

No breaks in Europe for KitKat bars: Stripped of design protection

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Europe's highest court has invalidated trademark protection covering the shape of the KitKat bar, on the basis that it is not distinctive, in *Société des produits Nestlé v. Mondelēz UK Holdings & Services* ECLI:EU:C:2018:596. The case came before the European Court of Justice as an application by Cadbury Schweppes (now Mondelēz) seeking to cancel the EU trademark registration belonging to Nestlé that covered the three-dimensional four-fingered shape of its KitKat chocolate bar. (To read the case, click [here](#).)

Nestlé had successfully registered the design mark in the EU in 2006, but when challenged for lack of distinctiveness, Nestlé was unable to show that the mark had acquired distinctiveness throughout the EU as being associated with Nestlé's KitKat bar.

In particular, the European Court found no evidence that shoppers in Belgium, Greece, Ireland or Portugal would identify the shape as originating from Nestlé. Mondelēz was able to demonstrate that its *Kvikk Lunsj* (which translates to "quick lunch") bars introduced to Norwegians in 1937, two years after the KitKat was first sold in the United Kingdom, also used the same shape and are widely known and sold throughout Europe. The practical effect of the decision is that Mondelēz, and potentially others, are able to use the four-finger shape for chocolate bars in Europe.

However, a part of the decision has been sent back to the European Union Intellectual Property Office to determine if the KitKat bar retains distinctive character in a sufficient portion of the EU to be maintained as a trademark in some member states.

The obvious question for Canadian lawyers is whether this case would have been decided in the same fashion in Canada. While the legal battle over the rights to the chocolate bar shape in Europe turned on the question of acquired distinctiveness, we could expect that a Canadian court would likely reach a similar conclusion, but by a different path based on the doctrine of functionality.

In *Kirkbi AG v. Ritvik Holdings Inc.* [2005] 3 S.C.R. 302, a unanimous court held that trademark protection cannot be used to extend rights in the functional design of Lego blocks, previously protected by patents and sold for over 50 years in Canada and elsewhere around the world.

The Supreme Court of Canada was undoubtedly influenced by the existence of the prior patents, which extended protection to the functional aspects of the design, in determining that the expired rights could not then become the subject of trademark protection over the same design. The court also noted that Kirkbi AG had tried and failed to obtain registered trademark rights upon the expiry of its Canadian patents for the Lego construction blocks.

In the result, Kirkbi was unsuccessful in its bid to claim damages for passing off against its

competitor, Ritvik Holdings Inc. (now Mega Bloks), who had started to sell interchangeable construction blocks when the patents for Lego expired. The rationale for the decision includes an assessment that “trade-mark law is not intended to protect the competitive use of utilitarian features of products,” and consumers need to be able to distinguish between a trademark, which is a symbol applied to a product, and the product itself.

The decision concerning Lego blocks is also consistent with prior cases in Canada that have failed to recognize protection for the shape of a functional feature like the circular shape of electric razor heads (*Remington Rand Corp. v. Phillips Electronics NV* [1995] F.C.J. 1660) or refused to register as a trademark the colour blue as applied to a pill shape for lacking distinctiveness, despite the popularity of Viagra (*Pfizer Products Inc. v. Canadian Generic Pharmaceutical Association* [2015] F.C.J. 470).

Just as the studded Lego block design was found to be purely functional and thus unprotectable under Canadian trademark law, a similar result would likely befall the four-fingered shape of a KitKat. Nestlé itself has highlighted the functional aspects of the bar design in its pre-2000-era advertising, telling us all to “break me off a piece of that KitKat bar” — along the ridges separating the four rectangular fingers.

The European decision is a tough break for the owners of the KitKat bar, which is likely to have fallout in markets elsewhere, including Canada.

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