

## THE FASCINATION OF THE RED SOLED SHOE



The Court of Justice of the European Union has been considering Christian Louboutin's red outsole trade mark since 2016. The red outsole trade mark has faced significant opposition with various defendants, including Yves Saint Laurent in the US, and a number trade mark registries, disputing its validity. The current European proceedings arise from the defence of a Dutch retailer Van Haren which had been accused of infringement by Louboutin.

Following the release of the further opinion of the Advocate General it has been widely reported that Louboutin's trade mark is in trouble but is that correct?

The central issue in the proceedings is whether the red outsole trade mark is a colour trade mark or a shape trade mark. The depiction in the register appears below:



Louboutin argues that the mark is a "position mark", where the claim is for the colour and the depiction simply shows the location in which that colour is applied. Van Haren counters that the mark is a shape not a colour. Why does it matter?

The current European Trade Mark Regulation 2017/1001/EU includes a provision that states:

Article 7 - Absolute Grounds for Refusal

- 1 The following shall not be registered:
  - (e) signs which consist exclusively of:
- (iii) the shape or another characteristic of the goods which gives substantial value to the goods"

Similar provisions have appeared in the previous Regulations and the Directive which preceded them.

Some of the recurring objections to trade marks for colours and shapes are that they lack inherent distinctive character and consumers do not use these aspects of goods to identify trade origin. However, Louboutin has previously overcome objections to registration (in many territories) by demonstrating that the red outsole has acquired distinctiveness with consumers. The difficulty? If a mark is a shape and it gives substantial value to the goods then acquired distinctiveness cannot override objections and the mark must be refused.

The further opinion of the Advocate General confirmed that the Louboutin registration is a shape. He noted that the shape in the depiction is not wholly abstract or of negligible importance and noted that if it was used out of context (not on the shape of the outsole) then it was unlikely that it would perform its function for consumers to identify it as a Louboutin shoe.

Christian Louboutin must feel that he cannot win. Earlier registrations of his trade mark, which did not include the placement of the mark on the outsole of the shoe, faced challenges for not being sufficiently certain on the scope of protection. He adapted the registration but in doing so it may have become a shape.

The Advocate General's opinion is not binding and the court may choose not to follow it. If it does, is that the end of the mark? Potentially not.

Even if the trade mark is a shape it needs to give substantial value to the goods to fall foul of the prohibition. The principle behind the provision is that shapes should be available to everyone and no company should be able to keep others out of the market by laying claim to a popular shape.

So the next question may be: why are consumers attracted to shoes with red outsoles? Is it because they are attractive in and of themselves? Or is it because of the reputation of Louboutin? The former defeats the trade mark. In the latter case it would likely survive. The Advocate General noted that the assessment of "substantial value" should not include taking account of the reputation of the trade mark or Christian Louboutin.

Therefore, depending on the evidence submitted by Louboutin when the case returns to the national court, the trade mark may still be held valid.

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