



Second Circuit Rules That a Single Color Can Be a Trademark in the Fashion Industry

In a decision of critical importance to the fashion industry, the Second Circuit Court of Appeals ruled this week that a single color can serve as a legally protected trademark in the fashion industry and in particular as a trademark for a brand of high-fashion women's shoes. The Second Circuit, in *Christian Louboutin S.A., et. al. v. Yves Saint Laurent Am. Holding, Inc., et. al.*, 11-3303-cv, held that luxury shoe designer Christian Louboutin was entitled to trademark protection for the iconic red soles on his shoes, but only if the rest of the shoe is a different color, making way for Louboutin's competitor, fellow luxury designer Yves Saint Laurent (YSL), to sell shoes that are entirely red.

Background

During 1992, Louboutin introduced his signature footwear with bright lacquered red soles, and since that time, fashionistas have come to closely associate red-soled shoes with Louboutin (and now pay up to \$1,200 for a pair). Louboutin registered the red sole as a trademark with the United States Patent and Trademark Office based upon the strength of the fashion world's asserted recognition of the red-soled shoes. Last year Louboutin tried to stop YSL from selling monochromatic red shoes with red soles, suing YSL for Lanham Act claims and seeking a preliminary injunction. *Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 778 F. Supp. 2d 445, 451 (S.D.N.Y. 2011). The district court in that case denied Louboutin's motion for a preliminary injunction and ruled that a single color can never serve as a trademark in the fashion industry because color is an element of fashion design. The court declared Louboutin's trademark registration to be invalid.

Opinion

On September 5, 2012, the Second Circuit rejected the district court's holding that a single color can never be a

trademark in the fashion industry and found that the fashion industry should be held to the same standard as other industries. The Second Circuit held that the district court's decision was inconsistent with the seminal Supreme Court decision in *Qualitex Co. v. Johnson Products, Inc.*, 514 U.S. 159 (1995), which holds that the Lanham Act permits registration of a trademark or trade dress that consists, purely and simply, of a color, if it distinguishes a company's goods and identifies their source without serving any other significant function. The Second Circuit concluded that *Qualitex* requires an "individualized, fact-based inquiry into the nature of a trademark and cannot be read to sanction an industry-based *per se* rule" and that the *Qualitex* court did not intend that all fashion designers must be allowed to use any aesthetic element at all, but only that they must be allowed to compete fairly in the marketplace. While noting that distinctiveness is required and that proving distinctiveness of a single color, standing alone, may be very difficult because a color does not automatically tell a customer that it refers to a brand, the Second Circuit reiterated that a single color is capable of acquiring secondary meaning through extensive use. Based upon the facts in the record, the Second Circuit held that, due to Louboutin's extensive advertising expenditures, sales success, and media coverage, the red sole had acquired secondary meaning and merited protection as a distinctive trademark when used on a shoe of a different color because the red sole clearly identifies the Louboutin brand. As a result, Louboutin's motion for a preliminary injunction against YSL's use of a red sole on an all-red shoe was denied because YSL did not step on Louboutin's newly defined trademark. Further, Louboutin's trademark registration for its red sole mark is to be limited to only those situations in

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which the red-lacquered sole contrasts in color with the rest of the shoe.

What This Means for the Fashion Industry...and You

For many years, fashionistas have identified certain colors with certain brands, such as Tiffany's blue, Hermes's orange, and Louboutin's red. The Second Circuit's decision reaffirms the ability of the fashion industry, and other consumer brand companies, to rely upon the Lanham Act to protect their brand identities. This decision provides instruction as to how a single color can be used as a trademark, specifically reinforcing that a single color can serve as a brand identifier only if it is used consistently and prominently, so much so that the public sees that the color's primary significance is to symbolize and identify a brand. As such, it is imperative that a brand's marketing and legal teams work together to develop a comprehensive strategy for the consistent use of a single-color mark as a symbol of the brand.

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