

11-3303-CV

United States Court of Appeals
for the
Second Circuit

CHRISTIAN LOUBOUTIN S.A., CHRISTIAN LOUBOUTIN, L.L.C.,
CHRISTIAN LOUBOUTIN,

Plaintiffs-Counter-Defendants-Appellants,

– v. –

YVES SAINT LAURENT AMERICA HOLDING, INC., YVES SAINT
LAURENT S.A.S., YVES SAINT LAURENT AMERICA, INC.,

Defendants-Counter-Claimants-Appellees,

YVES SAINT LAURENT, (an unincorporated association), JOHN DOES,
A to Z, (Unidentified), JANE DOES, A to Z, (Unidentified),
XYZ COMPANIES, 1 to 10, (Unidentified),

Defendants-Appellees.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**BRIEF OF *AMICUS CURIAE* LAW PROFESSORS IN
SUPPORT OF DEFENDANTS-COUNTER-CLAIMANTS-
APPELLEES AND URGING AFFIRMANCE**

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INTEREST OF AMICI CURIAE

Amici are professors of law who research, write, and teach in the area of trademark and related fields.¹ Amici's institutional affiliations are provided for identification purposes only, and imply no endorsement of the views expressed herein: Robert Brauneis (George Washington University); Stacey Dogan (Boston University); Christine Haight Farley (American University-Washington College of Law); Laura Heymann (William & Mary); Greg Lastowka (Rutgers School of Law-Camden); William McGeeveran (University of Minnesota); Mark McKenna (Notre Dame); Viva Moffat (University of Denver); Roger Schechter (George Washington University); Christopher Sprigman (University of Virginia); Rebecca Tushnet (Georgetown).

Amici have no personal stake in the outcome of this case. Institutional affiliations. Counsel for all parties have consented to the filing of this brief.

SUMMARY OF ARGUMENT

Aesthetic functionality is a settled doctrine of the law of trademark and a necessary one. Functionality channels the grant of legal monopolies over product features away from trademark to utility and design patent law – branches of the

¹ Pursuant to Fed. R. App. P. 29(c)(5) and Local Rule 29.1(b) of the United States Court of Appeals for the Second Circuit, amici hereby certify that no party's counsel authored this brief in whole or in part; no party or party's counsel contributed money intended to fund preparing or submitting the brief; and no person other than amici contributed money intended to fund preparing or submitting the brief.

law that are built to ensure that only inventors of truly *novel* product features are entitled to monopoly rights over those features, and that those rights are time-limited. Functionality, in either aesthetic or utilitarian forms, is context-specific and can even be specific to a defendant's particular type of use. Importantly, aesthetic functionality is independent of source significance: a finding of functionality renders the claimed features unprotectable whether or not those features indicate source.

Here, the District Court correctly recognized the importance of color to consumers in the particular context of fashion markets, and properly considered the factors that consumers find relevant when purchasing shoes in determining that the red sole, as Louboutin claimed it and as YSL used it, was functional. Louboutin's and its amici's arguments against aesthetic functionality in general, and for protection of single colors in fashion markets in particular, should be rejected in order to preserve freedom of innovation and competition.

ARGUMENT

I. Aesthetic Functionality Is Part of the Governing Law in Order To Promote Competition and Avoid Conflict with Design Patent Law.

Louboutin and its amici do not like the doctrine of aesthetic functionality and would apparently prefer that only utilitarian functionality exist. *See, e.g.*,

Louboutin Br. at 21; INTA Br. at 16-18.² However, this Circuit and the Supreme Court have long recognized the importance of aesthetic functionality to trademark where consumer preferences for attractive product designs drive purchases. *See, e.g., Traffix Devices v. Mktg. Displays, Inc.*, 532 U.S. 26, 33 (2001) (noting that aesthetic functionality exists when trademark protection for a design would impose a “significant non-reputation-related disadvantage” on competitors); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995) (a feature is functional when its “exclusive use ... would put competitors at a significant non-reputation-related disadvantage”); *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir.1990) (finding designs for silverware aesthetically functional); *cf. Rogers v. Keene*, 778 F.2d 334, 343 (7th Cir. 1985) (“Beauty is function.... A feature can be functional not only because it helps the product achieve the objective for which the product would be valued by a person indifferent to matters

² Tiffany notes that McCarthy’s influential treatise also disparages the doctrine of aesthetic functionality. *See, e.g., Tiffany Br. at 12*; 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 7:81, at 7-258 (4th ed. 2010). As Mark McKenna has explained, however, it does so by categorizing many features that consumers prefer for aesthetic reasons as functional in a utilitarian sense, a semantic move that both depopulates the aesthetic side of the functionality ledger and well illustrates the weakness of the linguistic distinction between “aesthetic” and “utilitarian.” *See Mark P. McKenna, (Dys)Functionality*, 48 *Houston L. Rev.* 823, 853 (2011) (footnote omitted):

McCarthy ... [claims] that courts could just treat the need for ... a heart shape for candy boxes[] under the traditional utilitarian-functionality rule because those features might be “just as ‘utilitarian’ from a marketing viewpoint as any engineering analysis of rectangular versus circular box sizes and shipping stability and cost of manufacture.” But if he really believes this, then his objection to aesthetic functionality is purely semantic, for the point of aesthetic functionality is to capture cases in which the need for a feature is dictated by market expectations rather than engineering problems.

of taste, charm, elegance, and beauty, but also because it makes the product more pleasing to people not indifferent to such things.”) (*quoted with approval in Wallace*, 916 F.2d at 144).

There are instances when consumers have preferences that cannot be reduced to scientific quantification of performance (“utility”), but are real marketplace constraints nonetheless. The harm to competitors from monopolization of those features justifies barring their appropriation, especially given the many nonfunctional words, logos, and other features that remain available for use as marks. In these instances, and where the product feature in question does not meet design patent’s novelty requirement, the aesthetic functionality doctrine serves to maintain robust competition, and to prevent mark owners from using trademark as a kind of back door to *perpetual* patent-like protection for attractive but non-novel product features. Aesthetic functionality doctrine thus plays a vital role in ensuring that trademark law does not invade the jurisdiction of patent. For this reason, this Court should decline the suggestion to reduce aesthetic functionality to a nullity.

As Mark McKenna has explained in a recent article, there is no coherent way to separate “aesthetics” from “utility” in the context of many product features:

Farm equipment does not work better because it is green—it does not till better, work longer, or cut more reliably—just as strawberry-flavored flash-frozen ice cream does not taste better because it is pink. If, however, consumers expect their farm equipment to be green or their strawberry-

flavored ice cream to be pink, then those colors serve non-source-related functions, and they do so even if consumers also associate the colors with John Deere and Dippin' Dots, respectively.... Regardless of the terminology, it is important to recognize that features can have at least two different types of "functional" roles in a product—they may play a role in the product's utilitarian performance, making it work better for its intended-use function, or they may play a role in meeting consumer expectations for a particular type of product.

McKenna, *supra*, at 853-54 (footnotes omitted).

In other words, "all markets contain an element of fashion." Ashley Mears, *Pricing Beauty: The Making of a Fashion Model* 253 (2011). Demand regularly comes not from something inherent in the progress of human history, but from changes in the appearance and style of products that fit – for reasons that are mostly ineffable but nonetheless very powerful – with the aesthetic sensibility of the moment. Skateboards are valued not just because of the speed they enable a human to attain under her own power (many devices do better), but because they serve particular cultural needs. So too with shoes. Fashion consumers choose high heels not because they improve ease of movement (indeed, they impair it), but because in many consumers' judgments high heels look better with certain outfits, or they fit with a certain image that the consumer has, or wishes to have, of herself. For these reasons, product features that are non-novel but attractive can structure markets every bit as powerfully as those that are conventionally understood as "utilitarian." Allowing perpetual monopolization via the trademark law would, in many instances, significantly impair competition.

The point, again, is that the line between “aesthetic” and “utilitarian” product attributes is often more linguistic than real. And for this reason, the Court should reject the rigid and shallow dichotomy between “utilitarian” and “aesthetic” features urged by appellant and INTA, and instead do as the Supreme Court has directed: deem a product feature functional, and therefore outside the ambit of trademark, if it offers a significant non-reputation-related advantage to a competitor. In other words, if the relevant consumers want a product feature because it is especially attractive, then that feature is not a proper subject of monopolization by a single producer – unless it meets the demanding novelty requirement of design patent.

Relatedly, Louboutin’s and its amici’s arguments would, if accepted, pose dangers to the coherence of federal intellectual property law – in particular, to the proper relationship between the trademark and patent laws. Utilitarian functionality doctrine is a limit on the scope of trademark protection that is necessary in order to avoid overlap with utility patent law, which grants monopolies in useful product features only when they are truly *novel*. Respectfully, we believe that the concerns that animate the aesthetic functionality limitation to trademark are parallel to, and every bit as important as, those that Louboutin and amici accept as the foundation of conventional utilitarian functionality doctrine.

Design patents also grant time-limited monopolies in novel, non-obvious, and ornamental designs, because these can be powerful drivers of consumption, and because the law wishes to provoke the production of new designs.³ However, the patent law limits the grant of monopoly protection, both in restricting its application to truly *novel* designs and in limiting the duration of the monopoly (currently 14 years). In contrast, without a robust aesthetic functionality doctrine, trademark law would grant *perpetual* monopolies in desirable product features that, although associated by consumers with a particular producer, are not novel in the way the patent law requires for both utility and design patents. That result would undermine the careful balance that Congress has maintained in the law of design patent between incentivizing the production of attractive new designs and permitting the widest possible competition consistent with that incentive. A competitor who does not seek design patent protection, like a competitor who does not seek a utility patent for a feature possessing utilitarian functionality, should not be able to obtain perpetual protection through trademark for a feature that consumers would desire independently (whether for its useful or its aesthetic

³ See McKenna, *supra*, at 847 (“We do, however, have good reason to think aesthetic features are competitively important in some cases. Indeed, that is the premise of the design patent system itself; if it were generally true that competitors are at no disadvantage when they are denied access to aesthetic or ornamental features, then design patents would have little value. That we have a design patent system, and that the system is actually used by designers for the purpose of excluding others from using ornamental design features, suggests that those features sometimes are competitively significant. It also suggests that the claim that aesthetic design features are not competitively important is really a normative claim that competitors should not be able to copy aesthetic features masquerading as an empirical claim.”).

appeal). *See Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 214 (2000) (noting the availability of design patent as a reason to be cautious in granting trademark protection to designs).

It is for this reason that Louboutin's and its amici's argument that red soles cannot be aesthetically functional because they indicate source fundamentally misunderstands what it means for a feature to be functional. Aesthetic functionality trumps source significance for the same reasons utilitarian functionality does. This is the inescapable structure of the Lanham Act, which makes functionality a defense to claims of infringement – a defense independent of arguments about source significance and one that is available even against marks that have achieved incontestable status. See 15 U.S.C. § 1115(b)(8). The Supreme Court has clearly understood this: it has repeatedly stated that functional features are not protectable regardless of secondary meaning, and it has never differentiated between utilitarian and aesthetic functionality in those statements, even when it addressed the evidentiary role played by an expired utility patent in proving utilitarian functionality in *Traffix*. *See Traffix*, 523 U.S. at 29 (noting “the well-established rule that trade dress protection may not be claimed for product features that are functional”) (citing *Qualitex*, 514 U.S. at 164-165; *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 775 (1992)); *Wal-Mart*, 529 U.S. at 213 (cautioning

against overextension of trade dress because “product design almost invariably serves purposes other than source identification”).

Design patent applications have been steadily on the rise since 1975.⁴ To protect the functions of the design patent system, the doctrine of aesthetic functionality must be bolstered, not weakened. Consumers and designers carefully consider aesthetic features of industrial design. The law should respect that care.

II. The District Court Was Correct To Consider Functionality in Context.

The Supreme Court made clear in *Qualitex* that in certain contexts color can be functional and therefore unprotectable by trademark law even if secondary meaning exists. *Qualitex* specified that there are no ontological barriers to what can serve as a mark *for purposes of acquiring secondary meaning*, 514 U.S. at 162, then immediately conducted a separate functionality inquiry, *id.* at 165-66.

Qualitex further explains that the distinct question whether a particular color is functional must be answered by examining the context in which the color is used. *See id.* at 169 (discussing various specific uses of color). This context may be field-specific or use-specific. Both concerns are present here. The District Court properly considered both the overall context of high fashion (field-specific context) and the particular situation where the color of YSL’s red outsole

⁴ In 2011, there were more than 30,000 design patent applications filed with the USPTO compared with approximately 5,000 applications filed in 1975. *See* Gene Quinn, *Design Patent: The Under Utilized and Overlooked Patent*, www.ipwatchdog.com/2011/12/20/design-patents-the-under-utilized-and-overlooked-patent/id=21337/ (visited January 2, 2012).

harmonizes with the remainder of the visible portions of the shoe and/or the designer's entire clothing collection (use-specific context). A-971; Op. at 453-54.

More generally, it is no surprise that classes of products exist where functionality of a particular color is easily established, such as the color red for candy – or, here, for monochromatic red shoes. And though color may be registered where not functional, that does not mean that a color, especially a primary one, is nonfunctional for all classes of products. *Qualitex* stated that, as to the entire possible universe of goods and services, there are “normally” alternative colors available to other competitors. *Qualitex*, 514 U.S. at 168 (emphasis added). “Normally” does not mean “always.”

The question to be answered is whether the feature at issue has aesthetic appeal regardless of its source-identifying significance (as opposed to being something that consumers think is aesthetically appealing because they have a high regard for the brand), and it is that question that the District Court posed and answered correctly based on the evidence before it: red is an appealing color for shoes, and at least in some circumstances can increase the appeal of the overall shoe when applied to the sole of the shoe. If Louboutin had never existed, YSL would have the same aesthetic reasons for choosing to use a red sole on a red shoe; indeed, the record reflects that YSL used red soles as an aesthetic element long before Louboutin designed shoes. A-971, 976. This is similar to an example of

aesthetic functionality noted by the Supreme Court: black was aesthetically functional for an outboard motor because it coordinated well with other colors and improved the overall “look” of the boat. *See Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531 (Fed. Cir. 1994), *cited in Qualitex*, 514 U.S. at 169-70.⁵

What is true for outboard motors is even more so for fashion goods. The number of people who want a red (or pink or purple or orange) shoe *because of the color* is so substantial that it is logical to find, as the District Court here did, that the color serves an important non-source identification role as part of the appeal of the fashion product itself.

A. Single-Color Claims in Fashion Markets Are Inherently Suspect.

Amicus INTA argues that the District Court went too far, but the court dealt with the rights that Louboutin claimed to own, which were not limited to rights in a lacquered red sole of a particular shade. Louboutin did not limit its claims to the

⁵ The concept of causation can help explain why courts have held that a brand that is aesthetically appealing is not necessarily functional. In such cases, the “aesthetic” appeal comes from the positive feelings consumers have about the brand. For example, in *Au-Tomotive Gold Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062 (9th Cir. 2006), the Ninth Circuit was certain that consumers would not inherently react with aesthetic appreciation to the letters “VW” and “Audi.” *See id.* at 1074 (“Volkswagen and Audi’s trademarks undoubtedly increase the marketability of Auto Gold’s products. But their ‘entire significance’ lies in the demand for goods bearing those non-functional marks. . . . [S]uch poaching is not countenanced by the trademark laws.”). Whatever the merits of *Au-Tomotive Gold*, it is better understood as a case about causation than a case rejecting aesthetic functionality, as INTA would have it, *see* INTA Br. at 19-20. When the public’s belief that a design is attractive comes *entirely* from the secondary meaning generated by a specific logo, the aesthetic appeal comes by way of trademark meaning. If Audi and VW had not existed, no one would have purchased keyrings with Audi and VW logos. By contrast, in the counterfactual world without Louboutin, the aesthetic appeal of an all-red shoe remains intact, as the District Court recognized. A-971; Op. at 453-54.

precise color it uses; it claimed entire swathes of the color spectrum, and the District Court properly evaluated that broad claim. A-895-896, 898-900; Op. at 454-56. The more general a claim to a product design is, the more likely it is that it encompasses functional matter. *See Jay Franco & Sons Inc. v. Franck*, 615 F.3d 855, 860 (7th Cir. 2010) (noting that building blocks of design are more important to competition than refinements thereon).

The District Court's analysis properly took Louboutin's litigation position into account in evaluating the functionality defense. A-895-896, 898-900; Op. at 455-56 & nn. 6-7. Trademarks, unlike patents, do not have distinct boundaries. *See Jeanne Fromer, Claiming Intellectual Property*, 76 U. Chicago L. Rev. 719, 795-96 (2009). Their scope is defined by confusing (or diluting) similarity as determined by consumer reactions (as well as, in practice, by the threats that trademark owners make to deter competitors, *see Wal-Mart*, 529 U.S. at 14 ("Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit")). As such, a functionality determination should take into account the scope of the claimed trademark; among other things, that scope affects what the supposed alternatives to the mark are.

This Court's decision in *Wallace* makes these points clearly. The *Wallace* plaintiff claimed rights in baroque designs for silverware. This Court denied trademark protection on aesthetic functionality grounds because such protection

“would significantly hinder competition by limiting the range of adequate alternative designs.” *Wallace*, 916 F.2d at 81. Louboutin and its amici contend that the aesthetic functionality doctrine is limited to cases in which the feature is “essential” to competition, *see, e.g.*, *Louboutin Br.* at 5; *INTA Br.* at 2. They further presume that the relevant market is the general market for high-end footwear and state that the ability to make red outsoles is not essential to competition in that market.

But appellant’s arguments are inconsistent with this Court’s holding in *Wallace*. The fact that competitors could compete in the vast market for silverware that was *not* baroque, in this Court’s view, was no reason to grant a monopoly over the baroque market: the relevant “alternative” had to be found in the sub-market for baroque silverware. Since protection for the plaintiff would limit the range of adequate alternative baroque designs, its design was functional. *See also Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 1203 n.7 (11th Cir. 2004) (finding flash-frozen ice cream to be a different market than traditional ice cream; Frosty Bites “[did] not want to compete in the ice cream business; it want[ed] to compete in the flash-frozen ice cream business, which is [] a different market from more traditional forms of ice cream.”) (citing 3 Louis Altman & Malla Pollack, *Callmann on Unfair Competition, Trademarks and Monopolies* § 19:7, at 19-79 (4th ed. 2003) (“[F]unctionality . . . is not to be determined within the broad

compass of different but interchangeable products; the doctrine of functionality is intended to preserve competition within the narrow bounds of each *individual* product market.”)).

This Court’s holding in *Wallace* applies directly to this case. In fashion design, when the aim is to create color compatibility or a red monochromatic effect, there is no alternative but to use red.⁶ The question is not whether other designers can compete with Louboutin by offering attractive *blue* shoes to consumers who want red shoes. The question is whether Louboutin’s competitors can make red shoes for consumers who want *red* shoes because of their aesthetic appeal.

In one way, this is a question about who gets to define the relevant aim of the product at issue. The District Court was correct to note the highly expressive and artistic elements of fashion design.⁷ A-309, A-889-890, A-971; Op. at 453-54. The same can be said about fashion consumption: A woman who buys red shoes is

⁶ Louboutin inconsistently maintains both that the outsole is irrelevant to the appearance of the shoe (e.g., Louboutin Br. 42 (the outsole is “ordinarily ignored”)) and that people notice the red outsole of Louboutin shoes. The heel on Louboutins is so high that the outsole is regularly visible and affects the overall impression of the shoe, as it does with any sufficiently high heel. A-988, 984. YSL can’t dress its models “head to toe” in red, Louboutin Br. at 45, and also have them wear high heels without using red on the visible portions of the bottom of the shoe.

⁷ Amicus INTA criticizes the District Court’s analogy to the art world because, INTA argues, Picasso wasn’t using blue as a mark. See INTA Br. at 13. This misses the point of the court’s explicitly “fanciful” analogy, Op. at 451, which included the assumption that Picasso’s particular blue had secondary meaning and was therefore serving as a mark. The District Court’s insight was that the key question was not whether people recognized the color as a mark but whether it served a vital function independent of that source significance, as it would in a painting: it helped make the painting itself what it was; the painting would not be the same product in a different shade.

doing so for a reason – red shoes have a particular meaning to her, and to others, that cannot be supplied or even approximated by shoes of a different color. Given the substantial creativity involved in both fashion design and fashion consumption, courts should not lightly allow one particular competitor to monopolize particular fashion sub-markets. To tell a designer that other single colors are “adequate” – at least until someone else appropriates them, as amicus Tiffany would like to do with respect to robin’s egg blue (and, no doubt, as other fashion firms will rush to do with respect to any number of other colors if appellant’s arguments are upheld⁸) – is to interfere significantly with both creative freedom and with consumers’ ability to make fashion choices that are both highly individual and deeply personal.

The cases finding color nonfunctional in other areas are not to the contrary. *See, e.g., In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985). In many fields, color is not considered a central product characteristic by consumers. A house builder would be a fool to decide what bolt to use based on its color; an unusual color may serve as a mark for such products without aesthetic functionality. But the choice of a color complementary to a particular person’s skin, eyes, or outfit is a far different matter, as is the choice of a shade for a painting. A court can legitimately tell builders that their buildings stand up just as

⁸ Indeed, other designers are already trying to stake out the color spectrum on the soles of shoes. See Supplemental Registration No. 3,659,582 (green inner heel for women's high-heel shoes); Serial No. 85/335,704 (green outsoles on high-heel women's shoes); Serial No. 85/288,621 (blue outsoles on high-heel women's shoes); Serial No. 85/149,118 (pink heel tips on women's shoes) (available at <http://www.uspto.gov/trademarks/index.jsp>).

well with bolts with differently colored heads; it cannot tell a designer or a consumer that an outfit is “just as good” with shoes of a different color. The alternatives are simply not the same; they do not serve the same interests.

The fashion context is especially significant because Louboutin is not alone in its desire to take colors out of the competitive market. Amicus Tiffany, for example, expresses concern for its mark in a shade of robin’s-egg blue, which it has registered for various forms of packaging and for catalog covers. Tiffany Br. at 3. Tiffany argues that the District Court adopted an erroneous “blanket” rule covering single colors in fashion.

Initially, it is important to note that the court focused carefully on Louboutin’s own reasons for choosing its claimed shade—this color communicates a particular message when applied to shoes, according to the putative trademark owner itself. Op. at 447, 453; *see also* A-309. Moreover, the court examined the specific shades at issue as part of its conclusion that allowing Louboutin’s claim would give a single producer too much control over product features that consumers of wearable fashion find appealing not because of their source but because of their aesthetics. Op. at 453-54.

The District Court properly recognized that, where a single color instead of a color combination is at issue, fashion designers will routinely find it difficult to avoid suit using a single shade as the comparison point, as the Court elaborated in

detail. Op. at 454-55 & nn. 6-7. The “blanket” rule the Court applied was simply the rule that the Supreme Court formulated: features that put competitors at a significant non-reputation-related competitive disadvantage, including a constant threat of suit, are functional.

Where expressive interests are heightened, as they are in fashion designs, this Circuit has not hesitated to adopt rules that protect creators. In *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989), for example, this Court declined to apply the ordinary multifactor confusion test, which was unlikely to produce reliable results as applied to expressive uses such as titles, and shaped a rule more appropriate for the situation: protecting a title against trademark claims unless it lacked all artistic relevance or was explicitly misleading. *Rogers* is not an impermissible “blanket rule,” though it does apply to an entire sector of the market. Rather, it is a rule fitted to a particular context.

Moreover, the Supreme Court has indicated a preference for rules of decision that minimize costly case-by-case determinations for competitors who might be deterred by the mere threat of suit. The Court’s concern in *Wal-Mart* that “[c]onsumers should not be deprived of the benefits of competition with regard to the utilitarian and *esthetic* purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants,” 529 U.S. at 213 (emphasis added), is as applicable to aesthetic functionality in the fashion

market as it is to the rule that product design cannot be inherently distinctive.⁹

Thus, rather than allow Louboutin another chance to redefine its mark (and then to claim that many other types of red, including different shades or different levels of gloss, infringe that mark), this Court should recognize that the shadow cast by a mark in a single color on a fashion item creates enormous uncertainty for other designers and should regard claims of single-color trademarks in fashion with considerable skepticism.

This reasoning in no way threatens amicus Tiffany's rights in its registered color marks for nonfunctional product packaging: As the Supreme Court has held, product packaging is very different from product design. *Wal-Mart*, 529 U.S. at 206 ("Consumers are aware of the reality that, almost invariably, even the most unusual of product designs—such as a cocktail shaker shaped like a penguin—is intended not to identify the source, but to render the product itself more useful or more appealing."). Among other things, product design inherently raises

⁹ *Wal-Mart* is also instructive in its methodology. In *Taco Cabana*, the Court had previously held that product trade dress could be inherently distinctive. *Taco Cabana*, 505 U.S. at 768. Despite this apparently broad holding, the Court then unanimously held in *Wal-Mart* that *some* types of product trade dress, in particular product design, could not be inherently distinctive, and saw no conflict with *Taco Cabana*. *Wal-Mart*, 529 U.S. at 215. Given that the Lanham Act has its roots in the common law, it is no surprise that rules may evolve as courts consider new classes of trade dress. Just as the Court in *Traffix* elaborated rules for assessing functionality in cases involving expired utility patents, courts may legitimately consider other sector-specific factors. With fashion, where aesthetics are far more important than utility (as anyone who has spent considerable time in high heels can attest), special care to preserve freedom to use the core aesthetic building blocks of fashion—including color—is appropriate. Color *combinations*, like geometric or representational designs, are more likely to be nonfunctional.

significant issues of functionality, since people often buy a particular product for its design rather than for its unique source.

To the extent that amicus Tiffany wants to be able to extend its existing rights in product packaging to fashion items, this Court should not create a rule making it easy for Tiffany—or any other entity with a nonfunctional color mark for a non-fashion product—to assert that it is thereby entitled to control portions of the fashion market. Indeed, Tiffany’s assertion of a right to claim confusion (and dilution) in fashion items based on a single color would come as a shock to the numerous producers of robins’-egg blue handbags,¹⁰ shoes,¹¹ boots,¹² scarves,¹³ gloves,¹⁴ dresses,¹⁵ scrubs,¹⁶ necklaces,¹⁷ earrings,¹⁸ rings,¹⁹ pins,²⁰ and numerous other items of clothing and jewelry. As one fashion blog noted:

¹⁰ *E.g.*, <http://www.bagborroworsteal.com/Handbags/kate-spade/kate-spade-Tarrytown-Quinn-Tote/15149> (visited Jan. 2, 2012); <http://www.portero.com/chanel-robin-s-egg-blue-caviar-jumbo-tote-bag.html> (visited Jan. 2, 2012); <http://www.sololisa.com/2010/03/5-accessories-to-update-your-spring.html> (Coach bag) (visited Jan. 2, 2012); <http://www.allhandbagfashion.com/201106/rosie-huntington-whiteley-bags.html> (Hermes Birkin bag) (visited Jan. 2, 2012).

¹¹ *E.g.*, <http://www.zappos.com/product/7879820/color/711> (visited Jan. 2, 2012); <http://www.zappos.com/product/7657083/color/319639> (visited Jan. 2, 2012); <http://www.zappos.com/rsvp-ivana-blue-satin> (visited Jan. 2, 2012).

¹² *E.g.*, <http://www.kliemchenfarm.com/boots.html> (visited Jan. 2, 2012).

¹³ *E.g.*, <http://www.etsy.com/listing/87052139/robin-egg-blue-iv-snuggly-100-percent> (visited Jan. 2, 2012); http://www.artscraftsusa.com/Fibre-Craft-Springfield-Collection-Scarf-Robins-Egg-Blue-4-ItemsOrder_p_101241.html (visited Jan. 2, 2012).

¹⁴ *E.g.*, <http://www.etsy.com/listing/68989478/robin-egg-blue-cotton-wool-fingerless> (visited Jan. 2, 2012).

¹⁵ *E.g.*, <http://www.inweddingdress.com/style-br260.html> (visited Jan. 2, 2012); http://www.lasplash.com/publish/cat_index_Style_and_Fashion/Max_Nugus_Haute_Couture_Fall_2006-Review_printer.php (visited Jan. 2, 2012).

¹⁶ *E.g.*, <http://compare.ebay.com/like/160605445593?var=Irgimg&sort=BestMatch> (visited Jan. 2, 2012).

At Milan Fashion Week, robin's egg blue was woven throughout the Calvin Klein Spring/Summer 2011 collection. Whether it appeared in t-shirts, blazers or trousers, bright sky blue added an attractive pop to the line's mostly neutral palette.... The use of robin's egg blue in many different pieces throughout Klein's Spring/Summer 2011 collection weaves the collection together in a common theme and excites audiences about a trendy new color for the season. Warm, inviting and fashionable, this egg blue is a part of a family of popular pastels that have made their way onto runways, magazines and streets this summer.



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This list could be replicated for practically any other color; next season's color may be lime green, or off-white, or indeed glossy red, and courts should not readily assume that any color is unnecessary to success in the notoriously fickle fashion markets. Amicus Tiffany's argument for reversal makes clear just how

¹⁷ E.g., http://www.sears.com/shc/s/p_10153_12605_SPM1417225101P?i_cnr=1322334361823 (visited Jan. 2, 2012); <http://www.etsy.com/listing/62537925/the-carrie-necklace-in-robins-egg-blue> (visited Jan. 2, 2012); <http://www.etsy.com/listing/83906345/rose-necklace-in-robin-egg-blue> (visited Jan. 2, 2012).

¹⁸ E.g., <http://www.etsy.com/listing/82621979/robin-egg-blue-persian-turquoise> (visited Jan. 2, 2012); <http://www.etsy.com/listing/86953132/robin-egg-blue-resin-mum-earrings-on> (visited Jan. 2, 2012).

¹⁹ E.g., <http://www.etsy.com/listing/40640438/robins-egg-enamel-ring-sterling-silver> (visited Jan. 2, 2012).

²⁰ E.g., <http://www.sparklz.com/new/new28.htm> (visited Jan. 2, 2012).

²¹ <http://www.trendhunter.com/trends/calvin-klein-spring-summer-2011> (visited Jan. 2, 2012).

broad Louboutin’s ownership claim is, and concretizes the District Court’s concerns for suppression of competition and artistic innovation in the field of fashion. Even assuming that Tiffany were occasionally willing to concede that some variants of robin’s-egg blue are noninfringing (for example, when jewelry is made with turquoise, whose natural color often approaches that of Tiffany’s packaging²²), the uncertainty faced by producers—especially the small innovators who most often drive fashion trends—would cause precisely the harms that functionality doctrine aims at averting.

B. A Feature May Be Functional for Particular Uses, Even When Nonfunctional in Other Instances.

Just because a design feature serves as a trademark in one context does not mean that it serves as a trademark in all contexts. Apple’s trademark rights over the word “apple” for consumer electronics do not give Apple the right to prohibit produce sellers from using the word “apple” for fruit; likewise, a company’s rights over a design feature that it uses as a trademark does not give that company the right to prohibit all other uses of the feature by other producers, no matter what the context.

²² This example provides another easy example of functionality in fashion. Though the robins’-egg blue color is not functional across all products, when present in a natural stone, it possesses both utilitarian (it will presumably be cheapest and simplest to leave the stone in its natural color rather than to dye it) and aesthetic functionality as to jewelry (it is an attractive color and the stone is an expected part of Southwestern and Native American jewelry styles).

For example, the shape of the Coca-Cola bottle is a registered trademark. Reg. No. 1,057,884; *see also* Application Serial No. 77/818,735 (available at <http://www.uspto.gov/trademarks/index.jsp>). The Coca-Cola Company uses this particular bottle shape to indicate to consumers that the drink within the bottle comes from the Coca-Cola Company. TerraCycle is a “green” business that sells natural fertilizer in recycled containers, including Coca-Cola bottles.²³ To TerraCycle’s customers, the Coca-Cola bottle is being used to contain fertilizer in an environmentally friendly way — just like every other recycled bottle it uses. Prohibiting TerraCycle from using a substantial number of the soda bottles available for recycling would raise its costs of acquiring and sorting bottles in the particular market in which it operates, affecting the cost of its products and creating a substantial non-reputation-related disadvantage. *See also* McKenna, *supra*, at 857 (arguing that functionality should be an individualized defense in certain circumstances rather than a necessarily categorical bar).

Appellants’ example of Levi’s red tab design (*see, e.g.*, *Louboutin Br.* at 55; *see also* *INTA Br.* at 24), supports a context-specific assessment of functionality. Even if Levi’s can claim trademark rights on a red rear pocket tab in some contexts, a court should have no trouble finding that a pair of all-red jeans does not infringe, even though the all-red jeans, by definition, also feature red in the rear

²³ See http://www.terracecycle.net/en-US/product_categories/garden/products.html (visited Jan. 2, 2012).

pocket tab area. Forcing the manufacturer of all-red jeans to cover that portion of the jeans to keep them from becoming red, or to dye them a different color, would raise the costs of production and make the jeans substantially less attractive than true monochromatic red jeans: this specific use is an instance of both utilitarian and aesthetic functionality, despite the general validity of the Levi's mark.

Even closer to the present case, sole color can also readily be functional when the color of the shoe is uniform. The easiest example of utilitarian as well as aesthetic functionality would be a shoe or a sole molded in a single piece, as countless red rubber boots are (some with noticeable heels), as shown below:



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²⁴ Hunter Original Short Gloss, <http://www.zappos.com/hunter-original-short-gloss-pillar-box-red> (visited Jan. 2, 2012); *see also* Vivienne Westwood Melissa Ankle Boot II, <http://www.zappos.com/vivienne-westwood-anglomaniya-melissa-ankle-boot-ii-red-wine-tassle> (visited Jan. 2, 2012).

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In these examples, a court could find that the red sole is functional in a utilitarian sense if the evidence showed that molding these shoes with a contrasting-color sole would be more expensive and/or difficult. The red soles on

²⁵ Tsubo Osuga, <http://www.zappos.com/tsubo-osuga-rich-red-black> (visited Jan. 2, 2012).

²⁶ Red Ashanti Rubber Shoe Boot, <http://www.my-wardrobe.com/melissa/red-ashanti-rubber-shoe-boot-520610> (visited Jan. 2, 2012).

²⁷ Chanel Camellia Red Rubber Boot, <http://lachelphile.com/tag/camellia-rain-boots/> (visited Jan. 2, 2012).

these shoes would also be aesthetically functional for the limited purpose of harmonizing with the rest of the shoe, or with a portion thereof.

It is notable in this regard that Louboutin's registration does not purport to limit the registration to instances in which the sole contrasts with the rest of the shoe, or even with the adjacent portions of the shoe. Op. at 454 (finding Louboutin's claim overly broad; *see also id.* at 456 (“[T]he description [of the registered mark] is broad enough to encompass all styles of shoes, not just the high-heeled model illustrated in the PTO registration”).²⁸ As with the examples above, a registration might cover goods as to which a configuration is functional and goods as to which it is not. To deal with this problem, the court might ultimately invalidate the overbroad parts of the registration. 15 U.S.C. § 1119 (“In any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part...”). If it is not possible to strike portions of the registration because of the way in which the registrant, who is master of the registration, drafted its definition of the registered matter, then the registration as a whole should be invalidated. In this case, if the registration were ultimately invalidated, Louboutin could reapply for a registration

²⁸ Amicus INTA points out that the registration uses the term “lacquered,” INTA Br. at 2, but Louboutin made broader claims about the scope of its rights based on the registration, implicating the core concern of functionality: that trademark rights will be used to cut off competition based on claims to own an entire market. *See* Op. at 456 & nn. 6 & 7; *see also* A-895-896, 898-900.

limited to a nonfunctional color configuration,²⁹ and it may also rely on its common-law rights to any nonfunctional configurations of its design.

Even if Louboutin's registration were read more narrowly, red soles may be aesthetically functional in contexts other than monochromatic red shoes. Indeed, there are numerous possible shoe designs in which the sole of the shoe could perform a coordinating function central to the shoe's competitive appeal. *See, e.g.*, A-971, 976, 977-78 (YSL has used the color red on soles to coordinate with Chinese and Spanish-themed collections). In the following image, taken from the television show *Nikita*, the platform and sides of the shoe are a single color, while the upper straps are a combination of dark and transparent. Because of the height of the shoe, a substantial portion of the "sole" is visible and thus has an aesthetic relation to the rest of the shoe. This type of design, though not entirely monochromatic, also has an aesthetic function in making the bottom portion of the shoe into a single visual unit – one which gives a much bolder impression than the top portion of the shoe, with the effect that the wearer seems to be "floating" on top of the boldly-colored platform sole.

²⁹ As the District Court indicated in its discussion of Louboutin's market success, the secondary meaning of the red sole is arguably limited to a high-heeled shoe with a red sole and a contrasting black upper. *Op.* at 448 ("lacquered red outsoles on high-heeled, black shoes flaunt a glamorous statement that pops out at once").



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Finally, it is worth remembering that in the instant case, it is difficult to imagine that purchasers of these expensive high-fashion items rely on the outsole as an indicator of source; Louboutin, like YSL, uses word and graphic marks on and in connection with its shoes, and therefore purchasers of both brands of shoe are almost certainly well aware of what they are getting. A-991. Louboutin's trademark claim must necessarily be based a post-sale confusion theory (Louboutin's survey did not allow subjects to inspect actual shoes, as they would in stores, A-1031-1032). Post-sale confusion is a much weaker basis for trademark liability than point-of-sale confusion, not least because plaintiffs in post-sale

³⁰ Nikita, airdate Nov. 19, 2011 (CW Network).

confusion cases are often hard-pressed to explain exactly how they are harmed, since no lost sales are necessarily involved. *See, e.g.*, Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 Emory L.J. 367, 404-08 (1999). Here, it is far from clear how Louboutin is harmed if a woman mistakenly believes another woman's monochromatic red shoes to be Louboutins. Louboutin may in fact be *benefited* by increased visibility of the mark and perhaps even increased sales to those who now believe that the Louboutin shoe is even more trendy and desirable. In any event, Louboutin's ability to use word marks and logos to protect against confusion, at the point of sale and after, makes the case for granting further rights less compelling.

CONCLUSION

As the Supreme Court cautioned in *Wal-Mart*, claims to own product designs pose inherent risks to competition. *Wal-Mart*, 529 U.S. at 213. Thus, courts should proceed with skepticism of such claims, especially because word marks and labels remain available to distinguish products in the marketplace, and background principles of unfair competition law allow courts to require such labeling where necessary to avoid deception. *See Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938). The District Court's ruling should be affirmed.

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DATED: January 3, 2012

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