

Intellectual Property ADVISORY

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The Second Circuit Affirms Trademark Protection for Red-Soled Shoes in *Christian Louboutin v. Yves Saint Laurent*

Overview

On September 5, 2012, in a case closely followed by trademark pundits and fashion houses alike, the Second Circuit Court of Appeals reversed a district court's determination that a single color can never function as a trademark in the fashion industry. [*Christian Louboutin S.A. v. Yves St. Laurent Am. Holding, Inc.*](#), No. 11-3303-cv (2d Cir. Sept. 5, 2012) ("*Louboutin*"). The appeals court also held that the signature red lacquered sole of Christian Louboutin's shoes constitutes a valid and enforceable trademark—but *only* when used as a contrasting color to the remainder of the shoe (known as the "upper").

Background

Christian Louboutin launched his first line of lacquered red-soled shoes 20 years ago. The pricey collection proved extremely popular. Jennifer Lopez recorded an entire song about them, fittingly called "Louboutins," and even Barbie had her own collection.

In March 2007, Louboutin filed an application with U.S. Patent & Trademark Office (USPTO) to register the Red Sole Mark, which was depicted as:



The application included a color claim for red and identified the mark as a "lacquered red sole on footwear." On January 1, 2008, the USPTO granted U.S. Registration No. 3,361,597 for the Red Sole Mark.

Since the 1970s, the iconic French fashion house Yves Saint Laurent (YSL) has also sold footwear with colored soles. In January 2011, YSL premiered a new, *monochromatic* line of shoes in purple, green, yellow and—most upsetting to Louboutin—red. On each of YSL's shoes, the color of the sole matched the color of the upper.

Believing the red sole to be infringing, Louboutin asked YSL to cease sales of the red monochromatic shoe. After negotiations between the parties failed, Louboutin filed suit in the Southern District of New York for trademark infringement, dilution and other related claims under the Lanham Act and state law. Among other relief, Louboutin sought a preliminary injunction against sales of YSL's red monochromatic shoe. In response,

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YSL asserted counterclaims for cancellation of the registration for the Red Sole Mark on the grounds that the mark is non-distinctive, ornamental and functional, and that the registration was fraudulently obtained.

In denying Louboutin's request for a preliminary injunction, the district court held that single-color marks are inherently functional in the context of the fashion industry, and that any such registered trademark is likely invalid. *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011). Accordingly, the district court found that Louboutin was unlikely to be able to prove that the Red Sole Mark was eligible for trademark protection, which would be essential to an infringement claim. *Id.*

Louboutin appealed, arguing that the district court erred when it held that a single color could never serve as a trademark in the fashion industry. *Louboutin*, pp. 3-4, 8-9. Similarly, Louboutin disputed the district court's ruling that the Red Sole Mark was likely ineligible for trademark protection. *Id.*

On appeal, the Second Circuit focused on three issues:

- (1) "whether a single color is protectable as a trademark, both generally and in the specific context of the fashion industry[:]"
- (2) "whether . . . a single-color mark is necessarily 'functional' in the fashion industry – with the result that no such mark could ever be trademarked in that industry[:]" and
- (3) "whether the Red Sole Mark is a valid trademark entitled to the protections of the Lanham Act."

Louboutin, p. 9.

Trademark Protection for Single Colors in the Fashion Industry

The question of whether a single color could ever be entitled to trademark protection was finally resolved in the affirmative by the Supreme Court in *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995). The Second Circuit, therefore, needed to determine if there should be—as held by the district court—a *per se* rule that single-color marks for apparel items are "functional" and thus not entitled to trademark protection.

The Functionality Defense

Aspects of a product that are "functional" generally "cannot serve as a trademark." *Qualitex*, p. 165. Under the concept of "utilitarian" or "traditional" functionality, a product feature is considered functional and ineligible for trademark protection if the feature is either essential to the use or purpose of the product or affects the cost or quality of the product. The doctrine of "aesthetic functionality" further dictates that an ornamental feature is ineligible for trademark protection if granting exclusive rights to an ornamental feature would *significantly* handicap the scope of competitive designs by monopolizing a feature essential to fair competition. *Louboutin*, p. 20.

Considering these standards, the appeals court reversed the district court's holding that there should be a *per se* rule of functionality for single-color marks in the fashion industry. The Second Circuit concluded that there was "no reason that a single-color mark in the specific context of the fashion industry could not acquire secondary meaning—and therefore serve as a brand or source identifier—if it is used so consistently and prominently by a particular designer that it becomes a symbol [identifying source]." *Id.* at 26.

Protection of the Red Sole Mark

Turning to the question of the validity of the Red Sole Mark itself, the Second Circuit considered the extensive evidence Louboutin presented to the district court of its advertising expenditures, media coverage and sales. The Second Circuit concluded that the district court properly found that the Red Sole Mark is a brand with worldwide recognition that instantly identifies the shoe's source. *Id.* at 27-28.

The appeals court, however, concluded that the Red Sole Mark is only protectable *when used with an upper of contrasting color(s)*. In other words, Louboutin could not prevent YSL's use of a red lacquered sole on a monochromatic red shoe. The court directed the U.S. Patent and Trademark Office to limit the registration of the Red Sole Mark accordingly. The appeals court further found the mark to be valid and enforceable as modified, and affirmed the denial of the preliminary injunction against sales of YSL's red monochromatic shoe.

What Brand Owners Need to Know

The Second Circuit's holding in *Louboutin* confirms that single-colors can serve as trademarks, regardless of the industry. Brand owners should consider any claims of color trademarks they may have and seek appropriate registration for the same.

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