

The Louboutin's 'red sole' trademark saga continues before Delhi High Court

There are several points of interest falling from the decision of the Delhi High Court of December 12, 2017, which recently declared Christian Louboutin's 'Red sole' a "well known" trademark (the decision could be found [here](#)). Ms. Justice Gupta confirmed the *interim* injunction and condemned the defendant to pay aggregate damages and costs award of ₹10.72 lakh (namely 124 503 U.S. dollars).

Firstly, the Judge ruled that, according to the findings in support of the reputation of the 'Red sole' trademark, it is evident that the plaintiff's 'Red sole' trademark acquired a "well-known character" and that the evidence led by the plaintiff "has proved that the Plaintiff is the registered owner of its well-known trademark 'Red sole' as quoted". Although the well-known character has not been explicitly related to the validity of the trademark, it seems the plaintiff's demonstration played a crucial role in the decision of the Judge to grant the permanent injunction, and in fact the Court seems to have superseded the invalidity challenge.

Secondly, the Court endorsed the position that it is impermissible to award punitive damages without proper evidence of damages incurred by the plaintiffs, relying on the *HUL v. Reckitt Benckiser* judgement of January 31, 2014 (you could read it [here](#)). The latter overruled a settled case-law of the Delhi Court, which used to grant exemplary damages in all IP infringement cases since the 2005 decision in the case of *Time Incorporated v. Lokesh Srivastava*. On the contrary, this decision upheld the categories set out in House of Lords, [Rookes v. Barnard](#), [1964] 1 All ER 367, for which exemplary damages might be awarded, specifically in case of: (i) oppressive, arbitrary or unconstitutional action by the servants of the government; (ii) wrongful conduct by the defendant which has been calculated by him which may well exceed the compensation payable to the claimant; and (iii) any case where exemplary damages

are authorized by the Statutes. To these categories, according to the HUL decision, it should be added that Courts should “grant such damages only after being satisfied that the damages awarded for the wrongdoing is inadequate in the circumstances”. Thus, in the Louboutin case, Ms. Justice Gupta considered the above-mentioned conditions not met.

The (indeed) renowned Louboutin trademark has not obtained the same strong protection all over the world, experiencing also some defeats.

In **France** and **Switzerland**, the trademark has been deemed invalid, with decisions, respectively, of the French Supreme Court, Commercial Chamber, Decision of 30 May 2012, and Swiss Federal Supreme Court, Decision 4A_363/2016 of 7 February 2017.

In the **USA**, Louboutin registered his red sole under the registration numbers 3376197 and 3361597. The problem occurred in 2011, when Yves Saint Laurent (“YSL”) produced a line of red monochrome high-heeled shoes. Louboutin filed a trademark infringement and unfair competition lawsuit, while YSL counterclaimed, asking for cancellation of the Red Sole trademark because it was purely “ornamental” and “functional.” The District Court of New York agreed with YSL, stating that a single-color mark cannot be protected as it is inherently functional. Secondly, it would significantly hinder both fashion and art industries. However, the U.S. Court of Appeals for the Second Circuit did decide this was a case of acquired distinctiveness, but the decision was limited to a red sole contrasting another color. In other words, if the whole shoe is red, like YSL’s, then it is allowed to use a red sole. In any other case, this color is reserved for Louboutin (see the interesting *amicus curiae*’s brief filed by INTA [here](#)).

Europe, on the other hand, is still waiting for the decision of the EU Court of Justice in case C-163/16, *Christian Louboutin SAS v Van Haren Schoenen BV*, where the Court was requested to issue a preliminary ruling to clarify the scope of the absolute grounds for refusal or invalidity of the so-called ‘functional’ signs, to which Article 3(1)(e) of Directive 2008/95/EC (2) relates.

In particular, the Dutch court, which referred the question, wants to know if the notion of 'shape' has to be limited to the three-dimensional properties of the goods, such as their contours, measurements and volume (expressed three-dimensionally), or can include other (non-three-dimensional) properties of the goods, such as their color.

The Advocate General, in his opinion of 22 June 2017, has already responded that it was necessary to determine if the contested mark is a color mark or a trademark that consists in the shape of the product, but also seeks protection for the color. In order to reach a decision, it must be held into account the graphic representation and the description made when the registration was required, as well as all the documentation needed to identify the essential characteristics of the mark.

Considering this, the Louboutin mark has been assessed as a trademark that consists in the shape of the product, which seeks protection for the color too. The AG also considered, at the exact opposite of the Delhi Court's reasoning, that the scope of the Article 3 (1) (e) (iii) is limited to the intrinsic value of the shape and does not permit the reputation of the mark or its proprietor to be taken into account.