



Intellectual Property In The Footwear Industry

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Footwear Industry Growth

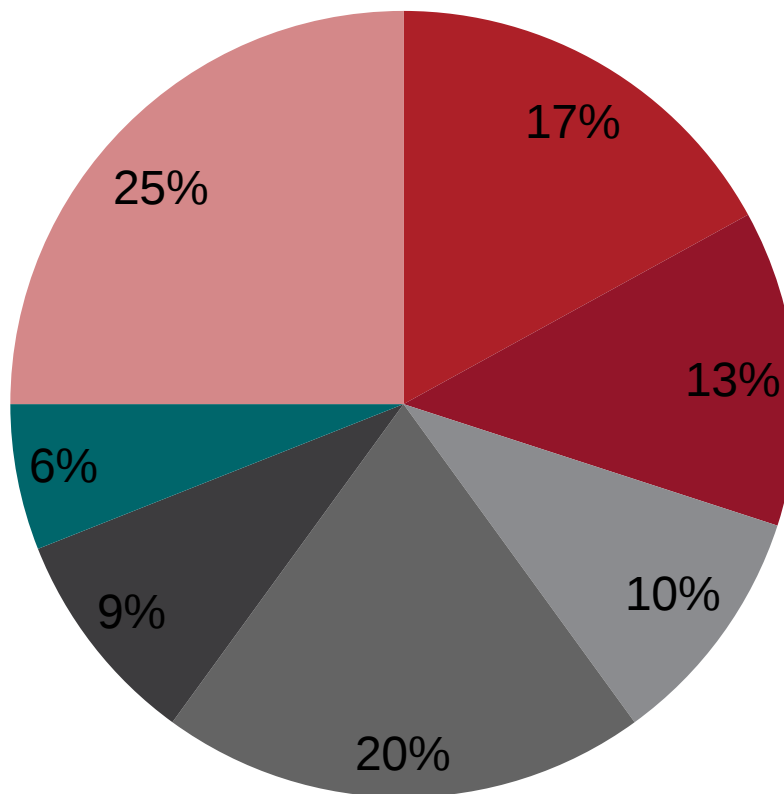
- Global footwear industry annual revenue is an estimated \$52 billion USD in 2016¹
- International sneaker market has grown by more than 40% since 2004²
- Millennials spent \$21 billion USD on footwear in 2014, with the biggest category being footwear over \$100²

1. <http://www.statisticbrain.com/footwear-industry-statistics/>

2. <https://www.forbes.com/sites/deborahweinswig/2016/03/18/sneaker-culture-fuels-1-billion-secondary-market/#5422d2f27911>

Footwear Manufactured by Type

Sales

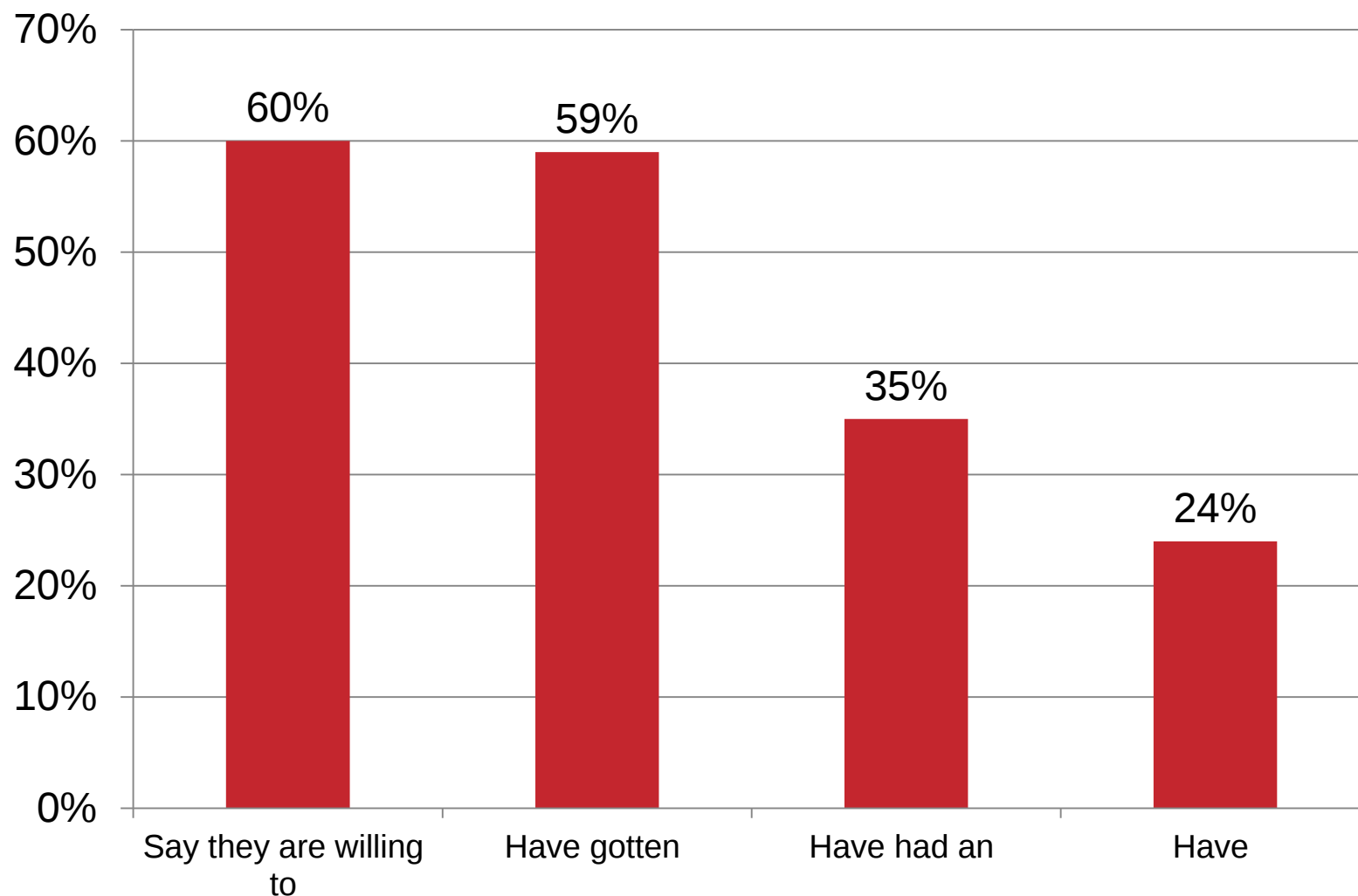


- Women's Casual Shoes
- Women's Dress Shoes
- Women's Athletic Shoes
- Men's Athletic Shoes
- Men's Casual Shoes
- Men's Dress Shoes
- Other Styles

Female Footwear Market in the U.S.

- Women own an average of 17 pairs of shoes, but only wear 3 pairs regularly
- 39% of women consider themselves “a shoe person”
- 50% of women own more than 10 pairs of shoes
- 13% of women own more than 30 pairs of non-athletic shoes
- 1 in 7 women admit hiding at least one shoe purchase from their spouse!

What Women Are Willing To Endure For The Sake Of Fashionable Shoes



Beware of Counterfeit Footwear

- Counterfeit goods global industry is worth as much as \$461 billion USD in 2016¹
- Footwear is the product counterfeited the most, followed by clothing, leather goods and gadgets¹
- Designer high heels, sports shoes, and work boots are the most copied types of shoes²
- Counterfeiting costs U.S. businesses an estimated \$200-\$250 billion annually, and is directly responsible for the loss of more than 750,000 American jobs²

1. <http://money.cnn.com/2016/04/18/news/economy/fake-purses-shoes-economy-counterfeit-trade/>

2. <https://www.satara.com/bulletin/article.php?id=694>

PROTECTING FOOTWEAR ASSETS



Intellectual Property: What is it?

- Patents (Utility & Design)
- Trademarks
- Trade Dress
- Copyrights
- Trade Secrets

Distinguishing Between Types of IP

Utility Patents

Protects the way an article is used and works

Design Patents

Protects the way an article looks

Trademarks/Trade Dress

Protect words, phrases, designs or symbols that identify a single SOURCE of goods or services

Copyrights

Protect original EXPRESSION of ideas

Trade Secrets

Protects valuable business information that is not generally known and is subject to reasonable efforts to preserve confidentiality

UTILITY PATENTS



Example of Footwear Utility Patent

(12) **United States Patent**
Handel et al.

(10) **Patent No.:** **US 8,322,053 B2**
(45) **Date of Patent:** **Dec. 4, 2012**

(54) **ADJUSTABLE HEIGHT HIGH HEEL SHOE**

(56)

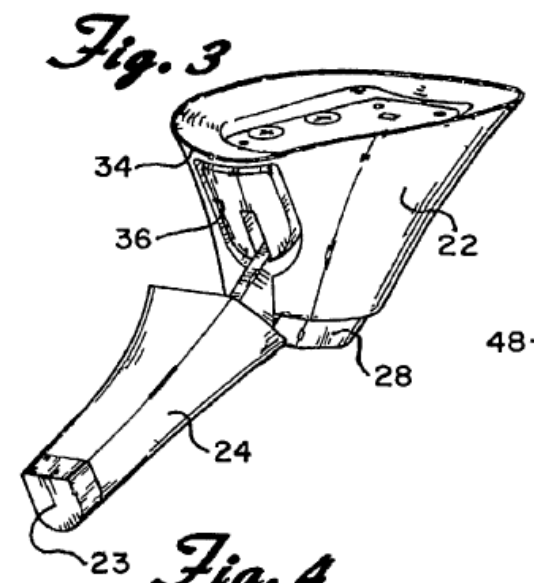
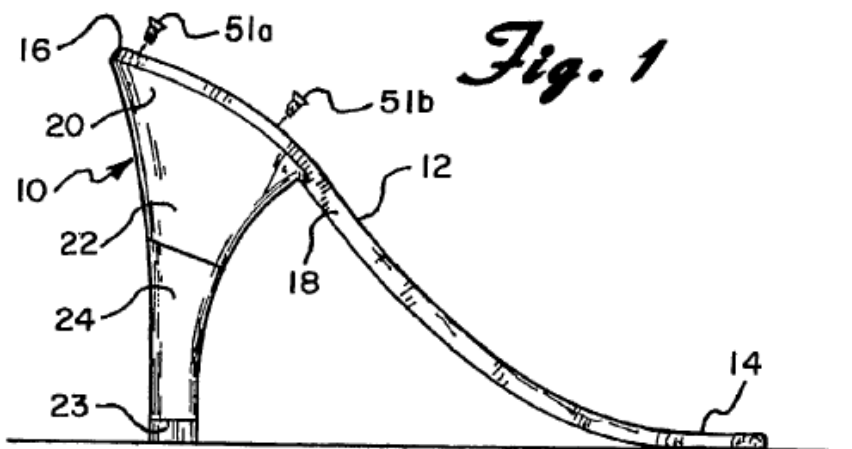
References Cited

(75) Inventors: **David Handel**, Galloway, NJ (US); **Ian White**, Kennett Square, PA (US); **David White**, Kennett Square, PA (US)

(73) Assignee: **Sean Flannery**, Mountainside, NJ (US)

U.S. PATENT DOCUMENTS

2,258,265	A	10/1941	Schwartz	
2,767,489	A *	10/1956	Sturman	36/34 R
RE25,984	E *	3/1966	Ronci	36/42
3,464,126	A	9/1969	Sarkissian	
4,005,770	A *	4/1978	McGibson	36/301 R



Utility Patent Formalities

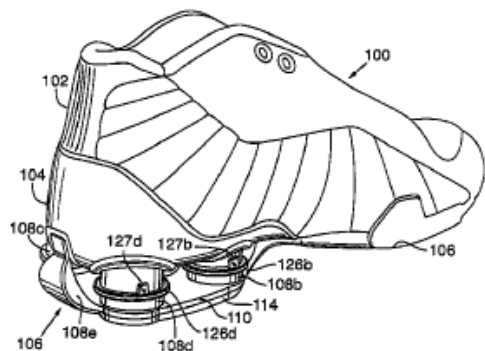
- Contents of utility patent application
 - Written technical description of an invention
 - Sufficient to allow someone skilled in the art to understand and practice the invention
 - Drawings of the invention
 - To supplement the written description
 - At least one claim
 - Each is a single-sentence identification of the protection sought

Utility Patent Requirements

- Criteria for patentability
 1. US: New
 2. US: Useful
 3. US: Not obvious
- Most disputes with examiners involve whether claim is obvious or lacks inventive step
- Criteria is generally similar in U.S. and in rest of world

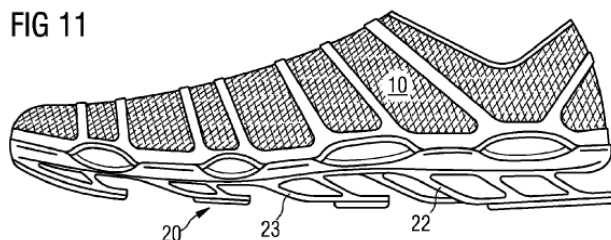
Utility Patent Infringement Suits - Footwear

- 2006 - Nike asserted “Shox” patents against adidas¹



- 2016 – adidas asserted “Springblade” patents against Skechers²

FIG 11



1. *Nike Inc. v. adidas America, Inc. et al.*, No. 9:06-cv-00043-RC (E.D. Tx. filed Feb. 16, 2006)

2. *adidas America, Inc. et al. v. Skechers USA, Inc.*, No. 3:16-cv-01400-SI (D. Or. filed Jul. 11, 2016)

DESIGN PATENTS



Example of Footwear Design Patent

(12) **United States Design Patent**
Osorio

(10) **Patent No.:** **US D750,359 S**
(45) **Date of Patent:** **** Mar. 1, 2016**

(54) **SHOE**

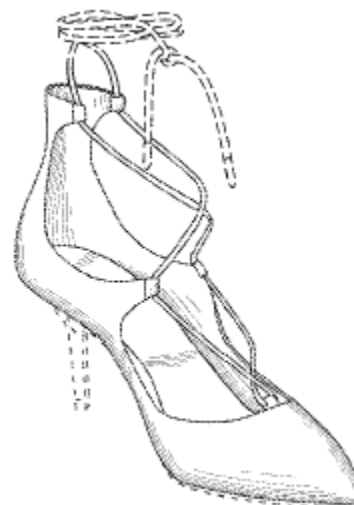
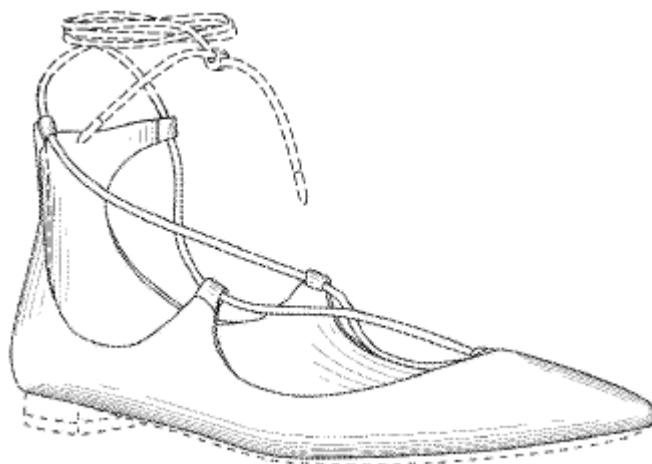
(71) Applicant: **Aquazzura Italia SRL**, Florence (IT)

(72) Inventor: **Edgardo Osorio**, Florence (IT)

(73) Assignee: **AQUAZZURA ITALIA SRL**, Florence (IT)

(***) Term: **15 Years**

D149,683 S *	5/1948	Sandler	D2/930
D163,019 S *	4/1951	Braun	D2/928
D163,360 S *	5/1951	Braun	D2/935
D164,847 S *	10/1951	Dronoff	A43C 1/00
			D2/971
4,870,761 A *	10/1989	Tracy	A43C 1/04
			24/712
4,974,299 A *	12/1990	Moon	A43C 1/04
			24/714.6
5,755,044 A *	5/1998	Veylupek	A43C 1/06
			36/50.1
D501,712 S *	2/2005	Choi	D2/971
D501,712 S *	2/2005	Choi	D2/971



Design Patent Formalities

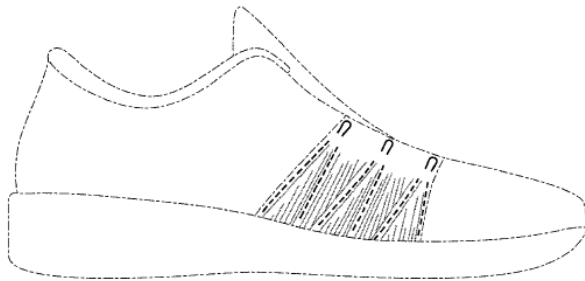
- Contents of design patent application
 - Very Short Written Description
 - Title
 - Brief Description of Drawings
 - Drawings
 - Key Part of a Design Patent
 - Requires strategic consideration
 - Single claim
 - Merely recites that the claim is to what is shown in the drawings

Design Patent Requirements

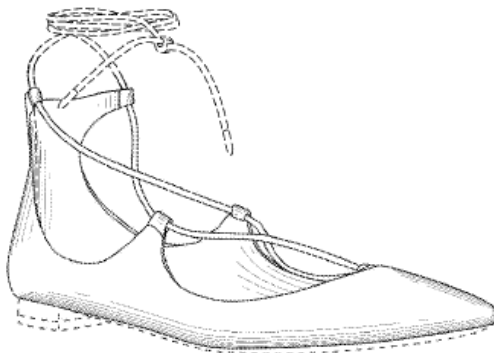
- Criteria for patentability
 1. US: New
 2. US: Original
 3. US: Not obvious
 4. US: Ornamental
 5. US: Subject matter in an article of manufacture
- Can be used to protect an entire article, portion of an article, or surface ornamentation
- Typically, design patent prosecution is less involved than utility patent prosecution
- Criteria for design patents vary widely throughout the world

Design Patent Infringement Suits - Footwear

- 2016 - Nike asserted “Flyknit” design patents against Skechers¹



- 2016 – Aquazzura asserted “Christy” design patents against Ivanka Trump²



1. *Nike Inc. v. Skechers U.S.A., Inc.*, No. 3:16-cv-00007-PK (D. Or. filed Jan. 4, 2016)

2. *Aquazzura Italia SRL v. Trump et al.*, No. 1:16-cv-04782-KBF (S.D.N.Y. filed Jun. 21, 2016)

TRADEMARKS



Types of Trademarks

Letters

W

Numbers

33

Words

GOOGLE

Designs



Slogans

JUST DO IT

Characters



Types of Trademarks

Colors:



Music:



Symbols:



Shapes:



Moving Image Marks:

Smells:



floral scent of knitting yarn



Spectrum of Distinctiveness



Establishing Trademark Rights

- Federal Registration conveys nationwide rights
- A federal “intent to use” applicant gets “constructive use” of the mark dating back to the filing of the application, but only upon registration
- Without a registration, rights are territorial and based on use
- The first to use a mark in a particular geographic area develops “common law” rights in that area

Trademark Infringement Suits - Footwear

- 2011 - Christian Louboutin asserted “Red Sole” trademark against Yves Saint Laurent¹



- 2016 – adidas asserted “Three Stripe” trademark against Ecco²



1. *Christian Louboutin S.A. et al v. Yves Saint Laurent America, Inc. et al*, No. 1:11-cv-02381-VM (S.D.N.Y. filed Apr. 7, 2011)

2. *adidas America, Inc. et al v. ECCO USA, Inc. et al.*, No. 3:16-cv-00684-SI (D. Or. filed Apr. 20, 2016)

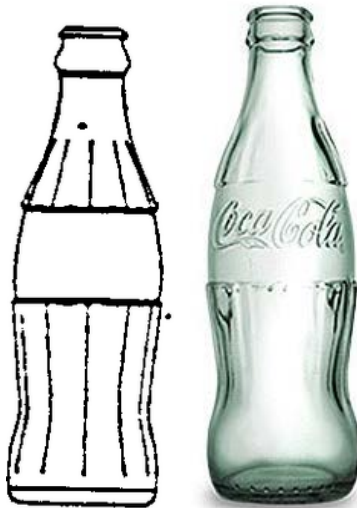
TRADE DRESS



Famous Trademark/Trade Dress

Product Shape

Coca-Cola's
"Contour" Bottle
(Reg. No. 1057884)



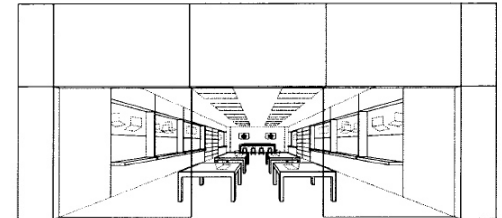
Product Packaging

Jawbone's
"Museum" Packaging
(Ser. No. 85669268)



Stores

Apple Stores
(Reg. Nos. 4277914 and 4277913)



Trade Dress Infringement Suits - Footwear

- 2017 – Puma asserted “Fenty” trade dress claims against Forever 21¹



- 2017 – Dr. Martens asserted “iconic boots and shoes” trade dress claims against Steve Madden²



1. *PUMA SE v. Forever 21, Inc.*, No. 2:17-cv-02523-PSG-E (C.D. Ca. filed Mar. 31, 2017)

2. *AirWair International Ltd. v. Steven Madden, Ltd.*, No. 3:17-cv-01024-SI (N.D. Ca. filed Feb. 28, 2017)

Famous Trademark/Trade Dress in Shoes/Fashion

adidas

adidas' "Superstar" shoe (unregistered, but held distinctive in *adidas America, Inc. et al v. Payless ShoeSource, Inc.*, 546 F. Supp. 2d 1029, 1056 (D. Or. 2008))



adidas' three stripes on apparel

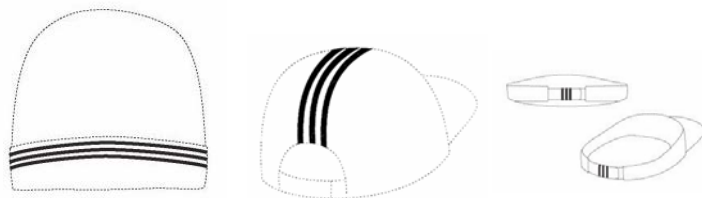
On shoes:



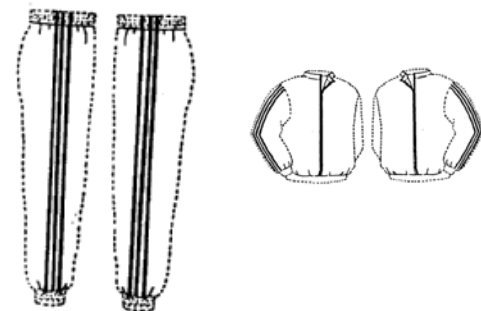
On various features of sandals:



On various features of headwear:



On parts of clothing:



COPYRIGHTS



Copyright Requirements

- Any work of independent and original artistic expression that is fixed in a tangible medium can be protected by copyright.
 - Fixed in a tangible medium of expression – the work must exist in some physical form (e.g., on paper, on a hard drive, or on a cassette tape) for at least some period of time, no matter how brief
 - Original – it must be independently created by the author
 - Artistic/Creative – it must be the result of at least some creative effort on the part of the author

Types of Copyrights

- Literary works (includes computer programs)
- Musical works, including any accompanying words
- Dramatic works, including any accompanying music
- Pantomimes and choreographic works
- Pictorial, graphic, and sculptural (3D) works (includes maps & architectural plans)
- Motion pictures and other audiovisual works
- Sound recordings
- Architectural works

Establishing Copyright Rights

- Copyright ownership and protection arise automatically and immediately upon creation of a work
- Creation occurs when an original work of authorship is fixed in a tangible form of expression
- No need for registration, publication, or notice, unless you want to sue for copyright infringement

Not Copyrightable Subject Matter

- What is not copyright subject matter:
 - Raw information (phone numbers/addresses/e-mail addresses/calendars)
 - Ideas (consider patents)
 - Facts and Theories
 - Too small (*de minimis*) (titles, names, phrase)
 - US Government works
 - Public Domain Works



Copyright Infringement Suits - Footwear

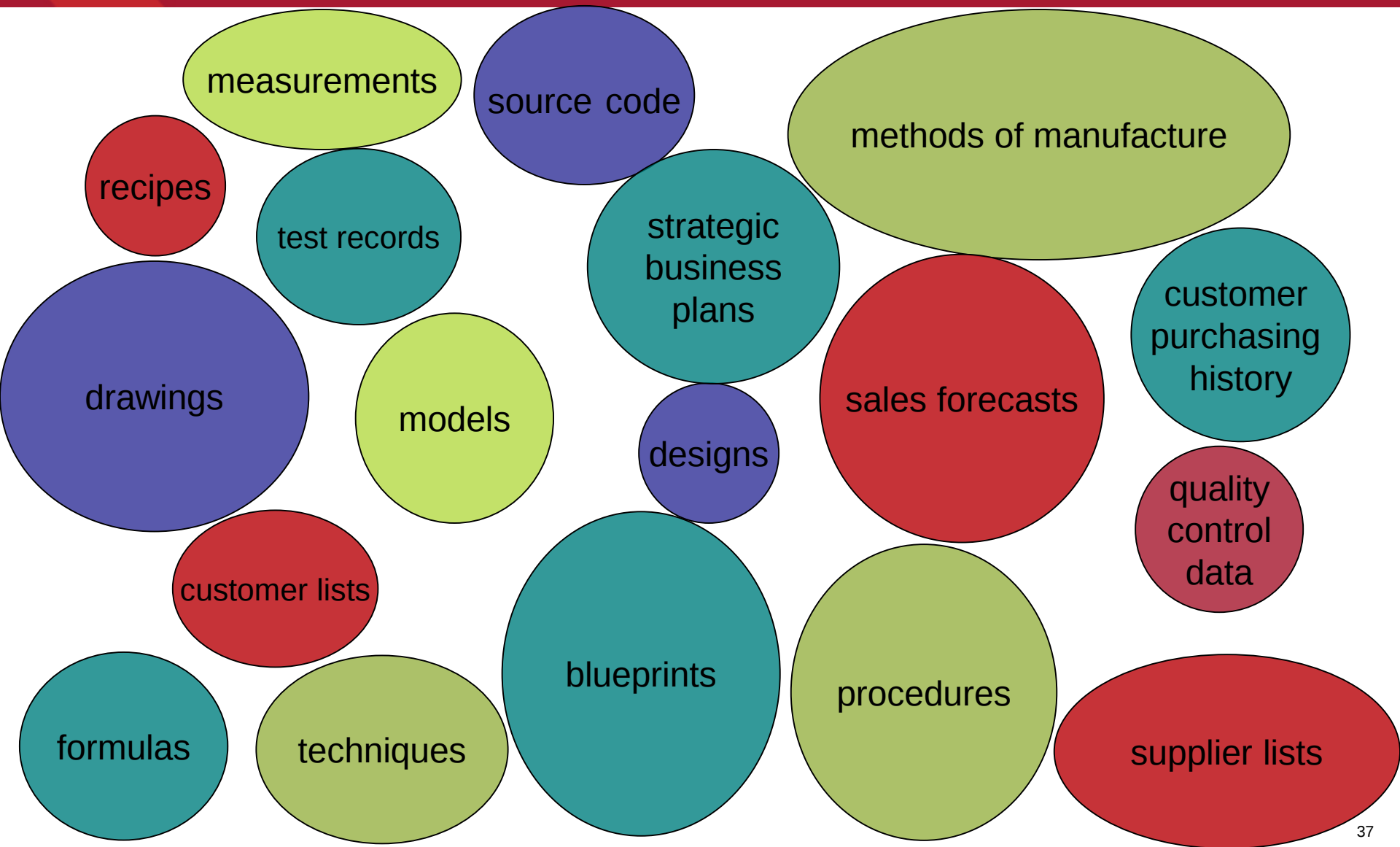
- 2012 – Mystique asserted “By the Sea – Style 3323” registered copyright against Ivanka Trump



TRADE SECRETS



Potential Trade Secrets



How long does a trade secret last?

Forever . . .



. . . until disclosed (how long can you keep a secret?), reverse engineered, or becomes part of the public domain.

Trade Secret Theft Suits - Footwear

- 2015 – Nike asserted former footwear designers misappropriated Nike trade secrets for use in new business venture





THANK YOU



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Tiffany Williams is a partner with Kilpatrick Townsend. Tiffany focuses her practice on counseling public and private companies in areas of domestic and foreign patent portfolio management, intellectual property evaluation and licensing, and patent litigation. Tiffany practices in a wide range of technologies, such as aerospace, athletic equipment, software, telecommunications, Internet technology, medical devices, and architectural products. In her practice, Ms. Williams works intimately with in-house patent counsel and the inventors to understand inventions and their importance in the company's overall business strategy. Through these efforts, she counsels key personnel regarding tactics to protect their innovations and achieve corporate goals. Tiffany has been involved in all aspects of trial activity, including motion practice, preparing expert witnesses, conducting depositions, and preparing trial outlines and exhibits. She also has substantial experience in successfully attacking the validity of patents before the U.S. Patent Trial and Appeal Board through both a variety of post-grant mechanisms, including both *inter partes* and *ex parte* reexamination procedures, as well as the new *inter partes* review procedure. Prior to practicing law, Ms. Williams worked as an engineer and certified Six Sigma Black Belt for eight years in the coated paper, plastics, and ceiling tile industries. In 2006, she competed in the National Moot Court Competition, Region V and received first place, best oralist, best brief. Tiffany has been named as one of *Georgia Trend's* 2012 "Legal Elite" in the area of Intellectual Property Law. She was recognized in 2017 and the four years immediately preceding as a Georgia "Rising Star" in the area of Intellectual Property by *Super Lawyers* magazine.

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