

The Loro Piana case: why a close look at the market is necessary before seeking a monopoly over unconventional marks

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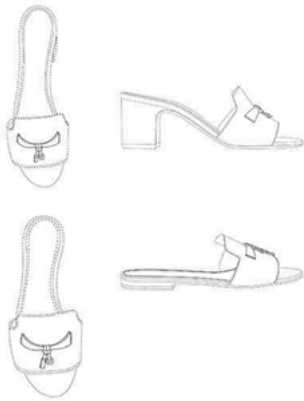
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- The examiner refused Loro Piana's application for a position mark consisting of a band with metal pendants applied to the upper part of a shoe
- The Board of Appeal confirmed that the mark lacked distinctiveness under Article 7(1)(b)
- The key principle in the decision was that a trademark must diverge significantly from industry norms to possess the distinctive character necessary for registration

Background

Loro Piana SpA sought registration of the position mark depicted below, which is described as follows:

“ The position mark consists of the combination of a band [...] and metal pendants, one in the shape of a padlock and the other in the shape of a ring ([...] typical of Loro Piana), which, as a whole, is applied to the upper mask covering the upper part of the shoe, in whole or in part, and is always positioned closer to the tongue than to the toe of the shoe. ”



Upon refusal by the EUIPO examiner for lack of distinctive character, the applicant filed arguments before the EUIPO's Fourth Board of Appeal, which confirmed the refusal in [Case R 1422/2024-4](#).

Decision

Unlike other precedents scrutinising the “inherent registrability” of a mark as a requirement independent from the actual market, the central principle of this decision was that a trademark must stand out significantly from industry norms to possess the requisite distinctive character for registration.

The Board of Appeal found as follows:

“ A sign's capacity to function as a trademark, within the meaning of Article 7(1)(b) [of Regulation 2017/1001] requires the sign to diverge significantly from the norms or customs of the sector in question. If it fails to depart from those conventions, it is deemed to be devoid of distinctive character and cannot fulfil its essential function as a trademark. ”

This decision pertained to the assessment of the trademark application under Articles 7(1)(b), 66 and 67 of Regulation 2017/1001. The appeal was deemed admissible under Articles 66 and 67. However, the application was denied due to its lack of distinctive character under Article 7(1)(b).

Undoubtedly, the distinctive character of a mark is essential for its registration. The mark must enable consumers to identify the goods as originating from a specific undertaking and distinguish them from others. This assessment, based mainly on the goods or services in question, also requires taking into account the perception of the relevant public. Position marks, such as the one in this case, are treated similarly to figurative or three-dimensional marks. However, they often require greater scrutiny because the average consumers do not typically associate product shapes or configurations with specific origins, unless they diverge significantly from industry norms.

In this case, the contested trademark consisted of decorative elements – a band and two pendants – positioned on the upper part of a shoe. These features were deemed common in the footwear sector, particularly for sandals, and perceived as mere decorations rather than as an indicator of origin. The board concluded that the design did not deviate from industry customs, rendering it devoid of distinctiveness.

It is singular that the EUIPO carried out a considerable market investigation highlighting a few prior items used in commerce, a selection of which is depicted below:



Moreover, the applicant's argument that the trademark's use over several years indicated distinctiveness was rejected. The board noted that mere usage or sales volume does not prove the public perception of the mark as an indicator of origin. Evidence of counterfeiting was similarly dismissed as insufficient to establish inherent distinctiveness, given that counterfeit products often target non-distinctive designs.

The applicant also cited earlier trademarks for comparison. However, the board emphasised that each trademark application must be assessed individually based on the regulation. Prior decisions, even concerning similar marks, do not guarantee registration if the current application fails to meet the legal standards.

Ultimately, the decision affirmed that the contested trademark lacked inherent distinctiveness and did not fulfil its essential function of identifying the goods' origin. Therefore, the application was denied under Article 7(1)(b).

Comment

The EUIPO broadened even further the concept of "divergence from the market", ruling that:

"[...] in this context, only a trademark that diverges significantly from the norm or customs of the sector and is therefore capable of fulfilling its original essential function is not devoid of any distinctive character within the meaning of Article 7(1)(b)."

It seems that the examiners are now less inclined to allow the registration of unconventional trademarks. In fact, although there is a massive request for monopoly over non-traditional items used as source identifier in the fashion industry, it appears that the requirement of being "significantly different" from previous embodiments is crucial to succeed. This may lead the market and the fashion industry to think of non-traditional trademarks more in terms of design and novelty, rather than in terms of a trademark's "inherent registrability".



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