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NOTE

COLOR MONOPOLY: HOW TRADEMARKING COLORS IN THE FASHION INDUSTRY AND BEYOND EXPANDS THE LANHAM ACT'S PURPOSE AND POLICY

Briana Reed[†]

I. INTRODUCTION

When you picture two people fighting over what color crayon they can use for their latest creation, you would expect the tiff to be in a classroom between bickering kindergarteners. Instead of kindergarteners, this childish fight over the “crayon” occurred between two of the most prominent luxury fashion designers, employing the United States court system as the teacher.

In 1995, the United States Supreme Court decided that single colors can be trademarked in certain circumstances.¹ This paved the way for companies to own colors and fend off other, sometimes competing, companies from using them. Luxury fashion and accessories designers have arguably profited the most in trademarking the colors that have become synonymous with their brand such as Tiffany Blue² or Hermés Orange.³ At first glance, the idea of companies trademarking their branding colors may sound innocent and fair; however, when you dig into the legal disputes surrounding color trademarking, you quickly realize color trademarks have opened the floodgates for color monopolization.

The many issues involved in color trademarks are seen in the legal dispute between two French fashion houses: Yves Saint Laurent (“YSL”) and Christian Louboutin (“Louboutin”). Louboutin is a luxury fashion brand famous for designing women’s heels with red lacquered outsoles.⁴ In 2008, Louboutin obtained a trademark for the red-lacquered outsole, thereby preventing any other fashion designer from applying any shade of red to the outsoles of shoes.⁵ YSL released a line of monochrome shoes in 2011, and one

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¹ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 174 (1995).

² The mark consists of a shade of blue, Registration No. 2359351.

³ The mark consists of this shade of the color orange, Registration No. 4000067.

⁴ *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 211 (2d Cir. 2012) [hereinafter *Louboutin II*].

⁵ *Id.* at 211–12.

of the designs included a monochrome red shoe featuring a red outsole.⁶ Louboutin brought suit against YSL for selling the monochrome red shoe, alleging it infringed the “Red Sole Mark.”⁷ The U.S. District Court for the Southern District of New York resolved this dispute by denying Louboutin’s trademark claim and, in doing so, promoted free competition and creativity within the industry.⁸ The Second Circuit swiftly reversed the lower court’s decision.⁹ The Second Circuit was extremely critical of the district court’s reading of *Qualitex Co. v. Jacobson Products, Co.* and the lower court’s application of the aesthetic functionality doctrine.¹⁰

This article will explore how the Second Circuit’s reversal caused a negative domino effect in subsequent color trademarking decisions, allowing companies to monopolize and practically “own” individual colors. Although the district court’s flimsy analysis entangled itself in hypotheticals, its decision in rejecting Louboutin’s trademark claim was fundamentally correct. Ergo, the district court reached the right conclusion, but in an unnecessary, complicated fashion. Part II of this article will explore the history and evolution of trademark law and its ever-expanding reach. Part III will discuss the Louboutin and Yves Saint Laurent dispute which highlights the many problems of single-color trademarks. Part IV will analyze why the Second Circuit’s reversal was in error and the negative ramifications stemming from the decision. Part V will propose a solution to the issues surrounding single color trademarks under the Lanham Act in the fashion industry and beyond. But to understand why the Second Circuit’s reversal of *Louboutin* was incorrect, it is crucial to first understand the basics of trademark law and the district court’s reasoning and analysis.

II. BACKGROUND

A trademark includes “any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”¹¹ Enacted in 1946, the Lanham Act allows trademarks used in commerce to be registered with

⁶ *Id.* at 213.

⁷ *Id.*

⁸ *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445, 457 (S.D.N.Y. 2011) [hereinafter *Louboutin I*].

⁹ *Louboutin II*, 696 F.3d at 228–29.

¹⁰ *Id.* at 223.

¹¹ 15 U.S.C. § 1127.

the United States Patent and Trademark Office (USPTO).¹² The intention of the Lanham Act was “the modernization of trademark law, to facilitate commerce and to protect the consumer.”¹³ An application for trademark registration requires “specification of the applicant’s domicile and citizenship, the date of the applicant’s first use of the mark, the date of the applicant’s first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.”¹⁴

There are four general categories of trademarks.¹⁵ Case law describes these categories as generic, descriptive, suggestive, and arbitrary or fanciful, although “the lines of demarcation . . . are not always bright.”¹⁶ Generic terms are not protected under the Lanham Act, such as the word “light” used to describe a type of beer.¹⁷ Likewise, descriptive terms, unless they have acquired secondary meaning, are not protected under the Lanham Act.¹⁸ A term is descriptive if it “clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.”¹⁹ To demonstrate secondary meaning, the public must attach “primary significance” of the term to the producer of the product instead of the product itself.²⁰ Suggestive terms are eligible for protection under the Lanham Act without the secondary meaning requirement.²¹ A term is deemed suggestive if it “requires imagination, thought and perception to reach a conclusion as to the nature of goods.”²² Arbitrary or fanciful marks have no real connection to the product or service they are associated with but are “common words applied in unfamiliar ways” or marks invented for trademark use, respectively.²³

To establish trademark infringement, claimants must show that they own a valid, protectable trademark; that the alleged infringer used a

¹² 15 U.S.C. § 1051.

¹³ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1119 (Fed. Cir. 1985) (citing *Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985)).

¹⁴ 15 U.S.C. § 1051.

¹⁵ 1 CHARLES E. MCKENNEY & GEORGE F. LONG III, *FEDERAL UNFAIR COMPETITION: LANHAM ACT* 43(A) § 3.2 (2020).

¹⁶ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

¹⁷ MCKENNEY & LONG, *supra* note 15, at § 3.3.

¹⁸ *Id.* at § 3.4.

¹⁹ *Id.*

²⁰ *Id.* at § 3.5.

²¹ *Id.* at § 3.6.

²² *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976) (quoting *Stix Prods., Inc. v. United Merchs. & Mfrs. Inc.*, 295 F. Supp. 479, 488 (S.D.N.Y. 1968)).

²³ MCKENNEY & LONG, *supra* note 15, at § 3.7.

“reproduction, counterfeit, copy, or colorable imitation” of the mark in commerce without the trademark owner’s consent; and that the alleged infringer’s use is likely to cause consumer confusion.²⁴ The policy behind this protection is closely linked to unfair competition law and operates to safeguard consumers from deceit and confusion, while also protecting the trademark owner’s property.²⁵ Essentially, trademarks protect organizations, designers, and businesses from other members in commerce passing off another’s product as their own by using a mark that is closely associated with the trademark owner’s product.²⁶ Although trademarks were historically source identifiers in the form of words, images, or shapes, trademark law now extends to sounds, scents, flavors, and even colors.²⁷

A. *Color as a Trademark*

1. A Pressing Problem: *Qualitex Co. v. Jacobson Prods. Co.*

In *Qualitex Co. v. Jacobson Prods. Co.*, the United States Supreme Court decided that color alone can *sometimes* meet trademark requirements.²⁸ Before *Qualitex*, color trademarks were prohibited based on shade confusion and color depletion theories.²⁹ *Qualitex* used a green-gold color on its dry cleaning press pads it sold to dry cleaners.³⁰ In 1991, a *Qualitex* rival, Jacobson Products, started manufacturing and selling dry cleaning press pads in a similar green-gold color.³¹ After registering the color with the USPTO in 1991, *Qualitex* added a trademark infringement claim to ongoing litigation with Jacobson over an unfair competition claim.³² *Qualitex* won the lawsuit in the district court, but the Court of Appeals for the Ninth Circuit held that the Lanham Act did not permit colors to be trademarked.³³

²⁴ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 259 (4th Cir. 2007) (citing *CareFirst of Md., Inc. v. First Care, P.C.*, 434 F.3d 263, 267 (4th Cir. 2006); 15 U.S.C. § 1114(1)(a)).

²⁵ 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 2:2, 2:7 (5th ed.).

²⁶ *Id.* at § 2:22.

²⁷ *Id.* at § 3:1.

²⁸ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 174 (1995).

²⁹ MCCARTHY, *supra* note 25, at § 7:44.

³⁰ *Qualitex*, 514 U.S. at 161.

³¹ *Id.*

³² *Id.*

³³ *Id.*

Qualitex presented a perplexing problem to the Supreme Court because the Courts of Appeals had differed in rulings regarding color trademarks.³⁴ The Court held that color can satisfy the statutory definition of a trademark, and although a color does not automatically inform a consumer of an item's origin, over time a color *may* develop into a source indicator for consumers.³⁵ The Court reasoned, rather shortsightedly, that because a word that acquired secondary meaning can act as a trademark, there was no reason why a color with secondary meaning should not be extended trademark protection.³⁶ The Court then went as far as to say that "there is no obvious theoretical objection" to single color trademarks.³⁷

The Court quickly swept aside Jacobson Products' color depletion theory and shade confusion arguments. Jacobson Products' color depletion argument claimed that allowing producers to use color trademarks would "deplete" the available color pool to the point competitors are significantly disadvantaged.³⁸ The Court called Jacobson's color depletion argument "unpersuasive" and only an "occasional problem."³⁹ When faced with Jacobson's argument that color trademarks would create uncertainty within litigation about what color is protected and that the shade confusion problem is much more difficult than distinguishing word and symbol similarities, the Court stated: "We do not believe . . . that color, in this respect, is special."⁴⁰ When considering the possibility of color monopolization, the Court noted that the functionality doctrine, which is supposed to bar the protection of a product's feature as a trademark when the feature is required for the product or if the feature affects the product's cost or quality, "protects competitors."⁴¹

Although the Court found that colors can be trademark protected, there are limitations. Colors are only protectable as a trademark when they have achieved a secondary meaning and identify a brand, indicating its source.⁴² It

³⁴ See *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990) (prohibiting trademark protection for colored tabletop sweetener packets); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1128 (Fed. Cir. 1985) (holding that pink for insulation functions as a trademark); *Master Distribs., Inc. v. Pako Corp.*, 986 F.2d 219, 224 (8th Cir. 1993) (declining to establish a prohibition on color trademarks based on confusion and inconsistency).

³⁵ *Qualitex*, 514 U.S. at 163.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.* at 168.

³⁹ *Id.*

⁴⁰ *Id.* at 167.

⁴¹ *Qualitex*, 514 U.S. at 169.

⁴² *Id.* at 166.

is important to note that under *Qualitex*, color cannot be protected if it is deemed functional, which “mean[s] that the color is essential to the use or purpose of the product, or affects the cost or quality of the product.”⁴³ A design is deemed functional “if the design affords benefits . . . with which the design is used, apart from any benefits attributable to the design’s significance as an indication of source, that are important to effective competition by others and that are not practically available through the use of alternative designs.”⁴⁴ Although the point lacked thorough analysis, the *Qualitex* Court noted that, when considering aesthetic functionality, the ultimate test is “whether the recognition of trademark rights would significantly hinder competition.”⁴⁵

In theory, aesthetic functionality is supposed to bar color depletion and legitimate competitive disadvantages.⁴⁶ But under the Lanham Act, Congress intended for an exercise of judgment to be used when determining color trademark registrability.⁴⁷ Under this theory, color trademarks are not to be handed out like candy by the USPTO, but they are to be thoroughly analyzed to ensure that the monopoly granted is limited, does not unduly hinder competition, and does not create barriers for others to enter the market. While some courts historically upheld single color trademarks for industrial products, color trademarks in the fashion industry were only used “in distinct patterns or combinations of shades that manifest a conscious effort to design a uniquely identifiable mark embedded in the goods,” such as the Burberry check pattern or the Louis Vuitton multicolor monogram pattern.⁴⁸

2. Think Pink: *In re: Owens-Corning Fiberglas Corp.*

The *Owens-Corning Fiberglas* case is often cited when considering color as a trademark, and the Supreme Court used it to justify its decision in *Qualitex*.⁴⁹ In 1980, Owens-Corning sought trademark registration of the color pink for

⁴³ *Louboutin I*, 778 F. Supp. 2d at 450 (citing *Qualitex*, 514 U.S. at 165).

⁴⁴ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 (AM. L. INST. 1995).

⁴⁵ *Qualitex*, 514 U.S. at 170 (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17, cmt. c (AM. L. INST. 1995)).

⁴⁶ *Id.*

⁴⁷ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1120 (Fed. Cir. 1985).

⁴⁸ *Louboutin I*, 778 F. Supp. 2d at 451; The [Burberry] mark consists of a tan background, light tan vertical and horizontal lines, black vertical and horizontal lines, white squares, and vertical and horizontal lines, forming a plaid pattern, Registration No. 3529814; LV, Registration No. 4192541.

⁴⁹ *Qualitex*, 514 U.S. at 165; see, e.g., *In re Haruna*, 249 F.3d 1327, 1334 n. 1. (Fed. Cir. 2001).

fiberglass insulation.⁵⁰ The USPTO denied Owens-Corning trademark application on the grounds that pink was not distinctive of Owens-Corning's fiberglass insulation.⁵¹ When determining color trademarks, the Federal Circuit noted that factors such as the nature of the product, color-use, number of colors or color combinations available, number of competitors, and customary marketing practices within the industry, are to be considered.⁵² Trademark registrability is to be decided based on the unique facts of each case; if a color primarily serves a utilitarian purpose, then it cannot be granted protection.⁵³ The Federal Circuit held that the color did not yield a utilitarian advantage or hinder competition within the insulation market. Further, the court found no overriding public policy consideration barring Owens-Corning's claim to pink since it was the only company to utilize the color and there were very few insulation manufacturers.⁵⁴

When considering the trademark when it was first filed, the USPTO noted that there was no competitive need for colors to remain available to all insulation competitors, nor was there an industry practice of dyeing insulation before sale.⁵⁵ The Federal Circuit then swept aside the long-standing shade confusion argument, agreeing with the USPTO Board that deciphering color shades "is no more difficult or subtle than . . . where word marks are involved."⁵⁶ Most importantly, pink has no relationship to insulation production.⁵⁷ Owens-Corning's dedicated marketing scheme of the Pink Panther, pink merchandise, and numerous taglines, such as "think pink," "put your house in the pink," and "pink of perfection," sealed the deal for the Federal Circuit—it reversed the USPTO's decision by granting the pink trademark.⁵⁸

Judge Jean Galloway Bissell wrote the lone dissent, finding four reasons why the established jurisprudence barring color as a trademark should have been followed.⁵⁹ With one powerful quote, Judge Bissell made clear why single color trademarks should not be allowed: "color itself is free."⁶⁰ Even after the Lanham

⁵⁰ *Owens-Corning*, 774 F.2d at 1118.

⁵¹ *Id.*

⁵² *Id.* at 1120.

⁵³ *Id.* at 1121.

⁵⁴ *Id.* at 1121–22.

⁵⁵ *Id.* at 1122.

⁵⁶ *Owens-Corning*, 774 F.2d at 1123 (quoting *In re Owens-Corning Fiberglass Corp.*, 221 U.S.P.Q. (BNA) 1195, 1198 (T.T.A.B. 1984)).

⁵⁷ *Id.*

⁵⁸ *Id.* at 1126–28.

⁵⁹ *Id.* at 1129 (Bissell, J., dissenting).

⁶⁰ *Id.* at 1128 (quoting *Gillette Safety Razor Co. v. Triangle Mech. Lab'ys Corp.*, 4 F. Supp. 319, 324 (E.D.N.Y. 1933)).

Act was enacted, circuit courts continually refused color trademarks for decades.⁶¹ The dissent emphasized the settled jurisprudence and the unanimous, respected opinions of regional circuit courts barring single color trademarks.⁶² Additionally, although color alone was not allowed to be trademarked, color as an element of a trademark was allowed.⁶³ The dissent then pointed to the competition hindrance argument which claims that allowing single color trademarks in certain circumstances could create unwanted barriers in the marketplace.⁶⁴

The dissent pointed out that Owens-Corning established dominance in the insulation market not necessarily because of its superior product but because the company poured resources into marketing and advertising, making pink synonymous with fiberglass insulation.⁶⁵ Owens-Corning's advertising and marketing permeated the industry so much that some people refused to buy insulation unless it was pink, taking the "put your house in the pink" tagline to a new level and effectively barring entry into the market.⁶⁶ Importantly, the dissent emphasized that the point of trademarks is to prevent consumer confusion, not to bar entrants into the market.⁶⁷ Essentially, "palming off is the issue, not the color."⁶⁸ Sometimes complicated problems have simple solutions, and the dissent suggested that effective labeling would protect against consumer confusion.⁶⁹

3. The Pantone Color System, a Scientific Language of Color

It is impossible to analyze color trademarks without recognizing the powerful company that owns the most popular color software used by many color-dependent industries.⁷⁰ While Judge Bissell wrote that "color itself is free," Pantone makes sure it is not.⁷¹ Pantone claims broad intellectual

⁶¹ *Id.* at 1129.

⁶² *Owens-Corning*, 774 F.2d at 1129 (Bissell, J., dissenting).

⁶³ *Id.* at 1130.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Owens-Corning*, 774 F.2d at 1130 (Bissell, J., dissenting).

⁶⁹ *Id.*

⁷⁰ *Color Identification and Control*, PANTONE, <https://www.pantone.com/articles/how-to/color-identification-and-control> (last visited Jan. 11, 2021).

⁷¹ *Owens-Corning*, 774 F.2d at 1128 (Bissell, J., dissenting) (quoting *Gillette Safety Razor Co. v. Triangle Mech. Lab'ys Corp.*, 4 F. Supp. 319, 324 (E.D.N.Y. 1933)).

property rights over its color names, formulas, software, numbers, and more because, for Pantone, “it’s all about control.”⁷²

The Pantone Color System offers fashion designers, graphic designers, and product designers a universal color system.⁷³ Started in 1963, Pantone created the Pantone Matching System to help ensure consistent color reproduction within the printing industry.⁷⁴ Pantone created a revolutionary “color language” in which each color gets a unique numerical code and name.⁷⁵ Now, Pantone offers over 10,000 color standards across its systems for print, web design, textiles, and product design.⁷⁶ Each color system has its own book full of Pantone color chips or swatches that designers can choose from.⁷⁷

The Pantone Color System for fashion design—the system from which Louboutin’s Chinese Red derives—comes in a variety of material formats such as cotton, polyester, nylon, plastic, and metallic shimmer.⁷⁸ The color systems ensure that designers can customize and see the exact pigment of every aspect of their design down to a zipper’s color or a stiletto’s lacquered coating. More importantly, the Pantone Color System offers a scientifically accurate way to distinguish colors and shades that the human eye cannot. Pantone does not sell the actual ink that the manufacturer will use for the item, but each unique color code informs the printer or computer of how much RGB or CMYK is needed to perfectly replicate the color.⁷⁹

This universal color language ensures that each Louboutin stiletto is perfectly lacquered with the trademarked Pantone 18-1663 TPX.⁸⁰ Many other luxury designers have pioneered fashion trends and icons but none of them have successfully created a monopoly, until now. The lack of objectivity in color trademarks is a problem when dealing with minute shade differences. If the test for infringement is “whether the reasonably prudent customer

⁷² PANTONE, *supra* note 70.

⁷³ *Id.*

⁷⁴ *About Pantone*, PANTONE, <https://www.pantone.com/about-pantone> (last visited Mar. 6, 2021).

⁷⁵ Diana Budds, *How Pantone Became the Definitive Language of Color*, FAST CO. (Sept. 18, 2015), <https://www.fastcompany.com/3050240/how-pantone-became-the-definitive-language-of-color>.

⁷⁶ *What Are Pantone Color Systems?*, PANTONE, <https://www.pantone.com/color-systems/pantone-color-systems-explained> (last visited Jan. 11, 2021).

⁷⁷ *See* Budds, *supra* note 75.

⁷⁸ *Pantone Color Systems—Fashion, Home + Interiors*, PANTONE, <https://www.pantone.com/color-systems/for-fashion-design> (last visited Jan. 11, 2021); *Louboutin I*, 778 F. Supp. 2d at 455 n.5.

⁷⁹ Budds, *supra* note 75.

⁸⁰ *Louboutin I*, 778 F. Supp. 2d at 455; *PANTONE 18-1663 TPX*, PANTONE, <https://www.pantone.com/color-finder/18-1663-TPX> (last visited Mar. 19, 2021).

would be likely to be confused as to source, sponsorship, affiliation or approval,” it is unreasonable to expect the average judge or juror to differentiate between subtle CMYK or RGB percentages because the perception of color is not a precise science.⁸¹ Individuals see colors differently, sometimes even drastically differently for those that are color blind.⁸² Scientific studies have shown that men and women perceive colors differently, making the test for infringement wholly subjective.⁸³ Specifically regarding the color red, psychological studies show that men perceive women wearing red as more attractive, making red more than just aesthetically functional.⁸⁴

B. *Aesthetic Functionality: When Looking Good is Functional*

If a trademark is deemed functional, it cannot be protected.⁸⁵ How functionality has been applied in color trademark cases is questionable at best because aesthetic appeal has been deemed functional. For example, the aesthetic functionality doctrine barred the protection of John Deere green because “farmers prefer to match their loaders to their tractor.”⁸⁶ The Federal Circuit deemed the color black functional because the color decreased apparent motor size.⁸⁷ Under *Qualitex*, the “ultimate test of aesthetic functionality . . . is whether the recognition of trademark rights would significantly hinder competition.”⁸⁸ The Supreme Court in *Qualitex* quoted G. K. Chesterton to explain how a color can serve as a non-trademark function by fulfilling the “noble instinct for giving the right touch of beauty to common and necessary things.”⁸⁹ A red-colored sole on a high heel does in fact give a touch of beauty to a common and necessary thing. A sole is

⁸¹ MCCARTHY, *supra* note 25, at § 7:45.70.

⁸² Berit Brogaard, *Why We Don't See the Same Colors*, PSYCH. TODAY (June 29, 2020), <https://www.psychologytoday.com/us/blog/the-superhuman-mind/202006/why-we-dont-see-the-same-colors>.

⁸³ MCCARTHY, *supra* note 25, at § 7:45.70; *see also* Nicole A. Fider & Natalia L. Komarova, *Differences in Color Categorization Manifested by Males and Females: A Quantitative World Color Survey Study*, 5 PALGRAVE COMM'NS 1, 6–7, (2019), <https://www.nature.com/articles/s41599-019-0341-7.pdf>.

⁸⁴ Adam D. Pazda, Andrew J. Elliot & Tobias Greitemeyer, *Perceived Sexual Receptivity and Fashionableness: Separate Paths Linking Red and Black to Perceived Attractiveness*, 39 COLOR RSCH. & APPLICATION 208 (2013); Andrew J. Elliot & Daniela Niesta, *Romantic Red: Red Enhances Men's Attraction to Women*, 95 J. OF PERSONALITY & SOC. PSYCH. 1150 (2008).

⁸⁵ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 166 (1995).

⁸⁶ *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 98 (S.D. Iowa 1982).

⁸⁷ *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1533 (Fed. Cir. 1994).

⁸⁸ *Qualitex*, 514 U.S. at 170.

⁸⁹ *Id.*

necessary for every functioning shoe. Typically, a sole's color is beige or black and relatively pedestrian. Was Louboutin inventive and creative when he saw his assistant painting her nails and got the idea to lacquer the soles of his shoe designs? Absolutely, but that does not mean that the global brand deserves to own a color in an industry that requires use of all shades of the Pantone color system to thrive.

The Seventh Circuit used the example of a football's oval shape to convey what aesthetic functionality is and what it is not.⁹⁰ A football's shape is functional in that every brand must utilize the oval design in order to manufacture footballs.⁹¹ A feature is functional when it "is unlike those dispensable features of the particular brand that, like an arbitrary identifying name, rivals do not need in order to compete effectively."⁹² A shoe sole design is not a dispensable, arbitrary feature but a required part of a functioning shoe.

Further, if a color affects the cost or quality of the product, it is deemed functional.⁹³ The extra step in the manufacturing process of painting the sole red naturally costs more than producing a bland colored sole. It is important to note that the Red Sole Mark is a fleeting, temporary feature of the Louboutin shoe. The Christian Louboutin website features a product care page on which customers are warned: "the red lacquer on our soles will wear off with the use of the shoes."⁹⁴ Why should a court grant exclusive color use to a company for a *temporary* feature?

C. Secondary Meaning

In order to prove a trademark violation under the Lanham Act, a plaintiff must show that he or she has a valid trademark, ownership of the mark, and the defendant's use of the mark causes a likelihood of confusion.⁹⁵ Likelihood of confusion is a question of fact and exists "when the consumers viewing the mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark."⁹⁶ Historically, courts, including the Second Circuit, analyze

⁹⁰ *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 339 (7th Cir. 1985).

⁹¹ *Id.*

⁹² *Id.*

⁹³ *Qualitex*, 514 U.S. at 165.

⁹⁴ *Product Care*, CHRISTIAN LOUBOUTIN, https://us.christianlouboutin.com/us_en/product-care (last visited June 6, 2020).

⁹⁵ *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 210 (3d Cir. 2000).

⁹⁶ *Dranoff-Perlstein Assocs. v. Sklar*, 967 F.2d 852, 862 (3d Cir. 1992) (quoting *Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 292 (3d Cir. 1991)).

likelihood of confusion by looking at the eight “*Polaroid* factors.”⁹⁷ In *Polaroid Corp. v. Polarad Electrics Corp.*, Polaroid brought suit against Polarad, alleging that its use of the name “Polarad” infringed on numerous trademarks and constituted unfair competition.⁹⁸ The lower court dismissed the claims, holding that neither party sufficiently proved consumer confusion.⁹⁹ Polaroid, whose business was mostly focused in optics and photography, was aware of Polarad’s business of selling televisions roughly two decades before bringing suit.¹⁰⁰ As Polarad’s business became successful, Polaroid decided to take action and relied on two things to bring suit against Polarad.¹⁰¹ First, Polaroid used communications mistakenly sent to Polaroid meant for Polarad as evidence of confusion.¹⁰² Second, Polaroid used Polarad’s sales of corrector plates used in televisions as evidence of Polarad’s dealings in the same industry.¹⁰³ The court set forth several factors to analyze likelihood of confusion:

[T]he strength of his mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant’s good faith in adopting its own mark, the quality of defendant’s product, and the sophistication of the buyers.¹⁰⁴

In *Polaroid*, the court held that although the plaintiff’s trademark was strong and the similarity between the marks was substantial, evidence of actual confusion was “not impressive” and thus affirmed the lower court’s judgment.¹⁰⁵

Although no factor is dispositive, a defendant’s intent is a critical factor.¹⁰⁶ If a court finds that a defendant acted in good faith, it can go a long way in reducing or eliminating liability.¹⁰⁷ For example, Elizabeth Taylor Cosmetics was denied trademark registration for the brand’s newest fragrance

⁹⁷ See *Nat. Organics, Inc. v. Nutraceutical Corp.*, 426 F.3d 576, 578 (2d Cir. 2005).

⁹⁸ *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 493 (2d Cir. 1961).

⁹⁹ *Id.*

¹⁰⁰ See *id.* at 494–95.

¹⁰¹ *Id.* at 495.

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Polaroid*, 287 F.2d at 495.

¹⁰⁵ *Id.* at 495, 498.

¹⁰⁶ MCKENNEY & LONG, *supra* note 15, at § 3.18.

¹⁰⁷ *Id.*

“Elizabeth Taylor’s Passion,” due to a likelihood of confusion stemming from Annick Goutal’s “Passion” fragrance.¹⁰⁸ Elizabeth Taylor Cosmetics continued plans for production and filed an action for declaratory judgment despite warnings from Annick Goutel’s counsel.¹⁰⁹ Both fragrances were sold at similar price points and at similar stores although the products did not directly compete.¹¹⁰ The United States District Court for the Southern District of New York noted that although Elizabeth Taylor did not act in utmost good faith, it was unlikely that the company knew of any specific trademark registration by Annick Goutal when “Passion” was announced.¹¹¹ Additionally, the court noted that because of the heightened awareness of Elizabeth Taylor’s name, it is “obvious . . . that Taylor did not adopt the ‘Passion’ name in an attempt to bootstrap sales of its products onto sales of Goutal’s products”¹¹² Interestingly, the court brought in the highly relevant but often overlooked factor of sophistication of the buyers when analyzing likelihood of confusion.¹¹³ Since women are “sophisticated fragrance consumers” and “know their perfume,” the likelihood of confusion tipped in Elizabeth Taylor’s favor.¹¹⁴

In *Levi Strauss & Co. v. Blue Bell, Inc.*, the Ninth Circuit analyzed a likelihood of confusion issue when Levi Strauss brought suit against Blue Bell for allegedly infringing upon a trademarked red pocket tab.¹¹⁵ Strauss first used its trademarked pocket tab on overalls and extended its use onto jackets and pants.¹¹⁶ Strauss subsequently filed additional trademarks for garment tabs in more colors.¹¹⁷ After Strauss filed a trademark for a vertical shirt pocket tab, Blue Bell started using a horizontal pocket tab with the words “Maverick” or “Wrangler” on the shirts.¹¹⁸ Strauss argued that since an earlier lawsuit determined that its use of pant pocket tabs acquired a strong secondary meaning, that it therefore owned the trademark rights to all

¹⁰⁸ *Elizabeth Taylor Cosms. Co. v. Annick Goutal, S.A.R.L.*, 673 F. Supp. 1238, 1242 (S.D.N.Y. 1987).

¹⁰⁹ *Id.*

¹¹⁰ *Id.* at 1243, 1246.

¹¹¹ *Id.* at 1247.

¹¹² *Id.*

¹¹³ *See id.*

¹¹⁴ *Elizabeth Taylor Cosms.*, 673 F. Supp. at 1247 (quoting *Nina Ricci, S.A.R.L. v. Gemcraft, Ltd.*, 612 F. Supp. 1520, 1529 (1985)).

¹¹⁵ *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1353–54 (9th Cir. 1985).

¹¹⁶ *Id.* at 1354.

¹¹⁷ *Id.*

¹¹⁸ *Id.*

garment tabs.¹¹⁹ The Ninth Circuit agreed with the lower court's finding that there was no secondary meaning in the tab within the shirt market.¹²⁰ In order for Strauss to prove consumer confusion, there needed to be evidence that Blue Bell's shirt tabs caused "a reasonably knowledgeable and prudent purchaser" to think the shirt was a Strauss design.¹²¹ No such evidence existed, and the court concluded that there was no likelihood of confusion.¹²²

D. *Trade Dress: The Intellectual Property Right that Does Not Belong*

Trade dress is the confusing younger sister of the trademark that does not really belong in the intellectual property family. It extends the concept and protection of trademarks to the visual appearance of products or packaging.¹²³ As trade dress continues to expand and protection broadens, it has the capability to fully erode the true policy of trademarks because the line between trade dress and trademarks are blurred by courts.¹²⁴ While courts attempt to reassure the legal community that the functionality doctrine will prevent unwanted monopolies, "these reassurances are curiously unrealistic."¹²⁵

In 1998, Congress decided the Lanham Act needed "fine tuning" to reflect modern business practices.¹²⁶ The Lanham Act was subsequently amended to explicitly allow trade dress registration and even grant protection for unregistered trade dress.¹²⁷ In 1999, the Lanham Act was further amended to explicitly incorporate trade dress into the statutory language.¹²⁸ Trade dress differs from trademarks in that it involves the "total image of the product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques."¹²⁹ Essentially, trade dress grants protection under the Lanham Act for an aesthetic.

Under the Lanham Act, proving a trade dress infringement is very similar to proving trademark infringement. A plaintiff must show that he or she has

¹¹⁹ *Id.* at 1356.

¹²⁰ *Id.* at 1358.

¹²¹ *Levi Strauss*, 778 F.2d at 1359.

¹²² *Id.* at 1361.

¹²³ Glynn S. Lunney, *The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principal Register*, 51 HASTINGS L.J. 1131, 1135 (2000).

¹²⁴ *Id.* at 1165-66.

¹²⁵ *Id.* at 1167.

¹²⁶ DARIUS C. GAMBINO & WILLIAM L. BARTOW, 1-1 TRADE DRESS: EVOLUTION, STRATEGY, AND PRACTICE § 1.05 (Matthew Bender, Rev. ed., 2015) (quoting S. REP. NO. 100-515).

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983).

a protectable interest, which is established by evidence that the design is “inherently distinctive,” or that it has acquired secondary meaning and it is not functional.¹³⁰ When the trade dress in question is deemed inherently distinctive, proof of secondary meaning is not required.¹³¹ Courts have extended trade dress protection to the “festive” exterior and interior motifs of a Mexican restaurant chain, Chanel No. 5 perfume packaging, and the iconic Hermès Birkin bag.¹³²

Two Pesos v. Taco Cabana was the first modern trade dress case decided by the Supreme Court.¹³³ The dispute between the two restaurant chains arose when Taco Cabana sued Two Pesos for trade dress infringement.¹³⁴ Taco Cabana described its trade dress as “a festive eating atmosphere” decorated with artifacts and bright colors.¹³⁵ Further, Taco Cabana claimed the exterior design of its restaurants with neon stripes, vivid borders, and bright umbrellas as part of its trade dress.¹³⁶ Following a jury trial, judgment in the lower court was entered in favor of Taco Cabana.¹³⁷ Two Pesos alleged that the jury’s finding of no secondary meaning contradicted their finding of inherent distinctiveness, as the jury was instructed that “Taco Cabana’s trade dress was protected if it either was inherently distinctive or had acquired a secondary meaning.”¹³⁸ The Court of Appeals rejected Two Pesos’ argument, and the Supreme Court granted certiorari to resolve a conflict among the Courts of Appeals: whether inherently distinctive trade dress is protectable without a showing of secondary meaning.¹³⁹

The Supreme Court noted that there was “no persuasive reason” to apply a secondary meaning requirement to trade dress.¹⁴⁰ The Court found no textual basis for the argument and held that requiring secondary meaning for

¹³⁰ Lauren Krohn, *Cause of Action for Trade Dress Infringement under § 43(a) of the Lanham Act*, 7 CAUSES OF ACTION 2D 725 (1995).

¹³¹ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776 (1992).

¹³² *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1116–17 (5th Cir. 1991); *Chanel, Inc. v. Suttner, No. 109-369*, 1956 WL 8101, at *3 (S.D.N.Y. June 4, 1956); The mark consists of the configuration of a handbag, Registration No. 3,936,105.

¹³³ *GAMBINO & BARTOW*, *supra* note 126, at § 1.06.

¹³⁴ *Two Pesos, Inc.*, 505 U.S. at 765.

¹³⁵ *Id.* (quoting *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1117 (5th Cir. 1991)).

¹³⁶ *Id.*

¹³⁷ *Id.* at 766.

¹³⁸ *Id.* at 766–67.

¹³⁹ *Id.* at 767.

¹⁴⁰ *Two Pesos, Inc.*, 505 U.S. at 770.

inherently distinctive trade dress undermined the Lanham Act's purpose.¹⁴¹ Requiring secondary meaning, per the Court, would have anticompetitive effects and harm small businesses because denying protection until secondary meaning is established could allow a competitor to adopt the trade dress in other markets and deter the creator from expanding into new markets.¹⁴² Per the Court's reasoning in *Taco Cabana*, requiring a business to demonstrate that consumers attribute an aesthetic to its product harms the marketplace because, if another business adopts a similar aesthetic in another market, the original business may not want to expand into new markets. Essentially, the reasoning behind granting Taco Cabana's alleged trade dress is to protect the business should they choose to build an Italian restaurant with neon awnings.¹⁴³ What cool comfort for Two Pesos, who sold its restaurant chain to Taco Cabana the following year.¹⁴⁴

The Supreme Court somewhat refined its holding in *Taco Cabana* a few years later when children's clothing designer Samara Brothers sued Wal-Mart. Samara Brothers designs and manufactures seersucker clothing, decorated with floral, heart, or fruit appliques.¹⁴⁵ In 1995, Wal-Mart contracted with a supplier to manufacture children's clothes for the summer season.¹⁴⁶ Wal-Mart sent photographs to its supplier of Samara Brothers' clothing, which the supplier copied with some minor adjustments.¹⁴⁷ Wal-Mart's sales of the seersucker knock-offs boomed, generating over \$1 million in profits.¹⁴⁸ Behind the scenes, a buyer for JCPenney contacted Samara Brothers to complain that Samara Brothers clothing was being sold at Wal-Mart for less than what JCPenney was allowed to sell it for.¹⁴⁹

Samara Brothers conducted an investigation, which unearthed numerous retailers selling seersucker knockoffs and subsequently brought suit for

¹⁴¹ *Id.* at 774.

¹⁴² *Id.* at 775.

¹⁴³ Note: Elements of Taco Cabana's protected trade dress can be viewed in the following photographs. See Photograph in *Taco Cabana*, 4360 Little Road, Arlington, Texas, TRIPADVISOR, https://www.tripadvisor.com/Restaurant_Review-g30183-d4252755-Reviews-Taco_Cabana-Arlington_Texas.html (last visited Feb. 13, 2021, 1:20 PM), Gallery; Photograph in Ashwi Mahajan, *Taco Cabana Menu with Prices*, THEFOODXP (Jan. 30, 2018), <https://thefoodxp.com/taco-cabana-menu-prices/>.

¹⁴⁴ Ron Ruggless, *Taco Cabana Buys Rival Two Pesos*, NATION'S RESTAURANT NEWS, (Jan. 25, 1993) at 2.

¹⁴⁵ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 207 (2000).

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* at 207-08.

¹⁴⁸ *Id.* at 208.

¹⁴⁹ *Id.*

unregistered trade dress infringement.¹⁵⁰ After the jury found in favor of Samara Brothers, Wal-Mart claimed that “there was insufficient evidence to support a conclusion that Samara’s clothing designs could be legally protected as distinctive trade dress” and renewed its motion for judgment as a matter of law.¹⁵¹ The district court denied Wal-Mart’s motion, and the Second Circuit affirmed.¹⁵²

Although there is nothing explicit within the Lanham Act requiring proof that trade dress is distinctive, the Supreme Court noted that courts universally impose the requirement because, absent distinctiveness, there is no risk of consumer confusion.¹⁵³ There are two long-settled ways distinctiveness can be established. First, inherent distinctiveness is shown if the product’s “intrinsic nature serves to identify a particular source.”¹⁵⁴ Second, a mark can acquire distinctiveness by “develop[ing] secondary meaning, which occurs when, ‘in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.’”¹⁵⁵

The Court looked back to its reasoning in *Abercrombie* and *Qualitex* and determined that “design, like color, is not inherently distinctive.”¹⁵⁶ The Court further reasoned that when analyzing product design—like color—there is no predisposition for consumers to equate the feature with the source.¹⁵⁷ The Court then made a powerful statement: “[E]ven the most unusual of product designs . . . is intended not to identify the source, but to render the product itself more useful or more appealing.”¹⁵⁸ Because product designs serve other purposes beyond source identification, application of inherent distinctiveness harms consumer interests.¹⁵⁹ The Court went on to reject Wal-Mart’s argument that *Taco Cabana* established that product-design trade dress can never be inherently distinctive.¹⁶⁰ The Court

¹⁵⁰ *Id.*

¹⁵¹ *Wal-Mart*, 529 U.S. at 208.

¹⁵² *Id.*

¹⁵³ *Id.* at 210.

¹⁵⁴ *Id.* (quoting *Two Pesos, Inc.*, 505 U.S. at 768).

¹⁵⁵ *Id.* at 211 (quoting *Inwood Lab’ys., Inc. v. Ives Lab’ys., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

¹⁵⁶ *Id.* at 211–12.

¹⁵⁷ *Wal-Mart*, 529 U.S. at 212.

¹⁵⁸ *Id.* at 213.

¹⁵⁹ *Id.*

¹⁶⁰ *Id.* at 214–15.

distinguished between product-design trade dress and product packaging, deeming Taco Cabana's restaurant décor to be packaging instead of design.¹⁶¹

The Court admitted it would be hard to draw lines between product design and product packaging trade dress in the future, such as deciphering whether the iconic glass Coca-Cola bottle is design or packaging.¹⁶² Nevertheless, the Court dismissed the concerns on the grounds that such cases would not be frequent.¹⁶³ In the end, the Court held that unregistered trade dress can be protected if there is a showing of secondary meaning.¹⁶⁴ The blurred lines between product design and product packaging proves difficult in trade dress cases, and it appears that how a lawyer frames the issue is what really affects the outcome at trial.¹⁶⁵

Beyond seersucker children's clothing, trade dress protection has been extended to the relatively simple, yet comically expensive, Hermès Birkin handbag. In its trademark registration, Hermès claimed that the entire design of its Birkin bag was distinctive.¹⁶⁶ The rectangular bag with a padlock clasp is named after actress Jane Birkin and is known for being the most expensive and exclusive handbag in the world.¹⁶⁷ A single Hermès Birkin handbag can cost up to \$500,000.¹⁶⁸ The handbag is so exclusive you cannot go into a store and purchase one, instead you must receive an invitation from the company to purchase one.¹⁶⁹ Hermès successfully defended the Birkin design against several fashion companies that produced "confusingly similar" handbags.¹⁷⁰

In 2000, the Second Circuit hinted that Hermès has trade dress protection covering numerous of the brand's handbags, including the iconic Kelly bag, because "Hermès' designs continue to indicate their source."¹⁷¹ The United States District Court for the Southern District of New York painted an

¹⁶¹ *Id.* at 215.

¹⁶² *Id.*

¹⁶³ *Wal-Mart*, 529 U.S. at 215.

¹⁶⁴ *Id.* at 216.

¹⁶⁵ GAMBINO & BARTOW, *supra* note 126, at § 1.06.

¹⁶⁶ The mark consists of the configuration of a handbag, having rectangular sides, a rectangular bottom, and a dimpled triangular profile, Registration No. 3,936,105.

¹⁶⁷ Jack Houston & Irene Anna Kim, *A Handbag Expert Explains Why Hermès Birkin Bags are so Expensive*, BUS. INSIDER (June 13, 2019, 12:00 PM), <https://www.businessinsider.com/hermes-birkin-bag-real-real-handbag-expert-so-expensive-2019-6?op=1>.

¹⁶⁸ *Id.*

¹⁶⁹ *Id.*

¹⁷⁰ *Hermes Int'l v. Emperia, Inc.*, No. 2:14-cv-03522-SVW-VBK at *1–2 (C.D. Cal. July 31, 2014) (PACER).

¹⁷¹ *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 109–11 (2d Cir. 2000).

interesting picture of how item exclusivity and a defendant's intent can be deciding factors in trade dress and trademark infringement cases.¹⁷² Each Hermès Kelly bag takes a painstaking 16 hours to handcraft, and any bags containing imperfections are destroyed.¹⁷³ Hermès claims each element of its Kelly bag is distinctive, from the thin handles to its trapezoidal shape.¹⁷⁴ Undercover investigators recorded the defendant's store salespeople telling customers that its bags were "direct copies" of iconic Hermès handbags.¹⁷⁵ The district court used the defendant's direct copying as evidence that Hermès' products are source-identifiers.¹⁷⁶ The United States Court of Appeals for the Second Circuit noted that the high value of original Hermès handbags comes, at least in part, from their scarcity.¹⁷⁷ The Second Circuit wrote about elevating status when purchasing a high-end, genuine article and how the public is harmed when knockoffs are purchased.¹⁷⁸ While the elite Hermès market may experience *de minimus* harm when knockoffs are on the market, are Louboutin's sophisticated shoppers actually harmed by YSL's monochromatic Tribute shoe? YSL did not misrepresent its shoe as a Louboutin knockoff or direct copy, instead, YSL simply *re-released* its iconic shoe in a primary color in a different shade, style, and aesthetic from Louboutin's classic designs.¹⁷⁹

E. *Trademark Dilution: I Made That Mark "Famous"*

Section 1125(c) of the Lanham Act grants some special rights to those whose marks are deemed famous. A mark is considered famous if it becomes "widely recognized by the general consuming public" as a source indicator of goods made by the mark's owner.¹⁸⁰ When determining if a mark is famous, courts balance the factors of the mark's reach, actual recognition of the mark, and the extent of sales of goods under the mark.¹⁸¹ If an alleged infringer's use of the famous mark causes dilution, the mark's owner can request an injunction.¹⁸² The Lanham Act outlines two different forms of trademark

¹⁷² *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 50 F. Supp. 2d 212 (S.D.N.Y. 1999).

¹⁷³ *Id.* at 215.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.* at 218–19.

¹⁷⁶ *Id.* at 221.

¹⁷⁷ *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 108 (2d Cir. 2000).

¹⁷⁸ *Id.* at 109.

¹⁷⁹ *Louboutin I*, 778 F.Supp 2d at 449.

¹⁸⁰ 15 U.S.C. § 1125(c)(2)(A).

¹⁸¹ *Id.*

¹⁸² 15 U.S.C. § 1125(c)(1).

dilution: dilution by tarnishment and dilution by blurring.¹⁸³ Dilution by tarnishment occurs when the famous mark is associated with another mark or trade name that harms the famous mark's reputation.¹⁸⁴ Dilution by blurring occurs when the similarity between the famous mark and other mark or trade name impairs the famous mark's distinctiveness.¹⁸⁵ The Lanham Act explicitly states that injunctive relief may be granted regardless of any economic injury, likelihood of or actual consumer confusion, or competition.¹⁸⁶

The protection extended to famous trademarks is reminiscent of the strict liability system that operates within patent law.¹⁸⁷ The Supreme Court tried to raise the burden of proof for damages for famous trademarks in *Moseley v. V Secret Catalogue*.¹⁸⁸ Victor's Secret, a lingerie store owned by a husband and wife team in a Kentucky strip mall, sent out a grand opening advertisement in a newspaper distributed to military residents in Fort Knox, Kentucky.¹⁸⁹ An army colonel saw the advertisement and sent it to Victoria's Secret, believing the local lingerie store was attempting to usurp the well-known Victoria's Secret mark.¹⁹⁰ Counsel for Victoria's Secret wrote to the owners of Victor's Secret and requested "immediate discontinuance of the use of the name 'and any variations thereof.'"¹⁹¹ The owners changed the name of their store to Victor's Little Secret and Victoria's Secret, displeased with the minor name change, subsequently filed suit.¹⁹² The owners of Victor's Little Secret did not dispute that Victoria's Secret is a famous trademark, leaving the court only to determine if any dilution occurred.¹⁹³ The Supreme Court agreed with the Fourth Circuit that when the marks at issue are not identical, the mere fact that consumers associate the two marks is not enough to establish dilution.¹⁹⁴ The Supreme Court reasoned that such association does not automatically diminish the famous mark's source

¹⁸³ *Id.*

¹⁸⁴ 15 U.S.C. § 1125(c)(2)(C).

¹⁸⁵ 15 U.S.C. § 1125(c)(2)(B).

¹⁸⁶ 15 U.S.C. § 1125(c)(1).

¹⁸⁷ 15 U.S.C. § 1125(c); *see, e.g., Burberry Ltd. v. Euro Moda, Inc.*, 08 Civ. 5781, 2009 U.S. Dist. LEXIS 53250, at *21–23 (S.D.N.Y. June 10, 2009); 35 U.S.C. § 271(a).

¹⁸⁸ *Moseley v. V Secret Catalogue*, 537 U.S. 418, 434 (2003).

¹⁸⁹ *Id.* at 422.

¹⁹⁰ *Id.* at 423.

¹⁹¹ *Id.*

¹⁹² *Id.*

¹⁹³ *Id.* at 425.

¹⁹⁴ *Moseley*, 537 U.S. at 433.

identification power.¹⁹⁵ While the Court noted that gathering evidence of dilution may be difficult in some cases, it is “not an acceptable reason for dispensing with proof of an essential element of a statutory violation.”¹⁹⁶ The Court then reversed the favorable rulings for Victoria’s Secret and remanded the case.¹⁹⁷

While the ruling sounded like a win for fundamental fairness within trademark protection and litigation by requiring some proof of harm, Congress passed the Trademark Dilution Revision Act of 2006, which allows an injunction against an alleged infringer if the mark is *likely* to cause dilution.¹⁹⁸ In virtually eliminating any requirement of harm, Congress has granted those with famous marks an extremely strong right. This begs the question: what makes a trademark famous? While the Lanham Act outlines a few non-exhaustive factors as mentioned above, one court based its decision almost solely on sales figures.¹⁹⁹

Anheuser-Busch sought registration for “PATAGONIA” to be used in connection with a new line of beer.²⁰⁰ Unsurprisingly, the outdoor clothing manufacturer Patagonia filed suit against Anheuser-Busch, asserting trademark dilution and infringement.²⁰¹ Anheuser-Busch argued that Patagonia is not a famous trademark and moved to dismiss the brand’s claims.²⁰² The California Central District Court noted that for a mark to be famous, it must be “truly prominent and renowned.”²⁰³ The court determined that Patagonia sufficiently alleged that its mark is famous due to extensive advertising efforts, \$10 billion in sales since 1985, and the fact that it owns several federal trademarks in connection with its goods.²⁰⁴

If extensive advertising and billions of dollars in sales is what indicates trademark fame, the broad right granted to famous marks are only vested in a few megabrands. Is the protection extended to famous marks really fulfilling the policy behind trademarks? Would a home furnishings store named Victor’s Secret actually infringe upon Victoria’s Secret lingerie empire

¹⁹⁵ *Id.*

¹⁹⁶ *Id.* at 434.

¹⁹⁷ *Id.*

¹⁹⁸ Trademark Dilution Revision Act of 2006, Pub. L. No. 109–312, § 2, 120 Stat. 1730, 1730 (2006).

¹⁹⁹ Patagonia, Inc. v. Anheuser-Busch, LLC, No. 2:19-CV-02702-VAP-JEMx, LEXIS 230942, at *11 (C.D. Cal. Sept. 3, 2019).

²⁰⁰ *Id.* at *3.

²⁰¹ *Id.* at *6.

²⁰² *Id.* at *9.

²⁰³ *Id.* at *9–10.

²⁰⁴ *Id.* at *11.

and cause consumer confusion? Would a farming operation named Patagonia cause consumer confusion? The hypotheticals could go on forever, but the writers of the Lanham Act seem to presume that consumers get confused easily.

III. PROBLEM

A. Louboutin v. YSL District Court: *You Can Have Your Color and Wear it, Too*

In 1992, the luxury French fashion house Louboutin started manufacturing shoes with red soles.²⁰⁵ The idea for the Red Sole Mark allegedly came to be when shoe designer Christian Louboutin saw his assistant painting her nails red.²⁰⁶ Inspired by the red lacquer, he decided to design shoes with red lacquered outsoles and gained enormous popularity.²⁰⁷ The shiny red-lacquered soles have become signature to his brand.²⁰⁸ Louboutin now sells over a million shoes a year with prices ranging from \$695 to over \$6,000 a pair.²⁰⁹ As the district court eloquently noted, when people see red-lacquered soles they immediately think of Louboutin's shoes.²¹⁰ A-list celebrities, models, and U.S. political figures sport the brand on the regular.²¹¹ Although rival French fashion house YSL retorted that Louboutin's red sole shoes are copied from King Louis XIV's red sole dancing shoes or, alternatively, Dorothy's iconic ruby red slippers from "The Wizard of Oz," Louboutin's marketing expenditures and creativity surrounding its

²⁰⁵ *Louboutin I*, 778 F. Supp. 2d at 447.

²⁰⁶ *Christian Louboutin Biography*, BIOGRAPHY (Apr. 2, 2014), <https://www.biography.com/fashion-designer/christian-louboutin>.

²⁰⁷ *Id.*

²⁰⁸ *Louboutin I*, 778 F. Supp. 2d at 448.

²⁰⁹ *Christian Louboutin*, BUS. FASHION, <https://www.businessoffashion.com/community/people/christian-louboutin> (last visited Feb. 15, 2021); Emma Fierberg, *Why Louboutin shoes are so expensive*, BUS. INSIDER (Oct. 3, 2018, 11:31 AM) <https://www.businessinsider.com/why-christian-louboutin-shoes-are-so-expensive-red-bottoms-heels-2018-9>.

²¹⁰ *Louboutin I*, 778 F. Supp. 2d at 448.

²¹¹ *Id.*; see Sam Reed, *Melania Trump's \$795 Logo-Covered Louboutin Pumps Are Doing the Most*, INSTYLE, <https://www.instyle.com/news/melania-trumps-795-vinyl-louboutin-pumps-are-doing-most> (last updated July 10, 2018, 6:30 PM); Kenzie Bryant, *Melania Trump and Her \$75,000 Birkin Bag Make Their Exit*, VANITY FAIR (Jan. 20, 2021), <https://www.vanityfair.com/style/2021/01/melania-trump-birkin-bag-funeral-black>; Oscar Holland, *Alexandria Ocasio-Cortez Unveiled as Vanity Fair's Latest Cover Star*, CNN, <https://www.cnn.com/style/article/aoc-vanity-fair/index.html> (last updated Oct. 29, 2020).

red sole shoes paid off in 2008 when the USPTO granted the brand's trademark registration for the Red Sole Mark.²¹²

In 2011, Louboutin approached YSL regarding the brand's decision to re-release a red monochromatic shoe titled the Tribute and three other shoe designs featuring a red monochromatic design.²¹³ YSL, founded in 1961, is a luxury fashion house, championed for pioneering the women's trouser suit, that sells both men's and women's clothing, accessories, and—of course—shoes.²¹⁴ YSL had previously released an entirely red version of the Tribute shoe in the brand's 2008 Cruise Collection without issue.²¹⁵ YSL refused to take its monochromatic red shoe off the market, alleging that shoes with red outsoles had been an occasional appearance in the brand's collections since the 1970s, and Louboutin subsequently filed suit in federal court seeking a preliminary injunction and seven claims under the Lanham Act.²¹⁶ YSL asserted two counterclaims against Louboutin's trademark infringement claim.²¹⁷ YSL sought cancellation of the red sole trademark on the grounds that it is not distinctive, but rather ornamental and functional.²¹⁸ As a consequence, the United States District Court for the Southern District of New York faced a novel question: can a single color be trademark protected within the fashion industry?

In an illustrative and grandiose opinion reminiscent of Justice Benjamin Cardozo, the district court sifted through facts and law to determine whether Louboutin's Red Sole Mark was valid. First, to succeed in its claim for trademark infringement and unfair competition under the Lanham Act, Louboutin needed to establish that the Red Sole Mark warranted protection and that YSL's use of the mark would cause consumer confusion about the shoe's origin.²¹⁹ Because Louboutin's Red Sole Mark was registered with the USPTO, there was a rebuttable presumption that the Red Sole Mark was

²¹² *Louboutin I*, 778 F. Supp. 2d at 448.

²¹³ *Id.* at 449.

²¹⁴ *History*, KERING, <https://www.kering.com/en/houses/couture-and-leather-goods/saint-laurent/history/> (last visited Feb. 20, 2021); Colin McDowell, *Yves Saint Laurent (1936–2008)*, BUSI. FASHION (Aug. 21, 2015, 7:58 PM) <https://www.businessoffashion.com/articles/education/yves-saint-laurent-1936-2008-2>.

²¹⁵ *Louboutin I*, 778 F. Supp. 2d at 449. *Id.* at 499 n.3 (“[C]ruise” within the fashion industry is the time period between a designer's winter and spring collections. Cruise collections are sold in stores starting in November.).

²¹⁶ *Louboutin I*, 778 F. Supp. 2d at 449.

²¹⁷ *Louboutin II*, 696 F.3d at 214.

²¹⁸ *Louboutin I*, 778 F. Supp. 2d at 449.

²¹⁹ *Id.* at 450.

valid.²²⁰ The district court's analysis and eventual conclusion relied heavily on the *Qualitex* case, in which the Supreme Court decided that color alone can *sometimes* meet trademark requirements.²²¹ The district court noted that color could meet the legal requirements of a trademark if its purpose is source identification "without serving any other significant function."²²² Under the Third Restatement of Unfair Competition approach, which the court applied, a design is deemed functional if its "'aesthetic value' is able to 'confer a significant benefit that cannot practically be duplicated by the use of alternative designs.'"²²³

Considering both *Qualitex* as established precedent and principles set out in the Restatement, courts historically approved single color trademarks for industrial products, but the nature of these products had to conform to industry-wide standards so that the color was simply acting as a source identifier.²²⁴ The district court noted that both the commercial and industrial sector purposes for color trademarks do not fit with the characteristics and needs of fashion.²²⁵ After all, we do not see models during fashion week "sashaying down the runways in displays of the designs and shades of the season's collections of wall insulation."²²⁶ As the years and seasons go by, what is considered fashionable changes and is replaced with new trends and designs.²²⁷ Due to the transient nature of the fashion industry, the district court noted that color is a "critical attribute of the goods" and a "primal ingredient" of fashion.²²⁸ Without color, fashion "as expressive and ornamental art" would fail to flourish.²²⁹ Color's function in fashion is to be aesthetically appealing.²³⁰ The district court revived the color depletion theory cast aside by the Supreme Court in *Qualitex* when it reasoned that granting a creator the right to appropriate a color would "hang an ambiguous threatening cloud" around similar shades, creating blockades where creators would be fearful to enter, thus harming the commerce and marketplace

²²⁰ *Id.*

²²¹ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 174 (1995).

²²² *Louboutin I*, 778 F. Supp. 2d at 450 (quoting *Qualitex*, 514 U.S. at 166).

²²³ *Id.* (quoting *Qualitex*, 514 U.S. at 170).

²²⁴ *Id.* at 451.

²²⁵ *Id.*

²²⁶ *Id.*

²²⁷ *Id.* at 452.

²²⁸ *Louboutin I*, 778 F. Supp. 2d at 452.

²²⁹ *Id.*

²³⁰ *Id.*

competition.²³¹ In sum, the district court found that granting a color monopoly to one designer would hinder commerce, competition, and artistic expression.²³²

Transitioning to aesthetic functionality, the district court noted that in other industries, aesthetic appeal alone has been considered functional for trademark purposes, thereby barring protection under the Lanham Act.²³³ The district court quoted the Seventh Circuit in *Honeywell* where, just a few short years prior, the court said “[a]esthetic appeal can be functional; often we value products for their looks.”²³⁴ While analyzing aesthetic functionality, the district court cheekily brought up Christian Louboutin’s statement on why he chose red to adorn the soles of shoes he designs.²³⁵ Christian Louboutin said he chose red to give the shoes “energy,” to be “engaging,” and to attract men to the women who wear Louboutin shoes.²³⁶ The district court cleverly brought up that the red outsole does affect the sole of the shoe because it makes it more expensive.²³⁷ The Supreme Court left a gaping hole when it set forth the requirement that a product feature is functional when it affects the cost or quality of the item.²³⁸ The Supreme Court did not specify that the functional feature had to make the product *less* expensive; thus if a mark or feature makes a product more expensive to manufacture it could be found to be functional under existing law.²³⁹ The district court noted that for high-end brands like Louboutin, higher production costs for features like the Red Sole Mark make the end result more exclusive for consumers.²⁴⁰

In regard to unfair competition, the district court found that Louboutin’s claim to the color red was too broad and inconsistent with the Lanham Act.²⁴¹ If Louboutin succeeded in its trademark claim, not only would the high-end shoe market be adversely affected, but the cloud of litigation could extend to other articles of clothing as well.²⁴²

²³¹ *Id.* at 453.

²³² *Id.*

²³³ *Id.*; see *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1533 (Fed. Cir. 1994); *Deere & Co. v. Farmhand, Inc.*, 721 F.2d 253 (8th Cir. 1983).

²³⁴ *Louboutin I*, 778 F. Supp. 2d at 453 (quoting *Eco Mfg. LLC v. Honeywell Int’l Inc.*, 357 F.3d 649, 653 (7th Cir. 2003) (alteration in original)).

²³⁵ *Id.*

²³⁶ *Id.*

²³⁷ *Id.* at 454.

²³⁸ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995).

²³⁹ *Id.*; see *Louboutin I*, 778 F. Supp. 2d at 454.

²⁴⁰ *Louboutin I*, 778 F. Supp. 2d at 454.

²⁴¹ *Id.*

²⁴² *Id.*

Looking beyond the patently unfair competition and negative public policy ramifications, the district court brought up additional problems that Louboutin's trademark registration presented. First, Louboutin's registration did not mention a specific shade of red, instead, the registration granted Louboutin "the color red."²⁴³ Louboutin eventually identified the Pantone No. 18-1663 TP as the color applied to the soles of its shoes, but due to varying absorption and reflection issues depending on what material the color is applied to, Louboutin proposed the district court grant it a range of colors around the specific Pantone color it supposedly owns.²⁴⁴ Note that although Louboutin stated which Pantone color it allegedly owned, trademark registrations cannot be amended, so the color represented on the registration is the one that governs.²⁴⁵

If Louboutin is granted its desired range of red, the brand would effectively be "appropriating more than a dozen shades of red."²⁴⁶ In support of its proposal, Louboutin relied on a district court case where the court granted an injunction requiring the infringer to use a Pantone color differing at least 40 percent from the registrant's.²⁴⁷ The injunction did not grant the registrant a protectable interest in the color pink itself, but a protectable interest in the combination of pink with the other features of the product packaging.²⁴⁸ So, the injunction in the case Louboutin cited was easy for the district court to distinguish due to the practical and consequential differences in the claims.

To tamper with the absurdity of its request, Louboutin proposed that its trademark would be limited to high-heeled shoes, but that limitation is not found in its trademark registration, leaving the door wide open for Louboutin to litigate over any type of footwear desired.²⁴⁹ Louboutin's trademark registration covers high-end shoes of all styles, not just its signature stiletto, giving the brand an expansive footprint of ownership in the industry.²⁵⁰ Additionally, Louboutin has a history of pursuing legal action beyond the scope of its trademark registration, leaving Louboutin's argument that the Red Sole Mark only covers high-fashion footwear moot.²⁵¹ The same year Louboutin filed suit against YSL, Louboutin filed another suit against French

²⁴³ *Id.* at 455.

²⁴⁴ *Id.*

²⁴⁵ *Id.*

²⁴⁶ *Louboutin I*, 778 F. Supp. 2d at 455.

²⁴⁷ *Id.*; see *Olay Co. v. Cococare Prods.*, 218 U.S.P.Q. 1028, 1045 (S.D.N.Y. Apr. 19, 1983).

²⁴⁸ *Louboutin I*, 778 F. Supp. 2d at 456.

²⁴⁹ *Id.*

²⁵⁰ *Id.*

²⁵¹ *Id.*

fast-fashion giant Zara for producing a peep-toe, red pump similar to Louboutin's "Yoyo" heels.²⁵² The French court held that there was no chance of consumer confusion between the two brands and that Louboutin's trademark registration was "too vague."²⁵³

Ambiguity exists within the Red Sole Mark about what sole coating is prohibited to other designers partnered with the sole's red color. The trademark registration specifically describes a lacquered red sole.²⁵⁴ However, the designs that Louboutin sued over featured flat red soles.²⁵⁵ So, while Louboutin alleges that its hawk-like protection over red-soled shoes stops at high-end stilettos, its actions show otherwise.

The alternative option Louboutin presented to the district court was even more absurd than the prohibited color range proposal. Louboutin proposed that other designers could "seek advance clearance from Christian Louboutin himself" to determine which shade of red he would graciously allow a designer to use.²⁵⁶ After all, who better to spread "the fan of shades before . . . to see at what tint his red light changes to amber," than the one claiming to own the color.²⁵⁷ Further, when YSL alleged that the color applied to its shoes was not the Pantone color Louboutin claimed ownership of, Louboutin's only retort was that it is too close to the shade of red it uses and could not explain why this specific YSL shoe collection and none of the ones with red outsoles YSL previously released are confusingly similar.²⁵⁸

The final strike for the district court against Louboutin's claim presented itself in a deposition. In a deposition with Christian Louboutin, YSL inquired as to what specific shoe infringed the Red Sole Mark, and Christian Louboutin answered by saying he "will have to think about it."²⁵⁹ In response to whether Louboutin would object to any shade of red used on outsoles of shoes, Christian Louboutin's counsel instructed him not to answer.²⁶⁰ The district court concluded that the Lanham Act could not serve "as the source of the broad spectrum of absurdities that would follow recognition of a trademark for the use of a single color for fashion items," and denied

²⁵² *Id.* at 456; *Louboutin v. Zara: Battle of the Soles*, FASHION L. (June 12, 2012), <https://www.thefashionlaw.com/louboutin-v-zara-battle-of-the-soles/>.

²⁵³ *Louboutin v. Zara: Battle of the Soles*, *supra* note 252.

²⁵⁴ *Louboutin I*, 778 F. Supp. 2d at 456.

²⁵⁵ *Id.*

²⁵⁶ *Id.*

²⁵⁷ *Id.*

²⁵⁸ *Id.* at 455.

²⁵⁹ *Id.* at 456 n.7.

²⁶⁰ *Louboutin I*, 778 F. Supp. 2d at 456 n.7.

Louboutin's requested injunction.²⁶¹ Perhaps a more favorable ruling would have been rendered if Louboutin claimed its mark was famous.

B. YSL v. Louboutin *Second Circuit: Taking the Crayon out of the Quiver*

Unsurprisingly, Louboutin appealed the unfavorable judgment rendered by the district court. However, the Second Circuit did not follow in the district court's footsteps and instead reversed the lower court's decision.²⁶² The error in the Second Circuit's reversal can be illustrated by the fanciful, albeit simple, illustration the district court presented, in which Picasso sues Monet for using a shade of indigo that he used to depict water in his Blue Period paintings.²⁶³ In the hypothetical, Picasso asserted exclusive ownership of the shade of indigo because of his longstanding use of the shade and a registered trademark.²⁶⁴ Should Monet be banned from using a particular shade of indigo to depict water just because Picasso used the same or a similar shade? When you boil down the dispute between YSL and Louboutin, the fashion companies presented the courts with the same question.

After a brief recitation of the procedural history and facts, the Second Circuit decided to approach the dispute in three parts: (1) whether a single color is protectable in general and within the fashion industry, (2) whether aesthetic functionality bars single color trademarks within the fashion industry, and (3) whether the Red Sole Mark is a valid trademark under the Lanham Act.²⁶⁵

The Second Circuit first analyzed whether the Red Sole Mark was distinctive or whether it had acquired a secondary meaning in the minds of the public.²⁶⁶ As the court noted, a mark is distinctive if it "serves to identify a particular source."²⁶⁷ A mark acquires secondary meaning if the primary purpose of the mark is to identify the product's source instead of the product itself.²⁶⁸ Even if a trademark is deemed valid via inherent distinctiveness or acquiring distinctiveness through secondary meaning, a challenger may assert the traditional defense of functionality.²⁶⁹ The court noted that under *Qualitex*, "aspects of a product that are 'functional' generally 'cannot serve as

²⁶¹ *Id.* at 457–58.

²⁶² *Louboutin II*, 696 F.3d 206, 212.

²⁶³ *Louboutin I*, 778 F. Supp. 2d at 451.

²⁶⁴ *Id.*

²⁶⁵ *Id.*

²⁶⁶ *Louboutin II*, 696 F.3d at 216.

²⁶⁷ *Id.* (quoting *Two Pesos, Inc.*, 505 U.S. at 768).

²⁶⁸ *Id.*

²⁶⁹ *Id.* at 217.

a trademark.”²⁷⁰ Functional features can only be extended protection through patent law, where a time-limited monopoly is granted to the inventor.²⁷¹

The Second Circuit noted that federal trademark law provides two major benefits: it exists to protect consumers from competitors using another’s source-identifying mark and ensures the producer that they may enjoy the reputation-related goodwill stemming from its mark and product.²⁷² However, trademark law is not supposed to grant a monopoly over a functional feature or inhibit legitimate competition.²⁷³ Such extensive monopolies are the hallmarks of copyright and patent law which seek to grant monopolies to inventors and innovators to encourage future innovation, not trademark law which “seeks to preserve a ‘vigorously competitive market’ for the benefit of consumers.”²⁷⁴

There are two types of functionality: utilitarian and aesthetic.²⁷⁵ While both types are important in trademark law, the Second Circuit focused most of its time analyzing aesthetic functionality. Under *Qualitex*, aesthetic functionality occurs when the mark itself is the aesthetic design of a product.²⁷⁶ Aesthetic functionality also exists when giving one company the exclusive right to use the mark “would put competitors at a significant non-reputation-related disadvantage.”²⁷⁷

The Second Circuit set forth a three-part test for determining aesthetic functionality.²⁷⁸ First, the court considered whether the mark is essential to the product’s use or purpose, and then looked to whether it affects the quality or cost of the product.²⁷⁹ Lastly, the court analyzed the unfair competition aspect outlined in *Qualitex*.²⁸⁰ The Second Circuit emphasized that the functionality doctrine does not guarantee the greatest range of a competitor’s creativity and that its only purpose is to prevent monopolization.²⁸¹ Instead of thoughtfully combing through the district court’s analysis, the Second

²⁷⁰ *Id.* at 218 (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995)).

²⁷¹ *Id.* at 218–19.

²⁷² *Louboutin II*, 696 F.3d at 215, 216 (citing *Fabrication Enterprises, Inc. v. Hygenic Corp.*, 64 F.3d 53, 57 (2d Cir. 1995); *Qualitex*, 514 U.S. at 163–64).

²⁷³ *Id.* at 216.

²⁷⁴ *Id.* (quoting *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 115 (2d Cir. 2001)).

²⁷⁵ *Id.* at 219.

²⁷⁶ *Id.* at 219–20.

²⁷⁷ *Id.* at 220 (quoting *Qualitex*, 514 U.S. at 165).

²⁷⁸ *Louboutin II*, 696 F.3d at 220.

²⁷⁹ *Id.*

²⁸⁰ *Id.*

²⁸¹ *Id.* at 223–24.

Circuit balked when it perceived that the district court had established a *per se* rule for color trademarks within the fashion industry and made a rush to judgment.²⁸² The Second Circuit essentially swept aside a key point in *Qualitex* that “a single color, standing alone, can almost never be inherently distinctive because it does not ‘almost automatically tell a customer that [it] refer[s] to a brand.’”²⁸³ Instead, the court inserted its own opinion a few sentences later as the governing law: “We see no reason why 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.”²⁸⁴

The Second Circuit considered Louboutin’s advertising expenditures, successful sales figures, and consumer surveys to mean that the Red Sole Mark had become a symbol and had acquired a secondary meaning when the red sole contrasts with the shoe’s upper.²⁸⁵ Having hastily concluded that the Red Sole Mark was enforceable because it had acquired secondary meaning, the Second Circuit chose not to look at “the likelihood of consumer confusion” or whether the Red Sole Mark was functional.²⁸⁶ Additionally, the Second Circuit left several unanswered questions that were initiated by the district court’s opinion. What color of red is going to be protected? Does the protection extend to shoes besides high heels since the trademark registration explicitly states high-end designer footwear? Does the trademark extend to lower-end footwear? And what about consumer confusion? Moreover, in its conclusion, the Second Circuit clung to its principle that “[t]he crucial question in a case involving secondary meaning always is whether the public is moved in any degree to buy an article because of its source.”²⁸⁷

However, such a “crucial question” overlooks the fact that consumers may want to buy a product not because of its source, but because the monopoly granted to the designer leaves them with only one option in exercising its purchasing power. A legal scholar, Felix Cohen, voiced this concern in 1935 before the Lanham Act was even a glimmer in Congress’s eyes. Cohen wrote that unfair competition laws operate through circular reasoning.²⁸⁸ He further wrote that courts departed from the theory that trademarks protect consumers against other producers passing off inferior goods with

²⁸² *Id.* at 225.

²⁸³ *Id.* at 225–26 (quoting *Qualitex*, 514 U.S. at 162–63).

²⁸⁴ *Louboutin II*, 696 F.3d at 226.

²⁸⁵ *Id.* at 226–27.

²⁸⁶ *Id.* at 228.

²⁸⁷ *Id.* at 226 (quoting *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 143 n.4 (2d Cir. 1997)).

²⁸⁸ Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809, 814 (1935).

misleading marks.²⁸⁹ Instead, injunctive relief extends to “realms where no actual danger of confusion to the consumer is present.”²⁹⁰ The vicious cycle of circular reasoning goes as follows: legal protection is based on economic value, but in reality “the economic value of a sales device depends upon the extent to which it will be legally protected.”²⁹¹ If commercial exploitation of the mark or word does not occur, “the word will be of no more economic value to any particular firm than a convenient size, shape, mode of packing, or manner of advertising, common in the trade.”²⁹² Thus, if courts do not extend protection to words or marks, consumers will consider the words or marks worthless, and their lack of perceived value will then bolster a court’s decision not to protect those words or marks.²⁹³

The circular reasoning Cohen warned of is still alive and well in modern trademark law. In the context of *Louboutin* shoes, if *Louboutin* did not have a trademark on its red soles, the mark’s worth to the public would be severely diminished or nonexistent because the public could get it elsewhere. Because the public would not attach value to the Red Sole Mark due to a lack of exclusivity, the court would then refuse to extend protection to it. Exclusivity—not the mark itself—is what lends the mark value.

IV. ANALYSIS

The Second Circuit erred in its partial reversal of *Louboutin* by neglecting to analyze the required consumer confusion prong in a section of the industry where consumer confusion is unlikely to happen. Had the court looked at the totality of circumstances in *Louboutin* regarding consumer confusion, the lack of consumer confusion would yield YSL a favorable result. Further, the Second Circuit improperly applied the aesthetic functionality doctrine and ignored the long-term fairness and public policy ramifications of its decision. The Second Circuit’s reversal proved to other companies, both in and out of the fashion industry, that color monopolization is allowed and protected, making some companies even more litigious.

Additionally, the Second Circuit misunderstood the district court’s opinion by inferring a *per se* rule against enforcement of single-color trademarks within the fashion industry. The district court never explicitly mentioned such a rule within its opinion. Instead, the district court took a thoughtful, multifaceted approach to its analysis leading it to the conclusion

²⁸⁹ *Id.*

²⁹⁰ *Id.*

²⁹¹ *Id.* at 815.

²⁹² *Id.*

²⁹³ *Id.*

that the Lanham Act could not serve as “the source of the broad spectrum of absurdities that would follow recognition of a trademark for the use of a single color for fashion items.”²⁹⁴ Its fanciful hypotheticals obviously annoyed the Second Circuit, which may in part have led to the appellate court’s quick analysis and partial reversal.

The Second Circuit adopted the *Polaroid* factors in issues concerning likelihood of confusion yet failed to address any of the *Polaroid* factors when analyzing the Louboutin dispute.²⁹⁵ Hypocritically, the Second Circuit reprimanded a district court’s failure to analyze all eight *Polaroid* factors in 2005.²⁹⁶ As the Second Circuit eloquently noted, the *Polaroid* factors are “ingrained in the trademark jurisprudence” yet the court failed to address them in the *Louboutin* dispute.²⁹⁷ One factor in particular—the sophistication of buyers—asks courts to consider the likelihood of confusion from the consumer’s perspective. The cornerstone sub-factor courts consider when analyzing consumer sophistication, or lack thereof, is price.²⁹⁸ The theory is that the higher the price, the more sophisticated the consumer is.²⁹⁹

Due to the high price point of luxury goods, sophistication of buyers is a highly relevant factor when considering luxury footwear like Louboutin and YSL. If women “know their perfume,” then they certainly know luxury footwear. In established luxury markets like the United States, the majority of luxury purchases happen in a traditional brick-and-mortar store, and 72% of luxury shoppers perform some form of online research before purchasing.³⁰⁰ Even in the digital age, 65% of luxury shoppers prefer to interact with a luxury product before purchasing.³⁰¹ With the average age of luxury shoppers in established markets skewing middle-aged at forty-six, and the average price of their last luxury purchase topping \$2,200, it is hard to argue that luxury consumers are not sophisticated buyers.³⁰²

As mentioned above, to prove trademark infringement, a plaintiff must show the defendant’s mark will likely confuse consumers about the source of

²⁹⁴ *Louboutin I*, 778 F. Supp. 2d at 457.

²⁹⁵ *Nat. Organics, Inc. v. Nutraceutical Corp.*, 426 F.3d 576, 578 (2d Cir. 2005).

²⁹⁶ *Id.* at 578–79.

²⁹⁷ *Car-Freshner Corp. v. Am. Covers, LLC*, 980 F.3d 314, 327 (2d Cir. 2020).

²⁹⁸ See Thomas R. Lee et. al., *Trademarks, Consumer Psychology, and the Sophisticated Consumer*, 57 EMORY L.J. 575, 603 (2008).

²⁹⁹ *Id.* at 580.

³⁰⁰ Google & Ipsos, *How Affluent Shoppers Buy Luxury Goods: A Global View*, THINK WITH GOOGLE (Sept. 2013), <https://www.thinkwithgoogle.com/consumer-insights/affluent-shoppers-luxury-goods-global/>.

³⁰¹ *Id.*

³⁰² *Id.*

a product or service.³⁰³ While market analyses of YSL and Louboutin are not available to the public, judging by the similar price ranges of the two brands' shoes, the limited number of luxury stores that carry the brands' shoes, and what is known about established luxury markets, the average consumer of both brands is largely price insensitive.³⁰⁴ Luxury shoppers are repeat luxury consumers, adding to the inference that these buyers are sophisticated and know what they are purchasing.³⁰⁵ Take, for example, the shopper demographics of Neiman Marcus, a luxury department store that sells both YSL and Louboutin products. Over 40% of Neiman Marcus shoppers have a net worth of at least \$1 million.³⁰⁶ These are not hasty, passive shoppers but experienced, sophisticated luxury consumers.

Now, this is not to say that Neiman Marcus's customer demographics perfectly overlap with YSL's and Louboutin's, but the store's demographics and data on luxury shoppers in established markets give some good insight into how luxury goods are purchased. Select luxury retailers or designers' official stores sell luxury goods. When shoppers go into a Neiman Marcus or a similar luxury department store, they are not going to be confused about what type of shoe they are purchasing. Each brand's shoes are placed together on a tiered display table and have conspicuously placed signage indicating the designer, not to mention there are multiple salespeople lingering around, eager to help a prospective customer. If the monochromatic red YSL shoe were placed on a display table surrounded by other YSL shoes, the average shopper would not think that the shoe was designed by anyone else. It is also important to note that the YSL launched the Tribute heels in 2009 and are an iconic design for the brand, strengthening the conclusion that luxury shoppers would not mistake a signature YSL design for a Louboutin shoe.³⁰⁷

The Second Circuit failed to mention that an all-red version of the Tribute appeared in YSL's 2008 Cruise Collection without issue after Louboutin was granted the trademark.³⁰⁸ A quick internet search of the YSL Tribute and any

³⁰³ *About Trademark Infringement*, U.S. PAT. & TRADEMARK OFF. (June 8, 2018, 2:03 PM), <https://www.uspto.gov/page/about-trademark-infringement>.

³⁰⁴ See *Price Insensitive*, CAMBRIDGE BUSINESS ENGLISH DICTIONARY (2011).

³⁰⁵ Google & Ipsos, *supra* note 300.

³⁰⁶ Adele Chapin, *More than 40% of Neiman Marcus Shoppers are Millionaires*, RACKED (Aug. 5, 2015, 10:15 AM), <https://www.racked.com/2015/8/5/9099747/neiman-marcus-ipo-customers>.

³⁰⁷ Yves Saint Laurent Tribute Sandals, VICTORIA AND ALBERT MUSEUM, <http://collections.vam.ac.uk/item/O1294281/tribute-sandals-yves-saint-laurent/> (last visited Feb. 20, 2021).

³⁰⁸ *Louboutin I*, 778 F. Supp. 2d at 449.

Louboutin design further proves the improbability of consumer confusion. The YSL Tribute prominently features the brand's logo in gold on the shoe's insole and has a visible, deep platform and an open-toed strappy design.³⁰⁹ In the words of the Victoria and Albert Museum, the Tribute "is strikingly similar in shape to shoes worn for pole-dancing."³¹⁰ This is a sharp contrast to the sleek and often business-professional-type heels manufactured by Louboutin. The Tribute's design is largely out of character compared to Louboutin's classic stiletto designs.

Color has a relatively limited universe. Within the Pantone color system used for fashion design there are 2,625 colors.³¹¹ While this may on its face seem like a massive number of colors available within the fashion industry, if courts adopted the method that Louboutin proposed to the District Court for the Southern District of New York—banning the use of a range of shades above and below a brand's targeted color—the Pantone system would quickly deplete. Although the district court spent too much of its opinion waxing poetically about the hypothetical Picasso and Monet color trademark dispute, it eventually made an excellent point with the hypothetical:

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. . . . The law should not countenance restraints that would interfere with creativity and stifle competition by one designer, while granting another a monopoly invested with the right to exclude use of an ornamental or functional medium necessary for freest and most productive artistic expression by all engaged in the same enterprise.³¹²

If Louboutin can own the color red, who is to say another designer will not try to own green? In fact, the brand Reginald Bendolph is trying to do that exact thing and is even using Louboutin's drawing in its trademark

³⁰⁹ Yves Saint Laurent Tribute Sandals, *supra* note 307.

³¹⁰ *Id.*

³¹¹ *Fashion, Home + Interiors Edition: How Many Pantone Colors Are You Missing?*, PANTONE, <https://www.pantone.com/articles/technical/fashion-home-interiors-edition-how-many-pantone-colors-are-you-missing> (last visited Feb. 20, 2021).

³¹² *Louboutin I*, 778 F. Supp. 2d at 453.

application.³¹³ While color depletion and monopolization may not have seemed like an issue to the Supreme Court when considering green dry cleaning press pads and pink insulation, it is certainly an issue in an industry that uses color and aesthetics as key selling points. People buy clothes because, in part, people are attracted to them. Colors, like trends, change throughout the years, and people are undoubtedly influenced by such changes and the top-down nature of fashion trends. Take, for example, the oft-quoted cerulean sweater monologue from the 2006 film *The Devil Wears Prada*, where a fashion magazine editor informs her new assistant just how top-down color in fashion is and how no one is immune:

You go to your closet and you select . . . that lumpy blue sweater, for instance because you're trying to tell the world that you take yourself too seriously to care about what you put on your back. But what you don't know is that that sweater is not just blue, it's not turquoise. It's not lapis. It's actually cerulean. . . . [Y]ou're also blithely unaware of the fact that in 2002, Oscar de la Renta did a collection of cerulean gowns. And then I think it was Yves Saint Laurent . . . who showed cerulean military jackets? . . . And then cerulean quickly showed up in the collections of eight different designers. And then it . . . filtered down through the department stores and then trickled on down into some tragic Casual Corner where you, no doubt, fished it out of some clearance bin. However, that blue represents millions of dollars and countless jobs and it's sort of comical how you think that you've made a choice that exempts you from the fashion industry when, in fact, you're wearing the sweater that was selected for you by the people in this room . . .³¹⁴

This cerulean-blue monologue rings true for those in the industry as “what might appear on a runway in the Musée Rodin (where Dior holds its shows) in July will affect what H&M does in August.”³¹⁵ It is not just YSL and Louboutin that influence what designers design and, in turn, sell to us. It is also the celebrities, royalty, and political figures that have influence. For

³¹³ *A Young Brand Wants to Register its Green Sole as a Trademark*, FASHION L. (Feb. 18, 2019), <https://www.thefashionlaw.com/a-budding-young-brand-wants-to-register-its-green-sole-as-a-trademark-with-louboutins-drawing/>.

³¹⁴ *The Devil Wears Prada Quotes*, IMDB, <https://www.imdb.com/title/tt0458352/quotes/qt0483858> (last visited Mar. 18, 2021).

³¹⁵ Vanessa Friedman, *Why We Cover High Fashion*, N.Y. TIMES (June 30, 2018), <https://www.nytimes.com/2018/06/30/insider/covering-high-fashion-haute-couture.html>.

example, President Kennedy is touted as the reason why American men finally hung up the top hat after he chose not to wear one for the majority of his inauguration day.³¹⁶ For an example from across the pond, the Duchess of Cambridge is hailed as a powerful influencer in the fashion industry.³¹⁷ When the Duchess wears something, it instantly sells out and increases in desirability, not only in the United Kingdom, but also among consumers based in the United States.³¹⁸

When considering possible copyright protection for fashion, one law review article quoted Coco Chanel, who said trying to protect fashion, a seasonal art, “is childish” and “[o]ne should not bother to protect that which dies the minute it was born.”³¹⁹ Yet, Louboutin and other designers clamoring for trademark protection for color and beyond are doing just that.

Beyond the fashion industry, Pantone has a stake in making sure color trademarks remain a trend. The Pantone company itself has a stake in the fashion industry. The Pantone Institute has named a “color of the year” for more than two decades and through its chosen color, attempts to capture the mood of the year reflected by global culture.³²⁰ Pantone selects the color of the year several years in advance, giving fashion designers a clue as to what shades their designs should hold.³²¹ Pantone even provides fashion designers with algorithms that track how often certain colors are searched for so

³¹⁶ Christina Tkacik, *John F. Kennedy and The Last Inaugural Top Hat*, BALTIMORE SUN (Jan. 19, 2017, 12:29 PM), <https://www.baltimoresun.com/features/retro-baltimore/bal-retro-baltimore-john-f-kennedy-and-the-last-inaugural-top-hat-20170119-story.html>.

³¹⁷ Katie Nichols, *Why Kate Middleton Remains a “Global Fashion Phenomenon,”* VANITY FAIR (Oct. 30, 2018), <https://www.vanityfair.com/style/2018/10/kate-middleton-fashion-influence>.

³¹⁸ Caroline Leaper, *7 Designers Explain ‘The Kate Effect’ on Fashion Sales*, MARIE CLAIRE (July 14, 2016, 8:32 AM), <https://www.marieclaire.co.uk/news/fashion-news/the-kate-effect-quotes-designers-explain-the-impact-kate-middleton-has-on-fashion-sales-3343>; *The Kate Middleton Effect on What We Buy*, VOGUE (July 27, 2011), <https://www.vogue.com.au/fashion/news/the-kate-middleton-effect-on-what-we-buy/news-story/9619d2b7bf78851dde88cd8638876831>.

³¹⁹ Lynsey Blackmon, Comment, *The Devil Wears Prado: A Look at the Design Piracy Prohibition Act and the Extension of Copyright Protection to the World of Fashion*, 35 PEPP. L. REV. 107, 112 (2007) (quoting Ingrid Sischy, *Coco Chanel*, TIME (June 8, 1998)).

³²⁰ Kirsi Goldynia, *Pantone Chooses a Classic For its 2020 Color of the Year*, CNN, <https://www.cnn.com/style/article/pantone-color-classic-blue-2020/index.html> (last updated Dec. 4, 2019).

³²¹ Morwenna Ferrier, *Why is Everyone Still Talking About This Cerulean Blue Jumper?*, GUARDIAN (Aug. 14, 2018, 12:54 PM), <https://www.theguardian.com/fashion/2018/aug/14/colour-fashion-influence-science>.

designers know what colors people are looking for, thereby helping designers make informed decisions during the production process.³²²

Outside of the fashion industry, courts have noted that allowing color trademarks on food labels would unduly hinder competition. In *Campbell Soup Co. v. Armour & Co.*, “the court refused to protect the red and white colors of Campbell’s labels on the ground that if Campbell were to ‘monopolize red in all of its shades’ competition would be affected in an industry where colored labels were customary.”³²³ The court in *Owens-Corning* mentioned the *Campbell’s Soup* court’s brief revival of the color depletion theory in its opinion when it stated that “there are a limited number of colors in the palette, and that it is not wise policy to foster further limitation by permitting trademark registrants to deplete the reservoir.”³²⁴ If courts were worried about color depletion on soup cans and match ends, it is reasonable to extend such concerns to shoes.

A. *Negative Ramification: A Very Bland World*

For a broader context, the color trademark war extends outside of the fashion industry. T-Mobile is notorious for its hawk-like protection of magenta. In 2014, T-Mobile sued Aio Wireless, an AT&T subsidiary, over the color plum.³²⁵ T-Mobile alleged that Aio Wireless’s use of plum (Pantone 676C) in its advertising was too close to T-Mobile’s iconic Pantone Process Magenta color and would likely cause consumer confusion.³²⁶ It is important to recognize that all “primary and secondary colors (red, yellow, blue, green, orange) except violet are owned in the prepaid/wireless space,” so Aio Wireless was fairly limited in what colors it could choose from.³²⁷ Although Aio Wireless used a different font—a completely different Pantone color—and different slogans for its branding, the court still found in favor of T-Mobile.³²⁸

In late 2019, T-Mobile decided that its ownership of pink extended to an insurance company, Lemonade, when it brought suit against the insurance

³²² *Id.*

³²³ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1120 (Fed. Cir. 1985).

³²⁴ *Id.* (citing *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727, 729 (6th Cir. 1907); *Pac. Coast Condensed Milk Co. v. Frye & Co.*, 85 Wash. 133, 147 (1915)).

³²⁵ *T-Mobile US, Inc. v. Aio Wireless LLC*, 991 F. Supp. 2d 888, 894 (S.D. Tex. 2014).

³²⁶ *Id.*

³²⁷ *Id.* at 901.

³²⁸ *Id.* at 921, 932.

company for using pink in its advertisements.³²⁹ T-Mobile's legal department may be thrilled with all of the extra work executives are throwing their way, but the company's legal disputes are childish at best. Shai Wininger, COO and co-founder of Lemonade, made a poignant statement in defiance of T-Mobile's actions: "monopolizing all the pink in the world sounds like something a cartoon villain would do in a Disney epic. . . . It's the move of a big corporation that has run out of good ideas."³³⁰ This begs the question: are Louboutin's actions reminiscent of Scar trying to topple Mufasa so he could rule Pride Rock, or is Louboutin just another big corporation, clutching the last inventive idea it had for the stiletto?

Look back to the actual purpose of trademarks—they are first, and foremost *source indicators*. Case by case, trademark rights are interpreted to be an ever-expanding universe where almost anything can act as a source indicator and gain protection. When trademark rights are extended beyond their purpose to such an extent as they are now, one starts to wonder where protection of intellectual property rights stop and protection of an unlawful monopoly begins.

V. SOLUTION

This note is not advocating for a *per se* rule against color trademarks as a whole. While single color trademarks within the fashion industry should be deemed *per se* aesthetically functional, single color trademarks in other industries may still be maintained within the purpose of the Lanham Act. An alternative approach is needed to determine how color trademarks are granted and enforced. The current trademark laws within the United States are broad—offering protection to everything from colors, scents, and sounds.³³¹ Although U.S. trademark laws look like they reward innovators and promote creativity, the extent of protection restricts freedom of expression and creativity in the marketplace. Restricting colors, scents, and words suppresses the creativity of innovators and entrepreneurs which intellectual property law is supposed to promote.

³²⁹ *Lemonade Challenges Deutsche Telekom's 'Magenta' Trademark in the Name of Pink Lovers Everywhere*, BUS. WIRE (Nov. 4, 2019, 8:00 AM), <https://www.businesswire.com/news/home/20191104005207/en/Lemonade-Challenges-Deutsche-Telekom's-Magenta-Trademark-Pink>.

³³⁰ *Id.*

³³¹ Rachel Siegal, *Remember How Play-Doh Smells? U.S. Trademark Officials Get It*, WASH. POST (May 24, 2018, 4:53 PM), <https://www.washingtonpost.com/news/business/wp/2018/05/24/remember-how-play-doh-smells-u-s-trademark-officials-get-it/>.

Those who advocate for more intellectual property protection for fashion designs specifically argue that restricting such protection will encourage design piracy and knockoffs and, in turn, harm the fashion industry. However, this argument is largely unfounded. Law professors Kal Raustiala and Christopher Springman argue that fashion *thrives* due to copying and that extending copyright protection to fashion designs would ultimately harm the industry.³³² Restricting trademark, patent, and copyright protection, particularly within the fashion industry, encourages constant innovation instead of a design stalemate.

Diane Von Furstenberg, a high-end women's clothing designer known for slim-fitting wrap dresses, calls herself a victim of fashion piracy and advocates for more protection for fashion designers.³³³ In an op-ed for the *L.A. Times*, Furstenberg wrote that the lack of intellectual property protection for fashion designers in the United States harms emerging fashion designers.³³⁴ While Ms. Furstenberg alleges that the expansive intellectual property protection would protect emerging designers, it most definitely would benefit her namesake brand, DVF, as well. Furstenberg's design studio sued Forever 21 for creating a yellow floral dress in a pattern similar to one she created and subsequently sued Target for creating a wrap dress with a jersey fabric similar to her designs.³³⁵ Through these suits, Furstenberg attempted to claim complete ownership of not only a yellow flower pattern but of a fabric's appearance on a hanger, as Furstenberg argued that the fabric reminiscent of silk jersey infringed on the styles "consumers and the general public have come to associate with DVF."³³⁶ Reminiscent of T-Mobile's clutch on magenta and Louboutin's claim to red, overly expansive intellectual property protection creates power-hungry companies.

The *Qualitex* Court noted that the functionality doctrines are supposed to be the barrier that protects competitors against unfair disadvantages that trademark law ordinarily inflicts, yet the Supreme Court's holdings regarding

³³² KAL RAUSTIALA & CHRISTOPHER SPRINGMAN, *THE KNOCKOFF ECONOMY: HOW IMITATION SPURS INNOVATION* 5 (2012).

³³³ Diane Von Furstenberg, *Von Furstenberg: Fashion deserves copyright protection*, *L.A. TIMES* (Aug. 24, 2007, 12:00 AM), <https://www.latimes.com/opinion/la-oev-furstenberg24aug24-story.html>; #51 *Diane Von Furstenberg*, *FORBES* (May 17, 2017), <https://www.forbes.com/profile/diane-von-furstenberg/#73a03420e5a4>.

³³⁴ Von Furstenberg, *supra* note 332.

³³⁵ *Diane Von Furstenberg Studio, LP v. Forever 21, Inc.*, No. 1:2007cv02413 (S.D.N.Y. Mar. 23, 2007), <https://dockets.justia.com/docket/new-york/nysdce/1:2007cv02413/302881>; Paritosh Bansal, *Designer Von Furstenberg sues Target over dress*, *REUTERS* (Jan. 24, 2008, 5:55 PM), <https://www.reuters.com/article/us-target-suit/designer-von-furstenberg-sues-target-over-dress-idUSN2427549920080124>.

³³⁶ Bansal, *supra* note 335.

color trademarks have essentially eliminated that barrier completely.³³⁷ Courts must construe the precedent and policy of aesthetic functionality to bar single color trademarks within the fashion industry. Like the argument made in *Campbell Soup*, monopolization of colors in an industry where color is customary should not be allowed. While color depletion seemed like an “occasional problem” to the Supreme Court in 1995, it is not a rare occurrence anymore, especially considering the cases involving T-Mobile, Louboutin, and Glossier, a beauty and skincare company that just received a trademark for its “millennial pink” packaging and relied on the Louboutin Red Sole Mark to do so.³³⁸ Arguably, color within the fashion industry passes the traditional functionality test outlined by the Supreme Court in *Inwood Laboratories v. Ives Laboratories* in that it is essential to the product and affects the cost or quality in some way.³³⁹ It is almost impossible to deny that color in fashion fits squarely within the aesthetic functionality doctrine in that color is a necessary competitive element in the fashion industry. The Seventh Circuit, in determining whether a type of gilded paper for books is trade dress eligible, explained aesthetic functionality in a simple way: “Mink coats are normally sold dyed. The dye does not make the coat any warmer, but it makes it more beautiful, and, once again, it could not be claimed as trade dress by the first furrier to have hit on the idea.”³⁴⁰ Why should a court or the USPTO grant a perpetual monopoly on a color just because a trademark applicant was one of the first to apply it in a certain way?

In restricting the *Qualitex* holding, courts developed the aesthetic functionality doctrine, which should extend to all single-color trademarks in the fashion industry because the doctrine applies when there is a “competitive advantage because of its visual appeal.”³⁴¹ A usurpation of colors from the fashion industry not only puts designers at a significant competitive disadvantage but also takes away a necessary element of the marketplace and causes consumers to suffer as a result.

For those who argue that granting color trademarks in the fashion industry is irrelevant or merely a peripheral matter in larger issues within intellectual property, history shows that overly expansive intellectual

³³⁷ *Qualitex Co. v. Jacobson Prods.*, 514 U.S. 159, 169 (1995).

³³⁸ *Glossier Now Has a Trademark Registration for its Millennial Pink Lined Product Packaging*, FASHION L. (Dec. 16, 2020), <https://www.thefashionlaw.com/glossier-now-has-a-trademark-registration-for-its-millennial-pink-lined-product-packaging/>.

³³⁹ *Inwood Labs. v. Ives Labs.*, 456 U.S. 844 n.10 (1982).

³⁴⁰ *Publications Int’l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 339 (7th Cir. 1998).

³⁴¹ 1 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 2A.04.

property rights do not occur overnight.³⁴² It is the slow erosion of the purpose and policy behind each respective intellectual property right that leads to overly expansive monopolies which eventually affect other areas of intellectual property.³⁴³ For example, the term of copyright protection continues to be expanded, calling into question what “limited times” for protection really means.³⁴⁴ Within the international trademark realm, the European Union abolished the graphic representability requirement for trademark applications in 2017, thereby eliminating the implied assumption that consumers need to see the source indicator at the point of sale, and it would not be surprising if more countries, including the United States, followed in the EU’s footsteps.³⁴⁵

While single color trademarks in the fashion industry should be barred, single color trademarks in other industries should be reevaluated and granted in a narrow fashion. In addition to the current registration requirements, color trademarks should be required to register the Pantone or CYMK/RGB percentage equivalent so that the public and competitors are put on notice as to exactly what color will be protected. Only the exact color registered should receive protection. Objective color evaluations should be a priority to ensure that protection only extends to the exact colors registered with the USPTO. Additionally, the color registered should only extend protection within the market that the registrant’s product serves. Under this approach, T-Mobile would not have standing to sue an insurance company for using magenta in its advertising, and YSL is free to paint shoes whatever color it desires.

VI. CONCLUSION

The Second Circuit’s reversal of *Louboutin* shows that color monopolization by large companies, such as Louboutin and T-Mobile, are

³⁴² Kaitlyn Hennessey, *Intellectual Property – Mickey Mouse’s Intellectual Property Adventure: What Disney’s War on Copyrights Has to Do With Trademarks and Patents*, 42 W. NEW. ENG. L. REV 25, 37–40 (2020).

³⁴³ See generally Zia Qureshi, *Intellectual Property, Not Intellectual Monopoly*, BROOKINGS (July 11, 2018), <https://www.brookings.edu/opinions/intellectual-property-not-intellectual-monopoly/>; Christine Haight Farley, *Trademark Law’s Monopoly Problem: The Supreme Court on Generic Terms as Trademarks*, A.B.A. (Feb. 8, 2021), https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2020-21/january-february/trademark-law-s-monopoly-problem-supreme-court-generic-terms-trademarks/.

³⁴⁴ See *Copyright Timeline: A History of Copyright in the United States*, ASS’N RSCH. LIBRS., <https://www.arl.org/copyright-timeline/> (last visited Feb. 20, 2021).

³⁴⁵ *Elimination of Graphical Representation Requirement*, EUIPO, <https://euipo.europa.eu/ohimportal/en/elimination-of-graphical-representation-requirement> (last visited Feb. 20, 2021).

permissible and protected. The ambiguous and ineffectual analysis handed down by both the district court and Second Circuit caused a negative domino effect for both large and small companies. Unfortunately, color trademark cases are sparse, especially within the fashion industry. Since most civil cases are settled out of court and litigation is expensive, it may take a long time before solid law in accordance with the Lanham Act's true purpose is ever handed down.³⁴⁶ Bigger players in the marketplace like Louboutin and T-Mobile have the big law attorneys and the substantial bank account needed to threaten expensive litigation against smaller businesses, thereby guaranteeing their trademark rights. The U.S. courts and Congress need to reevaluate what trademarks are supposed to protect and determine what the purpose and policy behind trademark law is really supposed to be. After all, imitation is the highest form of flattery.³⁴⁷

³⁴⁶ *How Courts Work*, AM. BAR ASS'N (Sept. 9, 2019), https://www.americanbar.org/groups/public_education/resources/law_related_education_network/how_courts_work/cases_settling/.

³⁴⁷ *Oscar Wilde Quotes*, GOODREADS, <https://www.goodreads.com/quotes/558084-imitation-is-the-sincerest-form-of-flattery-that-mediocrity-can> (last visited Mar. 20, 2021) (“Imitation is the sincerest form of flattery mediocrity can pay to greatness.”).