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How Chocolate Wars “Shape” the Law: KitKat, Three-Dimensional Trade Marks and the Enigma of “Technical Function”

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The extent to which shapes can function as trade marks is a question that has generated a fair amount of controversy and uncertainty. Of particular concern is the issue of whether functional shapes necessary to produce a technical result, which are statutorily excluded from registration, can potentially be registered as trade marks under a narrow construction of the shapes exclusion. This article critically evaluates the extent to which recent jurisprudence in the United Kingdom has departed from established European Union (EU) precedent by adopting a strict “element-by-element” test for technical shapes, and the implications of this test for Hong Kong. The article argues that such an interpretive methodology is out of touch with earlier EU cases and threatens to undercut the basic principle that certain shapes should be freely available for use in the marketplace. As such, Hong Kong courts should reject this test and abide by established trade mark principles when considering the registration of shapes in the local context.

1. Introduction

Many consumers are likely to have fond memories of tearing open their first KitKat chocolate bar, tantalisingly wrapped in glossy layers of paper packaging and silver foil, and then breaking apart the segmented wafer fingers for consumption and easy sharing. Over the years, KitKat has become a highly recognised trade mark and has formed strong connections with its accompanying slogan, “Have a Break, Have a Kit Kat”.¹ Its manufacturer, Nestlé, has also been embroiled in a number of legal disputes with its competitors, most notably Cadbury (now known *534 as Mondelez), over the use of various “signs” as trade marks in the confectionery industry.² One of the more recent episodes in the ongoing “chocolate wars” is the case of *Société Des Produits Nestlé SA v Cadbury UK Ltd*³ (*Nestlé*), in which the confectionery giant's attempt to register the shape of its four-fingered chocolate bar as a trade mark was successfully opposed in the United Kingdom by Cadbury after a lengthy legal battle.

One of the arguments considered by the UK courts in *Nestlé* was whether the shape of the bar fell within one of the “absolute grounds for refusal of registration” relating to excluded shapes. Interestingly, however, the UK courts, after hearing back from the Court of Justice of the European Union (CJEU) on certain points of law, held that the KitKat bar shape had not acquired sufficient distinctiveness and was therefore to be denied registration on that ground. It is also noteworthy that, after the CJEU had delivered its opinion, the respondent Cadbury accepted that the KitKat bar shape was *not* fully caught by the technical shapes exclusion, based on the hearing officer's classification of the bar's various shape elements. The general impression that one might draw from the KitKat litigation is that the iconic four-fingered shape appears, through a rather interesting turn of events, to have “escaped” from being caught by the absolute ground relating to excluded shapes since, ultimately, none of the limbs in that provision were considered to be capable of *fully* covering all the shape elements of the KitKat chocolate bar.

This article seeks to critically evaluate the approach adopted by the hearing officer in *Nestlé* for determining whether shapes are excluded from registration and its implications for fair

competition. While the outcome of the case was not entirely unexpected, the reasoning of the UK courts in this case has generated some uncertainty with regard to the interface between excluded shapes and non-distinctiveness as *535 grounds for refusing the registration of three-dimensional, shape-based trade marks. By engaging in a comparison of the ruling in *Nestlé* with earlier cases dealing with excluded shapes, such as the seminal decisions in *Koninklijke Philips v Remington*⁴ and *Lego Juris A/S v Office for Harmonisation in the Internal Market (OHIM), Mega Brands, Inc*⁵ (*Lego Juris*), this article seeks to demonstrate that there are uncomfortable tensions between the strict “element-by-element” test adopted by the hearing officer in *Nestlé*, and the somewhat broader “essential elements” approach adopted in earlier precedents. It will be shown that these tensions threaten to undercut the basic principle that functional and technical shapes should be categorically excluded from registration, irrespective of how factually distinctive they may or may not have become in the eyes of consumers.

It is important to note, however, that a shape that is deemed to be non-distinctive can also be denied registration on that ground. In this regard, technical functionality and non-distinctiveness are alternative grounds for rejecting a shape sign from registration, although in some cases both grounds may be applicable to a given shape--a shape may be *both* functional *and* non-distinctive. The crucial difference between these two grounds, which will be discussed further in this article, is that lack of inherent distinctiveness can be cured by evidence of acquired distinctiveness, while technical functionality in a shape is a “defect” that cannot be cured by such evidence for the purpose of registration. The focus of this article will, however, be on the implications of adopting an excessively narrow interpretation of the *technical shapes exclusion*, rather than on the appropriate standard of proof for acquired distinctiveness, an issue that was also raised before the UK courts (in the UK trade mark dispute) as well as in the parallel litigation (concerning the validity of Nestlé’s EU Trade Mark registration of the four-fingered wafer shape) before the CJEU.

Where the issue of technical functionality is concerned, this article posits that the *Philips-Lego Juris* approach in determining the essential elements of a product’s shape provides a more coherent and justifiable framework with which to evaluate the registrability of shape marks. In this light, it will be suggested that Hong Kong courts should follow the *Philips-Lego Juris* framework and treat with caution the hearing officer’s “element-by-element” approach to shapes in the *Nestlé* case. Finally, the article will offer some concluding remarks on the impact that Brexit will likely have on divergences between emerging UK jurisprudence and established European Union (EU) precedent, and its significance for Hong Kong. *536

2. Shapes with a Technical Function: The “Essential Elements” Test or the “Element-by-Element” Test?

Trade mark legislation in the EU, the United Kingdom and Hong Kong all contain an absolute ground for refusal of registration in relation to certain types of shapes. Such shapes are categorically excluded from registration, and the “defect” in question is incapable of being cured by evidence of acquired distinctiveness.⁶ Three categories of shape are specially excluded from registration as trade marks: (1) shapes that result from the nature of the goods themselves, (2) the shapes of goods which are necessary to obtain a technical result and (3) shapes which give substantial value to the goods. For simplicity, these three “excluded shape categories” will be

referred to in this article as (1) “natural shapes”, (2) “technical shapes” and (3) “ornamental shapes”, respectively. The provisions excluding these shapes from registration can be found in art 3(1)(e) of the EU Trade Marks Directive 1988,⁷ s 3(2)(a)-3(2)(c) of the UK Trade Marks Act 1994 and s 11(3)(a)-11(3)(c) of the Hong Kong Trade Marks Ordinance, respectively.

In view of the high degree of similarity in the wording of the provision concerning excluded shapes, the recent UK and European jurisprudence on the “necessary to obtain a technical result” clause of the shapes exclusion provides valuable guidance on the interpretation to be applied to s 11(3)(b) of Hong Kong's Trade Marks Ordinance. In the seminal case of *Koninklijke Philips v Remington*,⁸ one of the issues that arose for consideration was whether a trade mark consisting of the shape of the Philips three-headed rotary shaver had been invalidly registered. Remington had argued in *537 its submissions that the shape in question fell within the exclusion for shapes with a “technical effect”, and so should not have been registered. When the dispute reached the EWCA, it referred a number of questions to the CJEU, including whether the absolute ground for refusing technical shapes could be overcome by demonstrating that there were *other* available shapes capable of obtaining the *same* technical result. The CJEU answered this question in the negative, holding that a sign *cannot* be registered if its *essential* features are necessary to obtain a technical result. This would be the case even if other shapes were available that could obtain that same technical result. Hence, the mere existence of other shapes that could achieve the same technical function would not itself be sufficient to overcome the ground for refusal.⁹ In formulating this principle, the court gave considerable weight to the need to avoid a situation where the registration in question would “limit the possibility of competitors supplying a product incorporating such a function or at least limit their freedom of choice in regard to the technical solution they wish to adopt.”¹⁰ The significance of this ruling is that a *causal* relationship between shape and technical result is sufficient to trigger the exclusion; the relationship between shape and technical result need not be of a mandatory nature.

Subsequently, in the 2005 decision of *Philips Electronics NV v Remington Consumer Products*,¹¹ Rimer J outlined a two-part test to determine whether a shape is necessary to produce a technical result. This two-stage analysis was summarised by the EWCA as requiring, first, that the “essential characteristics or features” of the shape be identified, and second, a determination of whether those characteristics or features consist solely of the shape attributable only to the technical result.¹²

In a similar vein, the CJEU in the later *Lego Juris* case¹³ adopted a broad construction of the absolute ground for functional shapes and endorsed the “essential elements” test applied in *Philips*. The *Lego Juris* case, which had been appealed all the way up to the CJEU, concerned whether the shape of the Lego brick, with its two rows of studs, had been validly registered. In considering the scope of the absolute ground for the refusal of registration for functional shapes, the CJEU recognised the possibility that there may be a number of alternative shapes capable of achieving a particular technical result.¹⁴ However, even if alternative shapes are available, a proposed trade mark may still be captured by the “technical *538 shapes” exclusion. The CJEU emphasised that a sign will be refused registration if all its *essential* characteristics are functional.¹⁵ Nevertheless, if a sign contains a major non-functional element, such as a decorative or imaginative element which plays an important role in the shape, then it would fall outside the exclusion for shapes necessary to produce a *technical* result (although it might fall

within another exclusion). Based on the facts, it was held that all the essential shape elements of the Lego brick were functional. The red colour of the toy brick was not considered an essential element that played an important role in the shape. In reaching its conclusion, the CJEU adopted a strongly “pro-competitive” stance, highlighting the importance of promoting healthy competition in the marketplace. The CJEU was justifiably concerned that allowing registrations of “functional shapes”, such as that of the Lego toy brick, might render a significant number of alternative shapes unusable for the proprietor's competitors.¹⁶ The situation would be exacerbated if several purely functional shapes of goods were registered at the same time, as that might completely prevent other undertakings from manufacturing and marketing certain goods having a particular technical function.¹⁷

It might therefore be observed that the CJEU's ruling was driven to a fairly large degree by the underlying policy rationale of ensuring that merchants and traders be allowed reasonable freedom of choice and flexibility in using functional shapes for commercial purposes. This is evident from the CJEU's reiteration of the need to preserve the ability of competitors to market goods using shapes that constitute a “real alternative” to those which had already been used by others, but which were nevertheless attractive to consumers from a functional purpose.¹⁸ An important policy consideration that could have influenced the CJEU's decision was the perceived need for trade mark law to allow competitors in commerce to sell and market goods bearing identical or similar shapes which incorporate a specific or identified technical function or result.¹⁹

From the above discussion, it appears that the *Philips* and *Lego Juris* decisions both support a *broad* construction of the “technical result” exclusion that defines in fairly expansive terms the ambit of what constitutes a non-registrable technical shape. In particular, the exclusion, as interpreted by the CJEU, is wide enough to target functional shapes with *some* non-technical features, if those features are not essential in *539 obtaining the technical result. As mentioned earlier, the connection between shape and technical function only needs to be *causal*, rather than *mandatory*, which means that the shape need not be the only one capable of producing the technical result in order to be denied registration. Taking into account the CJEU's emphasis on the need to preserve fair competition and freedom of choice, this interpretation indicates that if there is a limited range of shapes available to a competitor seeking to achieve the technical function, then the exclusion will likely apply since registration of the disputed sign would severely restrict a rival's freedom of choice in deciding what technical solution to adopt in product marketing and design. The test in *Philips* and *Lego Juris* therefore focuses on *essential* characteristics of a product's shape--a shape will still be caught by one of the absolute grounds for refusal of registration as long as all of its *essential* features fall within the exclusion. In other words, this means that the shape in question will be denied registration even if it contains some non-essential elements that fall outside the ambit of the exclusion.

It is not entirely clear, however, as to when a characteristic of a shape will be deemed to be “essential”. It is also a question of some debate whether the number of alternative shapes available to perform a certain technical function will determine how “essential” a particular feature is for the purpose of achieving that function. The CJEU in the *Lego Juris* case expressed the view that whether an element is “essential” is to be determined *not* by the “average consumer”, but by the authority carrying out the assessment on a case-by-case basis, considering

either the overall impact produced by the sign, or each of its components. Although it might be argued that the answer to this question is likely to be context specific, and dependent on the facts of each case, the case law unfortunately does not provide much guidance on the specific criteria to be employed in determining whether an element is “essential” in producing a technical result. This uncertainty is aggravated somewhat by the hearing officer's “element-by-element” approach to technical shapes and the ensuing developments in the recent UK case of *Nestlé*.

3. *Nestlé* and the “Element-by-Element” Test: A Departure from the *Philips-- Lego Juris* Framework?

The *Nestlé* dispute, which concerned the registrability of the KitKat four-fingered chocolate bar shape, provided the UK courts with a fascinating opportunity to revisit the proper interpretation of the statutory exclusion for prohibited shapes in relation to three-dimensional product configurations with multiple shape elements. Regrettably, this opportunity was not fully utilised. It was held ultimately by Arnold J *540 of the EWHC (whose overall ruling was endorsed by the EWCA with some minor refinements)²⁰ that Nestlé's proposed mark was to be denied registration because it had failed to acquire a sufficient degree of distinctiveness.²¹ After hearing back from the CJEU on the questions referred to it by Arnold J, and upon Cadbury's subsequent acceptance that the KitKat bar did not offend the shapes exclusion, the ensuing discussion at the High Court and EWCA levels focused largely on the appropriate standard to be applied for acquired distinctiveness, rather than on the “shapes” issue. As such, particularly in the wake of Cadbury's concession on the legal position concerning the registrability of the KitKat bar shape, the hearing officer's treatment of the bar's various shape elements could have received relatively less critical scrutiny than the acquired distinctiveness issue. It is submitted that the shape of the KitKat bar deserves a closer re-examination, bearing in mind the fact that the interpretation adopted by the hearing officer in the *Nestlé* case has significant *doctrinal* implications for the registrability of functional shapes in future cases. As will be demonstrated in the following paragraphs, allowing the KitKat shape to “escape” from the statutory exclusion is arguably at odds with the “essential elements” test applied in the earlier cases of *Philips* and *Lego Juris*.

The basic premise for supporting an argument that the KitKat shape does not fall within any of the “excluded shapes” categories is that *none* of the absolute grounds relating to shapes applies *fully* to the four-fingered *541 configuration employed by Nestlé in its KitKat chocolate products. It is this perception, coupled with its interpretation of the CJEU's responses to Arnold J's questions, that might have driven Cadbury to accept that the KitKat bar fell outside the exclusion for technical shapes. However, the hearing officer's classification of the KitKat bar's various shape elements could have played an instrumental role in the string of events that led to Cadbury's perception of the legal position regarding the shapes issue. The hearing officer in *Nestlé* had held that the various essential shape elements of the KitKat bar were governed, respectively, by the “natural” and “technical” limbs of the shapes exclusion, but the elements did not all fall within the scope of a discrete, single ground for the refusal of registration. In other words, none of the exclusions for natural, functional or ornamental shapes was capable, *on its own*, of covering *all* of the essential elements of the four-fingered KitKat bar configuration.

It had earlier been emphasised by the CJEU in *Hauck GmbH & Co KG v Stokke A/S*²² that the three grounds for refusal of registration set out in the shapes exclusion operate *independently* of

each other and cannot be combined.²³ This indicates that while a shape may be covered by more than one exclusion, it can be denied registration only if any one of those grounds *fully* applies to the sign in question.²⁴ Further, the CJEU later clarified in the *Nestlé* reference that when applying the “technical result” exclusion, the exclusion in question applies only to the *outcome* of a method of manufacture, and not to the *manner* of manufacture.²⁵

The hearing officer in *Nestlé* had adopted what will be referred to in this article as the “element-by-element” approach by dividing the KitKat bar shape into three distinct elements: (1) the rectangular shape, (2) the presence, position and depth of the grooves and (3) the number of grooves. In the opinion of the hearing officer, while the rectangular shape of the bar was held to be a “natural” shape element, the second and third features (involving grooves) were not generic features of hand-held chocolate products, and therefore fell outside the exclusion for “shapes that result from the nature of goods”. As products of manufacture, it could be argued, in light of the hearing officer's assertions, that there is no specific requirement that the presence of grooves necessarily results from the “nature” of a chocolate bar--it is perfectly possible for a rectangular bar of chocolate to be manufactured, sold and consumed, with no grooves whatsoever. In addition, neither the grooves nor the rectangular shape fell within the (third) absolute ground for ornamental or decorative *542 shapes, since they were neither particularly imaginative shape elements nor designed for visual appeal. It is also noteworthy that at the time of the litigation, the shape of the KitKat bar was not generally noticeable to the consumer at the point of purchase, since the product in question was wrapped beneath several layers of product packaging. The grooves present in the bar shape were designed to facilitate detachment of the individual wafer fingers for easy consumption, and so, as the “intended outcomes” of a method of manufacture, would arguably fall within the “technical shapes” exclusion. What is perhaps troubling is the finding that the bar's rectangular shape was sufficient, on its own as an element of the KitKat's particular configuration, to take the proposed sign outside the scope of the “technical shapes” limb, thereby creating possible conflicts with the earlier case law. This argument will be further developed in the ensuing paragraphs.

In simple terms, what appears to be problematic with the “element-by-element” approach is that it supports the proposition that the rectangular superstructure of the KitKat bar is a “natural” element of shape, while the grooves designed to separate the four fingers are “technical”. If the rectangular shape of a chocolate bar is not deemed to be “technical” in its function, the three identified shape elements of the KitKat bar would then be covered by more than one ground for rejection. If one were to apply to this classification the principles articulated by the CJEU in *Hauck* and in the *Nestlé* reference, the KitKat bar shape *as a whole* would not offend s 3(2) of the UK Trade Marks Act, which requires at least one of the grounds to apply to *all* shape elements in order for the exclusion to apply. Unfortunately, the “element-by-element” test generates awkward tensions with the “essential elements” test laid down in *Philips* and *Lego Juris* for functional shapes necessary to produce a technical result. A direct application of the *Philips-Lego Juris* approach to the facts in *Nestlé* would support the proposition that the presence of grooves allows the segmentation of a confectionery bar for easy consumption--in fulfilment of a technical result--and such a feature should then be freely available to competitors seeking to design chocolate products with a similar appearance (whether rectangular shaped or otherwise). If a shape consisting of a rectangular multi-fingered wafer bar can escape the exclusion under s 3(2), there is a theoretical possibility that it may then proceed to registration,²⁶ and that would

severely restrict the freedom of competitors to sell chocolate products consisting of conjoined segments separated by grooves. The monopoly conferred by a trade mark *543 registration extends to similar signs, which would mean that chocolate bars with a different number of wafer fingers (but with a similar overall appearance) would arguably infringe the registered shape mark--a result that would be entirely anathema to the underlying policy rationale of promoting healthy competition in the marketplace.

In this vein, a more plausible way of approaching Nestlé's four-fingered wafer shape is to view the "natural shapes" provision in s 3(2)(a) of the UK Trade Marks Act as *not* being the only ground applicable to the rectangular *superstructure* of the KitKat bar. It might be argued, in light of *Philips*, that the overall shape of the chocolate bar is the result of a technical function, since its overall dimensions are dictated by the width and number of conjoined wafer fingers incorporated into each product by the manufacturer. Hence, a bar with more wafer fingers would take on a longer overall shape, while a bar with fewer wafer fingers would appear as a rectangle with smaller dimensions. If a bar contains sufficient fingers such that its length and width are identical, the overall shape would then become a square rather than a rectangle. The size and overall shape of the chocolate bar would therefore be determined by the number of segments contained within it, which is in turn determined by the relevant market demand for larger or smaller sized products, to cater for a range of different appetites and occasions.

Deciding how many wafer fingers to include in a product is a technical decision, involving both utilitarian and strategic marketing considerations, and so the right to manufacture chocolate bars of certain dimensions should not fall within the exclusive "monopoly" of any one particular trader. In this vein, it is difficult to reconcile the hearing officer's narrow interpretation of the "technical result" provision in s 3(2)(b) with the more expansive definition adopted in the earlier jurisprudence. In the interests of promoting fair competition, the rectangular shape of the KitKat bar should *not* have been construed as falling outside the exclusion under s 3(2)(b).

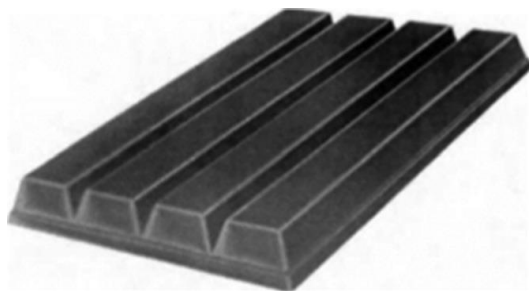
Alternatively, it might be argued that the rectangular superstructure is a *non-essential* element of a technical shape. It is this article's proposition that the rectangular shape of the KitKat bar is merely *one* of *several* possible results pertaining to a technical function (of designing a handheld bar with grooves), and there is therefore a *causative* (but not mandatory) link between the shape and the technical result. A suggestion that the "rectangular superstructure" of the KitKat bar shape is covered by the "technical shapes" exclusion would also be compatible with the CJEU's broad interpretation of the exclusion in the *Lego Juris* case.

It is worth mentioning in this context that there are interesting and important similarities between the shape of the KitKat chocolate bar and the shape of the Lego toy brick (see Figure 1). Both shapes are *544 characterised by "geometric indentations" that define how the product is either attached to or detached from other structures. In the case of the Lego brick, the indentations are the rows of studs, while in the case of the KitKat chocolate bar, the indentations are the grooves between wafer fingers. These indentations are, respectively, "housed" within larger rectangular superstructures consisting of unimaginative and utilitarian shapes. Hence, for the Lego brick, the rows of studs which protrude from a rigid rectangular block enable one brick to be connected to another in the assembly of larger structures. Similarly, for the KitKat chocolate bar, the grooves

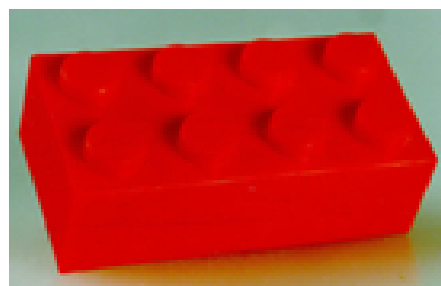
provide parallel “fault lines” along a rectangular chocolate block which permit one finger segment to be detached from another.

Given the relatively high degree of “structural analogy” between the Lego brick and the KitKat bar, it would indeed be contradictory to argue that one shape offends the “technical shapes” exclusion (the Lego block) but the other shape does not (the KitKat bar), even though the latter may be excluded on other grounds not related to shape (for instance, lack of distinctiveness). A more consistent reading of the technical shapes provision would be necessary to avoid unnecessary conflicts and contradictions in the level of protection granted to shape features which perform a technical function. Since the rectangular superstructure of the Lego brick was deemed by the CJEU to be a non-essential element where technical function is concerned, it would only be logical, from the standpoint of doctrinal consistency, for the hearing officer in *Nestlé* to view the rectangular shape of the KitKat bar as being a functional element of its technical components, dictated solely by the size of the wafer fingers and the overall measurements of its contents. In this regard, the narrow interpretation of the exclusion for technical shapes adopted in *Nestlé* is arguably at odds with the more expansive approach prescribed in the *Philips* and *Lego Juris* decisions.

Figure 1: Images Depicting the Shapes of the KitKat Bar²⁷ and the Lego Brick²⁸



KitKat four-fingered wafer bar
(Source: *Société des Produits Nestlé SA v Cadbury UK Ltd* [2017] EWCA Civ 358.)



Lego toy brick (Source: *Lego Juris A/S v OHIM* [2010] ETMR 63.)

*545

4. The *Sony Computer* Case: An Endorsement of the *Philips-Lego Juris* “Essential Elements” Test for Technical Shapes in Hong Kong?

The interpretation of the “technical shapes” provision in *Philips* and *Lego Juris* was cited with approval by Reyes J of the Court of First Instance (CFI) in the Hong Kong case of *Sony Computer Entertainment Inc v Registrar of Trade Marks (Sony)*,²⁹ although the Court of Appeal

(CA) chose not to comment substantively on the prohibited shapes issue. Rogers VP of the CA did, however, state that “the hearing officer approached the matter in the correct way” and that the first instance judge had also clearly agreed with the hearing officer's approach.³⁰ In delivering the judgment of the CA (with which Le Pichon JA and Yuen JA concurred), Rogers VP held that he too would have reached the same conclusions in the circumstances.³¹

In relation to the specific facts of the *Sony* case, the hearing officer had held that the rectangular block structure of Sony's computer game consoles (and of other related devices) was solely attributable to an intended technical result, in view of the practical way in which it provided room to house both electronic components as well as external objects such as discs and memory cards. The *Sony* case reiterates the principle that it is only the *essential* features or characteristics of a product that determine whether its shape is attributable to a technical result, in line with the *Philips-Lego Juris* “essential elements” test.³² In this regard, *not* every single shape element must necessarily be shown to be *solely* attributable to a technical result. A shape may still be attributable to a technical result even if it has non-essential elements that are not directly or inevitably necessary to produce the technical result in question, or that perform other functions not related to the technical result. Further, it was reiterated by the CFI in *Sony* that once it is established that a shape (or its essential features) is necessary to obtain a technical result, it is irrelevant that the same technical result can be achieved through other shapes.³³

Strictly speaking, after the hearing officer had determined that the shape of the Sony game consoles offended the “technical shapes” provision, it would not have been necessary to consider the distinctiveness of the *546 shape in question.³⁴ However, for the sake of completeness, the hearing officer went on to consider the evidence and held that the game consoles had not acquired factual distinctiveness.³⁵ On appeal, the CFI agreed with the hearing officer's conclusions with respect to *both* the technical shapes *and* the non-distinctiveness issues.³⁶ At the CA level, Rogers VP affirmed the findings made by the hearing officer and the CFI that the shape marks were not registrable.³⁷ Although Rogers VP expressed the view that it would not be appropriate for the CA to comment on the “technical shapes” issue,³⁸ it is submitted that the CA's judgment is broadly consistent with the *Philips-Lego Juris* framework discussed earlier. The CA's decision implicitly supports the established principle that a sign can be denied registration if it lacks distinctiveness *or* if it is prohibited by the shapes exclusion.³⁹ Either ground would therefore be a sufficient basis on which to reject or invalidate a proposed or existing trade mark. This can be inferred from the statement by Rogers VP that he did not consider that there could be any criticism of the way in which the hearing officer reached his conclusion that the marks were unregistrable *if, for no other reason*, they lacked inherent distinctiveness (emphasis added).⁴⁰ Rogers VP's statement acknowledges the basic principle that lack of distinctiveness is, on its own, a sufficient basis on which to deny registration.

However, Rogers VP did not fault the interpretation of the “technical shapes” exclusion by the hearing officer. In particular, it is noteworthy that the use of the phrase “if for no other reason”⁴¹ by Rogers VP implicitly acknowledges that other grounds of objection may be applicable, alongside the finding of non-distinctiveness, to render a shape unregistrable. In this regard, Rogers VP's statement acknowledges that non-distinctiveness and classification as a functional shape can serve as alternative, and in some cases cumulative, grounds on which a proposed trade mark can be rejected. In simple terms, a sign will not *547 satisfy the criteria for registration if it

offends one or both of the above grounds (ie, the non-distinctiveness and prohibited shapes exclusions). It is important to note that the CA in *Sony* did *not* overrule or depart from the broader interpretation of the “technical shapes” provision adopted by the hearing officer and CFI.⁴² The fact that the CA endorsed the general approach of the CFI without commenting specifically on the shapes issue does not in any way undercut the broader construction adopted with respect to the applicable statutory exclusion in Hong Kong for “technical shapes”.⁴³

The “anti-competitive” effects of an excessively narrow interpretation of the “technical shapes” exclusion, which would allow an otherwise functional shape to escape capture by an absolute ground against registration (as observed in *Nestlé*), would therefore not manifest themselves in the context of the Sony game console in Hong Kong, since the CFI adopted a broad reading of the shapes exclusion, in the tradition of *Lego Juris* and *Philips*. Although a failure to demonstrate sufficient distinctiveness in a proposed shape mark would necessarily result in its rejection, clarifying the specific scope of the “technical shapes” exclusion is nevertheless still important. This is because a technical shape can potentially acquire factual distinctiveness in relation to goods or services through prolonged use in marketing and commerce, and consequently proceed to registration if the shapes exclusion is not applied or interpreted with sufficient vigilance. Adopting too narrow an interpretation of the shapes exclusion would accordingly create the possibility that factually distinctive technical shapes can “slip through the cracks” of the statutory safeguards and be registered as trade marks, thereby defeating the policy rationale of ensuring fair competition in the marketplace.

Applying the reasoning by the CFI in *Sony* to the *Nestlé* case, one could surmise that the rectangular superstructure of the KitKat bar performs an analogous function to that of the Sony computer gaming console – it seeks to “house” or provide structural form to smaller components, in this case, the individual wafer fingers that are connected by grooves. Deciding “Nestlé-type” cases in a manner that is consistent with the CFI’s judgment in *Sony* and with the *Philips-Lego Juris* framework would *548 necessitate a finding that the utilitarian, rectangular superstructure of a chocolate bar, along with the position and depth of its grooves, can all be governed by a single exclusion for shapes, namely, the “technical shapes” exclusion.

A comparison of the interpretive approaches to the shapes exclusion as adopted by the various courts in the cases discussed above is set out in Table 1.

5. Moving Beyond the *Nestlé* Dilemma: Which Way Forward for Hong Kong?

In view of the conflict, discussed in the preceding sections, between the “element-by-element” test adopted by the hearing officer in *Nestlé* and the *Philips-Lego Juris* “essential elements” test, an important question facing Hong Kong courts relates to the proper interpretation to be given to the “technical shapes” exclusion in s 11(3)(b) of Hong Kong’s Trade Marks Ordinance, which is materially similar to s 3(2)(b) of the UK Trade Marks Act. This issue has significant doctrinal implications for the future protection of shape marks in Hong Kong, and this article seeks to offer several policy arguments in support of the *Philips-Lego Juris* approach, followed by some concluding remarks on the future steps that Hong Kong should take to clarify its legal position.

The final outcome in *Nestlé* is, *factually* speaking, consistent with earlier UK and EU cases on technical shapes, which generally treat with scepticism (and perhaps even hostility) functional shapes that are put forward as possible candidates for registration. It is therefore not surprising that the attempt to register the KitKat bar shape was ultimately rejected by the UK courts. What is interesting, therefore, is the basis on which the application was rejected. By holding that the KitKat bar shape was to be denied registration due to its lack of sufficient acquired distinctiveness (instead of *expressly* invoking the technical shapes exclusion as well), it is submitted that the UK courts are creating a dangerous precedent by leaving open the (theoretical) possibility that shapes with a technical function may “slip through the cracks” and qualify for registration. The danger becomes particularly pronounced under a very narrow interpretation of the exclusion for functional shapes comprising more than one element. Although the general reluctance to allow functional shapes on the register may drive courts to pitch the required level of acquired distinctiveness at a very high level, thereby attaining a similar end result of rejecting the proposed shape mark, such an indirect approach would only generate uncertainty and perhaps confusion among traders seeking to develop a trade mark portfolio which includes shape-based commercial insignia. *549

Table 1: Table Comparing the Interpretive Methodology of Cases Applying the “Shapes Exclusion”

Name of case	Interpretive methodology given to the contested shape	Final outcome	Was the outcome compatible with the policy rationale of excluding specific shape configurations from registration?	Residual concerns
<i>Philips</i>	Broad interpretation, focusing on essential elements only in determining whether the shape is excluded	Rejection of shape mark	Yes	Uncertainty surrounding how to define “essential”
<i>Lego Juris</i>	Broad interpretation, focusing on essential elements only in determining whether the shape is excluded	Rejection of shape mark	Yes	Uncertainty surrounding how to define “essential”
<i>Sony</i> (Hong Kong)	Broad interpretation adopted by the hearing officer and the CFI, focusing on essential elements only in determining whether the shape is excluded	Rejection of shape mark	Yes	Uncertainty surrounding how to define “essential”
<i>Nestlé</i>	Narrow interpretation adopted by the hearing officer, focusing on individual shape elements of the KitKat chocolate bar	Rejection of shape mark (but on grounds related to lack of distinctiveness)	No, the decision leaves open the theoretical possibility that the shape in question can be registered if it can be shown to be sufficiently distinctive	Undercuts the basic principle that certain shapes cannot be registered; blurs the distinction between registrable and unregistrable shapes

*550 A more doctrinally coherent approach is therefore required to ensure that the desired end result (ie, rejection of the sign) can be supported by sound trade mark principles and established precedent. This is an important issue facing the KitKat shape, which was, factually speaking, a widely recognised sign that customers could connect with a particular brand of chocolate, even though they might not have *relied* exclusively on the shape when making purchasing decisions.

This section of the article seeks to demonstrate that the broader “essential elements” approach adopted in the *Philips-Lego Juris* framework is more compatible with the plain text of the Hong Kong Trade Marks Ordinance. Reading s 11(3)(b) in a manner that reflects its natural language helps to promote certainty and predictability in commerce. Like its UK and European counterparts, s 11(3)(b) of Hong Kong's statute provides that a sign will not be registrable if it consists exclusively of “the shape of goods that is *necessary* to obtain *a* technical result” (emphasis added). The use of the words “necessary” and “a” in the section suggests that the shape of the product is driven by a need to produce a certain technical outcome. “Necessary” in this context implies a causative link between the shape and the result, and the word “a” here indicates that the result in question need not be the only one available in that particular sector or industry. Hence, a chocolate bar containing breakable segments separated by grooves could take the form of a square block or a rectangular block, among other possible common geometrical shapes. Further, it is telling that the word “necessary” is employed in the provision, and not the word “inevitable” or the phrase “the only one available”. Since, as seen in *Philips*, there can be more than one shape capable of producing a specific result, an interpretation which allows for a broad application of s 11(3)(b) to encompass a variety of different technical shapes containing a number of elements, but whose essential features perform a technical function, would be more consistent with the language of the *Ordinance*. Reading s 11(3)(b) broadly to capture technical shapes with unimaginative elements (such as common rectangular configurations that consumers are “likely to seek in the products of competitors”⁴⁴) would be more compatible with the spirit of the *Philips-Lego Juris* framework, and provide stronger support for the policy rationale of ensuring that functional shapes are freely available in the public domain for use by various traders and their competitors.

A further advantage of adopting the *Philips-Lego Juris* “essential elements” approach to s 11(3)(b) of Hong Kong's Trade Marks Ordinance is that it would reinforce and give explicit recognition to the discomfort that courts and policymakers often feel in allowing monopolies over *551 functional shapes. In this regard, it is submitted that the UK courts in *Nestlé* embarked on a rather *circuitous* route to attain the desired end result, that is, the rejection of the proposed KitKat shape mark. In view of the awkward tensions, identified earlier, between the *Nestlé* approach and the *Philips-Lego Juris* approach to the interpretation of the “technical shapes” provision, the use of the “insufficient distinctiveness” argument to defeat Nestlé's registration attempt appears to be an indirect route towards fulfilling an underlying policy goal. A clearer, more coherent approach which categorically stipulates the non-eligibility of technical shapes for registration, irrespective of how widely recognised they have become, would be more compatible not only with previous precedents but also with sound trademark principles.

Additionally, it is worth emphasising the importance of clearly demarcating the boundary between trade marks rights and other branches of industrial property, particularly the law relating to patents.⁴⁵ Unlike patent law, rights over trade marks can potentially last indefinitely, as long as

the requirements for validity continue to be satisfied. A key rationale underpinning the shapes exclusion for the registration of trade marks is to prohibit the “extension” of a monopoly over technical or aesthetic product features that are either more appropriately protected under a different intellectual property regime or that have already been the subject matter of protection (since expired) under a different regime. Although this point does not apply directly to the KitKat bar shape,⁴⁶ the shapes *552 exclusion against registration can also serve, in some circumstances, as a vital safeguard against the abusive “evergreening” of rights over intangible property through the “backdoor” of strategic trade mark registration. For instance, a technical solution (that manifests itself through the shape of a product) in which patent rights have expired, should not, by virtue of trade mark law, be given a “second life” at protection through a different intellectual property rights regime. Such a route, if available to trade mark registrants, would result in the artificial prolongation of monopoly control over subject matter that has since entered into the public domain. Adopting too strict an interpretation of the shapes exclusion can therefore have larger ramifications on the delicate balance between promoting competition and protecting proprietary interests.

Hence, although the UK courts' ultimate decision to reject Nestlé's proposed trade mark was probably not unexpected, the “element-by-element” test applied by the hearing officer to the shape of the wafer bar raises troubling tensions with established trade mark principles. By allowing for the theoretical possibility that basic product configurations like multi-fingered chocolate wafer bars can slip through the “safety net” provided by the shapes exclusion, an “element-by-element” approach to shape marks would essentially open the door to the prospect of allowing individual traders to appropriate technical shapes for themselves under the guise of trade mark registration, as long as they can satisfy the threshold for acquired distinctiveness. Even though many such registration attempts would likely be defeated under a very stringently defined standard for acquired distinctiveness, the “element-by-element” test in *Nestlé* is not only difficult to justify doctrinally but its approach to shapes also stands in stark contradistinction to earlier precedents. The combined effect of these concerns may give prospective applicants an overly optimistic sense of what shapes might qualify for registration.

A further normative argument that can be raised against an “element-by-element” approach to the “technical shapes” exclusion relates to the importance of promoting robust competition in trade, industry and technology. In this regard, the interpretative approach embodied in the “element-by-element” test can have far-reaching implications for the business, design and manufacturing sectors, principally because of its “pro-applicant” approach to technical shapes, even if, ultimately, a proposed shape mark may be rejected on other grounds relating to distinctiveness.

The primary danger of an “element-by-element” approach to technical shapes is that it “muddies the water” where the scope of the exclusion is concerned, creating the impression that composite shapes may escape the statutory bar if different elements can be shown to perform different technical functions. This would ultimately generate a chilling effect on *553 competition if rivals in business are discouraged from using composite functional shapes as a result of reactions to the *Nestlé* judgment, or are otherwise deterred from challenging existing (and allegedly distinctive) trade marks that contain such technical shapes. The corollary of this is that an overly generous, pro-applicant approach to three-dimensional shape configurations would severely reduce the

number of options available to producers of goods, aggravating the very “mischief” that the shapes exclusion was designed to address. A fundamental principle which animates the shapes exclusion is that certain types of signs are *incapable* of acquiring *de facto* distinctiveness and must be categorically excluded from registration, irrespective of how widely recognised they have become. Such signs constitute the basic building blocks of communication in marketing and commerce and should therefore fall squarely within the public domain, free for use by traders and their rivals. An interpretation which erodes this basic principle would heighten the danger that functional signs may become commodified and appropriated by individual traders, threatening to upset the delicate balance, so strongly emphasised in earlier cases like *Lego Juris* and *Philips*, between proprietary control over trade symbols and freedom of competition in a robust and vibrant economy.

6. Conclusion

This article has sought to argue that functional shapes serve as important building blocks in marketing and commerce and should be freely available for use by merchants and traders seeking to promote their wares. An “element-by-element” approach to the interpretation of the absolute ground against registering functional shapes threatens to undercut the basic principle that functional shapes ought to be excluded from registration as trade marks, and such an approach should therefore be viewed with caution by courts in Hong Kong.

Despite the somewhat unorthodox interpretation given to the “shapes exclusion” by the hearing officer in *Nestlé*, the controversies relating to the registrability of the KitKat four-fingered wafer bar shape have been somewhat eclipsed by the attention given in this case to the standard required for acquired distinctiveness. It has been suggested that the EWCA's decision in *Nestlé* to deny registration, while arguably correct, does not resolve the concerns highlighted in this article relating to the “technical shapes” issue. As such, the uncertainties raised by the *Nestlé* case will likely have to be addressed directly by Hong Kong courts in future cases involving attempted registrations of functional shapes as trade marks.

*554 In the months leading up to “Brexit”, and in the years after the United Kingdom has formally withdrawn from the EU, Hong Kong courts will have difficult decisions to make in the event of divergences between emerging UK jurisprudence and established EU precedent, including divergent interpretations of established principles. Although UK case law continues to be a persuasive source of guidance to Hong Kong courts on principles of common law, local judges will have to exercise their discretion carefully in order to ensure that the development of Hong Kong trade mark law is driven by sound principles. In the context of preserving fair competition and trade in Hong Kong's economy, decisions such as the *Sony* case provide a preliminary indication that the *Philips-Lego Juris* framework for excluded shapes is viewed with favour in the Hong Kong context. Adopting a broad construction of the “technical shapes” exclusion in line with *Philips* and *Lego Juris* would, in the opinion of this author, be consistent with established trade mark principles, and furnish a much-needed buttress against encroachment of the public domain by attempts to unfairly monopolise functional shapes for exclusive use by individual traders.

Footnotes

1

See *Société des Produits Nestlé SA v Mars UK Ltd*, Case C-353/03 [2005] ECRI-6135, [\[2005\] 3 CMLR 12](#). In this case, Nestlé had attempted to register “Have a Break” as a trade mark, while they already had trade marks for the brand “Kit Kat” and for the slogan “Have a Break, Have a Kit Kat”.

2

See, for instance, *Société des Produits Nestlé SA v Cadbury UK Ltd* [2013] EWCA Civ 1174, an earlier dispute between the two confectionary giants which concerned an attempt by Cadbury to register a shade of purple as a trade mark for some of its chocolate products. The registration attempt was ultimately rejected by the Court of Appeal of England and Wales (EWCA), and leave to appeal against the EWCA's ruling was denied by the UK Supreme Court.

3

Société Des Produits Nestlé SA v Cadbury UK Ltd [2014] FSR 28; *Société Des Produits Nestlé SA v Cadbury UK Ltd* [2016] FSR 8 (CJEU); *Société Des Produits Nestlé SA v Cadbury UK Ltd (No 2)* [2016] FSR 19 (Ch); *Société Des Produits Nestlé SA v Cadbury UK Ltd* [2017] EWCA Civ 358. In the parallel litigation involving Nestlé's registration of the four-fingered wafer shape as an EU Trade Mark, it was held by the Court of Justice of the European Union (CJEU) in its judgment of 25 July 2018 that evidence of acquired distinctiveness must be capable of establishing such acquisition throughout the Member States of the EU in which that mark was devoid of inherent distinctive character, although it was not necessary to submit separate evidence in respect of each individual member state. In dismissing Nestlé's appeal, the CJEU agreed with the General Court that it was not sufficient to show that the mark had acquired distinctiveness in part of the territory of the EU. See Judgment of 25 July 2018, *Société des Produits Nestlé v Mondelez UK Holdings & Services*, Joined Cases C 84/17 P, C 85/17 P and C 95/17 P, EU:C:2018:596, [83] and [87].

4

[Case 299/99 \[2002\] ECR I-5475](#).

5

Case C-48/09 [\[2010\] ETMR 63](#).

6

In the United Kingdom, for instance, the absolute ground for refusal of registration in s 3(2) is not a defect that can be “saved” by the *de facto* distinctiveness provision found in the proviso to s 3(1)(b)-3(1)(d) of the Trade Marks Act. Hence, certain types of functional shapes that have, through use, become secondarily distinctive, are still incapable of registration. It has been observed, in this regard, that the Lego shape was functional and therefore unregistrable by virtue of the shapes exclusion, even though it had acquired a very high degree of distinctiveness. See Tanya Aplin and Jennifer Davis, *Intellectual Property Law: Text, Cases, and Materials* (Oxford: Oxford University Press, 3rd ed., 2017) p 400. Similar provisions can be found in the Hong Kong Trade Marks Ordinance: the restrictions on the registration of shapes in s 11(3) cannot be “cured” by the acquired distinctiveness provision in s 11(2).

7

First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (2008/95 EC; formerly, 89/104/EEC). The 1988 Directive was updated in 2008. The list of excluded signs is also included in art 4(1)(e) of the EU Trade Marks Directive

2016 (Directive 2015/2436 of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks), which has added the words “or another characteristic” to the shape exclusions. It should be noted, therefore, that the 2016 Directive expands the list of excluded signs to include characteristics (other than shape) that result from the nature of goods, that are necessary to obtain a technical result and that give substantial value to the goods. Hence, a shape or another characteristic of goods, such as sound or smell, which produce the above-mentioned effects would also be excluded from registration under the 2016 Directive. The 2016 Directive was adopted in January 2016, and Member States have three years to implement its provisions.

[8](#)

Koninklijke Philips (n 4 above).

[9](#)

Ibid., [81].

[10](#)

Ibid., [79].

[11](#)

[\[2005\] FSR 17.](#)

[12](#)

[Philips Electronics NV v Remington Consumer Products \[2006\] FSR 30, \[52\] and \[61\]-\[62\].](#)

[13](#)

Lego Juris (n 5 above).

[14](#)

Ibid., [54].

[15](#)

Ibid., [52].

[16](#)

Ibid., [56].

[17](#)

Ibid., [57].

[18](#)

Ibid., [60].

[19](#)

Ibid., [59].

[20](#)

Arnold J had formulated a “reliance test” in determining whether there was sufficient evidence of acquired distinctiveness. This involves enquiring into whether a consumer perceives a sign as indicating trade origin exclusively, in effect relying on the sign as a badge of provenance. See *Société Des Produits Nestlé SA v Cadbury UK Ltd (No 2)* (n 3 above), [58]. The EWCA agreed with Arnold J that there was insufficient evidence to demonstrate acquired distinctiveness in the KitKat bar shape. However, Floyd LJ held that while proof of reliance would be sufficient to show acquired distinctiveness, it is not a necessary precondition. Further, Kitchin LJ and Sir Geoffrey Vos noted that it was not sufficient to show that the public recognised and associated an inherently non-distinctive shape with certain products. See [Société Des Produits Nestlé SA v Cadbury UK Ltd \[2017\] EWCA Civ 358, \[108\], \[99\] and \[123\]](#), respectively. This suggests that the actual standard required is lower than reliance but higher than mere recognition. See also Joseph Jones, “Chocolate Wars: The Kit Kat Awakens--Acquired Distinctiveness Not Put to Bed

by the Courts” (2016) 38(5) *EIPR* 307, who observes that a standard of distinctiveness which falls in between “recognition” and “reliance” might be seen as being ambiguous, and would likely generate practical difficulties for traders seeking to demonstrate acquired distinctiveness, bearing in mind that shapes are quite often used alongside other marks in product packaging and marketing.

[21](#)

For a general discussion and critique of the “reliance” standard, see Angela Fox and Janet Strath, “Policy Shapes the Law as Court of Appeal Considers KitKat” (2017) 12(10) *Journal of Intellectual Property Law & Practice* 823, who argue that customers purchasing wrapped food products may never have to rely exclusively on the product's shape as an indication of source when choosing the product, because they do not have to. They note that there is usually some other brand indicator, such as the product's name, which is displayed on the product, and in many cases the underlying shape of the product will not be visible to the consumer at the point of sale. Fox and Strath also expressed surprise that the EWCA was unwilling to accept survey evidence showing overwhelming recognition by the public of a shape as being connected with a particular trader. They suggest that in many cases, a survey will be the only convincing evidence that a shape could be relied upon as indicating origin.

[22](#)

[Case \(C-205/13\), EU:C:2014:2233, \[2014\] Bus LR 1284.](#)

[23](#)

Ibid., [39] and [43].

[24](#)

Ibid., [41].

[25](#)

Société des Produits Nestlé SA v Cadbury UK Ltd, Case C-215/14 [2015] ETMR 50, [54] and [57].

[26](#)

This is assuming of course that there are no other grounds upon which to refuse registration. In the *Nestlé* case, the registration attempt was defeated by the lack of acquired distinctiveness.

[27](#)

KitKat four-fingered wafer bar (Source: [Société des Produits Nestlé SA v Cadbury UK Ltd \[2017\] EWCA Civ 358.](#))

[28](#)

Lego toy brick (Source: [Lego Juris A/S v OHIM \[2010\] ETMR 63.](#))

[29](#)

[\[2007\] 2 HKLRD 786 \(CFD\).](#)

[30](#)

Sony Computer Entertainment Inc v Registrar of Trade Marks (CACV 166-171/2007, [2008] HKEC 2049) (CA), [14].

[31](#)

Ibid.

[32](#)

Sony Computer Entertainment Inc v Registrar of Trade Marks (n 29 above), [17]-[18].

[33](#)

Ibid., [23].

[34](#)

Ibid., [97].

[35](#)

Ibid., [100].

[36](#)

Ibid., [133].

[37](#)

Sony (n 30 above).

[38](#)

Ibid., [15], where the CA noted that:

“In view of the inevitable conclusion in respect of distinctiveness, this court indicated that it considered it would be inappropriate to go on to consider any matters under [the section relating to technical shapes]. Anything this court would say on the matter would be *obiter*.”

[39](#)

Ibid., [14], where Rogers VP held that the hearing officer approached the matter in the correct way and saw no reason to criticise the conclusion that the marks were not registrable, if for no other reason, they lacked inherent distinctiveness.

[40](#)

Ibid.

[41](#)

Ibid.

[42](#)

Ibid., [15], where Rogers VP made the following observation: “I would also point out that there was little, if any, evidence relevant to the section 12 issues, which, in my view, would be necessary if this court were to overrule the findings of the hearing officer and the court below”. Section 12 was the then applicable statutory provision in Hong Kong relating to technical shapes, as explained in the following footnote.

[43](#)

The “technical shapes” exclusion which was applicable to the facts was s 12 of an earlier version of the Hong Kong Trade Marks Ordinance (Cap 43), which has been replaced by the Trade Marks Ordinance (Cap 559). The “technical shapes” exclusion is now governed by s 11(3)(b) of the Trade Marks Ordinance (Cap 559).

[44](#)

Koninklijke Philips (n 4 above), [78].

[45](#)

It should be emphasised, in this regard, that an important purpose of the statutory exclusions against registration of “natural” and “technical” shapes is to address the risk of overlap between trade marks and other intellectual property rights. See, for instance, [Lego Juris v OHIM, Case C-48/09P \[2010\] ECR I-8403, \[46\]](#), where it is observed that:

“[w]hen the shape of a product merely incorporates the technical solution developed by the manufacturer of that product and patented by it, protection of that shape as a trade mark once the patent has expired would considerably and permanently reduce the opportunity for other undertakings to use that technical solution. In the system of intellectual property rights developed in the European Union, technical solutions are capable of protection only for a limited period, so that subsequently they may be freely used by all economic operators.”

[46](#)

It ought to be borne in mind, however, that the scope of the “technical shapes” provision is not confined to shapes that can be patented. Rather, its scope extends to “technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors”, as noted by the CJEU in *Koninklijke Philips* (n 4 above), [78]. According to the interpretation adopted by the CJEU, the term “technical result” is therefore broad enough to encompass features of convenience or functional features that would be desired by the consumer, such as features relating to storage, portability, practical utility, ease of access or use and so forth. Of course, evidence that a shape has potentially patentable features may be useful in demonstrating technical function (as seen in *Lego Juris v OHIM* (n 45 above), [46] and [85]), but patentability *per se* is not and should not be a requirement for a sign to fall within the “technical shapes” exclusion. Hence, although the KitKat bar shape may not itself be patentable, maintaining clear dividing lines between different intellectual property rights remain an important justification for a broad reading of the “technical shapes” exclusion, alongside other policy considerations such as ensuring fair and equitable competition in the marketplace.