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COMMENT

***CHRISTIAN LOUBOUTIN, S.A. v. YVES SAINT LAURENT AMERICA, INC.* AND SINGLE-COLOR TRADEMARK PROTECTION THROUGH THE DOCTRINE OF SECONDARY-MEANING**

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The fashion world has seen little protection from trademark and copyright mechanisms, but as fashion evolves, courts appear ready to adjust their analysis to recognize secondary-meaning, and to grant and uphold single-color trademarks.

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I. *CHRISTIAN LOUBOUTIN, S.A. v. YVES SAINT LAURENT AMERICA, INC.*

In 2012, the United States Court of Appeals for the Second Circuit decided *Christian Louboutin, S.A. v. Yves Saint Laurent America, Inc.* on an interlocutory appeal, when the United States District Court for the Southern District of New York declined to enter a preliminary injunction restraining the defendant’s alleged use of Christian Louboutin’s trademark.¹

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¹ *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 212 (2d. Cir. 2012).

The plaintiff, Christian Louboutin S.A., is a high-fashion, French designer catering to ladies' footwear and accessories.² For over twenty years, the plaintiff, Christian Louboutin ("Louboutin"), used a bright, high-gloss, red lacquer as a distinguishing color on the underside of his ladies' high-heeled shoes, otherwise known as the "outsoles."³ The outsole is known as the most striking feature and often sharply contrasts with the rest of the shoe's color.⁴ Louboutin filed for, and was granted, a trademark on the "Red Sole Mark," which became effective in January 2008.⁵ Investing substantial capital and building a widely known reputation, the designer promoted the Red Sole Mark as its signature, such that the mark became closely associated with the designer's handiwork.⁶

The defendant, high-end French fashion designer, Yves Saint Laurent America Holdings, Inc. ("YSL"), sought to release a line of monochrome shoes, where the entire shoe, including the outsole, would be a single color.⁷ This shoe was to be a completely red shoe, including a red outsole.⁸ Since the 1970s, this was neither the first monochromatic shoe design, nor YSL's first red-soled footwear design.⁹

After learning of YSL's design, Louboutin requested that YSL remove the shoes from the market due to the red outsole, and the parties entered into negotiations to avoid litigation.¹⁰ The negotiations did not result in settlement; Louboutin filed an action "asserting claims under the Lanham Act, 15 U.S.C. § 1051 *et seq.*, for (1) trademark infringement and counterfeiting, (2) false designation of origin and unfair competition, and (3) trademark dilution, as well as state law

² *Id.* at 211.

³ *Id.* at 212.

⁴ *Id.* at 213.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

claims for (4) trademark infringement, (5) trademark dilution, (6) unfair competition, and (7) unlawful deceptive acts and practices,” as well as a motion for an injunction to prevent YSL from marketing any shoes with the Red Sole Mark or with a red shade on the outsole of shoes that could cause consumer confusion.¹¹

The district court denied Louboutin’s motion for preliminary injunction, and the circuit court affirmed and reasoned, “a single color can never be protected by a trademark in the fashion industry.”¹² The circuit court further stated that, “single-color marks are inherently ‘functional,’” and held that any mark registered as a single-color would likely be found invalid and unenforceable.¹³

II. DEVELOPING THE PRECEDENT OF SINGLE-COLOR TRADEMARKS AND SECONDARY-MEANING

The courts do not appear ready to grant single-color trademarks, absent a specified use with a clearly developed secondary-meaning. In 1906, A. Leschen & Sons Rope Co. argued before the Supreme Court of the United States for the validity of their single-color trademark, a single strand of distinctly colored wire rope, against a defendant who likewise sought to paint a single strand of rope a distinct color.¹⁴ The plaintiff’s theory would effectively find a trademark infringement where a rope contains a streak of *any* color.¹⁵ Concluding that the trademark was not valid,¹⁶ the Court reasoned that the trademark was too broad because it could be infringed by the use of a streak of any color.¹⁷ Further, the Court stated that if that trademark is to be a colored streak, “the figure should be so described that other manufacturers would know how to avoid it.”¹⁸ In its analysis, the Court considered an

¹¹ *Id.*

¹² *Id.* at 212.

¹³ *Id.* at 214.

¹⁴ *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166, 167 (1906) *abrogated by* *Hurn v. Oursler*, 289 U.S. 238 (1933) (abrogated on grounds related to jurisdictional issues and unrelated to trademark validity).

¹⁵ *Id.* at 171.

¹⁶ *Id.* at 172.

¹⁷ *Id.* at 171.

¹⁸ *Id.*

English statute requiring a trademark to be distinctive.¹⁹ The statute does not afford trademark protection to a mark when its distinction depends upon the color of the trademark.²⁰

After *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, a case was decided by the Sixth Circuit containing a more involved analysis of single-color trademarks, including consideration of secondary-meaning. In *Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, Louisville Taxicab had been painting its vehicles yellow with black trimming for a quarter century, and it also adopted trade names featuring the word “yellow,” effectively allowing the public to identify the company through both the color scheme and trade name.²¹ On the other hand, Yellow Cab, operating exclusively as a freight carrier in interstate commerce, also used yellow painted equipment with black trimming with the displayed trade name “Yellow Transit Company.”²² The Court ultimately modified the district court’s decree, and stated that Louisville Taxicab’s terms were too broad.²³ In its modification, the Court granted limited relief to Louisville Taxicab, and indicated the company had no exclusive right to the color yellow, but stated that the company was “entitled to protection in its long established use of the color yellow on its taxicabs in Louisville, inasmuch as it has acquired a good will by use of the yellow color scheme on taxicabs by virtue of appropriate application of the doctrine of secondary-meaning.”²⁴

Although Louisville Taxicab could not deny Yellow Cab use of the yellow color scheme, the Court recognized the developed secondary-meaning, and allocated relief to fairly balance the equities between the parties.²⁵

¹⁹ *Id.* at 172.

²⁰ *Id.*

²¹ *Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F. 2d 407, 409 (6th Cir. 1945).

²² *Id.* at 409-10.

²³ *Id.* at 411.

²⁴ *Id.* at 415.

²⁵ *Id.*

In 1985, the United States Court of Appeals fully recognized secondary-meaning when it decided whether to allow a trademark to be registered as such.²⁶ The court considered a section of the Lanham Act²⁷ providing that “nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of applicant's goods in commerce”, codifying the common-law doctrine of secondary-meaning.”²⁸ The court recognized the difficulty in demonstrating distinctiveness and trademark character for single-color trademarks through the doctrine of secondary-meaning, but ultimately found that Owens-Corning Fiberglas had shown large advertising expenditures and consumer recognition sufficient to establish that the pink color of its glass residual insulation had acquired secondary-meaning and could serve as a valid and enforceable trademark.²⁹

Prior to the *Christian Louboutin* case involving the Red Sole Mark, the Supreme Court of the United States decided *Qualitex Co. v. Jacobson Products Co., Inc.*, and determined that no law precludes a single color from being registered as a valid and enforceable trademark.³⁰ Although the special green-gold color that Qualitex used on its dry-cleaning press pads served no other function aside from aesthetics, the color acted as a symbol and had acquired secondary-meaning.³¹ In interpreting the same provision from the Lanham Act that the court in *Owens-Corning Fiberglas* considered, the court reiterated that the language of the statute extends protection to descriptive marks that normally would be used for a non-trademark purpose, where the mark has developed “secondary-meaning.”³²

III. APPLYING THE PRECEDENT OF SINGLE-COLOR TRADEMARKS TO THE FASHION INDUSTRY

With this precedent in mind, the United States Court of Appeals analyzed whether Louboutin’s Red Sole Mark merited

²⁶ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1127-28 (Fed. Cir. 1985).

²⁷ 15 U.S.C. § 1052(f) (2006).

²⁸ *Id.* § 1124.

²⁹ *Id.* § 1127.

³⁰ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 161 (1995).

³¹ *Id.* at 166.

³² *Id.* at 171; 15 U.S.C. § 1052(f) (2006); see *In re Owens-Corning Fiberglas Corp.*, 774 F. 2d 1116, 1124 (Fed. Cir. 1985).

trademark protection, and ultimately decided that the bright red lacquered outsoles deserved protection only when the Red Sole Mark contrasts sharply with the color of the rest of the shoe.³³ The court discussed the basic structure of a trademark infringement claim: the mark must be distinctive or have gained distinctness by developing a secondary-meaning, and the allegedly infringed mark must not be likely to cause customer confusion.³⁴ Recognizing that the *Qualitex* decision required a fact-based inquiry, and that it issued no per se rule, the appellate court reasoned that the district court relied on a misunderstanding of aesthetic functionality as adopted from *Qualitex*.³⁵

In *Qualitex*, the Supreme Court observed that functional aspects of a product typically cannot serve as a trademark because it renders the product useful, and it inhibits legitimate competition by granting a monopoly to the trademark owner.³⁶ The district court relied on the doctrine of aesthetic functionality to determine that Louboutin's single color trademark was invalid because, in the fashion industry, such trademarks are inherently functional.³⁷ Aesthetic functionality is a complete defense to trademark infringement, and may be found where "recognition of trademark rights [in an aesthetic design feature] would significantly hinder competition."³⁸ The United States Court of Appeals concluded that the district court erred in finding that YSL had rebutted the presumption of Louboutin's exclusive right of use because a single color cannot receive trademark protection because single colors are aesthetically functional.³⁹

In considering whether the Red Sole Mark merited

³³ *Christian Louboutin, S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F. 3d 206, 212 (2d. Cir. 2012).

³⁴ *Id.* at 216-17.

³⁵ *Id.* at 228.

³⁶ *Id.* at 218.

³⁷ *Id.* at 214.

³⁸ *Id.* at 221 (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 170 (1995)).

³⁹ *Id.* at 225.

protection via secondary-meaning, the Court of Appeals considered factors such as advertising expenditures, consumer studies linking the mark to its source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and length and exclusivity of the mark's use.⁴⁰ In order to develop a distinction through secondary-meaning, the significance of a product feature itself must identify the product brand. Finding that Louboutin had created a brand with worldwide recognition, the court concluded that the Red Sole Mark is firmly associated with the Louboutin name, and that recognition of Louboutin is readily apparent from the red-lacquered outsoles.⁴¹

After this finding, the court found it unnecessary to determine whether YSL's use created consumer confusion, and whether the doctrine of aesthetic functionality would serve as a defense to Louboutin's claim.⁴² Instead, the Court of Appeals modified Louboutin's trademark to be consistent with its holding that the secondary-meaning of the Red Sole Mark extends only to the use of a red outsole that sharply contrasts with the color of the adjoining shoe; the trademark does not apply to any shoe where the entire shoe and the outsole are the same color.⁴³ In so modifying Louboutin's trademark, YSL's monochrome shoes did not constitute a use of, or infringement upon, Louboutin's exclusive right to the Red Sole Mark.⁴⁴

The court's holding illustrates the readiness to recognize and protect more aspects of the fashion world and source-identifying characteristics, beginning with the protection of a single color via the doctrine of secondary-meaning. When, as in *Louboutin*, a characteristic has become so entwined and associated with the source and identification of the product, the court stands ready to protect that characteristic through granting exclusive rights to the holder of the trademark.

Although the court modified and upheld Louboutin's trademark, special note should be taken in considering the form in which the color is protected. As in *Owens-Corning*, *Qualitex*, and *Louboutin*, the court did not preclude other competitors from

⁴⁰ *Id.* at 226.

⁴¹ *Id.* at 226-27.

⁴² *Id.* at 228.

⁴³ *Id.*

⁴⁴ *Id.*

using the colors in question: pink, green-gold, and red. Instead, the court deemed the single-color trademark valid through secondary-meaning with regard to the manner in which the color was being used. The Red Sole Mark was upheld as valid only as used on the outsoles of Christian Louboutin shoes, limited further by the outsole's sharp contrast with the rest of the shoe. Comparatively, the pink color of Owens-Corning's glass residual insulation and the green-gold color of Qualitex's dry-cleaning press pads were granted trademark protection, but in no way are other manufacturers precluded from using the color itself. A total exclusivity and right over a color itself would effectively grant the trademark holder a monopoly and could potentially limit the creativity of the fashion industry. Instead, as in the cases before *Louboutin*, only the manner in which the color is used, and to the extent it identifies the product brand, thereby indicating the secondary-meaning of the use of the color, is to be afforded protection.

In analyzing whether or not a single-color trademark merits protection and is valid, the mark should survive the heightened scrutiny and fact-intensive inquiry discussed in *Louboutin*: advertising expenditures, consumer studies linking the mark to its source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and length and exclusivity of the mark's use.⁴⁵ Surveys and consumer studies, which may suggest a link between the mark and its manufacturer, may deserve the greatest consideration because the ultimate goal of trademark protection is to provide the consumer an ability to identify the source solely from a mark.

IV. CONCLUSION

The recognition and modification of the Red Sole mark may indicate that the courts are ready to recognize single-color trademarks, insofar as they are used in a particular manner in the fashion industry. The current language of the Lanham Act requires a distinctive mark. What may be considered "distinct" can often qualify anything with a developed secondary-

⁴⁵ *Id.* at 226.

meaning.⁴⁶ Because of this language, and due to the courts' precedents granting protection to single-color trademarks, it seems unlikely that a single color will be afforded trademark protection absent a source-identifying manner of use through the development of a secondary-meaning.

⁴⁶ 15 U.S.C. § 1052(f) (2006).