

CANCELLATION No C 7 527 (INVALIDITY)

Verdes Innovations S.A., Chiliomodi, 20008 Corinthos, Greece (applicant), represented by **Kunze Rechtsanwälte - Solicitor (England & Wales) PartG mbB**, Maximiliansplatz 12 b, 80333 Munich, Germany (professional representative)

a g a i n s t

Spin Master Toys UK Limited, Secure Trust House, Boston Drive, SL8 5YS Bourne End, United Kingdom (EUTM proprietor), represented by **Sbgk Ügyvédi Iroda**, Andrásy út 113., 1062 Budapest, Hungary (professional representative).

On 25/03/2022, the Cancellation Division takes the following

DECISION

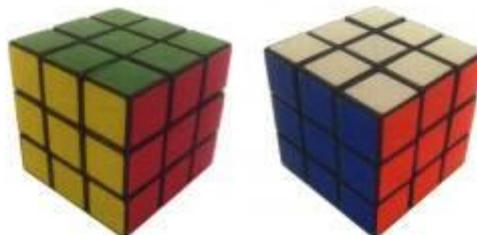
1. The application for a declaration of invalidity is upheld.
2. European Union trade mark No 5 696 232 is declared invalid in its entirety.
3. The EUTM proprietor bears the costs, fixed at EUR 1 150.

Preliminary remark

As from 01/10/2017, Regulation (EC) No 207/2009 and Regulation (EC) No 2868/95 have been repealed and replaced by Regulation (EU) 2017/1001 (codification), Delegated Regulation (EU) 2017/1430 and Implementing Regulation (EU) 2017/1431, subject to certain transitional provisions. All the references in this decision to the EUTMR, EUTMDR and EUTMIR should be understood as references to the Regulations currently in force, except where expressly indicated otherwise.

REASONS

On 25/01/2013, the applicant filed a request for a declaration of invalidity against European



Union trade mark No 5 696 232 (shape mark) (the EUTM), filed on 06/02/2007 and registered on 09/01/2008. The request is directed against all the goods covered by the EUTM, namely:

Class 28: *Toys, games, playthings and jigsaw puzzles, three dimensional puzzles; electronic games; hand-held electronic games.*

The applicant invoked Article 52(1)(a) CTMR (the version in force at the time of filing, Article 59(1)(a) EUTMR now) in conjunction with Articles 7(1)(a),(b),(c) and 7(1)(e)(i)(ii)(iii) CTMR (now Articles 7(1)(a),(b),(c) and 7(1)(e)(i)(ii)(iii) EUTMR).

The present application for a declaration of invalidity was filed on 25/01/2013 and as such the Community Trade Mark Regulation was valid at the time of filing of the application. However, as mentioned in the preliminary remark, reference will be made to the EUTMR and the contested EUTM, although the provisions at the time of filing will be considered.

SUMMARY OF THE PARTIES' ARGUMENTS

The case for the applicant

The applicant provides a history and success of its company that develops and markets toys, particularly playing cubes. It discusses the different types of cubes which can be 2x2x2, 3x3x3, 4x4x4 and 5x5x5 and that a new more complex cube of 6x6x6 was invented and then patented in 2004 in Greece and in 2007 in Europe. The applicant also states that it owns various other intellectual property rights including trade marks and design rights. It claims to be a well-known developer of toys and playthings and owns all rights worldwide to license, manufacture and distribute the so-called 'Rubik's Cube'. It points out the description which is included in the contested EUTM "Six surfaces being geometrically arranged in three pairs of parallel surfaces, with each pair being arranged perpendicularly to the other two pairs characterized by (i) any two adjacent surfaces having different colours which are red (PMS 200C*), green (PMS 347C*), blue (PMS 293C*), orange (PMS 021C*), yellow (PMS 012C*) and white and (ii) each such surface having a grid structure formed by black borders dividing the surface into nine equal segments; the graphic representation of the mark shows two three-dimensional views of the mark from a side angle and a front view of each of the six sides".

The applicant states that the proprietor has made and continues to make endeavours to intimidate the applicant by alleging that the applicant supposedly infringes its different EUTMs, including the contested EUTM which cover Class 28. The applicant states that the proprietor has sent warning letters to the applicant demanding the applicant to stop using the sign, in Germany and in the US (although it did initiate proceedings in these territories). The proprietor initiated proceedings against the applicant in Hungary to restrain the applicant from distributing puzzle toy cubes in Hungary. These proceedings were rejected and had been appealed. The applicant considers the proprietor's behaviour as unacceptable.

The applicant then lays out the relevant law and extensive arguments under the different grounds of the application for a declaration of invalidity.

In relation to Article 7(1)(e)(ii) EUTMR (the version in force at the time of filing) the applicant lays out the relevant law and judgments and makes extensive arguments. It argues that if a trade mark comprised of a shape is registered it creates a monopoly on a technical solution and restricts competitors from selling the same puzzles that incorporate a function of movable or rotatable constituent elements. It should not also limit the choice of competitors to achieve such or other technical functions for their own products especially after the patents have expired. The applicant argues that even if there are one or more minor arbitrary elements in a three-dimensional sign, all of which are essential characteristics directed by the technical solution to which the sign gives effect, it would not alter the conclusion that the sign consists exclusively of the shape of the goods necessary to obtain a technical result.

The applicant states that the essential characteristics of the sign must be identified and it must be determined whether they all perform the technical function and necessarily provide a technical result in the goods. In relation to *three-dimensional puzzles* the applicant claims that all of the essential characteristics are 'exclusively' and of 'necessity' in the technical function. The applicant points to the description of a cubes characteristics as "The final cube is made of 26 individual cubes with each layer of 9 twisting over a central axis together by the cube's unseen internal shape". It further points to the description as "Essential to its beauty was the apparent simplicity of Rubik's design 26 small cubes (cubees) held together by one central mechanism to form a large cube that could be twisted horizontally and vertically through 360°". The so-called 'Rubik's cube' as reflected by the EUTM has three layers per direction of the three-dimensional rectangular Cartesian coordinate system, having on each face nine planar square surfaces each one having identical colours, i.e. in total 54 coloured planar square surfaces. To solve the game the user must rotate the layers of the cube so that, finally, each face of the cube has the same colour. The geometrical arrangement is given by the need to have the layers rotate, i.e. they perform the function of the cube to be rotated in as many directions as possible.

The applicant also claims that the shape of cubes as in the EUTM has been disclosed in a number of expired patents in relation to logic toys in favour of Mr. Rubik who had then assigned all of these rights to the proprietor who was the owner of Hungarian patent HU170062. Although the applicant acknowledges that the existence of a patent does not prohibit the registration of a trade mark, however, if the sign consists exclusively of the shape of the goods that is necessary to obtain a technical result then it would be barred from being monopolized. The applicant argues that the patents show that the features therein or claimed thereby are functional and therefore, cannot be monopolized as a trade mark. It further argues that the timing of the publications of the applicant's patents and the filing of the trade marks are far from coincidental, as are the filing of a series of three-dimensional trade marks following the presentation of the applicant's products. The applicant claims that the proprietor stated in an email to the applicant that not only the shape of the cube as such enjoys trade mark protection but the protection is caused by the orthogonal segmentation of the cube design. This, the applicant argues, is in line with the patents as well as publicly available works which describe the functional elements of the so-called 'Rubik's cube' and the existence of the orthogonal segmentation that allows the cube logic toy to rotate. Hence they have a technical function.

The applicant argues that the three-dimensional toy having 3x3x3 cubes, allows for 43 quintillion incorrect answers as opposed to one true answer. This, it claims, shows exactly the function, motion and the rotational mechanism of the cube are fundamental characteristic and the reason for its success. The applicant cites a number of judgments on which it relies. It further argues that the shape of the cube adds substantial value to the product and makes arguments in this respect. The applicant points out that the proprietor's trade marks were filed after the presentation of the applicant's toy cubes at the International Toy Fair in Nuremburg at the beginning of 2011.

The applicant submits further evidence and arguments in relation to the other grounds on which the request is based which will not be detailed unless necessary at a later point.

In its reply to the proprietor the applicant insists that the EUTM should be invalidated and contests the arguments and observations of the proprietor. The applicant argues that it is not decisive whether a sign is 2D or 3D and no distinction can be made in this respect if the sign consists exclusively of the shape which results from the nature of the goods themselves or the shape is necessary to obtain a technical result, regardless if there are alternative shapes with other dimensions or another design capable of achieving the same technical result. It claims that it is not only in instances where there is a major non-functional element, i.e. a decorative or imaginative element which plays an important role in the shape and cites the

judgment 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 52. The presence of one or more arbitrary elements in a three-dimensional sign, all of whose essential characteristics are dictated by the technical solution to which that sign gives a fact, does not alter the conclusion that the sign consists exclusively of the shape of the goods which is necessary to obtain a technical result.

The essential characteristics must be identified and seen as the most important elements of the sign. The 'technical result' is a broad term which includes, for example, that it fits with another article; gives the most strength; uses the least material; or facilitate convenient storage or transportation. The applicant again refers to the 'Lego brick' judgment (cited above) in which 'construction toys' were encompassed in Class 28 and the Lego brick's various functions all performed a particular technical function. Indeed in that judgment the Court took account of the previous patents which described the functional element of the shape concerned. As the shape in the contested EUTM was subject to a patent claim it is evidence that the shape is functional and necessary to obtain a technical result. The applicant criticises the proprietor's observations and says they are unfounded and that the proprietor has not given any reasonable explanations of its view and ignores the applicant's evidence. It contests that the grid structure does not give any indication as to the function of the product and claims this is misleading. It insists that this is necessary to obtain a technical result, as without it the product technically would not function and even if it were only decorative it would be immaterial to the outcome of the proceedings. The applicant again points to the wording of the US patent 4,378,116 which states: "In such a manner the colours, figures, numbers, or any other symbols (e.g. dominoes) on the outer surfaces of the toy elements forming the surface of the spatial logical toy according to the invention yield innumerable possible variations serving, in particular, for simulating the logical thinking of teenagers, simultaneously making possible the set of rules of different indoor games as well as the performance of the same" (paragraph 35, et seq.). The applicant argues that this point is reinforced by the proprietor through its own marketing, such as in the picture in Exhibit 1 of the proprietor where the rotational feature is emphasized and also in Exhibits 3 and 4 in which the rotation is described as the main feature of the so-called 'Rubik's cube'. Most of these pictures show a product in a rotational stage which the applicant claims supports its position. The applicant also points to the fact that the patent emphasizes that the colours form part of the invention encompassed by the patent i.e. the technical innovation. Even if the colours were not viewed as obtaining a technical result they are not a main characteristic and are merely decorative or imaginative and cannot serve as an indication of origin and

cites the proprietor's failed EUTM application No 5 650 817  which could not be registered as it did not overcome the threshold of Article 4 EUTMR. Therefore, the applicant contests all of the proprietor's arguments and insists that the shape of the sign serves a technical function. The applicant also submitted observations in support of the remaining grounds of the application which will only be listed in detail if necessary at a later point.

In regards to the proprietor's claims concerning Article 7(3) EUTMR the applicant points out that a claim under this Article cannot overcome an objection regarding the shape of the mark under Article 7(1)(e) EUTMR and therefore, it must be disregarded in regard to this ground. Finally, the applicant comments on the decision of the Cancellation Division in the parallel proceedings which rejected a similar sign involving the shape of a so-called Rubik's cube. The applicant argues that the Office is not bound by its previous decisions. Therefore, it claims that the application should be entirely upheld and the EUTM should be entirely invalidated.

After the suspension of the proceedings was lifted the applicant was invited to submit further observations. It again contests the proprietor's arguments and claims they are a strategy of distracting from the issues at the heart of the proceedings. The applicant points to the



parallel proceedings regarding the EUTM No 162 784 in which the decision of the Board of Appeal of 19/06/2017, R 1546/2008 invalidating the mark was confirmed by the General Court in 25/11/2014, T-450/09, CUBES (3D), EU:T:2014:983. The European Court of Justice then set aside the aforementioned judgment and annulled the decision of the Board of Appeal in their judgment 10/11/2016, C-30/15 P, CUBES (3D), EU:C:2016:849 as Article 7(1)(e)(i) EUTMR was applied incorrectly. By a further decision of the Board of Appeal of 19/06/2017, R 452/2017-1 it upheld the application and invalidated the EUTM



No 162 784 . The final appeal of the proprietor was rejected and thus the Board of Appeal decision has now become final. The applicant states that the proprietor continues to argue desperately that the contested trade mark and the other trade marks in its portfolio which consist of different representations of the cube are still valid.

The applicant repeats, confirms and expands its previous arguments regarding the shape of the sign being necessary to obtain a technical result and makes reference to the above cited decision and judgments in the parallel proceedings to back up its assertions. It asserts that the black grid, the square as well as the colours have to be examined together and not in isolation as together they perform the technical function that renders the trade mark null and void. The applicant claims that this case is even clearer than the previously cited parallel proceedings as the colours in the present case are not mere hatches but must be said to be the result of a technical function and therefore are an essential characteristic of the cubes, this is reinforced by the description relied upon by the proprietor. It argues that the Board's decision must be followed. It argues that the proprietor's argument that there exist alternative shapes and different grid structures must also be rejected and refers to the judgment of the General Court in the parallel proceedings 24/10/2019, T-601/17, Cubes (3D), EU:T:2019:765, § 90, 91, 97 and 98. The applicant argues that the colours on the six faces of the cube show a technical characteristic and refers to paragraph 99 of the aforementioned decision of the Board of Appeal. The applicant quotes Mr. Rubik's arguments from related infringement proceedings before the Regional Court of Hamburg against the applicant. In paragraph 20 of the statement in those proceedings he states "I directed that each of the sides to be given a single colour, and I specifically chose bright colours, which were not too close to each other. This made the cube more exciting when its composite cubes change its juxtaposition". Furthermore, in that statement Mr. Rubik, in paragraph 14 stated "I put different coloured stickers on the surfaces of the little cubes so I could distinguish where each cube was going". Therefore, the applicant argues that the proprietor itself confirms that the colours have a functional role to meet the purpose of the claimed goods, namely a toy to be played with, including a puzzle in the form of a 3D rotating cube.

The applicant again insists that the proprietor is trying to monopolise the shape and points to further disputes between the parties, a court action with the District Court of Hamburg against the applicant's German distributors of its goods, seeking a permanent injunction to the applicant's goods being distributed in Germany. The proprietor claimed it owned copyright and trade marks to the shape and sign and that it had a substantial market recognition in Germany and also claimed breach of German Unfair Competition Law. The proprietor has also taken proceedings against the applicant's French distributor. It argues that this attack, against the applicant and its distributors and against not only 'flat cubic surface' shapes but also against 'pillow cubes' shows that the proprietor is trying to claim rights over all these 3D shapes trade marks. Many of the attacked signs do not have black

grid marks and contain different colours also. The applicant also submits further arguments in relation to the other grounds. It insists that the mark must be entirely invalidated.

The applicant submitted the following evidence in support of its application:

On 25/01/2013:

- Attachment 1: A copy of the applicant's European patent as well as catalogues of its goods, awards, lists of registered patents around the world, samples of its products and various advertisements in the famous trade magazines of the toy industry.
- Attachment 2: Registration details concerning the applicant's EUTM registration

No 7 034 044  and EUTM No 6 972 211 

- Attachment 3: Copies of various European designs for products in the field of playing cubes.
- Attachment 4: Excerpts from the proprietor's website www.seventowns.com.
- Attachment 5: A warning letter from the proprietor to the applicant in 2012 prior to the International Toy Fair in Nuremburg.
- Attachment 6: The applicant's lawyers' response to the proprietor's warning letter.
- Attachment 7: A warning letter from the proprietor to the applicant in 2012 prior to an toy fair in New York.
- Attachment 8: The applicant's lawyers' response to the proprietor's warning letter.
- Attachment 9: The proprietor's request for a grant of an interim injunction in Hungary against the applicant.
- Attachment 10: The decision of 07/11/2012 in the Hungarian proceedings which was rejected although the decision was later appealed.
- Attachment 11: Screenshots from the proprietor's website in which it claims to have exclusive rights "In its three-dimensional form and any graphic or photographic representation of it, in any configuration, coloured or uncoloured, whether it carries the Rubik's Cube name or Logo" and also "Seven Towns Limited owns all the international rights in the Rubik trademarks and in the overall images of the Rubik cubes...".
- Attachment 12: A copy of the UK judgment of 16/11/2012 regarding the UK trade mark registration No 2 154 349.
- Attachment 13: Extracts of a work entitle 'The Art of the puzzle: astounded and confounding – Mechanical puzzles, their history and their challenge' by Jerry Slocum.
- Attachment 14: An excerpt from 'Humble masterpieces 100 everyday marbles of design'.
- Attachment 15: An extract from 'Phaidon Design Classics' and the 'The Design Encyclopedia' from 1984.
- Attachment 16: Information on the functioning of a cube to be rotated in many directions.
- Attachment 17: Expired patents for logic toys in favour of Mr. Rubik which involved the shape of cubes.
- Attachment 18: The assignment of rights all of these rights to the proprietor who was the owner of Hungarian patent HU170062.
- Attachment 19: An email from the proprietor to the applicant dated 05/08/2003.
- Attachment 20: Printouts from a Google search on cubes.
- Attachment 21: Pictures of many different 3D puzzles that are using a 3x3x3 cube representation. Some are famous puzzles and are not limited to rotational mechanisms.

On 17/07/2021:

- Attachment 22: Statement of Mr. Rubik in his statutory declaration of 26/02/2015.
- Attachment 23: Copy of a further statement of Mr. Rubik dated 25/11/1998.
- Attachment 24: Copy of a statement of claim filed in the District court of Hamburg against the applicant's German distributors of its goods, seeking a permanent injunction to the applicant's goods being distributed in Germany, it is in German with no translation into English.

The case for the EUTM proprietor

The EUTM proprietor contests the applicant's arguments and argues that none of the grounds of the application are well-founded. It provides a history of the proprietor and its 'outstandingly reputed' puzzle toy, the Rubik's Cube for which it has the sole world-wide license of the Rubik's name and brand since at least 1986. It argues that the characteristic shape and outside appearance and the Rubik's brand are highly famous throughout the world and is a symbol of human creativity. The Rubik's cube is a 3D mechanical puzzle invented in 1974 by Mr. Rubik and was first marketed in 1980 and by 1982 it was so well-known that almost one in every three households possessed at least one cube. It was originally called the 'Magic Cube' and has won many awards, including the Toy of the Year in 1980 and 1981 and this award promotes the value of toys to the consumer and represents about 75% of the toy trade. It was also nominated for the 'Toy of the Century' by the same association, the British Association of Toy Retailers. The Cube has also been exhibited in the Museum of Modern Art in New York in 1981. It is widely considered by the toy industry experts to be the world's best-selling toy and has sold millions of units per year worldwide. The Cube has been referred to in a huge number of media and press articles, books and on websites over the past three decades and this has contributed to the permanent and outstanding awareness thereto in the EU. Moreover, the Cube has appeared in many movies, series and music videos which it lists and even its own animated series 'Rubik, the Amazing Cube'. The proprietor has many licensees and distributors in Europe and worldwide regarding the shape and black grid outside appearance of the Cube and its awareness is known outside of the toy industry also as these companies also advertise their own goods and services. The proprietor informs that there are over 300 companies worldwide using the black cage and it names a number of them and states that 142 licenses were granted to third parties for use of the Cube in advertising and promotional campaigns. As they want to profit from the increased attractiveness which their goods or services gain through use of the famous brand, the number of licenses illustrates how valuable and well-known the brand is. The Cube is sold in 13 countries of the European Union and represents a turnover in the millions of USD from 2002-2006. Over 5 million Rubik's Cubes have been sold in the EU in the five years prior to 2013.

In relation to Article 7(1)(e) EUTMR the proprietor relies on the Lego Brick judgment (cited above) and notes that the ground excludes from registration signs consisting 'exclusively' of the shape of the goods which is necessary to obtain a technical result when all of the essential characteristics of a shape perform a technical function. Thus a sign which incorporates a major non-functional element, such as a decorative or imaginative element which plays an important role in the shape could not be refused. The proprietor insists that the essential characteristics of the shape must be determined objectively on the basis of the representation of the mark as filed and not on any alleged or supposed invisible features and without any presumptions, knowledge of or reference to the applicant, the applicant's business activity or the products of the applicant. Moreover, the functionality aspects must be assessed with respect to the goods for which the mark is registered, which are goods in Class 28 in the present application. The registered goods can have indefinite forms and shapes with many different functions and technical solutions. The proprietor claims it is also clear and evident that jigsaw puzzles have a very specific outside appearance with cut

puzzle parts, which has nothing to do with the representation of the contested EUTM. Furthermore, it argues that three-dimensional puzzles cover a wide category with no particular outside appearance, function or technical mechanism. Therefore, they can embody numerous shapes with a lot of functions and operations and the same can be said of mechanical puzzles.

The proprietor argues that from the classification of the goods it cannot be concluded what the technical function or result to be examined or sought is when assessing the representation of the EUTM without any prior knowledge of the famous Rubik's Cube. It also cannot be found that the cube is moveable and that the technical result of the product in question is twisting and rotating the faces of the cube. The examination must be carried out on the sign as registered and not on any alleged invisible features. The representation consists of two perspectives of a 3x3x3 cube where each surface have different colours and each square is separated by a thick black contour, the black grid structure is the main essential characteristic of the sign. The proprietor argues that the representation is not suggestive of any particular function of any of the contested goods. The cubic shape and grid structure does not give any indication whatsoever of its function or even its structure and the grid which divides it into nine equal squares does not possess any technically functional purpose. Similarly it argues that the colours on the surfaces do not suggest any technical function or advantage in the mark and are purely decorative and arbitrary and have no rational or functional reason to use any colour on the mark or the actual specific colours which were used. It claims that it is impossible to argue that the sign (shape) in question imparts any technical effect or advantage in relation to the goods as the shape is regular and geometric and provides no clues as to the puzzle that it embodies. It argues that the well-known rotating capability cannot be taken into consideration when assessing the sign under this ground and without further information or knowledge the sign does not point toward the shape of a toy or plaything. Moreover, even if this prior knowledge was taken into consideration the sign as registered gives no indication of movement or rotation. Therefore, the proprietor argues that the essential characteristics of the mark (the cubic shape with the black grid structure and colours) has no connection to any technical function or purpose for any of the goods in question.

The proprietor contests the applicant's evidence concerning references in various publications dealing with puzzles in general or specifically the Rubik's Cube and claims they are irrelevant and strongly misleading. It again argues that any information or knowledge of the function, operation and purpose of the cube or any alleged or supposed invisible feature of the cube must be left out of consideration when assessing the mark under this ground. As such, this evidence from the applicant must be disregarded. It admits that the shape was previously covered by patent protection but points out that simultaneous forms of intellectual property protection can be sought and can exist in parallel and this does not impact the existence and validity of each other. The proprietor claims that the subject matter of the protective scope of these rights are different, a patent is a technical solution while a trade mark is a sign capable of being represented graphically, this difference is important and relevant. It argues that the subject of the prior patent was the solution used for the capability of twisting and rotating the vertical and horizontal lattices of the cube while the present contested mark is a particular sign with a cube shape and a highly distinctive and special black grid structure and specific and arbitrary colours which is represented graphically in the registry and has nothing to do with the technical solution of the patent. It points to the patent document submitted by the applicant and states that it does not present the colours of the contested mark or the thick black grid structure, which are all essential characteristics of the sign and represent cubes with different appearances which are dissimilar to the contested mark. Thus, it argues that the technical solution is independent from the essential characteristics of the mark. It argues that the distinctive and individual creation with an arbitrary appearance and aesthetic value is subject to copyright protection as well, as was confirmed by several court/administrative decisions issued in different EU Member States. It

contests the applicant's arguments regarding the orthogonal segmentation of the sign and denies that it is functional but that it is decorative and distinctive within the sign, the same applies to the colours chosen. As such, it denies that, without further knowledge, the black grid can be associated with any technical function in relation to the goods or what function it refers to. The black grid may refer to the deconstruction or suppression of the squares. Therefore it argues that this ground must be rejected.

The proprietor refers to parallel proceedings with another applicant (Simba Toys GmbH) in cancellation proceedings 1956C under the same grounds and which was rejected on 14/10/2008 and this decision was upheld by the Board of Appeal. Therefore, it claims that the same conclusion must be found in the present case under the principle of equal treatment and sound administration. Moreover, it highlights that the Hungarian affiliate of Simba Toys GmbH & Co. KG also filed a cancellation against the Hungarian extension of the IR No 715 571 on 02/10/2006 and the subject matter is similar to the contested mark with the black cage sign of the proprietor for three-dimensional puzzles in Class 28. This request was rejected in its entirety and it quotes the decision. The proprietor submits arguments and evidence to prove that it has acquired distinctiveness through use and it also submits extensive arguments in relation to the other grounds of the application which will not be listed in detail at the present time. It therefore, requests that the application for invalidity be rejected in its entirety.

In its rejoinder the proprietor contests the arguments of the applicant in full and argues that none of the grounds of the application are well-founded. It confirms, repeats and expands its previous arguments. It makes arguments in relation to all of the grounds. In relation to Article 7(1)(e)(ii) EUTMR it repeats the law and definitions that it has previously provided and confirms its previous arguments. It contests all of the applicant's arguments. It submits that the cubical shape, the thick black grid structure and the specific colours can be identified as essential characteristics of the mark and the applicant could raise no argument as to why any of these are not essential characteristics or name what it considered as essential. The proprietor argues that the applicant has failed to prove this ground. The proprietor argues that the colours of the surfaces do not have or suggest any technical function or advantage to the mark. They are purely decorative elements, chosen arbitrarily and there is no rational or functional reason to use any colour on the mark or the specific colours as chosen. The proprietor points out that the applicant also states this in its observations that the colours are decorative or imaginative elements. The proprietor points to the Lego Brick judgment to argue that decorative or imaginative elements are considered non-functional. It highlights that the US patent No 4,378,116 does not make any reference to any colour and the patent claim, as argued by the applicant, should be taken into consideration.

The proprietor insists that the black grid does not have any technical function, even if its seen as dividing the cube into elements, which it does not consider true, it is impossible to determine its function. It argues that the grid may refer to the deconstruction or suppression of the squares. Even if the rotating function of the Rubik's Cube is taken into consideration it is not required for the rotation of the small parts; the thickness of the gridlines can be different; the gridlines do not have to be black; the grid does not have to consist of equal square elements, as there are alternative shapes with the same function (round, asymmetric etc) which result in a different grid construction; and the grid does have to consist of nine elements. It provides examples of different shapes and grid structures and states that the black grid structure was not contained within the subject US patent. It also denies that the cubical shape is not necessary for a technical result of function and points out that again the US patent does not make any mention of this shape but only a 'regular geometrical body' and it being a 'spatial logical toy'. It provides examples of other shapes for the puzzle. It repeats its previous arguments about the difference between a patent and a trade mark and insists that this logo is being used to brand toy products, on the product packaging, marketing materials and channels. Thus it is not only a specific and distinctive product shape

but also a distinctive sign to indicate origin. The proprietor submits further arguments in relation to the other grounds and the alleged acquired distinctiveness of the mark. The proprietor again refers to the parallel proceedings as outlined previously and how the Cancellation Division and the Board of Appeal both rejected the application entirely and that the same decision should be reached in the present case. Also, it agrees that although the Office is not bound by previous similar national decisions that they should be taken into consideration when factually similar. It requests that the application for invalidity be rejected entirely.

After the suspension of the proceedings was lifted the proprietor sought another chance to submit observations. In those observations the proprietor confirmed, repeated and expanded its previous arguments. It also commented on the decisions and judgments in the parallel proceedings which have been cited above. It cites the Lego Brick case and repeats that the essential characteristics of a shape must be determined on the basis of its graphic representation and any description filed at the time of the application for the trade mark. It describes the sign and cites the description of the sign as filed. The proprietor insists that the cubical shape, the thick black grid structure and the specific colours used can be identified as the essential characteristics of the EUTM and it refers to the previous judgments and distinguishes the present case where colour should also be a characteristic. It contests the applicant's arguments as the General Court found that "Next, in the absence of a description of the contested mark and a colours claim in the application for registration, it cannot be held that a reasonably discerning observer will conclude that the hatchings which can hardly be differentiated from each other at all, which appear in the graphic representation of the mark applied for, suggest different colours.", and pursuant to paragraph 70 of the GC judgment "In the light of the foregoing, it must be concluded that the essential characteristics of the contested mark are limited to the overall cube shape, on the one hand, and to the black lines and little squares on each face of the cube, on the other." EUTM No 162 784 was a black and white mark and contained no description or colours claim, therefore, as confirmed by the General Court, the essential characteristics were limited to the thick black grid structure and the cube shape. However, the proprietor points out that in the present case there is a specific colour claim and a description of same, thus it is an essential characteristic also, and it argues that the applicant admitted this in its observations.

The proprietor cites the judgment 16/06/2015, T-395/14, Spielzeugfigur II, EU:T:2015:380, § 24 and 26 which rejected the claim as the applicant had neglected to mention what the technical result a toy figure might be supposed to achieve as it did not put forward any argument and thus it had not shown that any technical result could be attributed to that shape. It argues that the same applies in the present application as the applicant has not put forward clear arguments in this regard. The proprietor insists, while citing the Court of Justice decision in the parallel case C-30/15 P (cited above) § 51 that the technical result of the goods should be considered on examination of the sign as represented graphically without taking into consideration any additional circumstances which an objective observer would not have been able to 'fathom precisely' on the basis of that representation, such as the rotating capability of individual elements in a three-dimensional 'Rubik's Cube' type puzzle. The proprietor argues that even though the applicant did not argue it, according to this judgment the technical result can be the rotating capability of the individual elements in a three-dimensional Rubik's Cube- type puzzle.

The proprietor denies that the sign consists exclusively of the shape of the goods which is necessary to obtain a technical result or that all the essential characteristics of the shape perform a technical function as it incorporates a decorative or imaginative element which plays an important role in the shape. The technical result, being the rotating capability, can be embodied in numerous different shapes and as such there are other options open to competitors and the EUTM does not create a monopoly over the technical solution and it discusses possibly variations of the shape or the colour of same. Furthermore, it argues that

the colours are not necessary for obtaining the intended technical result. Although the technical result of the 3D puzzle may require the faces of the cube to be different, the colours or motifs, markings, symbols could be composed of different colours or markings. Therefore, the specific colours used do not serve a technical function which it claims was admitted by the applicant.

The proprietor argues that the specific colours used in the sign are purely decorative and imaginative elements and cannot be deemed to have a technical function but a design decision which is part of the overall esthetical design which affords them their specific appearance. They are aesthetic and not functional and thus decorative and imaginative. It relies on the judgment 08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, § 31 which held that “In light of the foregoing, it must be held that Article 8(1) of Regulation No 6/2002 excludes protection under the law on Community designs for features of appearance of a product where considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features, even if other designs fulfilling the same function exist.” It claims that this design law would apply equally to trade marks and thus the colour usage would be imaginative and decorative. It points to the applicant’s observations which state that the colour is decorative and imaginative. It contests the relevance of the affidavit of Mr. Rubik submitted by the applicant as it does not support that the colours are of a functional nature. The specific colours are not necessary, perhaps only that different colours are used on the different surfaces, but the affidavits conclude that the external appearance was the result of his creative, arbitrary choice whose ‘sole function was to provide an aesthetic delight. It had no utilitarian purpose’. The proprietor again repeats that this arbitrary design also affords copyright protection which has been confirmed by different courts and administrative decisions in the EU, it quotes a decision from the Netherlands Arnhem-Leeuwarden Court of Appeal No 200.236.204/03 to this effect. It argues that this decision is binding on the Office and the judgment states inter alia that the colour tones used in the cube are not so obvious and the design used creative choices.

The proprietor argues that the sign does not prevent competitors from freely offering for sale products incorporating the same technical solution and thus the underlying public interest is not harmed and there is no need to exclude protection. The external appearance is important and different and incorporates decorative and imaginative elements and precise colours chosen arbitrarily and there are other alternative shapes that competitors can use with the same technical result. Therefore, the proprietor does not gain a monopoly on the technical function and this ground must fail.

The proprietor also argues that the mention of further legal disputes between the parties is irrelevant as it is entitled to act to protect itself from third parties using identical or confusingly similar signs and has nothing to do with the registrability of the sign. It also points out the lack of translation of some of the evidence submitted by the applicant. It concludes that it had a right to submit observations in this final round to comment on the ground of Article 7(1)(e)(ii) EUTMR.

In support of its arguments the proprietor submitted the following evidence:

On 05/09/2013:

- Exhibit 1: Extract from the Wikipedia page of the Rubik’s Cube.
- Exhibit 2: Detailed chronological description of the Rubik’s Cube history from the official website.
- Exhibit 3: Extracts from online newspaper articles providing with the history and facts related to the Rubik’s Cube, such as *Time*, *The Independent*, *The Telegraph*.

- Exhibit 4: Examples of articles and books from the 1980's up to the present day.
- Exhibit 5: List of distributors within the EU and a number of website printouts.
- Exhibit 6: List of companies using the mark for promoting their own goods and services (2011-2012).
- Exhibit 7: Examples of third party promotional materials.
- Exhibit 8: Affidavit of D.L.K., Director and Chairman of the proprietor which outlines unit sales figures.
- Exhibit 9: Affidavits of European toy distributors selling the Cube in the main EU markets detailing unit sales figures.
- Exhibit 10: Photos of various Rubik's branded goods.
- Exhibit 11: Google search engine results (pictures) for three-dimensional puzzles.
- Exhibit 12: Extract from Wikipedia for mechanical puzzles.
- Exhibit 13: Registry extract of IR No 715 571.
- Exhibit 14: HIPO decision No A715571/19.

On 17/09/2021:

- Exhibit 15: Appeal judgment of the ARNHEM-LEEWARDEN COURT OF APPEAL (case number: 200.236.204/03) dated 13/07/2021 together with an English translation of same.
- Exhibit 16: The Office's waiver of objection raised in the notification of refusal in relation to EUTM 00997678 (dated 28/10/2011).

ABSOLUTE GROUNDS FOR INVALIDITY – ARTICLE 59(1)(a) EUTMR IN CONJUNCTION WITH ARTICLE 7 EUTMR

According to Article 59(1)(a) and (3) EUTMR (Article 52(1)(a) CTMR at the time of filing), a European Union trade mark will be declared invalid on application to the Office, where it has been registered contrary to the provisions of Article 7 EUTMR. Where the grounds for invalidity apply for only some of the goods or services for which the European Union trade mark is registered, the latter will be declared invalid only for those goods or services.

Furthermore, it follows from Article 7(2) EUTMR that Article 7(1) EUTMR applies notwithstanding that the grounds of non-registrability obtain in only part of the Union.

As regards assessment of the absolute grounds of refusal pursuant to Article 7 EUTMR, which were the subject of the *ex officio* examination prior to registration of the European Union trade mark, the Cancellation Division, in principle, will not carry out its own research but will confine itself to analysing the facts and arguments submitted by the parties to the invalidity proceedings.

However, restricting the Cancellation Division to an examination of the facts expressly submitted does not preclude it from also taking into consideration facts that are well known, that is, that are likely to be known by anyone or can be learned from generally accessible sources.

Although these facts and arguments must date from the period when the European Union trade mark application was filed, facts relating to a subsequent period might also allow conclusions to be drawn regarding the situation at the time of filing (23/04/2010, C-332/09 P, Flugbörse, EU:C:2010:225, § 41 and 43).

It is settled case-law that each of the grounds for refusal to register listed in Article 7(1) EUTMR is independent and requires separate examination. Moreover, it is appropriate to

interpret those grounds for refusal in the light of the general interest which underlies each of them. The general interest to be taken into consideration must reflect different considerations according to the ground for refusal in question (16/09/2004, C-329/02 P, SAT.2, EU:C:2004:532, § 25).

TECHNICAL RESULT – ARTICLE 59(1)(a) EUTMR IN CONJUNCTION WITH ARTICLE 7(1)(e)(ii) EUTMR (in the version in force at the time of filing, namely CTMR)

Article 7(1)(e)(ii) EUTMR provides that '[t]he following must not be registered: signs which consist exclusively of: the shape of goods which is necessary to obtain a technical result' (in the version of the Regulation -CTMR- in force when the contested trade mark was filed in 2007).

The various grounds for refusal to register listed in Article 7(1) EUTMR must be interpreted in the light of the public interest underlying them (29/04/2004, C-456/01 P & C-457/01 P, Tabs (3D.), EU:C:2004:258, § 45; 12/01/2006, C-173/04 P, Standbeutel, EU:C:2006:20, § 59).

The interest underlying Article 7(1)(e)(ii) EUTMR is to prevent trade mark law granting an undertaking a monopoly on technical solutions or functional characteristics of a product (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 43).

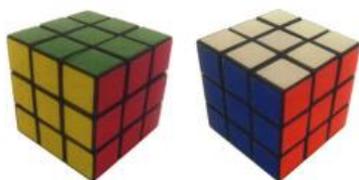
In the system of intellectual property rights developed in the European Union, technical solutions are capable of protection only for a limited period, so that subsequently they may be freely used by all economic operators (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 46).

Furthermore, the legislature has laid down with particular strictness that shapes necessary to obtain a technical result are unsuitable for registration as trade marks, since it has excluded the grounds for refusal listed in Article 7(1)(e) EUTMR from the scope of the exception under Article 7(3) EUTMR. It follows, therefore, from Article 7(3) EUTMR of the regulation that, even if a shape of goods that is necessary to obtain a technical result has become distinctive in consequence of the use that has been made of it, it is prohibited from being registered as a trade mark (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 47).

The word 'exclusively' must be read in the light of the expression 'essential characteristics which perform a technical function' (18/06/2002, C-299/99, Remington, EU:C:2002:377, § 78).

The shape of goods necessary to obtain a technical result is assessed by identifying the essential characteristics of the shape and deciding whether the identified characteristics are necessary to obtain the required technical function of the goods for which protection is sought.

The contested EUTM is a three-dimensional trade mark as shown below:



The proprietor's description of the sign provided at the time of filing by the proprietor describes the sign as follows: "Six surfaces being geometrically arranged in three pairs of parallel surfaces, with each pair being arranged perpendicularly to the other two pairs characterized by (i) any two adjacent surfaces having different colours which are red (PMS 200C*), green (PMS 347C*), blue (PMS 293C*), orange (PMS 021C*), yellow (PMS 012C*) and white and (ii) each such surface having a grid structure formed by black borders dividing the surface into nine equal segments; the graphic representation of the mark shows two three-dimensional views of the mark from a side angle and a front view of each of the six sides". The mark is registered for the following goods:

Class 28: Toys, games, playthings and jigsaw puzzles, three dimensional puzzles; electronic games; hand-held electronic games.

The essential characteristics of the sign at issue must be properly identified (06/03/2014, C-337/12 P – C-340/12 P, Surface covered with circles, EU:C:2014:129, § 46).

The expression 'essential characteristics' must be understood as referring to the most important elements of the sign (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 68-69).

Identification of the essential characteristics of a sign is carried out on a case-by-case basis, with no hierarchy between the various types of elements of which a sign may consist. It can be based directly on the overall impression produced by the sign or by examining in turn each of the components of the sign concerned (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 70).

Identification may be by simple visual analysis of the sign or by a detailed examination in which relevant assessment criteria are applied, such as surveys, expert opinions, or data relating to intellectual property rights previously conferred in respect of the goods concerned. Information other than that relating to the graphic representation alone, such as the perception of the relevant public, may be used in order to identify the essential characteristics of the sign at issue (23/04/2020, C-237/19, Gömböc Kutató, EU:C:2020:296, § 37).

For the purposes of Article 7(1)(e)(ii) EUTMR, it is irrelevant whether the 'essential characteristics' or 'most important elements' of the sign are distinctive or not (24/09/2019, T 261/18, DEVICE OF A BLACK SQUARE CONTAINING SEVEN CONCENTRIC BLUE CIRCLES (fig.), EU:T:2019:674, § 51).

The presence of non-essential characteristics with no technical function is also irrelevant under Article 7(1)(e)(ii) EUTMR (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 51).

The applicant identifies the following essential characteristics of the mark:

1. the black grid,
2. the squares,
3. the colours.

It argues that all of the essential characteristics are necessary to perform a technical function.

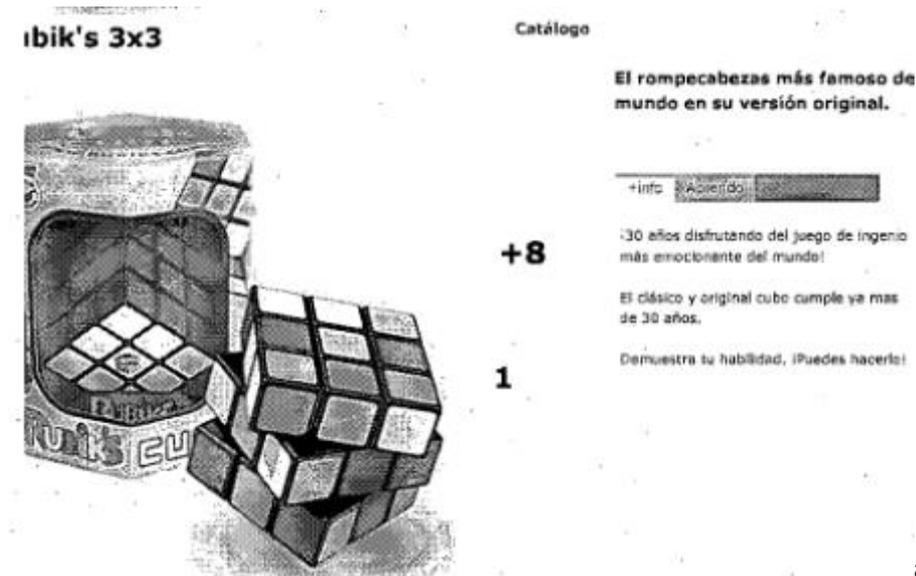
The EUTM proprietor states that the EUTM is characterised by:

- the cubic shape,
- the black grid structure,

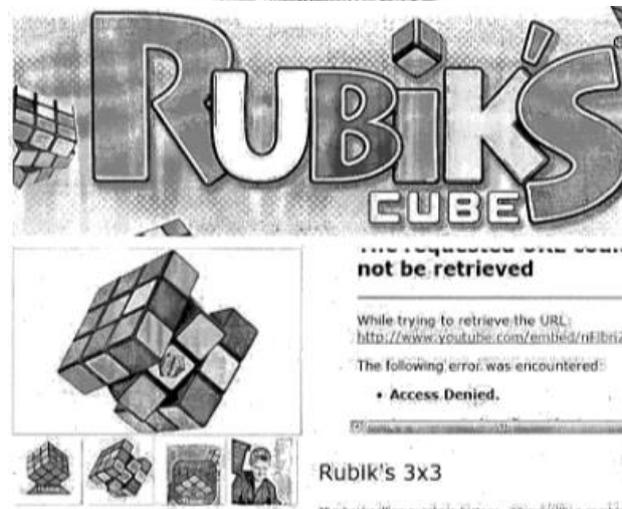
- and colours.

The proprietor argues that it cannot be concluded what the technical function is, or the result to be examined or sought is when assessing the representation of the EUTM without any prior knowledge of the famous Rubik's Cube. It claims that it cannot be found that the cube is moveable and that the technical result of the product in question is twisting and rotating the faces of the cube from the sign itself. The examination must be carried out on the sign as registered and not on any alleged invisible features and from the representation it is not suggestive of any particular function of any of the contested goods. The cubic shape and grid structure does not give any indication whatsoever of its function or even its structure and the grid which divides it into nine equal squares does not possess any technically functional purpose. Similarly it argues that the colours on the surfaces do not suggest any technical function or advantage in the mark and are purely decorative and arbitrary and have no rational or functional reason to use any colour on the mark or the actual specific colours which were used. It claims that it is impossible to argue that the sign (shape) in question imparts any technical effect as the shape is regular and geometric and provides no clues as to the puzzle that it embodies. It argues that the well-known rotating capability cannot be taken into consideration when assessing the sign under this ground and without further information or knowledge the sign does not point towards the shape of a toy or plaything. Moreover, even if this prior knowledge was taken into consideration the sign as registered gives no indication of movement or rotation. Therefore, the proprietor argues that the essential characteristics of the mark (the cubic shape with the black grid structure and colours) have no connection to any technical function or purpose for any of the goods in question.

The Cancellation Division notes that, contrary to the proprietor's claim, the black grid can be seen as graphic means to represent a physical separation between the individual cubes which reveal the rotation functionality, as the proprietor has submitted evidence itself which substantiates this conclusion, see for example in Exhibit 5 of the evidence of 05/09/2013:



and



This evidence, submitted by the proprietor itself, shows how the cube moves vertically or horizontally. The Cancellation Division is entitled to assess the functional character of these black lines on the basis of the evidence submitted and illustrated above, as it may take into account 'additional elements relating to the function of the actual goods at issue' (10/11/2016, C-30/15 P, CUBES (3D), EU:C:2016:849, § 48). The above example from Exhibit 5 shows evidence from the different distributors websites of how they advertise the goods as 'Rubik's Cubes' being a three-dimensional puzzle and the aspect of the product when used in accordance with its function, being rotated and shows that the black lines between the rows of cubes represent a physical separation between the cubes which allows a player to change the position of these cubes with respect to others in order to gather them, in the desired colour scheme on the cube's six faces. This is confirmed by the picture and description in the Wikipedia extract in Exhibit 1 also submitted by the proprietor, as shown below:

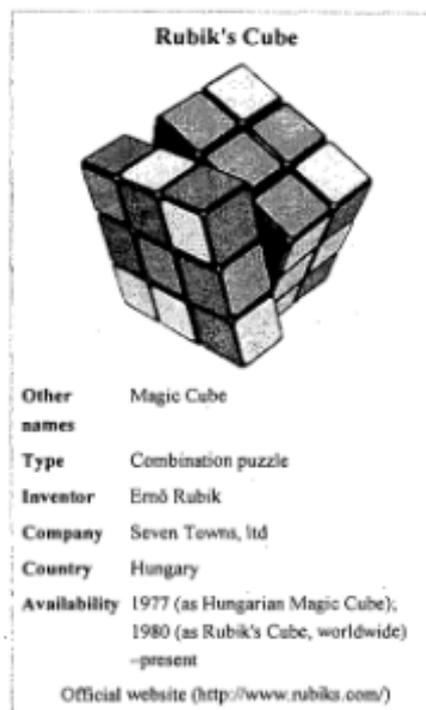
Rubik's Cube

From Wikipedia, the free encyclopedia
(Redirected from Rubik's cube)

Rubik's Cube is a 3-D combination puzzle invented in 1974^[1] by Hungarian sculptor and professor of architecture Ernő Rubik. Originally called the "Magic Cube",^[2] the puzzle was licensed by Rubik to be sold by Ideal Toy Corp. in 1980^[3] via German businessman Tibor Laczi and Seven Towns founder Tom Kremer,^[4] and won the German Game of the Year special award for Best Puzzle that year. As of January 2009, 350 million cubes had been sold worldwide^{[5][6]} making it the world's top-selling puzzle game.^{[7][8]} It is widely considered to be the world's best-selling toy.^[9]

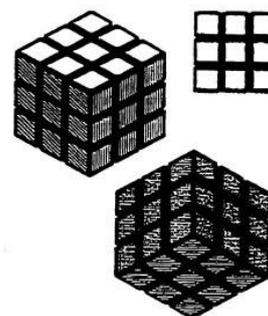
In a classic Rubik's Cube, each of the six faces is covered by nine stickers, each of one of six solid colours (traditionally white, red, blue, orange, green, and yellow, where white is opposite yellow, blue is opposite green, and orange is opposite red, and the red, white and blue are arranged in that order in a clockwise arrangement).^[10] An internal pivot mechanism enables each face to turn independently, thus mixing up the colours. For the puzzle to be solved, each face must be returned to consisting of one colour. Similar puzzles have now been produced with various numbers of sides, dimensions, and stickers, not all of them by Rubik.

Although the Rubik's Cube reached its height of mainstream popularity in the 1980s, it is still widely known and used. Many speedcubers continue to practice it and other twisty puzzles and compete for the fastest times in various categories. Since 2003, The World Cube Association, the Rubik's Cube's international governing body, has organized competitions and kept the official world records.



The black grid thus represents the physical separation between the squares and rows of squares in order to rotate them. Therefore, the black grid in the EUTM can be considered to be an essential characteristic and it can be determined that it serves a technical function.

The Cancellation Division also agrees with the applicant that the squares also are an essential characteristic of the goods and this is in line with the findings of the Board of Appeal in their decision of 19/06/2017, R 452 2017-1, Cubes (3D), as cited by both parties



and involving parallel proceedings concerning the figurative sign . In paragraph 40 of said decision the Board held that not only the black grid but also the squares should be considered the essential characteristic of the sign as the lines and the squares complement each other and should not be viewed separately. In paragraph 42 the Board stated that 'Since a physical separation is necessary for said rows of cubes to be rotated and that rotation is, in turn, necessary for the product to perform its technical function – which is to arrange the smaller cubes coherently on each of the six surfaces of the product – the black lines graphically represent a feature which is necessary for the product represented in the sign to perform a technical result within the meaning of Article 7(1)(e)(ii) EUTMR. The same considerations are applicable in the present case.

The second essential characteristic of the sign, as correctly argued by the proprietor, is the cube shape itself. The puzzle is comprised of small cubes arranged in rows of 3 x 3 which must be rotated vertically and horizontally in order to complete the puzzle by gathering all of the same coloured cubes or squares onto the same side. Therefore, this is an essential characteristic of the sign and it is also necessary in order to obtain a technical result.

The third essential characteristic of the sign is the depiction, on the two separate images of the cube (it can be considered a mirror image of the cube to show all sides) and each side has a separate colour with a specific tone as claimed and described in the description of the sign above. Both parties agree that the colours of the squares are an essential characteristic. However, the proprietor contests that the use of the specific colours serve any technical purpose. The Cancellation Division firstly agrees with both parties that the colours of the little squares are an essential characteristic of the sign. However, it must disagree with the proprietor that this use of colour, even in specific shades, is purely decorative or imaginative and serves no technical purpose. It is necessary for each face of the cube to have a different colour as the purpose of the puzzle is to rotate, both horizontally and vertically in order to gather all of the same colours onto the correct side to achieve the purpose of the game. Thus it is necessary in order to obtain a technical result. It would be impossible to achieve if each face of the cube had the same colour as noted by the Board of Appeal (paragraph 44).

As pointed out by the proprietor, the General Court in 24/10/2019, T-601/17, Cubes (3D), EU:T:2019:765, later overturned this finding that the colours were an essential characteristic that was necessary to obtain a technical result. It is noted that in paragraph 65 of this judgment it states that the Board erred in identifying the colours as an essential characteristic of the mark. In paragraph 67 the Court states that in the absence of a description of the contested mark and a colour claim in the application for registration, it cannot be held that a reasonably discerning observer will conclude that the hatchings, which can hardly be differentiated from each other at all, which appear in the graphic representation of the mark applied for, suggest different colours. However, this finding can be distinguished from the facts in the present case where indeed there is a colour claim and a full description of the mark. In the present case the colours are indicated in specific shades but they cannot be considered to be merely decorative or imaginative as they serve to differentiate the different sides and serve a technical purpose which is to be able to complete the puzzle by solving the problem of coordinating all of the same colours onto the same face. The proprietor argues that the applicant has stated in its arguments that the colours were decorative or imaginative and that it agrees with the applicant on this point. However, the Cancellation Division points out that the opinions or admissions of the parties in this respect is not determinative, the Office must take a decision independently on the facts, evidence and arguments as presented. Therefore, the Cancellation Division considers that the colour of the cubes is an essential characteristic and that it serves a technical function of distinguishing the different surfaces and squares which, by gathering these colours together on each side, is how the puzzle is solved.

The Cancellation Division considers that the applicant has demonstrated that the cube (as seen in two cubes or the mirror image of same), the smaller squares separated by the black grid and the colours used on each side of the cube are necessary for obtaining a technical result.

The fact that the shape is necessary to obtain a technical result is supported, in particular, by the following evidence in Attachment 17 of the applicant's evidence submitted on 25/01/2013 which consists of expired patents in relation to logic toys in favour of Mr. Rubik. The patent covers a logic toy with a similar grid formation and squares in a cube form and this patent shows the technical function of the shape. Some of the patents are not in English and their

contents have not been translated although they contain diagrams of similar cubes. However, for example, the US patent No 4,378,116 in the name of Mr. Rubik is in English and shows a diagram of a cube with three squares and rows on the top but three squares and two rows on the sides which are visible and also further diagrams of the inner workings of the cube. The proprietor describes this as a 2x2x2 format. The patent was for a 'spatial logical toy' which can be rotated and which stimulates logical thinking activity. The patent clearly shows the technical result which is obtained from the design in rotating the different parts to solve a logical puzzle. The diagrams in the other patents also show the same 3 x 3 structure as that of the contested sign which would also imply its technical function.

The proprietor claims that, since the cube can be any shape, conical or otherwise, and the colours can be different, the shape of the proprietor's cube is not dictated by any technical function. The shape mark comprises an overall aesthetic appearance of a product which is not a subject to technical functionalities. It differs from shapes of others in the same field and from similar goods. The applicant correctly mentions that the existence of alternative shapes is not relevant, as constantly stated in case-law. The fact that there may be alternative shapes, with other dimensions or another design, capable of achieving the same technical result does not, in itself, mean that Article 7(1)(e)(ii) EUTMR does not apply (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 53-58).

The drawings shown in these expired patent applications closely correspond to the type of cube as appears in the contested three-dimensional mark. Patent drawings are intended to show the inventions relating to the cube and how its different parts allow it to rotate and turn, and not the final product as it would appear in the goods, such as in a trade mark application for a three-dimensional mark for the same cube like logical game. For this reason, there may be small discrepancies between the features of the sign showing the cube and the cube as it is shown in the drawings of the patent applications.

In addition, the Cancellation Division underlines that Article 7(1)(e)(ii) EUTMR applies even if the essential characteristics represented in the sign are not sufficient in themselves to achieve the technical result, but merely contribute to it (24/10/2019, T-601/17, Cubes (3D), EU:T:2019:765, § 94). The representation does not have to reveal all the elements that are necessary for the implementation of the technical solution concerned, provided it is shown that the implementation of that technical solution cannot be effective without the essential characteristics that are visible in the graphic representation (24/10/2019, T-601/17, Cubes (3D), EU:T:2019:765, § 96).

The proprietor also argues that the shape is a distinctive and individual creation with an arbitrary appearance and aesthetic value and is subject to copyright protection, as was confirmed by several court/administrative decisions issued in different EU Member States. It quotes a decision from the Netherlands Arnhem-Leeuwarden Court of Appeal No 200.236.204/03 in order to argue that this arbitrary design also affords copyright protection. It argues that this decision is binding on the Office and the judgment states *inter alia* that the colour tones used in the cube are not so obvious and the design used creative choices. The proprietor speaks about the large amount of licensees and distributors, the very substantial sales made in relation to goods under the sign, the amount of third party collaborators who want to use the design to advertise their goods and claims that the consumer recognizes the distinctive shape and it points to the commercial origin of the goods. Indeed there is much evidence on file to show the scale of advertising and sales of the Rubik's Cube.

However, the Cancellation Division notes that the proprietor did not submit a copy of these decisions or judgments, although it did quote from the above mentioned decision.

Moreover, decisions of national courts and national offices regarding conflicts between identical or similar trade marks at national level have no binding effect on the Office since the European Union trade mark regime is an autonomous system which applies independently of any national system (13/09/2010, T-292/08, *Often*, EU:T:2010:399).

Even though previous national decisions are not binding, their reasoning and outcome should be duly considered, particularly when the decision has been taken in the Member State that is relevant to the proceedings.

The Cancellation Division points out that a functional shape can be distinctive but still remains functional. For the purposes of Article 7(1)(e)(ii) EUTMR, it is irrelevant whether the 'essential characteristics' or 'most important elements' of the sign are distinctive or not (24/09/2019, T-261/18, *DEVICE OF A BLACK SQUARE CONTAINING SEVEN CONCENTRIC BLUE CIRCLES* (fig.), EU:T:2019:674, § 51). The case-law of the Court of Justice or the General Court does not indicate that the concept of 'essential characteristics' of the sign, for the purposes of Article 7(1)(e)(ii) EUTMR, refers to that of 'distinctive elements' of the sign, but only to 'the most important elements of the sign' (14/09/2010, C-48/09 P, *Lego brick*, EU:C:2010:516, § 68 and 69).

The proprietor also refers to the possible accumulation of IP rights, which is indeed possible, provided that the exclusive and permanent rights that a trade mark confers are not used to extend the life of other IP rights indefinitely, such as patents, copyrights or designs, which the EU legislature has sought to make subject to limited periods. The fact that, for example, the shape concerned is, or has been, the subject of a claim in a registered patent or a patent application constitutes *prima facie* evidence that the aspects of the shape identified in the patent claim as functional are necessary for achieving a technical result. This approach has been followed by the Boards of Appeal, for example in their decision of 17/10/2013, R 42/2013-1, *FORM EINES STÖPSELS (3D MARKE)*.

The Cancellation Division first notes that the contested trade mark consists of the actual shape of a three-dimensional puzzle. There are no decorative or imaginative elements in the trade mark, which is exclusively composed of the shape of the product it covers with the colours serving the technical function of distinguishing the different sides. Contrary to the EUTM proprietor's arguments, the colours chosen and relied on in the sign would not be considered as purely decorative elements of the cube but as integral parts of the cube. This would not be the case, for example, for words, logos or other decorative elements that could be affixed to the surface of products. The depiction of the sign would appear to show that the colours are not affixed to the surface but that the surface is this colour, it is part of the shape. Moreover, the colours used (specific colour have been relied on) are rather basic shades that contrast nicely so as to distinguish the sides, such as green, yellow, red, white, blue and orange. As different colours are necessary to distinguish the different sides and these are basic colours it is difficult to see any imaginative choice in this regard. Even if different tones could have been used or some different colours, in order for each side to be different and to achieve the solution of the puzzle the colours would probably overlap or be similar in some regard. Moreover, the fact that alternative shades and shapes exists is not in itself decisive.

The contested mark is registered for the goods *toys, games, playthings and jigsaw puzzles, three dimensional puzzles; electronic games; hand-held electronic games* in Class 28.

The proprietor cites the judgment 16/06/2015, T-395/14, *Spielzeugfigur II*, EU:T:2015:380, § 24 and 26 which rejected the claim as the applicant had neglected to mention what the technical result a toy figure might be supposed to achieve as it did not put forward any argument and thus it had not shown that any technical result could be attributed to that shape. It argues that the same applies in the present application as the applicant has not put forward clear arguments in this regard.

The essential characteristics of the contested trade mark perform a technical function in connection with the goods. The proprietor argues that the applicant has not specified how the shape of the goods could be argued in relation to all of the contested goods but only mentions specific goods like a 3D puzzle.

From the evidence and arguments submitted in the present case and which have been detailed and examined above, the applicant clearly argues and proves that the sign consists exclusively of the shape necessary in order to obtain the technical result in relation to *three dimensional puzzles*. The Cancellation Division considers that three-dimensional puzzles would be encompassed within the broad terms *toys, games, playthings* and as such it is possible that this shape is necessary to perform a obtain a technical result, namely, in order to rotate the goods to solve the puzzle or game for these goods. In relation to *electronic games; hand-held electronic games*, although these so-called 'Rubik's Cubes' are generally mechanical it is not to say that an electronic version does not or could not exist and that these goods would encompass types of three-dimensional puzzles which would be rotated, just like the mechanical version. For example, there could be an electronic element which keeps a timer or score board or allow multiple players or interaction between players. As such this sign could also show the shape needed to obtain a technical result for these goods. Finally, in relation to *jigsaw puzzles* the proprietor has pointed out that these are comprised of separate pieces which are joined together to solve. However, the proprietor has also argued that its shape could also be used possibly in an alternative way, namely, by pressing down the buttons and having them fit. It is not beyond the realm of possibility that the shape could be the shape necessary to perform the technical function of a different form of jigsaw, one involving a 3D shape in which the different coloured cubes would be pressed down to fit into a certain position within the same colour sequence. As such, the sign could be the shape necessary to obtain a technical result in relation to all of the contested goods.

The proprietor argues that the shape and colour are an aesthetic and distinctive design choice. It also mentions that the shape is recognised by consumers due to its renown. The proprietor provides examples of different shapes, markings and colours that can and are being used that are different from the contested sign. Nevertheless, unlike in the situation covered by Article 7(1)(b) EUTMR, where the perception of the relevant public must be taken into account, since it is essential in order to determine whether the sign filed for registration as a trade mark is capable of identifying the goods or services concerned as originating from a particular undertaking, no such obligation may be imposed in the context of Article 7(1)(e)(ii) EUTMR. Therefore, the presumed perception of the sign by the average consumer is not a decisive element when applying the ground for refusal in the context of Article 7(1)(e)(ii) EUTMR, but, at most, may be a relevant criterion of assessment for the competent authority in identifying the essential characteristics of the sign. Consequently, the identification of the essential characteristics of a sign in the context of Article 7(1)(e)(ii) EUTMR must not necessarily be carried out from the perspective of the relevant public (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 75-77).

The proprietor relies on a number of decisions and judgments, many of which have been cited and examined above. It also points to the cancellation against the Hungarian extension of the IR No 715 571 on 02/10/2006 in which it claims that the subject matter is similar to the contested mark with the black cage sign of the proprietor for three-dimensional puzzles in Class 28. This request was rejected in its entirety and it quotes the decision. It also points to the previous decision of the Cancellation Division of 14/10/2008, 1956C and the decision of the Board of Appeal of 01/09/2009, R1546/2008 in the parallel proceedings and as based on the same ground(s) and which was rejected.

However, the Office is not bound by its previous decisions as each case has to be dealt with separately and with regard to its particularities.

This practice has been fully supported by the Court, which stated that it is settled case-law that the legality of decisions is to be assessed purely by reference to the EUTMR, and not Office practice in earlier decisions (30/06/2004, T-281/02, Mehr für Ihr Geld, EU:T:2004:198).

Indeed the decision of the Board of Appeal, as mentioned previously, was annulled and a new decision was taken in 19/06/2017, R 452/2017-1, 'Cubes (3D)' which reversed that finding. Moreover, the General Court upheld that decision on appeal and the appeal to the Court of Justice was rejected. As such, the Cancellation Division is not obliged to follow these cited decisions for the reasons explained above.

Finally, the proprietor also cites the judgment 08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, § 31 which states "In light of the foregoing, it must be held that Article 8(1) of Regulation No 6 2002 excludes protection under the law on Community designs for features of appearance of a product where considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features, even if other designs fulfilling the same function exist." It claims that this design law would apply equally to trade marks and thus the colour usage would be imaginative and decorative.

Firstly, it is noted that the above judgment is based on design law rather than trade mark law. Secondly, for the reasons already outlined above, the colours used are not considered to be imaginative and decorative but to obtain a technical result and as such this judgment can be distinguished from the case at hand.

Therefore, for all of the above reasons the Cancellation Division considers that the contested sign consists exclusively of the shape of goods that is necessary to obtain a technical result within the meaning of Article 7(1)(e)(ii) EUTMR.

Conclusion

The contested mark was found to be exclusively composed of the shape of goods that is necessary to obtain a technical result in relation to all the contested goods at the time of filing.

As to the alleged acquired distinctiveness of the sign as per Article 7(3) EUTMR, it is noted that this Article only allows marks to be registered based on acquired distinctiveness if they were to be refused under Article 7(1)(b)(c)(d) EUTMR but not under Article 7(1)(e) EUTMR. However, even if a shape of goods that is necessary to obtain a technical result has become distinctive in consequence of the use that has been made of it, it is prohibited from being registered as a trade mark (14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, § 47). Therefore, it is not necessary to assess the evidence of acquired distinctiveness submitted by the proprietor.

In light of the above, the application is totally successful and the contested mark must be declared invalid for all the contested goods.

As the application is entirely successful on the grounds of Article 59(1)(a) EUTMR in conjunction with Article 7(1)(e)(ii) EUTMR, it is not necessary to examine the remaining grounds on which the application is based as such an examination will not affect the outcome of the present decision.

COSTS

According to Article 109(1) EUTMR, the losing party in cancellation proceedings must bear the fees and costs incurred by the other party.

Since the EUTM proprietor is the losing party, it must bear the cancellation fee as well as the costs incurred by the applicant in the course of these proceedings.

According to Article 109(7) EUTMR and Article 18(1)(c)(ii) EUTMIR, the costs to be paid to the applicant are the cancellation fee and the representation costs, which are to be fixed on the basis of the maximum rate set therein.



The Cancellation Division

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According to Article 67 EUTMR, any party adversely affected by this decision has a right to appeal against this decision. According to Article 68 EUTMR, notice of appeal must be filed in writing at the Office within two months of the date of notification of this decision. It must be filed in the language of the proceedings in which the decision subject to appeal was taken. Furthermore, a written statement of the grounds of appeal must be filed within four months of the same date. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 720 has been paid.