

## CASE NOTE – TRADE MARKS

### In the Matter of a Trade Mark Application by Ferrero S.p.A. [2019] SGIPOS 19

Shape mark protection is notoriously mercurial. There are a myriad of additional restrictions that a shape mark has to negotiate before it will be accepted for registration: the shape cannot result from the nature of the goods; the shape cannot be functional; the shape cannot add substantial value to the goods themselves, etc.

On top of all that, the shape must also be shown to be distinctive—i.e., it must be so materially different from basic, common, or expected shapes that a consumer will be able to identify the goods just by their shape. Courts are usually reluctant to find this: it is an established principle across the common law world that consumers are not in the habit of making assumptions about the origin of products on the basis of their shape in the absence of any graphic or word element.

#### The *Ferrero Rocher* praline

The present case concerns a shape mark application filed in six years ago—in 2013—by Ferrero S.p.A. for the shape of its Ferrero Rocher pralines:



On account of how ubiquitous these chocolates are in Singapore and how extensively they are promoted, one might reasonably have assumed that such a shape mark would be a shoo-in for registration.

This was not to be: the IP Adjudicator hearing Ferrero's ex parte submissions, Mr. David Llewelyn, disagreed that Ferrero's application was sufficiently distinctive for registration. In particular, he refused its registration for lacking both inherent and acquired distinctiveness, despite robust evidence adduced by Ferrero in relation to sales revenue, point-of-sale and social media advertising, and even a market survey.

#### The Law: Mere Association vs Designation of Trade Origin

The key threshold that Ferrero had failed to cross was that dividing a mere association from a designation of trade origin.

Showing that a shape is well-known or that it has been sold and promoted extensively will not, per se, be sufficient for registration—consumers may simply regard the shape as a characteristic of products of that kind or they might find that it brings to mind the brand name with which they have already become familiar. These types of recognition and association do not amount to distinctiveness for trade mark purposes.



The difference is a conceptual one: such recognition or association does not necessarily translate into the public perceiving the shape as a badge of origin such that they would rely upon it—alone—to identify a product as emanating from a particular source. This is a crucial distinction that the IP Adjudicator was well attuned to.

There is a good policy reason for distinguishing mere association from trade origin designation: to protect against unfair trade practices whereby large corporations may be able to bully a smaller competitor into dissolution via a carefully coordinated marketing and trade mark registration campaign—what Jacob J. in Unilever plc’s Trade Mark Application [2003] RPC 35 called a “sleight of hand.”

The trick goes like this: assuming a shape was allowed to be registered on the basis of mere association or recognition, a large corporation with significant resources may be able to game the system to drive its competitors out of the market. It would start by simply selling and advertising its product so extensively that the packaging or shape of this product would, collaterally, become well-known. It would then be able to secure a shape mark registration on the basis of acquired distinctiveness despite not once having relied on the shape alone to designate trade origin. With a registration in hand, the large corporation would then be in a position to restrain third parties from selling similarly-shaped products. The ease of which such shape marks may morph into disguised monopolies if granted simply on the basis of extensive use or promotion runs counter to the public interest and is something that the courts have continually been guarding against.

### **Evidence of Acquired Distinctiveness**

In the six years since it applied for this trade mark, Ferrero had submitted multiple statutory declarations to try and prove that its shape mark was worthy of protection, or, in the words of the Trade Marks Act, that it had “in fact acquired a distinctive character as a result of the use made of it.” This included evidence of extensive sales, significant amounts of advertising expenditure, a selection of point-of-sale material, social media advertising, and a market survey.

However, the evidence as a whole failed to satisfy the IP Adjudicator. While there had been extensive sales to and in Singapore of Ferrero Rocher pralines, the overwhelming majority of such sales were in boxes that featured prominently the word mark “FERRERO ROCHER.” Ferrero therefore could not claim that they had relied on the shape alone as a badge of origin.

Further, to the IP Adjudicator, Ferrero’s shape mark was simply a composite mark made up of functional or decorative elements, none of which added anything to the distinctiveness of the shape mark as a whole. Merely combining a number of elements of packaging, which is what Ferrero had done with a crinkled gold sphere, a brown pleated paper cup, and an oval white sticker, did not entitle them to a registered trade mark. Ultimately, the trade origin threshold had not been crossed.

### **Conclusion**

This case is significant because it upholds the key principle that registration of a shape or packaging as a trade mark does not automatically follow from extensive promotion, advertising, or sale of the product. If Ferrero were granted this shape mark registration, they would have been able to frighten off other traders who

are legitimately using one or more of the elements of that packaging (the gold spherical shape, the paper cup, or the white oval sticker) for their own chocolate products. Their efforts to register this shape as a trade mark were therefore, in the IP Adjudicator's own words, a "sleight of hand that goes even further than that in the pure 3D shape mark cases."

Ferrero did not appeal this decision.

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*We wish to express our thanks to Aaron Thng for his contributions to this case note.*

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