

## INSIGHTS

## A Red-Leather Day: Giving Single Color Trademarks in the Fashion Industry a Little Sole

September 17, 2012

On Wednesday, September 5<sup>th</sup>, 2012 the U.S. Court of Appeals for the Second Circuit delivered its much anticipated decision in the case of *Christian Louboutin et al. v. Yves Saint Laurent America, Inc.*, No.11-3303, holding that Louboutin was afforded trademark protection for women's shoes with red soles - with noted limitations. Ultimately, this signifies Louboutin's loss in this battle of the brands against Yves Saint Laurent (YSL) on the fashion frontline of red unicolor shoes - but that they win the war, establishing that it is possible to protect single color trademarks in the fashion industry.

The runway rivals have been engaged in a lengthy legal scuffle regarding a pair of YSL red-soled shoes, whereby Louboutin has claimed that YSL should be prevented from selling red pumps that infringe on its trademarked design and YSL is contending that trademark registration should not have been granted. With regard to the implications stemming from Wednesday's decision, the heels were high - but the trademark stakes proved even higher. The court affirmed that trademark protection for the Red Sole Mark stands, provided that the red, lacquered bottom contrasts with the color of the remainder of the shoe - but does not extend to shoes that are monochromatically red. Further, Judge Jose Cabranes clarified that YSL's use of red shoes with both red bodies *and* soles does not infringe on Louboutin's existing trademark rights.

Judge Cabranes also asserted in the decision that "[t]he 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." It was affirmed that the stark contrast "between the sole and the upper that causes the sole to 'pop' and to distinguish its creator" thereby establishing "secondary meaning" by identifying the Louboutin brand and serving as a distinctive symbol deserving of trademark protection. This acquisition of secondary meaning, however, does not extend to instances where the outsole fails to contrast with the remainder of the shoe (resulting in an entirely red shoe). Though a myriad of evidence had been accumulated on the record corroborating that Louboutin's red sole paired with a body of contrasting color had acquired secondary meaning, Louboutin failed to sufficiently substantiate an argument with respect to shoes consisting of a red outsole and red upper and thus the court held that the secondary meaning is limited to the red sole, and *not* the red shoe in its entirety.

The court added that it would not address the issues regarding likelihood of confusion or the functionality of the Red Sole Mark in light of the established limitation of the mark's protection to red soles alone. The Second Circuit indicated, however, that it discerned no foundation for a *per se* rule against affording trademark protection to single color marks within the fashion industry.

The Second Circuit's holding should provide cause for celebration for brand owners seeking to use color to make their mark in the fashion industry as it confirms that "color can serve as a tool in the palette of a designer, rather than as mere ornamentation" and is thus capable of attaining secondary meaning. As for those purveyors of pumps electing to use red shoe bottoms with contrasting tops? Be wary how you sell your sole.

If you would like assistance in developing strategies for protecting trademarks, trade dress or copyrights, please contact one of our attorneys.