

**Nestlé loses latest appeal in Kit Kat 3D trademark battle  
United Kingdom - Cooley LLP**

**Design  
Examination/opposition**

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Nestlé has been dealt another blow in its ongoing battle to register the shape of its Kit Kat chocolate bar as a UK trademark. The Court of Appeal has recently dismissed Nestlé's appeal which sought to overturn an earlier High Court finding that Nestlé's three-dimensional (3D) Kit Kat shape trademark had not acquired distinctive character.

## Facts

In 2010 Nestlé applied to register a 3D trademark in the United Kingdom for the shape of its Kit Kat chocolate bar.

The application was successfully opposed by Cadbury, with the hearing officer finding that the Kit Kat shape lacked inherent distinctiveness and had not acquired distinctive character under Section 3(1)b of the Trademarks Act 1994. On appeal to the High Court, Justice Arnold referred a number of questions to the European Court of Justice (ECJ), although only the ECJ's judgment on acquired distinctiveness is relevant here. In brief, the ECJ held that in order to evidence acquired distinctiveness, Nestlé must establish that a significant proportion of the relevant public regard the trademark as indicating the origin of the goods, as opposed to any other mark which might also be present.

The [High Court's decision in early 2016](#) found that the hearing officer did not err in law on the issue of acquired distinctiveness and Nestlé's appeal was dismissed. Nestlé appealed to the Court of Appeal.

## Decision

The Court of Appeal was unanimous in its decision to dismiss Nestlé's latest appeal. Lord Justice Kitchin addressed the significant distinction between well-known marks and marks that had acquired distinctiveness, stating that a well-known mark does not necessarily equate to being perceived as a badge of origin. The significance of this distinction lies in the considerable value of a trademark registration for a 3D shape, where the mark itself must be seen as a badge of origin. Consumers must not only perceive the goods designated by the mark as originating from a particular undertaking, but must rely upon the mark for that purpose. Accordingly, the hearing officer's original finding that consumers only associated the trademark with Kit Kat was fatal to Nestlé's application.

Nestlé submitted survey evidence to support its submission that its application had acquired distinctiveness ahead of the filing date. However, the Court of Appeal upheld the hearing officer's finding that the survey evidence did not establish any more than recognition of the mark, which was insufficient to meet the threshold for acquired distinctiveness.

Nestlé had argued that the hearing officer's decision unduly imposed a requirement that consumers had to rely on the mark as a matter of past transactional behaviour, for example, use in advertising and on packaging. However, Lord Justice Floyd held that for a finding of acquired distinctiveness, the evidence should not merely show extensive use, but should also show that the use had educated the public to understand that the shape was indeed a badge of origin.

## Comment

The Court of Appeal's decision serves as a further reminder of the difficulties faced in registering 3D trademarks. In stark contrast to a registered design, given the possibility of monopolising a shape indefinitely, the courts are understandably reluctant to allow such marks unless the extremely high threshold of distinctiveness is met. It remains difficult for brand owners to evidence acquired distinctiveness of shape marks, since consumers are not in the habit of making assumptions about the origin of products on the basis of their shape.

It remains to be seen if the Court of Appeal is the final stop for Nestlé in its attempt to obtain a shape mark for its four-fingered chocolate bar.

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