

**SEEING RED: CHRISTIAN LOUBOUTIN’S PROTECTION OF HIS TRADEMARK THROUGH HIS  
BATTLE WITH YVES ST. LAURENT**

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## INTRODUCTION

Let's start with a simple question. How much are you willing to spend on a pair of shoes? Write three zeros on a piece of paper. Now, place a five in front of the three zeros. Next, place a comma after the five. Lastly, place a dollar sign at the very beginning. You have now written down the "small" amount of "\$5,000." It is very hard to justify spending \$5,000 on a pair of stylish shoes. In my twenty-six years, the most I have ever spent on a pair of shoes is about \$200.00.

The French luxury brand, Christian Louboutin, is most renowned and notorious for the high-end shoes it produces for both genders. The brand caters to the wealthy population throughout the world, as its luxury line of shoes can be sold in retail stores for up to \$6,000 a pair.<sup>1</sup> Known for its red lacquered sole, Louboutin successfully applied for a trademark in 2008. This trademark dealt strictly with how red paint was used on the sole of the shoe. When Yves St. Laurent (which has now changed its name to Saint Laurent Paris) made high-heeled shoes incorporating red soles in its 2009 collection, Louboutin sued for trademark infringement and unfair competition under the Lanham Act.<sup>2</sup> This note focuses primarily on the District Court and Second Circuit Court of Appeals decision and the difficulties of trademarking a single color in today's legal world, along with the road to Louboutin successfully being able to retain his trademark for the red lacquered soles of his shoes.

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<sup>1</sup> See generally CHRISTIAN LOUBOUTIN, <http://us.christianlouboutin.com> (last visited Feb. 3, 2013).

<sup>2</sup> See *Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 778 F.Supp.2d 445 (S.D.N.Y. 2011).

## I. WHY CHOOSE CHRISTIAN LOUBOUTIN OVER ALL OTHER SHOES?

Christian Louboutin started his company in 1991, when he established a small shoe boutique in the streets of Paris and sold 200 pairs of shoes, “despite his little shop being at the entrance of a Parisian shopping arcade so dusty and unvisited that Louboutin would trot its length several times a day to make it seem busier.”<sup>3</sup> Now, in 2011, the brand has sold over seven-hundred thousand pairs of shoes ranging in price from £350 to £1,050.<sup>4</sup> Ninety-five percent of the \$300 million revenue of the Louboutin brand comes from its high-end shoes and the remaining five percent comes from its purses and handbags.<sup>5</sup>

Christian Louboutin boutiques are all over the world. The flagship store is located on Rue Jean-Jacques Rousseau in Paris, France, in the heart of the luxury fashion district.<sup>6</sup> With stores in Europe, the Middle East, Asia, Southeast Asia, and Australia, the brand leaves its imprint all over the world. The United States currently has ten Christian Louboutin boutiques across the country in major cities such as Los Angeles, New York, Miami, Chicago, and Las Vegas.<sup>7</sup> The United States market share accounts for 52 percent of the brand’s total sales.<sup>8</sup> Thus, the United States is the biggest market for the brand and thus vital for Louboutin to protect his brand in the country, which provides the most revenue for the infamous fashion brand.<sup>9</sup>

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<sup>3</sup> Lisa Armstrong, *Christian Louboutin: The Fun and the Fetishism*, THE TELEGRAPH (Apr. 14, 2012), <http://fashion.telegraph.co.uk/columns/lisa-armstrong/TMG9200589/Christian-Louboutin-the-fun-and-fetishism.html>.

<sup>4</sup> *Id.*

<sup>5</sup> Miles Socha, *Getting a Handle On Louboutin*, WOMEN’S WEAR DAILY (Feb. 4, 2008), <http://www.wwd.com/accessories-news/handbags/getting-a-handle-on-louboutin-467853>.

<sup>6</sup> CHRISTIAN LOUBOUTIN, *supra* note 1.

<sup>7</sup> *Id.*

<sup>8</sup> Miles Socha, *Getting a Handle On Louboutin*, WOMEN’S WEAR DAILY (Feb. 4, 2008), <http://www.wwd.com/accessories-news/handbags/getting-a-handle-on-louboutin-467853>.

<sup>9</sup> Katie Abel, *Red State: Q&A With Christian Louboutin*, WOMEN’S WEAR DAILY (Nov. 19, 2012), <http://www.wwd.com/footwear-news/people/red-stateqa-with-christian-louboutin-6493139?page=2>.

The fashion industry is one of the biggest industries when it comes to consumer choice. There are dozens and dozens of brand names, such as Gucci, Louis Vuitton, and Prada, which are known for the quality products they sell throughout the world. The average person, though he or she may not be able to afford the items the brand sells, would still understand the name and quality the brand represents. Christian Louboutin, like other brands, screams excellence when it comes to footwear.

#### *A. Sex Appeal and High Heels*

Louboutin is credited, by some, of bringing back the high heel and increasing its length. The structure of the shoe has changed over the years with the lasts (shape of foot) being shorter from toe to heel, “higher in the arch, and tighter across the width of the foot than those of most designers, and their proportions have become even more exaggerated over the years.”<sup>10</sup> Elizabeth Semmelhack, of the Bata Shoe Museum, mentions how Louboutin “has sort of upped the ante in terms of how high the heel can soar.”<sup>11</sup> “His best shoes are [considered] almost prosthetic, morphing the body—lengthening the legs, defining the calves, lifting the butt—as radically as it is possible to do without surgery.”<sup>12</sup>

However, the reason why women choose Louboutin, perhaps over other luxury brands, is the sex appeal of the shoe and its designer. Louboutin, in an interview with the *New Yorker*’s Lauren Collins, said that he does not make shoes for women, but for the enjoyment of men: “The core of my work is dedicated not to pleasing women but to pleasing men.”<sup>13</sup> Louboutin considers

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<sup>10</sup> Lauren Collins, *Sole Mate: Christian Louboutin and the psychology of shoes*, THE NEW YORKER (Mar. 28, 2011), [http://www.newyorker.com/reporting/2011/03/28/110328fa\\_fact\\_collins?currentPage=all](http://www.newyorker.com/reporting/2011/03/28/110328fa_fact_collins?currentPage=all).

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Collins, *supra* note 10.

his shoes as “man-bait.” It is a simple concept, he states: “men like heels, and women like being liked by men.”<sup>14</sup>

The manager of Louboutin’s boutique on Horatio Street in New York spoke of clients who shop uptown for their wives and downtown for their mistresses; another customer, every time he buys a pair, “gets an extracurricular activity behind closed doors from his wife.”<sup>15</sup>

Louboutin continues to argue the beauty of a high heel is the shape it causes a woman’s foot to take, the “shape that emulates the arch in her foot during orgasm.”<sup>16</sup> Because the shape of the foot is emulating an orgasmic reaction, “you are putting yourself in a possibly orgasmic situation.”<sup>17</sup>

### B. *The Infamous Red Sole*

The main reason the shoe carries such sex appeal has to be credited to Louboutin’s notoriously known red lacquered sole. Louboutin first used the red sole when he was inspecting prototypes for a collection in 1993. He became dissatisfied with the impression a black sole made with the design of the upper part of the shoe. He took “an assistant’s nail varnish and began to lacquer the shoe’s underside.”<sup>18</sup>

Now, this red sole has become notoriously renowned in the fashion industry. Every single shoe that Louboutin sells to its customers, whether walk-in or private, possesses a red lacquered sole that covers the whole bottom portion of the sole. This red color, known by the color code “Pantone 18-663 TPX” and “China red”, is the color that is synonymous with the brand today.

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Tara MacInnis, *On Christian Louboutin’s new Cinderella shoes, gender divides and the sex appeal of stilettos*, THE NATIONAL POST (Sept. 15, 2012), available at <http://life.nationalpost.com/2012/09/15/on-christian-louboutins-new-cinderella-shoes-gender-divides-and-the-sex-appeal-of-stilettos/>.

<sup>17</sup> Harriet Walker, *Christian Louboutin: Sexual Heeling*, THE INDEPENDENT (Oct. 29, 2011), available at <http://www.independent.co.uk/news/people/profiles/christian-louboutin-sexual-heeling-2377441.html>.

<sup>18</sup> *Id.*

Without the red sole, the French brand known for selling the sexiest shoes in the world would be like any other shoe company that sells high end shoes: just simply expensive. Louboutin believed in the red color and chose it because he considered it “engaging, flirtatious, memorable and the colour of passion.”<sup>19</sup>

Louboutin has invested substantial amounts of capital building a reputation for high-fashion, high-quality shoes, as well as protecting Louboutin’s claim to exclusive ownership of the mark as its signature in women’s high fashion footwear. Now, the red lacquered outsole is solely associated with Louboutin. Glancing at any A-list celebrities at any formal event, one would be hard-pressed not to see a pair of Louboutin stilettos with the China Red underside. Hollywood starlets, like Jennifer Lopez, strut down the red carpets, causing heads to turn and eyes to drop to the celebrities’ feet.<sup>20</sup> The lacquered red soles on high heeled, black shoes flaunt a glamorous statement that pops out at once and is instantly recognized as Louboutin’s mark. This is the mark Louboutin wished and was successfully able to protect with his appeal of the Second Circuit’s Court of Appeals decision in 2012.

## II. U.S. TRADEMARK AND UNFAIR COMPETITION LAWS

The question whether a color can be trademarked in today’s world must be analyzed from a historical perspective. Before the passage of the Lanham Trademark Act of 1946, courts did not go as far as to say that single colors could attain trademark protection, but some courts did recognize that a single color, in certain circumstances, could acquire secondary meaning.<sup>21</sup>

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<sup>19</sup> Harriet Walker, *Christian Louboutin: Sexual Heeling*, THE INDEPENDENT (Oct. 29, 2011), available at <http://www.independent.co.uk/news/people/profiles/christian-louboutin-sexual-heeling-2377441.html>.

<sup>20</sup> *Id.*

<sup>21</sup> *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*, 696 F.3d 206, 217 (2d. Cir. 2012).

The Lanham Act was passed in 1946; to this very day, it is the primary federal trademark statute law of the United States. The Lanham Act consists of four subchapters, each dealing with a specific aspect of today's growing trademark law. Subchapter I provides the procedural requirements that a mark must meet to receive trademark recognition on the Principal Register, which bestows various rights on the trademark owner to prevent others from infringing their mark.<sup>22</sup>

Subchapter II incorporates registration on the Supplemental Register, which is made for certain marks that are unable to be registered on the Principal Register at the time, but that may be registered in the future. The Supplemental Register gives notice to potential infringers that the mark is in use and should not be used as it may lead to issues for the party infringing upon the Supplemental Register.<sup>23</sup>

Subchapter III provides the general provisions, in the form of remedies and actions parties can take when a party infringes a trademark. These provisions can be used to restrict, through the use of injunctions and damages, the importation of goods that infringe or counterfeit registered trademarks.<sup>24</sup> Section 45 of the Lanham Act lays out the purpose of the act:

The intent of this Act is to regulate commerce...by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign Nations.<sup>25</sup>

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<sup>22</sup> 15 U.S.C.A. § 1051 (West).

<sup>23</sup> 15 U.S.C.A. § 1091 (West).

<sup>24</sup> 15 U.S.C.A. § 1111 (West).

<sup>25</sup> 15 U.S.C.A. § 1127 (West).

In summary, the Lanham Act, governing federal trademark law, was enacted to secure the public's interest in protection against deceit as to the sources of its purchases, and the businessman's right to enjoy business earned through investment in the good will and reputation attached to a trade name.<sup>26</sup> It provides the owner of a mark with the enforceable right to exclude others from using the mark to their advantage, and, in turn, reap the benefits of their work.

However, it must be noted that there is a difference between federal trademark law and copyright law. Federal trademark law in the United States was not implemented to protect innovation by giving the innovator a monopoly over a useful product feature. Trademark law seeks to preserve a "vigorously competitive market" for the benefit of consumers, whereas copyright and patent law "seek to encourage innovation" and the protection of that innovation.<sup>27</sup>

After the passage of the Lanham Act, which codified all trademarks that could be registered, courts began to "gradually...reject[] the *dictum* [of earlier cases]...to the effect that color alone is not subject to trademark protection," and owners of color-related marks in the course of business began to enjoy some success in protecting their color.<sup>28</sup> The Supreme Court case of *Qualitex Co. v. Jacobson Products Co., Inc.* finally resolved, once and for all, the question of whether a color can be protected as a trademark in the United States.

### III. THE TRADEMARKING OF COLORS IN THE INDUSTRIAL INDUSTRY

In 1995, *Qualitex* posed a question to the Supreme Court on whether the Lanham Act permits the registration of a trademark that consists, purely and simply, of a color. A simple question for a complicated issue, as some would say. Qualitex Company manufactured pads that

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<sup>26</sup> *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 57 (2d Cir. 1995).

<sup>27</sup> *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 115 (2d Cir. 2001).

<sup>28</sup> *Louboutin*, 696 F.3d at 217.



it sold to dry cleaning firms for use on dry cleaning presses.<sup>29</sup> Qualitex had been using a special shade of green-gold since the 1950s on these special manufactured pads. In 1989, defendant Jacobson Company, a direct competitor of Qualitex Company, began to use the same tone of this green-gold color for its pads as it manufactured the same type of pad used in dry cleaning stores.<sup>30</sup> Qualitex Company, in 1991, registered the special green-gold color with the Patent and Trademark Office (“PTO”) as a trademark and filed a trademark infringement lawsuit against Jacobson Products.

The District Court awarded the victory of the lawsuit to Qualitex, but after an appeal from Jacobson Products, the Court of Appeals of the Ninth Circuit set aside the judgment because they firmly believed that the Lanham Act did not permit Qualitex, or anyone else, to “register color alone as a trademark.”<sup>31</sup>

The Supreme Court, however, held that “there is no rule absolutely barring the use of color alone.”<sup>32</sup> The Supreme Court interpreted the language of the Lanham Act and the underlying principles of trademark law as to include color “within the universe” of things that can qualify as a trademark. This “universe” is written in the broadest of terms in section 1127 of the Lanham Act. The section states that trademarks “includ[e] any word, name, symbol, or device, or any combination thereof.”<sup>33</sup> This language was not restrictive in the courts eyes. The Court also mentioned that the use of a color in the definition of a trademark also satisfies the requirement that a person must “us[e] or inten[d] to use” the mark “to identify and distinguish his

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<sup>29</sup> *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 161 (1995).

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 162.

<sup>33</sup> 15 U.S.C.A. § 1127 (West 2006).

or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods...”<sup>34</sup>

What prevents a color from being trademarked under the Lanham Act? If a color becomes embedded in the psyche of a customer and that particular color on packaging or on the product itself signifies a brand, then the color would perform the function of “indicat[ing] the source” and distinguishing the goods from others on the market.<sup>35</sup> For example, Ivory has developed the secondary meaning signifying a particular manufacturer’s soap, whereas its primary meaning and descriptive term is the substance of an elephant’s tusk. Thus, Ivory has been trademarked by the soap manufacturer and is a valid trademark today.

#### A. Secondary Meaning

This secondary meaning that a product or term acquires, now known as distinctiveness by an amendment in the Lanham Act, is “when in the minds of the public, the primary significance of a product feature...is to identify the source of the product rather than the product itself.”<sup>36</sup> The Seventh Circuit in *Platinum Mortgage Corp. v. Platinum Financial Group* named four factors that should be considered in determining whether a mark has secondary meaning: “(1) length and manner of use; (2) manner and extent of advertising and promotion; (3) sales volume; and (4) evidence that potential purchasers actually view the mark as indicating the product’s source, including consumer testimony and survey evidence.”<sup>37</sup> It must be noted that this is a non-exhaustive list of factors and any number may be considered. The court concluded that based on

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<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 (1982).

<sup>37</sup> *Platinum Mortg. Corp. v. Platinum Fin. Grp.*, 149 F.3d 722, 728 (7th Cir. 1998).

the goals of trademark law, which were discussed above, there is no good reason to absolutely disqualify the use of a color as a mark.<sup>38</sup>

*B. Arguments against Color Trademarks Pre-Louboutin*

Jacobson raises some concerns regarding why a color cannot be trademarked. The first concern is that if colors can be trademarked, the law will “produce uncertainty and unresolvable court disputes about what shades of a color a competitor may lawfully use.”<sup>39</sup> This “shade confusion,” as the court puts it, would not be an issue because the courts have traditionally been used to decide difficult questions regarding trademarks when it comes to similarly descriptive and suggestive terms.<sup>40</sup> The court can apply standards such as strong marks with greater secondary meaning receive broader protection than weak marks.<sup>41</sup>

The second concern Jacobson raised was the lack of color availability. If color trademarks are registered, new companies and products will not have any colors to choose from. The court states that there are hundreds of colors that can be used within a product category. If colors are all in fact trademarked, the doctrine of functionality would prevent the anticompetitive consequences of the color depletion argument.<sup>42</sup> Once a color use is termed as functional, it can no longer be trademarked or enforced. Thus, several manufacturers within a product category will be able to use that standard color.

This decision to allow the protection of a color as a trademark arose because of a split among the circuits. Certain courts were not permitting the color trademark, like the Seventh

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<sup>38</sup> *Qualitex*, 514 U.S. at 165.

<sup>39</sup> *Qualitex*, 514 U.S. at 165

<sup>40</sup> *Id.*

<sup>41</sup> Hun Ohm, *Selecting a Mark – What’s in a Name?*, FIERST, KANE & BLOOMBERG LLP (2012), available at <http://fierstkane.com/sites/fierstkane.com/files/Selecting%20a%20Mark%20by%20Hun%20Ohm.pdf> (last visited Feb. 3, 2013).

<sup>42</sup> *Qualitex*, 514 U.S. at 165.

Circuit in 1990 in *NutraSweet Co. v. Stadt Corp.* (affirming summary judgement that defendants use of a blue packet for its SWEET ONE sugar substitute did not infringe plaintiff's rights in its blue packet for its EQUAL sugar substitute).<sup>43</sup> On the other hand, in *In Re Owens-Corning Fiberglas Corp.*, the color pink for insulation was registrable as a trademark given its nonfunctionality and the company's strong showing that the color had secondary meaning among consumers.<sup>44</sup>

After *Qualitex*, the *Wal-Mart Stores Inc.* Supreme Court decision further clarified that color alone can never be inherently distinctive; secondary meaning must be shown before it receives trademark protection.

### *C. Functionality Defense of Opponents of Color Trademarks*

The main defense Jacobson Products brought to the Supreme Court was that of functionality. In *Inwood Laboratories*, the Supreme Court declared that 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."<sup>45</sup> Basically, if the exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage, the product feature could not be trademarked.

We have already analyzed the purpose of trademark law. It is to promote competition by protecting a firm's reputation, instead from inhibiting legitimate competition by allowing a producer to control a useful product feature. If a product's functional features could be used as trademarks, a monopoly over such a feature could be obtained without regard to whether they

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<sup>43</sup> See *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990).

<sup>44</sup> See *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985).

<sup>45</sup> *Inwood*, 456 U.S. at 850.

qualify as patents. Thus, the *Qualitex* court indicated in its holding that “functional” colors would not be protected. In that case, the green-gold color for dry cleaning presses did not perform any function for the product. It was solely used for several years to “indicate the source” of the product.

There are two forms of the functionality doctrine: the “traditional” or “utilitarian” functionality and the “aesthetic” functionality. A product feature is considered to be functional in a “utilitarian” sense if the feature itself is essential to the use or purpose of the article, or if it affects the cost or quality of the article.” In color trademark cases, as in *Qualitex* and *Louboutin*, the “aesthetic” functionality defense is primarily used. If the aesthetic design of the product is the mark that is to be trademarked, the mark can be labeled as functional if giving the mark holder the right to use it exclusively “would put competitors at a significant non-reputation-related disadvantage.”<sup>46</sup> The aesthetic functionality combines the utilitarian test and adds the competition inquiry prong. In short, a mark is aesthetically functional and ineligible for trademark protection if the protection of the mark significantly undermines competitor’s ability to compete in the relevant market.<sup>47</sup>

The aesthetic functionality test was born out of *Qualitex* and is now an affirmative defense in the world of trademark law.

#### IV. THE DISTRICT COURT DECISION

The district court in *Louboutin v. YSL* held that a single color could not be trademarked in the fashion industry. It was noted that the Lanham Act has been upheld to permit the use of color in a trademark, but only in distinct patterns or combinations of shades that manifest a

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<sup>46</sup> *Qualitex*, 514 U.S. at 165.

<sup>47</sup> *Louboutin*, 696 F.3d at 222.

conscious effort to design a uniquely identifiable mark embedded in the goods.<sup>48</sup> For example, the Louis Vuitton monogram that the brand uses on their handbags is trademarked because the colors are used in a distinct pattern or combination.<sup>49</sup> The District Court points out that as long as the color applies to the arrangement and pattern on the product, then color can be trademarked in that way because the combination of patterns and colors creates a distinct recognizable image purposely intended to identify a source, while simultaneously serving as an expressive, ornamental or decorative concept.<sup>50</sup> This is radically different when compared to the use of the red lacquered sole on a pair of Louboutins, because the sole is only one color and not a combination of patterns and colors.

The court believed that the fashion world was different compared to other industries where color could be successfully registered as a trademark. The court gives a hypothetical of Picasso trying to seek an injunction to bar the display of Monet paintings because of a certain shade of a color was used in Monet's that was trademarked by Picasso. The court states "no one would argue that a painter should be barred from employing a color intended to convey a basic concept because another painter, while using that shade as an expressive feature of a similar work, also staked out a claim to it as a trademark in that context."<sup>51</sup>

The court, already seeming to be against the idea of having a color trademarked in the fashion industry, then focuses on whether a color can be functional in that context. As stated in the introduction, the red color chosen by Louboutin served as a nontrademark function because it provides his shoes "energy" and the color itself is "sexy" and "attracts men to the women who

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<sup>48</sup> *Louboutin*, 778 F.Supp.2d at 451.

<sup>49</sup> See *Louis Vuitton Malletier v. Dooney & Burke, Inc.*, 454 F.3d 108 (2d. Cir. 2006) ("LV" monogram combined in a pattern of rows with 33 bright colors).

<sup>50</sup> *Louboutin*, 778 F.Supp.2d at 451.

<sup>51</sup> *Louboutin*, 778 F.Supp.2d at 453.

wear [his] shoes.”<sup>52</sup> The use of color in fashion attracts, references, stands out, blends in, and beautifies, to provide with sex appeal – these all compromise nontrademark functions of color in fashion.<sup>53</sup>

Thus, the court determined that the red lacquered sole served nontrademark functions other than as a source identifier and affects the cost and quality of the shoe. The court then applied the aesthetic functionality test. As stated above, the court examined whether granting trademark rights for Louboutin’s use of the color red as a brand would “significantly hinder competition.”<sup>54</sup> Its claim to the color red was overly broad and inconsistent with the court. Allowing one company in the designer shoe market a monopoly on the color red would impermissibly hinder competition among other fashion companies.

The district court raised several concerns regarding the validity of the registered trademark of Louboutin. The color red and the different shades of red would basically lead to confusion in the courts and make the judge an arbitrator of fashion.<sup>55</sup> Though Louboutin has the exact “Chinese Red” on every designer piece of footwear he makes, what about a shade that is one shade lighter than Pantone No. 18-1663 TP? What about two shades lighter or darker? Louboutin recommends drawing a range both above and below the borderlines of the “Chinese Red” color. The court finds issue also with the gloss of the color. What if a competitor uses a flat red like YSL did in the issue at hand? Is a flat red in leather different than a glossy lacquered red, as Louboutin currently possesses?

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<sup>52</sup> *Id.*

<sup>53</sup> *Louboutin*, 778 F.Supp.2d at 453.

<sup>54</sup> *Id.* at 454.

<sup>55</sup> *Id.* at 455.

In the Amicus Curae brief filed by the International Trademark Association, it was argued, in support of Louboutin, that the court did not look at the filing of the registered trademark as defined in the registration. It claimed that the court construed the mark as a “broad claim to the color red” and did not recognize the statutory presumption of validity conferred by the registration.<sup>56</sup> The registration in the PTO reads:

THE COLOR(S) RED IS/ARE CLAIMED AS A FEATURE OF THE MARK.

THE MARK CONSISTS OF A LACQUERED RED SOLE ON FOOTWEAR. THE DOTTED LINES ARE NOT PART OF THE MARK BUT ARE INTENDED ONLY TO SHOW PLACEMENT OF THE MARK.<sup>57</sup>



As seen in the above illustration, it is not a claim to the color red, but a claim to the color red on the sole of the shoe. The trademark that Louboutin had filed in 2008 is for where the illustration is colored black. Thus, the district court’s interpretation of Louboutin’s broad claim to the color red was incorrect.

More importantly, the mark was valid and registered. Validity means that the trademark is protectable and “capable of distinguishing the products it makes from those of others.”<sup>58</sup> The

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<sup>56</sup> Brief of Amicus Curiae International Trademark Association in Support of Vacatur and Remand at 9, *Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 778 F.Supp.2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv).

<sup>57</sup> *Louboutin*, 778 F.Supp.2d at 449.



fact that the mark had been registered reflects that the claim for rights in the mark has been examined by a PTO Examining Attorney in accordance with the agency's examining procedures and thereafter published in its Official Gazette.

How could the district court get this wrong? It was laid out in front of them and the description of the PTO was clear: "THE DOTTED LINES ARE NOT PART OF THE MARK BUT ARE INTENDED ONLY TO SHOW PLACEMENT OF THE MARK."

The District Court's functionality argument was not as strong as one would think. The painting of the red sole not only increases the product cost, but it shows more wear readily than a traditional black or beige outsole. A "design feature affecting the cost or quality of an article is one which permits the article to be manufactured at a lower cost...or one which constitutes an improvement in the operation of the goods."<sup>59</sup> Thus, the functionality defense is not present.

There are several cases in the fashion industry that have protected marks consisting of color applied in a specific location or configuration, even to shoes. Prada's red heel stripe on its shoes is a protected trademark.<sup>60</sup> The use of the red stripe in a particular location serves to identify the source. The "red tab on the pocket of Levi's jeans" is "protected as a source identifier," as is the "blue rectangular 'kicker' place on the heel or instep of KEDS sneakers."<sup>61</sup> The court took the wrong approach when it focused on the aesthetic functionality defense of YSL where the defense may have not even been applicable.

These were all questions that the court believed to be relevant to the case and led to doubts that Louboutin possessed a protectable trademark. The District Court held that the mark

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<sup>58</sup> Lane Capital Mgmt. v. Lane Capital Mgmt., 192 F.3d 337, 344 (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992)).

<sup>59</sup> *Cf. Stormy Clime Ltd. v. Progroup, Inc.*, 809 F.2d 971, 975 (2d Cir. 1987).

<sup>60</sup> Amicus Brief, *supra* note 55, at 24.

<sup>61</sup> Amicus Brief, *supra* note 55, at 24.

was not valid and that Louboutin could not stop YSL from making monochrome color shoes in all red. If any company chose to make a shoe with a red sole, they were given the green light to do so.

Christian Louboutin at the time defended his decision to appeal to the Court of Appeals of the Second Circuit. He claimed that YSL should have understood what he was trying to protect as they too have valid trademarks which they protect everyday. In his opinion,

They understand a signature when it's about them, but don't see when it's about somebody else... There is something incredibly hypocritical in [YSL] trying to break what I consider is my trademark. It's incredibly rude and double standards... I'm like a mouse with this elephant that can crush me. They have spent so much money on lawyers. But I have to stand up for who I am, and for everyone who believes there is still the possibility to start your own thing, instead of having to be paid and employed by just one or two possible groups.<sup>62</sup>

It can be seen from his comments that Louboutin has worked tremendously hard to develop his brand. His signature on every shoe is the red lacquered sole and with the district court decision against him, he was not going to ease up and live with the decision. He appealed immediately and did so for the right reasons. The real question that should have been asked was whether the red lacquered sole had acquired such secondary meaning among the right high fashion market that Louboutin had the right to enforce his protectable trademark and whether it was likely to lead to consumer confusion.

## V. SECOND CIRCUIT COURT OF APPEALS DECISION

Firstly, the Court of Appeals disagreed with the District Court's decision that color trademarks cannot be registered in the fashion industry. The Supreme Court in *Qualitex* expressly held that "sometimes [] a color will meet ordinary legal trademark requirements [,a]nd,

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<sup>62</sup> Genevieve Roberts, *Christian Louboutin: 'I don't think comfort equals happiness'*, THE INDEPENDENT (May 27, 2012), <http://www.independent.co.uk/news/people/profiles/christian-louboutin-i-dont-think-comfort-equals-happiness-7791467.html>.

when it does so, no special legal rule prevents color alone from serving as a trademark.”<sup>63</sup> The Supreme Court specifically disallowed the implementation of a rule that would deny protection for the use of a single color as a trademark in a particular industrial context.

In this case, it was a trademark in the fashion industry. The District Court did not look into an individualized, fact-based inquiry into the nature of the Louboutin trademark. They assumed that “there is something unique about the fashion world that militates against extending trademark protection to a single color.”<sup>64</sup>

The Court of Appeals treated the trademark infringement claim by Louboutin in two stages after determining that there is no *per se* rule forbidding the protection of a color in the fashion industry: (1) whether the mark “merits protection”, and (2) whether the allegedly infringing use of the mark (or a similar mark) is “likely to cause consumer confusion.”<sup>65</sup>

The court explains that the fact that the mark itself was registered was *prima facie* evidence that the mark is valid and protectable. In *Lane Capital Management*, the Third Circuit held that “a certificate of registration with the PTO is *prima facie* evidence...that the registrant owns the mark, and that the registrant has the exclusive right to sue the mark in commerce.”<sup>66</sup>

The mark as it stands in the PTO certificate is ineligible for protection because it precludes competitor’s use of “red bottoms” in all situations. The issue in the district court case was whether the YSL shoe, that was monochromatically red, meaning all red, was infringing on the Louboutin protected trademark. The Supreme Court made a distinction here. It firmly stated that the mark has acquired secondary meaning and thus distinctiveness to merit protection, but

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<sup>63</sup> *Qualitex*, 514 U.S. at 161.

<sup>64</sup> *Louboutin*, 778 F.Supp.2d at 451.

<sup>65</sup> *Louboutin*, 696 F.3d at 224.

<sup>66</sup> *Lane Capital Mgmt.*, 192 F.3d at 345.

“only when used as a red outsole contrasting with the remainder of the shoe.”<sup>67</sup> Thus, the Court of Appeals claimed the YSL shoe, which was monochromatic red, did not infringe upon the Louboutin mark.

*A. Was the Louboutin Mark Distinctive?*

The court, after claiming that the registration of the mark was valid earlier, switches its approach and investigates whether the red-lacquered sole mark is distinctive. To determine whether a mark is distinctive, the Supreme Court in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, claimed that distinctiveness could be shown “either by proof that the mark is itself inherently distinctive, or by showing that the mark has acquired, through use, secondary meaning in the public eye.”<sup>68</sup> Secondary meaning, of course, is acquired when “in the minds of the public, the primary significance of a product feature...is to identify the source of the product rather than the product itself.”<sup>69</sup> Thus, distinctiveness must generally be proved by demonstrating that the mark has acquired secondary meaning.

By lacquering the soles of high fashion footwear red, it is very much possible for the way the color is used by Louboutin for the mark and color to acquire a secondary meaning to indicate its source. If customers begin to associate a color with a product and the source of the product, secondary meaning can be established. The Supreme Court in *Qualitex* laid out how a color can acquire secondary meaning:

[o]ver time, customers may come to treat a particular color on a product or its packaging (say, a color that in context seems unusual, such as pink on a firm’s insulating material or red on the head of a large industrial bolt) as signifying a brand. And, if so, that color would have to come to identify and distinguish the

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<sup>67</sup> *Louboutin*, 696 F.3d at 225.

<sup>68</sup> *Id.*

<sup>69</sup> *Louboutin*, 696 F.3d at 225.

goods—i.e., ‘to indicate’ their ‘source’—much in the way that descriptive words on a product...can come to indicate a product’s origin.<sup>70</sup>

The Louboutin mark specifically serves as a source identifier. Its main function is to “identify the source of the product rather than the product itself.”<sup>71</sup>

Does the public use the mark to indicate the source of the product’s origin? Under the secondary meaning analysis, an important question that must be asked is whether the “public is moved in any degree to buy an article because of its source.”<sup>72</sup> As explained in the introduction of this note, the main reason why the public, whom can afford to purchase Christian Louboutins, buys them is because they want people to know that they are wearing Louboutins. The way to distinguish Louboutins from other high fashion footwear is by the red lacquered sole. In section III.A., several factors that determine whether the product has acquired secondary meaning were mentioned. By looking at the length and manner of use, the manner and extent of advertising and promotion, sales volume, evidence that potential purchasers actually view the mark as indicating the product’s source such as consumer testimony and survey evidence, it can be well established that the Louboutin mark has acquired distinctiveness and secondary meaning.<sup>73</sup>

The District Court was offered, in the Second Circuit’s mind, extensive evidence of Louboutin’s advertising expenditures, media coverage, and sales success, demonstrating both that Louboutin has created a “symbol” within the meaning of *Qualitex*, and that symbol has gained secondary meaning that causes it to be uniquely associated with the Louboutin brand. The Louboutin brand, which was started in 1991, first used and originated this particular commercial use of the lacquered red color in 1993.

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<sup>70</sup> *Id.*

<sup>71</sup> *Id.* at 226.

<sup>72</sup> See *Genesee Brewing Co.*, 124 F.3d at 143 (2d Cir. 1997).

<sup>73</sup> *Platinum Mortg. Corp.*, 149 F.3d at 728.

The District Court acknowledged this and made it clear that there were no errors in the fact-findings that were presented to the court. The District Court even acknowledged that “Louboutin invested substantial amounts of capital building a reputation and good will, as well as promoting and protecting Louboutin’s claim to exclusive ownership of the mark as its signature in women’s high fashion footwear.”<sup>74</sup> Louboutin’s efforts were successful in that in large commercial markets and social circles, “the red outsole became closely associated with Louboutin.”<sup>75</sup>

The brand has “worldwide recognition.”<sup>76</sup> The red lacquer is not on the whole shoe. It is in a place which is unusual and by deliberately tying that “Chinese Red” to his product in this unusual way, Louboutin created an identifying mark firmly associated with his brand which, “to those in the know,” “instantly” denotes his shoes’ source.<sup>77</sup>

#### *B. The Application of the Trademark after the Court of Appeals Decision*

The Court of Appeals held that the findings by the District Court in denying the claim offered by Louboutin were not completely erroneous. The trademark was held to be valid as above; however, Louboutin was still not able to file an injunction to stop YSL from making all red monochromatic shoes. The Court of Appeals held that the red lacquered outsole, as applied to a shoe with an “upper” of a different color, has “come to identify and distinguish” the Louboutin brand, and therefore is a distinctive symbol that qualifies for trademark protection. However, the red sole mark is limited to only when the sole of a shoe contrasts with the upper.

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<sup>74</sup> *Louboutin*, 778 F.Supp.2d at 447.

<sup>75</sup> *Louboutin*, 696 F.3d at 226-27.

<sup>76</sup> *Louboutin*, 778 F.Supp.2d at 448.

<sup>77</sup> *Id.*

Basically, if the shoe is completely red like the YSL shoe in this case, the trademark will not be protected because the upper does not contrast with the sole. This “upper” can be defined as “the visible portions of the shoe other than the outsole.”

The Chief Executive Officer of YSL’s parent corporation, François-Henri Pinault, himself acknowledged that, “[i]n the fashion or luxury world, it is absolutely clear that we recognize the notoriety of the distinctive signature constituted by the red sole of LOUBOUTIN models in contrast with the general presentation of the model, particularity its upper, and so for all shades of red.”<sup>78</sup> The contrast between the upper and the sole is what causes the sole to “pop” and to distinguish its creator. The Court of Appeals looked at all of the evidentiary record to determine its holding. Louboutin submitted hundreds of pictures of its shoes and only four of these pictures contained a shoe that was monochrome red. One quick glance at the Louboutin website today and it is apparent that the contrast of the upper and sole plays the most vital role in its brand.

In Louboutin’s own consumer surveys, when consumers were shown the monochrome red YSL shoes, the ones that identified them as Louboutins, nearly every one cited the red sole of the shoe as being the reason why they considered it to be a Louboutin brand shoe. Thus, the use of the red lacquer on the outsole of a red shoe of the same color is not a use of the Louboutin “red bottom” trademark.

## VI. FURTHER LITIGATION BETWEEN LOUBOUTIN AND YSL

The issue that was presented after the Court of Appeals decision was regarding the wording and the description of the trademark in the PTO registry. As noted earlier in the note,

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<sup>78</sup> *Louboutin*, 696 F.3d at 227.

the PTO awarded Louboutin a trademark with Registration No. 3,361,597 on January 1, 2008. This language stated, "THE COLOR(S) RED IS/ARE CLAIMED AS A FEATURE OF THE MARK. THE MARK CONSISTS OF A LACQUERED RED SOLE ON FOOTWEAR. THE DOTTED LINES ARE NOT PART OF THE MARK BUT ARE INTENDED ONLY TO SHOW PLACEMENT OF THE MARK."<sup>79</sup> After the Court of Appeals decision, this had to be changed and the Office of the Solicitor for the PTO issued the following language change in order to reflect that shoe companies could still make monochromatic red shoes: "THE COLOR(S) RED IS/ARE CLAIMED AS A FEATURE OF THE MARK. THE MARK CONSISTS OF A LACQUERED RED OUTSOLE ON FOOTWEAR THAT CONTRASTS WITH THE COLOR OF THE ADJOINING REMAINING PORTION OF THE SHOE (KNOWN AS THE 'UPPER')." <sup>80</sup>

This favors all other high fashion shoe designers and YSL was in favor of this change. However, Louboutin was not so fond of this proposal. Counsel for Louboutin wanted to make this broader and give fashion companies only access to the red sole if the whole shoe was red. For example, if there was a slight bit of any color on the upper part of the shoe that contrasted with the red lacquered sole, Louboutin would be able to protect their trademark. Louboutin's counsel sent a letter to the USPTO and the Second Circuit that proposed this change to the language of the trademark registration: "THE MARK CONSISTS OF A LACQUERED RED OUTSOLE ON FOOTWEAR THAT CONTRASTS WITH THE COLOR OF ANY VISIBLE PORTIONS OF THE SHOE."<sup>81</sup> This language of the registered trademark would give

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<sup>79</sup> *Louboutin*, 778 F.Supp.2d at 449.

<sup>80</sup> *Louboutin v. YSL Isn't Actually Over*, THE FASHION LAW (Jan. 11, 2013), [http://www.fashion-law.org/2013/01/louboutin-v-ysl-isnt-actually-over.html#more\\_](http://www.fashion-law.org/2013/01/louboutin-v-ysl-isnt-actually-over.html#more_)

<sup>81</sup> *Louboutin v. YSL Isn't Actually Over*, THE FASHION LAW (Jan. 11, 2013), [http://www.fashion-law.org/2013/01/louboutin-v-ysl-isnt-actually-over.html#more\\_](http://www.fashion-law.org/2013/01/louboutin-v-ysl-isnt-actually-over.html#more_)



Louboutin to right to prevent others from selling red soled shoes even if there was any other color which contrasted with the red lacquered soles.

YSL strongly rejected this change in the language of the registration. In a letter written to the USPTO and the Second Circuit, YSL stated that changing the language to erase the term “upper” and replace that with “any visible portion of the shoe” would “be contrary to the Court's clear direction and intent [and] would have serious anti-competitive effects.”<sup>82</sup> It would grant Louboutin the right to claim as infringing otherwise monochromatic red shoes (red shoes with red soles), “but which feature some ornamentation, however insignificant, such as a black heel cap or a gold buckle fastened to the toe. Such shoes could hardly be considered a use of Louboutin's mark in the absence of a contrasting upper that causes the red sole to “pop.”<sup>83</sup>

As of March 6, 2013, there has still not been a final and official decision of what the wording and description of Registration No. 3,361,597 is. YSL has good reason to believe that the Second Circuit’s mandate to change the USPTO registration should be made and not altered and edited to the benefit of Louboutin.

## VII. CONCLUSION

With the intricacies of the decision still in the balance, the Second Circuit correctly overruled the District Court. The Louboutin brand had registered a valid trademark and this trademark, as a color, had acquired secondary meaning in order for it to be protectable as a registered trademark. Allowing a color to be a protected as a trademark in the fashion industry

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<sup>82</sup> Charles Colman, *YSL's formal response to Louboutin's Jan. 25th letter to the Court: you saw it here first (unless you're REALLY into PACER)*, LAW OF FASHION (Feb. 8, 2013), <http://www.lawoffashion.com/blog/story/02/08/2013/175>.

<sup>83</sup> Letter from David H. Bernstein, Partner, Debevoise & Plimpton LLP, to Catherine O'Hagan Wolfe, Clerk of Court, 2<sup>nd</sup> Cir. (Feb. 8, 2013).

did not seem right at first. The arguments YSL brought forth, similar to those of the defendant in *Qualitex*, made sense. However, by looking at the length and manner of use, the manner and extent of advertising and promotion, sales volume, and evidence that potential purchasers actually view the mark as indicating the product's source, such as consumer testimony and survey evidence – it can be well established that the Louboutin mark had acquired distinctiveness and secondary meaning.<sup>84</sup> In the minds of the public, the “red bottom,” acting as the primary feature on the Louboutin shoes, “identif[ied] the source of the product rather than the product itself.”<sup>85</sup> And, as long as the product feature is not deemed aesthetically functional, a color may be trademarked in the fashion industry.

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<sup>84</sup> *Platinum Mortg. Corp.*, 149 F.3d at 728.

<sup>85</sup> *Inwood*, 456 U.S. at 851.