

## **PROJECT SOLE INFRINGER**

**Jason Rosenberg:** Welcome remarks and introduction.

Without further ado, please welcome to the catwalk, Pupillage Group 2!

*Lights go out. Projector screen silhouette only light.*

*Play Gangnam Style and start catwalk for entire group, each person doing a pose and then they sit down in reserved area up front. (**Except** those playing the lawyers and clients, and Tim Gunn, who stay out of sight).*

**MUSIC STOPS**

**HEIDI KLUM (Katherine Wallace):** Welcome. As you know, in trademark law, you either valid, or you're invalid. Tonight you'll see three contestants who have each been working with a very special client to protect its trademark. And each of those trademarks marks is a single, solitary color. You'll see them consult with their clients on the tough issues facing them, and then finally, you'll watch them advocate – live – for their clients rights in front of a panel of esteemed judges.

Now, let's meet our three contestants. They're all hungry young IP lawyers. No really, they're hungry, because they missed the entire cocktail hour preparing for the big show.

The first contestant is MELISSA BONNINGTON. MELISSA is 3rd year law student at Emory, and her client has no idea that she has only a Third Year Practice license which technically only allows her to assist with criminal prosecutions.

**MELISSA BONNINGTON:** < music comes back on, coming from behind the screen, she walks out down catwalk doing Gangnam Dance >

**HEIDI KLUM:** Our next contestant is Greg Kirsch. Greg Kirsch is a partner at a big law firm and he knows next to nothing about trademark law, but he's a quick learner.

**GREG KIRSCH:** <walks out from behind the screen, comes down catwalk doing dance, music back on >

**HEIDI KLUM:** Our final contestant is Amanda Hyland. Amanda is an associate at Taylor English. Her favorite hobbies are drinking coffee and recording billable hours.

**AMANDA HYLAND:** <walks out from behind screen, down catwalk doing dance, music back on >

**HEIDI KLUM:** Now contestants, I know you've been working hard with your clients for months preparing for tonight's show, but let me introduce them to our audience.

Melissa's client is **Owens Corning**. They're the godfather of pink fiberglass insulation, and they're the pink elephant in the USPTO, which keeps denying their trademark application. They need Melissa's help taking their argument to court.

**OWENS-CORNING (Alan):** (walks out from behind screen, as others did, SONG: Pretty in Pink)

**HEIDI KLUM:** Greg's client is **Qualitex**. One of my assistants takes care of all of my dry cleaning, so I have no idea what a dry cleaning press pad is. But that's what Qualitex makes, and they're the best. Their press pads are a stunningly beautiful green-gold! But now their conniving competitor Jacobson thinks they can rip off their color and confuse their consumers. Qualitex doesn't let anyone press them around, and they're taking their argument all the way to the Supreme Court.

**QUALITEX (Michelle):** (walks out from behind screen, holding green gold press pad, Song: Jefferson's Theme Song)

**HEIDI KLUM:** And finally, Amanda's client is **Christian Louboutin**. Louboutin makes the iconic red soled women's designer shoes. I own 47 pairs. Women just freak out over them. Any time you see a woman with red soled shoes, you know she is fabulous and has way too much money to blow. Now, that nasty Yves Saint Laurent wants to copy Christian Louboutin's red soles. Faw-faw-faw...It's a Frenchy smackdown and you have to get the Supreme Court to stop this nonsense!

**LOUBOUTIN (Warren):** (walks out as others, Song: Jennifer Lopez Louboutins)

**(Volunteer carries actual Louboutin shoe on pillow or in glass case, behind him)**

**HEIDI:** And finally, the heart and soul of our show, a man who truly needs no introduction, Mr. Tim Gunn!

**TIM GUNN (Michael Bishop):** (walks out as others, Song: I'm Too Sexy)

Now let's see a little bit more about what our contestants have been doing to get ready for this one of a kind competition.

**PLAY VIDEO**

## **JUDGING SCENES**

**HEIDI:** And now it's time to see whether our contestants' hard work will pay off as they argue their cases in front of the UNITED STATES SUPREME COURT.

Oh sorry, I'm just hearing now that as it turns out, the Supreme Court couldn't be here tonight, so we're joined instead by the just-as-brilliant celebrity judges NINA GARCIA and MICHAEL KORS.

***NINA and MICHAEL come up and take seat on stage.***

### **SCENE 1: OWENS-CORNING ARGUMENT**

**Cast: Katherine Wallace (Heidi Klum), Marcus Delgado (Michael Kors), and Angela Payne James (Nina Garcia)**

**HEIDI KLUM:** We will now hear Owens Corning's appeal from the Trademark Trial and Appeal Board's denial of their trademark application for the color pink as applied to fiberglass insulation. Counsel, why should you be granted trademark protection for a single color?

**MELISSA BONNINGTON:** Thank you. Your Honors, under the Lanham Act, if a mark is capable of being or becoming distinctive of an applicant's goods in commerce, then it is capable of serving as a trademark. Of course, this is still conditioned upon proof of secondary meaning and the mark cannot serve a utilitarian purpose or deprive competitors of any reasonable right or competitive need. There is no reason that color should be treated differently than any other source-identifying and distinguishing feature.

**NINA GARCIA:** You can't trademark the color pink. I love pink. Are you saying that I am infringing if I buy my dog a pink dog collar?

**MELISSA BONNINGTON:** No Ms. Garcia. We are not trying to register the color pink per se, only the color pink as applied to fiberglass insulation. You can still buy your dog a pink dog collar.

**HEIDI:** But what about functionality? As you know, trademark protection cannot apply to features that are functional in nature. Doesn't the color pink on insulation serve important functions?

**MELISSA BONNINGTON:** Your Honor, the use of the color "pink" performs no non-trademark function, and is consistent with the commercial and public purposes of trademarks. It has no relationship to production of fiberglass insulation. It serves the

classical trademark function of indicating the origin of the goods, and thereby protects the public, as discussed in the legislative history of the Lanham Act:

**MICHAEL KORS:** I think your insulation is absolutely fabulous. I have your pink insulation in my house, my condo, my studio, and my lake house. I disagree with Mr. Gunn – it’s not in the least “Costumey.” But if we let you lock down pink, aren’t we going to run out of colors? I mean, there’s black, obsidian, charcoal, gray, dark gray, and pink. What if we run out of colors?

**MELISSA BONNINGTON:** Mr. Kors, the color depletion argument is without merit. Fiberglass insulation ordinarily has a light yellow-white coloring. Moreover, there is no evidence in this record of widespread industry practice of dyeing fibrous glass insulation a color different from that which it has as a result of the manufacturing process, nor is there anything in the record suggesting a need to do so. Thus, protecting the color pink does not deprive competitors of any reasonable right or competitive need

**HEIDI:** Thank you Counsel. The judges will now confer.

**[Heidi brings up powerpoint, comments to audience that they should submit their ruling via polling devices.]**

And the ruling is: The Audience said that the mark is \_\_\_\_\_. Judges, do you agree. PROTECTABLE!

## **SCENE 2: QUALITEX ARGUMENT**

**Cast: Katherine Wallace (Heidi Klum), Angela Payne James (Nina Garcia), and Marcus Delgado (Michael Kors)**

**HEIDI KLUM:** We will now hear Qualitex’s appeal from the Ninth Circuit, in which their claim of trademark infringement was denied based on the Circuit’s view that the use of “color alone” as a trademark is not allowed under the Lanham Act. Counsel, the stage is yours.

**GREG KIRSCH:** Thank you. Your Honors, The Ninth Circuit incorrectly held that Ms. Qualitex should not be able to trademark her special green gold coloring to identify her renowned dry cleaning press pads. Color alone meets the legal requirements for use as a trademark as demonstrated by both the language of the Lanham act and the basic underlying principles of TM law. Color is a “symbol” which can be used to indicate source and to identify and distinguish a seller’s goods from those manufactured by others. In this case, Qualitex’s unique green gold coloring is not functional, although some color is needed on the press pads to avoid staining, there is no competitive need for others to use the green-gold color; other colors are equally usable. Furthermore, Qualitex’s mark has acquired secondary meaning, as the undisputed facts establish that customers identify the color as Qualitex’s. Accordingly, given that the color identifies the source of the press pad, trademark law protects Qualitex’s use of color.

**NINA GARCIA:** First of all, I just have to say, that green-gold color is marvelous, but humor me for a moment. Bring your piece and its color directly into the light. Now move it back into the shadow. Now back into the light. Hmmm (pause). Like I said, the color is fierce, I love the sheen and almost metallic look of the press pad, it is like the press pad is saying “Rar! Bring on your dirty, dirty laundry.” The color, however, seems to change as it moves into and out of the light? I can’t be certain what color it actually is. Won’t this perceived difference in shade be a problem in protection, in identification?

**MICHAEL KORS:** Yes, I agree, I mean color is different from arbitrary, fanciful words that have been, in some instances, created and introduced into our lexicon or in other instances used in a manner never before conceived, by the party seeking to specifically identify themselves as the source of the product. If there were ever a dispute between two competitors, one would merely need to determine the similarity of the words or symbols. How would one be able to determine between differences in shade? Won’t this produce uncertainty and unresolvable court disputes?

**GREG KIRSCH:** We don’t believe that color, in this respect, is special. Traditionally, courts have approached these difficult questions about whether two words or phrases or

symbols are sufficiently similar, in context, to confuse buyers. For example, they have had to compare words such as “Bonamine” and “Dramamine” for motion sickness remedies and “Huggies” and “Dougies” for diapers. Legal standards exist to guide courts in making such comparisons, which courts can apply to color. Here you might consider determining the strength of the color, the amount of secondary meaning the color/mark has acquired. Additionally, a court should be able to replicate the context in which the buyer is purchasing, if necessary replicating the lighting in which the colored product is normally sold.

**NINA GARCIA:** You make some interesting points, but why trademark, why not just use trade dress protection. Others have used color as one component or part of the trademark. Why is there a need to permit color alone to function as a trademark?

**GREG KIRSCH:** We believe that trademark law helps the holder in many ways that trade dress protection does not. It has the ability to prevent importation of confusingly similar goods, it gives constructive notice of ownership, provides an incontestability status, and is prima facie evidence of validity and ownership. Additionally, throwing a word on top of the color would destroy the on-trend metallic look Ms. Qualitex seeks to protect and render it nothing more than a bohemian unsophisticated sham of a look.

**HEIDI KLUM:** Thank you Counsel. The judges will now confer.

**[Heidi brings up powerpoint, comments to audience that they should submit their ruling via polling devices.]**

And the ruling is: The Audience said that the mark is \_\_\_\_\_. Judges, do you agree. PROTECTABLE!

### **SCENE 3 – LOUBOUTIN ARGUMENT**

**HEIDI KLUM:** We will now hear Christian Louboutin’s appeal from the Second Circuit denying their motion for a preliminary injunction and holding that their trademark registration for use of lacquered red color on outsoles was limited to situations where the sole contrasts with the upper part of the shoe under the Lanham Act. Counsel?

**AMANDA HYLAND:** Thank you. Your Honors, may it please the Court. The lower court’s ruling that Louboutin’s federally registered Red Outsole Mark could not protect a monochromatic shoe based on aesthetic functionality constitutes an error of law contrary to the Lanham Act, and contrary to holdings of the United States Supreme Court and this Court, which have clearly provided that color may serve as a trademark.

**NINA GARCIA:** We held in *Qualitex* that color can *sometimes* be protectable as a trademark, as long as that color has attained secondary meaning. And of course, that color cannot be functional. Both the district court and the 2nd Circuit acknowledged that the red outsole has become “closely associated with Louboutin.” But the main issue here is one of aesthetic functionality. In the fashion industry, doesn’t color serve important *aesthetic* functions that are vital to robust competition?

**AMANDA HYLAND:** In some cases, your Honor, color can serve important aesthetic functions. In this case, the Red Outsole Mark has no utility – it is *solely* used to identify our brand. It’s not “essential to the use or purpose” of the shoe for it have a red sole; competition isn’t hindered by removing Yves St. Laurent’s ability to use red on the sole. The question the Supreme Court told us to ask in *TrafFix* was whether the trademark “would put competitors at a significant non-reputation-related disadvantage.” And the answer here is “no” because our competitors are free to use any color of the rainbow on their soles, as long as they don’t poach on the reputation Louboutin has built up on his.

The Second Circuit correctly held the district court went too far in saying a single color may *never* serve as a trademark on a fashion item and that, instead, red was protectible because Louboutin has used the color red on his shoe soles “so consistently and prominently” that it became a symbol that identifies Louboutin as the source of the product. But the court still erred by limiting our mark to *contrasting* color shoes. There is nothing functional about a red sole, whether you pair it with a red upper or any other color. A shoe with our red mark on the sole *still* identifies Louboutin as the source, and competitors are not put at a disadvantage whether the rest of the shoe is black, white, or red. Yves St. Laurent has every color of the rainbow to work with...

**MICHAEL KORS:** Doesn’t granting a trademark to a single color on a fashion item have a chilling effect on the fashion industry? If one designer was granted a monopoly on red, what would stop me from claiming black? Due to your client’s poorly drafted trademark application, he asked for and received, very, very broad protection.

**AMANDA HYLAND:** Your Honor, our trademark registration does not simply cover the color “red.” It covers the *particular shade* of red that is depicted in the registration. Hundreds, if not thousands, of shades of red remain for use by competitors. Your question reinforces the error the Second Circuit made:

**NINA GARCIA:** The Second Circuit didn’t say you could never protect a monochromatic shoe, it just said Didn’t the court only say you didn’t have *evidence* to support a secondary meaning for a monochromatic shoe? The evidence of secondary meaning only talked about the *contrast*, didn’t it?

**AMANDA HYLAND:** No, your honor, our evidence showed that consumers identified the red *sole* of the shoe – regardless of the contrast. While the red sole may be more noticeable when paired with a black upper, the contrast is not what makes the source identification – it is the particular shade of red we use. Further, the court’s ruling only creates more questions than it answers – for example, how close or different a shade makes a “contrast” so that we would be able to garner protection? So the Second Circuit clearly erred in not finding our mark protectable on a monochromatic shoe.

**HEIDI KLUM:** Thank you Counsel. The judges will now confer.

**[Heidi brings up powerpoint, comments to audience that they should submit their ruling via polling devices -- QUESTION: Should the mark be protectable on a MONOCHROMATIC SHOE?]**

And the ruling is: The Audience said that the mark should/should not be protectable, even on a monochromatic shoe. Judges, should do you agree?

[Judges confer noisily].

**HEIDI:** Uh, turns out they want to remand for a further evidentiary hearing on the matter.... The world may never know whether the Second Circuit erred in finding that the Louboutin Red Sole trademark is only protectable when used with a contrasting upper.

# Color Trademarks

Atlanta Intellectual Property Inn of Court  
Pupilage Group 2  
October 17, 2012

## **Trademark Law Protection**

- Trademark Law is used to protect words, names, symbols, and many other types of identifiers that let consumers know the origin of a product.
- In order to be protectable, a mark must have the requisite level of distinctiveness. If a mark is not distinctive, it requires secondary meaning.

## **Levels of Distinctiveness**

- Coined or fanciful- words are marks that are made up- highest level of distinctiveness.
- Arbitrary- word that has other meanings, but means nothing in the context of the product or service it represents- very distinctive.
- Suggestive- indirectly describes the product or service- distinctive.
- Descriptive- describes a characteristic of the good or service- not inherently distinctive, requires secondary meaning.
- Generic- describes a category of goods or services- no trademark rights.

## **Colors as Trademarks**

- According to the U.S. Supreme Court's seminal decision in Qualitex v. Jacobson Products, a color may be trademarked if it acquires secondary meaning and is non-functional.
- Functionality
  - Colors cannot be trademarked if they contribute to the function of the product. The color of the product or product feature must be arbitrary in order to set the company apart from its competitors.
  - A color might be functional if the company owns a patent for the color—for example, if an aspect of the product changes color to show that it is working properly.
  - Aesthetic functionality is a specific argument that has been made against trademarking colors. This argument may be successful in preventing an otherwise nonfunctional color from trademark protection if the color's aesthetically pleasing nature is important to the commercial success of the product. This is due to the fact that allowing one company a monopoly on the specific color would therefore restrain legitimate competition.
- Secondary Meaning
  - Secondary meaning is acquired when a product feature's primary significance is to indicate the source of a product, and consumers relate that feature to the product's source rather than to the product itself.
  - Courts determine secondary meaning with the following factors:
    - Length and manner of use of the mark or trade dress;
    - Volume of sales;
    - Amount and manner of advertising;

- Nature of use of the mark or trade dress in newspapers and magazines;
- Consumer-survey evidence;
- Direct consumer testimony; and
- The defendant's intent in copying the trade dress.

### **Trade Dress**

- Color is often desired as a trademark when it is incorporated into the trade dress of a product.
- Trade dress is the wrapping or packaging of a product, and can be inherently distinctive, thereby not necessarily requiring secondary meaning.
- Like color trademarks, trade dress cannot be functional in order to be protectable. Analyzing the functionality of trade dress requires two steps:
  - First, is the feature essential to the use or purpose of the article, or does it affect the cost or quality of the article? If the answer to this question is yes, then it is functional.
  - Second, if the answer to the first question is negative, then a court will ask if the exclusive use of the feature would put competitors at a significant disadvantage. If the answer to this question is yes, then the feature has aesthetic functionality, and may not be trademarked.

### **Trademarking a Color**

- In the trademark application, the company should explicitly state that it wants to trademark the color and provide a verbal description of the color.
- If the company wants to obtain a form of trademark protection before it has acquired secondary meaning, it could file on the Supplemental Register, rather than the Principal Register where most trademarks are filed for national protection.

### **Principal Register**

- The Principal Register is the main method of national registration for trademarks. Applications require a specific description and specimen of the mark as it is used in commerce, as well as named classifications for the goods and/or services that the mark will be used to represent.
- Applicants on the Principal Register may choose to file either a use-based or an intent-to-use application. The requirements for both are largely the same, except that intent-to-use applicants will file a later statement of use, within a specified amount of time, which includes a specimen and the date of first use.
- Registration provides prima facie evidence of trademark rights, and the date of registration is recognized as constructive notice to other potential users of the trademark.

### **Supplemental Register**

- The Supplemental Register is for non-distinctive marks that are capable of acquiring secondary meaning but have not yet done so. A supplemental registration will allow a company to affix the registered symbol on its goods and will block later-filed applications from registering potentially confusing marks.
- The supplemental registration provides a lower level of protection—it does not give a presumption of validity or ownership, nor does it give exclusive rights to use the mark. It

also cannot be used to prevent importation of counterfeit products, nor can it become incontestable. However, third parties cannot object to a supplemental register, and can only seek to cancel after the registration issues. If a Supplemental Register is obtained, it cannot convert to a principal registration—a new registration will have to be filed in the future once it has acquired sufficient secondary meaning.

- Only use-based applications may be filed on the Supplemental Register. Intent-to-use applications are not accepted.

### Key Cases

- Deere & Co. v. Farmhand, Inc., 560 F. Supp. 85 (S.D. Iowa 1982)
  - Deere was in the business of manufacturing and selling farm machinery and equipment, and had been using the same shade of green on such equipment since at least as early as 1955. In 1979, Deere brought a Lanham Act and common law unfair competition suit against a competitor, Farmhand, for copying its shade of green and “distinctive exterior design features” of two models of its front-end loaders.
  - The court broke its decision down into three elements that the plaintiff had to prove in order to succeed in its unfair competition claim: “(1) The elements that plaintiff seeks to protect are nonfunctional; (2) That the elements have acquired a secondary meaning; and (3) That defendant’s use of these elements is likely to cause confusion in the minds of the consuming public.”
  - The court first considered whether the elements of machinery in question were functional. It found that the design features were largely functional, thereby not protectable. In considering the green color, the court decided that the doctrine of aesthetic functionality prevented the color from being protectable by trademark law. This conclusion was based on the assertion that farmers do in fact desire their equipment, such as front-end loaders, to match their tractors, thereby relating the color to the utilitarian function of the product.
  - The court also found that Deere had not sufficiently shown that either its configuration of the front-end loader or its green color had achieved secondary meaning, due to some shortcomings of the survey evidence that Deere collected.
  - Finally, the court determined that Deere’s survey evidence and evidence of intentional copying were likewise insufficient to prove a likelihood of confusion, thereby finding in favor of defendants and ruling that Deere’s green color, as well as its design features, was not protectable by trademark law.
- In re Owens-Corning Fiberglass Corp., 774 F.2d 1116 (Fed. Cir. 1985)
  - Owens-Corning Fiberglass (“OCF”) was in the business of making and selling “fibrous glass residential insulation,” which it had colored pink since 1956. In 1980, OCF attempted to register this pink color as a trademark of its fiberglass, but was rejected by a U.S. Patent and Trademark Office attorney. The U.S. Patent and Trademark Office’s Trademark Trial and Appeal Board (the Board) affirmed that decision on the basis that while color could be trademarked, OCF had not established distinctiveness for its pink color. OCF then appealed this decision to the Federal Circuit court.

- The court reversed the Board's decision, explaining first the undoubted ability of color to be protected as a trademark under the Lanham Act. The court then declared that "[t]he standard for registrability was that the color be arbitrarily applied to the goods, in a distinctive way."
  - The court further stated that color used in a utilitarian way could not be trademarked, citing the Supreme Court's three factors for determining functionality: "(1) whether a particular design yields a utilitarian advantage, (2) whether alternative designs are available in order to avoid hindering competition, and (3) whether the design achieves economies in manufacture or use."
  - The court concluded that OCF's pink color was arbitrary and non-functional, agreeing with the Board on the fact that trademark protection was available for this mark. The court however disagreed with the Board's ruling that OCF had not shown that the pink color functions as a trademark. The court decided that OCF's affidavit and documentary evidence was sufficient to demonstrate the necessary distinctiveness, thereby affording OCF trademark protection.
- Qualitex Co. v. Jacobson Products Co., Inc., 514 U.S. 159 (1995)
    - Qualitex Company made and sold the pads used on dry cleaning presses. The company had been using a green-gold color on its pads since the 1950s. In 1989, Qualitex's rival Jacobson Products began making similar pads, also utilizing a green-gold color. In 1991, Qualitex registered a trademark for the color, and filed suit against Jacobson for unfair competition and trademark infringement.
    - The district court in the Central District of California found in favor of Qualitex, but was reversed by the Ninth Circuit on the basis that color alone could not qualify for trademark protection. The U.S. Supreme Court granted certiorari due to a split in the circuits on this point of law.
    - The Supreme Court reversed the Ninth Circuit, finding no reason to bar the use of color alone as a trademark. The Court quoted the Lanham Act's definition of trademarks as "any word, name, symbol, or device, or any combination thereof," finding that "[i]f a shape, a sound, and a fragrance can act as symbols why, one might ask, can a color not do the same?"
    - The Court found that since color does not automatically reference a brand to customers, unlike fanciful, arbitrary or suggestive words or designs, colors, similar to descriptive marks, should require secondary meaning in order to be protectable.
    - The Court further stated that in order to be protectable, a color may not contribute to the functionality of a product, as this type of quality is protected by patent law.
    - The Court rejected Jacobson's four arguments against trademark protection for colors: (1) uncertainty over the shades of color which are protected; (2) the limited supply of colors; (3) the precedent of cases prior to the Lanham Act; and (4) colors' ability to be used as a part of a trademark symbol or as trade dress.

- Christian Louboutin S.A. v. Yves Saint Laurent America Holdings, Inc.
  - Christian Louboutin, a designer of high-fashion women's footwear and accessories, has since 1992 painted the "outsoles" of his women's high-heeled shoes with a high-gloss red lacquer. Since then, his shoes have grown in popularity, appearing regularly on various celebrities and fashion icons. YSL, a venerable French fashion institution, prepared to market a line of "monochrome" shoes in purple, green, yellow, and red. YSL shoes in the monochrome style feature the same color on the entire shoe, so that the red version is all red, including a red insole, heel, upper, and outsole. Louboutin's fashion house learned that YSL was marketing and selling a monochrome red shoe with a red sole. Louboutin requested the removal of the allegedly infringing shoes from the market. Louboutin and YSL briefly entered into negotiations in order to avert litigation. Negotiations failed, and Louboutin filed suit on April 7, 2011.
  - Louboutin filed seven claims under the Lanham Act: (1) trademark infringement and counterfeiting, (2) false designation of origin and unfair competition, and (3) trademark dilution, as well as state law claims for (4) trademark infringement, (5) trademark dilution, (6) unfair competition, and (7) unlawful deceptive acts and practices. Louboutin also sought a preliminary injunction preventing YSL from marketing, during the pendency of the action, any shoes, including red monochrome shoes, bearing outsoles in a shade of red identical to the Red Sole Mark, or in any shade which so resembles the Red Sole Mark as to cause confusion among consumers.
  - The district court for the Southern District of New York concluded, and YSL did not dispute, that "Louboutin invested substantial amounts of capital building a reputation and good will, as well as promoting and protecting Louboutin's claim to exclusive ownership of the mark as its signature in women's high fashion footwear. The court further found that Louboutin had succeeded in promoting his shoes "to the point where, in the high-stakes commercial markets and social circles in which these things matter a great deal, the red outsole became closely associated with Louboutin."
  - YSL asserted two counterclaims: (1) seeking cancellation of the Red Sole Mark on the grounds that (a) it is not "distinctive," but instead merely "ornamental," (b) it is "functional," and (c) it was secured by fraud on the PTO; and (2) seeking damages for (a) tortious interference with business relations and (b) unfair competition. The court issued a Decision and Order denying the injunction and holding that the Louboutin fashion house had not shown a likelihood of success on the merits of its claims.
  - The court held that, in the fashion industry, single-color marks are inherently "functional" and that any such registered trademark would likely be held invalid. The court therefore held that Louboutin was unlikely to be able to prove that the Red Sole Mark was eligible for trademark protection, and denied Louboutin's motion for a preliminary injunction.
  - On appeal to the United States Court of Appeals, Second Circuit, Louboutin argued that the District Court erred in (1) holding, based on the doctrine of "aesthetic functionality," that the Red Sole Mark was not entitled to legal

protection; (2) applying the doctrine of aesthetic functionality to hold that a single color on a fashion item could not act as a trademark; (3) failing to give weight to the statutory presumption of validity deriving from the Red Sole Mark's registration; (4) applying an improper analysis of trademark infringement and dilution; (5) ignoring allegedly undisputed proof of likelihood of confusion and irreparable harm; and (6) announcing a per se rule of functionality in a manner that violated Federal Rule of Civil Procedure 52.

- The Second Circuit reversed the District Court and held that because the evidence of expenditures, media coverage, and sales success demonstrated both that Louboutin had created a "symbol" within the meaning of *Qualitex*; and because that symbol has gained secondary meaning that causes it to be "uniquely" associated with the Louboutin brand; the lacquered red outsole, as applied to a shoe with an "upper" of a different color, has "come to identify and distinguish" the Louboutin brand, and is therefore a distinctive symbol that qualifies for trademark protection.
- However, the Court did conclude that, based upon the record that Louboutin had not established a secondary meaning in an application of a red sole to a red shoe, but only where the red sole contrasts with the "upper" of the shoe. They further stated that the use of a red lacquer on the outsole of a red shoe of the same color was not a use of the Red Sole Mark.
- In summary, the Second Circuit held that the District Court's conclusion that a single color can never serve as a trademark in the fashion industry was based on an incorrect understanding of the doctrine of aesthetic functionality and was therefore error. The Court further held that the District Court's holding, that Louboutin's trademark has developed "secondary meaning" in the public eye, was firmly rooted in the evidence of record and was not clearly erroneous, and that the Red Sole Mark is therefore a valid and enforceable trademark. Finally, the Court limited the Red Sole Mark to a red lacquered outsole that contrasts with the color of the adjoining "upper."