

CHRISTIAN LOUBOUTIN’S “RED SOLE MARK” SAVED TO REMAIN LOUBOUTIN’S FOOTMARK IN HIGH FASHION, FOR NOW . . .

REANNA L. KUITSE*

INTRODUCTION

“A trademark is a word, phrase, symbol or design, or a combination thereof, that identifies and distinguishes the source of the goods of one party from those of others.”¹ Under the Lanham Act, a party can protect a trademark by registering it with the federal government.² Section 1051 of the Lanham Act lays out the specific requirements that all trademarks must meet in order to be valid.³ Continual interpretation of these requirements by the courts—in areas ranging from product design, to restaurant design, to high fashion—has led to additional and more specific requirements for a valid trademark.⁴ In general, a trademark must be sufficiently distinct to identify a product, must be distinguishable from trademarks of other products,⁵ and must not serve a functional purpose that would hinder competition by preventing other producers from using the same feature to create their goods or services.⁶ However, even if the mark serves a functional purpose, its owner can still succeed in an action to protect the mark if the owner can show that the mark has acquired “secondary meaning,” such that consumers associate the mark almost exclusively with the owner’s good or service.⁷ The United State Court of Appeals for the Second Circuit had the opportunity to consider these requirements in *Christian Louboutin S.A. v. Yves Saint Laurent America Holdings, Inc. (Louboutin II)*.⁸

Christian Louboutin emerged in the high fashion industry in 1992 and became well-known for the lacquered red sole with which he marked all of his high-heeled fashion shoes.⁹ In 2008, Louboutin was awarded a trademark that

* J.D. Candidate, May 2013, Indiana University Robert H. McKinney School of Law; B.A., Westmont College, Philosophy, Pre- Law Focus, Minor in Business, Dec. 2009.

1. *Frequently Asked Questions About Trademarks*, U.S. PATENT & TRADEMARK OFF. (last modified Mar. 9, 2012, 11:02 AM), http://www.uspto.gov/faq/trademarks.jsp#_Toc275426672.

2. 15 U.S.C. §§ 1051-1141n (2006 & Supp. V 2011), *amended by* Trademark Technical & Conforming Amendment Act of 2010, Pub. L. No. 111-146, 124 Stat. 66 (codified as amended at 15 U.S.C. §§ 1057-58, 1065, 1071, 1141k (Supp. V 2011)).

3. *Id.* § 1051.

4. *See, e.g.*, *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108 (2d Cir. 2006).

5. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210-11 (2000).

6. *See Qualitex*, 514 U.S. at 164-65.

7. *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 635-36 (6th Cir. 2002).

8. 696 F. 3d 206 (2d Cir. 2012).

9. *Christian Louboutin S.A. v. Yves Saint Laurent Am. Inc. (Louboutin I)*, 778 F. Supp. 2d

became known as the Christian Louboutin “Red Sole Mark.”¹⁰ In 2011, Louboutin brought an action against Yves Saint Laurent, Inc. (“YSL”), alleging that the company was violating Louboutin’s trademark registration by putting red soles on the shoes in its newest fashion line.¹¹ Louboutin filed a motion for a preliminary injunction in the United State District Court for the Southern District of New York, but the injunction was denied by the District Court on August 10, 2011.¹² However, Louboutin filed an appeal in the United States Court of Appeals for the Second Circuit, and the court found that the district court’s reasoning for denying Louboutin’s preliminary injunction action was inconsistent with current case law.¹³

The approaches taken by both the district court and Second Circuit addressed the question of whether a trademark could be based solely on color in the fashion industry.¹⁴ In examining this issue and Louboutin’s Red Sole Mark, and in denying Louboutin’s motion for a preliminary injunction, the district court expressed its strong doubts that Louboutin’s Red Sole Mark could be warranted protection as a valid mark.¹⁵ Although the district court did not explicitly state that the Red Sole Mark was invalid, the denial of the injunction, along with the court’s reasoning, indicated that any further action to protect the Red Sole Mark would likely result in the denial of the validity of the Red Sole Mark.¹⁶ Also implicit in the district court’s reasoning was the idea that a designer could not use simply color as a sole feature of his or her product logo.¹⁷ However, the Second Circuit disagreed, holding:

[T]he District Court’s holding that a single color can never serve as a trademark in the fashion industry is inconsistent with the Supreme Court’s decision in *Qualitex Co. v. Jacobson Products Co.*, . . . and that the District Court therefore erred by resting its denial of Louboutin’s preliminary injunction motion on that ground.¹⁸

Also, the Second Circuit found that Louboutin’s Red Sole Mark had achieved “limited secondary meaning,” and only shoes that had a red sole with a

445, 447-48 (S.D.N.Y. 2011), *aff’d in part, rev’d in part*, *Louboutin II*, 696 F.3d 206.

10. RED SOLE MARK, Registration No. 3,361,597 [hereinafter Registration]; *see also* U.S. Trademark Application Serial No. 77,141,789 (filed Mar. 27, 2007) (Louboutin’s application for trademark registration includes more in-depth analysis of the “Red Sole Mark,” including an indication that the red lacquer is an additional step added to the design process that costs more money than the standard tan or black sole most commonly found on high fashion footwear).

11. *Louboutin I*, 778 F. Supp. 2d at 449.

12. *Id.* at 458.

13. *Louboutin II*, 696 F.3d at 212.

14. *Id.* at 211; *Louboutin I*, 778 F. Supp. 2d at 450-51.

15. *Louboutin I*, 778 F. Supp. 2d at 457.

16. *See id.*

17. *See id.* at 450-54.

18. *Louboutin II*, 696 F.3d at 212 (internal citation omitted).

contrasting upper color could be protected from infringement.¹⁹ Accordingly, the monochromatic design created by YSL did not infringe on Louboutin's trademark, and there was no basis for the court to consider the validity of Louboutin's mark any further.²⁰ The question that arises out of these two decisions is what kind of protection can Louboutin expect for the Red Sole Mark in any future infringement actions?

Part I of this Note examines some of the history behind trademark law in the high fashion industry and discusses trademark protection for color specifically. Part II examines the decision in *Louboutin I* and why the court chose to deny Louboutin's motion for a preliminary injunction. Part III examines the decision by the circuit court in *Louboutin II*. Part IV examines the possible effects of the functionality doctrine on Louboutin's Red Sole Mark. Finally, Part V examines what Louboutin could do to alter his trademark and afford his well-recognized mark greater protection in the fashion design industry given the limited ruling by the circuit court.

I. TRADEMARK DEVELOPMENT

The main source of law governing trademarks is the Lanham Act, which was originally enacted as the Trademark Act of 1946.²¹ The Lanham Act is comprised of four subchapters, which address various aspects of trademark law.²² Subchapters I and II deal specifically with the basic aspects of a trademark and trademark registration, respectively.²³ The Act defines a trademark as follows:

The term "trademark" includes any word, name, symbol, or device, or any combination thereof—

- (1) used by a person, or
- (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.²⁴

If the applicant's desired mark meets the requirements under the Act, the applicant may choose to apply for registration of the mark with the U.S. Patent and Trademark Office.²⁵ When applying for registration of a trademark, the

19. *Id.* at 225.

20. *Id.*

21. 15 U.S.C. §§ 1051-1141n (2006 & Supp. V 2011), amended by Trademark Technical & Conforming Amendment Act of 2010, Pub. L. No. 111-146, 124 Stat. 66 (codified as amended at 15 U.S.C. §§ 1057-58, 1065, 1071, 1141k (Supp. V 2011)).

22. *Id.*

23. *Id.* §§ 1051-1096.

24. 15 U.S.C. § 1127 (2006).

25. See *Trademarks Home*, U.S. PATENT & TRADEMARK OFFICE (last modified Oct. 24,

applicant must include specific information about the mark in the application.²⁶ One important piece of information the applicant must include is a drawing of the specific “symbol” the applicant would like to protect, along with a description of the goods or services that are to be protected.²⁷ Once a trademark is registered, the “certificate of registration . . . is *prima facie* evidence of the validity of the registration . . . and of the registrant’s exclusive right to use the mark . . . subject to whatever conditions or limitations may be contained in the certificate.”²⁸ Although registration is a helpful tool for protecting a mark, the Lanham Act’s protection against trademark infringement is not limited solely to registered marks.²⁹ The Lanham Act also provides protection for “unregistered trade dress.”³⁰

When a trademark applies to the overall image or design of goods and products rather than to a specific symbol or logo placed on the good or product, the trademark is commonly referred to as “trade dress.”³¹ *Black’s Law Dictionary* defines trade dress as “[t]he overall appearance and image in the marketplace of a product or a commercial enterprise.”³² Trade dress can be protected under the Lanham Act so long as it is distinctive and serves a “primarily nonfunctional” purpose.³³ “A mark or dress can be inherently distinctive if its intrinsic nature serves to identify a particular source.”³⁴ However, if a mark or dress is not inherently distinctive, the mark or dress can still be protected “through attachment of secondary meaning.”³⁵ Secondary meaning “occurs when, ‘in the minds of the public, the primary significance of a [mark or dress] is to identify the source of the product rather than the product itself.’”³⁶

2012), <http://www.uspto.gov/trademarks/index.jsp> (providing trademark searches and online filing services).

26. U.S. PATENT & TRADEMARK OFFICE, PROTECTING YOUR TRADEMARK: ENHANCING YOUR RIGHTS THROUGH FEDERAL REGISTRATION 10-13 (2010), available at http://www.uspto.gov/trademarks/basics/BasicFacts_with_correct_links.pdf [hereinafter PROTECTING YOUR TRADEMARK].

27. *Id.* at 4-7.

28. 4A LOUIS ALTMAN & MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS & MONOPOLIES § 26:5 (4th ed. 2011) (footnotes omitted).

29. 87 C.J.S. *Trademarks, Etc.* § 169 (2012) [hereinafter *Trademarks, Etc.*].

30. *Id.*

31. *See id.*; BLACK’S LAW DICTIONARY 1630 (9th ed. 2009).

32. BLACK’S LAW DICTIONARY, *supra* note 31, at 1630.

33. *Trademarks, Etc.*, *supra* note 29, § 169; *see* BLACK’S LAW DICTIONARY, *supra* note 31, at 1630; *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992).

34. *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 635 (6th Cir. 2002) (internal quotation marks omitted) (quoting *Two Pesos*, 505 U.S. at 768).

35. *Id.*

36. *Id.* (alteration in original) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

A. Trademarks in the Fashion Industry

Given the importance in the fashion industry of fostering creativity and allowing for the free flow of ideas by designers, courts have been reluctant to protect a designer's trademark that serves a functional purpose or restricts another designer's creativity in any way.³⁷ As such, a number of issues arise when a fashion designer attempts to protect his or her mark by registering it under the Lanham Act.

One case that addressed some of these issues is *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*³⁸ In *Louis Vuitton*, the court applied a two-factor test to determine whether Louis Vuitton Malletier's design, which encompassed a symbol plus a color, was infringed upon by a competing design.³⁹ The first prong of the test asks whether the plaintiff's mark warrants protection, and the second prong asks whether the use of a similar mark by the defendant causes consumer confusion.⁴⁰ In considering the first prong, the court looked at two elements: whether the mark was distinctive, and whether it had acquired secondary meaning.⁴¹ Based on the mark's unique color combination and unique symbol, along with its fame and recognition in the marketplace, the court concluded that Louis Vuitton's mark was inherently distinctive and had acquired secondary meaning.⁴²

For the second prong, the *Louis Vuitton* court turned to the multi-factor test developed in *Polaroid Corp. v. Polarad Electronics Corp.*⁴³ In considering the question of consumer confusion, the court acknowledged that "no single [*Polaroid*] factor is dispositive"⁴⁴ but focused its analysis on the second factor—the similarity of the two marks.⁴⁵ "To apply this factor, courts must analyze the mark's overall impression on a consumer, considering the context in which the marks are displayed and the totality of factors that could cause confusion among prospective purchasers."⁴⁶ Ultimately, the court did not make a decision concerning this prong of the test; instead, the court remanded the case to the district court for consideration of the *Polaroid* factors.⁴⁷ However, the court's analysis of Louis Vuitton's mark is still helpful for assessing trademark infringement in the fashion industry.

37. See, e.g., *Louboutin I*, 778 F. Supp. 2d 445, 452-53 (S.D.N.Y. 2011), *aff'd in part, rev'd in part, Louboutin II*, 696 F.3d 206 (2d Cir. 2012).

38. 454 F.3d 108 (2d Cir. 2006).

39. *Id.* at 112, 115.

40. *Id.* at 115.

41. *Id.* at 116.

42. *Id.*

43. 287 F.2d 492 (2d Cir. 1961).

44. *Louis Vuitton*, 454 F.3d at 118.

45. *Id.* at 117.

46. *Id.* (quoting *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 537 (2d Cir. 2005)) (internal quotation marks omitted).

47. *Id.* at 117-18.

In *Louis Vuitton*, the court considered whether a symbol and color combination warranted protection by considering the distinctiveness of the mark, along with its secondary meaning and the possibility of consumer confusion between the mark and a similar, competing mark.⁴⁸ Other courts have applied a functionality test to this analysis.⁴⁹ In general, the rule regarding functionality and trademarks is that a feature “is essential to the use or purpose of the article or . . . affects the cost or quality of the article” is functional and cannot be protected under the Lanham Act.⁵⁰

The United States District Court for the Southern District of New York considered whether a product design was functional in *Maharishi Hardy Blechman Ltd. v. Abercrombie & Fitch, Co.*⁵¹ Maharishi designed pants called “Snopants,” which had elaborate designs and often had unusual fasteners, giving them a unique look.⁵² Abercrombie later developed the “Shi Ding Roll Up Pant,” which had many features similar to those used on Snopants.⁵³ In response to Abercrombie’s design, Maharishi brought an action alleging trade dress infringement in the hopes of protecting its design; however, the court held the Snopants were “not entitled to trade dress protection . . . as a matter of law.”⁵⁴ In reaching this decision, the court conducted the same two-prong analysis employed by the *Louis Vuitton* court, considering whether the mark claimed by Maharishi was distinctive and served a non-functional purpose, and considering the likelihood that consumers would confuse Maharishi’s and Abercrombie’s products.⁵⁵

In its analysis, the court considered the “aesthetic functionality doctrine,” stating: “Where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection.”⁵⁶ Additionally, the court stated that where the features “extend[] to the ‘overall look’ of the . . . product,” distinctiveness and functionality must be considered “together, not in isolation.”⁵⁷

While acknowledging the Supreme Court’s holding that a feature that “is

48. *Id.* at 115.

49. *See, e.g.,* *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 640-42 (6th Cir. 2002); *Maharishi Hardy Blechman Ltd. v. Abercrombie & Fitch, Co.*, 292 F. Supp. 2d 535, 542-43 (S.D.N.Y. 2003).

50. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)) (internal quotation marks omitted).

51. *Maharishi*, 292 F. Supp. 2d. at 538.

52. *Id.* at 538-39.

53. *Id.* at 539.

54. *Id.* at 550.

55. *Id.* at 541; *see* *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 115-16 (2d Cir. 2001).

56. *Maharishi*, 292 F. Supp. 2d at 543 (quoting *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 81 (2d Cir. 1990)).

57. *Id.*; *see* *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 76 (2d Cir. 1985) (stating that trade dress can be a “particular combination and arrangement of design elements”).

essential to the use or purpose of the article or . . . affects the cost or quality of the article” is traditionally considered functional,⁵⁸ the *Maharishi* court also considered the decision in *Stormy Clime Ltd. v. ProGroup, Inc.*,⁵⁹ which held that “distinctive and arbitrary arrangements of predominantly ornamental features that do not hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional and hence eligible for trade dress protection.”⁶⁰ *Stormy Clime* indicates that it is possible for trademark law to protect an ornamental design so long as other designs are able to use similar, yet differently arranged, ornamental designs to enter the same market.⁶¹ Based on this analysis, the court in *Maharishi* found that Maharishi had made a sufficient showing that the Snopants design was not merely functional; however, because the action was to protect more than twenty-eight different designs that were not all similar, the court declined to grant Maharishi’s trade dress infringement claim against Abercrombie.⁶²

Another case that considered functionality and trade dress infringement under the *Lanham Act* is *Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc.*⁶³ In this case, Abercrombie alleged that American Eagle copied various Abercrombie clothing designs and an Abercrombie catalog design in violation of the trade dress protection embodied in the *Lanham Act*.⁶⁴ The court affirmed the district court’s award of summary judgment for American Eagle, deciding that allowing Abercrombie to monopolize the clothing design for which it was claiming trademark protection would allow Abercrombie to control something that is functional, which is not generally allowed under the trade dress doctrine.⁶⁵ In reaching this conclusion, the court considered the “effective competition” test:

The “effective competition” test asks . . . whether trade dress protection for a product’s feature would hinder the ability of another manufacturer to compete effectively in the market for the product. If such hindrance is probable, then the feature is functional and unsuitable for protection. If the feature is not a likely impediment to market competition, then the feature is nonfunctional and may receive trademark protection.⁶⁶

The rationale for this test was explained by the Seventh Circuit in *W.T. Rogers Co. v. Keene*:⁶⁷ “[I]t would . . . be unreasonable to let a manufacturer use

58. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)) (internal quotation marks omitted).

59. 809 F.2d 971 (2d Cir. 1987).

60. *Id.* at 977.

61. *Maharishi*, 292 F. Supp. 2d at 548 (citing *Stormy Clime*, 809 F.2d at 977).

62. *Id.* at 544, 550.

63. 280 F.3d 619 (6th Cir. 2002).

64. *Id.* at 625.

65. *See id.* at 640, 645.

66. *Id.* at 642 (alteration in original) (quoting Mitchell M. Wong, *The Aesthetic Functionality Doctrine and the Law of Trade-Dress Protection*, 83 CORNELL L. REV. 1116, 1149 (1998)).

67. 778 F.2d 334 (7th Cir. 1985).

trademark law to prevent competitors from making pleasing substitutes for his own brand; yet that would be the effect of allowing him to appropriate the most pleasing way of configuring the product.”⁶⁸ The court used this test to reason that allowing Abercrombie to protect the way it designed its clothing line would keep other designers from entering the same market and would inhibit competition.⁶⁹

The court also drew a distinction between a product feature, such as the overall design of the clothing that Abercrombie was attempting to protect, and a merely incidental feature.⁷⁰ In this respect, the court considered:

whether the feature . . . is something that other producers of the product in question would have to have as part of the product in order to be able to compete effectively in the market . . . or whether it is the kind of merely incidental feature which gives the brand some individual distinction but which producers of competing brands can readily do without.⁷¹

Applying this test, the court declined to grant Abercrombie’s request to stop American Eagle from continuing to design its clothes with features similar to those found on the designs of Abercrombie.⁷²

As evidenced by the decisions in *Maharishi* and *Abercrombie*, a mark’s functional purpose becomes a very important inquiry for any court looking into trademark or trade dress infringement. Both of these cases examined functionality in the context of a feature that pertained to the overall appearance of the product. However, neither of these cases considered color as the sole distinguishing feature. Therefore, it is necessary to look to cases outside of the fashion industry to better understand trademark protection of a single color.

B. Color Trademarks

In *Qualitex Co. v. Jacobson Products Co.*,⁷³ Qualitex brought an action against Jacobson alleging trademark infringement.⁷⁴ Qualitex had been dyeing its dry cleaning pads a green-gold color since the 1950s, and in 1991, it registered a trademark to protect its green-gold mark.⁷⁵ Two years prior to the registration of Qualitex’s mark, Jacobson had begun to market and sell dry cleaning pads with a similar green-gold color.⁷⁶ After registering its trademark, *Qualitex* added a trademark infringement claim under the Lanham Act to a claim it already had

68. *Id.* at 340.

69. *Abercrombie*, 280 F.3d at 644.

70. *Id.* at 643-44.

71. *Id.* at 642 n.18 (first alteration in original) (quoting *W.T. Rogers*, 778 F.2d at 346).

72. *Id.* at 643-44.

73. 514 U.S. 159 (1995).

74. *Id.* at 161.

75. *Id.*

76. *Id.*

against Jacobson for unfair competition.⁷⁷

In considering Qualitex's trademark infringement claim, the Supreme Court looked at the history and language of the Lanham Act to conclude that color alone may be protected as a trademark.⁷⁸ The Court also looked at the rationale behind allowing a trademark for a color alone and considered the value of a trademark for a consumer.⁷⁹ Trademarks make it possible for consumers to identify a good by a particular feature and, based on that identification, easily ensure that they are purchasing a high-quality product.⁸⁰ Additionally, once a consumer associates a specific mark with a specific product, the mark acquires secondary meaning and can be considered inherently distinctive.⁸¹

The Court looked at the U.S. Department of Commerce Patent and Trademark Office's Trademark Manual of Examining Procedure, which "approv[es] trademark registration of color alone where it has become distinctive of the applicant's goods in commerce, provided that there is [no] competitive need for colors to remain available in the industry and the color is not functional."⁸² With these considerations in mind, the Court found there was no reason that color should not be allowed as a source identifier and therefore allowed it as a valid trademark.⁸³

The Supreme Court then considered the functionality doctrine, choosing to follow the general rule laid out in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*:⁸⁴

[I]n general terms, a product feature is functional, and cannot serve as a trademark, if it is essential to the use or purpose of the article or if it affects the cost or quality of the article, that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.⁸⁵

The Court also considered the aesthetic value of a good as it applies to functionality. In doing so, the Court cited the Restatement (Third) of Unfair Competition, which states that "[a] design is functional because of its aesthetic value only if it confers a significant benefit that cannot practically be duplicated by use of alternative designs."⁸⁶

77. *Id.*

78. *Id.* at 162-63.

79. *Id.* at 163-64.

80. *Id.*

81. *Id.* at 163.

82. *Id.* at 166 (alterations in original) (quoting U.S. DEP'T OF COMMERCE, PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE §§ 1202.04(e), 1202-13 (2d ed. 1993)) (internal quotation marks omitted).

83. *Id.* at 164.

84. 456 U.S. 844 (1982).

85. *Qualitex*, 514 U.S. at 165 (alteration in original) (quoting *Inwood*, 456 U.S. at 850 n.10) (internal quotation marks omitted).

86. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1993) (cited in *Qualitex*,

In applying these two rules to color as a property, the Court found that it is possible for a color to serve a non-functional purpose so long as it “is not essential to a product’s use or purpose[,] . . . does not affect cost or quality[,]”⁸⁷ and does not inhibit the possibility for alternative designs.⁸⁸ Therefore, the Court held that the color of the dry cleaning pads at issue was protectable because the color acted as a symbol, had developed secondary meaning, and served no other functional purpose.⁸⁹ In assessing the color as nonfunctional, the Court noted that although the pads required some color to hide dirt and stains, there were other colors that could be used by competitors for that purpose.⁹⁰

Other courts have afforded trademark protection for a color based on secondary meaning and non-functionality in the context of a particular product. In *In re Owens-Corning Fiberglas Corp.*,⁹¹ Owens-Corning challenged the decision of the United States Patent and Trademark Office’s Trademark Trial and Appeal Board, which had affirmed the denial of Owens-Corning’s application for a trademark to protect its use of the color pink for its fibrous glass residential insulation.⁹² The court focused on functionality and secondary meaning to reverse the Board’s decision, finding Owens-Corning was entitled to register the pink color of its insulation as a mark under the Lanham Act.⁹³ In determining that Owens-Corning’s use of the color had acquired secondary meaning, the court considered “evidence of the trademark owner’s method of using the mark, supplemented by evidence of the effectiveness of such use to cause the purchasing public to identify the mark with the source of the product.”⁹⁴ Specifically, the court focused on the extensive amount of advertising employed by the company to encourage consumers to associate the color pink almost exclusively with its brand of insulation.⁹⁵ Additionally, the court determined that the application of the color pink to insulation served “no utilitarian purpose,” and it did “not deprive competitors of any reasonable right or competitive need.”⁹⁶

Conversely, in *Brunswick Corp. v. British Seagull Ltd.*,⁹⁷ the Federal Circuit Court of Appeals contemplated whether Brunswick was entitled to register a trademark protecting the color black on outboard engines for motorboats.⁹⁸ The Patent and Trademark Office’s Trademark Trial and Appeal Board had rejected Brunswick’s application to register the black color of its outboard engines; the

514 U.S. at 170).

87. *Qualitex*, 514 U.S. at 165.

88. *Id.* at 169.

89. *Id.* at 166.

90. *Id.*

91. 774 F.2d 1116 (Fed. Cir. 1985).

92. *Id.* at 1118.

93. *Id.* at 1128.

94. *Id.* at 1125.

95. *Id.* at 1124-28.

96. *Id.* at 1122.

97. 35 F.3d 1527 (Fed. Cir. 1994).

98. *Id.* at 1529.

Board noted that although the color did not make the engine function better, nor affect the cost or quality of the engine,⁹⁹ it did arguably make the engine appear smaller and blend in better with a wider variety of boat colors.¹⁰⁰ The *Brunswick* court applied an interesting analysis acknowledging two different types of functionality: de facto and de jure.¹⁰¹ The court explained the difference: “[D]e facto functional means that the design of a product has a function, i.e., a bottle of any design holds fluid. De jure functionality, on the other hand, means that the product is in its particular shape because it works better in this shape.”¹⁰² Under this rule, de facto functional features may sometimes be protected; however, de jure functional features, which pertain to utility, may not be protected.¹⁰³ The rationale behind this distinction is that protection of de jure functional features poses a greater obstacle to competition in the marketplace by hindering the creation of new versions of existing goods in a superior functional form.¹⁰⁴ In the case of the color black used on a boat engine, the court found that it was possible to find that the color served a de jure functional purpose because of “competitive need.”¹⁰⁵

In addressing competitive need regarding color and functionality, the court quoted approvingly from the Trademark Trial and Appeal Board: “[W]hen we consider whether a color is functional we must consider whether alternative colors are available in order to avoid the fettering of competition. If competition will be hindered, the color in question is de jure functional.”¹⁰⁶ The court upheld the Trademark Trial and Appeal Board’s holding that the color black, applied to an outboard engine, made the engine appear smaller and made it blend in with a wide variety of other boat designs and colors, and that therefore, allowing Brunswick the sole use of the color black in the outboard motor market would hinder competition.¹⁰⁷

The court drew a distinction between Brunswick’s use of the color black in this case and Owens-Corning’s use of the color pink in *Owens-Corning*. The court noted that the color pink in *Owens-Corning* served solely as a source identifier for Owens-Corning.¹⁰⁸ There was no competitive need for an insulation manufacturer to use pink rather than the normal yellow color that resulted from the manufacturing process of insulation; thus, allowing Owens-Corning a trademark for its use of the color pink would not hinder competition in the

99. *Id.*

100. *Id.*

101. *Id.* at 1531.

102. *Id.* (quoting *In re R.M. Smith, Inc.*, 734 F.2d 1482, 1484 (Fed. Cir. 1984)).

103. *Id.*

104. *Id.*

105. *Id.*

106. *Id.* at 1532 (alteration in original) (quoting *British Seagull Ltd. v. Brunswick Corp.*, 28 U.S.P.Q.2d (BNA) 1197, 1199 (T.T.A.B. 1993)).

107. *Id.* at 1531-32.

108. *Id.*

insulation market.¹⁰⁹

Qualitex, *Owens-Corning*, and *Brunswick* are all examples of how courts have addressed the issue of a trademark in a single color in relation to products outside of the fashion design industry. However, they do not address all aspects of trademark law that courts consider when deciding whether to extend protection against a competing mark.

C. Other Trademark Considerations

1. *Functionality*.—In *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*,¹¹⁰ the court denied Wallace's request for a preliminary injunction to stop Godinger from marketing silverware with a design similar to Wallace's Grande Baroque line under the trade dress doctrine of the Lanham Act.¹¹¹ In denying the injunction, the court held that the Baroque style of Wallace's silverware was "aesthetically" functional and could not be protected.¹¹² The court framed the concept of "aesthetic functionality" as the question of "whether the doctrine of functionality applies to features of a product that are purely ornamental but that are essential to effective competition."¹¹³ In deciding whether the design that Wallace was asking the court to protect was "necessary to the use or efficient production of the product,"¹¹⁴ the court considered the functionality test enunciated by the court in *Stormy Clime Ltd. v. ProGroup, Inc.*:

[A court] should assess the degree of functionality of the similar features, the degree of similarity between the non-functional (ornamental) features of the competing products, and the feasibility of alternative arrangements of functional features that would not impair the utility of the product. These factors should be considered along a continuum. On one end, unique arrangements of purely functional features constitute a functional design. On the other end, distinctive and arbitrary arrangements of predominantly ornamental features that do not hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional and hence eligible for trade dress protection. In between, the case for protection weakens the more clearly the arrangement of allegedly distinctive features serves the purpose of the product . . .¹¹⁵

In examining these factors, the court acknowledged that although the Baroque

109. *Id.*

110. 916 F.2d 76 (2d Cir. 1990), *abrogated by* *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996 (2d Cir. 1995).

111. *Id.* at 77-78.

112. *Id.* at 80-82.

113. *Id.* at 80.

114. *Id.*

115. 809 F.2d 971, 977 (2d Cir 1987) (internal citations omitted) (cited by *Wallace*, 916 F.2d at 79-80).

design did not serve a utilitarian function regarding the silverware, allowing Wallace to monopolize aesthetic features specific to the Baroque style would unduly hinder potential competition by limiting Godinger's ability to design Baroque style silverware.¹¹⁶ Additionally, although the court acknowledged that Wallace's Baroque design may have acquired secondary meaning, the court held that this secondary meaning did not justify Wallace shutting out any competition in the market for baroque style silverware.¹¹⁷

Wallace is an important case for consideration of Louboutin's Red Sole Mark because it addresses the importance of examining the effect on competition of a trademark that serves solely an aesthetic function and has no utilitarian function. This concept is important for the fashion design industry because most trademarks that arise in the fashion design industry will arguably serve a primarily aesthetic function rather than a utilitarian function.

2. *Aesthetic Functionality*.—In *Eco Manufacturing LLC v. Honeywell International Inc.*,¹¹⁸ the court stated, "Aesthetic appeal can be functional; often we value products for their looks."¹¹⁹ However, the court added that recognition of purely aesthetic functionality should be limited because "it would always be possible to show that *some* consumers like the item's appearance."¹²⁰ Therefore, in evaluating whether the round shape of a thermostat dial could be protected as a mark, the court considered possible functional purposes for using a round dial as opposed to a differently shaped dial, such as safety and ease of use, along with the more pleasing appearance of a round dial.¹²¹ Although the court declined to affirmatively state whether the round dial was functional, and therefore not entitled to trademark protection,¹²² the court's acknowledgement of aesthetic functionality is helpful in effecting a broader understanding of functionality that encompasses the aesthetic advantages of a given design.

3. *No Secondary Meaning*.—In *Two Pesos, Inc. v. Taco Cabana, Inc.*,¹²³ the Supreme Court considered the extent to which a showing of secondary meaning is required to protect trade dress under the Lanham Act.¹²⁴ Taco Cabana operated a chain of Mexican restaurants whose buildings featured a very specific design.¹²⁵ Two Pesos was a competing Mexican food chain that adopted a façade for its buildings that was very similar to the one used by Taco Cabana.¹²⁶ In response, Taco Cabana brought an action against Two Pesos alleging trade dress

116. *Wallace*, 916 F.2d at 81.

117. *Id.*

118. 357 F.3d 649 (7th Cir. 2003).

119. *Id.* at 654 (citing *Qualitex v. Jacobson Prods. Co.*, 514 U.S. 159, 169-70 (1995)).

120. *Id.*

121. *Id.* at 654-55.

122. *Id.*

123. 505 U.S. 763, 764-65 (1992).

124. *Id.*

125. *Id.* at 765.

126. *Id.*

infringement under the Lanham Act.¹²⁷ At trial in the United States District Court for the Southern District of Texas, a jury found that Taco Cabana's trade dress was nonfunctional and inherently distinctive but had not acquired secondary meaning.¹²⁸ Out of this decision "arose the question whether trade dress that is inherently distinctive is protectible under § 43(a) [of the Lanham Act] without a showing that it has acquired secondary meaning."¹²⁹

The Supreme Court responded that when a trade dress or trademark is inherently distinctive, a showing of "secondary meaning is not required" to warrant protection for the trade dress or trademark.¹³⁰ The Court's rationale was that an inherently distinctive trade dress is, by its nature, one that identifies a specific product or service and is recognized in the market as a distinguishing feature of that product or service.¹³¹ If, however, a mark is merely descriptive of a product, the Court stated that a court must ask whether the trademark is uniquely associated with the brand and "has acquired distinctiveness through secondary meaning."¹³²

4. *Consumer Confusion*.—When considering whether a trademark has acquired secondary meaning, the likelihood of consumer confusion is also an important consideration. In evaluating whether the name "Polarad" was too similar to the "Polaroid" trademarked name, the court in *Polaroid Corp. v. Polarad Electronics Corp.*¹³³ identified eight factors for evaluating the likelihood of consumer confusion that have come to be known as the *Polaroid* factors: (1) the strength of the plaintiff's mark; (2) "the degree of similarity between the" plaintiff's mark and the defendant's mark; (3) the proximity, or similarity, of the plaintiff's products or services and the defendant's products or services; (4) "the likelihood that the [defendant] will bridge the gap" and enter the defendant's market; (5) evidence of actual consumer confusion; (6) whether the defendant's mark was adopted in good faith or bad faith; (7) "the quality of the defendant's product[s]" or service; and (8) "the sophistication of the buyers" in the relevant market.¹³⁴ In considering these factors, the court focused on whether the companies produced goods of a similar nature and ultimately held that, although the names were confusingly similar, there was no infringement because the companies were producing for different markets.¹³⁵

In cases such as *Qualitex* and *Owens-Corning*, the courts chose to afford a single color trademark protection based primarily on the mark's secondary

127. *Id.* at 765-66.

128. *Id.*

129. *Id.* at 767.

130. *Id.* at 767, 773.

131. *Id.* at 774.

132. *Id.* at 769 (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. A (Tent. Draft No. 2, Mar. 23, 1990)).

133. 287 F.2d 492 (2d Cir. 1961).

134. *Id.* at 495; *see, e.g., Malletier v. Dooney & Bourke, Inc.*, 561 F. Supp. 2d 368, 378 (S.D.N.Y. 2008).

135. *Polaroid Corp.*, 287 F.2d at 498.

meaning and recognition of the mark in the market.¹³⁶ However, in *Brunswick*, the court declined the opportunity to extend trademark protection to a color that served a competitive need in the industry.¹³⁷ In *Wallace* and *Honeywell*, the courts acknowledged that aesthetic appeal may serve a functional purpose, though more is generally required than mere aesthetic functionality to establish that the trademark serves a functional purpose.¹³⁸ However, in other cases, such as *Abercrombie* and *Maharishi*, the courts denied trademark protection for a mark because they determined that allowing trademark protection for the mark would hinder competition.¹³⁹ The balance between functionality and secondary meaning is the exact balance that the court in *Louboutin* was asked to strike.

II. LOUBOUTIN I DECISION

On January 1, 2008, Christian Louboutin was awarded a trademark by the U.S. Patent and Trademark Office to protect the Red Sole Mark he used on all of his high fashion shoes.¹⁴⁰ The description provided on the certificate of registration indicates that the trademark is for the category of "women's high fashion designer footwear."¹⁴¹ The description also indicates that "[t]he color(s) red is/are claimed as a feature of the mark. The mark consists of a lacquered red sole on footwear."¹⁴² The registration also includes a picture depicting a high heel shoe with a red sole.¹⁴³ During litigation, Louboutin attempted to argue that the color of red depicted in the color drawing was the red he intended to protect rather than simply the color red as indicated on his registration certificate.¹⁴⁴ Also, in Louboutin's reply brief at trial, Louboutin designated that the color was Chinese Red of the Pantone color group.¹⁴⁵ Furthermore, he indicated that the type of high fashion footwear was more specifically "*high-heeled* [high-fashion] footwear."¹⁴⁶ These details, however, were not included on the final registration certificate.¹⁴⁷

136. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 166 (1995); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1127-28 (Fed. Cir. 1985).

137. *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531-32 (Fed. Cir. 1994).

138. See *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 81 (2d Cir. 1990); *Eco Mfg. LLC v. Honeywell Int'l Inc.*, 357 F.3d 649, 654 (7th Cir. 2003).

139. *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 645 (6th Cir. 2002); *Maharishi Hardy Blechman Ltd. v. Abercrombie & Fitch Co.*, 292 F. Supp. 2d 535, 544, 550 (S.D.N.Y. 2003).

140. *Louboutin I*, 778 F. Supp. 2d 445, 448 (S.D.N.Y. 2011), *aff'd in part, rev'd in part*, *Louboutin II*, 696 F.3d 206 (2d Cir. 2012).

141. Registration, *supra* note 10.

142. *Id.*

143. *Id.*

144. *Louboutin I*, 778 F. Supp. 2d at 455.

145. *Id.*

146. *Id.*

147. *Id.*

In 2011, YSL introduced its 2011 Cruise fashion line, which included four shoes that Louboutin believed infringed upon his mark.¹⁴⁸ All four of these shoes had a bright red sole to go along with the rest of the shoe, which was also entirely red. The line incorporated the monochromatic design on all of its shoes (*i.e.*, its yellow shoes had a yellow sole along with the rest of the shoe being all yellow).¹⁴⁹ In response, Louboutin brought an action to obtain an injunction to stop YSL from marketing the allegedly infringing shoes.¹⁵⁰

In determining whether it would be appropriate to grant Louboutin an injunction, the court looked to the *Louis Vuitton* two-prong test and required Louboutin to show the following: “(1) its Red Sole Mark merits protection and (2) YSL’s use of the same or a sufficiently similar mark is likely to cause consumer confusion as to the origin or sponsorship of YSL’s shoes.”¹⁵¹ The court acknowledged that the certificate of registration provided the court with a presumption that the trademark was valid.¹⁵² The court also acknowledged that courts, including the Supreme Court in *Qualitex*, have allowed trademark protection for a single color where the color had acquired secondary meaning, so long as the color was not a functional feature of the good and did not affect the cost or quality of the good.¹⁵³

In the case of the Red Sole Mark, the court considered “the narrow question” of “whether the Lanham Act extends protection to a trademark composed of a single color used as an expressive and defining quality of an article of wear produced in the fashion industry.”¹⁵⁴ The court decided that it did not.¹⁵⁵ The court noted that in the fashion industry, color “plays a unique role,”¹⁵⁶ and held that, given the nature of the fashion industry as a form of art and expression, allowing a designer to stake claim to a particular color “would unduly hinder not just commerce and competition, but art as well.”¹⁵⁷ In reaching this conclusion, not only did the court consider Louboutin’s use of color and the Red Sole Mark,¹⁵⁸ but the court also focused on the use of color in the fashion industry as a whole.¹⁵⁹

148. *Id.* at 449.

149. *Id.*

150. *Id.*

151. *Id.* at 450.

152. *Id.*

153. *Id.* at 450-51.

154. *Id.* at 451.

155. *Id.* at 457.

156. *Id.* at 452.

157. *Id.* at 453.

158. *Id.* at 453-54.

159. *Id.* at 452-53; *see* Brief of Amicus Curiae Tiffany (NJ) LLC & Tiffany & Co. in Support of Appellants’ Appeal Seeking Reversal of the District Court’s Decision Denying Appellants’ Motion of Preliminary Injunction, *Louboutin I*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv), 2011 WL 5126167 at *14 [hereinafter Brief for Tiffany].

A. Functionality

The court not only acknowledged that color plays a unique role in the fashion industry but also found that it often serves a functional purpose in the fashion industry.¹⁶⁰ Looking at the reasons behind why Louboutin chose to use red and why YSL desired to use red, the court concluded that there can be a functional purpose for using the color red on the sole of a shoe.¹⁶¹ Specifically, Louboutin claimed that he chose the color red because it gives the shoe "energy" and makes it "sexy";¹⁶² whereas, YSL claimed that it used the red sole because it wanted to make an entirely red shoe to go along with its 2011 collection, which was composed of outfits embodying a single color theme.¹⁶³ These uses and meanings behind the use of the color red serve an aesthetic appeal, which courts have held may be a functional purpose.¹⁶⁴ In looking at the functional purpose behind the Red Sole Mark, the court focused on this aesthetic function of the red sole, rather than on whether or not the red sole served a utilitarian function.¹⁶⁵ The court made reference to the fact that the sole of a shoe is primarily for walking on, but then turned its focus to how use of color in the fashion industry adds a deeper meaning to the good.¹⁶⁶ The court did not consider whether a red sole on the bottom of a high heeled shoe affects the functionality of the shoe's sole as a part of the shoe and its use for aiding in walking.¹⁶⁷

The court also found that the use of the color red affects the cost and quality of the good.¹⁶⁸ In *Qualitex*, the Court looked at the effects of the trademarked color on the cost and quality of the good in relation to whether protecting the trademarked color would hinder competition by making it more expensive for a competitor to produce a good of similar quality without the option of using the trademarked color.¹⁶⁹ However, the Southern District Court of New York considered the additional expense of adding the Red Sole Mark on high fashion footwear from the opposite perspective.¹⁷⁰ The court concluded that because the

160. *Louboutin I*, 778 F. Supp. 2d at 453-54.

161. *Id.*

162. *Id.* at 453; *see* Mourrot Decl. Ex. C (Docket No. 22-7) ¶3; Mourrot Decl. Ex. C (Docket No. 22-12), at 4.

163. *Louboutin I*, 778 F. Supp. 2d at 453-54.

164. *Id.* at 453; *see* Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527, 1533 (Fed. Cir. 1994).

165. *Louboutin I*, 778 F. Supp. 2d at 454; *see also* Brief for Tiffany, *supra* note 159, at **14-15.

166. *Louboutin I*, 778 F. Supp. 2d at 453-54.

167. *See* Brief for Tiffany, *supra* note 159, at **14-15 ("The District Court did not explain how the function of a shoe 'dictates' that the sole be covered entirely in red lacquer. And it is hard to imagine how such a conclusion could be reached—a shoe would seem to serve the same function regardless of the color of its sole.")

168. *Louboutin I*, 778 F. Supp. 2d at 454.

169. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995).

170. *Louboutin I*, 778 F. Supp. 2d at 454.

additional step of adding the Red Sole Mark makes the shoe more expensive, which is more desirable in the fashion industry, the Red Sole Mark “makes the final creation that much more exclusive.”¹⁷¹ Whereas in *Qualitex* the Court considered the additional expense of adding color to a product in the context of determining whether the trademark hindered competition,¹⁷² the district court considered this additional expense in evaluating the functionality of the trademark.¹⁷³

In looking at the meaning behind the color red in the fashion design industry as a whole and the added expense of adding a red sole to the bottom of a shoe, the court found that Louboutin’s Red Sole Mark served a “nontrademark” purpose.¹⁷⁴

B. Effect on Competition

Having decided that “the use of red outsoles serves nontrademark functions other than as a source identifier, and affects the cost and quality of the shoe,”¹⁷⁵ the court turned to the second prong of the *Louis Vuitton* test: whether allowing Louboutin exclusive use of the color red on high fashion footwear would hinder competition.¹⁷⁶ In considering whether the Red Sole Mark would hinder competition, the court used the test from *Qualitex* and asked whether allowing Louboutin the exclusive use of the color red “would permit one competitor (or a group) to interfere with legitimate (nontrademark-related) competition through actual or potential exclusive use of an important product ingredient.”¹⁷⁷ Ultimately, the court decided that it would.¹⁷⁸

To reach this conclusion, the court considered Louboutin’s actual trademark registration description and determined that it was “without some limitation, overly broad and inconsistent with the scheme of trademark registration established by the Lanham Act.”¹⁷⁹ The trademark registration certificate description merely indicated that the red sole was for use on women’s high fashion designer footwear.¹⁸⁰ The registration did not specify the particular shade, the particular type of women’s footwear, or the texture of the lacquer.¹⁸¹ Instead, the trademark registration certificate indicated that the color for which protection was sought was simply the color red.¹⁸² At trial, Louboutin submitted that the color was actually “Chinese Red,” which is a part of the Pantone color

171. *Id.*

172. *Qualitex*, 514 U.S. at 165.

173. *Louboutin I*, 778 F. Supp. 2d at 454.

174. *Id.* at 453-54.

175. *Id.* at 454.

176. *Id.*

177. *Qualitex*, 514 U.S. at 170.

178. *Louboutin I*, 778 F. Supp. 2d at 455-56.

179. *Id.* at 454.

180. Registration, *supra* note 10.

181. *Louboutin I*, 778 F. Supp. 2d at 454-57.

182. Registration, *supra* note 10.

system,¹⁸³ based on his drawing for trademark registration.¹⁸⁴ However, the court pointed out that in considering the trademark color, it was constrained to the description and drawing provided on the actual trademark registration certification, which Louboutin could not “amend or augment . . . by representations [he] makes in . . . litigation.”¹⁸⁵

The court also pointed out that a description of Chinese Red would still render the trademark overbroad because, due to absorption and different lighting, Chinese Red could take on a broad range of different shades.¹⁸⁶ In *Qualitex*, the Court acknowledged that occasionally courts are required to make a determination on different shades of colors;¹⁸⁷ however, the court in *Louboutin* acknowledged that these determinations generally have not arisen in the context of the fashion industry, “where distinctions in designs and ideas conveyed by single colors represent not just matters of degree but much finer qualitative and aesthetic calls.”¹⁸⁸

Ultimately, the court found that allowing Louboutin the exclusive use of such a broad mark would keep other designers, such as YSL, from being able to effectively create different kinds of red shoes—including entirely red shoes, such as those in YSL’s 2011 collection.¹⁸⁹ Therefore, allowing the trademark would hinder competition in violation of the second prong of the *Louis Vuitton* test.¹⁹⁰ Because the court found that Louboutin’s Red Sole Mark served “nontrademark functions” in the fashion industry, and protecting the Red Sole Mark would likely unduly hinder competition, the court declined to grant Louboutin’s injunction,¹⁹¹ effectively denying protection for his trademark. In response to this denial, Louboutin filed an appeal in the United States Court of Appeals for the Second Circuit, which affirmed in part, reversed in part, and remanded the case.¹⁹²

III. LOUBOUTIN II DECISION

The Second Circuit Court addressed the question of “whether a single color may serve as a legally protected trademark in the fashion industry and, in particular, as the mark for a particular style of high fashion women’s footwear.”¹⁹³ In looking at the decision by the district court, the Second Circuit held that the lower court’s decision was inconsistent with the Supreme Court precedent

183. *Louboutin I*, 778 F. Supp. 2d at 455.

184. *Id.*

185. *Id.*

186. *Id.*

187. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 167-68 (1995).

188. *Louboutin I*, 778 F. Supp. 2d at 456.

189. *Id.* at 457.

190. *Id.* at 454-57.

191. *Id.* at 454, 457-58.

192. *Louboutin II*, 696 F.3d 206 (2d Cir. 2012).

193. *Id.* at 211.

established in *Qualitex*.¹⁹⁴ Specifically, the court held that Louboutin's Red Sole Mark "ha[d] acquired limited 'secondary meaning'" in the context of high fashion footwear with a red outsole that contrasted with the shoe's upper.¹⁹⁵ Consequently, because the monochrome design by YSL did not fall within the parameters of this limited secondary meaning, the design by YSL did not infringe on Louboutin's trademark.¹⁹⁶

Also, the Second Circuit held that the *per se* rule created by the district court against color marks in the fashion industry was inconsistent with the decision in *Qualitex* where the court "specifically forbade the implementation of a *per se* rule that would deny protection for the use of a single color as a trademark in a particular industrial context."¹⁹⁷ Accordingly, in looking at a trademark for a single color, the court must conduct "an individualized, fact-based inquiry into the nature of the trademark."¹⁹⁸ Turning to the Red Sole Mark, the court applied the same test used by the district court—the *Louis Vuitton* test.¹⁹⁹ However, the court stopped after considering the first prong of the test and did not discuss the functionality or likelihood of confusion in regards to the Red Sole Mark.²⁰⁰ Because the court found "that the Red Sole Mark ha[d] acquired limited secondary meaning" that did not include the monochrome design by YSL being challenged in the action, the court left open the door for possible future challenges to the Red Sole Mark under the second prong of *Louis Vuitton*.²⁰¹ Specifically, because the court only addressed the distinctiveness of the Red Sole Mark under the first prong, it failed to consider the possibility that the Red Sole Mark could serve a functional purpose.²⁰²

IV. FUNCTIONALITY OF THE RED SOLE MARK

Both the district court and the Second Circuit addressed the functionality doctrine in regards to the fashion industry; however, only the district court specifically addressed the functionality doctrine in reference to the Red Sole Mark.²⁰³ Because the Second Circuit stopped short of considering the functionality doctrine, it is possible that Louboutin could still face challenges to his Mark, even as altered by the court. For example, Louboutin could face a future action by a designer who wishes to use the color red on the outsole of a pair of shoes in a design collection where each pair of shoes has a different color outsole, such that all pairs in a line would make up the colors of the rainbow.

194. *Id.* at 212.

195. *Id.*

196. *Id.*

197. *Id.* at 223.

198. *Id.*

199. *Id.* at 224.

200. *Id.* at 225.

201. *Id.*

202. *See id.*

203. *See supra* Part II.A.

Under the reasoning of the district court, the rainbow design would likely be allowed, in violation of the Red Sole Mark, because the use of the color red on the outsole is serving a non-functional purpose.²⁰⁴ However, because the Second Circuit slightly modified the Red Sole Mark registration and disposed of the *per se* functionality analysis adopted by the district court, it is necessary to consider the analysis of the aesthetic functionality doctrine as presented by the Second Circuit to determine whether the exemplified use will be allowed.

The Second Circuit set forth a test for aesthetic functionality, referencing both the two prong test from *Inwood*, and the competition inquiry set out in *Qualitex*.²⁰⁵ In addressing the *Inwood* portion of the test, the court stated that a court must ask whether the design feature is "either essential to the use or purpose or affects the cost or quality of the product at issue."²⁰⁶ If either of these prongs are met, then the inquiry ends and the design is considered functional.²⁰⁷ However, if neither of these prongs are at issue, then the design must pass the competitive inquiry test of *Qualitex*, and the design must "be shown not to have a significant effect on competition in order to receive trademark protection."²⁰⁸

Based on this test and the rainbow shoe collection example, it would appear that the color red on the outsole of a shoe serves an aesthetic function and cannot be awarded protection in such instances. However, there is more to the story. The Second Circuit also stated:

In short, a mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark significantly undermines competitors' ability to compete in the relevant market. In making this determination, courts must carefully weigh "the competitive benefits of protecting the source-identifying aspects" of a mark against the "competitive costs of precluding competitors from using the feature."²⁰⁹

The question then becomes whether the limitation on the color red created by Louboutin's Mark is significant enough to cause him to lose his mark. Based on the decisions by the district court and the Second Circuit, Louboutin would be wise to be weary of how a future court will answer this question. Accordingly, in order to protect his Mark and the recognition that he has created through the use of his Mark, Louboutin should alter his trademark.

V. STRENGTHENING THE RED SOLE MARK

The main problem with Louboutin's trademark is that it lacks specificity. His

204. *Id.* at 222.

205. *Id.*

206. *Id.* at 220 (internal quotation marks omitted).

207. *Id.*

208. *Id.*

209. *Id.* at 222 (quoting *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995) (internal citations omitted)).

trademark registration certificate does not designate the type of shoe, the shade of red, or the finish of the color that the trademark is intended to protect.²¹⁰ However, under the Lanham Act, a designer can narrow the scope of his or her trademark registration.²¹¹ In the case of the Red Sole Mark, Louboutin has a number of different options he should take to limit the Red Sole Mark such that it would greater warrant protection under the Lanham Act.

First, Louboutin should alter his trademark registration to cover a more limited range of shoes. For example, rather than claiming a trademark in the market of women's fashion footwear generally, he should designate that his trademark applies only in the market of women's high-fashion, *high-heeled* footwear. This limitation would protect his trademark from challenges made by designers who desire to place a red sole on ballet flats or flat boots, which Louboutin has indicated his trademark was not intended to encompass.²¹²

Second, in regard to the color red, Louboutin should add that the color of his Mark is Chinese Red of the Pantone color group, and he should also list the range of colors around Chinese Red that he desires to protect. This clarification will address the court's concern regarding the specific shade of red, and the range of colors around the specific shade of red, that are encompassed by the Red Sole Mark. Limiting the protection of the Red Sole Mark to Chinese Red would allow other designers to use different reds, such as Bashful Red or Jubilee Red from the Pantone color group, on the soles of their shoes.²¹³ Additionally, these alternative colors could be used to convey the same sex appeal that Louboutin cites for choosing to put Chinese Red on the soles of his shoes.

Third, Louboutin could specify the finish of the red sole that he desires to protect. For example, Louboutin could indicate on his certificate of registration that the lacquer sole is a high gloss finish, a matte finish, or a flat finish.²¹⁴ Finally, although the Circuit Court stipulated that the Red Sole Mark only covers shoes with a contrasting upper, the court did not explicitly define the exact parameters of the exception.²¹⁵ For example, would a red sole shoe with a partially red upper be considered a contrast? Although the court defined the "upper" as "the visible portions of the shoe other than the outsole,"²¹⁶ it did not explicitly outline how much of the upper has to contrast with the remainder of the

210. Registration, *supra* note 10.

211. PROTECTING YOUR TRADEMARK, *supra* note 26, at 8.

212. *Louboutin I*, 778 F. Supp. 2d 445, 456 (S.D.N.Y. 2011), *aff'd in part, rev'd in part*, *Louboutin II*, 696 F.3d 206 (2d Cir. 2012).

213. These two colors in the Pantone color scale are considered red, yet they are very different from Chinese Red. Bashful Red is a very light red that normally gives off a pink hue, and Red Jubilee incorporates purple hues to make it appear very dark.

214. A high gloss finish would make the red sole appear shiny and glossy. A matte finish would provide the red with some sheen; however, it is not as shiny as a high gloss finish. A flat finish, on the other hand, would have no shine or sheen and would make the color appear dull and flat.

215. *Louboutin II*, 696 F.3d at 212, 228.

216. *Id.* at 227 n.25.

shoe. Accordingly, it would be beneficial for Louboutin to better articulate his registration to cover only shoes with a red sole that have an upper with a predominately different color. This limitation will allow for the creation of monochromatic designs without violating his Mark, while keeping his Mark enforceable against another designer who wishes to use a red sole with a small amount of red on the upper in the hopes of side-stepping Louboutin's Mark.

These limitations of Louboutin's Red Sole Mark would address the concerns of the district court and better support Louboutin's position that his Red Sole Mark warrants protection in possible future actions where a party wishes to challenge the functionality of his Mark.

CONCLUSION

Christian Louboutin was lucky to have a court that understood the importance of protecting fashion designs from being copied and sold for a fraction of the cost. However, given that the circuit court chose to cut its analysis short and not consider the functionality doctrine, it is possible that Louboutin could find himself in a similar position in the near future. In an industry where color is so highly regarded as a means of creativity, he would be wise to bolster the strength of his Mark by limiting it and better defining it.