



MIND THE
COURT RULES STRIPES CAN BE PROTECTED
 BY SHARON GIVONI
gap



Creating a signature style for your clothing or footwear ranges can set you aside from the competition and even something as a few stripes on a shoe, if consistently used, can over time become a recognisable brand.

If a competitor copies a distinctive visual element of your brand, your trade mark registration (if you have one) may come to the rescue, as it recently did for sportswear giant, Adidas AG (Adidas) in its successful law suit against its competitor, Pacific Brands Limited (Pacific Brands).

BACKGROUND

Adidas' famous three-stripe mark, used only on genuine Adidas footwear and sporting apparel all the way back since 1957, was used in a similar manner (but with four stripes) by Pacific Brands, also on sports shoes.

Adidas threatened legal proceedings against Pacific Brands and it stopped selling the three stripes below:

PACIFIC BRAND'S SHOES:



Image: Pacific Brands agreed to stop selling the above three shoes

Source: These photographs appear in the Federal Court case

However, in October 2010, Adidas commenced legal proceedings against Pacific Brands claiming that 12 other Pacific Brands' shoes (which also featured four stripes) had infringed two of its Australian registered trade marks.

Pacific Brands, through the use of expert witnesses, argued that the stripes, featured on its shoes such as Airborn, Boston, Apple Pie runner and Stingray styles simply served "to enable the consumer to categorise the shoes' rather than as a brand. (Adidas AG v Pacific Brands Footwear Pty Ltd (No 3) [2013] FCA 905 (12 September 2013) at 34.)

However, the judge took a different view and in a long standing legal battle between the two companies ruled in favour of Adidas. So let's look at the case in more detail.

ADIDAS' REGISTERED TRADE MARKS

Today, Adidas owns almost 100 registered trade marks in Australia. Two of these are its famous three-stripe trade marks shown below:



Australian registered trade mark No. 924921



Australian earlier registered trade mark No. 131325

The three stripe trade marks are well-recognised by Australians and have been heavily promoted in the media via advertising, merchandising activities and sponsorship agreements with high profile athletes.



adidas VS. pacific brands



FOUR STRIPES & YOU'RE OUT

The issue arose out of the fact that for some four years (from 2006 to 2010), Pacific Brands imported and sold various footwear products with four stripes. Some might say the four stripe footwear looked remarkably similar to the Adidas three-stripe trade marks. Adidas thought so too, and this led them to commence legal proceedings against Pacific Brands for trade mark infringement.

ADIDAS TRIUMPHS

The Federal Court of Australia held that Pacific Brands had infringed the famous Adidas mark by using four stripe markings placed on the side of three (out of a total of 12) models of its sport footwear range as shown below:



Image: Pacific Brands' shoes that infringed Adidas' trade marks
Source: Photographs featured in the case.

WERE THE STRIPES ONLY DECORATIONS OR A BRAND IN THEIR OWN RIGHT?

Pacific Brands did not go down easy. It argued that the four stripes were only decoration and were not being used as a trade mark (i.e. as a brand in its own right, in the same way that words such as Nike, Adidas or even the Nike tick are brands).

The judge disagreed and took the view that the stripes were used both as a decoration and as a brand. However, the case was not black and white – most legal cases are not. The judge said in the case:

"From time to time in the course of submissions it appeared that the applicants were putting that any use of four stripes on the side of sports shoes would amount to an infringement of the adidas trade marks and the case was about "stripeness" and, in answer, that the respondent was putting that any use of four stripes on the side of sports shoes could not amount to an infringement because it was plain that four stripes were not the same as three stripes. As will appear, in my opinion, the result is not so simple..."

I'M INNOCENT...

Pacific Brands also argued that it had not intentionally created the shoes based on Adidas' trade mark in order to deceive or confuse consumers. But again, this did not persuade the judge. While a company's intention may well be helpful to prove that it has not copied, just because you did not intentionally infringe someone's trade mark, this factor alone won't get you "off the hook" legally speaking.

If people can be confused as to origin, trade mark infringement or misleading conduct can arise.

SURVEY EVIDENCE

Adidas submitted evidence gathered from an online survey where survey participants had been shown unmarked photographs of the four stripes footwear and asked a series of questions. These included who they thought had made the shoe, why they thought this and when they last bought a pair of sports shoes.

However, the judge said that the online survey in this case does not sufficiently replicate a consumer's experience in the real retail environment and gave, to use his words, "little weight" to this evidence.

IT'S ALL ABOUT THE GAPS

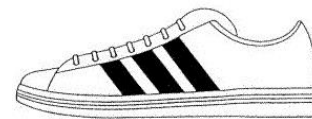
All in all, the decision largely came down to the individual placement and width of the stripes, their colour and how much space there was between them.

The Pacific Brands shoes featured four parallel, evenly spaced stripes of equal width whereas the Adidas shoes featured three parallel, evenly spaced stripes of equal width. One only needs to think about simple shapes like an apple with a bite, a ball with swirls (Pepsi), a big M (McDonalds and Big M milk) and a red ball in a red ring (Target) to realise how powerful the simplest of design features can become once they are instantly recognisable.

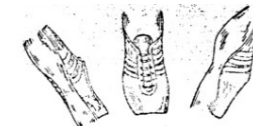
Taking this into account, looking at the pictures below compared side by side, it is easy to see that the respective runners do appear to be from the same family.



Pacific Brands' shoes



Adidas' trade marks:



Trade mark No. 131325

Image: Adidas' trade mark compared to Pacific Brands' shoes
Source: The Federal Court case

The judge himself commented that there was a:

"...real, tangible danger of confusion occurring, beyond a mere possibility, and a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source."



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ABOUT *the* *writer*

WHAT WAS OKAY...

Having said the above, the shoes pictured below were held not to infringe on Adidas's trade marks because as the judge said:

"[their] features substantially modify what a person in the marketplace would take from the impression based on recollection of [Adidas'] trade marks..." .



Image: Pacific Brands' shoes that did not infringe Adidas' trade marks
Source: The case

The image above shows that the shoes have four stripes and there is a wider gap between the two central stripes thus making them different enough to the three-stripe Adidas shoes.

REMEDIES

Ultimately, the judge awarded \$20,000 damages (as a form of compensation) which Pacific Brands had to pay to Adidas as well as paying 30% of Adidas' legal costs.

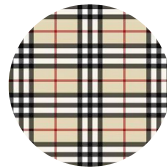
LESSONS

Lessons from the case are:

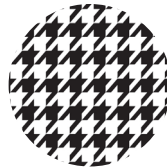
One: Something that appears to be decorative, such as a pattern, may also function as a trade mark so ensure you protect it if you can and careful not to copy if their may be risk.

Two: In this case, four stripes placed on the shoes with gaps of equal width were enough to infringe Adidas' three-stripe trade marks.

Three: Other examples of decorative trade marks include David Jones' houndstooth pattern, Burberry's tartan pattern, Louis Vuitton's flower pattern and the red-lacquered soles on Christian Louboutin's shoes, all of which are registered as trade marks just as the Adidas stripes were.



Burberry tartan pattern (Australian registered trade mark No. 708955)



David Jones' houndstooth pattern (Australian registered trade mark No. 659441)



Louis Vuitton's flowers pattern (Australian registered trade mark No. 366170)

Sharon Givoni is a Melbourne-based intellectual property lawyer with a strong focus in the fashion industry. She has made several television interview appearances and given seminars to fashion industry members and has over 20 years' experience in this area. Sharon can be contacted by email (sharon@iplegal.com.au) or called on 0410 557 907 or 03 9527 1334. Her website is located at www.sharongivoni.com.au.

IMPORTANT DISCLAIMER: This article is of a general nature only and must not be relied upon as a substitute for tailored legal advice to suit your own circumstances.

Examples of Australian registered trade marks incorporating stripes

	CLUB RESORT HOLDINGS PTY LTD ACN: 132 210 809. CLASS: 25 CLOTHING
	ADIDAS AG CLASS: 25 FOOTWEAR
	PUMA SE CLASS: 25 FOOTWEAR
	DANIEL WILLIAM POTTER CLASS: 25 ALL GOODS IN THIS CLASS
	STAFFORD GROUP PTY LTD CLASS: 25 CLOTHING, FOOTWEAR & HEADGEAR
	THE WOOLMARK COMPANY PTY LTD (A.C.N. 067866657) CLASS: 25 ALL GOODS IN THIS CLASS
	ADIDAS AG CLASS: 25 SPORTSWEAR, SUCH AS SHOES
	ADIDAS AG CLASS: 25 SPORTSWEAR
	ADIDAS AG CLASS: 25 SPORTSWEAR
	RASINER HOLDINGS (A.C.N. 007254613) CLASS: 25 CLOTHING