

Louis Vuitton ‘Damier Azur’ case: If they cannot prove acquired distinctiveness in the EU, how can you?

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A bad result for the high-profile brand owner serves as a humbling reminder not to take consumer recognition for granted, explain lawyers from Knobbe Martens, Kunz Hallstein Rechtsanwälte and Bird & Bird.

On October 19, 2022, the EU’s General Court (GC) issued a final decision cancelling Louis Vuitton’s EU trademark registration for its “Damier Azur” pattern, finding that Louis Vuitton had failed to prove that the design had acquired the requisite secondary meaning in the EU.

This article explores the court's analysis and the effect of the decision on proving acquired distinctiveness in the EU. It also offers a comparison with US practice and guidance to brands looking to register non-distinctive marks under the elevated acquired distinctiveness standard in the EU.

The case is T-275/21 *Louis Vuitton Malletier v EUIPO* (ECLI:EU:T:2022:654, October 19, 2022)

In October 2022, the GC affirmed the EU Intellectual Property Office (EUIPO) Board of Appeal's decision that, following a cancellation action, registrant Louis Vuitton had failed to prove that its EU trademark registration for the "Damier Azur" pattern (below) had acquired distinctive character throughout the EU. The decision was made final, and the registration was cancelled.



The General Court's decision to cancel the recognisable Damier Azur design illustrates the challenges of proving acquired distinctiveness in the EU—which is the only way to secure registration of an otherwise indistinctive, descriptive, or customary words or designs.

Under EUIPO practice, marks which are devoid of any distinctive character may overcome these absolute grounds of refusal only if the mark holder can prove that the word or design has acquired distinctiveness as a result of use in the EU, such that at least a significant portion of the relevant public has come to identify goods

bearing the mark as originating from a particular source.

This requires the trademark owner to first provide evidence of use of its trademark throughout the EU. "Acquired distinctiveness" should not be confused with reputation, a well-known mark, or a notorious trademark under Art. 6bis Paris Convention. "Acquired distinctiveness" is awarded only after there is extensive actual use of the word or design throughout the EU.

In a second step, the trademark owner must provide evidence that, as a result of this use, the word or design has become distinctive throughout the EU territory. The burden of proof lies with the trademark holder and the standard of proof is high.

The owner must clearly state and provide evidence supporting all of the facts necessary to demonstrate that the mark is recognised by the relevant public throughout the EU as an indicator of origin. While the Court of Justice of the EU has previously stated that it would be unreasonable to require proof of such recognition in each individual Member State, the evidence should at least show that the mark was used in each of these countries beyond merely being accessible on a website.

According to the court, Louis Vuitton failed to provide evidence of acquired distinctiveness for Lithuania, Latvia, Slovakia, Slovenia and Bulgaria. Louis Vuitton's evidence of use in those member states was minimal.

In addition, Louis Vuitton's attempt to group these countries with other member states failed. While applicants may group evidence relating to certain member states together on the basis of commonalities between the markets and audiences, that grouping has to be explained and corroborated, eg by providing evidence that the consumers in these countries are treated as the same market.

Also, there must be evidence that, due to their geographical and cultural proximity, the consumers in that group of countries have sufficient knowledge of the goods in the entire group market. General arguments, such as consumers know because they travel, are insufficient.

Louis Vuitton's evidence

In conducting its assessment, the examining entity will generally apply the "Chiemsee" factors (C108/97), taking into account the duration, territory, extent, market share, and advertising volume of the trademark in question. When demonstrating the above factors, the trademark holder should be careful to show that the evidence specifically relates to the applied-for mark and goods.

Ultimately, the evidence must be clear and convincing. Quality, quantity, and credibility will all be important variables impacting the analysis. As it relates to credibility, the examining entity will consider the person from whom the document originates, the circumstances in which it was established, and even the person to whom it was addressed.

There is no binding requirement as to which type of evidence is most appropriate. The trademark holder is free to submit the forms of evidence that it deems most useful, and the fact finder will carry out an overall assessment of the relevant evidence.

Among the submitted evidence, Louis Vuitton provided information on the value and market shares of the brand, sales invoices, excerpts from catalogues and media coverage, evidence of online use of the contested mark, as well as opinion polls.

While examples of strong evidence include commercial documents, such as invoices, order forms, sponsorship contracts, and samples of correspondence with clients and suppliers, the particular invoices submitted by Louis Vuitton were held insufficient with regard to some member states.

Moreover, evidence of a significant presence on the Internet—the number of account subscribers, website visitors, analytics reports or event reports showing the geographical location of visitors - may help in establishing recognition of the trademark, provided the trademark owner can demonstrate that the websites in question have been visited by a significant part of the relevant public throughout the EU.

Louis Vuitton fell short on this last point. For instance, evidence submitted of a third-party Slovakian website did not contain specific information regarding the extent of use of the Damier Azur mark, and thus failed to show that the mark had a significant presence in Slovakia.

Finally, properly conducted customer surveys and opinion polls can be highly probative because they reflect the actual perception of the relevant public. It is important to note that surveys can relate to the perception of the relevant public of several member states, particularly when economic operators have grouped several member states together for marketing strategy purposes.

The value of such a survey, however, will ultimately depend on the degree of independence of the entity conducting it, the relevance and accuracy of the information it provides, and the reliability of the method applied.

Most importantly, the questions asked by the surveying panel must not be leading. While Louis Vuitton submitted survey evidence relating to the public perception of some member states (among others, France, Germany, and Spain) the court ultimately held that these findings could not be extrapolated for the Eastern European member states.

Comparing EU secondary meaning standards with the US

The conceptual groundwork of acquired distinctiveness in the US largely mirrors the EU: non-distinctive marks may be protectable if the applicant can establish acquired distinctiveness. The evidentiary burden, however, may be lower compared to the EU standard. Practically, this means that US-based brand owners might not be prepared for the volume, breadth, and degree of evidence needed to establish acquired distinctiveness in the EU.

Nevertheless, both in the US and the EU, the burden for proving acquired distinctiveness can be high and the results unpredictable, even for the most well-known brands. Many US brand owners with equally recognisable product designs have met the same fate as Louis Vuitton.

Considerations for brand owners

So, what can brand owners do to gear up for a showing of acquired distinctiveness? In view of the lessons learned from the Damier Azur case and similar US cases, below are some strategic considerations for brands seeking to register a non-distinctive mark.

File for the 'right' mark

It seems straightforward, but the fate of many applications may be pre-determined from the outset if the mark sought to be registered is broader than what the evidence can support. The same may be true for the description of goods. Brand owners may be better off narrowly focusing the description of goods by tailoring it to the evidence available.

For example, in some instances the generality of Louis Vuitton's evidence failed to correlate the marketplace success of the Damier Azur product with consumer recognition of the Damier Azur pattern as an indicator of source. Learning from that lesson, brand owners should be prepared to demonstrate

why consumers would view the product design, as opposed to other more traditional indicators of source appearing on the products (such as a house mark), as the trademark.

How widespread is your use?

When looking to register in the EU, the evidence should somehow address each member state of the EU. The court established that Louis Vuitton was not able to show that it had acquired distinctiveness in several countries in Eastern Europe where Louis Vuitton did not have stores, even considering the brand's position as a significant market player.

The case demonstrates how broad general evidence of use spanning the entire EU is discounted if it does not also include specific evidence that it touches each country.

Without evidence touching each member state, brand owners may benefit from country-specific filings before trying to tackle the high burden (and associated high cost) of showing acquired distinctiveness in the EU.

Tying your mark to consumer recognition

Brand owners should align their legal, marketing, and product development teams to develop creative and consistent approaches to increase brand recognition in words or designs that may lack inherent distinctiveness.

Strategies such as “look for” advertising can train consumers to recognize a design as indicating the source of a product. Brand owners can also use word marks to increase customer awareness of design marks. For example, Adidas began using the word mark “3 STRIPE” to help consumers understand that shoes with a three-stripe design are made by Adidas.

Timing can be everything

In view of the extensive evidence needed to demonstrate acquired distinctiveness, a brand owner should carefully consider the timing of filing an application to register its mark. In some cases, it may be better to delay filing until the owner has accumulated sufficient evidence to demonstrate consumer recognition of its brand.

Cases in which high-profile brand owners such as Louis Vuitton are unable to obtain a registration for their mark serve as humbling reminders to not take consumer recognition for granted. Even the mightiest brands must put thought into their brand protection strategy, and align their business, legal and marketing teams to ensure there is a strategy for building a solid base of evidence to establish acquired distinctiveness.

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