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**PROTECTION OF A SINGLE COLOUR AS A TRADE MARK IN
THE FIELD OF THE FASHION INDUSTRY**

Bachelor's thesis

European Union and International Law

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I hereby declare that I have compiled the paper independently and all works, important standpoints and data by other authors has been properly referenced and the same paper has not been previously presented for grading.
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ABSTRACT

As the economic markets fluctuate, the fashion industry is steadily increasing its profit year after year, and as competition intensifies, previously used trade marks become increasingly amounts reflecting the designer's artistic vision. As a result, the use of colours and patterns combined with the designer products itself will become more and more common, and recent changes in the EU legislation will progressively allow these brands to be protected when, a few decades back, this would not be possible in most cases.

How much competition can be restricted to protect fashion brands is an issue that needs to be solved today as well as in the future. The fact that the fashion designs should be more precisely protected through the trade mark legislation while still maintaining fair competition between the companies has been in the middle of a discussion in the recent years especially in the EU as the brands are without denying a remarkably important component of a company's value.

Weak intellectual property right protection will generally result in a weak development of innovation. In developed countries such as the EU within its Member States and the US are the strong intellectual property regime is likely to attract foreign investors, and this has a positive impact on economic growth in all areas of industry. However, the protection of intellectual property in the fashion industry has not received enough attention in the past, which has led the fashion houses to fight for years to protect their fashion designs.

Keywords: trade marks, colour marks, fashion industry, European Union, United States

LIST OF ABBREVIATIONS

ECJ: European Court of Justice

EU: European Union

EUIPO: European Union Intellectual Property Office

IP: Intellectual property

TFEU: Treaty on the Functioning of the European Union

US: United States

INTRODUCTION

The high fashion industry is one of the most prolific fields in the business and as the world's economic situation varies from time to time even in a radical way, nonetheless, the fashion industry keeps moving forward providing millions to the fashion houses around the world.¹ Steadily increasing and toughening competition sets the intellectual property (IP) rights of designers under discussion. IP law continually raises questions about the protection of fashion brands, and in recent decades it has emerged as an essential and necessary prerequisite to the profitable high fashion business.² Courts are still struggling to find harmony between competition and the intellectual property rights of fashion designers. One of the recent trade mark cases, Louboutin's famous red sole mark, has been the subject of discussion both in the European Union (EU) and United States (US). The European Court of Justice (ECJ) gave its decision concerning the validity of a single colour trade mark, and this is an action in the right direction to provide more protection to the fashion designers and their brands.

The topic of this research is extremely important as now the current changes in the EU legislation have been stepped into the force. The trade mark law in the field of the fashion industry has been a hot topic in the US and among the Louboutin case in the EU as well. The fashion industry has always been a hard-to-protect area, and IP law is not entirely designed to protect the designer's rights in the first place. Hence, there are relatively frequently difficulties and those may have negative impacts upon the brands in question.³ The standpoint of the author in the current research is that there are problems in the current IP protection in the fashion industry and as well in the harmonised court system, especially in the EU. Defining these issues from both sides is highly important to be able to understand the collision course between IP and competition law. Taking perspective to another angle, the author will analyse the trade mark legislation in the EU and the

¹ Van Roeyen, G., Verdoold D. (2014). Intellectual property: a dedicated follower of fashion? - A Dutch perspective. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 36(6), p 1.

² Sun, H., Beebe, B., Sunder, M. (2015). *The Luxury Economy and Intellectual Property: critical reflections*. New York: Oxford University Press, p 4.

³ The Devil Wears Trademark: How the Fashion Industry Has Expanded Trademark Doctrine to Its Detriment. – *Harvard law Review*, 17.1.2014, Vol. 127 Issue 2, p 995-1016.

US as well as comparing the court decisions in recent cases in the aspect of the fashion business. Furthermore, taking into account the competition as a restricting factor on intellectual property protection. The author's research has generally begun in comparison with a consideration of the EU which is followed by the US.

The aim of the thesis is to examine and clarify the relationship between a single colour trade mark protection and restrictions in competition law in the field of the fashion industry. Moreover, to determine whether the products, which are an outcome of designers innovative work, are adequately protected by the current trade mark legislation in the EU. The thesis aims to focus especially on the actual requirements of acquiring the trade mark protection.

The research is a comparative analysis between the EU and US trade mark legislation in the aspect of non-traditional colour marks based on recent case law analysis. The data used in the research is collected from different legal sources, including legal publications, regulations, laws and judicial decisions, and other legal and supporting sources relevant to the research topic. The list of references is displayed at the end of the research. The research provides an answer to the research question and aims to fulfil the purpose of the research by underlining the problems around this topic. The research question is the following: **Is a single colour capable of forming a valid trade mark in the fashion industry without being regarded as a monopoly right, and considered to have a detrimental effect on competition in the market in question?** The author also presents concern whether the protection is sufficient enough to fulfil the rights from which the designers are entitled. The author sees that the protection of fair competition enjoys better recognition and has been taken more into account when drafting the legislation concerning trade mark protection. Regarding that, the fashion designers are those who maintain the innovation and uniqueness with their products and imaginative minds in this creative industry. The author concludes that the EU legislation needs improvements which take more into account the designer's rights. Furthermore, extended harmonisation and cooperation between different courts in the EU are as well needed, since court decisions vary a lot depending on how the judges will interpret the legislation.

The research centralises the concept of protection of single colour mark which may be seen as a restricting factor on the competition. Furthermore, taking account the current legislation in the EU and US, the author aims to determine the differences between these two by interpreting the research question. The research will mainly focus on the new EU trade mark directive 2015/2436 and to the changes which it introduced. The research comprises in a total of three chapters. The

first chapter offers an overview of the trade mark legislation in the EU and US introducing the relevant sources of law demonstrated with relevant case law. The second chapter provides an outline of the infringements in the field of the fashion industry illustrated with an analysis of recent Louboutin cases in the EU and US. The purpose of the first and second chapter is to provide an outline of the trade mark legislation in the fashion industry, and as well upraise the problems which arise when the protection of fair competition restricts the protection of fashion designer's rights. The third chapter follows the methodology of the previous chapters and it is dedicated to the comparative analysis between the EU and the US determining the main differences of these two, and also giving an overview of the past, current and the future. The conclusion will sum up the main points and concerns which has been discovered in the research process.

1. SOURCES OF TRADE MARK LEGISLATION

Before analysing the case law and differences between the EU and US one must first take a look at the trade mark legislation itself. As it is commonly known trade mark is a sign which identifies the product or service in a recognisable design, expression or symbol, and is capable of distinguishing this particular product from others in the same market.⁴ Trade marks exist to the extent that they are used in relation to a specific product.⁵ When creating a brand image trade marks are an essential role in increasing the brand's reputation and thus increasing the turnover.⁶ Trade mark legislation protects the reputation and identifies the goods, while at the same time it enhances the economic position of a company by allowing for the trade mark holder large-scale exclusive exploitation of its inherent power to sell and advertise the product or service in domestic and global markets.⁷

When deciding whether a sign is entitled to enjoy trade mark protection in the first place, there are several factors which need to be taken into account. For instance, how the mark is represented to be differentiated from others is the problem which arises especially in cases of non-traditional trade marks. Once competition appears into the picture difficulties for granting trade mark protection appear, since finding a balance between legal and economic disharmony is not easy, as it is the case frequently. Restrictions for the exploitation of some designs and colours will hinder the competition between undertakings. Nevertheless, in some cases, these designs and colours are vital features of innovative creations.

As a roughly divided trade mark legislation aims to offer a balance between three different interests. First, there is the right holder who seeks protection for his or her reputation. However, in the common market where the competition is free anyone may challenge the trade mark owner by entering the same market, of course within certain limits. Hence, another interest is competitors.

⁴ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, OJ L 154, 16.6.2017, art. 4.

⁵ Hunter, D. (2012). *The Oxford Introductions to U.S. Law: Intellectual Property*. New York: Oxford University Press, p 135.

⁶ Van Roeyen, Verdoold (2014), *supra nota* 1, p 3.

⁷ Sun, Beebe, Sunder (2015), *supra nota* 2, p 4-5.

The third interest of the trade mark legislation are the consumers as they are the end-users. The trade mark law protects consumers from disinformation and confusion regarding the appearance of competing products. Ensuring that the rights of all these three parties are secured and fulfilled the collision course between IP law and competition law should be organised somehow. The lack of an active and robust trade mark regime is improbable to attract domestic and foreign investors, which in turn adversely affects innovation, development and economic growth.⁸ For this reason, it is notably vital that the legislation is continuously developing and that the resources for its maintenance are sufficient.

1.1. Trade mark law in the European Union

In Europe, intellectual property rights have been identified as an essential factor of successful innovation.⁹ The European Union has provided for its Member States numerous improvements, and one of these is further harmonised and equally applicable trade mark legislation between the countries in the EU.¹⁰ The IP legislation in the EU is strongly reliant on the regulations and directives which the Parliament together with the Council of the European Union has set for the Member States. The EU's regulatory framework for trade marks is a set of three regulations and one directive. The newest regulation concerning these matters is Regulation (EU) 2017/1001 of 14 June 2017 on the European Union trade mark. The new Regulation replaces the previous Regulation (EC) 207/2009. The new Regulation does not provide any substantial amendments referring to the previous one, rather it codified and supplemented the earlier Regulation 207/2009 providing increased legal certainty to matters concerning European Union trade marks.¹¹ Furthermore, there are two regulations which the commission has set. The Implementing Regulation (EU) 2018/626 as well as the Delegated Regulation (EU) 2018/625. These two regulations are related to the performance of the Regulation 2017/1001 and are applicable in all Member States. The European Parliament introduced a new Directive (EU) 2015/2436 on 16 December 2015 to bringing closer the legislation of the Member States relating to trade marks. This new directive replaces the previous Directive 2008/95/EC, and its aims to provide better legal

⁸ Gervais, D., J. (2007). *Intellectual Property, Trade and Development: Strategies to Optimize Economic Development in a TRIPS-Plus Era*. New York: Oxford University Press Inc., p 351-352.

⁹ Rosén, J. (2012). *Intellectual Property at the Crossroads of Trade*. Cheltenham and Northampton: Edward Elgar, p 90.

¹⁰ Craig, P., De Búrca, G. (2015). *EU Law: Text, Cases and Materials*. 5th ed. Oxford: Oxford University Press, p 162-163.

¹¹ Regulation, *supra nota* 4, recital 2.

certainty in the trade mark cases across the Member States by including many further improvements.¹² Furthermore, the Directive aims to eliminate all influences which may obstruct the free movement of goods and freedom to provide, sell or advertise services and consequently hinder competition within the EU common market.¹³ Regarding that this is a directive it must be implemented by the Member States into the national law, and it can be considered to have more effective outcomes as it further harmonises the EU legislation between the Member States.¹⁴

The European Union Intellectual Property Office (EUIPO) is responsible for matters regarding the EU legislation providing the legal framework by setting out the rules what can consist of a valid trade mark in the Union. EUIPO also administers the registration of the European Union Trade Mark, which previously was named as Community Trade Mark. The Register of trade marks is also kept by the EUIPO, and it is open to the public. As the Article 3 of Directive 2015/2436 states, “A trade mark may consist of any signs, in particular including ... designs, letters, numerals, colours, the shape of goods or ... provided that such signs are capable of: a) distinguishing the goods or services of one undertaking from those of other undertakings”¹⁵ which gives for the product its unique form and through this it distinguishes one undertaking’s product or service from those which others manufacture, sell or advertise. Unique and exclusive forms are the essence of the assessment when evaluating is the product distinctive enough to be distinguished from competing for undertaking’s products. The new Directive changed a slightly the definition of a sign which can constitute a valid trade mark. Furthermore, the Directive changed the requirements around graphical representations, which was mainly an issue for scent and sound marks. Previously, the sign had to be presented graphically, which is not any longer needed.¹⁶ When interpreting Article 3 of the Directive 2015/2436 concerning signs which can constitute a trade mark there are many factors which have to be taken into account, for instance, is the sign a good one or bad one or is it accordance with publicly accepted values and morals.

¹² Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, OJ L 336, 23.12.2015, recital 1.

¹³ *Ibid.*, recital 8.

¹⁴ *Ibid.*, art. 53.

¹⁵ *Ibid.*, art. 3.

¹⁶ *Ibid.*, art. 3(b).

1.1.1. Non-traditional trade marks

Frequently, trade marks consist of signs including words, letters, logos or designs which are applied in the packaging of the goods.¹⁷ Non-traditional trade marks consist mainly of colours, product designs, sounds, taste, textures or scents for example. Non-traditional trade marks are registrable as long as they are distinctive and visually perceptible from others in the same market.¹⁸ Distinguishing in these cases is not the main problem; instead, it is how the mark is represented. Along with the new Directive, the registration of non-traditional trade marks became enormously easier, since the graphical representation is not any longer needed.¹⁹ These non-traditional trade marks are usually obtained over time when, for example, a specific colour is identified to a particular product and the brand behind that product, as the case law analysis further will demonstrate. The non-traditional trade marks raise the legal issues as it is challenging to prove that the absolute grounds for refusing a trade mark should not be applied in such cases.²⁰ Trade mark office may grant or refuse trade mark based on Articles 5 and 6 of the Directive 2015/2436. The functionality of the sign is an essential factor when determining whether a specific sign can be considered as a valid trade mark and obtain the protection. The three absolute grounds for refusal are also identified as functionality exclusions, and by these are determined the nature of the goods, the necessity to obtaining a technical result, or whether the mark gives substantial value to goods.²¹ The central purpose of a trade mark is to express the origin of the product for the consumer.²² As the ECJ has stated in the *Ralf Sieckmann v. Deutsches Patent-und Markenamt* case, the label provides the consumer with objective information and, without a mistake, the ability to distinguish the products and services of a particular producer from the products of another company.²³

1.1.2. Colour marks

Colours are commonly used to make the mark stand out from others in the same market and to create a commemorative trade mark for the consumers. However, in most cases the colour on its own does not meet the distinctive criteria, preferably it is the shape which the colour has been

¹⁷ Regulation, *supra nota* 4, art. 4.

¹⁸ Adams, M., Scardamaglia, A. (2018). Non-traditional trade marks in Europe: an historical snapshot of applications and registrations. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 40(10), p 2.

¹⁹ Directive, *supra nota* 12, art. 3(b).

²⁰ Adams, Scardamaglia (2018), *supra nota* 18, p 1-2.

²¹ Brancusi, L. (2019). Trade marks' functionality in EU law: expected new trends after the Louboutin case. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 41(2), p 2.

²² *Ibid.*, p 8.

²³ Court decision, 12.12.2002, *Ralf Sieckmann v. Deutsches Patent-und Markenamt*, C-273/00, EU:C:2002:748, point 35.

paired with or the combination of two or more colours that give unique nature for the mark.²⁴ In case of a colour mark to be registered as a valid trade mark the main problem has usually been the legal definition. The definition should be absolutely precise, and for this reason, internationally recognised identification codes for colours are used. The holder of the mark should also be capable of proving that the colour is used as an identifier for a specific brand, and through the use, it has an obtained distinctive character.²⁵ Recent court cases involving Christian Louboutin's red sole mark in high-heeled shoes shows that colour marks, as well as the shapes, are at the risk of being rejected since these factors are usually considered to give considerable value to the goods.²⁶ Of course, it highly depends on which field the mark is used and how it is paired with the products.

One of the first colour concerned cases in the EU was *Libertel Groep BV v. Benelux-Merkenbureau*, where the Supreme Court of the Netherlands referred to the ECJ regarding the questions of a single colour trade mark.²⁷ The ECJ focused on looking along the lines of the seven-point approach set out in the *Sieckmann* case.²⁸ The ECJ held that colour on its own might in certain circumstances be capable of constituting a valid trade mark under Article 3 of First Council Directive (EEC) 89/104.²⁹ ECJ stated that the colour could be a trade mark if it fulfils the following three-part criteria. "First, it must be a sign. Secondly, that sign must be capable of graphic representation. Thirdly, the sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings."³⁰

1.1.1.1. What is a distinctive character?

In order to sing to be registered as a valid trade mark, it has to have a fundamental requirement of distinguishing. A distinctive character is something that makes one undertaking's goods stand out from others in the same market. When considering distinctiveness the fact that the sign is some way different from others does not necessarily indicate that the distinctive requirements are fulfilled. Absolute grounds for refusal of trade mark registration provides precise details of what

²⁴ Wood, I., Bagnall, M. (2013). Colour marks: a purple decision clears the way forward. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 35(5), p 5.

²⁵ *Ibid.*

²⁶ Adams, Scardamaglia (2018), *supra nota* 18, p 3.

²⁷ Court decision, 6.5.2003, *Libertel Groep BV v. Benelux-Merkenbureau*, C-104/01, EU:C:2003:244.

²⁸ Torremans, P. (2010). *Holyoak and Torremans intellectual property law*. 6th ed. New York: Oxford University Press, p 396.

²⁹ Court decision, C-104/01, 6.5.2003, *supra nota* 27.

³⁰ Court decision, C-104/01, 6.5.2003, *supra nota* 27, point 23.

are the actual requirements.³¹ For instance, a brightness of the colour is solely a way to invite consumers to buy the product, but shall not be considered to give a distinctive character for the mark. Using a single colour as a trade mark raises itself problems as there are a limited amount of colours available, and there are no alternatives if one colour is used and registered by one owner. It raises difficulties between intellectual property law and competition since if one colour is successfully registered to one owner it could be considered as a monopoly right and this may distort the fair competition. According to the Article 102 of the Treaty on the Functioning of the European Union (TFEU) states following "Any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it shall be prohibited as ... far as it may affect trade between the Member States". Therefore, the use of specific colours as a trade mark can be protected if the owner of the mark can demonstrate that the secondary meaning mark has been acquired over the time.³² As in the Louboutin case which is discussed further, the protection of the trade mark was precisely obtained through the secondary meaning.³³

1.2. Trade mark law in the United States

Trade mark legislation in the US has similar features compared to the EU, and the basic ideas are more or less the same, but there is as well differentiation. As a common law country, the US trade mark protection prefers more prior adoption as well as the use of a specific sign rather than earlier registration of it.³⁴ In other words, trade marks may be registered on the actual register or just as validly recognised under the common law. The US constitution does not provide specific protection for trade marks compared to, for instance, patents and copyrights which both can be found in the constitution.³⁵ The US Trademark Act, also known as the Lanham Act is the primary source of federal trade mark statute law in the US, however, this Lanham Act does not really provide any significant improvements to the trade mark protection and rights, preferably it codifies the common law ideas and doctrines.³⁶

³¹ Torremans, (2010), *supra nota* 28, p 396.

³² Gielen, C. (2014). Substantial value rule: how it came into being and why it should be abolished. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 36(3), p 2.

³³ Court decision, 12.6.2018, Christian Louboutin, Christian Louboutin SAS v. Van Haren Schoenen BV, C-163/16, EU:C:2018:423.

³⁴ Halpern, S. W., Nard, C. A., Port, K. L. (2007). *Fundamentals of United States Intellectual Property Law: Copyright, Patent, Trademark*. The Netherlands: Kluwer Law International BV, p 291.

³⁵ *Ibid.*

³⁶ *Ibid.*, p 293.

The Supreme Court has stated in the *Qualitex Co. v. Jacobson Products Co.* case that the essential responsibility of trade mark law is to make sure that the consumers, as they are weakest parties, are protected from the confusion.³⁷ However, the trade mark law is still seen more like a branch of unfair competition law than consumer protection.³⁸ This underlines the fact that the competition aspect has a stronger position collision course with IP law. In the US, codifications of common law into the trade mark legislation supports this approach. In the trade mark legislation, many fundamental premises emerge in the basic principles.³⁹

1.2.1. The doctrine of aesthetic functionality

Since the branding does not work similarly comparing for instance to the copyright protection, the Lanham Act is not trying to encourage produce more trade marks as there is now a simplified way to obtain one. When assessing whether a sign has a distinctive character the doctrine of aesthetic functionality is extensively used in the US.⁴⁰ The doctrine is an essential factor in the US when deciding trade mark protection for products that are aesthetically pleasing, rather than practical. The Section 2 point (e) of the Lanham Act (§2 Trademarks registrable on the principal register; concurrent registration) provides that sign shall not be registered if it “Consists of a mark which ... comprises any matter that, as a whole, is functional.”⁴¹ However, point (f) of the same section 2 offers exception clause to this stating that if the sign “... used by the applicant has become distinctive of the applicant’s goods in commerce.”⁴² it can be registered. The functionality doctrine which is widely applied in the US is recognised in other countries as well. For instance, the Singaporean trade mark law, as well as Japan, have similar functionality doctrines than the US. In contrast, Australia does not have such a functionality doctrine.

1.3. A brief look at the international level

As there are limited potentially for how much brand may growth in its domestic markets, the cross-border trade has provided opportunities for global expansion, and this global trade growth has been a trend in recent decades. The cross-border trade provides new opportunities for the brand

³⁷ United States Supreme Court, *Qualitex Co. v. Jacobson Products Co.*, No. 93-1577, 514 U.S. 159 (1995).

³⁸ Hunter, (2012), *supra nota* 5, p 134.

³⁹ Hunter, (2012), *supra nota* 5, p 134.

⁴⁰ Calboli, I. (2014). Betty Boop and the return of aesthetic functionality: a bitter medicine against "mutant copyrights"? – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 36(2), p 1.

⁴¹ U.S. Trademark Act, U.S. Patent and Trademark Office, 25.11.2013, Sec. 2, (15 U.S.C. § 1052) (e), p 193.

⁴² *Ibid.*, Sec. 2, (15 U.S.C. § 1052) (f), p 193.

owners by making their products visible internationally. As there are more and more several countries involving cases the legislation in the global level must be adequate and efficient. The emergence of an international trade mark protection system has made simpler for the brands to expand their market areas, while still obtaining protection for their personalised trade marks.⁴³

In a global level, the Paris Convention was the first international agreement regulating intellectual property. The agreement was a comprehensive step towards a more protected and controlled intellectual property field, and it entered into force 3 of June 1984. The agreement defines very broadly the scope of intellectual property rights worldwide and covers, for instance, trade marks, patents, and industrial designs.⁴⁴ However, although the effect of an international registration is the same as if one would have been done it in the national level, its procedural process is still highly dependent on the national legislation in countries where the application is made.⁴⁵ The contracting parties have still their freedom to regulate their own domestic trade mark registration procedures.⁴⁶

The Madrid Agreement and the Madrid Protocol govern the Madrid System which is the international trade mark system.⁴⁷ However, the Protocol version is internationally more competent as it has twice the number of contracting parties than the Agreement. It can give protection in up to 119 countries when once received.⁴⁸ All EU Member States excluding Malta are parties to the Protocol as well as is the US.⁴⁹ Although, the Madrid system is the most powerful way to obtain international trade mark protection in other countries it is still not flawless. In some cases it is profitable to apply for a global trade mark; however, in some situations, it may turn against the trade mark holder. The diversity of the International policy through the Madrid Protocol has established the minimum standards which are applied at an international level and national

⁴³ Sun, Beebe, Sunder (2015), *supra nota* 2, p 321.

⁴⁴ Paris Convention for the Protection of Industrial Property, 28.8.1979, art. 1(2).

⁴⁵ Kur, A., Dreier, T. (2013). *European Intellectual Property Law: Text, Cases and Materials*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar, p 23.

⁴⁶ *Ibid.*

⁴⁷ Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement 1.2.2019, rule 1, p 73.

⁴⁸ World Intellectual Property Organization (WIPO) – *List of Contracting Parties to the Madrid Agreement or the Madrid Protocol in the alphabetical order of the corresponding ST.3 codes*. Accessible: https://www.wipo.int/madrid/en/madridgazette/remarks/2009/50/gaz_st3.htm, 12 of May 2019.

⁴⁹ *Ibid.*

legislation.⁵⁰ This harmonisation policy provides an opportunity for more effective protection for brands coming from outside the market in question.⁵¹

As the trade marks are always linked to a certain product or service there are certain rules how the marks are classified into the different categories, to make it easier to keep on track of the registered trade marks in international level. The rules for international trade mark classification are set forth in the International Classification of Goods and Services for the Purposes of the Registration of Marks, also known as “the Nice Classification”.⁵² It is held by the World Intellectual Property Office and the purpose of the system is primarily to offer guidance to companies to register their goods or services.⁵³ In the classification, trade marks are generally divided into two different categories, goods and services. The Nice Classification consists of four parts class headings, explanatory notes, the alphabetical list and lastly general remarks.⁵⁴ The classes 1 to 34 are dedicated to different goods categories, while the rest 11 are assigned for services. The class descriptions very explicitly address what belongs to a certain class category and what does not. Each of these classes represents a broad range of listed products or services, but the given list is not exhaustive, as it covers only around 8500 items.⁵⁵

⁵⁰ Barooah, S. P. (2016). Diversity in Intellectual Property: Identities, Interests, and Intersections. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 38(9), p 1.

⁵¹ Gervais (2007), *supra nota* 8, p 496.

⁵² Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, September 28.9.1979.

⁵³ *Ibid.*

⁵⁴ *Ibid.*, art. 1.

⁵⁵ *Ibid.*

2. TRADE MARK INFRINGEMENTS IN THE FASHION INDUSTRY

The intellectual property law and competition law connection with each other, especially in cases involving a trade mark rights, have always been controversial.⁵⁶ Whereas creativity and development of innovation are protected by the IP law, the competition law ensures fair trading rules so that no one can unfairly create an anti-competitive position on the market.⁵⁷ The balance between these two legal branches is not always easy to find and as we can see in the several court cases, the judgements depend purely on the fact that how the judges interpret the current legislation.⁵⁸ The recent court cases in the field of the fashion industry demonstrate that the marketplace itself, as well as the competitors and consumers as market players, will all have their impact when deciding on enforcement of intellectual property rights, more precisely, designer's trade mark rights.⁵⁹ In the US, the use and protection of trade marks in the fashion industry has clearly an older tradition compared to the EU, as illustrated by the case law analysis in this chapter.

Often there is no clear line in trade mark infringements in the field of the fashion industry, and this may lead to years of struggle for rights. Violations of trade mark rights basically arise when signs are specifically designed to copy or make it surprisingly similar than the one in question. The person who uses its products this way is aware or should be aware of the process that causes infringement. Several brands embody their reputation in a particular colour or shape, such as the Christian Louboutin is known worldwide from the red sole of high heeled shoes or Chanel from its iconic double "C" logo.⁶⁰ Infringements nullify the objectives of trade mark law, which are designed to encourage companies to invest in brands that represent the commercial background of goods and services to consumers.⁶¹ When considering infringement of a colour trade mark in the

⁵⁶ Liakatou, V., Maniatis, S. (2012). Red soles, gas bottles and ethereal market places: competition, context and trade mark law. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 34(1), p 1.

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*, p 4.

⁶⁰ Gielen (2014), *supra nota* 32, p 4.

⁶¹ Jones, J. (2015). Getting the look for less? Look no more - blocking injunctions are the fashion: Cartier International v BSKyB. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 37(7), p 1.

fashion industry, the context of the colour is an essential role in the interpretation of whether the colour has become distinctive of a designer and its goods.⁶² Courts must also consider a broader perspective, including consumer's expectations, standards and practices on the market as well as the competition itself in the relevant market.⁶³ Competition in the field of the fashion industry is becoming more robust and increasingly challenging. For this reason, it is essential to find the balance and maintain it to ensure sufficient protection of innovation today and in the future. The fashion industry is constantly changing which itself can lead to infringements of trade mark rights. These infringement cases in the EU are usually decided by interpreting Article 4 of Directive 2015/2436.

2.1. Christian Louboutin's red sole mark

In recent years, there has been much discussion concerning the protectability of colours in the fashion industry. Specifically, the worldwide appreciated French designer Christian Louboutin and his infringement cases have been a topic for conversation in the EU and US. There are several court cases in the EU as well as in the US relating to Louboutin's matters. The French designer has filed various infringement suits against its competitors, including other fashion houses such as Saint Laurent.⁶⁴ These cases illustrate well how difficult the fashion industry is to be protected.⁶⁵ Balancing designers intellectual property rights, especially trade mark rights, while still maintaining the fair competition between competitors have been a significant problem recently.⁶⁶ Previously, Christian Louboutin has obtained trade mark protection for his red-soled high-heeled shoes in the US.⁶⁷ In the EU, the process of granting trade mark protection has been stricter in that aspect.⁶⁸ However, the recent case law precedents show that the interpretation is not adequately harmonised in the EU when taken to account that the designer is the same in all these cases, but the court judgements vary a lot depending on where the matter is ruled.⁶⁹

⁶² Wood, Bagnall (2013), *supra nota* 24, p 5.

⁶³ Liakatou, Maniatis (2012), *supra nota* 56, p 1.

⁶⁴ United States Court of Appeals, Christian Louboutin S.A. v. Yves Saint Laurent America Inc., No. 11-3303-cv, 2d Cir., 696 F.3d 206 (2012).

⁶⁵ Brancusi (2019), *supra nota* 21, p 1-7.

⁶⁶ *Ibid.*

⁶⁷ United States Court of Appeals, No. 11-3303-cv, (2012), *supra nota* 64,

⁶⁸ Brancusi (2019), *supra nota* 21, p 1-7.

⁶⁹ *Ibid.* p 1-7.

The most recent court decision in the case, *Louboutin v. Van Haren Schoenen BV* was from 12th June 2018.⁷⁰ This ruling concerning Louboutin's red sole mark was a step into the right direction showing that the single colour can constitute a valid trade mark in the fashion industry without hindering the competition vitally.⁷¹ This is the first time in the EU that Louboutin's red sole high-heeled shoes received actual trade mark protection.⁷² The District Court of the Hague referred to the ECJ which concluded that the Louboutin's red sole mark is not invalid under shape exclusion and hence the registered trade mark for red-soled high-heeled shoes is valid.⁷³ In this case, the ECJ interpreted Article 3(1)(e)(iii) of Directive 2008/95/EC (now Directive 2015/24363 and Article 4(1)(e)(iii)).⁷⁴ Furthermore, whether a sign consisting exclusively of the shape of the product could constitute a valid trade mark.⁷⁵ Article 3 (now Article 4(1)(e)(iii)) provides grounds for a sign to be refused or declared invalid stating that "1. The following shall not be registered or, if registered, shall be liable to be declared invalid ... (e)(iii) the shape which gives substantial value to the goods."⁷⁶

Taking into account that the Louboutin's red sole shoes do not solely consist of the shape of high-heeled shoes, rather those also includes specific colour (Pantone18-1663TP) which makes those to stand out from the competitor's products.⁷⁷ Furthermore, the average consumer will usually associate these high-heeled shoes with a bright red sole expressly to Christian Louboutin and not to any other brand in the market.⁷⁸ The consumer's decisions play an important role in defining whether the average consumer makes a distinction between Louboutin's shoes and a competing undertaking.⁷⁹ Considering Louboutin's position in the fashion industry worldwide, it can be assumed that an average consumer associates a bright red sole mark with the Louboutin's brand.⁸⁰ A competitor who also uses this bright red sole in almost identical high-heeled shoes may deliberately try to take advantage of the well-known luxury brand's public image in the sale, and advertising of their products in a commercial sense. In this sense, it may be considered whether the competition law is being misused. The principle of ensuring fair and unbiased competition is

⁷⁰ Court decision, C-163/16, 12.6.2018, *supra nota* 33.

⁷¹ *Ibid.*

⁷² Brancusi (2019), *supra nota* 21, p 1.

⁷³ Court decision, C-163/16, 12.6.2018, *supra nota* 33, point 24.

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

⁷⁶ Directive (EU) 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks, OJ L 299, 8.11.2008, art. 3.

⁷⁷ Court decision, C-163/16, 12.6.2018, *supra nota* 33, point 9.

⁷⁸ *Ibid.*, points 15-16.

⁷⁹ *Ibid.*

⁸⁰ *Ibid.*

clearly not met if competing undertaking markets and sells its products at the expense of another. Manufacturing, selling and advertising similar products that are not made in bona fide mind may as well confuse the consumers and create a negative imbalance in competition. Referring to this situation to Louboutin's case it can be said that the protection of the designer's red sole mark will not hinder the competition, rather the unprotectability of the sign gives the possibility of abuse.

In the case, *Christian Louboutin SA v. Yves Saint Laurent America Inc. Unreported*, designer requested in 2011 that YSL removes similar shoes than the designers famous red-soled high heels from the market based on the trade mark which Louboutin had obtained in 2008.⁸¹ The matter went to the court, and the Court of Appeals concluded that the earlier judgement of the District Court was incorrect stating that a single colour can never be admitted as a trade mark in the fashion industry.⁸² The decision of the District Court was contrary to the Supreme Court's decision which previously had ruled in a case *Qualitex Co. v. Jacobson Products Co*, that a single colour may indeed constitute a valid trade mark.⁸³ The designer has stated that he has chosen the colour red, particularly for his well-known outsoles to give his shoes its personal style and because the colour is according to the designer is attractive and engaging.⁸⁴ This makes very well sense since red is the universal colour of excitement and passion. Should this specific colour red then be made available to all competitors and manufactures in the same market? As in this case, the red sole provides Louboutin's shoes its signature feature, and it stands for the designer itself, rather than solely the shoes.⁸⁵ Furthermore, the court interpreted whether a single colour could be functional in that context. The court held that granting protection for a single colour in the fashion industry could hinder competition between the other undertakings.⁸⁶ In the fashion business colour is seen as an aesthetic factor and based on that it is a vital essence of competition.⁸⁷ The New York court held that the red sole mark in the high-heeled shoes was particularly connected with Christian Louboutin which gives the mark a secondary meaning⁸⁸, and for this reason, the colour mark was entitled to the trade mark protection.⁸⁹ However, the court underlined that the red sole must be on a shoe of a contrasting colour to fulfil the protection criteria.⁹⁰

⁸¹ Romano, V. C. (2013). Trade marks: single colours can be protected (and competitors see red). – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 35(6), p 1.

⁸² United States Court of Appeals, No. 11-3303-cv, (2012), *supra nota* 64, p 2.

⁸³ United States Supreme Court, No. 93-1577, (1995), *supra nota* 37.

⁸⁴ United States Court of Appeals, No. 11-3303-cv, (2012), *supra nota* 64, p 1.

⁸⁵ Romano (2013), *supra nota* 81, p 2.

⁸⁶ United States Court of Appeals, No. 11-3303-cv, (2012), *supra nota* 64, p 15.

⁸⁷ Liakatou, Maniatis (2012), *supra nota* 56, p 2.

⁸⁸ Romano (2013), *supra nota* 81, p 3.

⁸⁹ Wood, Bagnall (2013), *supra nota* 24, p 2.

⁹⁰ United States Court of Appeals, No. 11-3303-cv, (2012), *supra nota* 64, p 25.

2.1.1. Importance of Louboutin's case

As addressed above, these both cases show that the single colour may indeed constitute a valid trade mark in the fashion industry. The question, whether this kind of a single colour mark could be registered without it hindering or restricting competition between the competitors, and not falling under the Article 102 TFEU needs more interpretation to be solved. This question is not that clear to be answered, as above mentioned colours, as well as shapes, are considered to give substantial value for the goods⁹¹, and right for a single colour could be seen as a monopoly right. Although, this Louboutin case which was referred to the ECJ shows that granting trade mark protection for a specific colour will not have a hindering effect at the market in question, especially, if the mark holder has already a strong position on the market. Furthermore, obtaining the trade mark protection would secure the seller's ability to use its reputation over particular products.⁹²

It is highly important to pay attention to the viewpoint of the consumers as well since the consumers are in an essential role as they are the ones who with their buying habits and preferences decide whether a mark is successful and worth for protection through the secondary meaning. Therefore, the question of how average consumer associates colours with the designers enjoys a great value when evaluating the possibility to grant the right at the first place. In the EU, the Grand Chamber's announcement regarding that a single colour may be declared as a legitimate trade mark in the fashion industry is a significant leap forward in the area of the EU trade mark legislation. As mentioned earlier, IP rights are not primarily designed to protect the fashion industry in where the signs quite frequently consist of a particular colour or shape which is most often are seen as a functional factor of the product. In the Louboutin case, the court accurately interpreted the secondary importance of the colour based on public awareness. Also, the financial interests of the designer and trading goodwill suffer from the confusion caused by the similarity of the products with the other service provider.

In the US, the court decision was rather clear without any greater doubts, when interpreting may this famous red sole mark constitute a valid trade mark. Comparing to the ECJ which went through a multi-stage interpretation whether this red sole mark should be analysed as a shape mark, which

⁹¹ Adams, Scardamaglia (2018), *supra nota* 18, p 3

⁹² Griffiths, A. (2011). *An Economic Perspective on Trade Mark Law*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing Limited, p 2.

includes the whole shoe, or just as a colour as it is. In the US, precedents play an essential role when deciding trade mark infringements. Supreme Court's rulings have far-reaching consequences as the case *Qualitex Co. v. Jacobson Products Co.* have shown.⁹³ However, the similarity between court ruling made in the EU and US is that in both cases the trade mark protection was obtained through the secondary meaning and the reputation of the designer himself. Hence the question arises whether it is preferable, in the long term, that mark holders have to provide the basis for earning the protection always through the secondary meaning. Or would it be time to see the sign as it is, without exaggerating the importance of public awareness too much.

⁹³ United States Supreme Court, No. 93-1577, (1995), *supra nota* 37.

3. COMPARATIVE ANALYSIS

Even though the trade mark legislation itself will not provide significant differentiation whether it is laid down in the EU or US, the application of the legislation and the precedents on the other hand does. The author sees that it is interesting to compare these differentiations between the EU and US legislative perspectives. The main difference between these two is that in the US, cases are decided on a case-by-case basis by judges who have not been elected by the people. In the EU, on the other hand, there is a system based on strong central legislation, where the approval given to decision-makers by the citizens is strongly taken into account. In the US, there has been more aspect of free interpretation when granting trade mark protection and courts have an essential role when deciding these matters. As the EU, consists of several countries it is necessary that the regulations and directives are carefully drafted and after that implemented to the Member State's domestic legislation to ensure harmonised and equally applicable trade mark legislation in the Union.

3.1. Enforcing the trade mark rights in the past

In the EU, the reputation of marks was already discovered in the Directive 89/104/EEC, although marks did not enjoy protection in the same way as today.⁹⁴ As mentioned earlier in the US, trade mark protection in the fashion industry has had a stronger position comparing to the EU. To illustrate the difference from time perspective the US Supreme Courts decision to adopt an individual colour as a trade mark was already given in 1995 compared to the EU where a single colour used in a fashion brand was first granted in the 2005's.⁹⁵ In the EU, within the last two decades, the amount of non-traditional trade mark application has been increased.⁹⁶ The highest flow was in 2015 when the changes to trade mark legislation in the EU stepped into the picture.⁹⁷

⁹⁴ First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, OJ L 40, 11.2.1989, art. 4(3).

⁹⁵ Sreepada S., (2019), *The New Black: Trademark Protection for Color Marks in the Fashion Industry.* – *Fordham Intellectual Property, Media and Entertainment Law Journal*, Vol. 19 Issue 4, p 1131 -1168.

⁹⁶ Adams, Scardamaglia (2018), *supra* nota 18, p 4.

⁹⁷ *Ibid.*

The majority of these trade marks were consist of shapes and after these the most popular category was colour marks.⁹⁸ Around 34 per cent of these applications were never registered.⁹⁹

3.1.1. Graphical representation

The graphical representation is not any longer needed along with the new Directive 2015/2436 when applying for trade mark registration in the EU, but it is noteworthy to take a look how it affected to the trade mark protection in the past. The graphical representation was used to simplify and clarify the data concerned of a specific sign when applying trade mark protection. As earlier discussed the *Ralf Sieckmann v. Deutsches Patent-und Markenamt* was a landmark case defining graphical representation. The “Sieckmann” criteria consisted of seven parts which all had to be fulfilled in order to qualify the sign as a valid trade mark.¹⁰⁰ The representation of the mark had to be clear and precise to avoid confusion around the mark.¹⁰¹ Furthermore, it should have been self-contained and easily accessible so that the mark can be perceived if needed.¹⁰² Characters such as intelligible, durable and objective should also be fulfilled so that the mark withstands time.¹⁰³ For instance, in the *Sieckmann* case the trade mark was rejected since the chemical formula, sample and written description, which all were part of the graphical representation under discussion in the case, did not meet the graphical representation standards.¹⁰⁴ For the future, it remains to be seen how the change actually affects trade mark registration, taking into account the positive and negative aspects of the process.

3.2. The current situation of the trade mark law in the fashion industry

Looking at the historical approach above one may say that the EU changes its legislation very slowly and time to time the legal instruments and the legislation will be behind the industrial developments. Partly this slowly process can be explained by the fact that the EU is a very complicated system as a whole. However, this is not only a problem in the EU, rather it is a global issue since the industries develop extremely fast and the legislation cannot keep up with the changes. Nonetheless, there are many good things and the development is going in the right

⁹⁸ *Ibid.*

⁹⁹ *Ibid.*

¹⁰⁰ Court decision, C-273/00, 12.12.2002, *supra nota* 23.

¹⁰¹ Directive, *supra nota* 12, recital 13.

¹⁰² *Ibid.*

¹⁰³ *Ibid.*

¹⁰⁴ Court decision, C-273/00, 12.12.2002, *supra nota* 23.

direction. For instance, the EU trade mark law recognises unfair advantage, free riding in other words, of a mark's reputation and provides protection for this.¹⁰⁵ The new changes provided by the new trade mark directive and regulations offer much more flexibility to the representation, and especially non-traditional marks will benefit of this since the above mentioned graphical representation has been a previously significant issue for them.¹⁰⁶

The EU, within its 27 Member States which altogether have agreed to work on issues regarding common interest in the Union. The EU legislation main task is to harmonise the legislation between Member states, and although this harmonisation has been successful at the legislative level, the interpretation of the courts vary, sometimes even a lot, depending on which Member State the matter is under discussion. In the EU, there is more use of copyright protection compared to the US where the trade mark protection is clearly stronger in the tradition of the protection of fashion brands.¹⁰⁷ The maintenance of fairly operating markets can be regarded enjoying more significant support in the EU than intellectual property rights of fashion designers when these two contradict with each other. Compared to the US where one may say that the approach is more designer-friendly. In the US, the courts take more into account the reputation of the fashion brands, when average consumers associate a particular mark, particularly with that designer. Reputation makes the protection of intellectual property rights usually override restrictions on competition.

3.3. Possible impacts on trade mark law in the fashion industry

The new Directive 2015/2436 will provide more flexibility to some of the non-traditional trade mark applicants, but for others it will cause difficulties, since, for instance, the shape marks are very vulnerable to changes in Article 4(1)(e) of the Directive¹⁰⁸, which defines absolute grounds for refusal or invalidity of signs which consist exclusively of shape, or another characteristic.¹⁰⁹ The interpretation of the EJC is an essential factor when considering which direction the registration of non-traditional marks will develop in the future. One possibility is that the

¹⁰⁵ Simon, I. F. (2011). *Trade Mark Dilution in Europe and the United States*. New York: Oxford University Press, p 1.

¹⁰⁶ Fields, D. Muller, A. (2017). Going against tradition: the effect of eliminating the requirement of representing a trade mark graphically on applications for non-traditional trademarks. – *European Intellectual Property Review: Sweet & Maxwell and its Contributors*, 39(4), p 2.

¹⁰⁷ Jones (2015), *supra nota* 61, p 10-11.

¹⁰⁸ Adams, Scardamaglia (2018), *supra nota* 18, p 11.

¹⁰⁹ Directive, *supra nota* 12, art. 4.

applications and registrations of non-traditional trade marks will decrease since the graphical representation is not any longer needed.¹¹⁰ On the other hand, it is possible that they will increase and become more and more of combination marks, which includes, for example, both colour and shape.¹¹¹ Even though the graphical representation is not any longer required the requirements for a distinctive character are still necessary, and the sign has to be presented in a clear and precise way.¹¹² Considering this it is unlikely that the trade mark applications will rise significantly.¹¹³ Nonetheless, the change in graphical representation provides the opportunity to present signs in any appropriate way using all available technologies.¹¹⁴ Distinctiveness may often be challenging in the fashion industry since many of the designs consists of the colours or patterns which may be seen as too ordinary and frequently used. The decision balancing the fair competition between competing undertakings will be challenging, but should that override the protection of intellectual talents and reputation. It will stay doubtful since there are supporters of both aspects.

In the US, the interpretation and registration of colour marks have been already more preferable for designers comparing how things are in the EU. Consumer confusion regarding the appearance of the competing products is one of the aspects that the courts have to take into account when deciding how the average consumer associates products to different brands. The importance of the brand value is also recognised slightly better in the US as a tool for increasing the turnover when providing the trade mark protection, for instance, to a specific colour.¹¹⁵ It may be also argued that in the US obtaining trade mark protection through secondary meaning is easier than in the EU. Furthermore, it can be said that in the US courts are more reliant on their interpretations to what the average consumer's opinion is when deciding a case where the separation of brands is involved. That is why the author regards that the US has been one step ahead of the EU when granting trade mark protection for a single colour in the fashion industry.

¹¹⁰ Adams, Scardamaglia (2018), *supra nota* 18, p 3.

¹¹¹ *Ibid.*

¹¹² Fields, Muller (2017), *supra nota* 106, p 2.

¹¹³ *Ibid.*

¹¹⁴ Fields, Muller (2017), *supra nota* 106, p 8.

¹¹⁵ Brancusi (2019), *supra nota* 21, p 6-8.

CONCLUSION

As the fashion industry itself is already an ever-changing area, the expanded global competition adds its own challenges to the effective battle against IP infringements. The growth of global trade and the escalating markets primarily in the developing countries are also adding inconveniences of applying for trade mark legislation globally. In the EU, the legislation is heavily based on the free movement of the goods and protection of open markets for competing undertakings, which, for its part, may limit the protection of the rights of designers. The inconsistent interpretation of the law has resulted in situations where a decision concerning the same designer has varied a lot depending on which court the case is ruled. The issue is that even if a company has already successfully obtained its trade mark right in the US, it may face difficulties in the EU, as it was issued in the Louboutin case. This is an issue to tackle in a global perspective since the same multinational fashion companies face infringements and seek to enforce for their trade marks in several countries.

The aim of the thesis was to examine and clarify the relationship between a single colour trade mark protection and restrictions in competition law in the fashion industry. Moreover, to determine whether the products which are an outcome of designers innovative work are adequately protected by the current trade mark legislation in the EU. The thesis aimed to focus especially on the actual requirements of acquiring the trade mark protection. The changes and effects of the new trade mark Directive (EU) 2015/2436 were also under consideration. The research question is concentrated on the likely impact of the current Louboutin case judgement given by the ECJ to the future EU trade mark legislation.

The research question was following; is a single colour capable of forming a valid trade mark in the fashion industry without being regarded as a monopoly right, and considered to have a detrimental effect on competition in the market in question? The conclusion drawn based from the research material is that protection for a specific colour will not have a hindering effect at the market in question, especially, if the mark holder has already a strong position on the market, although a single colour is considered to give substantial value to the goods. The author remarks

that competitors do not have an imperative and real need to use such colour that functions as a trade mark of another company. The judgement presented by the ECJ in the *Louboutin* case supports this approach as well.

As the author has earlier concluded the fashion business needs more specific protection considering of the economic importance what the signs have created to the designer's, while at the same time these marks have become an essential character of fashion as well. Even though the scope of trade mark protection has expanded to provide more protection for unusual signs there is still room for further implementation to ensure better legal certainty. By providing adequate protection for the fashion-related trade marks, it provides also a long-term invest focusing on the fashion industry itself. Moreover, this would be a solution to avoid costly litigation processes that may have a negative impact, albeit momentarily, on the brand's image and thus market figures. Along with the new trade mark directive came also raising questions whether the distinctive future will be even more underlined requirement than it has been earlier. The research material supports a favourable response. The problems may arise already in the application procedure since distinctiveness is not always an easy requirement to fulfil in the area of the fashion industry. The negative impact of this new directive might be that it has a downward effect on trade mark registration in the field in question. However, it remains to be seen in which direction things will develop in the future.

The current level of protection of trademarks at the EU level is clearly not as strong as the harmonised as the legislation allows us to understand. This shows in the decisions which can be unpredictable and thus vary depending on the interpreter of the law. For this reason, the further harmonisation in the EU level, and moreover, in the international level needs to be taken more into account to deal infringements in trans-national cases. The current legislation in the EU is, inevitably, in some aspect ineffective to provide protection to the image and innovate outcome of fashion designers and their brands. For this reason, many small and medium-sized companies pay little attention to protecting their intellectual assets as it is deemed to be very complicated. The author regards that there is a need for more innovation and the development-friendly environment in the EU where the unique creations are entitled to protection what they deserve. Of course, the free movement of goods within the EU and the clauses prohibiting monopoly activities should be taken into account as well. The previous cases, especially *Louboutin v. Van Haren Schoenen BV* shows that there is still room for more centralised protection for designers intellectual property rights, as well as there are many areas that need further clarifications. Also, the process itself for

obtaining the trade mark protection cannot be just dependent on the secondary meaning in the future.

Furthermore, the interpretation of current legislation should be more harmonised, since outcomes vary depending on the judges' interpretation and this arises question among the IP rights holders, competitors as well as consumers. More harmonised court decisions would also serve the work of judges in the future, making it more efficient and not leaving that much room for interpretation. The direction in which intellectual property rights will develop in the future remains to be seen, but it is sure that the recent decisions will have an enormous potential to affect these matters. The author regards that it is necessary to strive for more uniform standards concerning trade mark practices between courts at the EU level, as well as the balance between intellectual property protection and competition in the field of the fashion business. The author concludes that it is as well very important to take the global perspective into account, especially if infringement cases are related to specific issues that have already been dealt in somewhere else. By doing so, it could significantly reduce the inconvenience of the courts.

There is enormous potential in trade marks for companies that influence in the fashion industry. However, taking full advantage of it requires that rules and procedures become more predictable and coherent. The EU legislation has so far failed to exploit these at full capacity, which is partly explained by the slowness of legislation to adapt to the real situation. One may say that the progress concerning these matters is rather slow in the EU, although it can be explained by the complex structure of the EU and its governing bodies. Nevertheless, the prospects for the future are positive in this area and expectations for the credibility of EU trade mark protection in the fashion industry are promising.

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