A Set-Back for Adidas in Trademark Expansion

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German sportswear giant, Adidas, has made its products easily and immediately identifiable by its famous three-stripe adornment, a trademark design choice that has become so strongly associated with Adidas products that it has achieved unquestionable worldwide trademark status.[2] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn2) Adidas is regarded by some as aggressive in its use of litigation as a means to protect its trademarks and intellectual property.[3] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn3) But it may have been recently shown that Adidas pressed its claim to the mark too far.

The General Court of the European Union just invalidated a trademark previously registered with the European Union Intellectual Property Office (EUIPO) in 2014, a registration which effectively broadened the scope of the trademark to encompass the use of three equidistant stripes in certain clothing designs.[4] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn4) The case follows an application to the EUIPO by Belgian shoe company Shoe Branding Europe BVBA, which intervened to annul Adidas's 2014 registration.[5] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn5) Adidas was thus tasked with proving that the public considered the three lines a distinctive source-identifier of Adidas products, a trademark. The eventual annulment of Adidas's registration is thought to have been a result of Adidas's failure to demonstrate such distinctiveness, something that Adidas probably could have shown with sufficient evidence, notwithstanding the mark's relative minimalism and the potentially broad scope of the registered trademark claim.

To the credit of the EUIPO and the Belgian shoe company, the three stripes are arguably without "inherent" distinctiveness.[6] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn6) Adidas's mark, isolated and without context, ultimately embodied by a simple arrangement of three semi-wide lines in a row, is such a simple design concept that Adidas's claim over the design may seem odd, maybe even excessive to some. Even taking every component of the mark together as a single mark, namely the number of stripes, the width of the stripes individually, and their distance from and relation to one another, it is hard to see a design so creative or unthinkable that it can be said to bear inherent distinctiveness.[7] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn7) But Adidas does possess a very strong mark in its three stripes, a mark that owes its strength to the company's long history of consistent marketing and good reputation as a manufacturer of quality sportswear.[8] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn8) In trademark law, this mark is said to have "acquired" distinctiveness based on the public's familiarity and acquiescent public adoption of the mark as a source identifier, a distinctiveness that cannot be easily denied.[9] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn9) Apparently, though, the EUIPO failed to see the mark's acquired distinctiveness.[10] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn10)

Admittedly, however, "three stripes" is a simple verbal descriptor of the trademark that, absent context and familiarity with Adidas products,[11] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn11) might still raise legitimate concern over excessively broad and vague trademarks clouding the clothing market.[12] (applewebdata://28BD25BE-FC23-40D2-B750-BE40D749A4A3#_edn12) But in Adidas's defense, minor alterations to Adidas's existing design can demonstrably and directly change the strength of the mark as a distinctive identifier of Adidas as a source, that is, simple changes could cause the design to cease acting as an effective trademark.
Imagine, for instance, that a fourth stripe, though the same in width and space from the other three, were added to the design so that there are four stripes instead of three, or take one stripe away so that there are only two. Or imagine keeping three stripes but with half the width, or get the same relative effect by increasing the distance between the same stripes (therefore making the stripes appear thinner relative to the greater space between them). Such alterations totally remove the distinguishing power of the three stripes as we now know them. If such alterations were made, the mark would either cease to identify Adidas as the source of the product or would be so beyond the scope of Adidas’s registered mark that Adidas would struggle to bring effective infringement actions against European competitors for lack of consumer confusion, consumer confusion being the core of trademark infringement doctrine.

This conceptual analysis demonstrates that, at the very least, Adidas’s “three stripes” is actually a mark with a narrower scope than one might immediately think, whatever the registration of the mark claimed to protect.

Claiming the exclusive use of three stripes to adorn clothing may have an air of corporate imperialism, perhaps, at least in relation to market competitors who might also wish to use stripes, maybe even three stripes, in their own product designs. But this worry of corporate overreach may be overblown as an explanation for Adidas’s failure to meaningfully expand its trademark protection, at least in this case. There is good reason to think that Adidas, rather than lacking a magnificently distinctive mark, simply failed to offer enough empirical evidence of the mark’s acquired distinctiveness in the relevant market.[14] (appelwebdata://28BD25BE-FC23-40D2-B750-8E40D749A4A3#_edn14)That’s a shame for Adidas, considering the substantial value of the mark to their business and good will, especially considering the considerable subsequent drop in the company’s market value.[15] (appelwebdata://28BD25BE-FC23-40D2-B750-8E40D749A4A3#_edn15)This case should, therefore, act as an example of how attorneys might better represent their clients’ intellectual property by arguing their client’s mark is actually narrower and bears far more distinctiveness than a cursory glance might suggest.


[6] (appelwebdata://28BD25BE-FC23-40D2-B750-8E40D749A4A3#_ednref6)See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992). See also Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 212–13 [2000] (“The attribution of inherent distinctiveness to certain categories of word marks and product packaging derives from the fact that the very purpose of attaching a particular word to a product, or encasing it in a distinctive packaging, is most often to identify the source of the product. ... Consumers are ... predisposed to regard those symbols as indication of the producer, which is why such symbols ‘almost automatically tell a customer that they refer to a brand,’ and ‘immediately ... signal a brand or a product’ source.”) (citations omitted).


[12] See generally Glynn S. Lunney, Jr., Trademark Monopolies, 48 Emory L.J. 367 (1999). (“Since 1742, when Lord Hardwicke seemingly equated trademark protection with monopoly in one of the first trademark cases, until the mid-1950s, concerns that trademarks represented a form of illegitimate monopoly effectively constrained the growth of trademark protection.”) (citing Standard Brands, Inc. v. Smidler, 151 F.2d 34, 41 (2d Cir. 1945) (Frank, J., concurring) (“Emphasis on the exceptional nature of the monopoly-creating judge-made trade-name doctrine stimulated increasing judicial caution in its application. The courts [expressly or tacitly] insisted that, more adequately than theretofore, consideration must be given to the overall policy of not unduly hampering competition.”)).

[13] See B & B Hardware, Inc. v. Hargis Industries, Inc., 135 S. Ct. 1293, 1301 (2015) (“The owner of a mark, whether registered or not, can bring suit in federal court if another is using a mark that too closely resembles the plaintiff’s. The court must decide whether the defendant’s use of a mark in commerce ‘is likely to cause confusion, or to cause mistake, or to deceive’ with regards to the plaintiff’s mark.”).

[14] That was a large part of the General Court’s analysis and ultimate rationale. See adidas AG v. EUIPO supra note 4, at 19-20.

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