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NEWS

Louboutin case in China: Another episode in the globalisation of intellectual property

Louboutin's victory in registering the red colour of the soles of its shoes: will the latest decision of the Beijing courts signify a change by China in the approach to trademark protection?

2019 began in the best way for the famous shoe designer and founder of the "CL", Christian Louboutin, fashion brand.

The Beijing courts granted the French designer the possibility of registering as a trademark the "unique" red used on the soles of its shoe collection (position mark).

Since 1992, Louboutin has distinguished the high-heeled shoes of its collections by applying red soles, and this colour has come to be a distinctive symbol of CL brand shoes.

In order to protect its brand, Louboutin registered the "red (Pantone 18 1663TP) colour affixed to the soles of shoes" in Belgium, the Netherlands and Luxembourg.

In China, Louboutin's legal battle dates back to 15 April 2010, when it submitted an application to register the "red (Pantone No 18.1663TP) colour for "women's footwear" - Class 25 articles at the World Intellectual Property Organisation (WIPO).

The request for enlargement of the trademark was rejected by the China Trademark Office ("CTMO"), on the grounds that "the brand did not assume a distinctive character in relation to the said goods".

Louboutin decided to appeal this refusal to the Trademark Review and Adjudication Board ("TRAB"), but the decision of CTMO was reconfirmed on the understanding that a common high-heeled shoe with a red sole was not sufficiently identifiable as registrable trademark by an average consumer.

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Later, the Beijing Intellectual Property Court annulled the decision of the TRAB, holding that the trademark had been incorrectly identified as "article brand/device" and not as three-dimensional (3D) trademark.

Not agreeing with the decision of the Intellectual Property Court, Louboutin and TRAB appealed to the Supreme Court of Beijing.

The Ruling of the Supreme Court of Beijing rejected both the decision of the TRAB and also that of the Administrative IP Court, based on the erroneous identification of the nature of that trademark and of the elements comprising it.

The Supreme Court of Beijing found that the Trade-mark Registration Law of the People's Republic of China did not prohibit the registration as a position mark of a unique colour on a particular product/article.

In Article 8 of the Law one can read the following:

Any distinctive sign of goods of a natural person, a legal person or any other organisation of people, including, but not limited to words, designs, letters, numbers, three-dimensional symbols, combinations of colour and sound, as well as the combination of such elements may be registered as trademark.

Accordingly, and although the trademark concept brought by Louboutin was not expressly specified in Article 8 of the Law as a registrable trademark, it also seemed that it was not excluded from the situations listed in the legal rule.

This case, which admitted the registration of a position mark of a "unique colour on the sole of LB footwear" in China, warrants special attention for its innovative character.

The position mark is generally regarded as a sign comprising a three-dimensional, or 2D, colour symbol or combination of all these elements, and this sign is placed in a certain position on the products at issue.

This means that the "LB red-soled shoe case" allowed China's courts to interpret the provisions of Article 8 of China's Trademark Registration Law more broadly, by holding that other elements could be used as a commercial trademark.

This Supreme Court decision is an important milestone in the approach interpreting Chinese intellectual property law, because of the finding that it does not restrict the registrability of trademarks to the symbols/signs listed in the legislation.

This interpretation is extremely significant for the protection of other fashion brands with luxury items that intend to invest in China. These brands should be armed with sufficient evidence to demonstrate that the distinctive nature of their brand can be registered commercially in China as a "position mark".

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CHINA/MACAO**In Conclusion:**

The fashion and luxury goods industry enthusiastically welcomed Christian Louboutin's recent court victory in China.

The Supreme Court's decision of January 2019, which ended about 9 years of litigation, protected the registrability of trademarks of specific colours, colour combinations or patterns placed on certain products/articles (position mark).

With this opening up of the approach to the Trademark Protection Law by the Chinese courts, it can be expected that other foreign luxury brands will feel encouraged to register their unique-colour trademarks for shoes or other products.

This ruling is not only a milestone in the change of the Chinese mentality with regard to intellectual property, but also the sign of a gradual opening of the Chinese market to the rest of the world in the most varied areas of the economy and of law.

