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## **Color Trademark Protection in the Fashion Industry**

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Colors and combinations of colors have been increasingly used to distinguish and identify the origin of products. For example, one could point to the blue and silver colors of the Red Bull can, the teal of Tiffany's jewellery boxes, the bright red featuring on the soles of Louboutin's high heels, Cadbury's use of purple for its chocolate packaging and so on.

In recent years, fashion houses have embarked on legal battles across the world attempting to enforce their trademark rights on colors. The following is an overview and a comparison of how courts in various jurisdictions internationally have approached the issue.

### **Italy**

According to section 7 of the Italian Industrial Property Code (Legislative Decree No. 30/2005), a trademark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, sounds, the shape of goods or of their packaging, the color combinations or shades, provided that such signs are capable

of distinguishing the goods or services of one undertaking from those of other undertakings. The owner may also establish that the color has acquired distinctive character through use. The Italian law provision is broader than the one contained in the EU Trademark Directive (2008/95/EC), which does not include sounds and colors among the signs that may be registered as trademarks.<sup>1</sup>

Whilst the eligibility for trademark protection of colors combined with words or figurative signs has never been questioned, Italian courts have been reluctant to grant trademark protection to single colors, e.g. ruling that primary colors (such as red and blue) can never serve as trademarks.<sup>2</sup>

In one case, the Italian Supreme Court (Corte di Cassazione) opined that single colors with particular or unusual tonality with respect to the product featuring them should be admitted for trademark registration. There, the court upheld the Milan Court of Appeals' decision which held that the luxury goods company Louis Vuitton's color trademarks were not valid since they lacked inherent distinctiveness, being colors — namely black, brown, beige, green, red, blue — that are frequently used in the leather industry.<sup>3</sup> In the Supreme Court's words, following the European Court of Justice's *Libertel* decision,<sup>4</sup> "the possibility to register

monochrome colors as trademarks is hence restricted by the public interest in not unduly restricting the availability of colors for the other traders who market goods or services of the same type.” In its decision, the Italian Supreme Court did not address the issue of whether Louis Vuitton’s colors trademarks, even if not inherently distinctive, had acquired through use, secondary meaning in the public eye.

In early 2013, the Court of Milan dismissed Guess’s counterclaim of invalidity of Gucci’s green-red-green stripes color trademark since it had “an undisputable distinctive force and is able to exactly identify the source of the products”, regardless the fact that the relevant Pantone numbers for those colors were not mentioned. Indeed, the court found that Gucci’s red-green-red stripe trademarks met the three-prong test for trademark registration of combinations of colors per se as developed by the ECJ in *Heidelberger Bauchemie GmbH* (Case C-49/02), namely:<sup>5</sup>

- The combination of colors per se must be a sign;
- The sign must be capable of being represented graphically; and
- The sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

The court then went on to clarify that Guess’s use of brown-red-brown stripes on shoes did not counterfeit Gucci’s trademarks, nor did it constitute unfair competition, noting that the mere idea to use, for fashion accessories, a stripe featuring a combination of colors, is not protectable, and that the use of stripes with different color patterns is very common in the fashion industry.<sup>6</sup> Moreover, the court dealt also with Gucci’s trademarks other than the green-red-green stripes, and found that Guess was not liable for trademark infringement. In the meantime however, Gucci has expressed its intention to appeal.

## France

In May 2012 the French Supreme Court (Cour de Cassation) ruled against the luxury footwear designer Louboutin finding that there was no risk of consumer confusion between red-soled shoes sold by Spanish fashion retailer Zara and Louboutin’s iconic red-soled shoes (see “Battle of the Red Soles Part Deux: Colour Marks in Europe and Considerations for Brand Owners” [26 WIPR 43, 9/1/12]). The court also held that the French registration of Louboutin’s red sole trademark should be cancelled since the trademark description was found to be too vague as there was no specific Pantone color reference in the trademark registration. Further, the court noted the fact that the retail price for a pair of Zara’s red-soled shoes was EU€49, i.e. about one-tenth of the price of a pair of Louboutin’s shoes, meant that the companies were operating in two totally distinct markets.<sup>7</sup>

## OHIM

The Office for the Harmonization of the Internal Market Board of Appeals found that Louboutin’s trademark application for the color red (Pantone No. 18.1663TP)

applied to the sole of a high-heeled shoe was admissible, since the said color departs significantly from the norm or customs of the sector and would “therefore be perceived as imaginative, surprising and unexpected”. OHIM gave particular relevance to the evidence of use provided by the applicant (e.g. cuttings from the international press demonstrating that the trademark applied for was in fact perceived on the market as indicating commercial origin, the fact that the applicant pursued an active policy of combating counterfeiting . . . etc).<sup>8</sup>

With a similar reasoning, the OHIM Board of Appeals found that the trademark constituted by the orange color as used by Veuve Clicquot for champagne wines acquired a distinctive character through use, taking into account the evidence provided by the owner (i.e. high volume sales in many EU countries and significant market share in those countries, lots of advertising, catalogues and press articles. . . etc).<sup>9</sup>

## United States

On September 5, 2012, the US Court of Appeals for the Second Circuit issued its decision in *Christian Louboutin SA v. Yves Saint Laurent America Holding, Inc.*, handing down a more favorable decision for Louboutin compared to the French decision in *Louboutin v. Zara*, since the court found Louboutin’s red lacquered sole trademark as valid and protectable in the United States (see “US Appeal Court Rules Louboutin Mark Valid, But Has Only Limited Protection” [26 WIPR 21, 10/1/12]).

The Court of Appeals relied on the precedence of landmark US Supreme Court decision *Qualitex v. Jacobson* (which involved a claim for trade dress protection of the green-gold color of a dry cleaning press pad) and noted that a single color can be eligible for trademark protection. On this basis, the Court of Appeals reversed the lower court’s decision in part, ruling that Louboutin’s trademark for its iconic red-soled shoes was valid and enforceable since it acquired limited “secondary meaning” as a distinctive symbol that identified the Louboutin brand. However, the court affirmed that such trademark protection was limited to uses in which the red lacquered outsole contrasts with the color of the remainder of the shoe.<sup>10</sup>

The US Court of Appeals, unlike the Italian Supreme Court in *Louis Vuitton*, enlarged upon the issue of whether Louboutin’s red sole trademark acquired, through use, secondary meaning in the public eye, and answered that it did, but only where the trademark at hand was used in contrast with the upper part of the shoe. Advertising expenditures, media coverage, and sales success have been considered by the Court of Appeals as relevant factors providing evidence that Louboutin’s trademark has acquired distinctiveness.

It was not the first time that US courts faced similar disputes. In *Gucci v. Guess*, the District Court for the Southern District of New York, among others, granted Gucci injunctive relief barring Guess from using its green-red-green color stripe pattern (but not stripes with other colors, which are visually dissimilar from Gucci’s green-red-green color stripe).<sup>11</sup> This conclusion on the point of trademark protection of the green-red-green color stripe pattern is similar to the one reached in Italy by the

Court of Milan in *Gucci v. Guess*. On the other hand, with respect to Gucci's trademarks other than the green-red-green color stripe pattern, the US Court found Guess liable for trademark infringement, while, as mentioned above, the Court of Milan, among other things, ruled in favor of Guess.

In another case, Louis Vuitton sued Dooney & Bourke, alleging that the latter's multi-colored bags infringed and diluted Louis Vuitton's monogram multicolor line, designed by Takashi Murakami. On May 28, 2008, a judge of the District Court for the Southern District of New York ruled in favor of Dooney & Bourke noting that, although lines of handbags produced by the two companies had obvious similarities (such as multicolored monograms set against a white or black background) Louis Vuitton offered no proof that consumers were likely to be confused by them.<sup>12</sup>

## Conclusion

Not surprisingly, as the cases discussed demonstrate, the brand owner's ability to enforce its trademark rights in colors or combinations thereof, and to uphold the value of its trademarks, depends much on its ability to successfully provide evidence that the disputed color or combination of colors has acquired distinctiveness through use.

## Notes

<sup>1</sup> Section 2 of the Trademark Directive (2008/95/EC) reads: "A trademark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings." According to Recital 8 of the Directive, the list of signs capable of trademark registration is given by way of example.

<sup>2</sup> Court of Milan, June 7, 2007.

<sup>3</sup> Italian Supreme Court, Decision No. 7254/2008.

<sup>4</sup> European Court of Justice, decision of May 6, 2003, *Libertel* (Case C-104/01).

<sup>5</sup> European Court of Justice, decision of June 24, 2004, *Heidelberger Bauchemie GmbH* (Case C-49/02).

<sup>6</sup> Court of Milan, decision of January 10, 2013, *Guccio Gucci SpA v. Guess? Inc.*

<sup>7</sup> French Supreme Court, May 30, 2012, *Christian Louboutin SA v. Zara France*.

<sup>8</sup> Decision of June 16, 2011, Case R2272/2010-2.

<sup>9</sup> Decision of April 26, 2006, Case R 0148/2004.

<sup>10</sup> US Court of Appeals, 2nd Circuit, 11-3303-cv, 696 F3d 206 (September 5, 2012), *Christian Louboutin SA v. Yves Saint Laurent America Holding, Inc.*

<sup>11</sup> US District Court, SDNY, 09 Civ 4373 (May 21, 2012), *Gucci America, Inc v. Guess? Inc.*

<sup>12</sup> US District Court, SDNY 561 FSupp2d 368 (May 28, 2008), *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*