

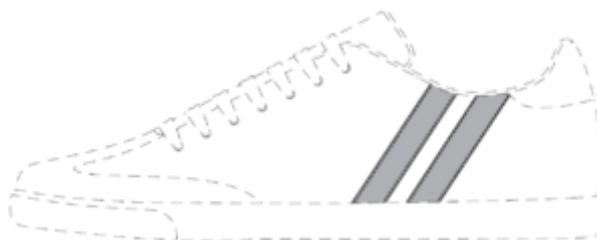
adidas victorious again in defending its rights to the Three Stripes

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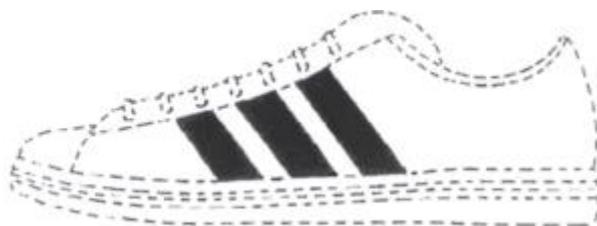
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The General Court has once again upheld adidas' oppositions against two copycat applications for two stripes positioned on a shoe. The two decisions issued on 1 March 2018 (in Cases [T-629/16](#) and [T-85/16](#)) come as part of the long-standing trade mark dispute between adidas and Shoe Branding*.

The cases involved Shoe Branding's two applications for position marks showing a shoe with two stripes, one was applied for footwear in class 25 and the other was applied for safety footwear in class 9. The marks were represented in both applications as follows:



adidas opposed these two applications on the basis of its various rights to the Three Stripes Mark, including on shoes such as the below:



The opposition in relation to the application for class 25 proceeded to the General Court, which in 2015 upheld adidas' view that the marks at issue were similar. This finding was upheld by the CJEU ([see blogpost](#)).

Following these two EU Court decisions, the EUIPO's Board of Appeal (BoA) upheld adidas' oppositions against both applications. The BoA held that the applications were likely to take unfair advantage of the high reputation held by adidas in its Three Stripes Mark.

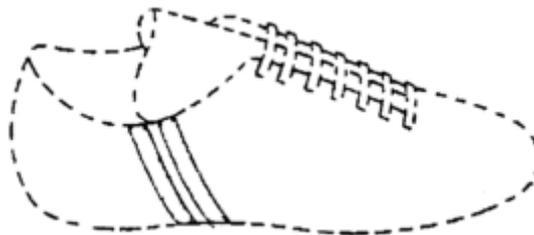
Shoe Branding appealed both cases to the General Court alleging (inter alia) that the BoA's finding was wrong because there was a peaceful coexistence on the German market. Shoe Branding maintained that this coexistence reduced the likelihood that consumers would make a link between the signs and thus it claimed that there was no risk of unfair advantage being taken. Shoe Branding also claimed that it had due cause to register both signs as EUTMs due to this alleged long-standing coexistence in Germany.

The General Court dismissed all arguments advanced by Shoe Branding.

As a first point, the Court noted that there has not been any peaceful coexistence between the marks at issue. This is in particular because adidas filed and prevailed in a trade mark infringement action against Shoe Branding in Germany involving at least a sufficiently similar mark, namely:



adidas also filed an opposition action against another of Shoe Branding's EUTM applications for a similar two-striped mark, namely:



As a second point, the Court also specifically noted that Shoe Branding clearly tried to free ride on adidas' reputation. In an advert circulated in Portugal and Spain, Shoe Branding (which operated under the Patrick brand) used the slogan "**TWO STRIPES ARE ENOUGH**":



Use of this slogan, according to the Court, clearly sought to call to mind adidas' earlier Three Stripes Mark and suggest to consumers that the goods bearing Shoe Branding's two stripes mark had qualities equal to the goods sold by adidas. The Court considered this to be a particularly relevant factor for the purposes of establishing the existence of a risk of unfair advantage.

In relation to due cause, the Court first highlighted that, with its two EUTM applications, Shoe Branding was seeking to obtain protection across the entire EU. To be able to rely on due cause it would therefore have to show (peaceful) coexistence across that territory and not only in Germany. Since Shoe Branding did not even allege that such EU-wide coexistence existed, Shoe Branding's defence had to fail, even if it were proven (which it was not) that there was any peaceful coexistence in Germany.

Moreover, the Court also reminded Shoe Branding that the party relying on the defence of due cause must have acted in good faith. The Court considered that Shoe Branding could not be considered to have acted in good faith when it used the "TWO STRIPES ARE ENOUGH" slogan.

Ultimately, therefore, the Court considered that in both cases the marks were similar to a certain degree (a point already established in the previous General Court judgment). It went on to hold that the relevant public will create a link between the two signs. This was in particular in view of the identity (in relation to class 25) or similarity (in relation to class 9) of the goods at issue and the high, long-held and enduring reputation enjoyed by adidas' Three Stripes Mark.

The Court confirmed that the Three Stripes Mark was linked to an image of quality and prestige which had been acquired after decades of investment, innovation and publicity and that this image would likely transfer to Shoe Branding's mark. This was something Shoe Branding manifestly also tried to capitalise on at least once, when it used the allusive "TWO STRIPES ARE ENOUGH" slogan.

These two decisions deal in some detail with coexistence and due cause and provide useful guidance on these two issues which have been relatively rarely addressed by the EU Courts. The cases in particular provide further support that the unitary character of the EUTM must be respected when considering defences to EUTM infringement.

** The authors acted for adidas in these cases.*

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