

## CANCELLATION No 14 145 C (INVALIDITY)

**Van Haren Schoenen B.V.**, Van Liemptstraat 10, 5145 RB Waalwijk, The Netherlands (applicant), represented by **Taylor Wessing N.V.**, Kennedyplein 201, 5611 ZT, Eindhoven, The Netherlands (professional representative)

**against**

**Christian Louboutin**, 1 rue Volney, 75002 Paris, France (EUTM proprietor), represented by **Van Innis & Delarue**, Wapenstraat 14, 2000 Antwerp, Belgium (professional representative).

On 22/05/2019, the Cancellation Division takes the following

### DECISION

1. The application for a declaration of invalidity is rejected in its entirety.
2. The applicant bears the costs, fixed at EUR 450.

### REASONS

The applicant filed an application for a declaration of invalidity against European Union



trade mark No 8 845 539 (other mark) (the EUTM). The request is directed against all the goods covered by the EUTM, namely:

*Class 25: High-heeled shoes (except orthopaedic footwear).*

With the following description:

‘The trade mark consists of the colour red (Pantone 18.1663TP) applied to the sole of a shoe as shown (the outline of the shoe is therefore not part of the trade mark but serves to show the positioning of the trade mark).’

The applicant invoked Article 59(1)(a) EUTMR in conjunction with Article 7(1)(e)(iii) EUTMR.

### SUMMARY OF THE PARTIES' ARGUMENTS

**The applicant** argues, in its two submissions, that the EUTMR entered into force on the twentieth day after its publication (06/07/2017) and is applicable from 01/10/2017. The EUTMR is binding in its entirety and is directly applicable in all Member States. There is no transitory law, as the EUTMR does not contain any provisions for transitory

law. However, the European Union Trade Mark Delegated Regulation No 2018/625 of 05/03/2018 (EUTMDR) and European Union Trade Mark Implementing Regulation No 2018/626 of 05/03/2018 (EUTMIR) do have such transitory law provisions, but are not applicable to absolute grounds for refusal. EUIPO guidelines do not give the correct interpretation of the law. If new regulations do not immediately apply to all registered trade marks, it would in fact lead to several different trade mark regimes and would be in violation of the principles of legal certainty.

It also considers that:

- the contested registration consists exclusively of a shape (or another characteristic): it does not show anything else;
- the contested registration gives substantial value to the goods (based on factual evidence in the Dutch proceedings);
- the new EUTMR should be applied when assessing the validity of the contested registration in these invalidity proceedings because of the lack of transitory law, the principles of legal certainty and based on settled CJEU case-law;
- these invalidity proceedings should be stayed, at least until the CJEU has rendered a decision in C-21/18 (Textilis case), in case EUIPO will not immediately apply the new EUTMR in these proceedings;
- even when the former regulation is applied, the contested registration falls under the scope of the definition 'shape'.

The applicant required that the document filed with the application and not listed separately should be kept confidential. The documents will therefore be described in general terms. In support of its observations, the applicant filed the following evidence:

- Exhibit 1: extract concerning contested EUTM No 8 845 539.
- Exhibit 2: extract from EUIPO Guidelines for Examination dated 01/02/2017 concerning, in particular, the shape that gives substantial value to the goods.
- Exhibit 3: 01/04/2015, C/09/450182/HA ZA, 13-999, Van Haren / Louboutin, in Dutch, with an English translation (interlocutory judgment).
- Exhibit 4: 09/03/2016, C/09/450182/HA ZA, 13-999, Van Haren / Louboutin, in Dutch, with an English translation (decision).
- Exhibit 5: extract of the EUTM proprietor deposition, dated 13/06/2011, of proceedings in the United States of America, (US), Yves Saint Laurent American Holding, Inc / Louboutin.
- Exhibit 6: brief dated 27/12/2011, of proceedings in the US, Yves Saint Laurent American Holding, Inc/Louboutin.
- Exhibit 7: article from the *New Yorker* dated 28/03/2011.
- Exhibit 8: market survey of June 2013, performed by Dynamic Concepts Consultancy, with an English translation, showing that when shown a picture of

red-soled shoes, women answered in their majority that they would buy them based on their appearance and a little less than a quarter, based on the brand.

- Exhibits 9 and 10: first opinion of Advocate General Szpunar dated 22/06/2017 in C-163/16, Louboutin y Christian Louboutin, ECLI:EU:C:2017:495.
- Exhibit 11: 20/01/2012, ECLI:NL:HR:2012:BU7244, (Bach Flower Remedies), extracts of a decision of the Dutch Supreme Court with an English translation.

**The EUTM proprietor** argues, in its two submissions, that the application for a declaration of invalidity should be rejected for the following reasons:

- the contested trade mark does not consist exclusively of the shape of the goods;
- the new provisions of Article 7(1)(e) EUTMR can only apply to the types of trade marks that have become registrable since 23/03/2016;
- the new provisions of Article 7(1)(e) EUTMR can, in any event, only apply to trade marks whose registration were applied for no earlier than 23/03/2016;
- in subsidiary order, it is, in any event, not proven that the contested trade mark gives substantial value to the goods. The only evidence provided in this respect is a market survey held in the Benelux in June 2013, which shows that about 50% of the 747 respondents, who were shown only a picture and were asked the question 'If you were considering buying the shoes in this picture, what would be your main consideration when deciding on the purchase of these shoes?', responded mostly by referring to their appearance. Thus, this market survey says a lot about the overwhelming reputation acquired by the trade mark at that time in the Benelux, but nothing about the intrinsic aesthetic value of the red sole and its capacity to give a substantial value to all high-heeled shoes.

In support of its observations, the EUTM proprietor filed the following evidence:

- 1) observations filed by the European Commission in C-21/18, *Textilis Ltd, Ozgur Keskin v Svenskt AB*.
- 2) judgment of the Benelux Court of 14/04/1989 in case A 87/A (*Burberry*).
- 3) observations filed by the Hungarian government in C-163/16, *Louboutin and Christian Louboutin*.
- 4) observations filed by the Portuguese government in C-163/16, *Louboutin and Christian Louboutin*.
- 5) extract of the Wikipedia page on *Christian Louboutin*
- 6) article about *Louboutin* published in the US magazine *W* in March 1992
- 7) article about *Louboutin* published in the magazine *Journal du Textile* in May 1992.
- 8) extracts from the book *Christian Louboutin*, edited by *Éric Reinhardt* and published by *Rizzoli International Publications* in 2011;

- 9) screenshots of Christian Louboutin's Instagram account;
- 10) screenshots of the result of a search carried out on Pinterest in respect of 'Louboutin escarpins';
- 11) screenshots of the result of a search carried out on Google Images in respect of 'Louboutin';
- 12) information on the awards received by Christian Louboutin;
- 13) information on the exhibitions showcasing Christian Louboutin's creations;
- 14) extracts of several books praising Christian Louboutin's creativity;
- 15) invoices proving the prices of several shoes sold by Christian Louboutin in 2016, not showing the contested trade mark;
- 16) screenshots proving the prices of several shoes offered for sale by Christian Louboutin in 2019.

#### **ABSOLUTE GROUNDS FOR INVALIDITY – ARTICLE 59(1)(a) EUTMR IN CONJUNCTION WITH ARTICLE 7 EUTMR**

According to Article 59(1)(a) and (3) EUTMR, a European Union trade mark will be declared invalid on application to the Office, where it has been registered contrary to the provisions of Article 7 EUTMR. Where the grounds for invalidity apply for only some of the goods or services for which the European Union trade mark is registered, the latter will be declared invalid only for those goods or services.

Furthermore, it follows from Article 7(2) EUTMR that Article 7(1) EUTMR applies notwithstanding that the grounds of non-registrability obtain in only part of the Union.

As regards assessment of the absolute grounds of refusal pursuant to Article 7 EUTMR, which were the subject of the *ex officio* examination prior to registration of the EUTM, the Cancellation Division, in principle, will not carry out its own research but will confine itself to analysing the facts and arguments submitted by the parties to the invalidity proceedings.

However, restricting the Cancellation Division to an examination of the facts expressly submitted does not preclude it from also taking into consideration facts that are well known, that is, that are likely to be known by anyone or can be learned from generally accessible sources.

Although these facts and arguments must date from the period when the European Union trade mark application was filed, facts relating to a subsequent period might also allow conclusions to be drawn regarding the situation at the time of filing (23/04/2010, C-332/09 P, *Flugbörse*, EU:C:2010:225, § 41 and 43).

## Shape which gives substantial value to the goods – Article 7(1)(e)(iii) EUTMR

### Preliminary remarks

As explained by the parties, Article 7(1)(e)(iii) EUTMR today reads as follows:

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

Nevertheless, it is important to observe that this particular wording of Article 7(1)(e)(iii) EUTMR has only been applicable since 23/03/2016, the date of the entry into force of Regulation No 2015/2424 amending Regulation No 207/2009.

Before this amendment, Article 7(1)(e)(iii) EUTMR applied only to signs consisting exclusively of the ‘shape’ of the goods, and thus not to signs consisting exclusively of ‘another characteristic’ of the goods.

Since the contested trade mark was filed on 29/01/2010, the regulation in force at that time was Regulation No 207/2009, even if the contested trade mark was registered on 10/05/2016, namely after the date of entry into force of Regulation No 2015/2424.

The recent 14/03/2019, C-21/18, *Textilis Ltd, Ozgur Keskin v Svenskt AB*, mentioned by the applicant established that:

Article 7(1)(e)(iii) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the [European Union] trade mark, as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015, must be interpreted as meaning that **it is not applicable to marks registered before the entry into force of Regulation No 207/2009**, as amended by Regulation 2015/2424.

Nevertheless, despite this wording, the Cancellation division believes that the new regulation is also not applicable to marks **applied for before the entry into force of the new regulation**, even if registered after that date because, as mentioned by the EUTM proprietor, the date of filing the application for registration of the EUTM is the material date for the examination of the ground for invalidity invoked (06/03/2014, C-337/12 P, § 59; C-5/10 P, § 84; C-332/09 P, § 41; C-78/09 P, § 18; and C-192/03 P, § 40).

Therefore the invalidity should be assessed based on the regulation in force on the day of the filing of the application for registration, and the applicant must prove that on 29/01/2010, the contested trade mark was, due to its intrinsic aesthetic characteristics, giving a substantial value to *high-heeled shoes* in order that a declaration of invalidity is found.

It is not contested by the parties that the mark consists of the colour red applied to the sole of a shoe and that the outline of the shoe is therefore not part of the trade mark but serves to show the positioning of the trade mark.

In other words, it is considered that the contested mark is exclusively composed of a colour which is not a shape. In the context of trade mark law, the concept of ‘shape’ is usually understood as a set of lines or contours that outline the product concerned (12/06/2018, C-163/16, *Louboutin and Christian Louboutin*, EU:C:2018:423, § 21). In this later case, it was previously considered that Benelux trade mark No 0 874 489



consisting of a colour applied to the sole of a high-heeled shoe, (identical to the contested trade mark) does not consist exclusively of a 'shape', within the meaning of that provision. The same conclusion will apply to the present case, since the contested trade mark was filed before the entry into force of the new regulation.

In subsidiary order, the Cancellation Division will nevertheless briefly examine whether the second provision of the Regulation is applicable. Under Article 7(1)(e)(iii) EUTMR, signs that consist exclusively of a 'shape' that gives substantial value to the goods cannot be registered, or if registered they are liable to be declared invalid.

The concept of 'value' should be interpreted not only in commercial (economic) terms, but also in terms of 'attractiveness', that is to say, in the present case, the likelihood that the goods will be purchased primarily because of their particular red sole. The concept of 'value' should not be interpreted as meaning 'reputation', since application of this absolute grounds for refusal is justified exclusively by the effect of the shape or another characteristic on the value added to the goods and not by other factors, such as the reputation of the word mark that is also used to identify the goods in question (16/01/2013, R 2520/2011-5, SHAPE OF GUITAR BODY (3D MARK), § 19).

In assessing the value of the goods, account may be taken of **criteria** such as the nature of the category of goods concerned, the artistic value of the shape or other characteristic in question, its dissimilarity from other shapes in common use on the market concerned, a substantial price difference compared with similar goods, and the development of a promotion strategy that focuses on accentuating the aesthetic characteristics of the product in question (18/09/2014, C-205/13, Hauck, EU:C:2014:2233, § 35).

For the examination of these trade marks, a case-by-case approach is necessary. In most of these cases a proper examination will only be possible where there is evidence that the aesthetic value of the shape can, in its own right, determine the commercial value of the product and the consumer's choice to a large extent.

If a shape or another characteristic derives its appeal from the fame of its designers and/or marketing efforts rather than from the aesthetic value of the shape or another characteristic itself, Article 7(1)(e)(iii) EUTMR will not apply (14/12/2010, R 486/2010-2, Shape of a chair (3D), § 20-21).

The second question to be answered is whether the colour red applied to soles gives substantial value to the goods covered by the contested registration, which are *high-heeled shoes*. The applicant considers that high-heeled shoes are bought because of their aesthetic value. In other words, the design of their shape and their outward appearance, which can include their colours, is essential. The Cancellation Division agrees with the fact that high-heeled shoes are clearly articles of fashion for which outward appearance is decisive.

Nevertheless, as argued by the EUTM proprietor, it is not likely that the red colour of a usually very subordinate component of a shoe, such as a shoe sole, has an inherent aesthetic value that can dominate the overall appearance of any high-heeled shoe and would therefore give an intrinsic substantial value to these shoes. The outward appearance of a shoe does not usually extend to the soles, which are in general

discrete and are not really part of the visible model of the shoes in normal use. Therefore, the neutral colour of the soles would not traditionally give value to the shoes but on the contrary, would appear as an irrelevant element. The red coloured external sole of the contested trade mark, which is quite unusual for shoes, included at the time the contested trade mark was applied for, tends to indicate that this colour was distinctive *per se*.

The applicant has not demonstrated that the red sole gives substantial value to the goods.

The applicant relies on national case-law in the Netherlands (exhibits 3 and 4). Although national case-law can be of relevance if the circumstances of the case are the same, it is explained that the red soles give substantial value to the goods because the EUTM proprietor initially chose to use the colour red to give his shoes 'energy' and because it is 'sexy' and 'attracts men to the women who wear' red-soled shoes. Even if it is the case, the intention of the EUTM proprietor, by using red soles, is not relevant. The only relevant criteria is the perception of the public. If at the time of filing the contested trade mark the public was not educated to see the colour of external soles as an aesthetic function determining its purchase, the mark will not be considered as falling foul of Article 7(e)(iii) EUTMR.

The survey provided (exhibit 8), is not convincing as regards the perception of red soles by consumers, since the questions asked are about the appearance of the shoes as a whole and as previously mentioned, the colour of the soles do not usually determine the appearance of a shoe. If consumers buy shoes, it is because of the appearance of the shoe as a whole, generally excluding the soles. As correctly mentioned by the EUTM proprietor, the market survey only shows that around 50 % of the respondents, who were shown a picture of red soles shoes and were asked the question 'If you were considering buying the shoes in this picture, what would be your main consideration when deciding on the purchase of these shoes?', responded by referring to their appearance, but this gives no indication as to the intrinsic value given to the red sole.

According to the EUTM proprietor, the contested trade mark acquired great value because the red sole is perceived as a trade mark indicating the commercial origin of the goods. Even if today the red sole of the models created by Christian Louboutin is seen as a very attractive feature, this is only because it works as a trade mark and serves as the signature of Christian Louboutin. As mentioned by the EUTM proprietor, it is clear that the commercial value of high-heeled shoes does not depend on the colour of their soles, but only on their design, their finish, the materials of which they consist, and the cost of the craftsmanship required to make them, as well as the reputation and/or the success of their designer.

The applicant does not provide any facts which would lead to the opposite conclusion and for a declaration of invalidity.

## **Conclusion**

In the light of the above, the Cancellation Division concludes that the application should be rejected.

## **COSTS**

According to Article 109(1) EUTMR, the losing party in cancellation proceedings must bear the fees and costs incurred by the other party.

Since the applicant is the losing party, it must bear the costs incurred by the EUTM proprietor in the course of these proceedings.

According to Article 109(7) EUTMR and Article 18(1)(c)(ii) EUTMIR, the costs to be paid to the EUTM proprietor are the representation costs, which are to be fixed on the basis of the maximum rate set therein.



### **The Cancellation Division**

Carmen SÁNCHEZ  
PALOMARES

Jessica LEWIS

Richard BIANCHI

According to Article 67 EUTMR, any party adversely affected by this decision has a right to appeal against this decision. According to Article 68 EUTMR, notice of appeal must be filed in writing at the Office within two months of the date of notification of this decision. It must be filed in the language of the proceedings in which the decision subject to appeal was taken. Furthermore, a written statement of the grounds of appeal must be filed within four months of the same date. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 720 has been paid.