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EXPERT INTERVIEW

Q&A: IP expert Béatrice Martinet on Louboutin's red sole trademark issues

By Patrick Hughes

Sideman & Bancroft attorney Béatrice Martinet answers questions about the similarities and differences between European and U.S. trademark disputes involving fashion icon Christian Louboutin's red-soled luxury footwear.

Thomson Reuters: Red soles have been a feature on Christian Louboutin's shoes since 1992. Why does the fashion designer feel trademark protection is necessary?

Béatrice Martinet: The red soles have been a distinctive feature on Christian Louboutin's shoes for over a quarter century, but the legal protection of such a distinctive feature is far from obvious.

Originally, Christian Louboutin got the idea to apply the red nail polish of his assistant to the outsoles of his shoes, not only for esthetic reasons but also so that they may become immediately recognizable for the consumers. This feature immediately became a distinctive feature of the Louboutin shoes and a synonymous of high-quality shoes.

Unfortunately, this also prompted a number of competitors, like vanHaren, to use identical or similar colors on the sole of their shoes to sell cheaper, lower-quality shoes, while benefiting from the high reputation of the Louboutin shoes.



REUTERS/Stefan Wermuth

A pair of shoes by French designer Christian Louboutin.

Unfortunately for Louboutin, while relatively original, this feature was essentially an idea, not easily protectable by either copyright or unfair-competition law. Indeed, copyright protection required to show that this feature was more than a simple idea and that it had the required amount of originality to be eligible under copyright protection.

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EXPERT ANALYSIS

Special 301: A review and suggestions for the future

Timothy Trainer, founder of the Global Intellectual Property Strategy Center, explains the legislative history behind Special 301 Reports, the records that identify countries the U.S. Trade Representative says fail to adequately protect American IP holders' rights, and suggests ways to improve IP rights enforcement in those countries.

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Director: Nadia Abadir

Editor:

Patrick H.J. Hughes
Patrick.Hughes1@thomsonreuters.com

Desk Editors:

Jennifer McCreary, Elena Neuzil,
Katie Pasek, Sydney Pendleton,
Abbie Sarfo, Maggie Tacheny

Graphic Designers:

Nancy A. Dubin, Ramona Hunter

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175 Strafford Avenue, Suite 140
Wayne, PA 19087
877-595-0449
Fax: 800-220-1640
www.westlaw.com

Customer service: 800-328-4880
For more information, or to subscribe,
please call 800-328-9352 or visit
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Neither the Paris Tribunal nor the Paris Court of Appeal took issue with Orlan's argument that, whilst an artist, she could also be regarded as "an economic agent" ("agent économique").

However, the Paris of Appeal, like the Paris Tribunal before it, disputed the extent to which Lady Gaga's alleged "borrowings" had been made with the intention to free-ride on the goodwill of another artist enjoying a lesser renown than her own. Indeed, Lady Gaga and her creative team disclosed that they did not know of Orlan nor were they familiar with her work.

The defendant pointed to other sources of inspiration, such as Alexander Macqueen's 2010 runway fashion show, in which he too used facial prosthetics for the make-up of his models.

Finally, the Paris Court of Appeal concluded that the similarity between Lady Gaga's and Orlan's works was too weak to amount to parasitic behaviour, confirming the first instance decision on all points.

For these reasons, Orlan's claims were also rejected by the Paris Court of Appeal. The performance artist was ordered to pay 10,000 euros in damages to Lady Gaga herself, and 5,000 euros to the singer's producers for costs.

Whilst the door for the protection of body/performance art against commercial appropriation may still be open, Orlan's case has not blazed new trails in its direction. **WJ**

NOTES

¹ <https://bit.ly/2KJuO8j>

² <https://bit.ly/1mt7Lcg>

³ <https://bit.ly/1OM3u3m>, <https://bit.ly/2udfTcz>

⁴ <https://bit.ly/2vTuRXF>

⁵ <https://bit.ly/2m4jZz3>

Louboutin trademark

CONTINUED FROM PAGE 1

Moreover, cases based uniquely on unfair competition are often an uphill battle to win, especially for features like a red shoe which may be seen as an unprotectable idea.

On the other hand, trademark law offers a solid protection to colors, combination of colors or colors applied to a certain part of a product, provided that the applicant can prove that such colors will be immediately associated by the consumer to a certain undertaking.

By applying and obtaining a trademark on the red sole of his shoe, Louboutin was therefore able to enforce this distinctive feature against any competitors using a red sole on their own shoe, while they would have likely struggled to enforce such a feature based on copyright and unfair competition.

TR: You say copyright protection would be inappropriate for the color of the soles. Can you expound on why that is?

BM: According to the U.S. Copyright Office, copyright protects original works created in a fixed form including "literary, dramatic, musical, artistic, and certain other intellectual works."

Traditionally, copyright does not protect mere "idea" but only "the original expression of an idea."

The issue here is that while applying a red polish on the sole of a shoe may be considered like a work in a fixed form, and may be considered "original," it would likely be considered a mere idea and it may not have the requisite level of originality to be afforded copyright protection.

TR: The Court of Justice of the European Union recently ignored the advice of its advocate general and ruled in favor of Louboutin over trademark protection for the fashion designer's red-soled shoes. What are the issues involved in this European dispute?

BM: Louboutin sued the Dutch company vanHaren based on trademark infringement and misleading consumers, based on its practice to sell black high heels with red soles looking like Louboutin shoes, for the tenth of the price of a genuine Louboutin shoe. The French designer had registered its red sole trademark in Benelux in 2010 for shoes, and in 2013 for high heeled shoes.

VanHaren argued that Louboutin's 2010 red soles trademark was invalid as it consisted "exclusively of the shape which gives substantial value to the goods," which is a motive of invalidity under Article 3 of the EU Trade Mark Directive.

The fundamental question for the court was therefore to determine whether the word "shape" in Article 3 applies only to three-dimensional properties such as contours, measurements and volume, or whether it could also include other properties such as the color.

The advocate general, Maciej Szpunar, was of the opinion that the red color of the trademark could not be considered separately from the shape of the mark and was therefore not eligible for trademark protection under Article 3.

However, the CJEU did not follow the advocate general's recommendation and instead held that the plaintiff was "not seeking to protect the shape of a shoe, but merely the application of a color to a specific part of it."

Since colors, combination of colors and colors as applied to a specific part of a product are traditionally offered trademark protection, provided they are distinctive and can act as an indicator of origin, the court held that a mark consisting of a color applied to the red sole of a shoe could be distinctive and was not covered by the prohibition of the registration of shapes.

TR: In 2011 a federal judge ruled the lacquered red color of the soles did not merit trademark protection in the United States. Two years later an appeals court overturned that decision. *Christian Louboutin SA v. Yves Saint Laurent Am. Holding Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011), *rev'd*, 709 F.3d 140 (2d Cir. 2013). Do the issues in the U.S. dispute differ from the European one?

BM: The issues in the U.S. and in the EU disputes involved different circumstances and a different legal background, but they eventually revolve around the same question as to whether a color can be a valid trademark, and they resolve in the same solution, favorable to Louboutin.

The dispute between Louboutin and Yves Saint Laurent started when YSL released a collection in 2011 of monochrome footwear in various colors, including red. The challenged

shoe consisted of a monochrome red shoe, which was entirely red: sole, shoe, heel.

Prior to the YSL collection, Louboutin had applied to register the red sole and was granted federal trademark registration in 2008. Shortly after the release of YSL's new collection, Louboutin filed a lawsuit based on trademark infringement and counterfeiting, false designation of origin, unfair competition and trademark dilution in connection with Louboutin's federal registration of the red sole trademark. In response, YSL filed a counterclaim, seeking the court to declare Louboutin's trademark invalid based on lack of distinctiveness and the defense of functionality.

By contrast, in the European dispute, vanHaren was selling black high heels shoes with a red sole for a significantly lower price than Louboutin's signature red-soled high heels.

Differently from YSL in the U.S. case, in the EU case, vanHaren was clearly trying to mislead consumers and take advantage of Louboutin's notoriety by manufacturing and distributing shoes with the exact same appearance and style as Louboutin's shoes, whereas in the U.S. dispute, there was no obvious evidence that YSL was trying to take advantage of Louboutin's notoriety since YSL had merely included a red high heels shoe entirely red (including the sole) in its collection of monochrome shoes.

Further, in the EU case, vanHaren based his defense on the invalidity of the EU mark inasmuch as it consisted of a "shape which gave its substantial value to the goods," whereas in *Louboutin v. Yves Saint Laurent*, the court had to decide whether single-color marks were inherently functional under the "aesthetic functionality" doctrine established in *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159 (1995), or whether they could be considered valid mark under a theory of acquired distinctiveness.

While the CJEU and the U.S. Court of Appeals eventually arrive to the same result, by deciding that a mark consisting of a red sole shoe was valid, the EU court decided this on the ground that a color applied to the sole of a shoe was not a "shape giving its substantial value to the good" but "a color applied to a specific position of the good."

The U.S. court ruled that the mark was valid based on its acquired distinctiveness, based on extensive evidence that "a red lacquered outsole contrasting in color with

the adjoining upper of the shoe" was largely associated with Louboutin's shoes.

TR: Why have different courts in both Europe and the U.S. disagreed over trademark protection for the soles?

BM: While colors are an easy way to distinguish one's undertaking or brand from those of a competitor, they are also essential assets in the fashion industry, which anyone should be free to use in a free and competitive environment.

This is why trademark offices and trademark courts in Europe, like in the U.S., are generally reluctant to give trademark protection to single colors or even combination of colors.

When a company has invested substantial time and resources in building its reputation around a specific shade of color or a specific way to use a color in a specific fashion or position on a good, so that customers associate the use of this color in this fashion to a certain company or undertaking, there is no reason that this association may not be protected in the same way than other indicator of origin.

The availability of trademark protection for colors therefore rests on a very delicate balance between the defense of the applicant's rights to protect its investments and the notoriety it has built around a specific color or brand identity, the competitors' rights to use colors which should be in the public's domain and the consumers' rights to have access to a larger choice of goods from different entities at a different price.

Courts in Europe and in the U.S. have therefore disagreed over trademark protection for the red sole because the equally important rights of the right holders, the competitors and the public may play a different role depending on the time, place and specific circumstances in which they will be considered.

TR: The U.S. judge and the CJEU advocate general said the marks were unenforceable despite registrations in the U.S. and Europe.

Does this reflect a general mistrust of trademark offices?

BM: I would not say that. Neither U.S. nor EU courts are bound by the administrative position from the trademark office. Challenging the validity of the IP right supporting a claim is a classic defense of any IP infringement case, and courts will review these claims by applying their own criteria. While it is common that a court will cancel a registered trademark if there are solid arguments supported by solid evidence that this right is invalid, having a registered right is still considered as a *prima facie* evidence of a valid right.

TR: You have said the recent European decision should give some interesting and new prospective to trademark owners to protect their IP. How so?

BM: Previous court decisions were very reluctant to grant protection to a single color or the application of a color to a specific part of a good.

By acknowledging the validity of a mark consisting in a red sole shoe, the EU court decision gives new prospective for trademark owners to protect not only specific colors, but also the application of such colors to a specific part of the goods they are protecting.

Specifically, this decision could open up the possibility for manufacturers of any type of goods to protect the application of a specific color to a specific part of their goods.

For instance, trademark applicants may now consider applying for trademark protection for such distinctive features as an orange stitching, a blue collar, a rainbow target, a violet tag or a specific white-and-red striped doublure for any kind of clothes, bags, linen or any other goods, provided they can prove that this feature has become an indicator in the consumer's mind that the good come from the applicant's undertaking.

Interestingly, this should open up endless opportunities and challenges in the fierce battle for market shares. **WJ**



Béatrice Martinet is a partner at the San Francisco office of **Sideman & Bancroft**. Her practice focuses primarily on intellectual property litigation, arbitration and transactional work for clients in a wide range of sectors, including in the computer, technology, software, publishing, pharmaceutical, food and beverage, and fashion industries. Prior to joining the firm, she practiced for 10 years in France, notably in the Paris IP departments of two large international law firms, Salans and Bird & Bird. She can be reached at bmartinet@sideman.com.