

Intellectual Property Rights Analysis of Christian Louboutin's Bullet Shaped Lipstick





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The Cosmetics Industry

- The global cosmetics industry is worth over \$500 billion.
- The lipstick market alone is valued at \$13.1 billion
- Since the introduction of the first lipstick tube in 1917, lipstick components have developed into complex designs.
- Each brand now has its own unique packaging that allows consumers to easily identify the product owner.

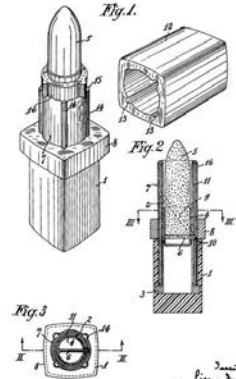
1,236,846.

W. G. KENDALL.
LIP STICK HOLDER.
APPLICATION FILED JAN. 25, 1917.

Patented Aug. 14, 1917.



LIPSTICK
P. SUINAT
Patented June 17, 1952.



W. G. KENDALL
Patented Aug. 14, 1917.

The Cosmetics Industry



Christian Louboutin's Brand Recognition

- Originally received fame from red-bottom shoes
- Universally recognized as a luxury brand
- Fashion, cosmetics, and related products are easily identifiable.
- Currently sells 700,000 pairs of shoes a year
- The company's notoriety makes it subject to counterfeit issues.



Christian Louboutin's Brand Recognition

- Celebrity recognition
- Collaborations with Disney
- Featured in Movies



Louboutin's Expansion into the Cosmetics Market

“Christian Louboutin is all about red, Parisian extravagance and playful irreverence”

- Brand wanted to empower women
- Red-bottoms inspired by assistant putting on red nail polish
- The company later translated the famous “Rouge” color from the shoe soles into nail lacquer
- Nail lacquer container inspired by the shoe's stiletto point



Louboutin Launches Unique Lipsticks

- Inspired by Queen Nefertiti and the Art Deco movement
- 38 shades and 3 textures
- \$90 price tag
- Bullet-shaped design with an embellished crown cap, topped with a ring for styling

**“All a woman wants is a pair of
Louboutin and red lips”**
CHRISTIAN LOUBOUTIN



Louboutin Launches Unique Lipsticks

- Container meant to catch the eye and can be worn as a necklace
- Formula includes standard ingredients such as wax, oil, and pigment depending on the color of the lipstick.
- Most known for its red shade
- Licensing agreement with Puig under the Louboutin brand for licensing, development and distribution.
- Louboutin retains the IP rights



Louboutin's Presence in the Cosmetics Industry

- The cosmetics industry has flourished into one of the most successful markets
- These high-end brands can predict success based on their popularity of related products
 - Ex: Christian Louboutin, Chanel, Yves Saint Laurent, Dior
- Louboutin's design of their products, similarly shaped to their stiletto heels, distinguishes the brand among competitors.



Process of Protection

- In the cosmetics industry, competition has significantly increased
- The traditional presentation has escalated into works of art
- The use of colors, dramatic shapes, formulation and packaging has complicated the protections of intellectual property.
- For these reasons, the necessity for protection positions intellectual property protection as a forefront in a company's business strategy.

Planning for Protection - General Strategy

The cosmetics industry is protected by a variety of intellectual property rights:

- Patents, design patents or industrial design, trademarks, copyright, and unfair competition or passing off.

Steps:

- File for protection in all desirable countries
- File for protection in countries where counterfeits may be an issue
- Account for countries that allow for automatic protection without registration
- Identify parts of the design that may not be protected or have received prior protection via other companies



(Lack of) Patent Protection in Cosmetics Industry

Patents seem to be one of the least used types of IP protection in the industry, likely because:

- Companies must disclose the various steps in product creation;
- Companies must identify the product's parts they are seeking protection for; and
- Disclosure includes the specific ingredients and compounds in the product.



For these reasons, companies may be deterred from patent protection at the risk of exposing insecure elements or risk of future infringement.

Louboutin's Distinguishing Product Aspects

- Distinguishable packaging
- Various shades available
- Easily identifiable shape
- More than one lipstick design including different casings, embellishments, and colors
- Small loop at the top allowing the item wearable as a necklace



Countries Analyzed for This Project

This project specifically identifies protection in:

- The United States
- The European Union
- China



These countries are currently amongst the largest and most relevant markets in terms of sale volumes for Christian Louboutin.

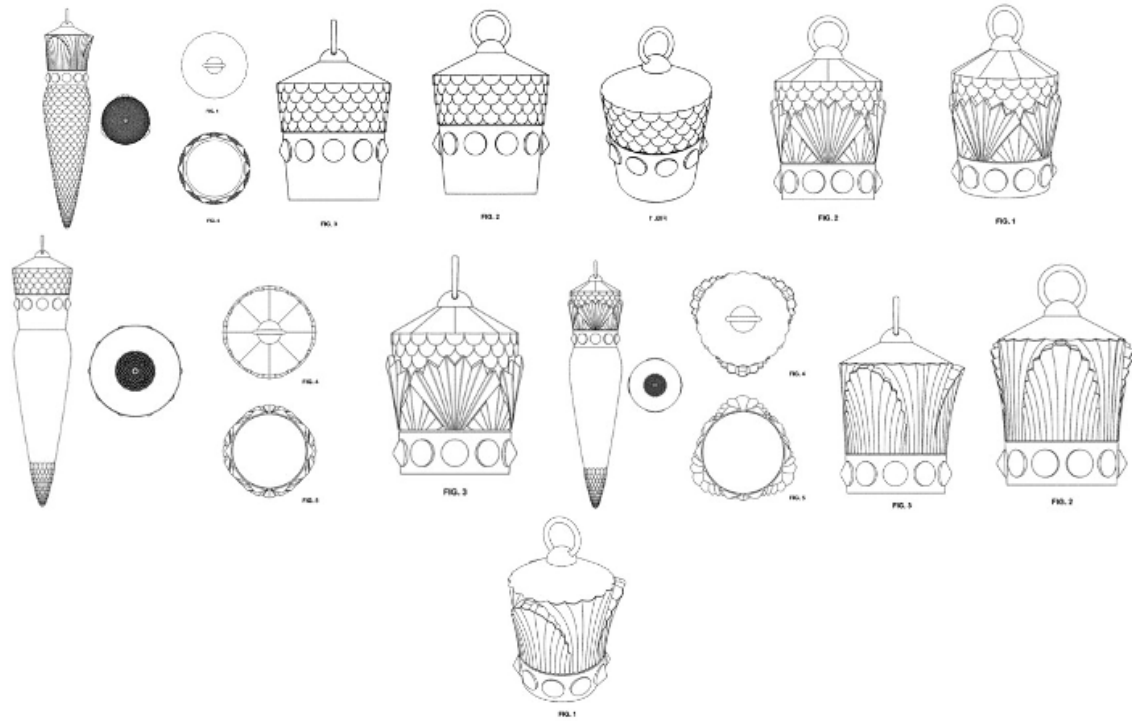
Christian Louboutin and the lipstick are also protected in other countries that are not specifically analyzed here, such as Canada, Malaysia, etc.

United States - Design Patents

- Appearance and design must be new and unique
- Christian Louboutin has 3 lipstick design patents including:
 - The container and packaging
 - The pointed bottom and crown shaped top
 - The overall shape of the design
- The company does not have protection of the lipstick's use as a necklace.
 - Questions whether this right or a similar design is previously and currently owned by another company.



United States - Design Patents



United States - Trademarks

Christian Louboutin has 3 registered logo trademarks.

CHRISTIAN LOUBOUTIN

2010



2010



2017

United States - Trademarks

Louboutin TM protection includes:

- Lipsticks
- Lip-glosses
- Perfume
- Nail polish
- Eye makeup
- Skincare

No specific TM registration for:

- Bidimensional or 3-D shape of the container or crown-shaped cap.



United States - Unregistered Trademarks & Trade Dress

US provides protection against unfair competition practices.

- Section 43(a) of the Lanham Act protects the unregistered trade dress and marks of the lipstick based on the following:
 - They are distinctive of Louboutin's products;
 - The marks have acquired secondary meaning; and
 - The mark itself and famous Rouge color show the item is famous and protected beyond the likelihood of confusion.



United States - Copyrights

Christian Louboutin has no registered copyrights in the US

But, copyright protection attaches regardless of registration:

- Protects original works of authorship and creative designs
- The lipstick design is protected as a pictorial, graphic, and sculptural work
- The copyright protections lasts for the life of the author +70 years
- Creator nationality or domicile does not change this protection



United States - Copyrights

Limitations:

- Features must be separately identified from and exist independently of a useful article
 - Bullet-shape
 - Studded Crown Cap
 - Wearable as a necklace
- In a design, there are certain materials that are already published, previously registered, in the public domain, and/or owned by an individual or legal entity other than claimant that cannot receive protection.



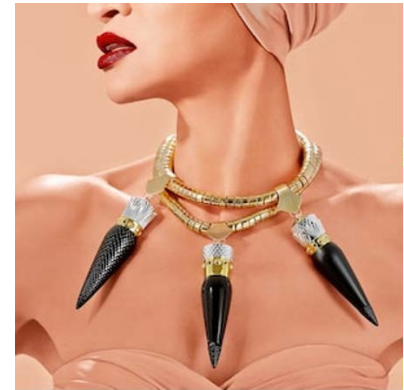
United States - Copyrights

Exceptions for a useful article from Star Athletica Test:

1. The design can be perceived as a 2 or 3 dimensional work of art separate from the useful article
2. The design would qualify as a protectable pictorial, graphical, or sculptural work either on its own or in some other medium if imagined separately from the useful article



Star Athletica v. Varsity Brands



United States - Copyrights

Louboutin's Copyright Protection:

- Louboutin lipstick packaging may receive copyright protection as a sculptural work
- Use as a necklace is also protected under both Star Athletica tests

Louboutin's Additional Protection from Silvertop Associates:

- Although the lipstick may include elements that may in and of themselves not be protectable alone, the design, as a whole, is separable and eligible for protection

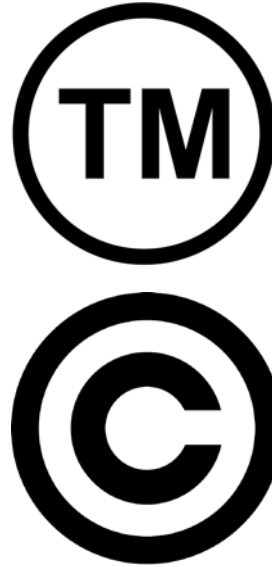


**Silvertop Associates v.
Kangaroo Manufacturing**

United States - Overall Protection

Christian Louboutin lipstick protection:

- Design Patents
- Trademarks
- Unregistered trademark protection
- Copyright



Overlap of protection

- Overlap allows the company to enforce the separate rights at the same time, depending on the infringed elements in a given case.

European Union - Industrial Design

Christian Louboutin does not have designs registered in the EU

Community Design Protection

- Simplified process to acquire unitary ID protection
- Applies to the appearance of a product resulting from attributes
 - Shape, colors, and materials
- Exclusive rights to the design for up to 25 years
- Unregistered designs receive protection from deliberate copying under certain circumstances



European Union - Industrial Design

Unregistered Community Designs

- Unregistered designs are protected from deliberate copying
- Unregistered community design protection only lasts for 3 years

* The Louboutin lipstick no longer qualifies for the 3-year protection



European Union - Industrial Design

Although the lipstick design no longer qualifies for protection as an Unregistered Community Design, the design will still receive protection under copyright law.

- This is an example of an overlap in IP rights between ID and copyright.



European Union - Trademarks

Christian Louboutin has numerous trademarks applicable to their cosmetics and other related designs:

Graphic representation	Trade mark name	Designated territory	Application date	Trade mark status	Trade mark office	Application number	Trade mark type
	LOUBOUTIN	LV, LU, LT, GB, HR, RO, HU, BG, FR, BE, DE, DK, FI, IE, CZ, A...	06/07/2012	Registered	EUIPO-EU...	011022696	Figurative
	Louboutin	UA, RU, CH, IL, EG, AZ, UZ, KZ, MC, NO	03/01/2013	Registered	WIPO-WIP...	1163101	Figurative
-	CHRISTIAN LOUBOUTIN	LV, LU, LT, GB, HR, RO, HU, BG, FR, BE, DE, DK, FI, IE, CZ, A...	23/12/1998	Registered	EUIPO-EU...	001026905	Word
-	CHRISTIAN LOUBOUTIN	US, RU, CH, SG, VN, AU, MC, CN, TR, NO	18/03/2010	Registered	WIPO-WIP...	1036883	Word
	Christian Louboutin	LV, LU, LT, GB, HR, RO, HU, BG, FR, BE, DE, DK, FI, IE, CZ, A...	12/05/2010	Registered	EUIPO-EU...	009098815	Figurative
	Christian Louboutin	JP, US, KR, SG, VN, AU, KZ, TR, NO, UA, CH, RU, MC, CN	12/05/2010	Registered	WIPO-WIP...	1041223	Figurative

European Union - Unfair Competition

Aside from Louboutin's registered marks, the specific shapes of the lipstick are protected as unregistered marks.

Unfair Competition laws prevent other companies from:

- Unfair business practices
- Limiting innovation
- Restricting competition
- Using bargaining power to limit suppliers or customers from doing business with competitors
- Giving misleading information



European Union - Unfair Competition

Trade Dress:

- The lipstick also receives trade dress protection of the overall appearance including size, shape, color, texture and graphics as a whole by combining TM & ID rights.
- Protection of the shape of goods and the packaging is permanent to distinguish goods among competitors.



European Union - Copyrights

No copyright registration required

Must be original

1. The lipstick must imply the existence of an original object, such as reflecting the personality of the author, manifesting free and creative choices rather than confined by technical formalities, rules or other restraints.
2. The lipstick's qualification as a work is reserved for the elements which are an expression of the creation -- The lipstick must be identified with sufficient precision and objectivity.

European Union - Copyrights

Louboutin's copyright protection of the lipstick:

- **Originality:** design of bullet-shape, studded crown, and ring on top allowing use as a necklace
- **Expression:** the lipstick is a clear expression of the original design

Because of these elements, the lipstick has copyright protection despite no clear registration.



European Union - Overall Protection

Overlap of protection:

- Christian Louboutin's lipstick is simultaneously protected through design law, trademarks, copyright and unfair competition laws.
- Qualification for protection of one form can overlap with protection under another.

Reasons for sufficient protection of the lipstick:

- Distinct characteristics
- Originality
- Creative uses



China - Design Patents

Christian Louboutin has 2 design patents protecting the body of the lipstick and the crown lid.

- This protection lasts for 10 years from the date of filing.

The design patents cover the overall shape and style of the lipstick

- The lipstick must comply with absolute novelty

China - Trademarks

Christian Louboutin has several trademarks registered within the “class 3” cosmetics protections.

- 4 of the trademarks cover Louboutin’s cosmetics products, but not specifically the lipstick.
- Main purpose is to protect the Louboutin name and overall brand

China - Unfair Competition



Anti-Unfair Competition Law

- Restricts unfair competition in advertising
- Used to supplement other laws when specific IP laws cannot fully protect the product
- Prevents operators from disrupting the market competition order or harming legitimate interests of businesses or consumers

The Anti-Unfair Competition Law protects the lipstick from unfair competition where IP laws cannot provide protection.

China - Overall Protection

China's new effort to strengthen the IP system and limit counterfeit production

- Three new IP courts in Beijing, Shanghai, and Guangzhou
- More punitive damages for counterfeiting & trade secret appropriation

These will affect the sale and commercialization of Louboutin's lipstick

- Reduce the company damages from counterfeit issues
- More enforcement against luxury counterfeits
- Greater protection for the name, brand, and products



STATE INTELLECTUAL PROPERTY OFFICE
OF THE PEOPLE'S REPUBLIC OF CHINA



Strategies in Marketing: Influencers, Advertising, and Social Media

Organic Advertising

- Growth of social media has led to influx of “influencers”
 - Individuals, whether normal people or celebrities
- Advertising through influencers
 - Influencers with a large following have a reach that can span nationally and worldwide
 - The outfits they wear and the products they used are publicized to their followers, causing organic and free advertising.



Influencers and Social Media

How do these influencers help advertise brands like Louboutin?

- Consumers idolize celebrities and influencers
 - These consumers and followers are motivated by the outfit and product choices of these individuals
 - this sort of “free advertising” has largely benefitted luxury brands like Louboutin by increasing exposure to the brand and making it widely desirable
 - Influencers are generally paid for their advertising services either monetarily or through the gifting of products
 - This form of advertising is significantly less expensive than general advertising and marketing options



Contracted Social Media Influencers

Many companies contract with celebrities and influencers to promote their products through social media

- When companies enter into agreements with influencers, it is important for the contract to be in writing and include strict contracting terms including:
 - Disclosure agreements
 - Original content agreements
 - Dates and compensation terms
 - Terms outlining promotions and giveaways



Advertising: Jennifer Lopez

- Jennifer Lopez is an internationally known singer and actress
- Released a song in 2009 specifically referencing Louboutin
 - free advertising tool for Louboutin
 - Organic endorsement
- Louboutin is known for staying away from soliciting social media endorsements
 - Reason: More opportunity to be endorsed and worn by A-list celebrities and other elite individuals who do not partake in social media endorsements.
 - Example of scarcity in the luxury market that makes items more desirable.



Advertising: Sex & the City

- Most influential example of organic advertising
- Main character Carrie Bradshaw is devoted to Louboutin shoes
 - For years Bradshaw has served as a style icon to the millions of viewers of the show
 - Louboutin shoes pop up in countless episodes and are popular among fans who want to emulate the style and fashion choices seen in the show and movies.



Louboutin's History of Enforcement

- With its rise in popularity as a luxury good, Louboutin has been fighting off counterfeiters and copycats for years
 - Usually it counterfeiters and copycats seek to emulate the iconic red sole
- Since breaking into the cosmetic industry with bold new designs, Louboutin has already dealt with IP enforcement issues.

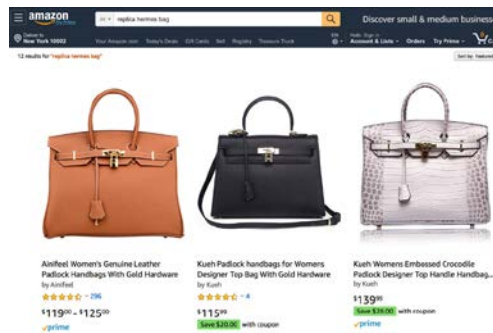
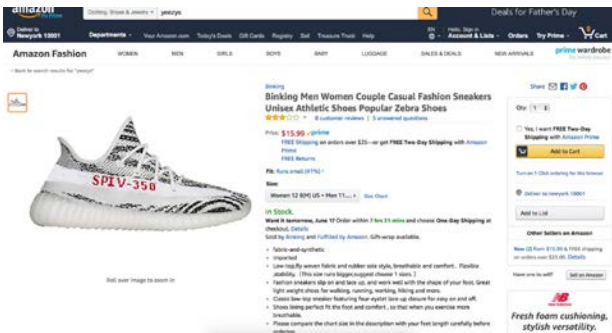
Enforcement: Louboutin v. YSL

- Details leading to lawsuit:
 - YSL came out with an all red shoe that included a red sole
 - Louboutin is known for their red sole
 - Louboutin filed suit against YSL alleging:
 - Trademark infringement
 - Counterfeiting
- Court's Decision:
 - The court ruled that Louboutin cannot obtain a trademark for the entire shoe being red, but where the red sole contrasts with the color of the rest of the shoe, the trademark applies.
 - Therefore, a single color can sometimes serve as a trademark in the fashion industry where it has acquired secondary meaning.



Enforcement: Amazon

- Louboutin has gone up against Amazon regarding counterfeiting
 - European Union Case
 - The court held that Amazon is liable if it sells and ships counterfeit shoes made by third parties.



Enforcement: Moscow, Russia

- Lawsuit stemmed from Russian companies selling counterfeit Louboutin fragrances
 - Russian company argued that the perfume products were legally imported and that there was a lack of similarity between Louboutin's trademarks and the Russian companies' trademarks.
 - The appellate court disagreed and upheld the lower court's decision to award Louboutin damages and injunctive relief.



Enforcement: Guangzhou Wentan Trading Co., Ltd

- First counterfeiting issue regarding Louboutin's bullet-shaped lipstick
 - Louboutin filed suit in in the Guangzhou IP Court
 - Louboutin alleged that the Chinese manufacturer infringed its design patent-protected lipstick packaging by creating and selling lipstick products identical or similar to the designs of Louboutin.
 - The court issued its first preliminary injunction since it was created in 2014 and ordered Guangzhou Wentan Trading Co. to immediately stop producing the lipsticks
 - The court held Louboutin's patent as valid and ruled that not issuing a preliminary injunction would cause greater damage to Louboutin than to the counterfeit Chinese manufacturer.

Example of a counterfeit bullet-shaped lipstick:



Takeaways

- The Cosmetics Industry
 - The cosmetics industry has flourished in the last 10 years
 - Luxury companies, like Christian Louboutin, are at an advantage when entering this market
 - Louboutin successfully entered the cosmetics industry beginning with nail polish, perfume and the bullet-shaped lipstick

Takeaways

- **Bullet-Shaped Lipstick Intellectual Property Protection**
 - **United States:** 3 design patents, 3 registered logo trademarks, unregistered trademark protection, and unregistered copyright protection of the design, shape and use.
 - **European Union:** Numerous trademarks applicable to the lipstick, trade dress protection of the size, shape, color, texture and graphics, and copyright protection.
 - **China:** 2 design patents protecting the body, shape, and crown lid, several trademarks registered within the “class 3” cosmetics protection, strengthened protection against unfair competition and counterfeits.

Takeaways

- Marketing and Advertisements
 - Strong shift to advertisements on social media via celebrities and influencers
 - These individuals are idolized by consumers, often providing brands with organic, free advertising just by sporting the products.
 - Important to have written contractual agreements with these individuals

Takeaways

- History of Enforcement
 - Luxury products are the most copied products worldwide.
 - Louboutin has dealt with counterfeit and unfair competition suits for the lipsticks and related products.
 - The court has generally favored Louboutin and ruled against intentional copying that is likely to cause consumer confusion.

Thank You

