Logaras & Associates

Intellectual Property

Louis Vuitton – "Damier Azur" pattern case

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Louis Vuitton "Damier Azur" pattern case has been an issue of interest to the global literature and a case study for the legal world, due to its great significance for trademark law. The legal back and forth concerning one of the most recognized Louis Vuitton's checkerboard patterns, named "Damier Azur", resulted in defeat for the luxury goods titan. On 19 October 2022 (Case T-275/21), the General Court issued a landmark decision ruling that the undertaking failed to prove that "Damier Azur" pattern had acquired distinctive character through use throughout the European Union.

Preface

The subject matter is well-know from previous GC case-law (with the most recent one being the "2018 KitKat case"[1]) and evolves around the unitary character of an EU registration and the geographical scope of the latter in the context of acquired distinctiveness.

The decision punctuates the difficulties lying in matters of acquired distinctiveness in relation with trademarks devoid of any inherent distinctive character[2]. Said difficulties may be attributed to two main factors:

(a) the **extended geographical scope** of EU trademarks and the EU General Court's rigorous position regarding the **unitary character** of the EU trademarks, which necessitates the adduction of sufficient evidence covering the whole territory of the EU, thus hampering applicant's or proprietor's position and

(b) the difficulty that applicants or proprietors encounter in demonstrating that **consumers recognize signs lacking distinctive character as trademarks**.

[1] **Case T-149/19**. It is worth recalling that in the "2018 KitKat case" both Nestlé and Mondelez relied upon the unitary character of the EU trademark (EUTM) to support their positions, only by providing contradicting interpretations of the latter. In particular, Mondelez argued that the unitary character of an EUTM means that the acquired distinctiveness shall be acquired throughout the whole territory of EU and thus evidence shall be adduced covering all EU countries individually. On the other hand, Nestlé argued that the EU is a single market, and hence the evidence shall cover a significant part of the overall EU, regardless of whether all individual countries are covered by the piece of evidence.

[2] **Legal framework:** According to Articles 7(1)(b), 7(3) and 51(2) of then applicable Council Regulation (EC) No 40/94 (now Articles 7(1)(b), 7(3) and 59(2) Regulation (EU) 2017/1001), trademarks that are devoid of any inherent distinctive character are not to be registered. By way of derogation, a trademark lacking inherent distinctive character may be registered, insofar as it has become distinctive in relation to the goods or services for which registration is requested as a consequence of the use which has been made of it.

Background: A brief timeline of the case

- In November 2008 Louis Vuitton Malletier (hereinafter referred to as "**LVM**"), obtained an international registration from WIPO for the checkboard pattern "Damier Azur" designating, *inter alia*, the European Union (E.U.) as depicted below:

The registration was made for Class 18 of Nice Classification covering, amongst others, luggage, bags and other leather goods.

- The international registration was received by the European Union Intellectual Property Office (EUIPO)[3] the same year and was recognized as having the same protection with an EU trademark[4] in November 2009.
- Six years later, namely in June 2015, Mr. Norbert Wisniewski initiated proceedings by filing before the EUIPO an application for a declaration of invalidity of the EUTM on the grounds of Article 7(1)(b)(c) and (e)[5] in conjunction with Article 51(1)(a) of Council Regulation (EC) No 207/2009 on the European Union trade mark.
- Subsequently, in December 2016 EUIPO's Cancellation Division upheld Wisniewski's application for the declaration of invalidity on the basis of Article 52(1(a) in conjunction with Article 7(1)(b) of Regulation 207/2009, i.e. for lack of (inherent) distinctiveness of the contested trademark, with the case being brought by LVM before the Second Board of Appeal of EUIPO, which, in November 2018, dismissed LVM's appeal as the Board found that the contested trademark was inherently devoid of distinctive character and that LVM had not demonstrated that it had acquired distinctive character through use.

[3] Then Office for the Harmonization of the Internal Market (OHIM).
[4] Then Community trade mark
[5] *Article 7,Absolute grounds for refusal: (1) […] (b) trade marks which are devoid of any distinctive character; (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service; […] (e) signs which consist exclusively of: (i) the shape which results from the nature of the goods themselves; (ii) the shape of goods which is necessary to obtain a technical result; (iii) the shape which gives substantial value to the goods […].*

- Following that, the case was submitted for the first time before the General Court in February 2019, with the latter issuing a judgement on June 10, 2020 (Case T-105/19), annulling the decision of the Second Board of Appeal and ruling that the Board had failed to examine all the evidence adduced by LVM to demonstrate the distinctive character acquired through use of the contested trademark.
- In turn, the case returned to Alicante being remitted before the Fifth Board of Appeal of EUIPO, which held that the applicant had not demonstrated distinctive character acquired through the use of the contested mark in specific Member States of the European Union, namely Bulgaria, Estonia, Latvia, Lithuania, Slovakia and Slovenia (together, the "**Member States concerned**"). It shall be noted that the Board of Appeals, for reasons of procedural economy, did not proceed with examining whether the trademark had acquired distinctive character in other EU countries, limiting its analysis in the above geographical scope. The common ground among the Member States concerned was that, together with Malta, they were the Member States in which LVM did not have any stores.
- Ultimately, the case was once again brought before the General Court **(Case T-275/21)**, which, on the 19th of October 2022, issued a decision upholding EUIPO's decision and confirming that LMV had failed to submit efficient evidence proving that the trademark had acquired distinctive character through use in the Member States concerned, save for Estonia.

KEY TAKEAWAYS

A. Geographical scope: A pivotal node when invoking the acquisition of distinctive character through use

One of the most pivotal yet thorny points in proving that a mark acquired distinctive character through use is the adduction of evidence[6] covering the whole territory of the European Union. Particularly, in the case of a mark that does not have inherent distinctive character throughout the European Union, ***"the distinctive character***

[6] According to the principle of unfettered adduction of evidence in EU trade mark law, the parties may produce before the Courts of the European Union any evidence lawfully obtained that they consider revenant to support their arguments.

acquired through use must be shown throughout the territory of the E.U., and not only in a substantial part or the majority of the territory of the E.U.".[7]

Nevertheless, the above shall not be interpreted *stricto sensu* as a requirement to produce proof for each one of the EU Member states separately.

According to settled GC case-law, the party bearing the burden of proof can adduce sufficient evidence **globally** for all Member States and/or **separately** for each one of them and/or **in groups** of Member States, insofar as the piece of evidence covers all the parts of the European Union, even if a part consists of only one Member State.

In practice the Member States may have been grouped together in the same **distribution network** by economic operators, who treat them as if they were one and the same national market, for purposes mostly related to the marketing strategy. **In such circumstances, the evidence for the use of a mark within such a cross-border market is likely to be relevant for all Member States concerned.**

Additionally, the same applies to Member States that present a **geographic, cultural or linguistic proximity** between two Member States, as the relevant public of the first has a sufficient knowledge of the products and services that are present on the national market of the second.

The case at issue

The judgement distinguished between Estonia and the rest of the Members States concerned and held that LMV succeeded in *"demonstrating to the requisite legal standard that the contested mark has acquired distinctive character through its use in Estonia"*, contrary to ruling of the Board.

Nonetheless, the judgement was not favorable for the rest of the Member States concerned, namely Bulgaria, Latvia, Lithuania, Slovakia and Slovenia. LMV raised a supplementary argument based on the notions of **geographical and cultural proximity** among some of the Member States and grouped them together claiming that: (a) Latvia

[7] Paragraph 28 of GC's decision "Louis Vuitton Malletier v EUIPO – Wisniewski", T-275/21, ECLI:EU:T:2022:654

and Lithuania present geographical and cultural proximity to Poland and Sweden and (b) Bulgaria, Slovakia and Slovenia present geographical and cultural proximity to Romania.

To tie together the points, LVM invoked that the mark had acquired distinctive character with consumers in Poland, Sweden and Romania, ascribing to them, somehow, the role of benchmark countries. In other words, the applicant cemented its argument by matching the population of the Member States concerned with the population of other Member States based on a proximity linkage.

The Court overruled the argument, not by rejecting, *a priori*, the geographical and cultural proximity among the said Member States, but due to lack of evidence proving this proximity. More specifically, the Court ruled than LMV *"has not adduced any evidence to show that the relevant Latvian and Lithuanian public had sufficient knowledge of the goods or services on the Polish and Swedish markets, or that the relevant Bulgarian, Slovenian or Slovakian public had such knowledge of the Romanian market"*.[8] The Court took it a step further and mentioned that the applicant had not demonstrated, or even alleged, that *"it had grouped those Member States in the same distribution network or that it had treated them, particularly from the marketing strategy perspective, as if they constituted one and the same market".*[9]

B. The criteria:

Criteria to determine whether a mark has acquired distinctive character through use

As per the Court's ruling, in order to determine whether a mark has acquired distinctive character through use or not, the following criteria, indicatively and not exclusively, shall be considered:

- the **market share** held by the trade mark;
- how **intensive, geographically widespread** and **long-standing the use** of the trademark has been;
- the **amount invested** by the undertaking in **promoting** the trade mark;

[8] Paragraph 137 of GC's decision "Louis Vuitton Malletier v EUIPO – Wisniewski", T-275/21, ECLI:EU:T:2022:654
[9] Paragraph 137 of GC's decision "Louis Vuitton Malletier v EUIPO – Wisniewski", T-275/21, ECLI:EU:T:2022:654

- the **proportion of the relevant class of persons** who, because of the mark, identify the product as originating from a particular undertaking;
- **statements from chambers of commerce and industry or other trade and professional associations**;
- **opinion polls**.

C. The means of evidence and their probative value: Direct evidence or indications?

Whereas the criteria determining the acquisition of distinctive character through use are specific and well-defined (though on a non-exclusivity basis) by the Court, the evaluation of the means of evidence requires an extra effort. As a matter of fact, the tenor of evidence is such, that requires their distinction between those presenting significant importance for the adduction of evidence and those demonstrating a more supplementary and contextual role.

Under the prism of this assertion, the Court distinguished between two main categories of evidence, which differentiate in terms of probative value: the direct evidence and the indications.

Direct evidence

According to the findings, the Court attached great importance to the probative value of the **sworn statements**, particularly from chambers of commerce and industry, other professional associations or independent bodies, or from public authorities, related to the relevant public's perception of a mark. According to the Court, such proofs constitute **"direct" evidence** of the acquisition of distinctive character through use, in particular where they emanate from independent sources and their content is sound and reliable. In the arsenal of direct evidence, the Court considered **opinion polls** or **market studies** seeking to determine which part of the relevant public associates the mark with the undertaking concerned.

Moreover, the Court ascribed to **the use of the mark on the internet** (i.e. through websites, social media etc) and in general **the presence and promotion of a mark in the virtual realm**, an increasingly important role in order to assess the distinctive

character acquired through use. Suggested metrics to define the degree of significance is the **top-level domains** of the websites in question, their **language** and their **content**.

Indications of acquired distinctive character

Advertising campaigns in the press, on the radio or on television, as well as **excerpts** from **catalogues and brochures** containing images of goods bearing the mark at issue, may constitute indications that the contested mark has acquired distinctive character through use.[10]

According to the case-law, the evidence relating to the **volume of sales of goods or services** bearing a mark, including **sales invoices**, may be taken into consideration for the purposes of demonstrating that a mark has acquired distinctive character through use, in so far as it may corroborate other evidence such as statements from professional associations or market studies.

The case at issue

Whereas LMV managed to provide evidence constituting at most a **contextual element,** the general presence of which may be taken into account in the **overall assessment** of all the proofs submitted, it failed to provide **direct and specific evidence** proving that "Damier Azur" pattern acquired distinctiveness through use within the Members States concerned (Estonia being excluded).

Concluding remarks

The decision reaffirms GC's strict position on the acquired distinctiveness of trademarks, which, *ab initio*, are devoid of any distinctive character and it is in line with the legal precedent developed in the Nestlé case (2018)**.**

The major question that arose is: If Louis Vuitton, a global colossus, failed to prove that "Damier Azur" acquired distinctive character through use, what are the chances for smaller undertakings? Ultimately, is seeking EU registration for a trademark devoid of inherent distinctive character, devoid of purpose?

[10] In this context, the Court highlights that the advertising campaigns may target several Member States or be broadcasted simultaneously in the media zone of those Member States, insofar as there is a geographical, cultural or linguistic proximity among them.

While such a query may sound plausible, taking into consideration the settled case-law and the inherent difficulties lying in the subject matter of acquired distinctiveness, it seems to be far-fetched and beyond the legal reality. Cases presenting the element of acquired distinctiveness shall not be *a priori* foredoomed.

Admittedly, there are **key points** accepted by the EU Courts and adopted by the existing EUIPO guidelines, which can be used to ease and underpin the adduction of evidence. Indicatively, the EU Courts adopt the position that the absence of evidence from individual EU countries may not be decisive, insofar as the overall assessment of distinctiveness is. Furthermore, evidence may be provided in the context of geographic, cultural or linguistic proximity among Member States or distribution networks for marketing purposes, instead of on a country-by-country basis. The above key points may complement the took-kit of an IP expert and constitute the workhorse for a successful outcome.

Need advice?

Logaras and Associates is a Greek leading law firm in the practice area of Intellectual Property. Protecting and managing IP is pillar of our firm's practice. We support our clients in protecting all aspects of their IP portfolio in the most efficient manner and assist them with building and growing their corporate identity. Our office provides both IP portfolio management and prosecution services as wells as enforcement of IP rights and representation before Courts and other ADR bodies in contentious matters.

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