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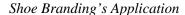
Trade Marks and Stripes: Three's Company, Two's a Crowd

Julius Stobbs (Stobbs IP) · Monday, March 7th, 2016

The scope of protection conferred upon trade mark owners can often prove to be a controversial subject, particularly where the trade mark applied for has a decorative look and feel to it. Despite the EU trade mark system now being over 20-years-old, and case law well-established, it is an issue that shows no sign of going away, as these types of marks appear increasingly important in modern crowded markets. In the recent case of Shoe Branding Europe v Adidas (Case C-396/15 P), the CJEU has revisited the issue in relation to position marks on footwear.

Shoe Branding filed an EU-wide application ('CTM') for two diagonal stripes positioned on the side of a shoe, which covered "footwear". Adidas opposed Shoe Branding back in 2010 on the basis of several three-stripe position marks, including the below, covering "footwear". Adidas stated that consumers would be confused by the stripe similarities and that the existence of a two-stripe shoe would dilute the distinctiveness of their well-known three-stripe brand.







Adidas' Registered Mark (sample)

OHIM originally took the view that whilst Adidas' rights did provide a level of protection, this was limited to near-identical or identical reproductions, whereas in the case at hand there were enough differences to prevent confusion or a link e.g. the number of stripes, stripe direction and positioning on the shoe. The Board of Appeal broadly agreed, finding in favour of Shoe Branding. This will have come as a surprise to many, following on from earlier decisions in Adidas' favour re two-stripes (see Adidas v Fitnessworld (C-408/01) and Adidas v H&M & Ors (C102-07)).

Ultimately, the General Court found in Adidas' favour (a view that was upheld by the CJEU, who rejected Shoe Branding's appeal), holding that there would be confusion with, and a link to, Adidas as a result of use of Shoe Branding's application. In reaching this finding the panels looked at the

overall impression created by the two marks, as opposed to a detailed exercise in deconstructing the similarities and differences.

This is an interesting decision bearing in mind the context of other decisions relating to shape marks in recent times in Europe (including the KitKat decision reported a few weeks ago). This not only shows that it is possible to obtain rights in these "difficult" marks but that the scope of protection of them is not necessarily narrow. Although it does look like it will generally be dependent on being able to show significant evidence of acquired distinctiveness.

This is certainly a positive decision for those looking for help with protection and enforcement in relation to trade dress. Is this decision different than other recent decisions because it relates to a "position" mark rather than a pure shape mark? Will this type of mark be prevented from registration by the new shape objections in the amended Regulation? Bearing in mind the breadth of the new wording in the objection (in particular the "other characteristic" term), it is surely a real possibility that this type of mark will be prevented from registration. And of course in those circumstances evidence of acquired distinctiveness would not help. We will have to wait and see how the Courts will deal with this and how they will deal with the transition in relation to existing registrations that may be treated differently under the new law.

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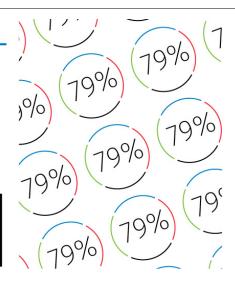
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