

Chicago Daily Law Bulletin

Volume 158, No. 186

Court upholds single color trademark protection for designer

I had to resort to Wikipedia to find out who Christian Louboutin is. His life has been nothing less than a French Horatio Alger story. Born in Paris in 1963, he was the son of a cabinetmaker. Thrice expelled from school, he ran away from home at age 12. He roamed the world, spending time in India and Egypt.

Eventually his creative side blossomed and now he is a famous designer of high-fashion footwear, best known for his stiletto heels with red-lacquered soles (or, as they more precisely known in the trade, "outsoles"). Princess Caroline of Monaco was his first customer and Lady Gaga, J.Lo, Madonna and Kim Kardashian have worn his shoes. Supposedly, Danielle Steele owns 6,000 pairs. Louboutin owns homes in Paris; Lisbon, Portugal; Aleppo, Syria; Luxor, Egypt, and a houseboat on the Nile River. How could I not have known of this man and his red-soled stilettos?

Louboutin has been at the center of a trademark controversy that is of great importance to the fashion industry. *Louboutin v. Yves Saint Laurent*. 2012 WL 3832285 (2nd Cir.). It stems from his claim of trademark protection over a single color — red — as it appears on the soles of his high-heeled shoes. His bright, red-lacquered soles have been appearing on his designer shoes since 1992. In 2008, he actually obtained a federal trademark registration for a mark consisting of "a lacquered red sole on footwear."

Louboutin's rival in the fashion battle du jour is Yves Saint Laurent Inc. (YSL), itself an owner of many well-known trademarks. YSL is a vigorous enforcer of its own trademarks, but this time found itself on the defense when it prepared to market a line of "monochrome" high heels in various colors, including red. The shoe was entirely red, including a red insole, heel, upper and, brazenly, a red outsole. This brought the battle from the runway to the courtroom, as Louboutin filed a suit for trademark infringement seeking a pre-

liminary injunction.

Single color trademarks have always been somewhat controversial. The old school thinking was that a single product color is not capable of protection as a trademark. The rationale behind this was that since there are only a limited number of primary colors, these colors would be snapped up by competitors, resulting in "color depletion" or "color monopolization." And while there are many different shades of each color, a consumer cannot necessarily distinguish between fine variations of shades in the marketplace. Of course, distinctive combinations or arrangements of color can be trademarks, but it was traditionally held that color per se, except in connection with a defined design, could not be the subject of a trademark. *Mishawaka Rubber v. S.S. Kresge*. 119 F.2d 316.

But courts have chipped away at the view that a single color cannot serve as a trademark. One such mark that any homeowner is aware of is Owens Corning's trademark for the color pink used on fiberglass insulation. In 1985, the federal circuit held that the overall color of Owens Corning's product was not precluded from registration. An important factor in allowing Owens Corning's registration was the court's finding that the color pink, as applied to insulation, "has no utilitarian purpose and does not deprive competitors of any ... competitive need." *In re Owens Corning Fiberglass Corp.*, 774 F.2d 1116. Similarly, Amsted Industries, a manufacturing company headquartered in Chicago, obtained a trademark registration for the color orange used on "thermoplastic encapsulated wire rope." *In re Amsted Industries, Inc.* 972 F.2d 1326.

Still, some courts resisted the trend to whitewash the color depletion rule. For example, the 9th U.S. Circuit Court of Appeals declined to give trademark protection to Prestone's yellow-colored, one-gallon jugs of antifreeze. *First Brands v. Fred Meyer*. 809 F.2d 1378.

INSIDE IP LAW

WILLIAM T. MCGRATH

William T. McGrath is a member of Davis, McGrath LLC, where he handles copyright, trademark and Internet-related litigation and counseling. He is also associate director of the Center for Intellectual Property Law at The John Marshall Law School. He can be contacted at wmcgrath@davismcgrath.com.

Eventually, the Supreme Court weighed in on the issue in *Qualitex v. Jacobson*. 514 U.S. 159 (1995). The court upheld trademark protection for a particular green/gold color of pads used on professional dry cleaning presses. It found that there was no public policy reason that would support a rule absolutely barring the use of color alone as a trademark. The court felt that color depletion would not be a problem, and even if it did arise, the trademark doctrine of "functionality" could be used to prevent anticompetitive consequences.

Even with the Supreme Court's ruling, color is not always entitled to trademark protection. The mark must first acquire "secondary meaning" — in other words, the consuming public must recognize it as an identification of the source of the product. This comes from years of sales and advertising emphasizing the color of the product. Most people know

that pink fiberglass insulation comes from a certain company, even if they don't know the name.

Which brings us back to Louboutin's red soles. YSL's argument was that this case is different from cases involving insulation, wire rope or dry cleaning pads because color serves a crucial function in the fashion industry. The lower court agreed, ruling that a single color can never be protected by trademark in the fashion industry. Because creativity, aesthetics, taste and seasonal change define articles of fashion, it held that single color marks are inherently functional in the fashion industry. It looked as if all those years of Louboutin connecting his identity with the red sole were lost.

Fortunately for Louboutin, the court of appeals was less willing to extinguish Louboutin's goodwill and came up with a reasonable approach that balances the industry's competitive interests with the preservation of Louboutin's hard-earned goodwill — both of which should lead to the ultimate benefit of the consumer. The court of appeals rejected the notion that there can be a per se rule precluding color trademarks for an entire industry. It sidestepped the aesthetic functionality issue by taking a more precise look at what made Louboutin's mark distinctive. The mark's secondary meaning, said the court, came only from the use of the red sole as a contrasting color with the remainder of the shoe. Since YSL's shoes were monochromatic, the red soles on its all-red shoes would not confuse the public. Thus there was no infringement.

The decision is Solomonic. There was no need to cut a runway model in two; instead, the court cut the shoe in two. YSL should be satisfied because it is not an infringer and is allowed to compete. Louboutin should be ecstatic because the court saved its famous red sole trademark from complete extinction. The public, especially Steele and those in the know who "instantly recognize the flash of a red sole," are the beneficiaries.

“There was no need to cut a runway model in two; instead, the court cut the shoe in two.”