

# THE DISTINCTIVENESS OF A FASHION MONOPOLY

HAOCHEN SUN\*

*By focusing on the recent fashion warfare over the red sole used on luxury shoes, this Article reconsiders the implications of trademark protection of single color marks for regulating the development of the fashion industry and the cultural evolution of human society. Courts and commentators have focused on the role of the aesthetic functionality doctrine in deciding whether Christian Louboutin’s red sole mark should be protected by trademark law. This Article takes a different approach. It calls for a social justice–based re-examination of whether the red sole mark is distinctive enough to warrant trademark protection.*

*Based on a close look at the distinctiveness of the red sole mark, the Article puts forward a social justice mandate that should be incorporated into trademark law. It contends that social justice should have the trumping power to deny trademark protection of marks even if they are adequately distinctive. It also shows how the new mandate resonates with the equality-oriented protection under the First and Fourteenth Amendments. The Article further addresses practical concerns for implementing the mandate and discusses its merit in solving the problems caused by the aesthetic functionality doctrine.*

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\* Assistant Professor of Law and Deputy Director of the Law & Technology Center, University of Hong Kong. I am grateful to Irene Caboli, Susan Scafidi, Madhavi Sunder, and Peter Yu for the helpful conversations.

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Fashion is a form of imitation and so of social equalization . . . . It unites those of a social class and segregates them from others.

Georg Simmel<sup>1</sup>

In an acquisitive society, the drive for monopoly advantage is a very powerful pressure. Unchecked, it would no doubt . . . register the sun and the moon as exclusive trade-marks.

Ralph S. Brown<sup>2</sup>

## INTRODUCTION

Fashion is the embodiment of beauty and fantasy. Aesthetically, fashion represents the relentless human quest for creative combinations of color, shape,

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<sup>1</sup> Georg Simmel, *Fashion*, 62 AM. J. SOC. 541, 541 (1957).

<sup>2</sup> Ralph S. Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1206 (1948).

and material.<sup>3</sup> Infusing human creativity with aesthetic imagination, fashion design makes men and women look endlessly appealing with the constant emergence of new fashion trends.<sup>4</sup> But this quest for beauty and fantasy does not come without cost. Rather, to stay in fashion, one needs to ceaselessly acquire new items defined by the latest fashion trends. In this marketplace, fashion has become a very simple idea. It is about money. It is one's purchasing power that determines whether one can be fashionable. Furthermore, designers have acknowledged that having business acumen has become crucial for faring well, because fashion has been dominated by commercial strategies.<sup>5</sup> It is therefore no wonder that the world of fashion has become a gigantic industry. It is estimated that the 2012 revenue of the fashion industry hit \$482.8 billion.<sup>6</sup>

With the increasingly rapid commercialization of fashion creativity, trademark law has been adapted to provide stronger protection for famous fashion brands.<sup>7</sup> This is particularly important for the fashion industry because intellectual

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<sup>3</sup> See generally, ROLAND BARTHES, *THE FASHION SYSTEM* (Matthew Ward & Richard Howard trans., University of California Press 1990) (discussing fashion as the embodiment of aesthetic signs); see also Alladi Venkatesh et al., *The Aesthetics of Luxury Fashion, Body and Identity Formation*, 20 J. CONSUMER PSYCHOL. 459, 468 (2010) (discussing "aestheticization of everyday life through fashion and bodily adornment").

<sup>4</sup> See WALTER BENJAMIN, *SELECTED WRITINGS*, VOL. 4, 1938-1940, at 179 (Howard Eiland & Michael W. Jennings eds., Edmund Jephcott et al. trans., 2003) (describing fashion as "the eternal recurrence of the new.").

<sup>5</sup> See, e.g., LARS SVENDSEN, *FASHION: A PHILOSOPHY* 155 (John Irons trans., Reaktion Books 2006) (stating that the fashion sector "has done well as advertising, but only on rare occasions as art."). Tom Ford recently commented that "[h]igh quality global journalism requires investment. Pure creativity, without the thought of commercial viability, is disappearing. There are many very creative designers, but the process is now vetted by what will actually sell. That is what is necessary to stay competitive in the market." Wes Gordon, a rising fashion designer star, acknowledged that "[t]he days of being purely a creative area dead, but fashion as a business is bigger than ever." Elizabeth Paton, *Fashion Cents and Sensibility*, FIN. TIMES, (August 19, 2013), [www.ft.com/intl/cms/s/0/45867618-05e8-11e3-8ed5-00144feab7de.html#axzz2cUJmTGpo](http://www.ft.com/intl/cms/s/0/45867618-05e8-11e3-8ed5-00144feab7de.html#axzz2cUJmTGpo).

<sup>6</sup> See Nikoleta Panteva, *Trends Outfitting the Fashion Retail Sector*, IBISWORLD (June 2012), [www.ibisworld.com/Common/MediaCenter/Fashion retail special report.pdf](http://www.ibisworld.com/Common/MediaCenter/Fashion%20retail%20special%20report.pdf); see also, C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1148 (2009) ("Fashion is one of the world's most important creative industries. It is the major output of a global business with annual U.S. sales of more than \$200 billion—larger than those of books, movies, and music combined.").

<sup>7</sup> KAL RAUSTIALA & CHRISTOPHER SPRIGMAN, *THE KNOCKOFF ECONOMY: HOW IMITATION SPARKS INNOVATION* 5 (2012) (pointing out that "[f]ashion trademarks are fiercely policed").

property law generally does not protect fashion designs,<sup>8</sup> except for trademarks used to merchandize fashion designs.<sup>9</sup> But how far should trademark law go in strengthening legal protection of the fashion industry? This issue is now more important than ever. Recent years have seen formidable power amassed by some rapidly expanding luxury companies,<sup>10</sup> which has not only overshadowed certain part of the fashion sector<sup>11</sup> but has also threatened free speech<sup>12</sup> and humanitarian<sup>13</sup> initiatives.

The scope of trademark protection looms even larger in the wake of the recent fashion war waged in the United States by two French luxury fashion companies: Christian Louboutin and Yves Saint Laurent.<sup>14</sup> The former has made

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<sup>8</sup> See Hemphill & Suk, *supra* note 6, at 1150 (“Despite being the core of fashion and legally protected in Europe, fashion design lacks protection against copying under U.S. intellectual property law.”).

<sup>9</sup> See Susan Scafidi, *Intellectual Property and Fashion Design*, in 1 INTELLECTUAL PROPERTY AND INFORMATION WEALTH: COPYRIGHT AND RELATED RIGHTS 121 (Peter K. Yu ed., 2006) (pointing out that “[t]he most universally applicable and flexible mechanism for the protection of fashion design is trademark law” and thus trademark protection “creates an interesting incentive for fashion houses....”); Jeannie Suk, *Little Red (Litigious) Shoes*, N.Y. TIMES, January 21, 2012, at SR14, available at [http://www.nytimes.com/2012/01/22/opinion/sunday/louboutin-and-the-little-red-litigious-shoes.html?\\_r=0](http://www.nytimes.com/2012/01/22/opinion/sunday/louboutin-and-the-little-red-litigious-shoes.html?_r=0) (“The law does not protect fashion design, but it does recognize the rights inherent in branding.”).

<sup>10</sup> With a series of high-profile mergers and acquisitions, the luxury industry has three major global conglomerates: Kering, Louis Vuitton Moët Hennessy (LVMH), Compagnie Financière Richemont SA (Richemont).

<sup>11</sup> For example, the French stock market regulator imposed an €8 million fine on LVMH for the “seriousness of the successive breaches of public disclosure requirements, which consisted in concealing each stage of LVMH’s stakebuilding in Hermès.” Scheherazade Daneshkhu, *Luxury: Object of Desire*, FIN. TIMES (July 8, 2013), available at [www.ft.com/intl/cms/s/2/bc275cea-e7ae-11e2-9aad-00144feabdc0.html#axzz2csGDaKCb](http://www.ft.com/intl/cms/s/2/bc275cea-e7ae-11e2-9aad-00144feabdc0.html#axzz2csGDaKCb).

<sup>12</sup> See e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog*, 507 F.3d 252 (4th Cir. 2007); see also, *Louis Vuitton Malletier S.A. v. Warner Bros. Entm’t Inc.*, 868 F. Supp. 2d 172 (S.D.N.Y. 2012).

<sup>13</sup> See, e.g., Benjamin Sutton, *Artist Wins Copyright Case Brought By Louis Vuitton*, L MAG. (May 6, 2011), [www.thelmagazine.com/TheMeasure/archives/2011/05/06/artist-wins-copyright-case-brought-by-louis-vuitton](http://www.thelmagazine.com/TheMeasure/archives/2011/05/06/artist-wins-copyright-case-brought-by-louis-vuitton); *Parody or Trademark Infringement?: Louis Vuitton v. Penn Law*, TRADEMARKS & BRANDS (March 12, 2012), [www.trademarksandbrands.com/2012/03/12/parody-or-trademark-infringement-louis-vuitton-v-penn-law/](http://www.trademarksandbrands.com/2012/03/12/parody-or-trademark-infringement-louis-vuitton-v-penn-law/).

<sup>14</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011) (*Louboutin I*); *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206 (2d Cir. 2012) (*Louboutin II*); see also Ray A. Smith and Ashby Jones, *Color Wars: Luxury Makers Battle Over Red-Soled Shoe*, WALL ST. J. (August 11, 2011),

the red sole the iconic design feature of its women's footwear. During this fashion war, Christian Louboutin asserted that it should have complete "territorial" control of the red sole, to be landmarked by flags of trademark protection.<sup>15</sup>

By focusing on this fashion warfare, this article opens a perspective on the ramifications of the trademarkability of the red sole for the role of trademark law in regulating the development of the fashion industry and the cultural evolution of human society. It argues that we should reconsider whether Louboutin's red sole mark is distinctive enough to warrant trademark protection.<sup>16</sup> The article proposes that this issue must be examined from the social justice perspective. It contends that social justice should have the trumping power to deny trademark protection of the red sole mark even if it is adequately distinctive.<sup>17</sup>

A closer look at the concept of trademark distinctiveness, as this article shows, sheds new light on whether single color marks like the red sole mark merit trademark protection. Since the Louboutin litigation, commentators have overwhelmingly focused on the role of the aesthetic functionality doctrine in deciding the trademarkability of single color marks.<sup>18</sup> Indeed, the courts that decided the Louboutin cases focused heavily on the aesthetic functionality doctrine.<sup>19</sup> This focus, however, may have led both commentators and the courts to take for granted that the Louboutin red sole mark is adequately distinctive.<sup>20</sup>

By contrast, paying greater consideration to the concept of trademark distinctiveness will reveal that the Louboutin red sole mark may not be adequately distinctive to warrant trademark protection. This conclusion carries very far-

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online.wsj.com/article/SB10001424053111904823804576500190678090656.html; Alison Frankel, *Louboutin Red-Sole Trademark Case: Color War at the 2nd Circuit*, REUTERS (Jan. 6, 2012), [blogs.reuters.com/alison-frankel/2012/01/06/louboutin-red-sole-trademark-case-color-war-at-the-2nd-circuit/](http://blogs.reuters.com/alison-frankel/2012/01/06/louboutin-red-sole-trademark-case-color-war-at-the-2nd-circuit/).

<sup>15</sup> See Suk, *supra* note 9 ("Louboutin's claim spotlights the pressure on fashion designers to frame their aesthetic choices as brand identifiers, and the legal contortions that result.").

<sup>16</sup> See *infra* Part II.B.

<sup>17</sup> See *infra* Part III.A.

<sup>18</sup> See, e.g., Margot E. Parmenter, *Louboutins and Legal Loopholes: Aesthetic Functionality and Fashion*, 40 PEPP. L. REV. 1039 (2013); Suk, *supra* note 9, (cautioning that "if the color is a useful feature in a product — green for farm equipment or yellow for banana-flavored gum — it can't be a trademark, even if it is source-identifying, because excluding competitors from a useful feature would be anti-competitive").

<sup>19</sup> See *infra* Part I.B.

<sup>20</sup> See *infra* Part II.B.

reaching implications. The red sole warfare is still raging in the fashion arena. In the United States, after its litigation against YSL, Christian Louboutin commenced action against other fashion companies that marketed red-sole shoes.<sup>21</sup> In Europe, Christian Louboutin launched similar legal actions against Zara<sup>22</sup> and Van Haren,<sup>23</sup> two fast fashion companies that have also marketed red-sole shoes. The fashion world still awaits a final answer as to whether Christian Louboutin can legally monopolize the color red on shoe soles by defending the trademarkability of its red sole mark.<sup>24</sup> Moreover, there has been an increasing number of single color symbols registered as trademarks.<sup>25</sup> This raises the question of whether single color marks will hinder competition and harm consumer interests. Statistics show that a number of single color trademarks have been registered in the United States.<sup>26</sup> More surprisingly, familiar colors are protected by registered trademarks. Target

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<sup>21</sup> See Sarah Tremont & Simon Frankel, *Louboutin Launches New Wave of U.S. Trademark Litigation Over Red-Soled Shoes; Charles Jourdan and Alba are Louboutin's Latest Targets*, COVBRANDS (June 10, 2013), <http://www.covbrands.com/2013/06/10/louboutin-launches-new-wave-of-u-s-trademark-litigation-over-red-soled-shoes/>; *Louboutin Files One of Its First Post-YSL Lawsuits*, FASHION L. (May 28, 2013), [www.fashion-law.org/2013/05/louboutin-files-one-of-its-first-post.html#.UfiwYFNSbV0](http://www.fashion-law.org/2013/05/louboutin-files-one-of-its-first-post.html#.UfiwYFNSbV0).

<sup>22</sup> See Camille Pecnard, *Supreme Court Invalidates Louboutin's Red-sole Trademark*, INT'L L. OFF. (Nov. 12, 2012), <http://www.internationallawoffice.com/newsletters/detail.aspx?g=e7f9ee16-36df-44b1-8108-2e6283f61fa7>; Lucy Waterlow and Hannah Roberts, *Louboutin Loses Case to Stop Zara Selling Red-Soled Shoes*, MAIL ONLINE (June 11, 2012), <http://www.dailymail.co.uk/femail/article-2157558/Christian-Louboutin-loses-case-stop-high-street-store-Zara-selling-red-soled-shoes.html>.

<sup>23</sup> See Gino Van Roeyen, *Dutch Company Van Haren Squashed Underneath the Red Sole of Louboutin*, MARQUES (April 21, 2013), [https://www.marques.org/Class46/Article.asp?D\\_A=20130421&XID=BHA3193](https://www.marques.org/Class46/Article.asp?D_A=20130421&XID=BHA3193).

<sup>24</sup> See Suk, *supra* note 9 (pointing out that Christian Louboutin “seemingly wants to trademark “red” rather than a particular shade of this color”).

<sup>25</sup> See Ann Bartow, *The True Colors of Trademark. Law: Greenlighting a Red Tide of Anti Competition Blues*, 97 KY. L.J. 263, 263 (2008) (“The elevation of color to stand-alone trademark status illustrates the unbounded nature of trademarks within the judicial consciousness.”).

<sup>26</sup> See Susan Neuberger Weller, *When Can You Claim a Color as Your Trademark?*, LEXOLOGY (Sept. 13, 2012), [www.lexology.com/library/detail.aspx?g=c47ea3c8-ca3a-4f4c-b9e6-acadac23784](http://www.lexology.com/library/detail.aspx?g=c47ea3c8-ca3a-4f4c-b9e6-acadac23784) (“Many companies have successfully obtained trademark protection for a single color . . . .”); BELINDA J. SCRIMENTI, A LEGAL KALEIDOSCOPE—SINGLE COLOR TRADEMARKS FROM PRE-OWENS-CORNING PINK INSULATION TO LOUBOUTIN RED-SOLED SHOES 17 (2012), available at [http://www.pattishall.com/pdf/Single Color Marks from Owens Corning to Louboutin.PDF](http://www.pattishall.com/pdf/Single%20Color%20Marks%20from%20Owens%20Corning%20to%20Louboutin.PDF) (“The USPTO register reflects a growing number of [single] color registrations . . . .”).

owns a trademark for its signature red, Tiffany for its Tiffany blue, UPS for brown, and T-Mobile for magenta.<sup>27</sup>

On the other hand, the social justice perspective discussed in this article calls for a theoretical and policy shift in trademark theory. Trademark law has long been shaped by the economic efficiency policy.<sup>28</sup> Following this policy, trademark law serves the economic need to incentivize enterprises to offer high quality goods and to protect the consumer interest in obtaining correct information about the source of goods.<sup>29</sup> As utilitarian-based economic calculations are notorious for neglect of distributive issues, conventional trademark theory has also turned a blind eye to the social justice dimension of the law.<sup>30</sup> Nevertheless, this issue awaits acute diagnosis and treatment. Recent decades have seen trademark law evolve from the guarantee of the authenticity of sources of goods and services into a legal instrument with an additional status-conferring function.<sup>31</sup> The statutory insertion of anti-dilution protection exemplifies this shift.<sup>32</sup>

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<sup>27</sup> Aleksi Tzatzev, *10 Colors That Might Get You Sued*, BUS. INSIDER (Sept. 29, 2012), <http://www.businessinsider.com/colors-that-are-trademarked-2012-9?op=1>.

<sup>28</sup> See Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621, 624 (2004) (observing that the economic efficiency-based theory “has been adopted at the highest levels of American law. No alternative account of trademark doctrine currently exists.”) (citation omitted); MADHAVI SUNDER, *FROM GOODS TO A GOOD LIFE: INTELLECTUAL PROPERTY AND GLOBAL JUSTICE* 23 (2012) (pointing out that “intellectual property is understood almost exclusively as being about *incentives*.”) (emphasis in origin); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 467 (2005) (“Trademark law . . . aims to promote more competitive markets by improving the quality of information in those markets.”); Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE. DAME L. REV. 1839, 1844 (2007) (concluding that the conventional wisdom about “the goal of trademark law is—and always has been—to improve the quality of information in the marketplace and thereby reduce consumer search costs”).

<sup>29</sup> See Beebe, *supra* note 28, at 623 (“The Chicago School asserts that trademarks serve two efficiency-enhancing functions: First, trademarks lessen consumer search costs by making products and producers easier to identify in the marketplace, and second, trademarks encourage producers to invest in quality by ensuring that they, and not their competitors, reap the reputation-related rewards of that investment.” (citation omitted)).

<sup>30</sup> See Haochen Sun, *Can Louis Vuitton Dance with HiPhone? Rethinking the Idea of Social Justice in Intellectual Property Law*, 15 U. PA. J.L. & SOC. CHANGE 389, 428 (2012) (pointing out that the utilitarianism-based intellectual property theory has inadequacy in “accommodating and promoting social justice”).

<sup>31</sup> Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 397 (1990) (arguing that trademarks have begun to serve an additional purpose, of “becom[ing] products in their own right, valued as indicators of

With worsening social inequalities nationally<sup>33</sup> and globally,<sup>34</sup> this Article argues that social justice must be wholeheartedly embraced as a core value for trademark protection of famous trademarks (especially those famous luxury brands). Without nuanced social justice analysis, trademark theory and practice will continue to shield the rich from the world of poverty. Against this backdrop, the red sole mark as a luxury brand provides a lens through which we can re-examine the social justice issues in trademark law. It further shows the urgent need to inject social justice considerations into the ongoing debate about how intellectual property law should be reformed to encourage fashion design innovation.<sup>35</sup>

This Article proceeds as follows. Part I discusses the role of the concept of trademark distinctiveness in the law and how the *Louboutin* courts dealt with this issue. Part II examines the complexity of weighing the acquired distinctiveness status of marks by courts. It further reveals that the *Louboutin* courts unduly simplified the inquiry into whether the Louboutin red sole mark had acquired requisite distinctiveness. Based on these discussions, Part III puts forward the social justice mandate that should be incorporated into the judicial scrutiny of the

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the status, preferences, and aspirations of those who use them.”); Barton Beebe, *Intellectual Property Law and the Sumptuary Code*, 123 HARV. L. REV. 809, 884 (2010); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 961 (1993).

<sup>32</sup> See Beebe, *supra* note 31, at 884 (2010).

<sup>33</sup> See Emmanuel Saez, *Striking it Richer: The Evolution of Top Incomes in the United States*, ECONOMETRICS LABORATORY SOFTWARE ARCHIVE (Sept. 3, 2013), [elsa.berkeley.edu/~saez/saez-UStopincomes-2012.pdf](http://elsa.berkeley.edu/~saez/saez-UStopincomes-2012.pdf) (“Top 1% incomes grew by 31.4% while bottom 99% incomes grew only by 0.4% from 2009 to 2012. Hence, the top 1% captured 95% of the income gains in the first three years of the recovery.”).

<sup>34</sup> Jason Hickel, *The Truth about Extreme Global Inequality*, AL JAZEERA (Apr. 14, 2013), [www.aljazeera.com/indepth/opinion/2013/04/201349124135226392.html](http://www.aljazeera.com/indepth/opinion/2013/04/201349124135226392.html) (“Global inequality is growing in part because of the neoliberal economic policies imposed on developing countries.”).

<sup>35</sup> Fashion design protection through intellectual property law has been for years a subject of controversy among commentators and policy makers. Some have proposed that fashion design can be protected within the current intellectual property system. Others have advocated for *sui generis* statutory protection of fashion design. See generally Hemphill & Suk, *supra* note 6. Several legislative proposals have been considered several times by Congress, although not adopted. See, e.g., Design Piracy Prohibition Act, H.R.2033, 110th Cong. § 2(c) (2007); Design Piracy Prohibition Act, S.1957, 110th Cong. § 2(c) (2007). Other commentators have suggested that intellectual property protection of fashion design is not necessary for the fashion industry. See Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1775–77 (2006).

distinctiveness of a mark. It shows that the *Louboutin* courts shied away from confronting the social injustices that had been caused by the protection of the Louboutin red sole trademark. These damaged social justice values, the Article will further show, have been long cherished by the American liberal tradition and the equality-oriented protections of the First and Fourteenth Amendments.

## I

### THE DISTINCTIVENESS DOCTRINE AND THE LOUBOUTIN LITIGATION

#### A. *The Roadmap of the Distinctiveness Doctrine*

Trademarks are signs that are capable of indicating the sources of goods or services. They inform consumers as to who manufactured or provided a particular product or service. Therefore, trademark law only protects source-indicating signs.<sup>36</sup> The concept of distinctiveness serves as a threshold requirement in trademark law, filtering out signs that are not capable of indicating sources.<sup>37</sup>

Conventionally, the distinctiveness of a mark is weighed by the *Abercrombie* test, which was set forth in *Abercrombie & Fitch Co. v. Hunting World, Inc.*<sup>38</sup> Following this test, courts frequently classify marks into four categories in order of generally decreasing distinctiveness: (1) arbitrary or fanciful; (2) suggestive; (3) descriptive; and (4) generic.<sup>39</sup>

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<sup>36</sup> The Lanham Act protects any “word, name, symbol, or device, or any combination” that is used “to identify and distinguish” a producer’s goods from those manufactured or sold by others and to “indicate the source of the goods.” Specifically, under the Lanham Act, a person must use or intend to use a mark to “identify and distinguish [his or her goods]...from those manufactured or sold by others and to indicate the source [of the goods].” 15 U.S.C. § 1127 (2006).

<sup>37</sup> According to courts:

[a] trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. ... Whatever the means employed, the aim is the same to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

*Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co.*, 316 U.S. 203, 205 (1942).

<sup>38</sup> 537 F.2d 4 (2d Cir. 1976).

<sup>39</sup> *Id.* at 9. The court also noted that “the lines [between these classifications of marks] are not always bright.” *Id.*

Marks falling into any of the first two categories are deemed inherently distinctive and capable of being registered as trademarks.<sup>40</sup> Descriptive marks that comprise the third category can be registered as trademarks only if they acquired distinctiveness through use.<sup>41</sup> Generic marks form the last category of marks.<sup>42</sup> They completely lack distinctiveness and thus cannot be registered as a trademark. For example, “apple” is a generic mark for apples, as would be “fruit.”<sup>43</sup> Therefore, the *Abercrombie* test identifies inherent and acquired distinctiveness as two kinds of source-indicating capability that would make signs initially eligible for trademark protection.

### 1. *Inherent Distinctiveness*

The strongest marks considered inherently distinctive are those that are fanciful or arbitrary. Fanciful marks are invented terms that have no commonplace or dictionary meaning at all.<sup>44</sup> For example, “Kodak”<sup>45</sup> for photographic equipment or “Exxon”<sup>46</sup> for oil and gas products and services. Arbitrary marks are signs with dictionary meanings and in common usage that do not in any respect describe the goods or service to which they are attached.<sup>47</sup> Like a fanciful mark, an arbitrary mark is inherently distinctive, but only “within its product market and entitled to little or no protection outside of that area.”<sup>48</sup> For example, “Apple” is arbitrary for computers, but generic for apples and descriptive for apple-flavored candy, liquor, or pies.

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<sup>40</sup> *Id.* at 11 (“If a term is suggestive, it is entitled to registration without proof of secondary meaning. . . . [T]he decision of the Patent Office to register a mark without requiring proof of secondary meaning affords a rebuttable presumption that the mark is suggestive or arbitrary or fanciful rather than merely descriptive.”).

<sup>41</sup> *Id.* at 10; *see also* *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982).

<sup>42</sup> *Abercrombie & Fitch*, 537 F.2d at 9 (“A generic term is one that refers, or has come to be understood as referring, to the genus of which the particular product is a species.”).

<sup>43</sup> However, whether a term is generic necessarily depends on its use in context. For example, “ivory” would be generic as applied to a product made from elephant tusks, but arbitrary when applied to soap. *Id.* at 9 n. 6.

<sup>44</sup> *Abercrombie & Fitch*, 537 F.2d at 11 n.12 (defining “the term ‘fanciful’, as a classifying concept, is usually applied to words invented solely for their use as trademarks”).

<sup>45</sup> *Kellogg Co. v Toucan Golf, Inc.*, 337 F.3d 616, 624 (6th Cir. 2003).

<sup>46</sup> *Sara Lee Corp. v Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996).

<sup>47</sup> *Abercrombie & Fitch*, 537 F.2d at 11 n.12 (holding that “when it is applied in an unfamiliar way, the use is called ‘arbitrary’”).

<sup>48</sup> *Kellogg*, 337 F.3d at 626.

Suggestive marks are also inherently distinctive and considered strong marks, but less so than arbitrary or fanciful marks. They have a descriptive aspect but differ from descriptive marks in that they merely suggest rather than describe the qualities of the goods or services to which they are attached.<sup>49</sup>

The predominant test of whether a mark is suggestive or descriptive is the so-called “imagination test,” which holds that a mark “is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods” and “descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.”<sup>50</sup> For example, the word “Citibank” is suggestive because it suggests “an urban or modern bank.” Likewise, “Goliath” suggests “a large size” pencil<sup>51</sup> and “Roach Motel” suggests insect traps.<sup>52</sup>

## 2. *Acquired Distinctiveness*

Descriptive marks specifically describe a quality, function, characteristic, or ingredient of a product or a service. For example, they include “After Tan” for post-tanning lotion and “5 Minute Glue” for fast-drying glue.<sup>53</sup> Descriptive marks are not inherently distinctive but may acquire distinctiveness over time and use if the public comes to recognize the mark as an indication of a source, thus granting the mark acquired distinctiveness or “secondary meaning.”<sup>54</sup> For example, the

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<sup>49</sup> *Abercrombie & Fitch*, 537 F.2d at 11 (“A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.”).

<sup>50</sup> *Stix Prods., Inc. v. United Merchs. & Mfrs., Inc.*, 295 F. Supp. 479, 488 (S.D.N.Y. 1968); see also *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 792 (5th Cir. 1983) (identifying four separate tests for distinguishing descriptive and suggestive marks).

<sup>51</sup> *DeGidio v. W. Grp Corp.*, 355 F.3d 506, 510 (6th Cir. 2004).

<sup>52</sup> *Am. Home Prods. Corp. v. Johnson Chem. Co.*, 589 F.2d 103, 106 (2d Cir. 1978).

<sup>53</sup> *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996).

<sup>54</sup> *G. & C. Merriam Co. v. Saalfield*, 198 F. 369, 373 (6th Cir. 1912). This court described the origin of secondary meaning as follows:

It contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be, to them, his trade-mark. So it was said that the word had come to have a secondary

word “Best” for milk connotes to buyers an assertion of quality. This descriptive connotation is the “primary” meaning of the word “Best.” Over a period of extensive advertising and sales, however, the word “Best” may acquire a new and different meaning such that milk buyers associate the word “Best” not just with its primary meaning of high-quality milk, but also with a developed “secondary” meaning indicating a particular milk producer.<sup>55</sup> For a descriptive mark to acquire a secondary meaning, it is not necessary for the public to be able to identify the source by name: “it is sufficient if the public is aware that the product comes from a single, though anonymous, source.”<sup>56</sup> The most important factor is whether consumers are able to associate a mark with a producer of goods.<sup>57</sup>

However, even if a mark that has acquired a second meaning may not be protectable where the mark is “functional,” that is, where it is essential to the use or purpose of the product or affects the cost or quality of the product. *Qualitex Co. v. Jacobson Products Co., Inc.*,<sup>58</sup> a landmark Supreme Court case, dealt with the functionality doctrine. The mark in question was a green-gold color. Apart from using that color to avoid noticeable stains, the green-gold color served no other function. There was also no competitive need in the industry for such a green-gold color, as other colors were equally usable. Therefore, the Supreme Court held that the color met the legal requirements for a trademark as it “acts as a symbol that

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meaning, although this phrase, ‘secondary meaning,’ seems not happily chosen, because, in the limited field, this new meaning is primary rather than secondary; that is to say, it is, in that field, the natural meaning.

*Id.*

<sup>55</sup> See 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15:6 (4th ed. 2008); Thomas R. Lee et al., *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 ARIZ. ST. L.J. 1033, 1052 (2009) (“Source-indicating meaning is ‘secondary’ in the sense that it is second in time. If a word has descriptive semantic meaning that relates to the product in question, its ‘primary’ meaning is the one that pre-dates its trademark use in commerce.”).

<sup>56</sup> *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 380 (7th Cir. 1976).

<sup>57</sup> *Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 19 (1st Cir. 2004); see *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 8 (2d. Cir. 1976) (the district court held that “Although ‘safari’ is a generic word, a genuine issue of fact exists as to whether the plaintiff has created a secondary meaning in its use of the word ‘identifying the source’ and showing that ‘purchasers are moved to buy it because of its source.’”).

<sup>58</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

distinguishes a firm's goods and identifies their source, without serving any other significant function."<sup>59</sup>

### *3. The Significance of the Distinctiveness Doctrine*

Under Landes and Posner's utilitarian model, trademark protection is justified because a distinct mark can minimize the "search costs" that consumers incur in identifying a product.<sup>60</sup> This justification has heavily informed the evolution of major trademark doctrines including the concept of trademark distinctiveness. For example, if the brand "Sanka" had no name, a consumer ordering it in a restaurant would have to ask for "the decaffeinated coffee made by General Foods." This requires the consumer to remember more and say more, and also requires the waiter to read and remember more than just a "Sanka."<sup>61</sup>

Landes and Posner's model also identifies "administrative costs" associated with litigating and resolving disputes on questions of protectability. Although courts could always inquire into the economic effects of allowing a particular producer to have exclusive rights to a particular mark, the administrative costs of doing so would outweigh any expected benefits. Therefore, "the law has sorted potential marks into a few broad classes according to distinctiveness and has made classification determinative of legality."<sup>62</sup>

Under Landes and Posner's model, fanciful, arbitrary, and suggestive marks are inherently distinctive and eligible for trademark protection not because of consumers' perception of their distinctiveness, but because the "elasticity of supply" of such terms is high, since there are plenty of words for sellers to choose from. Hence, protection of these categories of terms will not impose significant costs on competitors.

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<sup>59</sup> *Id.* at 166.

<sup>60</sup> WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 167-68 (2003); *see also* *New Kids on the Block v. News Am. Pub.*, 971 F.2d 302, 305-06 nn.2-3 (1992) ("In economic terms, trademarks reduce consumer search costs by informing people that trademarked products come from the same source. . . . Trademark protection, like other legal protections of property rights, guards against the overuse of resources while also providing incentives for the creation of new combinations of resources.").

<sup>61</sup> William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 *J.L. & ECON.* 265, 269 (1987).

<sup>62</sup> *Id.* at 188.

On the other hand, descriptive marks are *prima facie* ineligible for protection because a given product only has so many attributes and protection of a word that describes a key attribute will enable the trademark holder to obtain economic rent by making it “more costly for his rivals to inform their customers of the attributes of their brands without using the same descriptive word.”<sup>63</sup> Hence, protection for such non-distinctive terms would cause social loss and hamper competition.

However, Landes and Posner’s model does not distinguish between a descriptive mark that has acquired distinctiveness and one that is inherently distinctive. As long as the mark is distinctive, the economic model presumes that trademark protection could lower consumers’ search costs by indicating the source of the goods, and hence create net social benefits.

### *B. The Distinctiveness of the Louboutin Red Sole Mark*

As noted in Section A,<sup>64</sup> the Supreme Court’s *Qualitex* decision paved the way for increased registrations of single color trademarks. The recent litigation between Christian Louboutin and YSL raised a question as to whether the red sole could be eligible for trademark protection.

Christian Louboutin, a French luxury company, has used red lacquered outsoles for its high fashion women’s shoes since 1992.<sup>65</sup> It applied to register the red sole mark and the U.S. Patent and Trademark Office approved the application in 2008. In 2011, YSL sold four monochromatic shoe models bearing red outsoles similar to those of Louboutin. After failed negotiations, Christian Louboutin filed a lawsuit against YSL in the Southern District of New York for trademark infringement and sought a preliminary injunction to prevent YSL from marketing the shoes concerned. In response, YSL counter-claimed for cancellation of Christian Louboutin’s trademark on the grounds that it is not distinctive. The District Court ruled in favour of YSL, holding that the red sole mark was a

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<sup>63</sup> *Id.* at 189.

<sup>64</sup> *See supra* Part I.A.1.

<sup>65</sup> *See* Christian Louboutin S.A. v Yves Saint Laurent Am., Inc., 778 F. Supp. 2d 445, 447 (S.D.N.Y. 2011) (*Louboutin I*) (“Sometime around 1992 designer Christian Louboutin had a bright idea. He began coloring glossy vivid red the outsoles of his high fashion women’s shoes.”); Lauren Collins, *Sole Mate: Christian Louboutin and the Psychology of Shoes*, NEW YORKER (Mar. 28, 2011), [http://www.newyorker.com/reporting/2011/03/28/110328fa\\_fact\\_collins?currentPage=1](http://www.newyorker.com/reporting/2011/03/28/110328fa_fact_collins?currentPage=1) (“The sole of each of his shoes is lacquered in a vivid, glossy red.”).

functional aspect of fashion design and thereby not eligible for trademark protection.<sup>66</sup> Christian Louboutin appealed to the Second Circuit, which later overturned the District Court's decision on the functionality of the red sole mark.<sup>67</sup>

### *1. Decision of the District Court*

The District Court focused on whether the red sole mark merited trademark protection, a threshold issue in trademark litigation.<sup>68</sup> After considering the special role of the red color in fashion design, the District Court concluded that the registration of the red sole mark should be invalidated.

Although Louboutin's certificate of registration gave rise to the statutory presumption that the trademark was valid and merited protection, the District Court determined that the presumption of validity may be rebutted.<sup>69</sup> In rebutting the presumption, the District Court turned to the Supreme Court's *Qualitex* decision, which held that color might be protectable as a trademark "where that color has attained 'secondary meaning' and therefore identifies and distinguishes a particular brand."<sup>70</sup> However, it may not be protectable where it is "functional," meaning that color is essential to the use or purpose of the product, or affects the cost or quality of the product.<sup>71</sup> In other words, color can meet the legal requirements for a trademark only if "it can act as a symbol that distinguishes a firm's goods and identifies their source, *without serving any other significant function.*"<sup>72</sup> Following the *Qualitex* decision, the District Court pointed out that trademark protection has been extended to a single color in other industries. However, in the fashion industry, only distinct patterns or combinations of shades and colors that create a distinct recognizable mark were eligible for trademark protection.<sup>73</sup>

Applying the law to the facts, the District Court reasoned that given the unique characteristics and needs of the fashion industry, color serves not simply to identify or advertise a commercial source, but possesses ornamental beauty and

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<sup>66</sup> *Louboutin I*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011).

<sup>67</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206 (2d Cir. 2012) (*Louboutin II*).

<sup>68</sup> *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 114 (2d Cir. 2009); *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 115 (2d Cir. 2006).

<sup>69</sup> *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 345 (2d Cir. 1999).

<sup>70</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163 (1995).

<sup>71</sup> *Id.* at 165.

<sup>72</sup> *Id.* at 166.

<sup>73</sup> *Louis Vuitton Malletier*, 454 F.3d at 116.

performs a creative function, aiming to please, beautify, and be useful. The District Court quoted Christian Louboutin himself, who acknowledged significant, non-trademark functions for choosing red for his outsoles, such as showing “sex appeal”<sup>74</sup> and “energy.”<sup>75</sup> Furthermore, adding a red lacquered finish to the shoe also made the cost of production higher than the cost for those without the same ornamental finish.<sup>76</sup> Therefore, Christian Louboutin’s trademark registration for use of a single lacquered red color on outsoles was “functional,” and had affected the cost and quality of the shoes and also significantly undermined competitors’ ability to compete in the fashion industry.<sup>77</sup> On these grounds, the District Court ruled that a single color can never serve as a trademark in the fashion industry,<sup>78</sup> rendering the red sole mark ineligible for trademark protection.

## 2. *Decision of the Second Circuit*

The Second Circuit, however, overturned the District Court’s decision on the functionality of the red sole mark. It argued that the District Court’s decision categorically excluding a single color from trademark protection for fashion design was based on an incorrect understanding of the doctrine of aesthetic functionality.<sup>79</sup> The Second Circuit pointed out that the doctrine denies trademark protection only where “an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs.”<sup>80</sup> However, “distinctive and arbitrary arrangements of predominantly ornamental features”<sup>81</sup> that do not “significantly

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<sup>74</sup> *Louboutin I*, 778 F. Supp. 2d 445, 453-54 (S.D.N.Y. 2011)

<sup>75</sup> *Id.* at 453.

<sup>76</sup> *Id.* at 454.

<sup>77</sup> *Id.* (“Because the use of red outsoles serves nontrademark functions other than as a source identifier, and affects the cost and quality of the shoe, the Court must examine whether granting trademark rights for Louboutin’s use of the color red as a brand would ‘significantly hinder competition,’ that is, ‘permit one competitor (or a group) to interfere with legitimate (nontrademark-related) competition through actual or potential exclusive use of an important product ingredient.’” (quoting *Qualitex Co. v Jacobson Prods. Co.*, 514 U.S. 159, 170 (1995))).

<sup>78</sup> *Id.* at 457.

<sup>79</sup> *Louboutin II*, 696 F.3d 206, 218-24 (2d Cir. 2012).

<sup>80</sup> *Id.* at 222 (quoting *Forschner Grp., Inc. v. Arrow Trading Co.*, 124 F.3d 402, 409–10 (2d Cir.1997)).

<sup>81</sup> *Id.* at 222 (quoting *Fabrication Enterprises, Inc., v. Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995)).

undermine competitors' ability to compete in the relevant market"<sup>82</sup> are non-functional and thus eligible for trademark protection.

After rejecting the District Court's blanket exclusion of single color fashion marks from trademark protection, the Second Circuit proceeded to determine whether the red sole mark was distinctive enough to merit trademark protection. The Supreme Court has held that color marks "can never be inherently distinctive."<sup>83</sup> They can only be protected as trademarks if they have acquired secondary meaning.<sup>84</sup> The Second Circuit followed the Supreme Court's decisions by directly examining whether the red sole mark has gained sufficient secondary meaning in the minds of the public.<sup>85</sup> The Second Circuit pointed to evidence submitted by Louboutin that included substantial advertising expenditures, widespread media coverage, and prominent sales success.<sup>86</sup> The combination of these evidential facts demonstrated that Louboutin's color mark had requisite secondary meaning so as to merit trademark protection when used as a red outsole contrasting with the remainder of the shoe.<sup>87</sup>

The Second Circuit, however, found that without the contrast with the remainder of the shoe, the Louboutin's red sole mark had not acquired requisite secondary meaning.<sup>88</sup> In particular, the court ruled that it had not done so "in an application of a red sole to a red shoe."<sup>89</sup> Therefore, it held that YSL's use of the

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<sup>82</sup> *Id.* at 222 (quoting *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir.1995)).

<sup>83</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162-63 (1995); *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* 529 U.S. 205, 206 (2000).

<sup>84</sup> *Qualitex*, 514 U.S. at 163.

<sup>85</sup> *Louboutin II*, 696 F.3d at 225 ("Although a single color, standing alone, can almost never be inherently distinctive because it does not 'almost automatically tell a customer that [it] refer[s] to a brand,' a color as used here is certainly capable of acquiring secondary meaning." (citation omitted) (quoting *Qualitex*, 514 U.S. at 162-63 (emphasis omitted); and *Mana Prods., Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063, 1070 (2d Cir.1995))).

<sup>86</sup> *Id.* at 226-27.

<sup>87</sup> *Genesee Brewing Co., v. Stroh Brewing Co.*, 124 F. 3d 137, 143 n.4 (2d Cir. 1997) (quoting *Centaur Commc'ns, Ltd. v A/S/M Commc'ns, Inc.*, 830 F.2d 1217, 1222 (2d Cir. 1985)).

<sup>88</sup> *Id.* at 227 ("We further hold that the record fails to demonstrate that the secondary meaning of the Red Sole Mark extends to uses in which the sole *does not* contrast with the upper—in other words, when a red sole is used on a monochromatic red shoe.").

<sup>89</sup> *Id.* at 228.

red sole on its monochrome shoes did not constitute use of the Louboutin red sole mark. Nor had it caused likelihood of confusion.<sup>90</sup>

The court further held that the evidence presented by Louboutin failed to demonstrate that the secondary meaning of the red sole mark extended to uses in which the sole did not contrast with the remainder of the shoe. In particular, Louboutin's own consumer surveys show that when consumers were shown YSL's monochrome red shoe, nearly everyone misidentified the red sole of the shoe as Louboutin's, rather than its red color generally.<sup>91</sup> Therefore, the Court held that Louboutin's trademark protection was limited to the use of *contrasting* red lacquered outsoles only. And since Louboutin sought to enjoin YSL from using a red sole as part of a *monochrome* red shoe, the District Court's order to deny preliminary injunction to Louboutin was affirmed in part.

## II

### RE-EXAMINING THE DISTINCTIVENESS OF THE RED SOLE MARK

As discussed in Part I, the Second Circuit upheld the validity of the red sole mark, although it restricted protection to the red sole when contrasted with the upper parts of the shoe. However, both courts did not dispute that the red sole mark was distinctive enough to merit trademark protection, for it had acquired secondary meaning through use.

But is it true that the red sole mark is distinctive enough to merit trademark protection? This Part will argue against the courts' decisions on the distinctiveness of the red sole mark. It will first reveal that a showing of secondary meaning is a rigorous judicial inquiry combining facts and law. This Part will then demonstrate that neither the District Court nor the Second Circuit conducted rigorous inquiries into whether the red sole mark has acquired requisite secondary meaning. Therefore, a rigorous application of the distinctiveness requirement is a vital step to shape trademark law in a manner conducive to the promotion of social justice by filtering away any marks (single color marks included) not desirable for trademark protection.

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<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

A. *The Tough Roadmap of the Secondary Meaning Doctrine*

As noted in Part I,<sup>92</sup> the doctrine of secondary meaning allows a user of a non-inherently distinctive symbol to receive trademark protection if his attempts are effective enough to achieve consumer recognition of the symbol as source-identifying.<sup>93</sup> Therefore, plaintiffs (senior mark users) must furnish evidence showing the acquisition of secondary meaning.<sup>94</sup>

Although courts have applied slightly different standards of review,<sup>95</sup> they have taken the following two steps to examine the existence of secondary meaning.<sup>96</sup> First, courts consider the scope of the purchasing public that may associate a mark with the producer. Second, courts determine the effectiveness of a plaintiff's promotional efforts in creating secondary meaning among the purchasing public.

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<sup>92</sup> See *supra* Part I.A.1.

<sup>93</sup> See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 8 (2d Cir. 1976) (“Although ‘safari’ is a generic word, a genuine issue of fact exists as to whether the plaintiff has created a secondary meaning in its use of the word ‘identifying the source’ and showing that ‘purchasers are moved to buy it because of its source.’” (quoting *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 327 F. Supp. 657, 662 (S.D.N.Y. 1971))); MCCARTHY, *supra* note 55, § 15:30 (“In one sense, the seller is attempting to get the buyer class to associate a new, secondary meaning with a common designation or shape—whether it is descriptive, geographically descriptive, a personal name, or any of the other types of symbols that require consumer recognition for protection. The trier of fact, like a lexicographer of modern slang, must attempt to find out what meaning the public now attaches to a designation that already has a primary meaning in the language.”).

<sup>94</sup> See, e.g., *In re Owens-Corning Fiberglas Corp.* 774 F.2d 1116, 1125 (Fed. Cir. 1985) (“An evidentiary showing of secondary meaning, adequate to show that a mark has acquired distinctiveness indicating the origin of the goods, includes evidence of the trademark owner's method of using the mark, supplemented by evidence of the effectiveness of such use to cause the purchasing public to identify the mark with the source of the product.”); MCCARTHY, *supra* note 55, § 15:30.

<sup>95</sup> See MARY LAFRANCE, *UNDERSTANDING TRADEMARK LAW* 57 (2d ed. 2009).

<sup>96</sup> MCCARTHY, *supra* note 55, § 15:30. (“The legal problems surrounding the issue of secondary meaning are mainly those of *evidence*. That is, how does one prove, in the adversary, litigious context, the state of mind of buyers? How does one prove, as a fact, that a substantial number of prospective buyers do associate the mark with only one seller of those goods?”).

### 1. *The Scope of the Consuming Public*

#### i. Who is “the purchasing public”?

In applying the doctrine of secondary meaning, courts often have to ascertain whether the purchasing public has associated the mark in question with a particular source through an acquired secondary meaning. Courts have decided that the successful acquisition of secondary meaning hinges on whether “in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product . . . .”<sup>97</sup> It is therefore important to identify the relevant purchasing public. In most cases, the purchasing public consists of consumers. However, if the relevant buying class consists of both dealers and ultimate consumers, then the state of mind of the dealers would also be important.<sup>98</sup>

Case law has adopted the notion that it is the mental association of the mark in the minds of current as well as prospective buyers that matters. This precludes asking merely what a casual and disinterested potential consumer thought.<sup>99</sup> For example, in *Levi Strauss & Co. v. Blue Bell, Inc.* the court asserted that “[t]he basic element of secondary meaning is, thus, the mental association by a substantial segment of consumers and potential consumers between the alleged mark and a single source of the product.”<sup>100</sup>

Specifically, courts have ruled that the purchasing public refers to a specific segment of the general public. For example, in *Centaur Communications, Ltd. v.*

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<sup>97</sup> *Inwood Laboratories Labs., Inc. v. Ives Laboratories Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982) (citing *Kellogg Co. v. National Nat’l Biscuit Co.*, 305 U.S. 111, 118 (1938)). The courts look to the mental associations of consumers to determine whether secondary meaning has been established, often referencing the language in *Inwood* and *Kellogg*. See, e.g., *Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 116 (1st Cir. 2006) (quoting *Inwood Labs.*, 456 U.S. at 851 n.11); *Abraham Zion v. Lebow*, 761 F.2d 93, 104 (2d Cir. 1985) (requiring an association “in the mind of the public”); *Walt-West Enters. v. Gannett Co.*, 695 F.2d 1050, 1057 (7th Cir. 1982) (quoting *Kellogg*, 305 U.S. at 118); *U.S. Search, LLC v. U.S. Search.com Inc.*, 300 F.3d 517, 523 (4th Cir. 2002) (protection of descriptive mark requires secondary meaning “in the minds of the public”).

<sup>98</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 295 (7th Cir. 1998) (“[W]hen . . . the relevant market includes both distributors and ultimate purchasers, the state of mind of dealers is important in determining if secondary meaning exists . . .”).

<sup>99</sup> See *Am. Luggage Works, Inc. v. U.S. Trunk Co.*, 158 F. Supp. 50, 52 (D. Mass. 1957) (considering whether the relevant buyer class, and not necessarily the whole public, associated the term with the plaintiff’s products).

<sup>100</sup> 778 F.2d 1352, 1354 (9th Cir. 1985).

*A/S/M Communications, Inc.*,<sup>101</sup> the relevant segment of the purchasing public for determining whether secondary meaning exists for the title of a marketing trade magazine was defined as “executives in the international marketing and advertising community in the United States.” The court further declared that, “[i]t is only necessary to show that a substantial segment of the relevant group of consumers made the requisite association between the product and the producer.”<sup>102</sup>

ii. A substantial number of the relevant purchasing public

The Restatement (Third) of Unfair Competition indicates that it is not necessary for a majority of the relevant purchasing public to associate the mark with a single source.<sup>103</sup> It is only necessary that a “substantial part” of the purchasing public or a “significant number” of prospective purchasers identify the term as a trademark.<sup>104</sup> Case law has followed this guidance.<sup>105</sup> For instance, the court in *Folmer Graflex Corp. v. Graphic Photo Serv.* specified that “[w]hat is required is that a substantial section of the purchasing public should be proved to identify the trade name of the plaintiff's goods, and that this should be true of the district in which the defendant's trade is done.”<sup>106</sup> Moreover, another court in *North Carolina Dairy Foundation, Inc. v. Foremost-Mackesson, Inc.* confirmed that

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<sup>101</sup> 830 F.2d 1217, 1222 (2d Cir. 1987).

<sup>102</sup> Courts have stated that the relevant segment includes “architects, designers, decorators and upscale sophisticated customers” for proving secondary meaning in the design of a particular desk lamp. *See Lon Tai Shing Co. v. Koch + Lowy*, No. 90 Civ. 4464(DNE), 1991 WL 170734, \*9 (S.D.N.Y. Jun. 20, 1991). “[I]ndividuals broadly associated with other institutions of higher education in a given geographic area” sufficed as a relevant group among which the secondary meaning of a college's name had been established. *See President & Trs. of Colby College v. Colby Coll.-N.H.*, 508 F.2d 804, 808 (1st Cir. 1975).

<sup>103</sup> *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13, cmt. e (1995).

<sup>104</sup> *See id.*

<sup>105</sup> In cases where the defendant's activities are confined to a limited geographical area, the plaintiff only needs to prove that secondary meaning exists among buyers within that area such that confusion is likely. *See Shoppers Fair of Ark., Inc. v. Sanders Co.*, 328 F.2d 496, 501 (8th Cir. 1964); *see also Oakford Co. v. Kroger Co.*, 157 F. Supp. 453, 458 (S.D. Ill. 1957) (holding that both parties acquired secondary meaning for their respective trade names in different parts of the same state). However, in a case where the remedy was a nationwide importation exclusion order, the International Trade Commission required proof of secondary meaning throughout the United States. *See In re Sneakers with Fabric Uppers & Rubber Soles*, Inv. No. 337-TA-118, USITC Pub. 1366 (Mar. 9, 1983) (Final).

<sup>106</sup> 44 F. Supp. 429 (D. Mass. 1942) (quoting HARRY D. NIMS, *LAW OF UNFAIR COMPETITION AND TRADE-MARKS* 296 (3d ed. 1929)).

“[p]roof of secondary meaning is sufficient if it is shown that a substantial segment of the buying population associates the mark with a single source.”<sup>107</sup>

Courts have defined in different ways what a “substantial number” of the purchasing public means. Some courts have emphasized that secondary meaning requires proof that more than a “relatively small number of people” associate the designation with the applicant for registration.<sup>108</sup> Other courts have required “more than proof of the existence of one person or even a relatively small number of people who associate the term with a single source.”<sup>109</sup> In *Norm Thompson Outfitters, Inc. v. General Motors Corp.*,<sup>110</sup> the court pointed to the “sparseness of people” who associate the mark with plaintiff in holding that acquisition of secondary meaning had not adequately been shown.

Where a survey has been conducted to ascertain the percentage of people for whom the mark has acquired secondary meaning, courts have been vague in defining what the minimum acceptable percentage is. However, it is clear that a percentage below 10 percent is generally insufficient. In *Roselux Chemical Co. v. Parsons Ammonia Co.*, a survey showing that ten percent of users associated the name with a single source was deemed insufficient.<sup>111</sup> Likewise, in *Citizens Banking Corp. v. Citizens Financial Group, Inc.*, an eight percent identification with the plaintiff’s mark was found “insufficient to demonstrate secondary meaning.”<sup>112</sup>

## 2. Evidentiary Requirements for Proving Secondary Meaning

After determining the scope of the purchasing public, courts need to examine whether the promotional efforts made by the senior mark user were effective in establishing secondary meaning to identify the source of his products or services. Proof of secondary meaning entails meeting rigorous evidentiary requirements.<sup>113</sup> To determine whether a term has acquired secondary meaning, courts usually require the senior mark user to submit direct evidence in the form of direct

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<sup>107</sup> 154 Cal. Rptr. 794, 801 (Ct. App. 1979).

<sup>108</sup> See *Roselux Chem. Co. v. Parsons Ammonia Co.*, 299 F.2d 855 (C.C.P.A. 1962).

<sup>109</sup> See *Wembley, Inc. v. Diplomat Tie Co.*, 216 F. Supp. 565, 583 (D. Md. 1963).

<sup>110</sup> 448 F.2d 1293, 1297 (9th Cir. 1971).

<sup>111</sup> 299 F.2d 855, 862 (C.C.P.A. 1962).

<sup>112</sup> No. 07-11514, 2008 WL 1995104 (E.D. Mich. May 6, 2008), *aff’d*, 320 F. App’x 341 (6th Cir. 2009).

<sup>113</sup> See *Boston Beer v. Slesar Bros. Brewing Co.*, 9 F.3d 175, 181 (1st Cir. 1993); *Yankee Candle Co. v. Bridgewater Candle Co.*, 99 F. Supp. 2d 140, 156-57 (D. Mass. 2000).

consumer testimonies and/or consumer surveys. Courts also consider circumstantial evidence such as: (1) exclusivity, length, and manner of use; (2) amount and manner of advertising; (3) amount of sales and number of customers; (4) established place in the market; and/or (5) proof of intentional copying.<sup>114</sup>

Direct evidence in the form of consumer testimonies and professionally conducted surveys is important because it directly reflects buyers' state of mind. The Eighth Circuit stated that "[c]onsumer surveys are recognized by several circuits as the most direct and persuasive evidence of secondary meaning."<sup>115</sup> The Ninth Circuit also deemed consumer surveys "the most persuasive evidence of secondary meaning."<sup>116</sup>

If a case is unclear, a survey is usually necessary to prove secondary meaning. However, survey evidence is "not a requirement for such proof,"<sup>117</sup> and the "absence of consumer surveys need not preclude a finding of acquired distinctiveness."<sup>118</sup> In fact, secondary meaning is more often proved by circumstantial evidence, which is "sufficient to meet a party's burden of proof to establish a claim."<sup>119</sup>

Circumstantial evidence of the seller's efforts in advertising the mark routinely consists of evidence of the size of the seller, the number of sales made, large amounts spent in promotion and advertising, the scope of publicity given to the mark, and any similar evidence showing wide exposure of the buyer class to the mark in question.<sup>120</sup> However, in determining whether a mark has acquired secondary meaning, the crucial issue is not the promotional efforts made by a

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<sup>114</sup> *Echo Travel, Inc. v. Travel Assocs., Inc.*, 870 F.2d 1264, 1267 (7th Cir. 1989); *see also* *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1041 (2d Cir. 1992) ("Among the factors that we have found relevant to this inquiry in the past are advertising expenditures, consumer studies, sales success, unsolicited media coverage, attempts to plagiarize and length and exclusivity of use . . . . There are undoubtedly other types of evidence that would also be relevant to a claim of secondary meaning.").

<sup>115</sup> *Co-Rect Prods., Inc. v. Marvy! Adver. Photography, Inc.*, 780 F.2d 1324, 1333 n.9 (8th Cir. 1985).

<sup>116</sup> *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989).

<sup>117</sup> *Comm. for Idaho's High Desert v. Yost*, 92 F.3d 814, 822 (9th Cir. 1996).

<sup>118</sup> *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1583 (Fed. Cir. 1988).

<sup>119</sup> *Heartland Bank v. Heartland Home Fin., Inc.*, 335 F.3d 810, 820 (8th Cir. 2003).

<sup>120</sup> *See* *American Scientific Chem., Inc. v. Am. Hosp. Supply Corp.*, 690 F.2d 791, 793 (9th Cir. 1982).

senior mark user, but the effectiveness of those efforts.<sup>121</sup> As the Federal Circuit put it, “[t]he test of secondary meaning is the effectiveness of the efforts to create it.”<sup>122</sup> For example, in *Tonawanda Street Corp. v. Fay's Drug Co., Inc.*, the court held that long and exclusive use without evidence of consumer recognition was insufficient in proving secondary meaning.<sup>123</sup> And in *Genovese Drug Stores, Inc. v. TGC Stores, Inc.*, the court held that “[t]he expenditure of large sums of money alone does not establish secondary meaning ‘unless the [trademark proprietor] explains how its efforts were effective in causing the relevant group of consumers to associate the mark with [a single source].’”<sup>124</sup>

As to the minimum sufficiency of evidence required to prove secondary meaning, the general rule is that the more descriptive the term, the greater the evidentiary burden to establish secondary meaning. In other words, the less distinctive the term, the greater the quantity and quality of evidence of secondary meaning needed to prove the requisite degree of distinctiveness.<sup>125</sup>

For example, in *Supreme Wine Co. v. American Distilling Co.*, the court found that, “the word ‘supreme’ is so totally lacking in distinctiveness, originality and uniqueness that, in the absence of compelling proof that it has acquired a secondary meaning to the buying public, it is not entitled to trademark protection.”<sup>126</sup> Moreover, in *Commerce Nat. Ins. Services, Inc. v. Commerce Ins. Agency, Inc.*, the court held that for a highly descriptive term, “the evidentiary bar must be placed somewhat higher.”<sup>127</sup> For example, if survey evidence was used for

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<sup>121</sup> See, e.g., *Chas. D. Briddell, Inc. v. Alglobe Trading Corp.*, 194 F.2d 416, 418–19 (2d Cir. 1952) (An advertising expenditure “measures plaintiff’s efforts to establish a secondary meaning, but does not determine its success . . . . Large expenditures for advertising do not compel a conclusion that the task has been accomplished” (quoting *Gen. Time Instruments Corp. v. U.S. Time Corp.*, 165 F.2d 853, 854–55 (2d Cir. 1948))).

<sup>122</sup> *Braun Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 827 (Fed. Cir. 1992) (quoting *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987)).

<sup>123</sup> 842 F.2d 643, 648 (2d Cir. 1988).

<sup>124</sup> 939 F. Supp. 340, 347 (D. N.J. 1996) (quoting *FM 103.1, Inc. v. Universal Broad. of N.Y., Inc.*, 929 F. Supp. 187, 196 (D. N.J. 1996)).

<sup>125</sup> See *Goodyear Tire & Rubber Co. v. Interco Tire Corp.*, No. 96,404, 1998 WL 998958, at \*16 (T.T.A.B. Sept. 11, 1998) (stating “that the greater the degree of descriptiveness which a design possesses, the heavier is a party’s burden of proving that such a design has in fact become distinctive of the goods with which it is associated”).

<sup>126</sup> *Supreme Wine Co. v. Am. Distilling Co.*, 310 F.2d 888, 889 (2d Cir. 1962).

<sup>127</sup> *Commerce Nat’l. Ins. Servs., Inc. v. Commerce Ins. Agency, Inc.*, 214 F.3d 432, 440–41 (3d Cir. 2000).

a highly descriptive mark, then the evidentiary proof of secondary meaning would correspondingly require a higher percentage of survey respondents who could recognize or associate the mark with the seller.

This approach is also taken by the Federal Circuit, which ruled that the burden to prove secondary meaning “becomes more difficult as the mark’s descriptiveness increases.”<sup>128</sup> The Restatement also observes that “[h]ighly descriptive terms . . . are less likely to be perceived as trademarks and more likely to be useful to competing sellers than are less descriptive terms. More substantial evidence of secondary meaning thus will ordinarily be required to establish their distinctiveness.”<sup>129</sup>

### *B. Questioning the Distinctiveness of the Red Sole*

As shown in the preceding section, the application of the secondary meaning doctrine is a fact-laden process that requires courts to scrutinize whether secondary meaning has been established by senior mark users’ marketing and promotional efforts.<sup>130</sup> This section will demonstrate that the *Louboutin* courts have failed to take seriously the two key issues in the secondary meaning inquiry as discussed in the preceding section. The courts’ upholding of the distinctiveness of the red sole mark is thus dubious, a point that has not yet been raised by many commentators.

#### *1. The Consuming Public*

As the preceding section showed, a mark owner must acquire requisite secondary meaning for his mark among a substantial number of the relevant segment of the consuming public. Because the red sole is a mark applied to shoes, the relevant segment of the consuming public should be shoe consumers. One may argue that only the existing luxury shoe consumers—a much smaller group of people—should be counted as the relevant segment because Christian Louboutin markets luxury footwear with exclusive pricing, but the preceding section showed that the inquiry into secondary meaning should also include prospective consumers. That is, those who are likely to purchase goods after they can mentally associate the goods with the relevant marks. The prospective consumer requirement should not be limited to consumers of luxury shoes as that would preclude potential consumers who may buy such luxury shoes in the short- or

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<sup>128</sup> *Yamaha Int’l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1581 (Fed. Cir. 1988).

<sup>129</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. e (1995).

<sup>130</sup> *See, e.g., MCCARTHY, supra* note 55, at § 15:29 (“Whether or not a designation has acquired secondary meaning is a question of fact, not an issue of law.”).

medium-term future. Another concern is that the distinctiveness of a mark is a factor used by courts to determine the outcomes of likelihood-of-confusion infringement suits.<sup>131</sup> In this process, courts consider whether prospective consumers will likely be confused about sources of goods or services. For example, in *American Luggage Works, Inc. v. United States Trunk Co.*, the plaintiffs failed to prove that retail dealers would likely be confused by the defendant's hand luggage bag designs, because they tended to make a purchase "only after [a] detailed talk with a manufacturer's salesman or upon careful inspection of a manufacturer's catalog or both."<sup>132</sup> The court held that, "the issue is not whether the goods would be confused by a casual observer, (trained or untrained, professional or lay,) but the issue is whether the goods would be confused by a prospective purchaser at the time he considered making the purchase."<sup>133</sup>

Although the District Court in the Louboutin litigation invalidated the red sole mark, it indirectly acknowledged that the mark had acquired secondary meaning as follows:

Film stars and other A-list notables equally pay homage, at prices that for some styles command as much as \$1,000 a pair. And even at that expense, a respectable niche of consumers wears the brand, to the tune of about 240,000 pairs a year sold in the United States, with revenues of approximately \$135 million projected for 2011. When Hollywood starlets cross red carpets and high fashion models strut down runways, and heads turn and eyes drop to the celebrities' feet, lacquered red outsoles on high-heeled, black shoes flaunt a glamorous statement that pops out at once. For those in the know, cognitive bulbs instantly flash

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<sup>131</sup> The Trademark Dilution Revision Act also identifies a non-exhaustive list of six factors that courts "may consider" when determining whether a mark is likely to cause dilution by blurring. 15 U.S.C. § 1125(c)(2)(B) (2006). These six factors are: (1) "[t]he degree of similarity between the mark or trade name and the famous mark"; (2) "[t]he degree of inherent or acquired distinctiveness of the famous mark"; (3) "[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark"; (4) "[t]he degree of recognition of the famous mark"; (5) "[w]hether the user of the mark or trade name intended to create an association with the famous mark"; and (6) "[a]ny actual association between the mark or trade name and the famous mark." *Id.* § 1125(c)(2)(B)(i)-(vi).

<sup>132</sup> *American Luggage Works, Inc. v. United States Trunk Co.*, 158 F. Supp. 50, 54 (D. Mass. 1957).

<sup>133</sup> *Id.* at 53.

to associate: “Louboutin.” This recognition is acknowledged, for instance, at least by a clientele of the well-heeled, in the words of a lyrical stylist of modern times [in Jennifer Lopez’s “Louboutins” song].<sup>134</sup>

With this presentation of facts, the District Court quickly concluded that the red sole mark had morphed into a brand with “worldwide recognition at the high end of women's wear.”<sup>135</sup> The Second Circuit agreed with the District Court’s line of reasoning in this regard.<sup>136</sup>

The passage quoted above, however, merely shows that only a small number of famous people like film stars and A-list notables were counted as the consuming public for the secondary meaning inquiry. The mention of the “Louboutins” song, again, indicates only that high-profile people like Jennifer Lopez are regular consumers of red-soled Louboutin shoes. Although the District Court referred to the fact that around 240,000 pairs of shoes were sold in America in a particular year, it did not direct Louboutin to prove who bought their shoes. Are the buyers only those celebrities who are rich enough to buy many pairs for red-carpet events? Or are they wealthy women living in gated suburbs? Or could they be college students who dream of finding jobs in Wall Street and wear red-soled Louboutin shoes to impress their future employers? Neither the District Court nor the Second Circuit delved into this issue by specifying the relevant segment of the consuming public for the secondary meaning inquiry.

## 2. *Fulfilling the Evidentiary Burden*

As the preceding section showed, plaintiffs (senior mark users) should bear the burden of proving that their promotional efforts were effective in creating secondary meaning of a mark in the mind of the consuming public. Therefore, plaintiffs should furnish direct evidence such as consumer testimonies and consumer surveys and/or circumstantial evidence that includes exclusivity, length and manner of use, amount and manner of advertising, and the amount of sales and number of customers.

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<sup>134</sup> *Louboutin I*, 778 F. Supp. 2d 445, 448 (S.D.N.Y. 2011).

<sup>135</sup> *Id.*

<sup>136</sup> *Louboutin II*, 696 F.3d 206, 226–27 (2d Cir. 2012).

The District Court pointed out that the presumption of the validity of a registered trademark is rebuttable<sup>137</sup> and a showing of secondary meaning is required in weighing whether a single color mark can qualify for trademark protection.<sup>138</sup> Nevertheless, nothing else in the District Court's decision addressed whether the evidence presented by Christian Louboutin showed their promotional efforts had been effective in creating secondary meaning. Instead, the District Court invalidated the red sole mark by relying on the functionality doctrine.<sup>139</sup>

While the Circuit Court overturned the District Court's ruling with regard to the functionality doctrine, it deferred to the District Court's ambiguous ruling on the acquisition of requisite secondary meaning by Christian Louboutin. In doing so, the Circuit Court quickly concluded as follows:

The record before the District Court included extensive evidence of Louboutin's advertising expenditures, media coverage, and sales success, demonstrating both that Louboutin has created a "symbol" within the meaning of *Qualitex*, . . . and that the symbol has gained secondary meaning that causes it to be "uniquely" associated with the Louboutin brand . . . . There is no dispute that Louboutin originated this particular commercial use of the lacquered red color over twenty years ago. As the District Court determined, in findings of fact that are supported by the record and not clearly erroneous, "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." . . . And there is no dispute that Louboutin's efforts were successful "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," . . . and where unsolicited media attention to that red sole became rampant.<sup>140</sup>

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<sup>137</sup> *Louboutin I*, 778 F. Supp. 2d at 450 ("Louboutin's certificate of registration of the Red Sole Mark gives rise to a statutory presumption that the mark is valid . . . . However, that presumption of validity may be rebutted." (citations omitted)).

<sup>138</sup> *Id.* ("In short, color can meet the legal requirements for a trademark if it 'act[s] as a symbol that distinguishes a firm's goods and identifies their source, *without serving any other significant function.*'" (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 166 (1995))).

<sup>139</sup> *See supra* Part I.B.1.

<sup>140</sup> *Louboutin II*, 696 F.3d at 226–27 (citations omitted).

This passage showed that the Second Circuit heavily relied on the District Court's finding that the red sole mark had acquired secondary meaning. However, this inference is arguably inappropriate. Elsewhere in its decision, the Circuit Court quickly confirmed that "[w]here, as here, the record contains sufficient undisputed facts to resolve the question of distinctiveness—not to speak of facts found by the District Court that are based upon evidence of record and not clearly erroneous—we may do so as a matter of law."<sup>141</sup>

However, the District Court, as I showed earlier, did not delve deeply into the secondary meaning inquiry. It simply repeated some of the promotional facts submitted by Louboutin, but did not conduct an evidential inquiry to weigh whether promotional efforts were actually effective in creating secondary meaning.<sup>142</sup> Because of the District Court's focus on the functionality doctrine, the overall decision ignored the necessity of applying the secondary meaning doctrine rigorously, leading to an incomplete application of it in the *Louboutin* decision. It did not ascertain the relevant segment of the consuming public that would designate the red sole mark as the symbol for identifying source. Nor did it discuss whether Louboutin had presented sufficient evidence to show the effectiveness of its promotional efforts in establishing the secondary meaning of the red sole mark. Moreover, it was also inappropriate for the Second Circuit to cite the *Warner Bros., Inc. v. Gay Toys, Inc.*<sup>143</sup> decision to support its treatment of the acquired secondary meaning of the red sole mark as a matter of law rather than a factual inquiry.<sup>144</sup> This is because the *Warner Bros.* court did not appropriately apply the secondary meaning doctrine. It did not consider the relevant segment of the consuming public, nor did it require the plaintiff to show evidence proving the effectiveness of its promotional efforts.<sup>145</sup>

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<sup>141</sup> *Id.* at 226.

<sup>142</sup> Cf. Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 723, 772 (2004) (pointing out that trademark law has developed on the basis of "personal intuition and subjective, internalized stereotypes," not on "specific and persuasive evidence about consumer behavior").

<sup>143</sup> *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327 (2d Cir. 1983).

<sup>144</sup> *Louboutin II*, 696 F.3d at 226.

<sup>145</sup> It seems that the court in *Warner Bros., Inc. v. Gay Toys, Inc.* decided on whether secondary meaning had been acquired in unnecessary haste:

The symbols on the "General Lee" just as clearly have a secondary meaning in the eyes of the consumer of the toy car. There was ample evidence—indeed Gay Toys' sales of its imitations are themselves proof—that the public did associate the "General Lee" with the "Dukes of Hazzard" television series. Its distinctive

Against this backdrop, the Second Circuit did not point out that the District Court had erroneously ignored the need to apply the secondary meaning doctrine. Nor did the Circuit Court provide sufficient analysis of the effectiveness of Louboutin's promotional efforts in creating secondary meaning. In the single passage quoted above, the Second Circuit did not explain why Louboutin's advertising expenditures, media coverage, and sales success would necessarily lead to the creation of secondary meaning.<sup>146</sup> For example, regarding sales success, the Second Circuit must have noticed that the District Court cited the fact that 240,000 pairs of shoes were sold in America in a particular year. But what is critical in the secondary meaning analysis is "whether the public is moved in any degree to buy an article because of its source."<sup>147</sup> Therefore, the Second Circuit should examine whether the public's purchase of Louboutin was motivated by their recognition of the red sole as the indicator of Louboutin being the producer the red-soled shoes. Like the District Court, the Second Circuit, however, did not consider at all why people purchased Louboutin shoes. Was it because people were attracted by the Christian Louboutin brand only, or by the overall design of its shoes? Or was it because consumers were motivated to buy on the basis of their mental association between the red sole and Louboutin shoes? In other words, the Second Circuit should have responded specifically to the third question and then considered why sales success could show that the red sole mark had acquired secondary meaning in the marketplace. It pointed out that unsolicited media attention to the red sole mark had become rampant, but it did not discuss whether Christian Louboutin had furnished any data to show the extent of media coverage. Worse still, it did not consider whether media coverage was actually effective in helping Christian Louboutin acquire secondary meaning.

Another issue the *Louboutin* courts failed to deal with was whether a heightened evidentiary burden should be placed on Louboutin. As discussed above, the more descriptive a mark is, the greater the evidentiary burden to establish

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markings and color made it a "Dukes of Hazzard" car, or a toy depicting that car. It is *because* of that association, the identification of the toy car with its source, Warner's television series, that the toy car is bought by the public. That is enough.

724 F.2d at 334.

<sup>146</sup> See generally, Lee et al., *supra* note 55, at 1037 (cautioning that courts should treat the examination of existence of secondary meaning seriously and arguing that "questions of distinctiveness are matters that can and should be informed by the theoretical and empirical tools employed by those who undertake a careful, scholarly study of such issues").

<sup>147</sup> American Footwear Corp. v. General Footwear Co., 609 F.2d 655, 663 (2d Cir.1979).

secondary meaning.<sup>148</sup> As YSL counter-argued, “[r]ed outsoles are a commonly used ornamental design feature in footwear, dating as far back as the red shoes worn by King Louis XIV in the 1600s and the ruby red shoes that carried Dorothy home in *The Wizard of Oz*.”<sup>149</sup> The common use of red outsoles may indicate that they function to describe certain aesthetic features. Therefore, the *Louboutin* courts should have considered whether the red sole mark was highly descriptive or not.<sup>150</sup> If it was, then Louboutin should have presented more evidence to prove that the red sole mark had acquired requisite secondary meaning.

### III

#### TOWARD A SOCIAL JUSTICE MANDATE FOR TRADEMARK LAW

The preceding Part discussed why the *Louboutin* courts failed to properly apply the distinctiveness doctrine to decide whether the red sole mark was registrable as a trademark. Without such a crucial consideration, the red sole mark may have turned out to be just a mark that has some referential sense but whose primary purpose is independent of its source-identifying character. Therefore, a rigorous application of the secondary meaning doctrine is crucial to guarantee the sensibility of trademark law toward the dynamics of social justice as a public policy.

But what if Christian Louboutin furnished sufficient evidence showing the red sole mark has acquired requisite secondary meaning? This Part will argue that courts should apply a social justice mandate to override the showing of secondary meaning and refuse to uphold the registration of the red sole mark as claimed by Louboutin. The application of this mandate would help courts identify any social injustices that would be caused by the protection of single color trademarks. The Part will further discuss the theoretical and Constitutional basis on which the social

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<sup>148</sup> See *supra* Part II.A.2.

<sup>149</sup> *'You didn't invent red soles': Yves Saint Laurent kicks back at Christian Louboutin*, DAILY MAIL (May 23, 2011), <http://www.dailymail.co.uk/femail/article-1390229/You-didnt-invent-red-soles-Yves-Saint-Laurent-kicks-Christian-Louboutin.html>.

<sup>150</sup> For discussions on the descriptiveness of color marks, see Kevin M. Jordan & Lynn M. Jordan, *The Unanswered Question: Can Color Ever Be Inherently Distinctive?* 85 TRADEMARK REP. 371 (1995); Michael B. Landau, *Reconciling Qualitex with Two Pesos: Ambiguity and Inconsistency From the Supreme Court*, 3 UCLA ENT. L. REV. 219 (1996); James L. Vana, *Color Trademarks*, 7 TEX. INTELL. PROP. L.J. 387 (1999); Laura Vistine, Note, *The Registrability of Color Per Se as a Trademark After Qualitex Co. v. Jacobson Products Co.*, 40 ST. LOUIS U. L.J. 611 (1996).

justice mandate is founded. It will also address some practical concerns about the application of the social justice mandate.

### *A. Social Justice as a Policy Concern*

This Section will first show that the registration of the red sole mark has run counter to the social justice ethos, causing economic and status injustices. Based on this finding, the courts may adopt a social justice mandate, and rule that the red sole mark should not be protected as a trademark even if it has acquired source-identifying secondary meaning.

#### *1. Economic Injustice*

It should be noted that what motivated Christian Louboutin to bring YSL to court was its plan to monopolize the red sole in the footwear industry. Once YSL's use of the red sole is ruled out by the court, any third party's use of the red sole in commerce may trigger the infringement of Christian Louboutin's color mark rights. What makes this monopolization possible is trademark law, which entitles Christian Louboutin to prevent others from using the red sole in the commercial process of merchandizing shoes. The concept of trademark distinctiveness opened the door for that monopolization, because the red sole mark became trademarkable once its acquisition of requisite secondary meaning in the market was shown.

Christian Louboutin is a luxury company that merchandizes its shoes at astronomically high prices, ranging from \$495 to \$6,000.<sup>151</sup> Media coverage about fashion has been rife with the discussion about how expensive Christian Louboutin shoes are. It was reported that a pair of Lady Spiked Leopard-Print Platform Pumps with a 5 3/4-inch heel cost \$1,595,<sup>152</sup> a pair of black boots \$2,645,<sup>153</sup> and a pair of crystal-encrusted shoes \$6,000.<sup>154</sup> Journalists and online commentators complain about high prices in a whimsical vein. For example, a *New York Times*

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<sup>151</sup> See Sharyn Alfonsi & Nikki Battiste, *Red Sole Man: Christian Louboutin's Signature Shoe Has Made Him an Icon*, ABC NEWS (Nov. 18, 2011), [abcnews.go.com/Business/red-sole-man-christian-louboutins-signature-shoe-made/story?id=14983446](http://abcnews.go.com/Business/red-sole-man-christian-louboutins-signature-shoe-made/story?id=14983446).

<sup>152</sup> See Eric Wilson, *Going Toe-to-Toe in Stilettos*, N.Y. TIMES, June 19, 2013, at E1. available at [www.nytimes.com/2013/06/20/fashion/shoe-battles-going-toe-to-toe-in-stilettos.html?ref=style&\\_r=0](http://www.nytimes.com/2013/06/20/fashion/shoe-battles-going-toe-to-toe-in-stilettos.html?ref=style&_r=0).

<sup>153</sup> See Charlotte Cowles, *Christian Louboutin on Why Shoes Are So Damn Expensive These Days*, N.Y. MAG. (June 20, 2013), [www.nymag.com/thecut/2013/06/louboutin-on-why-shoes-are-so-damn-expensive.html](http://www.nymag.com/thecut/2013/06/louboutin-on-why-shoes-are-so-damn-expensive.html).

<sup>154</sup> See Alfonsi & Battiste, *supra* note 151.

essay lamented that “Versions of [Louboutin] shoes in exotic skins, like crocodile, can cost as much as \$4,645, which, it is strange to say, is anything but exceptional in this world.”<sup>155</sup>

Unsurprisingly, a direct consequence of red-sole monopolization is that other fashion houses and ordinary shoe makers will not be allowed to use red soles on the bottoms of their shoes. This will lead to an indirect consequence, that medium- or low-income people will not be able to purchase and consume red-soled shoes since the red-soled shoes are all priced very high after they are attached to the red color mark and the Christian Louboutin word mark.

The economic injustice caused by the red-sole trademark carries two major implications. On a legal level, the red-sole trademark would deprive the poor or even middle-income people of the privilege of buying/wearing shoes with red soles. Louboutin’s red sole trademark would prohibit any other shoe maker from making shoes with red soles or even clothes and handbags imprinted with pictures of non-Louboutin red-soled shoes. Any use of the red sole, in this context, would trigger violation of trademark law, thanks to the likelihood of confusion doctrine<sup>156</sup> or the trademark dilution doctrine.<sup>157</sup> When Christian Louboutin dominates the market with its trademark power, no other shoe makers are allowed to make and sell shoes with red soles. Poor women will not be able to buy cheap shoes with red soles. Poor men will not be able to afford to gift their beloved women with shoes with red soles. If poor persons desire to own red-soled shoes, they will have to save

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<sup>155</sup> Wilson, *supra* note 152.

<sup>156</sup> This doctrine holds that even if consumers are not confused at the point of sale as to the true source of the goods, other consumers may be confused as to the source of those goods after the sale. In *Landscape Forms, Inc. v. Columbia Cascade Co.*, the Court claimed that “[t]he likelihood of confusion test concerns not only potential purchasers but also the general public.” 113 F.3d 373, 382 (2d Cir. 1997). A brand’s reputation for exclusiveness is damaged by post-sale confusion—the damage to the original brand owner in such a case is that consumers could acquire the prestige value of the luxury product by buying and using counterfeits or knockoffs. Even though the knowledgeable buyer knew that he/she was getting an imitation third parties would be confused. Therefore, consumers may be discouraged from purchasing genuine luxury-branded goods, as the brands seem to be too commonplace and no longer possess the prestige and social status associated with them. In *Ferrari S.P.A. Eservizio v Roberts*, the court noted that “Ferrari intentionally limits production of its cars in order to create an image of exclusivity” and if there are many vehicles out in the market, they will no longer be unique. 944 F.2d 1235, 1237 (6th Cir. 1991).

<sup>157</sup> Anti-dilution is a form of trademark protection that guards against blurring the distinctiveness of brands and tarnishing the reputation of brands. 15 U.S.C. § 1125(c) (2006).

up for a long while while sacrificing spending on other goods in order to afford a pair of Louboutin shoes. Alternatively, they can put their red-sole dreams on hold, aspire to become rich first, achieve wealth, and then buy Louboutin shoes as a declaration of their finally being rich. But how many poor people can achieve that in contemporary American society with its increased concentration of social wealth among the top 1 percent<sup>158</sup> while the laws are being changed increasingly in favor of big companies like Christian Louboutin?<sup>159</sup>

Moreover, on the ethical level, the red-sole trademark would legitimize egoist luxury spending behavior without due regard to the suffering of the poor. By upholding the red-sole trademark registration, the court signaled its implicit endorsement of pricey red-soled shoes that can only be merchandized by Christian Louboutin. Because luxury goods protected by trademarks only target people with deep pockets, it makes sense for luxury companies like Christian Louboutin to exclude those who still struggle for bread and butter from owning red-soled shoes. One may point out that this pure economic or monetary calculation is fine when trademark law is applied in its literal sense, but it may not be as permissible if ethical considerations are channeled into the legal analysis. Ethically speaking, is it still fine that as long as Louboutin has acquired secondary meaning, the red-sole color mark should be trademarked as a symbol catering only to the rich? Many people may respond in the negative. The judicial recognition of the red-sole trademark, in fact, has caused a profound ethical consequence. It will translate into an implicit endorsement of the luxury strategy that makes red-soled shoes “patently, obscenely, even self-destructively overpriced.”<sup>160</sup> Consequently, other

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<sup>158</sup> See, e.g., G. William Domhoff, *Wealth, Income, and Power*, WHO RULES AMERICA? (Feb. 2013), [www2.ucsc.edu/whorulesamerica/power/wealth.html](http://www2.ucsc.edu/whorulesamerica/power/wealth.html) (“In the United States, wealth is highly concentrated in a relatively few hands. As of 2010, the top 1% of households (the upper class) owned 35.4% of all privately held wealth, and the next 19% (the managerial, professional, and small business stratum) had 53.5%, which means that just 20% of the people owned a remarkable 89%, leaving only 11% of the wealth for the bottom 80% (wage and salary workers)”).

<sup>159</sup> See, e.g., Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1727 (1999) (“There has been inexorable pressure to recognize as an axiom the principle that if something appears to have substantial value to some, the law must and should protect it as property.”).

<sup>160</sup> Wilson, *supra* note 152 (“The designer shoe industry, to some extent, relies on the willful suspension of rational thinking, the giving over to a more primal urge (to shop, that is) in order to move merchandise that common sense would suggest is patently, obscenely, even self-destructively overpriced.”).

shoe makers' attempts to lower the prices of red-soled shoes for low-or-middle-income people by making and selling them without the Christian Louboutin tag would be penalized as a violation of trademark law.

## 2. *Status Injustice*

Apart from the economic injustice as discussed above, Louboutin's monopolistic control of the red sole mark would also cause status injustice. When Christian Louboutin sued YSL, it bluntly asserted:

Louboutin actively polices the Red Sole Mark to shut down copyists. This task will become impossible if competitors can copy the Red Sole Mark at will, as YSL has done here. Already another competitor has signaled its intent to follow suit. A flood of red soles in high fashion women's footwear creates the danger that Louboutin's goodwill, market prominence and fame will be destroyed, thus threatening its entire business.<sup>161</sup>

This statement, however, begs the question why Christian Louboutin as a commercial entity only desires to use red-soles to serve rich and famous people. The reason is very simple. Louboutin has marketed the red sole by adding the luxury aura to the energy and passion signaled by the color red. The red sole, therefore, is elevated as a luxury symbol for a luxury company that caters to the rich and famous.

Conspicuous consumption describes the behavior of consuming luxury goods where less expensive substitutes bring the same or even higher functional utilities. Rich people showcase their pecuniary strength through conspicuous consumption to affirm their social status. To explain the relationship between luxury goods and conspicuous consumption, Thorstein Veblen argued that it is not the accumulation of wealth that confers status but the evidence of wealth which

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<sup>161</sup> Plaintiffs' Reply Memorandum Of Law In Support Of Application For A Preliminary Injunction at 9, *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445 (No. 11 Civ. 2381 (VM)), *available at* [trademarkem.com/docs/2011-07-19-Louboudin-reply.pdf](http://trademarkem.com/docs/2011-07-19-Louboudin-reply.pdf). As commentators point out, "Louboutin ... argued that if an injunction is not issued the floodgates will open to competitors. Presumably this will result in the non-rich and famous being able to purchase shoes with red soles. Once this style is available to the common unkempt masses, Louboutin's signature style will be forever tarnished." *Court Rules Louboutin's Red Soles are Fashion, not a Trademark*, TRADEMARK 'EM (Sept. 3, 2011), [trademarkem.com/court-rules-louboutins-red-soles-are-fashion-not-a-trademark](http://trademarkem.com/court-rules-louboutins-red-soles-are-fashion-not-a-trademark).

requires its wasteful exhibition.<sup>162</sup> The possession of luxury goods which are priced much higher than their non-luxury equivalents connotes affluence and generates superiority as consumers consider themselves one of the few who can afford the goods.<sup>163</sup>

Conspicuous consumption has been highlighted as a major selling point in modern luxury merchandising. Luxury companies use high prices as a marker of quality, craftsmanship, and design of their products, and limit possession of luxury goods to those who can afford them. Therefore, they allow their customers to publicly signal their status in society and to gain the esteem of others.<sup>164</sup> The registration of the red sole as a trademark has entrenched this mark as part of the conspicuous consumption of luxury goods.

While price connotes social status, price itself, however, does not determine the desirability of a brand.<sup>165</sup> Consumers have the propensity to associate a particular brand with the “type” of consumers who buys that brand.<sup>166</sup> Louboutin can monopolize the red-sole and dominate the red-sole market serving the likes of Wall Street and Hollywood. During the litigation against YSL, Christian Louboutin flaunted a long list of celebrities who had been his loyal consumers.<sup>167</sup>

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<sup>162</sup> THORSTEIN VEBLÉN, *THE THEORY OF THE LEISURE CLASS* 63-64 (Oxford University Press 2007).

<sup>163</sup> See Richard T. Garfein, *Cross-cultural Perspectives on the Dynamics of Prestige*, 3 J. SERVICES MARKETING 17, 18 (1989).

<sup>164</sup> E.g., Young Jee Han, Joseph C. Nunes & Xavier Drèze, *Signaling Status with Luxury Goods: The Role of Brand Prominence*, 74 J. MARKETING 15 (2010), available at <https://msbfile03.usc.edu/digitalmeasures/jnunes/intellcont/Brand%20Prominence%201-12-10-1.pdf>.

<sup>165</sup> See, e.g., Birger Wernerfelt, *Advertising Content When Brand Choice is a Signal*, 63 J. BUS. 91, (Jan. 1990).

<sup>166</sup> Albert M. Muniz & Thomas C. O’Guinn, *Brand Community*, 27 J. CONSUMER RES. 412 (March 2001).

<sup>167</sup> Declaration in Support of Acquired Distinctiveness Under Section 2(f) at 2, *Louboutin I*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011) [hereinafter Louboutin Declaration], available at <http://www.counterfeitchic.com/Images/Louboutin%202f%20statement%20in%20trademark%20application.pdf> (“My shoes are worn by many famous actresses, musicians and other celebrities including royalties. In the U.S., famous wearers of the CHRISTIAN LOUBOUTIN red-soled shoes include Madonna, Halley Berry, Salma Hayek, Kate Hudson, Jennifer Lopez, Sarah Jessica Parker, Mishca Barton, Jessica Simpson, Mary Kate Olsen, Carmeron Diaz, Gwyneth Paltrow, Kirsten Dunst, Angelina Jolie, Gwen Stefani, Destine's Child, Tina Turner and Janet Jackson. Other celebrities who wear the red-soled CHRISTIAN LOUBOUTIN shoes

The message is very clear: wear Louboutin high heels with red-soles, and you will be seen by the public as a member of the Wall Street and Hollywood elite. From this perspective, the red sole has become a public passport to allow people to declare their affiliation with Wall Street and Hollywood.

While the red sole is reserved only for the rich to show off their wealth and status,<sup>168</sup> the judicial validation of the red-sole mark will be an ethical failure. It highlights the stark contrast between the rich and the poor, mirrored by a luxury economy where luxury stores shine bright in the centers of major cities that nonetheless struggle with high income inequality. Luxury capitals like New York,<sup>169</sup> London,<sup>170</sup> and Hong Kong<sup>171</sup> have prospered as their poverty rates and

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include Diane von Furstenberg, Nicole Kidman, Catherine Deuve, Cate Blanchett and Princess of Monaco of Monaco.”).

<sup>168</sup> See Collins, *supra* note 65, at 1 (“Like Louis XIV’s red heels, they signal a sort of sumptuary code, promising a world of glamour and privilege.”).

<sup>169</sup> Same Roberts, *Income Data Shows Widening Gap Between New York City’s Richest and Poorest*, N.Y. TIMES, Sept. 20, 2012, at A22, available at, [http://www.nytimes.com/2012/09/20/nyregion/rich-got-richer-and-poor-poorer-in-nyc-2011-data-shows.html?smid=tw-nytmetro&seid=auto&\\_r=0](http://www.nytimes.com/2012/09/20/nyregion/rich-got-richer-and-poor-poorer-in-nyc-2011-data-shows.html?smid=tw-nytmetro&seid=auto&_r=0) (“The rich got richer and the poor got poorer in New York City [in 2011] as the poverty rate reached its highest point in more than a decade, and the income gap in Manhattan, already wider than almost anywhere else in the country, rivaled disparities in sub-Saharan Africa.”).

<sup>170</sup> See Carla Power, *Great Divide: How the City of London Widened the Gap between Britain’s Rich and Poor*, TIME MAG. (May 14, 2012), <http://www.time.com/time/magazine/article/0,9171,2113703,00.html#ixzz2PwVA5W0> (“With 95% of the neighborhood’s children living in poverty, the area ranks among England’s poorest. Half a kilometer away is St. John’s Wood, home to bankers, football managers and former Beatle Paul McCartney. ... With the top 10% of the population worth 273 times the bottom 10%, London ranks as one of the most unequal cities in the developed world, trumping even New York City, notes Danny Dorling, an expert in urban inequality at the University of Sheffield.”); Clara Ferreira-Marques & Kate Holton, *Rich and Poor: London’s tale of two cities*, REUTERS (Apr. 12, 2010), <http://www.reuters.com/article/2010/04/12/us-britain-election-poverty-idUSTRE63B57620100412> (“Residents of the decaying Robin Hood Gardens estate, where grimy windows punctuate concrete, prison-like corridors, say they feel no connection with those living a short walk away in the luxury Canary Riverside complex.”).

<sup>171</sup> See *In Wealthy Hong Kong, the Poorest Residents Live in Metal Cages*, N.Y. DAILY NEWS (Feb. 10, 2013), <http://www.nydailynews.com/news/world/wealthy-hong-kong-poorest-live-metal-cages-article-1.1258661> (“For many of the richest people in Hong Kong, one of Asia’s wealthiest cities, home is a mansion with an expansive view from the heights of Victoria Peak. For some of the poorest, like Leung Cho-yin, home is a metal cage.”); Benjamin Gottlieb & Kristie Hang, *Hong Kong’s poorest living in ‘coffin homes’*, CNN (July 26, 2011), <http://edition.cnn.com/2011/WORLD/asiapcf/07/25/hongkong.coffin.homes/index.html>

luxury-spending rise, resulting in the coexistence of slums and luxury stores. Beneath this worsening economic inequality lies an ethical crisis. This ethical crisis is caused by rich luxury consumers' indifference to the sufferings of poor people. Luxury goods are by no means necessary goods for survival.<sup>172</sup> No luxury consumer would die or suffer physically if he or she stopped purchasing or consuming luxury goods. But the diversion of money from purchasing luxury goods to aiding the poor could yield profound humanitarian benefits. In 2011, the rich spent \$250 billion in total on luxury goods.<sup>173</sup> In the same year, around 15 million children died from hunger.<sup>174</sup> Against this backdrop, I raised a question in a recent article about whether many luxury consumers are civilized enough to call themselves human beings based on their sensitivity, and insensitivity, to the suffering of the poor.<sup>175</sup>

### 3. *The Application of the Social Justice Mandate*

To address the economic and status injustices caused by the registration of the red-sole trademark, a social justice mandate should be incorporated into the judicial scrutiny of the distinctiveness of marks. Courts can apply it to override the acquired distinctiveness of a mark if the trademark protection of the mark would cause social injustice.

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("Through Mak's eyes, there are two Hong Kongs: The one seen through his only window, personified by the glitz and glamour the city is famous for. And the one inside, that has allowed less fortunate citizens to fall through the cracks.").

<sup>172</sup> Pierre Bourdieu divides consumption of goods with two kinds of tastes: "the tastes of luxury" and "the tastes of necessity." PIERRE BOURDIEU, *DISTINCTION: A SOCIAL CRITIQUE OF THE JUDGEMENT OF TASTE* 175 (1984). Bourdieu also observes that the working-class lifestyle is characterized by both "the absence of luxury goods, whisky or paintings, champagne or concerts, cruises or art exhibitions, caviar or antiques" and by "the presence of numerous cheap substitutes for these rare goods . . . ." *Id.* at 386.

<sup>173</sup> BAIN & CO., *LUXURY GOODS WORLDWIDE MARKET STUDY 3* (10th ed. 2011), available at [www.slideshare.net/Ikusmer/luxury-goods-worldwide-market-study](http://www.slideshare.net/Ikusmer/luxury-goods-worldwide-market-study).

<sup>174</sup> *World Hunger Statistics*, STATISTIC BRAIN (May 7, 2013), [www.statisticbrain.com/world-hunger-statistics/](http://www.statisticbrain.com/world-hunger-statistics/).

<sup>175</sup> Haochen Sun, *Can Louis Vuitton Dance with HiPhone? Rethinking the Idea of Social Justice in Intellectual Property Law*, 15 U. PA. J.L. & SOC. CHANGE 389, 432 (2012) ("Although social justice is a value central to humanity and civilization, we live in an unequal society polarized by the unfair distribution of resources. People still live in poverty and even die from the lack of food. Other people, however, are rich enough to shop happily in luxury stores without regard for those who die of hunger. This stark contrast questions whether luxury consumers are civilized enough to call ourselves human beings or instead lack the ability to sense the pain of our peers.").

The Second Circuit ruled that Christian Louboutin had acquired secondary meaning over the red-sole contrasted with “the remainder of the shoe.”<sup>176</sup> Therefore it could only have trademark protection over “the contrast between the sole and the upper [portion of the shoe].”<sup>177</sup> But this ruling did not invalidate the red sole trademark at all. Instead, it still preserves trademark protection over the red-sole. At this point, the Second Circuit added that “Louboutin has not established secondary meaning in an application of a red sole to a red shoe. . . . The use of a red lacquer on the outsole of a red shoe of the same color is not a use of the Red Sole Mark.”<sup>178</sup> Therefore, the Second Circuit only deprived Christian Louboutin of its trademark rights over the red sole use on a red shoe. It kept the door open for Louboutin to claim trademark rights over the use of the red-sole on shoes of any color other than red.

The application of the social justice mandate, however, would reverse the Second Circuit’s decision. Social justice should be a factor that can override the finding of acquired distinctiveness through the secondary meaning inquiry. As discussed above, the red-sole mark carries social justice consequences.<sup>179</sup> From this perspective, the *Louboutin* courts have also failed to consider the social justice issues that should be integrated into their scrutiny of the distinctiveness of the red-sole mark. Although the battle was waged between two luxury companies, Christian Louboutin and YSL, the litigation has the potential to have tremendous impacts on other fashion companies and particularly consumers.

Therefore, the application of social mandate reflects the fact that weighing the distinctiveness of a mark always has an impact on other relevant marks and their consumers. As Professor Barton Beebe points out, “[I]t is . . . a mark’s distinctiveness from other marks, its salience, that makes consumers aware of it and that will affect whether consumers are likely to confuse it with a junior, similar mark.”<sup>180</sup> Following this mandate, courts should not simply isolate the scrutiny of distinctiveness to a mark itself. Rather, they should consider the larger impact of protecting a distinctive mark on other marks and their consumers.

For example, courts should note that the trademark protection of the red-sole mark may cause serious social injustices. If the red-sole is trademarkable, should

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<sup>176</sup> *Louboutin II*, 696 F.3d 206, 225 (2d Cir. 2012).

<sup>177</sup> *Id.* at 227.

<sup>178</sup> *Id.* at 228.

<sup>179</sup> *See supra* Part III.A.1-2.

<sup>180</sup> Beebe, *supra* note 28, at 672.

we also protect red collars and cuffs that may acquire secondary meaning after being strenuously marketed? The same question applies to other colors that are basic ingredients of fashion design<sup>181</sup> and marketing.<sup>182</sup> From this perspective, the trademark protection of the red sole may open a floodgate for increasingly allowing simple fashion symbols to be protected as luxury brands, leading to greater social injustices.

Moreover, courts should consider the social justice implications of granting trademark protection in non-fashion contexts. Can Facebook register the blue, long stripe that constantly appears on its website and has become a “distinctive” feature of Facebook operation? The same question can be raised for CNN’s extensive use of the red stripe for its website operation.<sup>183</sup> In this context, courts must vigilantly consider from the social justice perspective whether single color marks of that type merit trademark protection even if they have acquired sufficient secondary meaning.

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<sup>181</sup> Fashion houses often use “color stories” to offer new fashion designs. Color stories are the “selected colors that signal the personality of the collection.” EVELYN L. BRANNON, *FASHION FORECASTING* 156 (2d ed. 2005).

<sup>182</sup> Research has revealed that color plays a defining role in the fashion industry. For instance, in the survey on consumer’s perception on color, consumers were interviewed for choosing colors that represent “high quality” of products. 43% of the consumers chose black and 20% chose blue. Thus, it shows that color has a close relationship with people’s cognitive perceptions of fashion products. *See* FABER BIRREN, *COLOR PSYCHOLOGY AND COLOR THERAPY* (Citadel 1978); *see also* Akiko Fukai, *The Colors of a Period as the Embodiment of Dreams*, in *FASHION IN COLORS* 12, 15 (Esther Kremer ed., 2005) (“When we choose the clothes that we wear, we are fully convinced that we are selecting the colors that we like. However, in examining the eternal theme of color, it is evident that our color choices are made within the restrictions of a certain period. That is to say, we are limited to the choices offered by the market at any given time; after all, the market itself is strictly controlled by the economics of fashion trends and the structure of the industry.”); Sunila Sreepada, *The New Black: Trademark Protection for Color Marks in the Fashion Industry*, 19 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1131, 1145 (2009) (“Colors generate specific associations in the minds of consumers that can be harnessed by sellers to influence decision making in the marketplace.”).

<sup>183</sup> John Villasenor, *Can a Company Trademark the Colors On Its Web Site?*, *FORBES* (Sept. 15, 2012), [www.forbes.com/sites/johnvillasenor/2012/09/15/can-a-company-trademark-the-colors-on-its-web-site/](http://www.forbes.com/sites/johnvillasenor/2012/09/15/can-a-company-trademark-the-colors-on-its-web-site/) (“Consider the thick, red, horizontal stripe at the top of CNN’s web site. A person seeing a computer from the other side of a room who might not be able to read the print on the screen would nonetheless be likely to recognize that it was displaying a page from the cnn.com domain. In the context of online news sites, CNN’s red stripe placed across the top of the screen plays an important role in brand identification.”).

There are two ways in which the court can apply the social justice mandate. First, the mandate allows a defendant to assert social justice factors to request a court disprove or override the distinctiveness of a mark. If the court can identify the specific social injustices (economic and status injustice as revealed above) based on the evidence submitted by the defendant, it can invalidate the registration of a mark like the red-sole mark, unless its owner furnishes further evidence to refute the allegations that the mark runs counter to the social justice mandate. Alternatively, the court may opt to protect a mark in a different manner that is less likely to perpetuate social injustice. For example, the court can protect the red sole color mark only when it is used together with the “Christian Louboutin” word mark. This option only recognizes that the red sole mark has acquired secondary meaning when it is combined with the “Christian Louboutin” word mark. Therefore, the use of the red sole mark by others with their own brands would not trigger infringement liability.

### *B. The Legal Basis of the Social Justice Mandate*

This Section will explore the legal basis for channeling the social justice mandate in the judiciary scrutiny of trademark distinctiveness. It will demonstrate that the application of this mandate not only fits with the traditional trademark practice but also with liberal justice theory and Constitutional mandates.

#### *1. Taking Precedents Seriously*

The precedents that the *Louboutin* courts followed, in fact, left room for courts to use the social justice mandate. The *Louboutin* courts heavily relied on Supreme Court’s *Qualitex* decision in determining whether a single color is protectable as a trademark. But the *Louboutin* court neglected to take advantage of a crucial opportunity that the Supreme Court noted in *Qualitex*. In that decision, the Supreme Court considered whether a green-gold color mark constituted a symbol, and whether it had acquired the requisite secondary meaning, if protecting the trademark prevented competitors from using a necessary functional aspect.<sup>184</sup> The Court concluded by noting that “unless there is some special reason that convincingly militates against the use of color alone as a trademark, trademark law would protect *Qualitex*’s use of the green-gold color on its press pads.”<sup>185</sup> Following this statement, the Supreme Court proceeded to examine whether there were any additional “special reason[s]” for invalidating the mark concerned. The

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<sup>184</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 166 (1995).

<sup>185</sup> *Id.*

Court considered whether the protection of single colors would result in shade confusion, making it difficult for courts to settle color-related trademark cases.<sup>186</sup> It also considered whether single color trademarks would cause color depletion in ways that no alternative colors are left for competitors to use in a particular industry.<sup>187</sup> Only after reviewing these two additional issues did the Court affirm the validity of the green-gold mark concerned. Therefore, it is clear that the Supreme Court allows lower courts to use additional policy factors to determine the trademarkability of single color marks.

Moreover, the Supreme Court has emphasized the importance of public policy in deciding difficult trademark cases. In *Wal-Mart Stores, Inc. v. Samara Bros.*,<sup>188</sup> the Supreme Court dealt with the tough question as to whether trade dresses should be treated as inherently distinctive or need to acquire secondary meaning to warrant trademark protection. At the end of its decision, the Court highlighted the “great consumer benefit”<sup>189</sup> that would be derived from requiring a showing of secondary meaning of a trade dress. The social justice mandate centers on consumer benefits. The mandate is intended to protect more consumers from the harms caused by the registration of single color marks. Therefore, it is a policy-oriented factor commensurate with the consumer benefit test.<sup>190</sup>

Last but not least, courts have carved out the heightened evidentiary requirement necessitated by the social justice mandate. As single color marks are highly descriptive marks, owners of such marks, according to some courts, are required to shoulder a heavier burden of proof. For example, the court in *In re Owens-Corning Fiberglas Corp.*, a landmark color mark decision, required that the evidence submitted by the applicant must be substantial because “by their very nature color marks carry a difficult burden in demonstrating distinctiveness and

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<sup>186</sup> *Id.* at 167.

<sup>187</sup> *Id.* at 168-69.

<sup>188</sup> *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000).

<sup>189</sup> *Id.* at 215 (“To the extent there are close cases, we believe that courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning. The very closeness will suggest the existence of relatively small utility in adopting an inherent-distinctiveness principle, and relatively great consumer benefit in requiring a demonstration of secondary meaning.”).

<sup>190</sup> *Brown*, *supra* note 2, at 1167 (“[W]hat appear to be private disputes among hucksters almost invariably touch the public welfare. We shall therefore be concerned to ask, when courts protect trade symbols, whether their decisions further public as well as private goals.”); *Litman*, *supra* note 159, at 1728 (“[T]he essence of [trademark law] is to divide . . . the valuable stuff that, precisely because of its importance, is reserved for public use.”).

trademark character.”<sup>191</sup> The Federal Circuit applied Third Circuit law to drive home the point that claimed owners of single color marks should present more evidence of secondary meaning than mere long-time use and advertising.<sup>192</sup>

## 2. *Taking the American Legal Tradition Seriously*

The social justice mandate, as discussed above, is in line with Supreme Court trademark jurisprudence and practical rules adopted by lower courts. Meanwhile, the mandate also reflects the equality principle that undergirds the American legal system.

### i. Social Justice as a Fundamental Value

It is widely recognized that all human beings are equal individuals with equal worth.<sup>193</sup> Nevertheless, disparities exist in all modern societies. For example, income inequality exists in many societies and continues to worsen.<sup>194</sup> Against this backdrop, social justice has been championed as a human value to minimize the impact unequal distribution of resources has on the disadvantaged. The following statement by John Rawls captures the essence of social justice as a fundamental human value:

Justice is the first virtue of social institutions, as truth is of systems of thought. A theory however elegant and economical must be rejected or revised if it is untrue; likewise laws and institutions no matter how

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<sup>191</sup> *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1125, 1127 (Fed. Cir. 1985) (holding that section 2(f) of the Lanham Act, 15 U.S.C. § 1052(f) and thus leaving the determination of the degree of proof necessary to demonstrate distinctiveness to the judgment of the Patent Office and the courts).

<sup>192</sup> *ERBE Elektromedizin GmbH v. Canady Tech. LLC*, 629 F.3d 1278, 1290-91 (Fed. Cir. 2010).

<sup>193</sup> *E.g.*, Article 1 of the Universal Declaration on Human Rights states that, “[a]ll human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.” Universal Declaration of Human Rights, G.A. Res. 217 (III) A, U.N. Doc. A/RES/217(III), at 72 (Dec. 10, 1948).

<sup>194</sup> *See* Ilyana Kuziemko & Stefanie Stantcheva, *Our Feelings About Inequality: It’s Complicated*, N.Y. TIMES (Apr. 21, 2013), [opinionator.blogs.nytimes.com/2013/04/21/our-feelings-about-inequality-its-complicated/?ref=opinion](http://opinionator.blogs.nytimes.com/2013/04/21/our-feelings-about-inequality-its-complicated/?ref=opinion) (“Since the 1970s, income inequality in the United States has increased at a historic rate. In 1970, the richest 1 percent of Americans enjoyed 9 percent of total national pre-tax income. In 2011, by contrast, that share had risen to 19.8 percent.”).

efficient and well-arranged must be reformed or abolished if they are unjust.<sup>195</sup>

Hailed as a fundamental human value, social justice measures the degree of inequality a society accommodates through its institutions. According to Rawls, social justice has two major principles. Called the equal liberty principle, the first principle directs that “each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others.”<sup>196</sup> The second principle of social justice has two sub-principles. The first one is called the difference principle. It dictates that social inequalities are justified if and only if they work to the benefit of the least advantaged in society.<sup>197</sup> The second sub-principle, labeled the equal opportunity principle, requires that “offices and positions must be open to everyone under conditions of fair equality of opportunity.”<sup>198</sup>

The Rawlsian theory lends strong support to the incorporation of social justice into the secondary meaning inquiry. First, it places social justice as a supreme value to assess the legitimacy of institutional decisions and rules. Embodied with this supreme value, the social justice mandate can be used as the final arbiter in deciding whether a single color mark should be granted trademark protection.

Second, the difference principle highlights the distributive concerns that judges must consider. Rawls suggests several ways of defining the most disadvantaged group.<sup>199</sup> An easy way, as he emphasizes, is to consider an individual’s “place in the distribution of income and wealth.”<sup>200</sup> This

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<sup>195</sup> JOHN RAWLS, A THEORY OF JUSTICE 3 (rev. ed. 1999).

<sup>196</sup> *Id.* at 53.

<sup>197</sup> *Id.* at 65 (stating that “the higher expectations of those better situated are just if and only if they work as part of a scheme which improves the expectations of the least advantaged members of society”). Rawls pointed out that “social order is not to establish and secure the more attractive prospects of those better off unless doing so is to the advantage of those less fortunate.” *Id.* Applying the principle to the “likely medical needs” of the least advantaged, Rawls stated that “[w]ithin the guidelines of the difference principle, provisions [of medicines] can be made for covering these needs up to the point where further provision would lower the expectations of the least advantaged.” JOHN RAWLS, JUSTICE AS FAIRNESS: A RESTATEMENT 173 (Erin Kelly ed., 2001).

<sup>198</sup> RAWLS, *supra* note 195, at 47.

<sup>199</sup> *Id.* at 82 (“I suppose, then, that for the most part each person holds two relevant positions: that of equal citizenship and that defined by his place in the distribution of income and wealth.”).

<sup>200</sup> *Id.*; see also Philippe Van Parijs, *Difference Principles*, in THE CAMBRIDGE COMPANION

characterization of the most disadvantaged group is “in terms of relative income and [wealth] with no reference to social positions. For example, all persons with less than half the median may be regarded as the least advantaged segment.”<sup>201</sup> Applying the difference principle, judges may consider that the protection of single color marks should function to provide benefits to the least advantaged citizens in terms of their incomes. Therefore, the social justice mandate would require Christian Louboutin to furnish evidence to prove that the protection of the red sole mark would benefit poor people.

## ii. Social Justice as a Constitutional Value

Moreover, the social justice mandate comports with the constitutional tradition in America. The Preamble of the Constitution highlights the need to establish social justice and promote public welfare: “[w]e the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity . . . .”<sup>202</sup> The ethos of social justice is further carried forward in the Equal Protection Clause of the Fourteenth Amendment. Watershed constitutional decisions that have reshaped the political and social landscape of the country have relied upon the idea of social justice to apply the Equal Protection Clause<sup>203</sup> in politically hostile social conditions. For example, in *Brown v. Board of Education*, the Supreme Court declared state laws establishing separate public schools for black and white students unconstitutional.<sup>204</sup> In *Loving v. Virginia*, the Supreme Court invalidated laws prohibiting interracial marriage.<sup>205</sup> By championing the cause of social justice, these cases denounced not only laws but also social attitudes that supported “the inferiority of the negro group”<sup>206</sup> or white supremacy based on “invidious

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TO RAWLS 200, 212 (Samuel R. Freeman ed., 2003).

<sup>201</sup> RAWLS, *supra* note 195, at 84.

<sup>202</sup> U.S. CONST. pmbbl.

<sup>203</sup> See U.S. CONST. amend. XIV, § 1.

<sup>204</sup> *Brown v. Bd. of Educ.*, 347 U.S. 483 (1954).

<sup>205</sup> *Loving v. Virginia*, 388 U.S. 1 (1967).

<sup>206</sup> *Brown*, 347 U.S. at 494 (“Segregation of white and colored children in public schools has a detrimental effect upon the colored children. The impact is greater when it has the sanction of the law; for the policy of separating the races is usually interpreted as denoting the inferiority of the negro group. A sense of inferiority affects the motivation of a child to learn. Segregation with the sanction of law, therefore, has a tendency to [retard] the educational and mental development of negro children and to deprive them of some of the benefits they would receive in a racial[ly] integrated school system.” (alteration in original) (citation omitted)).

racial discrimination.”<sup>207</sup>

It is true that the protection of the red sole mark does not impose legal barriers preventing the poor from buying and owning red-soled shoes. After all, red-soled Louboutin shoes are circulated in the market and made available to whoever can afford them. The trademark protection of the red sole, therefore, does not “racially” discriminate against the poor who cannot afford Louboutin shoes. But one should note that what the *Brown* and *Loving* courts intended to eradicate were the social disorder that first determined people’s attitudes toward their perceived-inferior peers and then transformed their attitudes into racially discriminatory laws. Similarly, there is a social disorder underlying the protection of the red sole mark. The social disorder has encouraged people to privilege the rich “angels” who can afford Louboutin shoes in the fashion paradise and disprivilege the poor “devils” who only deserve to wear black-soled shoes in the non-fashion hell. The earlier discussion about the economic and status injustices (especially the conspicuous consumption point) caused by the red sole mark has evinced that simmering social disease.<sup>208</sup> Hence, this social disorder should at least be morally blamed for establishing a new practice of social profiling based on personal wealth or the ability to buy luxury goods.

Moreover, the freedom of expression protected by the First Amendment supports the social justice mandate. The First Amendment protects the equal liberty to have public spaces to perform free speeches.<sup>209</sup> Central to the public forum doctrine is the notion that resources used for speech must be held as public property for the general welfare of the people at large.<sup>210</sup> Public properties such as

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<sup>207</sup> *Loving*, 388 U.S. at 11 (Stewart, J., concurring) (“There is patently no legitimate overriding purpose independent of invidious racial discrimination which justifies [the ban on inter-racial marriage]. The fact that Virginia prohibits only interracial marriages involving white persons demonstrates that the racial classifications must stand on their own justification, as measures designed to maintain White Supremacy.”).

<sup>208</sup> See *supra* Part III.A.1-2.

<sup>209</sup> Rebecca Tushnet, *Domain and Forum: Public Space, Public Freedom*, 30 COLUM. J.L. & ARTS 597, 600 (2007) (“Public forums allow speech supporting the ‘poorly financed causes of little people’ to be disseminated where it is likely to be heard, in public spaces where the public often goes.” (quoting *Martin v. City of Struthers*, 319 U.S. 141, 146 (1943)); see also, Philip M. Napoli & Sheena T. Sybblis, *Access to Audiences as a First Amendment Right: Its Relevance and Implications for Electronic Media Policy*, 12 VA. J.L. & TECH. 1, 5 (2007).

<sup>210</sup> Lyriisa Lidsky, *Public Forum 2.0*, 91 B.U. L. REV. 1975, 2008 (2011) (“The government must hold open the traditional forums such as streets and parks for the benefit of speakers who would otherwise lack the resources to reach a mass audience.”).

public squares, parks, beaches, and utility poles, are a “medium of communication [that] is particularly valuable.”<sup>211</sup> Courts have highlighted the need to make public forums equally open to all to exercise the free speech right. According to courts, a public forum open for free speech “entails a relatively small expense in reaching a wide audience, allows flexibility in accommodating various formats, typographies, and graphics, and conveys . . . message[s] in a manner that is easily read and understood by [the] reader or viewer.”<sup>212</sup>

As a pillar of the American legal tradition, courts have protected intangible public forums for conducting speech activities and symbolic speech actions.<sup>213</sup> For example, *Rosenberger v. Rector of the University of Virginia*<sup>214</sup> found that a public university’s student activities fund was a “forum more in a metaphysical than in a spatial or geographic sense, but the same principles are applicable.”<sup>215</sup> Moreover, courts have also protected symbolic speech activities that purposefully and discernibly convey a particular message or statement to those viewing them. Therefore, wearing black armbands overlaid with a white peace sign<sup>216</sup> and waving an American flag with the words “America the red, white, and blue, we spit on you”<sup>217</sup> were protected by the First Amendment as symbolic speech.

Free speech protection raises two concerns as to whether all Americans deserve equal protection to use the red sole as a speech activity. First, shall we treat fashion as an intangible public forum where people can express their thoughts and comments about many political and social issues and even personal matters? Fashion designs or trends are all publicly displayed. Many fashion shows communicate political and cultural messages.<sup>218</sup> As fashion largely deals with

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<sup>211</sup> *Members of City Council v. Taxpayers for Vincent*, 466 U.S. 789, 819 (1984) (Brennan, J., dissenting).

<sup>212</sup> *Id.*

<sup>213</sup> Tushnet, *supra* note 209, at 599 (pointing out that “the Supreme Court recognized a ‘metaphysical’ or intangible public forum”).

<sup>214</sup> *Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819 (1995).

<sup>215</sup> *Id.* at 830.

<sup>216</sup> *Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503 (1969).

<sup>217</sup> *Texas v. Johnson*, 491 U.S. 397, 399 (1989).

<sup>218</sup> James Kilner, *New York Fashion Week Cancels Show By Uzbek President's Daughter*, THE TELEGRAPH (Sept. 11, 2011), [www.telegraph.co.uk/news/worldnews/asia/uzbekistan/8755351/New-York-Fashion-Week-cancels-show-by-Uzbek-presidents-daughter.html](http://www.telegraph.co.uk/news/worldnews/asia/uzbekistan/8755351/New-York-Fashion-Week-cancels-show-by-Uzbek-presidents-daughter.html) (“Organisers of New York Fashion Week have cancelled a show by the daughter of Uzbek president Islam Karimov after pressure from newspapers and human rights groups who accuse him of torture”).

creative and artistic ideas, it can be deemed to be an intangible public forum for making aesthetic expressions. Against this backdrop, can we privatize the color red, a basic ingredient in fashion design,<sup>219</sup> as a private property? From the free speech protection perspective, such a privatization affects the ability of fashion to serve as an intangible public forum.

Second, a trickier question is whether we can treat wearing red-soled shoes as a symbolic speech action that conveys particular meanings and messages. Mr. Christian Louboutin has acknowledged that he selected red because it is “the color of passion.”<sup>220</sup> What then if some Wall Street investment bank analysts and associates make red-soled shoes by themselves and wear them to wage a protest against their employers’ long-hours working policy that has sapped their passion and energy? Does this kind of symbolic speech action using the red sole violate trademark law? The color red also conveys anger as a human feeling. If non-Louboutin red-soled shoes were worn to express anger in similar protest scenarios, would this kind of symbolic speech action be penalized by trademark law? A larger and thornier question is related to the fact that many women and fashion designers have long seen the color red as a conveyor of messages about beauty and fashion itself.<sup>221</sup> For example, the young Valentino was stricken by “an opera-goer in a red velvet dress” in Barcelona, which made him believe that “if [he was] ever going to become a designer, [he] would do lots of red.”<sup>222</sup> Then how should the trademark protection of the red sole deal with this kind of symbolic speech routinely performed by women and fashion designers?

All these questions carry highly sensitive free speech values. Judges should pay attention to the fact that symbolic speech cases mostly involve use of colors.<sup>223</sup> With this hindsight, judges should realize that they should be vigilant in

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<sup>219</sup> See *supra* text accompanying notes 181 to 183.

<sup>220</sup> Louboutin Declaration, *supra* note 167.

<sup>221</sup> See Anita Bhagwandas, *Beauty for Darker Skins: The Perfect Red Lipstick*, THE GUARDIAN (June 24, 2013), [www.theguardian.com/fashion/fashion-blog/2013/jun/24/beauty-darker-skins-red-lipstick](http://www.theguardian.com/fashion/fashion-blog/2013/jun/24/beauty-darker-skins-red-lipstick) (noting that red lipstick has been a beauty trend for centuries).

<sup>222</sup> *Valentino*, VOGUEPEDIA, [www.vogue.com/voguepedia/Valentino](http://www.vogue.com/voguepedia/Valentino) (last visited Oct. 29, 2013).

<sup>223</sup> See, e.g., *Tinker v. Des Moines Indep. Comty. Sch. Dist.*, 393 U.S. 503, 509 (1969) (noting, in a symbolic speech case, that “students at one of the high schools were heard to say they would wear arm bands of other colors if the black bands prevailed.”); see also *Texas v. Johnson*, 491 U.S. 397, 428 (1989) (Rehnquist, J., dissenting) (noting that most state statutes against burning the American flag, determined by this Court to be symbolic speech, explicitly mention color).

considering the potential free speech values in the free use of the red sole.

### *C. Practical Concerns about the Mandate*

The preceding Section discussed the legal foundation of the social justice mandate. This Section will first tackle two practical concerns about whether the mandate would sound the death knell for single color marks and the luxury industry that heavily relies on trademark protection for business success. It will then further consider whether the aesthetic functionality doctrine can address the social justice concerns embedded in the mandate.

#### *1. The Demise of Single Color Marks?*

The social justice mandate would by no means kill single color trademarks. In fact, a normal single color mark would not necessarily cause social injustices. During the past decades, courts have approved the use of a single color as a trademark for industrial products. For example, green-gold for pads used on dry cleaning presses,<sup>224</sup> pink for fibrous glass insulation,<sup>225</sup> and most recently purple for chocolates.<sup>226</sup> Products labeled with these single color marks are marketed to the mass public. As household products, their prices are relatively low enough so that nearly every family can afford them. Unlike luxury products that are purposefully designed to cater to the rich, they are available to virtually everybody not in palace-like stores but in places such convenience stores and supermarkets. Being marketed with this “serving everybody” principle, these single color marks may not cause social injustice to the poor. Therefore, the social justice mandate would not permit undesirable judicial activism, invalidating single color trademarks all the time.

#### *2. The Demise of the Luxury Industry?*

With its rapid development, the luxury industry has played an important role in many modern societies. Economically, it is estimated that global luxury goods sales in 2011 reached around \$250 billion.<sup>227</sup> The luxury industry has long hailed intellectual property protection as key to the industry’s success. Representatives from the industry always argue that adequate protection of intellectual property

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<sup>224</sup> *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 160 (1995).

<sup>225</sup> *In re Owens–Corning Fiberglas Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985).

<sup>226</sup> *Société Des Produits Nestlé S.A. v. Cadbury UK Ltd.*, [2012] EWHC (Ch) 2637 (Ch)

(Eng.)

<sup>227</sup> Han, Nunes & Drèze, *supra* note 173, at 27.

functions to ensure that luxury companies can recoup their investments in the creation and dissemination of product design and marketing. But given the very weak copyright and patent protection, trademark protection has become core to the luxury industry. Anti-confusion protection empowers luxury brands to attempt to wipe out counterfeits. Anti-dilution protection serves to preserve and enhance the exclusivity and quality reputation that are vital to luxury goods.<sup>228</sup>

Therefore, two other practical concerns should be raised as to whether the social justice mandate would significantly weaken the luxury industry or even cause this industry's demise in the marketplace. First, it seems that the mandate has created an exception only to luxury brands. Second, the mandate may enable fast fashion brands to obtain registration of single color marks and then use their popularity to eclipse luxury brands.

As to the first concern, the social justice mandate is not intended to create an unfavorable exception applied only to luxury brands. Trademark law, as shown above, does protect single color marks. It also protects simple trademarks like the Adidas three-stripe and Nike swoosh marks that have appeared in various colors. Undoubtedly, all these marks have acquired sufficient distinctiveness. They are also used for marketing products to the mass public. As discussed above, these marks are far less likely to cause social injustices.<sup>229</sup> However, luxury brands are different. They are used to market products or services to the rich. To a certain extent, they are used to accommodate unequal distribution of social wealth. Therefore, the status of luxury brands determines that they should be treated in a way different way. Moreover, even if luxury brands like the red sole mark are invalidated by the social justice mandate, luxury companies still have other powerful trademarks to use in merchandizing their products or services. Christian Louboutin still keeps the "Christian Louboutin" word mark, and as long it is used together with the red sole, it will signify passion and energy. Last but not least, it should be noted that the color red is a basic ingredient of fashion design.<sup>230</sup> Therefore, the trademark protection of red marks including the red sole mark may cause more far-reaching impact on the development and dissemination of fashion design. By contrast, color combination marks such as the Louis Vuitton monogram

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<sup>228</sup> See Sun, *supra* note 30, at 402-05.

<sup>229</sup> See *id.* at 422-34 (arguing that the "shanzhai" phenomenon, as it applies to brands like Adidas and Nike, can redistribute resources).

<sup>230</sup> See *supra* text accompanying notes 181 to 183.

can be trademarkable. A primary reason, in this context, is that they are no longer basic ingredients of fashion design.

Second, the social justice mandate does not necessarily favor fast fashion brands by potentially enabling them to obtain registrations of single color marks. Indeed, fast fashion companies like H&M, Forever 21, and Zara have competed with luxury companies on various fronts. As fast fashion products are relatively cheap, they are affordable products for the mass public. If fast fashion companies apply for single color mark protection, they will not be subject to the social justice mandate and could obtain registrations of their marks after passing secondary meaning muster. Fast companies may then rely on their single color marks to prevent luxury companies from using those colors as Louboutin did against its luxury peer YSL and lower market competitor Zara. Therefore, the mandate might turn the luxury world upside-down by favoring fast fashion brands.

However, that is an unnecessary concern. First, no fast fashion companies would be able to show the requisite secondary meaning of their single color marks. Fast fashion is a heavily competitive industry. Copying and being copied are the heart and soul of this industry. Once a design element by a fast fashion company is fashionable, or has the potential to become fashionable, it will be quickly copied and incorporated by other fast fashion companies. Moreover, fast fashion companies copy from luxury companies. Therefore, it will be exceedingly difficult for a fast fashion company to prove that one of its design elements has created source-identifying secondary meaning informing consumers that it is the producer or designer of the design element.

Moreover, the nature of fast fashion determines that no companies in this industry would strategize to fix a red sole–like design element to highlight their products. Fast fashion is defined by very rapid changes in trends. Being a trend-setter with constantly changing new designs is the rule of the game for most fast fashion companies. Without any permanent highlighting design elements, fast fashion companies will not be able to apply for single color mark protection.

Lastly, it should be noted that luxury companies still preserve the core brands for their business. The 2012 Top 100 Brands ranking highlighted leading luxury brands, including Mercedes-Benz, BMW, Louis Vuitton, Gucci, Cartier, Tiffany & Co., Porsche, Burberry, Ralph Lauren, Prada, and Ferrari.<sup>231</sup> The

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<sup>231</sup> *Best Global Brands 2012*, INTERBRAND (2013), [www.interbrand.com/en/best-global-brands/2012/Best-Global-Brands-2012-Brand-View.aspx](http://www.interbrand.com/en/best-global-brands/2012/Best-Global-Brands-2012-Brand-View.aspx).

ranking shows that the value of these brands ranged from approximately \$9 to \$75 billion.<sup>232</sup> What is central to luxury companies are word marks that directly advertise corporate identities to the public. Subject to the social justice mandate, Christian Louboutin would not receive protection of signs like the red sole mark, but it still would have full control of the “Christian Louboutin” word mark. Moreover, the social justice mandate also gives courts an option to protect the red sole mark together with the “Christian Louboutin” word mark.<sup>233</sup> If courts opt for this combination mark approach, both marks would still be protected by trademark law.

### 3. *The Aesthetic Functionality Doctrine*

The third practical concern is that the social justice mandate may not be necessary because the aesthetic functionality doctrine can address the policy concerns on its own. According to the aesthetic functionality doctrine,<sup>234</sup> a design feature merits trademark protection only if it can be shown to perform no significant function other than acting “as a symbol that distinguishes a firm’s goods and identifies their source.”<sup>235</sup> In other words, certain design features may be so valuable for facilitating market competition, that it would significantly hinder competition if a single manufacturer were granted trademark monopoly over it.<sup>236</sup> An example of aesthetic functionality would be the heart-shaped candy box. The heart shape is “an important factor in the appeal of the product” and such functionality is both independent from source-identification and important to

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<sup>232</sup> *Id.*

<sup>233</sup> See Sun, *supra* note 30, at 411. (suggesting that the social justice mandate allows companies to offer products with the same functions as their high-profile counterparts, as long as the trademark name (e.g., Apple or Nokia) is not also replicated).

<sup>234</sup> Aesthetic functionality is a subcategory of the functionality doctrine. According to the Restatement (Third) of Unfair Competition, “[w]hen aesthetic considerations play an important role in the purchasing decisions of prospective consumers, a design feature that substantially contributes to the aesthetic appeal of a product may qualify as ‘functional.’” RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17, cmt. c (1995).

<sup>235</sup> *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 166 (1995). Before *Qualitex*, the Supreme Court ruled that a product’s feature is functional “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982).

<sup>236</sup> See *Qualitex*, 514 U.S. at 170 (noting that the policy goal of the *Qualitex* doctrine is to protect and advance fair competition in the market by preventing any one entity from claiming exclusive ownership over design features that are competitively valuable).

effective market competition. Thus, the heart-shaped box is aesthetically functional and, consequently, does not qualify for trademark protection.<sup>237</sup>

Aesthetic functionality doctrine is not designed to address social justice issues directly related to the poor. First, the doctrine does not intend to make a design feature relatively affordable. Instead, its primary function is to make design features available for producers of goods to compete in the market. The policy goal of the doctrine, as recognized by the Supreme Court in its *Qualitex* decision, is to protect and advance fair competition in the market by preventing any one entity from claiming exclusive ownership over design features that are competitively valuable.<sup>238</sup> Indeed, competition is likely to improve quality, or lower the price, of goods or services. But it does not guarantee that it would drive the price of a particular product to make it relatively affordable for everybody to afford it. In some industries, competition would not necessarily bring down prices of products. For example, the luxury industry is a highly competitive industry but the overall prices of luxury goods remain very high. Because it is designed to promote competition, the aesthetic functionality doctrine primarily benefits companies that market goods or services.

Second, it is difficult to apply the doctrine to fashion designs. As the Supreme Court noted in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, where a feature is aesthetically functional, its exclusive use must threaten to put competitors at a “significant non-reputation-related disadvantage.”<sup>239</sup> Therefore, under the doctrine the court must find that the anti-competitive consequences of granting trademark protection to aesthetically functional features would be significant. However, it is unclear what magnitude of aesthetic functionality would be considered as “significant.” The *Louboutin* case proves this difficulty. In applying the aesthetic functionality doctrine, the District Court found that the red sole served significant non-trademark functions by imbuing the shoes with “energy” and a certain sexiness and appeal.<sup>240</sup> In other words, the red sole was found to be aesthetically appealing at some unquantifiable level sufficient to disqualify it from trademark protection. However, whether “red” may make a design sexy and appealing is more a matter of subjective taste rather than being objectively judged. On the other hand, it is also difficult to distinguish between

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<sup>237</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17, illus. 8 (1995).

<sup>238</sup> See *Qualitex*, 514 U.S. at 170.

<sup>239</sup> *TrafFix Devices, Inc. v. Mktg. Displays, Inc.* 532 U.S. 23, 23 (2001).

<sup>240</sup> *Louboutin I*, 778 F.Supp.2d 445, 453 (S.D.N.Y. 2011).

reputation-related disadvantages and other competitive disadvantages. This is particularly true in the fashion industry, where creativity is difficult to distinguish from commercial success, and demand is also difficult to distinguish from reputation.<sup>241</sup>

Third, where design features are deemed to have acquired secondary meaning, it is difficult to prove that any aesthetic appeal they possess is not reputation-related in nature. For example, in the Ninth Circuit's *Au-Tomotive Gold* decision, Audi's logo of four interlocking rings was claimed to be functional because of an "aesthetic quality to the marks that purchasers are interested in having."<sup>242</sup> The court, however, determined that "the alleged aesthetic function is indistinguishable from and tied to the mark's source-identifying nature."<sup>243</sup> Akin to the Audi case, the Second Circuit in *Louboutin* had difficulty sorting out the secondary meaning of a mark from its functional aspects. The court implied that the color red is functional for fashion design.<sup>244</sup> However, it still ruled that the modified version of the red sole mark, namely the red sole contrasted with the upper part of a shoe, had acquired secondary meaning and therefore become trademarkable.<sup>245</sup> This twist raises an important question: why did the Second Circuit uphold the validity of the modified red sole mark even after it determined red to be functional for fashion design? A possible answer is that the court may have had difficulty distinguishing between the functional and source-identifying aspects of the color mark.

### CONCLUSION

In her seminal book *The Second Sex*, Simone de Beauvoir points out that fashion binds female liberties. Women themselves are not able to define their freedom. Instead, it is determined by those who gain the power to design and judge fashion.<sup>246</sup> In the contemporary world of fashion dominated by giant trademark

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<sup>241</sup> See *supra* text accompanying notes 5-6.

<sup>242</sup> *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1066 (9th Cir. 2006).

<sup>243</sup> *Id.* at 1073-74.

<sup>244</sup> See *Louboutin II*, 696 F.3d 206, 225 (2d Cir. 2012). The decision did, however, clarify that in the Second Circuit—where New York City is located—fashion brands can successfully acquire distinctiveness in a color in some configurations and protect those designs.

<sup>245</sup> *Id.* at 227.

<sup>246</sup> SIMONE DE BEAUVOIR, *THE SECOND SEX* 682 (H.M. Parshley, ed., trans. 1989) ("Precisely because the concept of femininity is artificially shaped by custom and fashion, it is imposed upon each woman from without . . . The individual is still not free to do as she pleases in shaping the

owners, we should ask whether they have the monopoly power to control fast-evolving fashion symbols and then further exercise power over the freedom of women's and even men's lives. The same question, as this Article shows, looms large in the context of the Louboutin red sole trademark. When a fashion symbol evolves into a luxury brand shielded by the giant red trademarked façade, it completely segregates the fancy world of luxury from the suffering world of poverty.

When the "Christian Louboutin" word mark is already protected as a luxury brand, is it necessary to increase this protection with the additional boost of the red sole trademark? As argued by the article, social justice should be considered in responding to this question. Yet, the *Louboutin* courts turned a blind eye to the social justice issues embedded in the red sole mark analysis. To correct the *Louboutin* court's approach, this article proposes that a social justice mandate should be incorporated into the judiciary's future application of the secondary meaning doctrine that assesses whether a descriptive symbol is ultimately trademarkable.

The social justice mandate, by its nature, would prevent any trademark owner from monopolizing some elements that are basic ingredients for the fashion industry and other industries as well. It would permanently block the floodgate that was created by the red sole trademark to allow the registration of red collars, red cuffs, and red CNN website stripe as trademarks, if they are exclusively marketed by a luxury company to acquire requisite secondary meaning. This would protect the poor from being swept away from the ordinary fashion trends that they are entitled to participate in. Simple things like red soles, collars, and cuffs should belong to the people of both Wall Street and Main Street. Both designers of fashion products<sup>247</sup> and the trademark system should embrace this principle for the betterment of society.

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concept of femininity."); *see also* TORIL MOI, SIMONE DE BEAUVOIR: THE MAKING OF AN INTELLECTUAL WOMAN 210 (Oxford University Press, 2d ed. 2008) (1994) (pointing out that de Beauvoir discovered fact that "[F]emininity becomes an external set of rules for how to dress, behave, etc. . . .").

<sup>247</sup> Vogue magazine's report on Valentino, a legendary fashion designer, exemplifies the use of red as a basic element in the fashion industry. The report notes that "[o]n a visit to Barcelona, an opera-goer in a red velvet dress makes a lasting impression. 'She was unique, isolated, fiery—the perfect heroine,' [Valentino] will later recall. 'I told myself that if I were ever going to become a designer, I would do lots of red.'" *Valentino, supra* note 222.