

What Louboutin's EU Trademark Win May Mean For Fashion IP

By **Monica Riva Talley** and **Sahar Ahmed** (July 10, 2018, 1:02 PM EDT)

Christian Louboutin, famed designer of the iconic red sole shoe, has dedicated years to pursuing not only innovative fashion, but also to obtaining intellectual property protection for his designs, including trademark, trade dress and design patent registrations around the world. However, as those in the industry know, many provisions within IP law are not tailored to fashion, and counsel and courts must unravel unprecedented interpretations as they navigate the patchy landscape of fashion law.

Recent decisions surrounding Louboutin's red soles reveal that courts are still trying to find a balance between enforcing fashion designers' IP rights and stifling creativity and competition. The most recent of these decisions was a step in the right direction for Louboutin and, for now, designers across the European Union.

Louboutin's Red Soles Prevail in CJEU Decision

On June 12, 2018, the Court of Justice of the European Union made news when it overturned an injunction ruling by the District Court of the Hague and found for Christian Louboutin on the preliminary question of whether Louboutin's red sole mark was properly registered. Christian Louboutin and Christian Louboutin SAS originally brought suit against Van Haren Schoenen BV alleging that its "Fifth Avenue by Halle Berry" footwear collection infringes Louboutin's well-known red sole mark. Van Haren responded by asserting that Louboutin's "red sole" registration is not valid under EU law. The issue came down to whether Louboutin's Benelux trademark No. 0874489 should be considered a shape trademark or a position trademark.

European trademark law prohibits registration of marks that "consist exclusively of a shape which gives substantial value to the goods," (Article 3(1)(e)(iii) of Directive 2008/95/Ec)[1] and Van Haren had argued that Louboutin's red sole mark functions solely as a "shape which gives substantial value to the good[]." [2] Because Article 3(1)(e)(iii) does not provide guidance on what constitutes a "shape," the CJEU's decision should be instrumental in interpreting the everyday meaning of "shape" in the context of trademark law. In finding the concept of a "shape" to be a "set of lines or contours that outline" a product, the court held that application of a color to a particular part of a product does not necessarily constitute a shape.[3] This is especially true for trademarks, such as Louboutin's red sole mark, where



Monica Riva Talley



Sahar Ahmed

the outsole depicted on the registration is not intended to delineate the shape of the red color, but rather to identify the position of the color on the product.

The Article 3 bar prevents against the creation of anti-competitive monopolies, thereby ensuring that shapes that the public considers attractive remain available to market competitors.[4] The provision has been compared to the functionality preclusion against trademark registration within the United States where obtaining a trademark for a product deemed aesthetically functional would “significantly hinder competition.”[5]

Christian Louboutin v. Yves Saint Laurent America

Louboutin has also enjoyed a measure of hard-fought success in enforcing its red sole design in the U.S. In the 2012 decision, *Christian Louboutin v. Yves Saint Laurent America*, the United States Court of Appeals for the Second Circuit held that Yves Saint Laurent did not infringe Louboutin’s red sole mark with its “monochrome” footwear line because the court understood the secondary meaning of the red sole mark to rely on the color contrast between the red outsole and the upper sole, instead of the red color itself.[6] The court found that it was the color contrast that differentiates Louboutin from other brands, eliminates consumer confusion, and provides for the brand’s distinctiveness. The court, therefore instructed the director of the U.S. Patent and Trademark Office to limit Louboutin’s registration to only instances in which the color of the outsole and the upper sole contrast.[7] Thus, the decision at least partially validated Louboutin’s ability to enforce its red sole mark in cases where only the shoe sole is red.

While the Yves Saint Laurent decision centered on color instead of shape, the Second Circuit similarly discussed the rationale behind the prohibition of trademark registration for products that are aesthetically functional.[8] The aesthetic functionality defense prevents an owner of a functional design mark from monopolizing a useful design feature and discouraging use and competition. The court based much of its discussion on the *Qualitex* holding, in which the U.S. Supreme Court refused to recognize a *per se* rule that would deny any trademark protection of a single color.[9] Despite acknowledging that sometimes trademark protection of a specific color may not overcome the market monopoly rationale, the Second Circuit conceded that adequate intellectual property protection for the fashion industry still has a way to go within the United States.[10]

Jurisdictional Differences in Trademark Protection

The recent EU decision evidences a growing understanding for greater IP protection for the fashion industry within Europe, but jurisdictional approaches surrounding trademark registrability and protection vary drastically among other European nations bordering the European Union. For example, on Feb. 7, 2017, the Federal Supreme Court of Switzerland in Lausanne denied trademark protection for the red sole mark, finding the colored soles to be nothing more than a “commonplace aesthetic stylistic element.”[11] The decision illustrates the stricter Swiss approach regarding distinctiveness determinations, but also demonstrates that the fashion industry is faced with a varied landscape of IP protection depending on jurisdiction.

Stomping Out Competitors: Forms of IP Protection Beyond Trademarks for Fashion Designers in the U.S.

As illustrated by the Louboutin cases, many aspects of clothing and accessory designs can serve as source-identifiers, and registered and asserted as trademarks and trade dress. In addition to protecting

the nonfunctional use of a particular color, trademarks can offer coverage for designer names and logos, prints and patterns, and even distinctive design elements such as pocket stitching on a pair of jeans.[12] What's more, trade dress can protect the overall appearance of a product or its packaging, such as the exclusive Hermès Birkin bag.[13] While trademark law is often the primary protection sought by fashion brands, because of its recognition of a wide range of designs and design elements, fashion designers may want to protect their trends further by obtaining more exclusionary patent or copyright protections.

Design Patents

In the U.S., design patent protection is available for fashion designs, including footwear, jewelry and handbags, when designers are able to demonstrate that their products are novel, nonobvious and that the designs (rather than the products) are not dictated by their function.[14] U.S. design patents are valid for a 15-year term and cover specific designs — not generalized concepts. As of today, Christian Louboutin has successfully secured 21 design patents;[15] nine protect some of Louboutin's most iconic shoe designs, such as the spiked toe pump[16] and his men's "Tassilo" flat.[17] While in the U.S., Louboutin could not obtain design patent protection for the color red alone, he could have patented the color applied to a shoe sole. It is important to note, however, that unlike trademark registration that can be applied for long after a design has been commercialized, design patents must be timely filed or any rights which are granted may be invalid. So, like Louboutin, fashion designers may want to consider building intellectual property portfolios, including design patents, covering different iterations of their unique clothing, shoe, and product designs, but they should apply for those rights before a design is commercialized.

Utility Patents

While design patents are much more common in the fashion industry, the USPTO will also issue utility patents to protect functional features of clothing and accessories, which are novel and not obvious. For example, utility patents have issued for the useful and novel concepts of wrinkle-free garments,[18] Diane Von Fürstenberg's "wrap dress,"[19] and Nike's "automatic lacing system." [20] Utility patents are of particular interest to design innovations that the designer intends to use across products and for a longer period of time; the process of securing a utility patent takes time and may not benefit certain designers in the fast-paced and ever-changing fashion industry.

Copyrights

Fashion designers can also obtain copyright protection for certain ornamental elements of their designs, including fabric patterns, prints and embellishments. While protection is not available for clothing designs as a whole in the United States, a design feature of the clothing "is eligible for copyright [protection] if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium." [21] As with design patents, a copyright may only be granted for each manifestation of a design fixed in a tangible medium, rather than for a generalized design concept. Other copyright obstacles include functional and color prohibitions, and creativity level threshold requirements.

In *Star Athletica LLC v. Varsity Brands Inc.*, the Supreme Court affirmed copyright protection for various "lines, chevrons, and colorful shapes" on cheerleading uniforms because the designs were separable from the uniforms.[22] The court held that a design feature incorporated in the design of a useful article is eligible for copyright protection so long as it can be perceived as a work of art separate from the

useful article, and can qualify as a protectable “pictorial, graphic or sculptural work.”[23]

The Supreme Court’s holding provided some leeway for copyright eligibility of designs that could be imagined separately from the product on which they appear, even if once removed, they still retain the outline of the original useful article. As Justice Clarence Thomas reasoned, when a design appearing on the surface of the guitar is imaginatively removed and placed on a canvas, it makes no difference whether it continues to resemble the shape of a guitar, so long as it does not replicate the guitar’s use.[24]

However, a positive application of the *Star Athletica* holding to possible copyright protection for Louboutin’s red soles may prove challenging. Imaginatively removing the red outsole and placing it on a canvas would simply result in a canvas colored red and in the shape of that particular shoe. And since copyrights are not awarded to colors alone, fashion designers will have to do more than claim a generalized concept, and seek copyright protection for specific design elements of their products. The fashion industry has zealously lobbied Congress to extend copyright protection to clothing designs, and change the statutory definition of what is considered “useful.” However, until Congress passes a bill, such as the most recently proposed Innovative Design Protection Act, designers will only be able to protect the separable patterns displayed on the apparel.[25]

Conclusion

Just as the fashion world continues to evolve and change, so does the application of the legal protections surrounding it. Under current U.S. IP laws, designers may want to employ a multidisciplinary approach for securing their IP rights, and consider protecting and identifying iconic designs through a tiered strategy involving trademark, patent and copyright protection, all of which provide different tools to protect against counterfeiters and knockoffs. The *Louboutin* EU decision is one of several recent decisions evidencing that courts recognize the importance of protecting IP rights in fashion designs. Now, the challenge is determining the best way to do so.

Monica Riva Talley is a director at Sterne Kessler Goldstein & Fox PLLC and heads the firm's trademark and brand protection practice.

Sahar A. Ahmed is a paralegal at the firm.

The opinions expressed are those of the author and do not necessarily reflect the views of the firm, its clients, or Portfolio Media, Inc., or any of its or their respective affiliates. This article is for general informational purposes and is not intended to be and should not be taken as legal advice.

[1] Directive 2008/95/Ec of The European Parliament and of the Council (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0095&from=EN>)

[2] <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0095&from=EN>

[3] <http://curia.europa.eu/juris/document/document.jsf?text=&docid=202761&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=361314>

[4] <https://www.courthousenews.com/wp-content/uploads/2018/02/louboutin-eu.pdf> (Section C.3.48.)

[5] See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 170 (1995).

[6] See generally 696 F. 3d 206 (2d Cir. 2012).

[7] See *id.* at 228.

[8] See *id.* at 223-24.

[9] *Id.* at 223 (citing *Qualitex Co. v. Jacobson Products Co.*, 514 US 159, 161 (1995) (“sometimes[] a color will meet ordinary legal trademark requirements”).)

[10] *Id.* at 223.

[11] <https://s3.amazonaws.com/documents.lexology.com/a590cbe3-e8f6-4bb1-885d-8ffbd2e49e9b.pdf> (citing *Christian Louboutin vs IGE*, Decision of the Swiss Supreme Court (Bundesgericht), Case 4A_363/2016).

[12] See <http://levistrauss.com/unzipped-blog/2017/01/12/pockets-full-history/> (describing Levi’s trademark of distinctive back pocket “Arcuate” stitching).

[13] See <https://revisionlegal.com/trademark-law/trade-dress-in-fashion-design/>

[14] See 35 U.S.C. §§ 102, 103 and 171.

[15] Cite to PTO search results

[16] See e.g. U.S. D735,986 S to Louboutin, issued Aug. 11, 2015.

[17] See e.g. U.S. D707,926 S to Louboutin, issued July 1, 2014.

[18] U.S. Patent No. 8,336,474

[19] U.S. Patent No. 2,091,084

[20] U.S. Patent No. 8,769,844

[21] *Star Athletica, LLC v. Varsity Brands, Inc.*, 137 S.Ct. 1002, 1012 (2017).

[22] See *id.* at 1004-05, 1008-09.

[23] *Id.*; see also Copyright Act of 1976, 17 U.S.C. § 102(a)(5) (defining original works of authorship fixed in a tangible medium).

[24] *Star Athletica, LLC*, 137 S.Ct. at 1012-13.

[25] S.3523 - Innovative Design Protection Act of 2012, 112th Congress (2011-2012) <https://www.congress.gov/bill/112th-congress/senate-bill/3523>