

Letter From the Editor



Welcome to the Summer 2018 issue of *Kattwalk*.

As we close in on New York Fashion Week, this issue spotlights some of the exciting people and changes that are helping to shape today's fashion world. We start with an up-close and personal look at the world of Guatemalan fashion designer Cecilia Mendez, as she lets us in on her inspiration and her take on the future of the industry.

We also examine what's new when it comes to protecting your brand against copyright and patent infringement, as well as the recent "red-sole" victory for Louboutin, which answers the question: Does the legal meaning of "shape" include color? Plus, enjoy insights into events that are helping to inform today's fashion professionals.

I invite you to continue reading to uncover all this and more. And we will see you next time with the Fall 2018 issue of *Kattwalk*.

Karen Artz Ash

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Through  
the Lens

Q&A  
With

**Cecilia Mendez**  
Fashion Designer



-----[ passion ]-----

**Tell us about your background**

I was born and raised in Guatemala, to a family of Guatemalan, Cuban and Italian heritage. My family owns a lifestyle brand, with menswear stores and restaurants in Guatemala and Costa Rica called Saul E. Mendez, which was founded by my grandfather more than 50 years ago. I grew up in the fashion world, playing hide and seek between rolls of fabric, helping out in one of the stores since I was 10 years old and knowing I wanted to be a designer from a very young age. It is in my blood, and it is my passion. I went to business school and just finished my Associate of Applied Science degree in Fashion Design at Parsons School of Design.





## Through the Lens: Q&A with Cecilia Mendez

----- ( inspiration ) -----

### ▶ ▶ ▶ What's the most rewarding aspect of your work?

Being a little bit of an introvert, it is through my designs that I am able to express who I am and what I want to say. It is my way to let you into my own little world. Each piece I design is somehow a part of me that I am giving away, so it is very personal. The fashion industry may be labeled by some as shallow, pretentious, elitist, wasteful and superfluous—and in some cases those critiques may be true—but fashion, at its core, is about self-expression, by the designer and, most importantly, by the person who wears the clothes.

When a woman decides to wear something I have made—passing on the literally millions of other available options—and doing so allows her to express herself, be unique, feel powerful, beautiful or playful, it creates a connection between us, and that is humbling and rewarding.



----- ( challenge ) -----

### What's the most unexpected challenge in your role?

Balancing fantasy and reality. Being a designer is not about drawing and thinking about crazy concepts. My sketches and concepts also have to be constructed, sourced, produced and technically perfect. As a designer, I have to build a bridge that connects fantasy with reality.

----- ( vision ) -----

### What's the biggest opportunity for change in your industry?

The biggest opportunity for this industry is reimagining what luxury means, or better yet, creating a new word for the new luxury and creating a category around it.

**How do you see your field changing in the future? And how are you preparing to meet the evolving needs of the field?**

A girl with a smartphone, an Instagram account, talent, a small budget and a creative mind can now start and launch a brand. That is powerful. I am preparing to take advantage of this evolution by being that girl and launching my own brand.

The way people buy has changed and will continue to evolve. Having everything at the tips of our fingers has forever changed how we live and shop. Becoming and, most importantly, staying relevant and not becoming lost in all the clutter requires being unique, which can include the product, in-store experience, essence, business models, brand recognition and more.



**Who or what has been your greatest professional influence?**

Alexander McQueen has had a great impact on me professionally. I am currently reading the book *Gods and Kings*, about him and John Galliano, and everything about him has inspired me. Challenging conventions, having a unique point of view or perspective, being true to yourself and your vision, evolving and allowing events to change you, and being technically brilliant.

**What do you do for fun when not working?**

As cliché as it may sound, I love travelling and walking the streets, looking for new sources of inspiration. I also enjoy new experiences, a good glass of wine, great food, spending time with family and friends, and watching the occasional good documentary or movie.

## Red-Sole Victory for Louboutin

by Alan Meneghetti and Tegan Miller-McCormack

At *The Katten Kattwalk*, we have been hot on the heels of the ongoing Louboutin and Van Haren dispute that kicked off back in 2012, when Van Haren infringed Louboutin's famous red sole and the invalidation claim that followed. You may recall our update in the winter 2018 edition "Christian Louboutin's Red-Sole Legacy," following the advocate general's opinion that a shape trademark could include color and, therefore, the possibility that Louboutin's Benelux trademark could be ruled invalid under Article 3(1)(iii) of Directive 2008/95/EC (Directive).

Now in a much welcomed result for Louboutin, the Court of Justice of the European Union (CJEU) has passed its judgment on the question referred by the District Court in The Hague, Netherlands, on whether the meaning of shape under the Directive includes color.

### Van Haren Takes on Louboutin

French designer Christian Louboutin has been designing and selling his world-renowned red-soled shoes for more than 25 years. In 2012 the shoe designer swiftly brought a claim of infringement against Van Haren (a Dutch shoe retailer) after learning about their Fifth Avenue by Halle Berry collection that featured black stilettos with red soles.

In response to a ruling that Van Haren had to stop manufacturing and selling these look-a-like shoes, the opponent struck back with a claim of invalidation against Louboutin's Benelux trademark for the color red (Pantone 18-1663TP). Specifically, Van Haren claimed that Louboutin's red sole trademark was invalid under the Directive; in other words, it should not have been registered in the first place, as it is a sign which consists exclusively of "shape which gives substantial value to the goods."

After much consideration, the District Court in The Hague referred the following question to the CJEU: "Should the meaning of 'shape' in the Directive be limited to the three-dimensional properties of the goods (i.e., lines, measurements and contours) or does it include other properties of the goods (i.e., their color?)"

This was an important question, for if the CJEU found that color should be included in the meaning of "shape," Louboutin's registration could be ruled as invalid.

### Summer 2018 Update

The CJEU first considered what the lack of definition for "shape" in the Directive meant. Here, the court followed the consistently held view: Where there is a lack of definition, the meaning

must be determined in relation to the word's usual meaning in everyday language, considering the context in which it occurs and the purposes of the rules of which the word forms part.

Further, the court considered whether a particular color applied to a particular part of a product resulted in a shape within the meaning of the Directive.

The court found:

- i. Following the Directive, the case-law of the court and the everyday meaning of the word "shape," it is not logical to assume that a color without an outline can constitute a "shape"; and
- ii. Louboutin took active steps to seek protection for the color, rather than the shape of the sole.

While the shape of the product, or part of the product, plays a role in outlining the color, the specification for Louboutin's Benelux trademark explicitly disclaims rights for the shape of the sole. The image provided in the registration was intended only to illustrate the positioning of the color red.

In consideration of these points, the court ruled that under the Directive the main element of Louboutin's registered sign is the internationally recognized red color, and that a color applied to the sole of high-heeled shoes does not consist exclusively of a "shape."

### A Step in the Right Direction for Louboutin

This is an important victory in Louboutin's fight to protect its red-sole empire. While

the judgment will now be referred back to the District Court in The Hague for a final judgment in the case, the decision of the CJEU to the question raised by the District Court paves the way for a positive result for Louboutin.

The decision is also helpful for providing clarity on grounds of refusal under the Directive. Particularly, while it is clear that it is not possible to register a shape as a trademark in the EU, this decision provides clarity that a color alone will be allowed as a valid trademark and protected accordingly.

For any fashion brands, or other companies, considering registering a color as a trademark, it is worth taking note that a key factor for the CJEU in reaching its decision was the disclaimer included in the application that the sign exclusively related to the color on a part of a product, and the shape was not a factor to be considered.

Stay tuned to *The Katten Kattwalk* for future updates on Louboutin's fight to remain red-hot in the luxury footwear industry.



## Court Allows Laches Defense in Cancellation Case

by **Karen Artz Ash** and **Bret J. Danow**

In the last few years, the US Supreme Court has held that laches is not an available defense to claims for copyright or patent infringement brought within the limited periods described under each of the Copyright and Patent Acts. In *Pinkette Clothing, Inc. v Cosmetic Warriors Limited*, the Ninth Circuit Court of Appeals affirmed a distinction between available defenses to copyright and patent infringement claims, on the one hand, and trade mark infringement claims, on the other hand, holding that laches is an equitable defense to a trade mark cancellation action because the Lanham Act has no statute of limitations and expressly makes laches a defense to a cancellation action.

In 2014, Cosmetic Warriors (CWL), a company which sells cosmetics products under the LUSH mark, filed a trade mark application for the mark LUSH covering clothing. The application was refused by the PTO based on a trade mark registration for the identical mark owned by Pinkette that had issued in 2010. In June, 2015 – four years and eleven months after Pinkette’s trade mark registration issued – CWL filed a petition to cancel such registration. In response, Pinkette filed an action in federal court, seeking a declaratory judgement that it did not infringe CWL’s trade mark rights or,

in the alternative, that CWL’s claims were barred by laches. CWL, in turn, counterclaimed for trade mark infringement and cancellation of Pinkette’s registration.

After a trial, the jury returned a verdict finding for CWL on its infringement and cancellation claims and the court rendered an oral decision holding that laches barred CWL’s claims. When CWL moved for judgment in its favor, however, the court held that laches barred the infringement and cancellations claims and entered judgment for Pinkette. CWL then appealed.

Section 1064(a) of the Lanham Act allows a party to seek cancellation of a registered mark on certain grounds during the first five years following the issuance of the registration. On appeal, CWL did not contest that laches precludes its trade mark infringement claim but argued that, because it filed the cancellation action before Pinkette’s registration had become incontestable, laches was not available as a defense to the cancellation claim. In effect, CWL’s position was that even if prejudicial delay precluded it from enforcing its trade mark rights against a junior user of a mark, it still had the ability to have such junior user’s trade mark registration cancelled.

The Ninth Circuit did not agree that this was the appropriate result. In reviewing whether laches was an available defense, the Court noted that Section 1064 of the Lanham Act “is not a statute of limitations in the usual sense of barring an action entirely once a defined period expires.” Rather, “incontestability merely limits the grounds on which a party may seek cancellation of a registration.”

Having found that laches was an available defense, the Ninth Circuit turned to whether the laches defense applied to the case at hand. Since the Lanham Act has no statute of limitations, the Court looked to whether the most analogous state statute of limitation had expired. Here, the most analogous state statute of limitations was California’s four year statute of limitations for trade mark infringement which runs from the time the plaintiff knew or should have known about its potential cause of action. Since CWL had constructive notice of its claims when Pinkette’s registration issued, laches was deemed to apply.

This decision is instructive because it indicates that, under certain circumstances, a cancellation action might not be available to a senior user of a mark even if the marks are found to be confusingly similar and the registered mark is not yet incontestable.

### Karen Artz Ash Honored for Her Role in Moving Fashion Forward

National co-chair of Katten’s Intellectual Property department **Karen Artz Ash** will be recognized as an influential leader in IP, who is “powering the creativity that moves fashion forward” at the New York Law School’s (NYLS) annual gala on November 15. NYLS will also honor her deep commitment to pro bono work, including her role as board chair of Volunteers of Legal Service, as well as her remarkable contributions to NYLS, where she is a dedicated adjunct professor, mentor and trusted advisor to the School’s Innovation Center for Law and Technology. The gala raises funds for student scholarships, academic programs and faculty research.



# Events Shaping the Fashion Industry

## July 26, 2018      **How the New California Consumer Privacy Act Impacts Your Business**

The implications of the new California Consumer Privacy Act on today's businesses are many. Intellectual Property partner Doron Goldstein and Litigation partner Matthew Baker examined this recently passed law designed to protect California consumers and discussed how it will fundamentally change the landscape for companies that collect and handle consumer data—and not just those based in California. They also discussed the similarities of this new law to the EU's GDPR.

## July 31, 2018      **Technology and IP Forum: Copyright Law Updates and Best Practices**

What's trending when it comes to copyright legal and compliance issues? Intellectual Property partner Michael Justus helped provide the answers as moderator of the "Technology and IP Forum: Copyright Law Updates and Best Practices" program, presented by the Association of Corporate Counsel. The program explored these issues, with a particular focus on digital media, fair use and rights clearance, the Digital Millennium Copyright Act, and US Copyright Office policy and guidance. The panel also provided updates on emerging issues and shared best practices and practical guidance for legal generalists and experienced copyright counsel alike. Presenters included Anna Chauvet, assistant general counsel, US Copyright Office; Regina Thomas, associate general counsel and global lead, Copyright & Media Law, Oath Inc.; and Brian Westley, counsel, Standards & Practices, PBS.

## Mark your calendars . . .

## October 30–31, 2018      **WWD Apparel & Retail CEO Summit**

Katten will be proud to be a sponsor of the annual WWD Apparel & Retail CEO Summit to be held at The Plaza in New York City on October 30–31, 2018. This event will be the meeting place for top retailers, brand executives, dealmakers and thought leaders, who will address how technology, the economic environment and today's social mores, priorities and lifestyles will affect consumers.

For more information, contact: Karen Artz Ash  
Partner and National Co-Chair | Intellectual Property Department | Katten Muchin Rosenman LLP  
+1.212.940.8554 | karen.ash@kattenlaw.com | 575 Madison Avenue | New York, New York 10022

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