

Louboutin v. Van Haren: Why Louboutin Isn't Seeing Red . . .Yet

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I. The European Court's Opinion

On February 6, 2018, the Court of Justice of the European Union (CJEU) Advocate General Szpunar handed down a nonbinding opinion on the validity of Christian Louboutin's "Red Sole" trademark registration within the European Union. Additional Opinion of Advocate General Szpunar, *Christian Louboutin et al. v. Van Haren Schoenen BV*, C-163/16 (translated version available [here](#)). This decision comes after years of litigation between Louboutin and Dutch footwear company Van Haren, in which Louboutin alleges Van Haren's "Fifth Avenue by Halle Berry" footwear collection infringes its "Red Sole" mark, and Van Haren, in turn, alleges that Louboutin's "Red Sole" registration is not valid under EU law. Originally filed in the District Court of the Hague, an appealed injunction ruling has brought this case before Europe's highest court, the CJEU.

In June, AG Szpunar determined that Louboutin's "Red Sole" mark qualifies as a "shape mark," or "a mark consisting of the shape of the goods and seeking protection for a color in relation to that shape." Opinion of Advocate General Szpunar, *Christian Louboutin et al. v. Van Haren Schoenen BV*, C-163/16, Paragraph 41. Building upon this ruling, in the court's latest opinion AG Szpunar cites a directive declaring a trademark invalid where it consists "exclusively of a shape that gives substantial value to the goods." The opinion interprets that directive to mean that the red **color** used on the Louboutin shoe soles (Pantone 18 1663TP) cannot be a trademark because it is placed on and merged with the **shape** of a high-heeled shoe sole, which the opinion says is a functional shape with "intrinsic" and "substantial value" to the shoe.

To those familiar with the Louboutin contrasting red sole trademark in the United States, this may appear to be a major loss for Louboutin. However, there are several reasons not to overstate the significance of this ruling, especially outside the bounds of the EU.

II. What About Louboutin's "Red Sole" Mark in the U.S.?

Given the opinion's approach to the intersection between color marks and product shapes, even if approved by the CJEU panel, it is unlikely this ruling would be adopted in the United States.

The opinion found Louboutin's red tone to be functional, and thus possibly not registrable, where its source-identifying power stems from its appearance on a functional product component. U.S. courts, in contrast, do not premise the protectability of colors on an analysis of the shape(s) on which they appear. Rather, U.S. courts have consistently evaluated the distinctiveness and functionality of color and shape separately, because source-identifying colors are often *necessarily* intertwined with functional aspects of the products on which they appear. *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 162-63 (1995).

When analyzing whether a color can function as a trademark, U.S. courts look instead at the effect of the color on the product and on consumer perception. For instance, U.S. courts consider whether the color conveys to consumers a distinctive, source-identifying impression when placed on the product, which renders the color potentially protectable as a trademark. On the other hand, if the color serves a function, for either product *use* or product *aesthetics* that drive demand, that renders the color unprotectable under the functionality doctrine, which seeks to ensure that trademarks do not prevent fair competition in the market.

This contrast in perspective is evident in the Court of Appeals for the Second Circuit's opinion that upheld the validity of the very same Louboutin contrasting red color sole mark. *Christian Louboutin S.A. v. Yves Saint Laurent America Inc.*, No. 11-3303 (2d Cir. Sep. 5, 2012). There, the court relied primarily on the distinctiveness of the Louboutin contrasting red sole gained through "secondary meaning" in the relevant market. *Id.* at 28-29. In contrast to the CJEU opinion, the Second Circuit found that precisely *because* the Pantone 18 1663TP shade was associated with Louboutin shoe soles in the minds of consumers, it was distinctive and protectable as a trademark when used as a contrasting sole color.¹ This emphasis deviates sharply from AG Szpunar's opinion, which "relates exclusively to the intrinsic value of the shape," and not any "reputation of the mark or its proprietor." Advocate General's Opinion, *Christian Louboutin et al. v. Van Haren Schoenen BV*, C-163/16, Paragraph 14.

III. What Does This Mean?

While potentially problematic down the road for Louboutin and other European trademarks based on color, the opinion is currently nonbinding. It must be adopted by a CJEU panel in the coming months to have any binding effect on the parties. Furthermore, much of the reasoning underlying this decision runs counter to U.S. trademark precedent and thus likely has limited applicability as far as U.S. trademark rights are concerned.

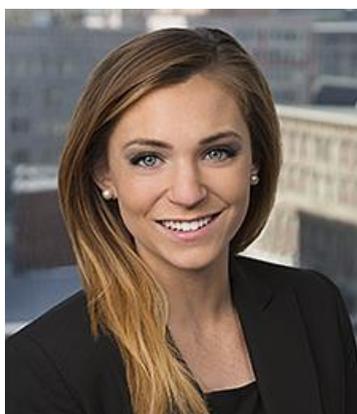
With that said, Louboutin will still likely face various challenges as a result of this ruling. For instance, this opinion, and certainly any adoption of the opinion by the CJEU panel, may lead to an increase in non-Louboutin red-soled shoes within the European Union. Given the global nature of modern markets, and particularly those in the fashion industry, this use in Europe has the potential to weaken and dilute the Louboutin contrasting red sole trademark beyond Europe. The effect of course will largely turn on the CJEU panel's decision on whether to adopt this opinion, which is expected in the coming months. Stay tuned!

¹ Although the court discussed the importance of a functionality test, it did not delve into this analysis, as it found YSL's use of the red sole on a monochromatic red shoe did not infringe the "Red Sole" mark. *Id.* at 30.

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