitex Co.*, 514 U.S. at 164. The Court stated, "[i]t is the source-distinguishing ability of a mark not its *ontological* status as color, shape, fragrance, word, or sign that permits it to serve these basic purposes." *Id.* This Article uses the term for the courts that believe trade dress marks could be inherently distinctive and that character should be assessed based on the innate features of the shape or design for which trademark protection is sought. It is worth saying that Professor Dinwoodie has employed the same term for courts with the aforementioned approach. See Graeme B. Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, 84 IOWA L. REV. 613, 616 (1999) [hereinafter *The Death of Ontology*].

²⁶ See *The Death of Ontology*, *supra* note 25, at 614.

²⁷ See *infra* Part I.

²⁸ See *infra* Part II; Annette Kur, *Fundamental concerns in the harmonization of (European) trademark law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 164 (Graeme Dinwoodie & Mark Janis eds., 2008) [hereinafter *Harmonization of Trademark Law*].

²⁹ See *infra* Part III.

between public and competitive considerations and normative distinctiveness criteria.³⁰

I. THE EU QUASI-EQUALITY AND U.S. COMPLEX DUALITY

According to EU trademark law, *distinctive* trademarks are capable of identifying the commercial source of products or services and adequate for distinguishing them among the other competitive products or services in the market.³¹ Meanwhile, they should perform their function without any risk or likelihood of confusion to consumers,³² whose perception plays the central role in examining the distinctiveness.³³ There is no explicit requirement that may change the scope of protection or the aforementioned general requirements on applicable distinctiveness to shape marks than the other traditional kinds of trademarks in EU trademark law.³⁴ However, the lack of a methodological structure on how to implement the equality approach for product shapes or packaging, as registrable trademarks, in either TMD or EUTMR, paved the way for EU courts to fill this gap in their case law.³⁵ In practice, the “equal treatment” that CJEU invariably cites in its case law will prevent courts from applying any additional requirements that may distort shape marks’ distinctiveness test from its general legal definition.³⁶ To put it differently, the innate characteristics of product shapes or packaging, as protectable trademarks, and also their weak capacity in establishing inherent distinctiveness, should not be considered as a basis to limit the scope of

³⁰ See *infra* Part IV.

³¹ Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 48; Joined Cases C-344/10 P & C-345/10 P, *Freixenet v. Off. For Harmonisation in the Internal Mkt.*, 2011 E.C.R. I-10205, ¶ 42; Case C-136/02 P, *Mag Instrument Inc. v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-9182, ¶ 29.

³² Case C-299/99, *Koninklijke Philips Elecs. NV v. Remington Consumer Prods. Ltd.*, 2002 E.C.R. I-05475, ¶ 7(b).

³³ Case C-64/02, *Off. For Harmonisation in the Internal Mkt. v. Erpo Möbelwerk GmbH*, 2004 E.C.R. I-10031, ¶ 24.

³⁴ Case C-299/99, ¶ 49; Joined Cases C-53/01 to C-55/01, *Linde AG v. Winward Indus. Inc.*, 2002 E.C.R. I-3164, ¶ 42.

³⁵ See, e.g., Case C-218/01, ¶ 39.

³⁶ See, e.g., Case C-404/02, *Nichols plc v. Registrar of Trade Marks*, 2004 E.C.R. I-08499, ¶ 26 (for an example of said requirements).

protection or to expand their protection requirements, particularly, in terms of distinctiveness criterion.³⁷

From a fundamental viewpoint, when it comes to trademark *protection* of product trade dress and packaging, comparable equality is adopted in U.S. trademark law.³⁸ At the federal level, through a teleological interpretation of the terms “symbols” or “device” in the Act, the U.S. Senate, in its Report for the 1988 amendments, declared that shapes, color, product configuration, and packaging should not be excluded from the definition of trademarks when they can perform the functions of a trademark.³⁹ This notion is reflected in the Supreme Court’s case law.⁴⁰ In *Two Pesos, Inc. v. Taco Cabana, Inc.*,⁴¹ the Court held that “[p]rotection of trade dress, no less than of trademarks, serves the Act’s purpose to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers.”⁴² It also added the shared function and rational of trade dress marks should be regarded as a basis for providing equal legal treatment.⁴³ The Court concreted its findings of equal treatment stating that “trademarks and trade dress under § 43(a) serves the same statutory purpose of preventing deception and unfair competition;” therefore, “[t]here is no persuasive reason to apply different analysis to” those entities.⁴⁴ Besides, in *Qualitex Co. v. Jacobson Products*, the Court found that “almost anything [which] ... is capable of carrying meaning”⁴⁵ could be regarded as trademark, and “[i]t is the source-distinguishing ability of a mark not its *ontological* status as color, shape, fragrance, word, or sign that permits it to serve these basic purposes.”⁴⁶

³⁷ Joined Cases C-53/01 to C-55/01, ¶ 68.

³⁸ See S. REP. NO. 100-515, *supra* note 23, at 5.

³⁹ *Id.* at 44.

⁴⁰ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774 (1992).

⁴¹ *Id.* at 763, 764 n.1.

⁴² *Id.* at 774 (internal quotations omitted).

⁴³ *Id.*

⁴⁴ *Id.* at 773.

⁴⁵ *Qualitex Co. v. Jacobson Prods.*, 514 U.S. 159, 162 (1995) (finding that “[s]ince human beings might use as a ‘symbol’ or ‘device’ almost anything at all that is capable of carrying meaning this language read literally is not restrictive”).

⁴⁶ *Id.* at 164.

Nonetheless, despite the shared equality approach toward product shapes and packaging, both EU and U.S. trademark law show a divergence from the equality principle when it comes to putting that principle into practice.⁴⁷ In actuality, this divergence has reached a point at which one can call equal treatment with shape marks a *quasi-equality* one in the EU and a *mere duality* in U.S. trademark law.⁴⁸ In terms of distinctiveness, specifically, the deviation from the equality approach in both U.S. and EU trademark law began with this argument that the evaluation of shape marks' distinctiveness has its own kind of complexity compared to traditional trademarks, particularly word marks.⁴⁹ This complexity or difficulty, in its EU sense,⁵⁰ was developed in EU and U.S. jurisdictions with two basic presumptions, which were two sides of the same coin.⁵¹ First, people ordinarily perceive visual attributes of goods as ornamental or technical features;⁵² therefore, product shapes and packaging have limited capacity in transmitting commercial information to the relevant consumers.⁵³ Those assumptions convinced the courts in the EU and United States to develop a tailored test that may not be compatible with the standard definition of distinctiveness, as well as the preliminary principle of equal treatment.⁵⁴

In the course of divergence from the equality approach, the EUTMR and Directive have imposed more restrictive requirements on the *protection* of shape marks compared to other conventional trademarks.⁵⁵ The Directive's Article 7(1)(b), (d), (e) and Article

⁴⁷ Case C-136/02 P, *Mag Instrument Inc. v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-9182, ¶ 30; *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 215 (2000).

⁴⁸ *The Death of Ontology*, *supra* note 25, at 656 (noting that “assimilationists properly attribute to product design trade dress protection the same positive values as are assigned to trademark protection of words, and thus accord shapes equivalent protection as source-identifiers. But this model fails to acknowledge the important differences between words and shapes”).

⁴⁹ Case C-136/02 P, ¶ 30; *Wal-Mart Stores, Inc.*, 529 U.S. at 215.

⁵⁰ Case C-445/13, *Voss of Nor. ASA v. Off. For Harmonisation in the Internal Mkt.*, ECLI:EU:C:2015:303, ¶ 91.

⁵¹ Case C-136/02 P, ¶ 30; *Wal-Mart Stores, Inc.*, 529 U.S. at 215.

⁵² Thomas R. Lee et al., *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 ARIZ. ST. L.J. 1033, 1073–74 (2009).

⁵³ *Id.* at 1074.

⁵⁴ *Wal-Mart Stores, Inc.*, 529 U.S. at 213; Case C-136/02 P, ¶ 30.

⁵⁵ See Council Regulation 2017/1001, *supra* note 15, at art. 7, 8–9.

4(1)(c), (d) of EUTMR regulate: “signs which consist exclusively of (i) the shape, or another characteristic, which results from the nature of the goods themselves; (ii) the shape, or another characteristic, of goods which is necessary to obtain a technical result; (iii) the shape, or another characteristic, which gives substantial value to the goods;” are considered as “devoid of any distinctive character.”⁵⁶

In terms of shape marks’ distinctiveness, the equality approach was challenged by two substantial elements, namely different public perception of product shapes or packaging and the shape marks’ weak capability in constituting the required distinctiveness.⁵⁷ Regarding the public perception, in its settled case law the CJEU invariably has presumed that consumers are not in the habit of perceiving the identifying information from a color per se, shape, or container.⁵⁸ As a normative presumption to correct the factual circumstances, the CJEU demarcated a bright line between the applicable methods for shape marks’ distinctiveness and traditional trademarks, like word and figurative marks.⁵⁹ As the CJEU has clearly found in *Linde AG*, the equal treatment principle does not mean that the public perception of shape marks is just like the mechanism by which the relevant public may receive and perceive the identifying information via word marks.⁶⁰ Therefore, shape marks should “remain subject to a multifaceted examination of whether they are eligible to be registered as trademarks.”⁶¹

A review of the practical instructions in OHIM (EUIPO) reinforces this argument that distinctiveness ground is the first selection for examiners to implement a restrictive approach to the

⁵⁶ *Id.* at art. 7(1)(b), (e).

⁵⁷ See Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 49; Case C-136/02 P, ¶ 31; Case C-173/04 P, *Deutsche SiSi-Werke v. Off. For Harmonisation in the Internal Mkt.*, 2006 E.C.R. I-568, ¶ 31; Case C-104/01, *Libertel Groep BV v. Benelux Merkenbureau*, 2003 E.C.R. I-3822, ¶ 52; Case C-49/02, *Heidelberger Bauchemie GmbH*, 2004 E.C.R. I-6152, ¶ 39; Graeme B. Dinwoodie & Dev Saie Gangjee, *The Image of the Consumer in European Trade Mark Law*, in *THE IMAGES OF THE CONSUMER IN EU LAW 18* (Dorota Leczykiewicz & Stephen Weatherill eds., 2018).

⁵⁸ Case C-218/01, ¶ 49; Case C-136/02 P, ¶ 31; Case C-173/04 P, ¶ 31; Case C-104/01, ¶ 52; Case C-49/02, ¶ 39.

⁵⁹ Dinwoodie & Gangjee, *supra* note 57, at 18.

⁶⁰ Joined Cases C-53/01 to C-55/01, *Linde AG v. Winward Indus. Inc.*, 2002 E.C.R. I-3164, ¶ 48.

⁶¹ *Id.* ¶ 27.

shape marks' registrability.⁶² To be more clear, despite the freedom of choice in selecting the refusal grounds, and also the CJEU findings in *Remington*,⁶³ and *Linde*,⁶⁴ on the priority of functionality for refusal, the examiners prefer to "examine shape mark by ruling out a priori and, as such, the application of" other refusal grounds, particularly functionality.⁶⁵ The reason behind prioritizing the distinctiveness ground is admittedly related to its large capacity for interpretation comparing to functionality ground with a more challenging process of weighing the competitive repercussions.⁶⁶ The CJEU's deviation from the equal treatment approach culminated in "depart significantly criterion" as the second part of the applicable method to determine whether product packaging and product shapes may overcome the noninherent distinctiveness obstacle to be qualified enough for registration.⁶⁷ According to this test, "a trademark which significantly departs from the norm or customs of the sector and thereby fulfills its essential function is not devoid of [any] distinctive character."⁶⁸ As a fundamental divergence from the equality approach, the empirical presumption about public perception of product shapes and packaging, and the "depart significantly criterion" have weakened the shape marks' chance for registration and make it difficult—but not impossible—to establish distinctiveness compared to other protectable trademarks.⁶⁹

⁶² Some commentators also support this view arguing that priority of distinctiveness provision will shift shape mark through a right path. See, e.g., Joachim Bornkamm, *Harmonizing Trade Mark Law in Europe: The Stephen Stewart Memorial, Lecture*, 1999 INTELL. PROP. Q. 283, 290 (stating that "lack of distinctiveness seems preferable, because trademark protection remains available for the shape if it acquires distinctiveness by use").

⁶³ Case C-299/99, *Koninklijke Philips Elecs. NV v. Remington Consumer Prods. Ltd.*, 2002 E.C.R. I-05475, ¶ 48.

⁶⁴ Joined Cases C-53/01 to C-55/01, ¶ 42.

⁶⁵ Cesar J. Ramirez-Montes, *The Elusive Distinctiveness of Trade Dress in EU Trademark Law*, 34 EMORY INT'L L. REV. 277, 300 (2020).

⁶⁶ Jean-Christophe Troussel & Peter van den Broecke, *Is European Community Trademark Law Getting in Good Shape?*, 93 TRADEMARK REP. 1066, 1072 (2003); Bornkamm, *supra* note 62, at 290.

⁶⁷ Bornkamm, *supra* note 62, at 290.

⁶⁸ Ilanah Fhima, *The Public Interest in European Trade Mark Law*, 2017 INTELL. PROP. Q. 311, 318 (2017).

⁶⁹ *Id.*

On the other hand, in U.S. trademark law, the divergence from equal treatment has mainly emanated from the process of engrafting the trade dress protection, as a competition matter, into trademark law.⁷⁰ In this view, commercial use of the others' products' unregistered visual attributes is merely a competition cause of action, which does not comprise the essentials of trademark protection.⁷¹ Nonetheless, when it came to confer trademark protection to trade dress marks, U.S. trademark law had to articulate a new framework for a novel kind of trademarks, which entailed going beyond the equal treatment principle.⁷² To develop that new framework U.S. trademark law has been under the influence of similar premises that EU trademark law contemplates in making the protection of shape marks more restrictive.⁷³ The U.S. courts, like EU courts, presumed that "product design *almost* invariably serves purposes other than source identification,"⁷⁴ which means ordinary consumers take the goods' visual features as aesthetic or technical traits.⁷⁵ Indeed, the competition background of trade dress protection made it a complicated concept, which caused a disagreement among U.S. courts concerning the appropriate test for distinctiveness examination.⁷⁶ Hence, trade dress marks are protected with a duality in treatment and with more restrictive requirements.⁷⁷ The signs of that dual treatment could be found in the federal regulations.⁷⁸ According to Restatement (Third) of Unfair Competition, "the substantive rules applicable to the protection of product designs differ in some

⁷⁰ See, e.g., STEPHEN F. MOHR ET AL., U.S. TRADE DRESS LAW: EXPLORING THE BOUNDARIES 11 (Int'l Trademark Ass'n eds., 1997).

⁷¹ J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:1 (5th ed. 2021).

⁷² See Rudolph Rayle, *The Trend Towards Enhancing Trademark Owners' Rights—A Comparative Study of U.S. and German Trademark Law*, 7 J. INTELL. PROP. L. 227, 229 (2000) ("U.S. trademark law shows a clear trend towards enhancing owner's rights in deviation from the traditional purposes for trademark protection.").

⁷³ See *id.*

⁷⁴ *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 213 (2000).

⁷⁵ *Id.* at 212.

⁷⁶ Theodore H. Davis & Jordan S. Weinstein, *The Sixty-Second Year of Administration of the U.S. Trademark (Lanham Act) of 1946*, 100 TRADEMARK REP. 88, 100–02 (2010).

⁷⁷ Rayle, *supra* note 72, at 229.

⁷⁸ *Id.*

respects from those applicable to packaging and related subject matter.”⁷⁹ Technically speaking, the duality in distinctiveness examination springs from the idea of whether the distinctiveness of trade dress marks could be detected based on the traditional tests or not.⁸⁰ This problem left the U.S. courts always hesitant between applying the traditional test (*Abercrombie spectrum*), which is calibrated to be used for verbal marks,⁸¹ and employing the ontological tests, which are developed based on the inherent characteristics of product shapes, designs, or packaging.⁸²

II. THE SHAPE MARKS DISTINCTIVENESS; THE COMPLEXITY OF METHODOLOGY

The openness of EU and U.S. trademark law on conferring trademark protection to product shape, design, and packaging proves that the courts, legislatures, and policymakers in those jurisdictions have understood the info-commercial efficiency of visual attributes of products for transmitting the commercial information.⁸³ Indeed, they know that “unlike a word mark or a

⁷⁹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 16 cmt. a (AM. L. INST. 1993).

⁸⁰ See Rayle, *supra* note 72, at 229.

⁸¹ See Chad M. Smith, *Undressing Abercrombie: Defining When Trade Dress Is Inherently Distinctive*, 87 TRADEMARK REP. 160, 168 (1997) (“As the Court found no reason to treat trade dress symbols different from verbal symbols, it applied the same rule to both.”).

⁸² See *Qualitex Co. v. Jacobson Prods.*, 514 U.S. 159, 164 (1995) (“It is the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve these basic purposes.”).

⁸³ Sandra Moriarty, *Visual Communication as a Primary System*, 14 J. VISUAL LITERACY 11, 20 (1994) (observing that “visual communication is as much a primary system as verbal language, and that language based communication has been inappropriately privileged in contemporary western culture”); see also Annika Olsson & Andreas C. Larsson, *Value Creation in PSS Design Through Product and Packaging Innovation Process*, in INTRODUCTION TO PRODUCT/SERVICE SYSTEM DESIGN 93, 100 (Tomohiko Sakao & Mattias Lindahl eds., 2009).

[I]n the business to consumers domain the package is the interface of the product to the consumers and must be considered as the integrated part of product. The integrated product and package system ... can help to communicate with user what kind of outcome they can expect from using a product or service.

Id.

device, a mere shape can communicate *further* information only with difficulty.”⁸⁴ In the modern market within which the consumers are becoming more *visual and less lexical*,⁸⁵ product shapes, designs, and other goods’ visual signs can effectively meet the fundamental objectives for which the trademark system is devised.⁸⁶ As a matter of fact, in an informational context, every single visual element of a product could potentially function as a medium to convey commercial meanings, which cannot simply be expressed by words.⁸⁷ In our modern *detextualized* societies, this feature will provide producers, with an effective instrument to develop a new and concrete vehicle to communicate with the relevant consumers.⁸⁸ Protection of the goods’ source-identifying visual attributes may incentivize producers to endeavor more into developing a new platform to communicate commercial information in the market contexts with less informational capacity for verbal signs.⁸⁹

As a matter of principle, in an integral and efficient trademark system, a sign should be intact enough to guarantee the efficiency and integrity of the system.⁹⁰ To be considered as an intact instrument, and simultaneously, as a legally protectable one, a trademark should be capable of performing the role of being distinctive.⁹¹ However, what makes the question of shape marks’ distinctiveness special in EU and U.S. trademark law is uncertainty about how product shapes and designs may communicate information.⁹² The problem will become more enigmatic

⁸⁴ *In re Bongrain SA* [2003] EWHC (Ch) 531 [13] (Eng.).

⁸⁵ *The Death of Ontology*, *supra* note 25, at 615 (stating that “our semiotic senses are in state of tumult. Society is becoming more visual and less lexical”).

⁸⁶ Aoki, *supra* note 1, at 526.

⁸⁷ *Id.*

⁸⁸ *The Death of Ontology*, *supra* note 25, at 641 (observing that “[i]n our culture a wide range of things are doing what verbal trademarks were originally meant to do. This is facet of the detextualization of society, and the cause of a third convergence concern”).

⁸⁹ Graeme Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 483 (1997) [hereinafter *Reconceptualizing the Inherent Distinctiveness*].

⁹⁰ Barton Beebe, *The semiotic account of trademark doctrine and trademark culture*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 42, 48 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008).

⁹¹ See Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1317 (2011).

⁹² See *Harmonization of Trademark Law*, *supra* note 28, at 164 (stating that “[u]ntil now, the assertions concerning the way in which ‘unconventional’

when it is realized that unlike word marks, which enjoy language to communicate commercial information, visual signs, do not take advantage of any contractual, and definitive source of meanings to predict the semantic content of commercial information.⁹³ That characteristic of shape marks makes them extremely *interpretative*, and inherently hard to be examined in terms of distinctiveness.⁹⁴ As Professor Moriarty observes,

[i]n terms of complexity, visual interpretation can be seen as being more complex than verbal interpretation, primarily because of the lack of a conventionalized sign system and a formalized training protocol [V]isual communication is neither derivative, nor peripheral to language, and therefore the designation of “secondary,” “tertiary” or a “superstructure” built on language is inappropriate.⁹⁵

For the U.S. and EU trademark system, within which the examiners, courts and legislatures were accustomed to examining the “*distinctiveness character*” of word marks, mainly based on a lingual system, the shape marks’ “*indefinite nature*” could cause fundamental questions.⁹⁶ In practice, this problem concerning the shape marks’ distinctiveness will put legal systems in a quandary of choosing between *language-based* and *visual-based* tests.⁹⁷ According to both of those tests, the distinctiveness is supposed to be examined based on the interactive relationship between

forms of signs are perceived by consumers have not been underpinned by empirical evidence”).

⁹³ Case T-230/05, *Golf USA, Inc. v. Off. For Harmonisation in the Internal Mkt.*, ¶ 21 (Mar. 6, 2007), <https://curia.europa.eu/juris/document/document.jsf?jsessionid=7C0171D8D66ED51C25AD1DD4A38A7E99?text=&docid=61785&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=6747872> [<https://perma.cc/YS3M-RNFK>]; Case T-289/02, *Telepharmacy Sols. Inc. v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. II-2856, ¶ 24.

⁹⁴ Roland Barthes, *The Rhetoric of the Image*, in *IMAGE, MUSIC, TEXT* 38–39 (Stephen Heath trans., 1977) (“All images are polysemous; they imply, underlying their signifiers, a ‘floating chain’ of signifieds, and the reader able to choose some and ignore others. Polysemy poses a question of meaning and this question always come through as a dysfunction.”).

⁹⁵ Moriarty, *supra* note 83, at 20.

⁹⁶ See Brian M.Z. Reece, *Distinctiveness of Marks Suffering Genocide: A Survey of Genocide Cases*, 47 *AIPLA Q.J.* 485, 501 (2019).

⁹⁷ See Mark P. McKenna, *Teaching Trademark Theory through the Lens of Distinctiveness*, 52 *ST. LOUIS U. PUB. L. REV.* 843, 848–49 (2008).

consumers' perception and indicative features of a sign.⁹⁸ However, those tests are different in terms of the sources from which the *indicative meanings* come.⁹⁹ In language-based tests, having access to dictionaries could provide conclusive information regarding the information that relevant consumers may perceive.¹⁰⁰ Nonetheless, concerning the product shapes or packaging, there is no such contractual source to predict the perceived message.¹⁰¹ In the U.S. trademark law, that quandary in employing traditional language-based and visual-based tests has led to categorizing the protectable trademarks into two separate categories.¹⁰² On one side, service trade dress and packaging, with the capability of providing inherent distinctiveness, and product shapes or designs with the requirement of showing secondary meaning, on the other side.¹⁰³ Meanwhile, in EU trademark law, the CJEU in *Henkel Perwoll Bottle* showed its willingness to recognize the inherent capability of shape marks to establish distinctiveness without banning the possibility of showing acquired distinctiveness.¹⁰⁴

A. *The EU “Significant Departure Criterion” and U.S. “Ontological Tests”; Different in Titles, Similar in Contents*

1. *The EU “Significant Departure” Test*

More than a decade ago, accepting that the criteria for examining the shape marks' distinctiveness are no different from those applicable to other trademarks, the CJEU in *Mag Instrument Inc.* held that “[a]verage consumers are not in the habit of making assumptions about the origin of products on the basis of their

⁹⁸ *Id.* at 847–48.

⁹⁹ See Robert Unikel, *Better by Design: The Availability of Trade Dress Protection for Product Design and the Demise of Aesthetic Functionality*, 85 TRADEMARK REP. 312, 335 (1995).

¹⁰⁰ McKenna, *supra* note 97, at 848 (stating that “it is relatively easy for courts to determine whether and how those meanings relate to the products or services with which they are used. But product design and packaging features rarely have such generally understood meanings, and as a result, the traditional framework is less helpful.”).

¹⁰¹ *Id.*

¹⁰² *Id.* at 848–49.

¹⁰³ *Id.*

¹⁰⁴ See Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 30.

shape or the shape of their packaging in the absence of any graphic or word element and it could therefore prove more difficult to establish.”¹⁰⁵

By the same token, the court continued arguing that “the more closely the shape for which registration is sought resembles the shape most likely to be taken by the product in question, the greater the likelihood of the shape being devoid of any distinctive character.”¹⁰⁶ Through the same empirical presumption, the CJEU in *Henkel Perwoll Bottle* ruled that the “relevant consumers are accustomed to seeing shapes similar to those at issue, in a wide variety of designs, it is to be observed that such shapes appear as variants of one of those common shapes rather than as an indication of the commercial origin of the goods.”¹⁰⁷ Therefore, “only a mark which departs significantly from the norm or customs of the sector and thereby fulfills its essential function of indicating origin, is not devoid of any distinctive character for the purposes of that provision.”¹⁰⁸

As mentioned earlier, the *indefinite nature* of visual elements makes their meaning always dependent on the consumers’ perception, as the decisive gauge to determine the communicated message.¹⁰⁹ Due to that inherent characteristic of ocular elements, the shape marks’ distinctiveness in EU trademark law is examined, initially, by reference to the elements of the trademark in question and, simultaneously, by reference to the targeted public.¹¹⁰ According to that principle, the CJEU in the “significant departure criterion” has striven to implement this value by developing an exhaustive framework in which a normative rule is combined with an empirical presumption.¹¹¹ Accordingly, the relevant consumer with no predisposition *will not presumably* perceive the significantly departed visual elements of a shape or design as a

¹⁰⁵ See Case C-136/02 P, *Mag Instrument Inc. v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-9182, ¶ 29.

¹⁰⁶ See *id.* ¶ 31.

¹⁰⁷ See Case T-393/02, *Henkel KGaA v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. II-4117, ¶ 21.

¹⁰⁸ See Case C-136/02 P, ¶ 29.

¹⁰⁹ See McKenna, *supra* note 97, at 849.

¹¹⁰ See Case C-136/02 P, ¶ 29; Case T-305/02, *Nestlé Waters France v. Off. For Harmonisation in the Internal Mkt.*, 2003 E.C.R. II-5209, ¶ 22.

¹¹¹ See Dinwoodie & Gangjee, *supra* note 57, at 13.

source indicator.¹¹² As a two-step test, the outcome of the examination will not be legally reliable “without referring to the perception of the average consumer.”¹¹³ Therefore, the registration is provided to verifying that it “fulfils its essential function, namely that of guaranteeing the origin of the product.”¹¹⁴ In this view, the CJEU defines the average consumer as one “even without conducting an analytical or comparative examination and without paying particular attention” will comprehend a shape mark as a distinctive trademark.¹¹⁵ The compound nature of the test and its application in the subsequent cases have convinced some commentators to believe that significant departure from the norms or customs is not only sufficient but also necessary for the purpose of overcoming the dilemma of inherent distinctiveness of shape marks.¹¹⁶ Furthermore, putting consumers’ perception at the center of the question of distinctiveness will pave the CJEU’s way to circumvent the risk of assimilation of the distinctiveness criterion with provisions of the other provinces of intellectual property, especially the individual character under design law.¹¹⁷ In this perspective, the reference point in distinctiveness assessment will be shifted from the *prior art* to the commercial environment in which a shape mark is supposed to act as a trademark.¹¹⁸ Additionally, this binary model will prevent leaving design law as a useless legal entity by

¹¹² *Id.*

¹¹³ See Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 51.

¹¹⁴ *Id.*

¹¹⁵ *Id.* ¶ 45.

¹¹⁶ Guy Tritton, *Distinctiveness and Acquired Distinctiveness: The Approach and Territorial Aspects*, 13 ERA F. 227, 230 (2012).

¹¹⁷ See STUDY ON THE OVERALL FUNCTIONING, *supra* note 5, at 71, casting doubt on how the CJEU may implement this objective into practice. In this concern, it states that “it is unclear whether and how the criteria for appraising inherent distinctiveness of a shape mark are distinguished from the criterion of ‘individual character’ under design law, and whether the distinction is one of grade or of substance.” *Id.*

¹¹⁸ Some commentators have criticized this idea. See, e.g., Annette Kur, *Too Common, Too Splendid, or ‘Just Right’? Trade Mark Protection for Product Shapes in the Light of CJEU Case Law*, MAX PLANCK INST. FOR INNOVATION AND COMPETITION Res. Paper No. 14-17, 26 (2014) [hereinafter *Too Splendid*] (arguing that the significant departure is “rather suitable for protecting creative achievements than for testing the ability of a sign to function as a mark”).

incentivizing producers to protect their designs under the perpetual monopoly that trademark law may provide.¹¹⁹

Nonetheless, even though the “significant departure criterion” puts consumers’ perception at the center of the question of shape marks’ distinctiveness, the element of comparison with other shapes or designs in the relevant sector will amount to observing the protectable shape marks merely as *product or service distinguishers* rather than source-identifiers.¹²⁰ In EU trademark law, a trademark to possess distinctive character should serve to *identify* the commercial source from which a good or service has originated as well as to *distinguish* them from others in the market.¹²¹ Accordingly, as a twofold definition, for being distinctive, both the ability to distinguish and the capacity of identifying are inevitable elements that could not be used *interchangeably*.¹²² Hence, in the case of shape marks, there should be no logical correlation between being significantly departed from the common designs in the sector (distinguishability) and being capable of identifying the commercial origin.¹²³ To put it differently, the more significantly a design departs from the common designs in the sector the more effectively it proves its competency to be distinguished among the other comparable ones but not its source-identifying capacity.¹²⁴ That shift in the function of a shape mark within the significant departure model springs from the test’s great value on the impression that a design may arouse in the relevant consumers to distinguish a design or shape among other common ones in the sector rather than the effect that may cause them to realize the

¹¹⁹ See Dinwoodie & Gangjee, *supra* note 57, at 14.

¹²⁰ See *id.* at 13.

¹²¹ *Id.*

¹²² See Case C-218/01, Henkel KGaA v. Deutsches Patent—und Markenamt, 2004 E.C.R. I-1737, ¶ 30; Joined Cases C-344/10 P & C-345/10 P, Freixenet v. Off. For Harmonisation in the Internal Mkt., 2011 E.C.R. I-10205, ¶ 42; Case C-136/02 P, Mag Instrument Inc. v. Off. For Harmonisation in the Internal Mkt., 2004 E.C.R. I-9182, ¶ 29; Case C-349/95, Loendersloot v. Ballantine & Son, Ltd., 1997 E.C.R. I-6244, ¶¶ 22, 24; Case C-39/97, Canon v. Metro-Goldwyn-Mayer, Inc., 1998 E.C.R. I-5525, ¶ 28.

¹²³ See Case C-218/01, ¶ 30; Joined Cases C-344/10 P & C-345/10 P, ¶ 42; Case C-136/02 P, ¶ 29; Case C-349/95, ¶¶ 22, 24; Case C-39/97, ¶ 28.

¹²⁴ See Case C-218/01, ¶ 30; Joined Cases C-344/10 P & C-345/10 P, ¶ 42; Case C-136/02 P, ¶ 29; Case C-349/95, ¶¶ 22, 24; Case C-39/97, ¶ 28.

indicated origin.¹²⁵ Another threat of focusing on the element of distinguishability is the conceptual overlap between distinctive and nondistinctive designs that significantly depart from the standard designs in the sector.¹²⁶ Indeed, the significant departure criterion has not determined how courts or examiners could assess distinctiveness in the case of shape marks that notwithstanding significant divergence from the usual forms in the relevant field have not been found by consumers as a distinctive source-identifier.¹²⁷

2. The U.S. “Ontological Tests”

On the other side of this comparison, a similar approach is followed by U.S. courts in examining the existence of inherent distinctiveness merely for *product packaging*.¹²⁸ Indeed, unlike the EU equality treatment towards different kinds of shape marks, in U.S. trademark law, the historical split over lower courts regarding the applicability of categorical test (*Abercrombie spectrum*) for trade dress marks made the Supreme Court in *Wal-Mart Stores v. Samara Bros.* convinced to divide the protectable trade dress marks into two separate categories in terms of the required type of distinctiveness.¹²⁹ In this case, the Court held that unlike products’ shape and designs, product packaging could “almost automatically tell a consumer that they refer to a brand.”¹³⁰ The Court also affirmed the Court’s normative presumption in *Qualitex Co.* on consumers’ predisposition and producers’ subjective aim to employ word marks and product packaging as source-identifiers.¹³¹ It

¹²⁵ Tom W. Bell, *Virtual Trade Dress: A Very Real Problem*, 56 MD. L. REV. 384, 413 (1997).

¹²⁶ See *Reconceptualizing the Inherent Distinctiveness*, *supra* note 89, at 582.

¹²⁷ Roland Knaak et al., *Study on the Overall Functioning of the European Trade Mark System*, MAX PLANCK INST. FOR INNOVATION AND COMPETITION Res. Paper No. 12-13, 52 (2011); see also Sara Balice, *Tripp Trapp Case: The Court of Justice on 3D Trademarks*, 37 EUR. INTELL. PROP. REV. 807, 812 (2015).

¹²⁸ See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 212–13 (2000).

¹²⁹ *Id.* at 211.

¹³⁰ *Id.* at 212 (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163 (1995)).

¹³¹ *Wal-Mart Stores, Inc.*, 529 U.S. at 209–10; A. Samuel Oddi, *Product Simulation: From Tort to Intellectual Property*, 88 TRADEMARK REP. 101, 149–50 (1998); see also *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 378–79 (2d Cir. 1997); *The Death of Ontology*, *supra* note 25, at 545–49

reinforced this empirical presumption, stating that unlike product shapes or designs, product packaging will “immediately ... signal a brand or a product source.”¹³² Accordingly, to be eligible as a trademark, product shapes and designs are subject to proof of secondary meaning.¹³³ Therefore, by way of comparison with the “significant departure” test, in U.S. trademark law, the empirical presumption of consumer’s predisposition has been reversed in the case of product packaging.¹³⁴ In other words, courts or examiners should assume that relevant consumers are in the habit of taking the visual elements of a product packaging as a source-identifier.¹³⁵

Subsequent to the Supreme Court’s distinction between product shapes or designs and product packaging, the way was left open to courts to employ former *ontological tests* in the case of product packaging.¹³⁶ As a matter of law, the ontological tests, which were initially designed for all kinds of trade dress marks, could now employ only for product packaging.¹³⁷ The courts with an ontological approach contemplate the legal nature of trade dress marks as a related, concurrently, as an independent entity concerning the trademark system.¹³⁸ In this view, the mechanism of distinctiveness assessment is designed as a two-step test, just like what is ruled by CJEU in the “significant departure test.”¹³⁹ Accordingly, the distinctive character should be examined based on the relationship between the visual qualifications that a mark comprises and what the relevant consumers may percept.¹⁴⁰ In *Wal-Mart Stores v. Samara Bros*, the Supreme Court found that the ontological tests “would rarely provide the basis for summary disposition of an anticompetitive strike suit” in *product shapes distinctiveness*.¹⁴¹ However, this test has remained

(criticizing that using producers’ intention as a basis for justifying the inherent distinctiveness for product packaging will give rise to self-serving testimony).

¹³² *Qualitex Co.*, 514 U.S. at 163.

¹³³ *Wal-Mart Stores, Inc.*, 529 U.S. at 212–13, 216.

¹³⁴ See Dinwoodie & Gangjee, *supra* note 57, at 13.

¹³⁵ See *Wal-Mart Stores, Inc.*, 529 U.S. at 212–13, 216.

¹³⁶ See *supra* note 25 and accompanying text.

¹³⁷ *The Death of Ontology*, *supra* note 25, at 618.

¹³⁸ *Id.*

¹³⁹ See Dinwoodie & Gangjee, *supra* note 57, at 13.

¹⁴⁰ *Id.*

¹⁴¹ See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 212–13, 216 (2000).

still applicable concerning product packaging.¹⁴² Recently in *In re Forney Industries, Inc.*, the U.S. Court of Appeals for the Federal Circuit, supported the ability of product packaging to establish inherent distinctiveness.¹⁴³ The court also emphasized that any distinctiveness assessment of a product packaging should be implemented based on the lines that have already been provided under the *Seabrook* test, as a suitable ontological one.¹⁴⁴ It finally concluded that, “[i]n determining the inherent distinctiveness of a trade dress, the question ... is whether the trade dress makes such an impression on consumers that they will assume the trade dress is associated with a particular source.”

In U.S. trademark law, the *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.* is the most prominent case with the ontological approach that is mostly known for developing an objective test for trade dress marks.¹⁴⁵ In this case, the Court of Customs and Patent Appeals (CCPA) developed a two-fold test that just like what CJEU articulated in *Henkel Perwoll Bottle* was accorded based on the interaction between *public view* and the *visual characteristics* of the shape or design at issue.¹⁴⁶ For that purpose, it confined the determination of distinctiveness into four main factors: (i) whether it is “common’ basic shape or design,”¹⁴⁷ (ii) whether it is “unique or unusual in a particular field,”¹⁴⁸ (iii) whether it is “refinement of a commonly-adopted and well-known form of ornamentation for a particular class” of the given dress,¹⁴⁹ and finally, (iv) whether it is “capable of creating a commercial impression distinct from the accompanying words.”¹⁵⁰ By doing so, the court took steps towards what was ruled by the Restatement (Third) of Unfair Competition, stating that using the common

¹⁴² See *In re Forney Indus.*, 955 F.3d 940, 946 (Fed. Cir. 2020).

¹⁴³ *Id.*

¹⁴⁴ *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d. 1342, 1344 (C.C.P.A. 1977).

¹⁴⁵ Samantha Primeaux, *Makeup Dupes and Fair Use*, 67 AM. U. L. REV. 891, 909 (2018).

¹⁴⁶ See *Forney Indus.*, 955 F.3d at 946; Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 18.

¹⁴⁷ See *Seabrook Foods, Inc.*, 568 F. 2d. at 1344.

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

features “makes it unlikely that consumers will view them as distinctive of the goods or services of a particular seller.”¹⁵¹

Over time, the U.S. courts showed a considerable divergence from the *Abercrombie* test that was routinely applied in the relevant cases.¹⁵² The test was developed as a consumer-oriented test in which the consumers’ perception plays the role of “*relevant field*” in finding the elements of “*uniqueness*” or “*unusualness*.”¹⁵³ In this view, the “critical question of fact ... is whether the public is moved in any degree to buy the article because of its source and what are the features by which it distinguishes that source.”¹⁵⁴ Comparing to its European counterpart, the *Seabrook* test like the “significant departure criterion” has been developed based on a binary structure in which the interaction between the degree of departure from the common designs and fulfillment of the function of source identification plays a central role.¹⁵⁵ Accordingly, the more a design is unique or unusual the more it will possibly be found by consumers as an inherently distinctive trademark.¹⁵⁶ As the court has recently found in *Days-Ease Home Products Corp.*, in the *Seabrook* test, “the question of inherently distinctive obviously must be determined [about] ... the reaction of purchasers to the shape, and what would be the anticipated reaction of the average purchaser to this shape.”¹⁵⁷ Technically speaking, this approach is close to what has been applied in U.S. design law to determine the “*novelty*” and “*non-obviousness*” that may result in assimilating the “*relevant field*” for trade dress distinctiveness with the role that the “*prior art*” is supposed to play in design patents.¹⁵⁸ Nonetheless, like the European test, putting the consumer perception at the center of the question of distinctiveness assessment shifts the reference point from prior art to the commercial context in which the relevant consumers percept a sign as an indication of origin.¹⁵⁹

¹⁵¹ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. d (AM. L. INST. 1993).

¹⁵² *Id.* § 15 cmt. b.

¹⁵³ *Id.* § 16 cmt. a; see also MCCARTHY, *supra* note 71, § 1:24.

¹⁵⁴ *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 300 (2d Cir. 1917).

¹⁵⁵ *Seabrook Foods, Inc.*, 568 F.2d at 1344.

¹⁵⁶ *Id.*

¹⁵⁷ *In re Days-Ease Home Prods. Corp.*, 197 U.S.P.Q. 566, 568 (T.T.A.B. 1977).

¹⁵⁸ See *Too Splendid*, *supra* note 118, at 26.

¹⁵⁹ *Id.*

By way of comparison with the “significant departure criterion,” similar criticisms can be made in regard to the *Seabrook* test.¹⁶⁰ In U.S. trademark law, like EU law the concept of distinctiveness is made of two fundamental elements, namely, identifyability and distinguishability.¹⁶¹ The *Seabrook* test is articulated with emphasis on measuring the potential capacity that a design or shape may comprise to *distinguish* a good or service among other comparable ones within a particular group of them rather than its ability to *identify* the source of origin.¹⁶² From a semiotic point of view, the *Seabrook* test, like “the significant departure criterion” has focused on the horizontal intersign relationship that a signifier may have with other signifiers without taking into consideration the vertical interplay between signifier and signified.¹⁶³ This approach will be fruitful in terms of assessing a signifier’s strength to be distinctive from other signifiers but not be distinctive of the signified.¹⁶⁴ Indeed, despite the fact that the factors like “unusualness” or “uncommonness” may play a helpful role in finding distinctive character could not certainly provide us with a decisive conclusion on the lack or existence of it.¹⁶⁵ As

¹⁶⁰ Graeme B. Dinwoodie, *The Trademark Jurisprudence of the Rehnquist Court*, 8 MARQ. INTELL. PROP. L. REV. 187, 197–98 (2004) (stating “[t]he *Seabrook* test does, however, suffer from one conspicuous frailty. Without an overarching test, a mere assessment of ‘uniqueness’ is irrelevant to trademark law and unhelpful in determining distinctiveness”).

¹⁶¹ See MCCARTHY, *supra* note 71, § 3:1 (stating that one of “[t]he requirements for qualification of a word or symbol as a trademark [is] ... the function: to *identify* and *distinguish* the seller’s goods from goods made or sold by others”). According to Lanham Trademark Protection Act § 43(a), 15 U.S.C. § 1127, a mark is distinctive when it “*identif[ies]* and *distinguish[es]* [a party’s] goods ... from those manufactured or sold by others” and “*indicate[s]* the source of the goods”; see also Beebe, *supra* note 90, at 54.

¹⁶² *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977).

¹⁶³ See Beebe, *supra* note 90, at 52–53 (observing that “[i]n brief, signification describes the vertical, intrasign relation between signifier and signified. Value describes the horizontal, intersign relations among signifiers, signifieds”).

¹⁶⁴ *Id.* (stating that “[c]orresponding to the semiotic relation of ‘signification,’ source distinctiveness describes the extent to which a trademark’s signifier is distinctive of the signified. Corresponding to the semiotic relation of ‘value,’ differential distinctiveness describes the extent to which a trademark’s signifier is distinctive from other signifiers in the trademark system.”).

¹⁶⁵ *The Death of Ontology*, *supra* note 25, at 657 (noting that “a unique design should not be regarded as inherently distinctive merely because of its uniqueness, although clearly that helps”).

Unikel rightfully observes, “[c]onsumers generally purchase a particular product for a variety of interrelated reasons ... it is thus naive to assume that a product’s significant features and overall design can serve only *one* of two polar opposite goals [i.e., esthetic and indicative].”¹⁶⁶

B. Steps to Add Contextualism; the U.S. Abstract Contextualism vs. the EU Practical Steps

In 1994, after the establishment of the *Seabrook* test as a milestone in the ontological approach, the Third Circuit in *Duraco Prods., Inc. v. Joy Plastic Enter. Ltd.* tried to pose the essentials of the *Seabrook* test in a more contextualized environment.¹⁶⁷ The court, in this case, argued in favor of the possibility of posing inherent distinctiveness for trade dress and did alter the *Seabrook*’s framework.¹⁶⁸ It also reiterated the essential elements of the *Seabrook* test, like “uniqueness” and “unusualness” in the “public view.”¹⁶⁹ However, it added new factors, namely, the “*memo[r]a[bility]*” and “[*informed*] consumers ... of all the options” to the *Seabrook* test.¹⁷⁰ The court, in this case, employs “memorability” as a gauge in posing the question of distinctiveness in a contextual environment in which the consumer perception will pave the way to measure the distinctiveness *ex ante*.¹⁷¹ In this concern the court explains, to be inherently distinctive a shape or design “must be recognizable by the consumer as an indicium of the source,

¹⁶⁶ Robert Unikel, *Better by Design: The Availability of Trade Dress Protection for Product Design and the Demise of Aesthetic Functionality*, 85 TRADEMARK REP. 312, 335 (1995).

¹⁶⁷ 40 F.3d 1431, 1449 (3d Cir. 1994).

¹⁶⁸ *Id.*

¹⁶⁹ *Id.* (The court argued “that trade dress is inherently distinctive only if ‘so unique ... in a particular market, that one can assume, without proof, that it will automatically be perceived by customers as an indicia of origin a trademark.” (quoting Martin P. Hoffman, *Trade Dress/Product Simulation Overview*, C913 A.L.I. A.B.A. 219, 222 (1994))).

¹⁷⁰ *Duraco Prods., Inc.*, 40 F.3d at 1450.

¹⁷¹ Dennis D. Crouch, A Trademark Justification for Design Patent Rights 31 (Aug. 10, 2010) (unpublished manuscript) (on file with author) (stating that “[t]he design patent distinctiveness measures of novelty and non-obviousness are also ascertainable *ex ante* (even before any product reaches the hands of a consumer) as opposed to the *ex post* creation of trade dress rights. In this sense, design patents could be seen as filling the position of inherently distinctive trade dress that was eliminated in Wal-Mart”).

rather than a decorative symbol or pattern.”¹⁷² It defined the “memorability” as “striking or unusual in appearance, or prominently displayed on the product packaging or otherwise somehow apt to be impressed upon minds of consumers, so that it is likely to be *actually* and distinctly remembered.”¹⁷³ Simultaneously, separating configurative marks from other trade dress marks, it required that a figurative dress should be “a unique, individualized appearance so that a consumer informed of all the options available in the market could reasonably rely on it to identify a source.”¹⁷⁴ Using “actually” along with “informed consumers” shows the court’s emphasis on the role of public perception in a factual context.¹⁷⁵ Furthermore, by incorporating the factor “[*informed*] consumer[s] ... of all the options” it changed the legal definition of rational consumers to concepts like “*skilled person*” in patent law.¹⁷⁶

The court’s interpretation of memorability may take advantage of some scientific background in cognitive science, particularly the top-down theory.¹⁷⁷ According to this theory, people’s visual perception is under the influence of the ocular characteristics of the stimulus and the viewers’ related knowledge and experiences.¹⁷⁸ Accordingly, there is a positive correlation between the viewers’ relevant visual experiences, the salience of the subjects’ visual elements, and the quality of retrieval.¹⁷⁹ However, despite those scientific backgrounds and the complexity of the test, two fundamental questions are left unanswered in both *Duraco* and *Seabrook* tests.¹⁸⁰ The first question is, on which basis did the courts in *Seabrook* and *Duraco* conclude that factors like “unusualness,” “informed consumers,” and “memorability” will pave the way to pose the probabilistic and contextualized question of trade dress distinctiveness predictably?¹⁸¹ The second question is on which legal or empirical principle will those factors guarantee

¹⁷² *Duraco Prods., Inc.*, 40 F.3d at 1449.

¹⁷³ *Id.*

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

¹⁷⁶ *Id.*

¹⁷⁷ VICKI BRUCE & PATRICK R. GREEN, VISUAL PERCEPTION: PHYSIOLOGY, PSYCHOLOGY AND ECOLOGY 94 (1985).

¹⁷⁸ *Id.*

¹⁷⁹ *Id.*; NICKY HAYES, FOUNDATIONS OF PSYCHOLOGY 46 (1994).

¹⁸⁰ See Bell, *supra* note 125, at 403–06, 413.

¹⁸¹ *Id.* at 403–06.

the objectives of distinctiveness in its legal terminology?¹⁸² In other words, are the Seabrook and Duraco tests capable enough to determine the point at which the subjective perception of an ordinary consumer meets the objective message that a shape or design signifies?¹⁸³ In response to those questions, it seems the courts have ignored the fact that there are numerous influential, meanwhile immeasurable factors other than the abovementioned factors that may impact the consumers' perception in their trademark-oriented purchases.¹⁸⁴ Hence, consumers' reaction in a market context is the decisive source upon which one can find out whether consumers have understood a shape or design as a source-identifying sign or merely a technical or ornamental feature.¹⁸⁵ Those sorts of questions have convinced some commentators to argue that irrespective of the factual capability of shape marks to be inherently distinctive, the ontological approach will not add any practical solution to the dilemma of trade dress distinctiveness.¹⁸⁶

Some European commentators raise similar concerns regarding the mechanism of implementing the "significant departure test" in a contextual environment.¹⁸⁷ Some of them even warn about the risk of shifting towards *abstraction*.¹⁸⁸ Some also find the criterion's assumption regarding the consumers' habit somehow

¹⁸² *Id.* at 413.

¹⁸³ *Id.* at 412 (arguing that a distinctive trademark should be able to indicate the "subjective impressions that [a design] arouses in each observer and the objective, external thing to which it refers" (emphasis added)).

¹⁸⁴ *Id.* at 391.

¹⁸⁵ Rochelle Cooper Dreyfuss, *We Are Symbols and Inhibit Symbols, So Should We Be Paying Rent? Deconstructing The Lanham Act and Rights of Publicity*, 20 COLUM.-VLA. J. L. & ARTS 123, 125, 130–31 (1996) (noting that designs have served a dual property of decorating and source identifying. Dreyfuss observes that in a purchasing context determining that consumers employ what kind of those properties is a contextualized matter.).

¹⁸⁶ Lars Smith, *Trade Distinctiveness: Solving Scalia's Tertium Quid Trade Dress Conundrum*, 1 MICH. ST. L. REV. 243, 302 (2005) (stating that "[t]his element does not appear to add much of anything to the analysis because if consumers cannot remember the mark, it obviously fails to identify and distinguish the source of the goods"); see *Reconceptualizing the Inherent Distinctiveness*, *supra* note 89, at 536 (stating that "[t]he 'memorable' nature of the feature would not appear to add very much to the analysis in predicting whether a shape or feature is likely to operate as a source identifier with consumers it surely is relevant that the shape is likely to register with the consumer").

¹⁸⁷ See *Phima*, *supra* note 68, at 318.

¹⁸⁸ *Id.*

arbitrary without a concrete evidentiary basis.¹⁸⁹ On the other hand, some commentators believe the test's combination of empirical and normative rules provides a platform to pose distinctiveness in more contextual analysis.¹⁹⁰ That group of scholars believes there is a constructive interplay between what is protected by law and the commercial message that people may extract from a sign.¹⁹¹ However, regardless of the contradictory doctrinal analyses, a review of the relevant precedent in EU trademark law, particularly after *Henkel Perwoll Bottle*, shows that the EU courts have noticed this flaw in the system.¹⁹² The EU courts have continually been facing the question of whether the "significant departure test" reflects the market realities sufficiently or not.¹⁹³ In this regard, unlike the U.S. courts' ontological approach, the EU courts have understood that there are undoubtedly some other involving factors like the period of using a mark, and market practices that may impact empirical presumptions about the consumers' behavior in the relevant sector.¹⁹⁴ They have also realized that mere emphasis on the normative assumption regarding the consumer predisposition may cause trademark law to diverge from the commercial realities that influence consumers' economic preferences in the market.¹⁹⁵ On this account, not any significant departure from the common designs in the relevant sector will conclusively mean that a visual feature of a product is inherently distinctive.¹⁹⁶ In other words, as a matter of principle, the applicability of normative tests is dependent on their compatibility with the external realities in the relevant

¹⁸⁹ Robert Burrell & Huw Beverly-Smith, *Shaving the Trade Marks Directive Down to Size?*, 4 MOD. L. REV. 570, 579 (2000); see also *Harmonization of Trademark Law*, *supra* note 28, at 164.

¹⁹⁰ See Dinwoodie & Gangjee, *supra* note 57, at 35.

¹⁹¹ Robert Burrell & Michael Handler, *Making Sense of Trade Mark Law*, INTELL. PROP. Q. 388, 399 (2003).

¹⁹² Ramírez-Montes, *supra* note 65, at 280–81.

¹⁹³ Case C-521/13 P, *Think Schuhwerk GmbH v. Off. For Harmonisation in the Internal Mkt.*, ECLI:EU:C:2014:2222, ¶ 49 (Sep. 11, 2014); Joined Cases T-359/12 & T-360/12, *Louis Vuitton Malletier v. Off. For Harmonisation in the Internal Mkt.*, ECLI:EU:T:2015:215, ¶ 23 (Apr. 21, 2015); see Ramírez-Montes, *supra* note 65, at 318 n.250 (discussing Case T-376/10, *V. Fraas GmbH v. Off. For Harmonisation in the Internal Mkt.*, ECLI:EU:2012:185 (Sept. 19, 2012)).

¹⁹⁴ See Ramírez-Montes, *supra* note 65, at 315–20.

¹⁹⁵ See *The Death of Ontology*, *supra* note 25, at 644.

¹⁹⁶ *Id.* at 646.

market.¹⁹⁷ In *Libertel*, the CJEU expressly reflects this factual point holding that in the case of shape marks distinctiveness, “the regard must be had both to the *ordinary use* of trademarks as a badge of origin in the sectors concerned and to the perception of the relevant public.”¹⁹⁸ This background made the EU courts conclude that any distinctiveness assessment will be a flawed inquiry without a market appraisal.¹⁹⁹

Furthermore, the market appraisal is fundamental in defining the relevant norms and customs in the relevant sector.²⁰⁰ In *Develey Holding GmbH*, the CJEU affirmed that in finding distinctive character the Board “may base its analysis on facts arising from practical experience generally acquired from the marketing of general consumer goods the claim that in finding what will guide consumers to make their choice.”²⁰¹ It also supported the Court of First Instance’s finding that regarding the mark at issue (bottle shape packaging) “[t]he use of a shape as an indication of the origin of a product has more importance, because consumers make a preliminary choice on the basis of the shape of the packaging and only thereafter study the label.”²⁰² The CJEU’s fact-based proceedings show the courts’ propensity to take a transformative attitude according to the nature of the case.²⁰³ For instance, in *Enercon GmbH*,²⁰⁴ the CJEU reversed what it had already ruled in *Develey Holding* concerning the consumers’

¹⁹⁷ *Id.* at 657–59.

¹⁹⁸ Case C-104/01, *Libertel Groep BV v. Benelux Merkenbureau*, 2003 E.C.R. I-3822, ¶ 62.

¹⁹⁹ *See id.*; Jennifer Davis, *Revisiting the Average Consumer: An Uncertain Presence in European Trademark Law*, 1 INTELL. PROP. Q. 15, 18 (2015) (stating that “the views of the average consumer cannot be taken for granted by registering authorities or the courts but must be ascertained through the collection of empirical data”); *see also* Case T-358/04, *George Neumann GmbH v. Off. for Harmonisation in the Internal Mkt.*, 2007 E.C.R. II-03329, ¶ 46; Case T-194/01, *Unilever NV v. Off. for Harmonisation in the Internal Mkt.*, 2003 E.C.R. II-00383, ¶ 48; Case T-129/04, *Develey Holding GmbH v. Off. for Harmonisation in the Internal Mkt.*, 2006 E.C.R. II-813, ¶ 47; Case C-238/06 P, *Develey Holding GmbH v. Off. for Harmonisation in the Internal Mkt.*, 2007 E.C.R. I-9379, ¶ 26.

²⁰⁰ *See* Case T-129/04, ¶ 47; Case C-238/06 P, ¶ 92.

²⁰¹ Case C-238/06 P, ¶ 26.

²⁰² *Id.* ¶ 92.

²⁰³ *See* Case C-20/08 P, *Enercon GmbH v. Off. for Harmonisation in the Internal Mkt.*, 2008 E.C.R. I-179, ¶ 44.

²⁰⁴ *See id.*

behavior in using label and packaging in the case of bottle shapes.²⁰⁵ In *Enercon*, the mark in question was an outer casing of the nacelle of a wind turbine that the applicant sought to register as a three-dimensional CTM.²⁰⁶ The applicant claimed that the shape of the product has departed significantly from the comparable available shapes in the sector.²⁰⁷ On appeal, the CJEU supported the Board's refusal decision stating that the proof of significant departure from the customary or common designs in the sector is not enough to establish inherent distinctiveness.²⁰⁸ Regarding the subject at issue, it argued that in the case of wind energy converters, what guides the relevant consumers to make choice is not the shape of the product.²⁰⁹ Subtracting from the market practices, it found that the relevant consumers invest in purchasing wind turbines looking at the word marks rather than the shape of goods, which provide them with more accurate information about the origin of the product.²¹⁰

The market appraisal has not been limited to the elements that influence the consumers' perception in the market.²¹¹ In *Deutsche SiSi-Werke*,²¹² the CJEU strived to recalibrate the concept of the "relevant sector" in the "significant departure criterion" through a contextual approach.²¹³ In this case, the applicant sought to register shapes of various stand-up pouches for packaging drinks.²¹⁴ The Court of First Instance had already found that in the European market, "fruit drinks and fruit juices are packaged solely in glass bottles or in cartons" and there is no evidence of using stand-up pouches for fruit juices.²¹⁵ The CJEU on appeal ruled that in the process of comparison with other available shapes or designs, there is no systematic necessity to restrict the relevant sector to actual goods in respect of which the registration is

²⁰⁵ Case C-238/06 P, ¶ 46.

²⁰⁶ Case C-20/08 P, ¶¶ 6–7.

²⁰⁷ *Id.* ¶ 7.

²⁰⁸ *Id.* ¶ 25.

²⁰⁹ *Id.* ¶ 17.

²¹⁰ *Id.* ¶ 49.

²¹¹ *See* Case C-173/04 P, *Deutsche SiSi-Werke v. Off. For Harmonisation in the Internal Mkt.*, 2006 E.C.R. I-568, ¶ 44.

²¹² *Id.*

²¹³ *See id.*

²¹⁴ *Id.* ¶¶ 3–4.

²¹⁵ *Id.* ¶ 18.

sought.²¹⁶ It continued affirming that the consumers' perception might be influenced by marketing methods used for other goods.²¹⁷ Therefore, "depending on the nature of the goods in question and the trade mark applied for, it may be necessary, for the purposes of assessing whether or not the trade mark is devoid of any distinctive character, to take into consideration a wider sector."²¹⁸ Adding that investigative approach to the normative framework will likely respond to the critiques that blame EU trademark law for treating average consumers generally as presumable agents rather than interrogated ones.²¹⁹ Additionally, it will pave the way to pose the question of shape marks' distinctiveness in a market-led analysis under which the market is the closing scale for distinctiveness measurement.²²⁰ Nonetheless, even though those factual investigations are helpful to neutralize the threat of abstraction, the endless number of facts and the unique nature of each case entail a substantial amount of time and costs.²²¹ Furthermore, the growing number of CJEU's case law with a fact-oriented approach may dilute the necessity of the significant departure, as the normative part of the test.²²²

III. THE IMPACT OF WORD MARKS' DISTINCTIVENESS

A. *The CJEU's Use of Word Marks' Distinctiveness as a Supplemental Tool*

In 2004, shortly after *Henkel Perwoll Bottle*, a case with a similar subject was referred to CJEU.²²³ In this case, namely, *Procter & Gamble Co. (Dishwashing tablets)*,²²⁴ the appellant filed

²¹⁶ *Id.* ¶ 32.

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ See Jennifer Davis, *Locating the Average Consumer: His Judicial Origins, Intellectual Influences, and Current Role in European Trademark Law*, 2 INTEL. PROP. Q. 183, 185 (2005).

²²⁰ Jennifer Davis, *A European Constitution for IPRS? Competition, Trademarks, and Culturally Significant Signs*, 41 COMMON MKT. L. REV. 1005, 1022 (2004).

²²¹ See Ramírez-Montes, *supra* note 65, at 315.

²²² See *id.*

²²³ Joined Cases C-468/01 P to C-472/01 P, *Procter & Gamble Co. v. Off. for Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-5092, ¶ 44.

²²⁴ *Id.*

an appeal against the judgments of the Court of First Instance and OHIM seeking trademark registration for square dishwashing tablets with slightly rounded edges and corners.²²⁵ Sticking to the “significant departure criterion,” in its proceeding, the court incorporated a new complementary rule to the law of shape marks distinctiveness.²²⁶ Bearing in mind that the shape in question was composed of various visual elements, the court presumed that “the average consumer normally perceives a mark as a whole and does not proceed to analyze its various details Thus, in order to assess whether or not a trade mark has any distinctive character, the overall impression given by it must be considered.”²²⁷ What the court ruled was not an unprecedented finding in EU trademark law.²²⁸ The CJEU had already ruled this normative criterion with the same parties but in a different context.²²⁹ In actuality, it traced back to *Procter & Gamble Co. (Baby-Dry)* in which the applicant filed an application to register BABY-DRY as a word mark.²³⁰ Under appeal, the CJEU found that that combination of words is too descriptive considering the type of product that the words were supposed to be used for.²³¹ By the same token, the court held that in regard to the marks which are composed of separable words, the descriptiveness should be examined “not only in relation to each word taken separately but also in relation to the whole which they form.”²³² On this account, the CJEU concluded that “[a]ny perceptible difference between the combination of words” and the common language among the relevant consumers may result in finding distinctive character.²³³ Indeed, the CJEU in *Procter & Gamble Co. (Dishwashing tablets)* had realized that the “significant departure criterion” is merely pertinent to the comparison between a shape or design and the other comparable ones in the relevant sector.²³⁴ Meanwhile,

²²⁵ *Id.*

²²⁶ *See id.*

²²⁷ *Id.*

²²⁸ *See* Case C-383/99 P, *Procter & Gamble Co. v. Off. for Harmonisation in the Internal Mkt.*, 2001 E.C.R. I-6279, ¶ 44.

²²⁹ *Id.*

²³⁰ *Id.*

²³¹ *See id.*

²³² *Id.* ¶ 40.

²³³ *Id.*

²³⁴ *See id.* ¶ 38.

they knew that any appraisal of a shape or design's own visual elements entails an independent customized criterion.²³⁵ For that purpose, the CJEU implanted a *modified* version of the *Baby-Dry's* rule, as a word mark rule, into the scope of shape marks' distinctiveness.²³⁶ In doing so, the court excluded "any perceptible difference" as the part that may act in contradiction to the "significant departure criterion"²³⁷ and then held that in assessing the distinctive character of a product shape or design that is composed of various visual elements the way that those elements are combined is far more important than the sum of its parts.²³⁸ Subsequently, in *Mag Instrument Inc.* the CJEU reinforced exclusion of "any perceptible" factor when the appellant tried to employ it in justifying the distinctive character for the mark at issue.²³⁹ In that case, citing the *Baby-Dry's* rule, the appellant argued that any perceptible difference in relation to other common shapes or designs in the relevant sector is sufficient to conclude that a shape or design is not devoid of any distinctive character.²⁴⁰ In response, the court found that that minimal distinctiveness threshold is inapplicable in the case of shape marks' distinctiveness.²⁴¹ Finally, the court implicitly rejected this argument not only through reiterating the essentials of the significant departure criterion but also by affirming that the only applicable part of *Baby-Dry's* rule concerning shape marks is the requirement of overall impression assessment.²⁴²

The *Baby-Dry's* heritage did not culminate in *Mag Instrument Inc.*²⁴³ The CJEU, in several relevant cases, has followed

²³⁵ *See id.* ¶ 35.

²³⁶ *See id.*

²³⁷ *See* David T. Keeling, *About Kinetic Watches, Easy Banking, and Nappies That Keep a Baby Dry: A Review of Recent European Case Law on Absolute Grounds for Refusal to Register Trade Marks*, 2003 INTELL PROP. Q. 130–31 (2003).

²³⁸ *See* Case C-191/01 P, Off. for Harmonisation in the Internal Mkt. v. Wm. Wrigley Jr. Co., 2003 E.C.R. I-12447, ¶ 33; Case C-150/02 P, Streamserve Inc. v. Off. For Harmonisation in the Internal Mkt., 2004 E.C.R. I-1463, ¶ 14; Case T-399/02, Eurocermex SA v. Off. For Harmonisation in the Internal Mkt., 2004 E.C.R. II-1395, ¶ 19.

²³⁹ Case C-136/02 P, *Mag Instrument Inc. v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-9182, ¶ 78.

²⁴⁰ *Id.* ¶ 17.

²⁴¹ *See id.* ¶ 83.

²⁴² *See id.* ¶ 36.

²⁴³ *See id.* ¶ 42.

this normative criterion which, had already been developed in wordmark cases.²⁴⁴ In *Eurocermex SA* the CJEU reaffirmed that a composite mark's distinctive character could not be examined in isolation from the details that constitute its parts.²⁴⁵ According to this view, any *separable* variant or difference, *even a significant one*, will not make it qualified enough to be considered distinctive; because, as a whole, what does matter is how the elements are combined, not the elements separately.²⁴⁶ The reverse holds true in the CJEU settled case law.²⁴⁷ In *Timehouse GmbH*, the CJEU held that in the case of a composite mark the distinctive character “might be partly assessed for each of its elements taken separately; however, it should not be presumed that elements which are not in isolation of any distinctive character cannot, once combined have such character.”²⁴⁸ It is worth noting that the “overall impression” rule in shape marks' distinctiveness plays not only a supplementary role in respect to “significant departure criterion” but also the same function in terms of contextualization.²⁴⁹ To be more clear, along with the element of “market appraisal,” as an instrument to assess distinctiveness in regard to other shapes or designs, the rule of “overall impression” has paved the way to assess the distinctive character of a shape or design in relation to *itself*.²⁵⁰

B. The U.S. Courts' Historical Struggle on Choice of Test

Comparing to EU trademark law, the interplay between word marks' provisions and trade dress marks' distinctiveness in U.S. trademark law has been posed in a completely different

²⁴⁴ Case T-399/02, *Eurocermex SA v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. II-1395, ¶¶ 19, 51.

²⁴⁵ *Id.* ¶ 51.

²⁴⁶ *Id.*

²⁴⁷ Case C-453/11 P, *Timehouse GmbH v. Off. For Harmonisation in the Internal Mkt.*, ECLI:EU:C:2012:291, ¶ 40 (May 14, 2012).

²⁴⁸ *Id.*; see also Case C-445/13 P, *Voss of Nor. ASA v. Off. For Harmonisation in the Internal Mkt.*, ECLI:EU:C:2015:303, ¶ 91 (May 7, 2015); Case C-363/99, E.C.R. I-1619, *Koninklijke KPN Nederland NV v. Benelux Merkenbureau*, 2004 E.C.R. 1651, ¶¶ 99–100; Case C-265/00, *Campina Melkunie BV v. Benelux Merkenbureau*, 2004 E.C.R. 1705, ¶¶ 40–41.

²⁴⁹ See Ramírez-Montes, *supra* note 65, at 351–52.

²⁵⁰ *Id.* at 345–47, 351–52.

theme.²⁵¹ Unlike EU trademark law in which—as explained earlier—the CJEU has employed word marks’ distinctiveness as a supplemental criterion, in U.S. trademark law, the relationship between word marks and shape marks provisions is a matter of choice.²⁵² Indeed, the U.S. courts had a historical disagreement on the applicability of different available tests in the case of trade dress marks.²⁵³ As a result, until the Supreme Court’s decision in *Wal-Mart Stores, Inc. v. Samara Bros.*,²⁵⁴ each one of the U.S. courts preferred one of the ontological or conventional tests in trade dress cases.²⁵⁵ As a matter of law, U.S. courts employ the *Abercrombie* test ordinarily as a conventional test for assessing the distinctive character of trademarks.²⁵⁶ Judge Friendly originally designed this test, which was initially accorded to word marks, in *Abercrombie & Fitch Co. v. Hunting World, Inc.* to classify marks into five main categories, including (I) generic; (II) descriptive; (III) suggestive; (IV) arbitrary; or (V) fanciful.²⁵⁷ Accordingly, all categories except descriptive and generic marks are capable of establishing inherent distinctiveness.²⁵⁸ On the contrary, descriptive marks’ protection is subject to proof of secondary meaning, and generic marks could not essentially function as a distinctive trademark.²⁵⁹

²⁵¹ Compare Case C-383/99 P, *Procter & Gamble Co. v. Off. for Harmonisation in the Internal Mkt.*, 2001 E.C.R. I-6279, ¶ 40, with *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 173–74 (1995).

²⁵² Compare Case T-399/02, *Eurocermex SA v. Off. For Harmonisation in the Internal Mkt.*, 2004 E.C.R. II-1395, ¶¶ 44, 51, with *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 785 (8th Cir. 1995) (applying the *Abercrombie* test for all types of trade dress cases), and *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1007 (2d Cir. 1995) (finding *Abercrombie* is not applicable to product features).

²⁵³ FindLaw Attorney Writers, *US High Court Decides Pivotal Trade Dress Case*, FINDLAW (June 12, 2017), <https://corporate.findlaw.com/intellectual-property/us-high-court-decides-pivotal-trade-dress-case.html> [<https://perma.cc/WT29-C4VX>].

²⁵⁴ 529 U.S. 205, 210–11 (2000).

²⁵⁵ See, e.g., *Seabrook Foods Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977) (describing the ontological test); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (describing the conventional test).

²⁵⁶ *Wal-Mart Stores, Inc.*, 529 U.S. at 210–11.

²⁵⁷ 537 F.2d at 9 (“The cases, and in some instances the Lanham Act, identify four different categories of terms with respect to trademark protection.”).

²⁵⁸ *Id.*

²⁵⁹ *Id.*

In the U.S. legal context, what divided U.S. courts into two opponent groups with ontological or traditional approaches emanated from the question of whether *Abercrombie* test can accurately help to determine distinctive character in trade dress marks.²⁶⁰

That disagreement among lower courts regarding the applicability of *Abercrombie* test for trade dress marks referred to the Supreme Court, first in *Two Pesos*.²⁶¹ Rejecting the historical requirement of showing secondary meaning for nontechnical marks,²⁶² the Court held there is no legal or empirical ground to believe that a product shape or packaging could not inherently designate a specific commercial origin.²⁶³ It reinforced this understanding, stating that “recognition of an inherently distinctive trademark or trade dress acknowledges the owner’s legitimate proprietary interest in its unique and valuable informational device, regardless of whether substantial consumer association yet bestows the additional empirical protection of secondary meaning.”²⁶⁴ Relying on the premise that “trademarks and trade dress under [section] 43(a) serves the same statutory purpose of preventing deception and unfair competition,” it held that “[t]here is no persuasive reason to apply different analysis” toward their distinctive character.²⁶⁵ The Court based its holding on the unconditional language of section 43(a) of the Lanham Act according any sign “by which the goods of the applicant may be distinguished from the goods of others” could potentially be protected as a trademark.²⁶⁶

²⁶⁰ See Rohit A. Sabnis, Note, *Product Configuration Trade Dress and Abercrombie: Analysis of Ashley Furniture Indus., Inc. v. SanGiacomo N.A. Ltd.*, 1 MINN. INTELL. PROP. REV. 183, 193–98 (2000) (discussing the circuits’ handling of *Abercrombie* in trade dress suits).

²⁶¹ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 772–74 (1992).

²⁶² JAMES L. HOPKINS, *THE LAW OF TRADEMARKS, TRADENAMES AND UNFAIR COMPETITION* § 3 (2d ed. 1905); see also *Avery & Sons v. Meikle & Co.*, 81 Ky. 73, 85–86 (1883); *Dennison Mfg. Co. v. Thomas Mfg. Co.*, 94 F. 651, 657 (D. Del. 1899). In comparison to the *Abercrombie* test the “technical marks” are classified into two groups of fanciful and arbitrary marks and nontechnical marks are categorized under the concept of descriptive marks. See HOPKINS, *supra* note 262, § 3.

²⁶³ *Two Pesos*, 505 U.S. at 773–74.

²⁶⁴ *Id.* at 770–71 (quoting *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1120 n.7 (5th Cir. 1991)).

²⁶⁵ *Two Pesos*, 505 U.S. at 773.

²⁶⁶ *Id.* at 772 (quoting Lanham Trademark Protection Act § 43(a), 15 U.S.C. § 1052). In spite of speread tendency of lower courts in requiring proof

On the same account, the Court concluded there was no legal or practical problem with using a language-based test (*Abercrombie* test) for a visual mark.²⁶⁷ Nonetheless, the Court did not clarify the rationale upon which normative or empirical presumption it concluded that a language-based test could be applied for a visual-based subject matter.²⁶⁸ Besides, the Court ignored this unchallengeable fact that having shared objectives of trade dress marks and word marks may not justify applying the same test for them.²⁶⁹ This practical gap in its findings resulted in the Court's failure to explain the mechanism through which the *Abercrombie* test should be applied for trade dress marks.²⁷⁰ For instance, it found that an arbitrary package, like an distinctive.²⁷¹ However, it did not define how examiners or courts could find out whether a product packaging is arbitrary.²⁷² Shortly after *Two Pesos*, Justice Breyer used a similar terminology in *Qualitex*, however, not in favor of employing the *Abercrombie* test for trade dress marks.²⁷³ Indeed, he used the elements of the *Abercrombie* test for drawing an analogy between word marks and trade dress marks.²⁷⁴ For instance he found that "a product's

of secondary meaning, some courts support suitability of trade dress to be considered inherently distinctive. *See, e.g.,* *Chevron Chem. Co. v. Voluntary Purchasing Grps., Inc.*, 659 F.2d 695, 696 (5th Cir. 1981) (holding that trade dress in the form of packaging could be protected under the Lanham Act without showing secondary meaning).

²⁶⁷ McKenna, *supra* note 97, at 848 (stating "it is relatively easy for courts to determine whether and how those meanings relate to the products or services with which they are used. But product design and packaging features rarely have such generally understood meanings, and as a result, the traditional framework is less helpful.").

²⁶⁸ *Two Pesos*, 505 U.S. at 785 (Thomas, J., concurring); *The Death of Ontology*, *supra* note 25, at 661–62.

²⁶⁹ *The Death of Ontology*, *supra* note 25, at 656 (noting that "assimilationists properly attribute to product design trade dress protection the same positive values as are assigned to trademark protection of words, and thus accord shapes equivalent protection as source-identifier. But this model fails to acknowledge the important differences between words and shapes.").

²⁷⁰ *Two Pesos*, 505 U.S. at 768–74.

²⁷¹ *See id.* at 768 (finding marks classified as suggestive, arbitrary, or fanciful "are deemed inherently distinctive and are entitled to protection.")

²⁷² *Id.*

²⁷³ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162–64; *see also The Death of Ontology*, *supra* note 25, at 661–62.

²⁷⁴ *Qualitex Co.*, 514 U.S. at 162–63.

color is unlike ‘fanciful,’ ‘arbitrary,’ or ‘suggestive’ words or designs, which almost *automatically* tell a consumer that they refer to brand.”²⁷⁵ In the course of defining the span of the subject at issue, namely a color alone, the Court held that “a color that in context seems *unusual*, such as pink on a firm’s insulating material ... would have come to identify and distinguish the goods ... much *in the way* that descriptive words on a product ... can come to indicate a product’s origin.”²⁷⁶

Indeed, some lower courts before and subsequent to the Supreme Court’s findings in *Two Pesos* and *Qualitex* strived to implement the *Abercrombie* test in the relevant proceedings.²⁷⁷ However, the lower courts never succeeded in transplanting the essentials of the *Abercrombie* test into trade dress distinctiveness.²⁷⁸ One of the remarkable endeavors to engraft the *Abercrombie* test into trade dress distinctiveness was in *Ashley Furniture*.²⁷⁹ In this case, the Fourth Circuit Court of Appeals tried to articulate an explanatory and luminous outline of using the *Abercrombie* test for trade dress marks.²⁸⁰ In this course, the Court employed analogy to prove that it is not inherently impossible to use a language-based test to investigate distinctive character in product shapes or designs and packaging.²⁸¹ It exemplified its findings

²⁷⁵ *Id.*

²⁷⁶ *Id.* at 163 (emphasis added).

²⁷⁷ See, e.g., *Chevron Chem. Co. v. Voluntary Purchasing Grps., Inc.*, 659 F.2d 695, 702 (5th Cir. 1981) (holding it unnecessary to always find secondary meaning with all trade dress suits); *Jeffrey Millstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 31–34 (2d Cir. 1995) (applying the test for greeting cards’ designs); *Best Cellars, Inc. v. Grape Finds at Dupont, Inc.*, 90 F. Supp. 2d 431, 451 (S.D.N.Y. 2000) (“[T]rade dress is classified on a spectrum of increasing distinctiveness as generic, descriptive, suggestive, or arbitrary/fanciful”); *Insty*Bit, Inc. v. Poly-Tech Indus., Inc.*, 95 F.3d 663, 672–73 (8th Cir. 1997) (drilling equipment); *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 785 (8th Cir. 1995) (adopting the *Abercrombie* test in determining inherent distinctiveness for all types of trade dress cases); *Kompan A.S. v. Park Structures, Inc.*, 890 F. Supp. 1167, 1173 (N.D.N.Y. 1995) (playground equipment); *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 936 (7th Cir. 1989) (greeting cards); *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 608–09 (7th Cir. 1986) (slogans); *Ashley Furniture Indus., Inc. v. Sangiacomo N.A. Ltd.*, 187 F.3d 363, 366, 366–70 (4th Cir. 1999) (furniture).

²⁷⁸ Sabnis, *supra* note 260, at 193–98.

²⁷⁹ 187 F.3d at 371.

²⁸⁰ *Id.* at 369–71.

²⁸¹ *Id.* at 370.

noting that “a banana-flavored candy, for example, would be generic if the candy were round, descriptive if it were shaped like a banana, suggestive if it were shaped like a monkey, arbitrary if it were shaped like a trombone, and fanciful if it were formed into some hitherto unknown shape.”²⁸² Nonetheless, it did not specify that according to which contractual source of meanings that those shapes may comprise.²⁸³ Besides, it did not provide any protocol according to which one can recognize the shapes or designs’ spot among *Abercrombie*’s categories.²⁸⁴ Finally, the Supreme Court, in *Wal-Mart*, put an end to this confusion.²⁸⁵ In the opinion, Justice Scalia held that, unlike the word marks and product packaging that could “almost *automatically* tell a consumer that [they] refer[] to a brand,” product shapes or designs “invariably serve purposes other than source identification.”²⁸⁶ During the trial Justice Scalia, like Justice Breyer in *Qualitex*, used *Abercrombie* test solely for the sake of analogical reasoning and did not recognize its applicability for trade dress marks.²⁸⁷ Then, after finding the Lanham Act section 43(a) does not require any pre-intended protocol on the method of assessing the distinctive character of trade dress marks, the Court held that product shapes or designs must show secondary meaning to be legally protectable as a federal trademark.²⁸⁸

IV. THE COMPETITIVE AND PUBLIC INTERESTS

A. *Shape Marks Distinctiveness and Competitive Concerns in the EU Context*

According to the CJEU’s settled case law, the European tribunals are required to interpret the absolute refusal grounds by contemplating the possible public and competitive interests.²⁸⁹

²⁸² *Id.*

²⁸³ *Id.*

²⁸⁴ *Id.* at 370–73.

²⁸⁵ *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 213 (2000).

²⁸⁶ *Id.* at 212–13 (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162–63 (1995)).

²⁸⁷ *Wal-Mart Stores, Inc.*, 529 U.S. at 212–13.

²⁸⁸ *Id.* at 216.

²⁸⁹ *Joined Cases C-108/97 & C-109/97, Windsurfing Chiemsee Produktions—und Vertriebs GmbH v. Boots—und Segelzubehör Walter Huber*, 1999 E.C.R.

At the same time, for any specific public interests, depending on the selected refusal ground, courts have to investigate special considerations.²⁹⁰ Indeed, the element of public interest had no explicit precedent in the relevant legislatures.²⁹¹ However, some regulations were utilized by CJEU to extract the principle of public and competitive interests.²⁹² In the case of distinctive character, Article 4(1)(c)(former 3(1)(c)) of the Directive excludes the registration-ability of signs “which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services.”²⁹³ In *Windsurfing Chiemsee* the CJEU used Article 4(1)(c)(former 3(1)(c)) as a base to rule that “descriptive signs” should remain in the public domain and be kept free to be used by all.²⁹⁴ It was devised actually to prevent competitors from unfair monopolization of descriptive signs that should be freely available for all.²⁹⁵ Subsequently, in *Wrigley Jr.*, the CJEU held the descriptive character should be examined not only based on its current use but also its possible future use.²⁹⁶ Comparing to other forms of intellectual property protection, keeping the descriptive signs in the public domain is more important because of the possibility of perpetual protecting simply by continuing market use.²⁹⁷

I-2779, ¶ 25; Case C-299/99, *Koninklijke Philips Elecs. NV v. Remington Consumer Prods. Ltd.*, 2002 E.C.R. I-05475, ¶ 77; Case C-104/01, *Libertel Groep BV v. Benelux Merkenbureau*, 2003 E.C.R. I-3822, ¶ 50.

²⁹⁰ *Joined Cases C-456/01 P & C-457/01 P, Henkel KGaA v. Off. for Harmonisation in the Internal Mkt.*, 2003 E.C.R. I-5092, ¶ 46; Case C-37/03 P, *BioID AG v. Off. for Harmonisation in the Internal Mkt.*, 2005 E.C.R. I-8004, ¶ 59; Case C-173/04 P, *Deutsche SiSi-Werke v. Off. For Harmonisation in the Internal Mkt.*, 2006 E.C.R. I-568, ¶ 59.

²⁹¹ *Fhima*, *supra* note 68, at 311 (describing European trademark law pre-2017).

²⁹² Case C-104/01, ¶¶ 50–54.

²⁹³ Council Directive 2015/2436, *supra* note 15, at art. 4(1), 7.

²⁹⁴ *Joined Cases C-108/97 & C-109/97*, ¶ 25.

²⁹⁵ *Fhima*, *supra* note 68, at 318.

²⁹⁶ Case C-191/01 P, *Off. for Harmonisation in the Internal Mkt. v. Wm. Wrigley Jr. Co.*, 2003 E.C.R. I-12447, ¶ 32.

²⁹⁷ *Fhima*, *supra* note 68, at 312–13.

Eventually, the principle of equal treatment amounted to posing the question of whether shape marks' distinctiveness should be assessed in light of public interests or not.²⁹⁸ In response to this question, the CJEU in *Linde* ruled that the principle of keeping the descriptive signs available for all is applicable for shape marks as much as any other kinds of trademarks.²⁹⁹ Nevertheless, it did not specify how a product shape or design might be found descriptive without having access to a contractual source of meanings like the language-based marks.³⁰⁰ The CJEU made it vaguer when in *Procter & Gamble Co. (Dishwashing tablets)*, it ruled that novelty of a shape or design will not guarantee its non-descriptiveness.³⁰¹ In this regard, some scholars rightly argue that applying descriptiveness as a tool for implementing the competition policies into shape marks distinctiveness will not provide us with an operable solution.³⁰² Professor Kur, for instance, observes that "shapes are descriptive in a strict sense only in exceptional cases."³⁰³ Therefore, bearing in mind the incompatibility between descriptiveness, as a concept related to traditional marks, and the nature of shape marks distinctiveness will make it restrained in terms of competition concerns.³⁰⁴

The competitive concerns about shape mark distinctiveness were addressed, specifically in *Libertel*.³⁰⁵ In this case, the CJEU found that the descriptiveness of color per se marks and their limited number are sound bases to safeguard colors' strict availability for other competitors.³⁰⁶ By the same token, the court argued that color monopoly might provide traders with an unjustified competitive advantage which will detrimentally distort

²⁹⁸ Joined Cases C-53/01 to C-55/01, *Linde AG v. Winward Indus. Inc.*, 2002 E.C.R. I-3164, ¶ 26(2).

²⁹⁹ *Id.* ¶¶ 71–77.

³⁰⁰ *Id.*

³⁰¹ See Joined Cases C-468/01 P to C-472/01 P, *Procter & Gamble Co. v. Off. for Harmonisation in the Internal Mkt.*, 2004 E.C.R. I-5092, ¶ 30.

³⁰² *Too Splendid*, *supra* note 118, at 2.

³⁰³ *Id.* at 5.

³⁰⁴ *Id.*

³⁰⁵ See Case C-104/01, *Libertel Groep BV v. Benelux Merkenbureau*, 2003 E.C.R. I-3822, ¶¶ 20, 54–56, 71.

³⁰⁶ *Id.* ¶ 66.

competition.³⁰⁷ Although, it does not bar traders from exclusive protection after establishing acquired distinctiveness through a successful market use.³⁰⁸ Some believe that the CJEU's findings in *Libertel* emanated from the need for filling the gaps that the functionality doctrine may not cover in terms of the necessity of keeping designs available for all.³⁰⁹ However, whatever the reason was, the fact remains that the CJEU did not clarify *why* and *how* the public and competitive concerns will be removed after successful commercial use.³¹⁰ As a principle, if the public and competitive interests matter, their essential value could not be considered transient or temporary.³¹¹ Accordingly, how could commercial use (acquired distinctiveness) remove the necessity of public and competitive considerations? This Article suggests that paradox comes from the inapplicability of distinctiveness provisions for the policy of keeping resources with limited supply available for all.³¹² This inapplicability made more complicated when in *Henkel Perwoll Bottle*, the availability of descriptive product shapes for other competitors merged with the “significant departure criterion.”³¹³ This merger paved the way for CJEU to actively figure the consumers’ and producers’ behavior in the European market, with surveillance on the potential competitive concerns.³¹⁴ However,

³⁰⁷ *Id.* ¶ 54.

³⁰⁸ Council Regulation 2017/1001, *supra* note 15, at art. 7(1)–(3); Council Directive 2015/2436, *supra* note 15, at art. 4(4), 1; *Too Splendid*, *supra* note 118, at 1, 20 (observing that acquired distinctiveness would not be useful “[f]rom a competition as well as from a general economic point of view,” because “[i]t would lead to an increase in the number of registered marks, and thereby inevitably also to more monitoring and litigation, and to the costs and efforts this implies”).

³⁰⁹ S.M. Maniatis, *Whither European Trade Mark Law? Arsenal and Davidoff: The Creative Disorder Stage*, 7 MARQ. INTELL. PROP. REV. 99, 114 (2003).

³¹⁰ See Case C-104/01, ¶ 67.

³¹¹ See *Too Splendid*, *supra* note 118, at 8.

³¹² *Id.* at 3.

³¹³ Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶¶ 48–49.

³¹⁴ Graeme B. Dinwoodie, *Trademarks and Territory: Detaching Trade-mark Law from the Nation-State*, 41 HOUS. L. REV. 885, 889–90 (2004) (arguing that trademark law frequently encounters with two essential questions; first “[s]hould trademark law be structured *reactively* to protect whatever consumer understandings or producer goodwill develops, or should it *proactively*

the question of how distinctiveness can help to reflect the anti-competitive concerns has still been left unanswered.³¹⁵

B. Trade Dress Marks as a Subsection of Unfair Competition

Compared to EU trade mark law, the relationship between shape mark protection and competition law has taken a different path in U.S. trademark law.³¹⁶ Indeed, unlike EU trademark law in which public and competitive considerations are parts of a whole, in U.S. law, trade dress protection originally emanated from competition law.³¹⁷ From a historical point of view, since nineteenth century the question of competitive consequences of exclusive protection of product designs has caused hot debates among U.S. courts.³¹⁸ In its very nature, designs were public assets that no one could possess exclusively,³¹⁹ therefore copying other's unregistered product shapes or packagings was merely protected through common law action against unfair commercial practices that may put a trader's rivals in a disadvantaged competitive position.³²⁰ Hence, the separation between trademark and trade dress springs from the historical separation between the law of unfair competition and trademarks.³²¹ However, by passage of time the expansion of the protective scope of U.S. trademark law led

seek to shape the ways in which consumers shop and producers sell or seek to acquire rights, thus shaping how the economy functions?").

³¹⁵ See *Too Splendid*, *supra* note 118, at 3–4 (observing that even the significant departure criterion reflects the competitive concerns that should essentially be responded through functionality doctrine).

³¹⁶ Compare Joined Cases C-108/97 & C-109/97, *Windsurfing Chiemsee Produktions—und Vertriebs GmbH v. Boots—und Segelzubehör Walter Huber*, 1999 E.C.R. I-2779, ¶¶ 25–27, and Case C-299/99, *Koninklijke Philips Elecs. NV v. Remington Consumer Prods. Ltd.*, 2002 E.C.R. I-05475, ¶ 77, and Case C-104/01, *Libertel Groep BV v. Benelux Merkenbureau*, 2003 E.C.R. I-3822, ¶ 54, with RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. a (AM. LAW INST. 1995).

³¹⁷ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. a (AM. LAW INST. 1995).

³¹⁸ *Avery & Sons v. Meikle & Co.*, 81 Ky. 73, 84 (1883); *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 426 (5th Cir. 1984); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 28 (2000).

³¹⁹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. a (AM. LAW INST. 1995); MCCARTHY, *supra* note 71, § 1:24; MOHR ET AL., *supra* note 70, at 11.

³²⁰ MCCARTHY, *supra* note 71, § 8:1.

³²¹ *Id.*

to conferring trademark protection to trade dress.³²² In this respect, the Senate Report explains that “[s]ince the [Section 43(a) of the Lanham Act’s] enactment in 1946 ... it has been widely interpreted as creating, in essence, a federal law of unfair competition. For example, it has been applied to cases involving the infringement of unregistered marks, violations of trade dress and certain nonfunctional configurations of goods and actionable false advertising claims.”³²³ Just like its European counterparts, the U.S. courts strongly tend to be cautious to not allow that exclusive trademark protection of the limited supply designs results in depriving the competitors of free competition and the public of free access.³²⁴ In response to that competition policy the U.S. courts in their proceedings have divided trade dress marks into two groups in terms of the required type of distinctiveness.³²⁵ In other words, unlike EU trademark law in which both acquired and inherent distinctiveness are welcomed for shape marks’ registration, the U.S. courts in their settled case law have strived to utilized distinctiveness as a normative tool to meet the public and competitive considerations.³²⁶ For instance, arguing in favor of the necessity of establishing secondary meaning for product shapes, Justice Scalia in *Wal-Mart Stores* found that consumers should take advantage of utilitarian and esthetic features that product design may comprise.³²⁷ He continued holding

³²² *Id.*

³²³ S. REP. NO. 100-515, *supra* note 23, at 40; *see also* *Kipling v. G.P. Putnam’s Sons*, 120 F. 631, 636 (2d Cir. 1903); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995) (The term “trade-mark [] includes any word, name, symbol, or device or any combination thereof [adopted and used by a manufacturer or merchant] to identify and distinguish his or her goods ... from those manufactured or sold by others.”).

³²⁴ *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 300 (2d Cir. 1917) (arguing that “it is an absolute condition to any relief whatever that the plaintiff ... show that the appearance of his wares has in fact come to mean that some particular person ... makes them, and that the public cares who does make them, and not merely for their appearance and structure”).

³²⁵ *Compare Crescent Tool Co.*, 247 F. at 300, *with Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 770–71 (1992) (quoting *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1120 n.7 (5th Cir. 1991)) (approving of distinction between inherent and acquired distinctiveness).

³²⁶ *Compare* Case C-218/01, *Henkel KGaA v. Deutsches Patent—und Markenamt*, 2004 E.C.R. I-1737, ¶ 51, *with Two Pesos, Inc.*, 505 U.S. at 770–71 (quoting *Taco Cabana Int’l, Inc.*, 932 F.2d at 1120 n.7).

³²⁷ *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 209, 213 (2000).

that the competitive state should be preserved against the potential suits upon alleged *inherent distinctiveness*.³²⁸ In this view, the exclusionary function of trademark law and its direct competitive effect has motivated courts³²⁹ to find a way to assure that a shape or design's registration, as common materials, will not unduly prevent others from "availability of substantially equivalent units that permits the normal operation of supply and demand to yield the fair price society must pay for a given commodity."³³⁰ On this account, requiring secondary meaning for product dresses could perform as an instrument to assure that the shape or design at issue will not result in excessive harm in terms of free competition.³³¹ Accordingly, successful market use (secondary meaning) will provide courts with a convincing legal base to presume that a product shape or design has been transformed from a common asset to an exclusive private belonging that does not comprise any undesirable competitive effect.³³² As a traditional legal principle, that approach has sprung from the natural rights theory of property according to which the trademark system, as a property-based structure, has been developed to protect exclusive trademark right "only within a particular field of trade and as against direct competitors."³³³

³²⁸ *Id.* at 213 (finding that "[t]he very closeness will suggest the existence of relatively small utility in adopting an inherent-distinctiveness principle, and relatively great consumer benefit in requiring a demonstration of secondary meaning").

³²⁹ *See, e.g., Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 426 n.7 (5th Cir. 1984) (suggesting that "[t]he wide range of available packaging and design options allows a producer to appropriate a distinctive identity without unduly hindering his competitors' ability to compete"); *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 300 (2d Cir. 1917) (arguing that "it is an absolute condition to any relief whatever that the plaintiff ... show that the appearance of his wares has in fact come to mean that some particular person ... makes them, and that the public cares who does make them, and not merely for their appearance and structure").

³³⁰ MCCARTHY, *supra* note 71, § 8:1 (observing that "in the absence of legally defined exclusive rights, imitation and copying is permitted and in fact, encouraged, as an essential element of free competition: 'Imitation is the life blood of competition'").

³³¹ *Wal-Mart Stores, Inc.*, 529 U.S. at 214.

³³² Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1888–89 (2007).

³³³ *Id.* at 1841.

Within that legal framework in which the trademark system should serve fair competition against unfair commercial practices, trade dress marks should be protected in balance with the public's "right to copy" of available designs in the field.³³⁴ As Justice Kennedy observed in *Traffix Devices, Inc. v. Mktg. Displays*, "[t]rade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products [Therefore,] copying is not always discouraged or disfavored by the laws which preserve" competitive economy.³³⁵ Indeed, locating trade dress protection as subsection of "unfair competition law leads to the thought that the interests of the trademark holder have to be taken into account on equal terms with those of competitors and consumers."³³⁶ However, that policy-based approach, unlike the European more fact-based approach, will lead to employ trademark provisions, in our case distinctiveness, as competitive tools that are examined in isolation from commercial context.³³⁷ The first critique that may come to mind is that distinctive character is a matter of fact that no one can, even producers or courts, alter it without changing facts.³³⁸ In other words, the question of whether a product design or shape is an indicative or esthetic could solely be addressed by referring to the consumers' perception within a real commercial environment.³³⁹ However, this Article

³³⁴ *Mogul S.S. Co. v. McGregor, Gow, & Co.* [1889] 598 Q.B. 626 (UK) ("Competition exists when two or more persons seek to possess or to enjoy this same thing: it follows that the success of one must be the failure of another, and no principle of law enables us to interfere with or to moderate that success or that failure so long as it is due to mere competition.").

³³⁵ 532 U.S. 23, 23–29 (2001).

³³⁶ Apostolos Chronopoulos, *Trade Dress Rights as Instruments of Monopolistic Competition: Towards a Rejuvenation of the Misappropriation Doctrine in Unfair Competition Law and a Property Theory of Trademarks*, 16 MARQ. INTELL. PROP. L. REV. 119, 128 (2012).

³³⁷ *Compare* Joined Cases C-108/97 & C-109/97, *Windsurfing Chiemsee Produktions—und Vertriebs GmbH (WSC) v. Boots—und Segelzubehör Walter Huber*, ¶¶ 25–27 (May 4, 1999), <https://curia.europa.eu/juris/showPdf.jsf?text=&docid=44567&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=1942292> [<https://perma.cc/9CYE-PC6Z>], *with* Chronopoulos, *supra* note 336, at 127.

³³⁸ *See* Chronopoulos, *supra* note 336, at 127–28.

³³⁹ *Thompson Med. Co. v. Pfizer, Inc.*, 753 F.2d 208, 213 ("[T]he determination whether a mark is descriptive or suggestive cannot be made in a vacuum; it is

suggests a legal framework employing external realities, like distinctiveness requirement, as a normative instrument for a proactive policy-making is not an undesirable or impossible approach.³⁴⁰

CONCLUSION

The concept of distinctiveness plays a prominent role in articulation of the trademark system in different jurisdictions.³⁴¹ In recent years, the expanding scope of modern trademark protection has caused hot debates in U.S. and EU law regarding the appropriate methods of implementing the essential trademark concepts for the new generation of trademarks.³⁴² One of the challenging issues is related to applying the factor of distinctiveness for shape marks.³⁴³ Both U.S. and EU trademark law have been trying to address the question of inherent distinctiveness based upon twofold criteria in which the interplay between the innate characteristics of the in-question shape mark and public perception plays a central role.³⁴⁴ However, both the U.S. “ontological tests” and EU “significant departure criterion” suffer from the heavy emphasis on the “distinguishing” capability among other comparable shapes or designs and ignorance of the “source-identifying” function of shape marks.³⁴⁵ Furthermore, their endeavors for posing the question of inherent distinctiveness in a contextual environment will make the normative parts of the tests useless and cause time and cost expenditures.³⁴⁶ Simultaneously, even though the requirement of showing secondary meaning for product shapes or designs in U.S. trademark

necessary to surmise the mental process of those in the marketplace at whom the mark is directed.”).

³⁴⁰ See Dinwoodie & Gangjee, *supra* note 57, at 345.

³⁴¹ See STUDY ON THE OVERALL FUNCTIONING, *supra* note 5, at 66.

³⁴² See, e.g., Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 209, 213 (2000); Joined Cases C-108/97 & C-109/97, ¶¶ 25–27.

³⁴³ See *Harmonization of Trademark Law*, *supra* note 28, at 26.

³⁴⁴ See, e.g., *In re Days-Ease Home Prods. Corp.*, 197 U.S.P.Q. 566, 568 (T.T.A.B. 1977) (“[T]he question of ‘inherently distinctive’ obviously must be determined in relation to ... the reaction of purchasers to the shape, and what would be the anticipated reaction of the average purchaser to this shape.”); see also *Too Splendid*, *supra* note 118, at 26.

³⁴⁵ See Beebe, *supra* note 90, at 52.

³⁴⁶ See Smith, *supra* note 186, at 302; Fhima, *supra* note 68, at 685.

law is a more reliable path to investigate the public perception, the historical precedent in U.S. law indicates that this requirement is mainly for competitive consideration.³⁴⁷ Actually, the indefinite nature of shape marks or trade dress marks and lack of a definitive and pre-intended source of meaning has made them unpredictable in terms of distinctiveness examination.³⁴⁸ Accordingly, in our sense the question of shape mark distinctiveness should be addressed solely upon a market-led approach in which the collected information from the relevant consumers is decisive in finding distinctive character.³⁴⁹

³⁴⁷ See S. REP. NO. 100-515, *supra* note 23, at 18–19. *But see* Thompson Med. Co. v. Pfizer, Inc., 753 F.2d 208, 213 (2d Cir. 1985).

³⁴⁸ See Barthes, *supra* note 94, at 38–39.

³⁴⁹ See, e.g., *Thompson Med. Co.*, 753 F.2d at 213.