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**A Legal Kaleidoscope – Single Color Trademarks  
From pre-*Owens-Corning* Pink Insulation to *Louboutin* Red-Soled Shoes**

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## **A Legal Kaleidoscope – Single Color Trademarks**

### **From pre-*Owens-Corning* Pink Insulation to *Louboutin* Red-Soled Shoes**

The August 2011 decision in *Christian Louboutin S.A. v. Yves Saint Laurent Am. Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011) (*on appeal*), amounts to the proverbial – and literal – “red flag” highlighting the difficult issues faced by owners in the protection of single color trademarks. *Louboutin* follows on the heels of what had seemed to be fairly settled law of the protection of colors. However, it now poses the question of whether – even assuming proof of secondary meaning – single colors can be protected in all industries.

#### **Historical Background**

Historically, courts had refused to recognize protection for single colors as marks. Dating to the turn of the century, the U.S. Supreme Court in *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166 (1906), held that the description of a trademark for wire rope as “a red or other distinctively colored streak applied to or woven in a wire rope” was too indefinite to be the subject of registration under the Trademark Act of March 3, 1881. The Supreme Court wrote:

Whether mere color can constitute a valid trade-mark may admit of doubt. Doubtless it may, if it be impressed in a particular design, as a circle, square, triangle, a cross, or a star. But the authorities do not go farther than this.

*Id.* at 171. Following *Leschen*, the then-Patent office and courts refused to allow registration of single colors for gasoline and oil well reamers. *In re General Petroleum Corp. of California*, 49 F.2d 966 (CCPA 1931); *In re Security Engineering Co., Inc.*, 113 F.2d 494 (CCPA 1940).

In contrast, during the pre-Lanham Act years, some courts did provide for protection of color marks as a form of unfair competition where secondary meaning in the color was shown. *See, e.g., Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F.2d 407 (6th Cir. 1945) (protecting the color yellow for taxicab services).

Over the years, the “color depletion” doctrine – the concept that there are a limited number of colors in the color palette – was used to bar protection of colors. The purpose was to protect against ownership of various colors, that when monopolized, would hinder competition. *See Campbell Soup v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949), in which the court refused to protect the red and white colors of Campbell Soup’s labels, fearing it might “monopolize red in all its shades.”

## **The Pre- Owens-Corning Fiberglas Corporation Era**

In *Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) – the seminal decision establishing the modern law of single color trademarks – the Federal Circuit Court of Appeals spent a considerable portion of its opinion providing an expansive history of decisions on the law of color, which are critical to appreciation of its decision.

The court first noted several predecessor decisions of the Court of Customs and Patent Appeals in which registrations incorporating color were granted or rejected based on judgment as to distinctiveness. *Id.* at 1120. (Citing *In re Hehr Mfg. Co.*, 279 F.2d 526 (CCPA 1960) (allowing registration of a square red label wherein the only distinctiveness of the label was its color); *In re Data Packaging Corp.*, 453 F.2d 1300 (CCPA 1972) (allowing registration of a mark consisting of a colored band applied to a computer tape reel of contrasting color); *Plastilite Corp. v. Kassnar Imports*, 508 F.2d 824 (CCPA 1975), (registration denied for combination of yellow and orange colors for fishing floats as lacking distinctiveness)).

The *Owens-Corning* court also highlighted earlier decisions denying protection to colors as functional, notwithstanding a showing of secondary meaning. 774 F.2d at 1120-21. (Citing *In re Pollak Steel Co.*, 314 F.2d 566 (CCPA 1963) (registration of reflective fence post coating); *Sylvania Electric Products, Inc. v. Dura Electric Lamp Co.*, 247 F.2d 730 (3d Cir. 1957) (blue dot on flashbulb not a valid trademark); *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 531 (1924) (brown color of a quinine preparation which was due to the presence of chocolate as a masking agent and suspension medium)).

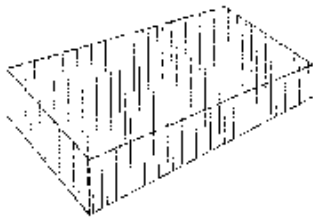
The *Owens-Corning* court next focused on the decision in *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983). In *Deere*, the court had refused to enforce the color “John Deere green” as a common law trademark for front end loaders on the bases that the color green was “aesthetically functional” in that purchasers wanted their farm equipment to match, and that secondary meaning had not been established. 774 F.2d at 1121-22.

The *Owens-Corning* court also outlined an array of decisions litigating the color of pharmaceutical tablets that turned on findings of non-functionality and secondary meaning. (Citing *Ciba-Geigy Corp. v. Bolar Pharmaceutical Co., Inc.*, 547 F. Supp. 1095 (D.N.J. 1982), *aff'd per curiam*, 719 F.2d 56 (3d Cir. 1983), *cert. denied*, 465 U.S. 1080 (1984) (granting relief); *In re American Home Products Corp.*, 226 USPQ 327 (TTAB 1985) (allowing registration); *In re Star Pharmaceuticals, Inc.*, 225 USPQ 209 (TTAB 1985) (denying registration for lack of distinctiveness)). 774 F.2d at 1122.

With that background, the Federal Circuit in *Owens Corning* moved on to consider the facts and law at hand.

## **In Re Owens-Corning Fiberglas Corporation – The Decision Establishing the Modern Era of Law on Color Trademarks**

In ruling in *Owens-Corning*, the Federal Circuit rejected pre-Lanham Act interpretations of the color depletion theory. It held that Owens-Corning's color "pink" was not barred from registration as a trademark on the basis of functionality and that it was registrable with a showing of secondary meaning. Rejecting the Trademark Trial and Appeal Board's (TTAB) conclusion that the color did not function as a mark as clearly erroneous, the Federal Circuit reversed, and held the mark entitled to registration for fibrous glass residential insulation. 774 F.2d at 1128.



Reg. No. 1,439,132  
"The drawing is lined to indicate  
the Color Pink"



The court focused on the changes in policy wrought by the Lanham Act, noting the legislative history recognizing that it should achieve "substantive as distinguished from merely procedural rights in trade-marks." (*citing* S. Rep. No. 1333, 79th Cong., 2d Sess. 5, *reprinted in* 1946 U.S. Code Cong. & Ad. News 1274, 1277). The court also noted the Supreme Court's reiteration in *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985), that Congress had determined that "a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them." 774 F.2d at 1119.

From this test and the lengthy outline of prior decisions, the *Owens-Corning* court went on to consider whether the color "pink" should be protected for building insulation. The court relied on part of the TTAB's underlying ruling to reject the color depletion theory. The Board had found:

Thus, in a case where there is no competitive need (whether characterized as "aesthetic" or otherwise) for colors to remain available to all competitors, the color depletion argument is an unreasonable restriction on the acquisition of trademark rights. We are confronted with such a case. The record indicates that fibrous glass insulation ordinarily has a light yellow-white coloring. Moreover, there is no evidence in this record of widespread industry practice of dyeing fibrous glass insulation a color different from that which it has as a result of the manufacturing process, nor is there anything in the record suggesting a need to do so.

774 F.2d at 1122, quoting *In re Owens-Corning Fiberglas Corp.*, 221 USPQ 1195, 1198 (TTAB 1984).

The Court agreed with the Board that the color “pink” had no utilitarian purpose, did not deprive competitors of any reasonable right or competitive need, and was not barred from registration on the basis of functionality. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d at 1122. The Federal Circuit also adopted the Board’s observation that even if the “pink” color were considered ornamental, it would not prevent it from serving as a trademark. *Id.* at 1123.

The Court held that Owens-Corning’s color pink performed no “non-trademark function” and is “consistent with the commercial and public purposes of trademarks,” and did not confer a monopoly. *Id.* The Court next addressed the Board’s decision that Owens-Corning had not established secondary meaning sufficient to prove that pink functioned as a trademark, outlining in detail the evidentiary record. *Id.* at 1124-1128. In concluding, the Court held that the Board had placed “an inappropriately heavy evidentiary burden on Owens-Corning,” rejected as clearly erroneous the Board’s finding that the color pink did not function as a trademark, and found the mark entitled to registration. *Id.* at 1128.

### **Post Owens-Corning Law**

The *Owens-Corning* decision was followed years later by the Eighth Circuit in *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993), which considered a shade of blue for splicing tape asserted as a common law mark. The court similarly rejected the color depletion theory, noting that “instead of promoting consistency and predictability, we believe that establishing a per se prohibition against protection of a color mark would cause confusion and inconsistency.” *Id.* at 224.

One year later, on appeal of a TTAB opposition ruling, the Federal Circuit considered the registrability of the single color black for boat outboard motors in *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994). There, the court found the color black in the context “*de jure* functional,” in essence, finding pure utilitarian functionality for something often considered to be, at best, aesthetically functional.

The TTAB in *Brunswick* had held:

[A]lthough the color black is not functional in the sense that it makes these engines work better, or that it makes them easier or less expensive to manufacture, black is more desirable from the perspective of prospective purchasers because it is color compatible with a wider variety of boat colors and because objects colored black appear smaller than they do when they are painted other lighter or brighter colors. The evidence shows that people who buy outboard motors for boats like the colors of the motors to be harmonious with the colors of their vessels, and that they

also find it desirable under some circumstances to reduce the perception of the size of the motors in proportion to the boats.

28 USPQ2d at 1199.

The Board had concluded that the color black, applied to the engines, was *de jure* functional because of competitive need. Analyzing prior law and its decision in *Owens-Corning*, The Federal Circuit affirmed the TTAB and found that “color compatibility and ability to decrease apparent motor size are not in this case mere aesthetic features. Rather, these non-trademark functions supply a competitive advantage.” *Brunswick*, 35 F.3d at 1533.

By the time *Master Distributors* and *Brunswick* were decided, a split of circuits had developed over the *per se* protection of color. In *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990) (involving pastel blue packets for sugar substitute), *rev'd sub silentio*, 514 U.S. 159 (1995), the Seventh Circuit held that color alone could never be protected as a trademark.



The *NutraSweet* court considered plaintiff’s efforts to protect its Equal brand sugar substitute’s blue packets against alleged infringement by a competitor’s use of a different shade of blue for identical products, alleging that they were confusingly similar. NutraSweet did not own a registration for the blue color and sought relief under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) for trade dress infringement. *Id.* at 1026-27. The Seventh Circuit expressly rejected the *Owens-Corning* decision, relying instead on the Circuit’s much older decisions of *Barbasol v. Jacobs*, 160 F.2d 336 (7th Cir. 1947) and *Life Savers v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950) that had held that color could only be protected in combination with a symbol or design. 917 F.2d at 1026-27.

The court expressed concern that adoption of the *Owens-Corning* position in infringement actions would “soon degenerate into questions of shade confusion,” and pointed out that the only remedy would be litigation, *Id.* at 1027, and bar new entrants to the market, *Id.* at 1028.

Similarly, the Ninth Circuit rejected the *Owens-Corning* doctrine in *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994), which involved a green-gold color for Qualitex’s dry cleaning press pads. It concluded:

In this case, we confront the issue of whether to follow the majority of circuits in holding that color alone cannot form the basis for a trademark,

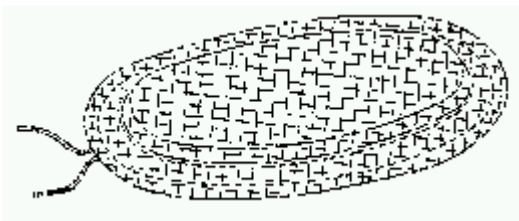
or to acknowledge the exception of *Owens–Corning*. We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, *no person should have a monopoly on a primary color*. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in “shade confusion” as noted in *NutraSweet*, 917 F.2d at 1027, and in Judge Bissell's dissent in *Owens–Corning*, 774 F.2d at 1131.

13 F.3d 1302 (emphasis added). The Ninth Circuit reversed the district court’s finding of trademark infringement and ordered the cancellation of Qualitex’s registration. It did, however, affirm a finding of infringement under unfair competition. *Id.* at 1305.

### **The Supreme Court’s Decision in *Qualitex v. Jacobson Products Co.***

The Ninth Circuit’s decision and two-two split of Circuits led to the U.S. Supreme Court’s grant of certiorari in *Qualitex*. In its unanimous decision in *Qualitex Co. v. Jacobson Products Co. Inc.*, 514 U.S. 159 (1995) – now the seminal decision of the law of color trademarks – the Supreme Court resolved the conflict of the Circuits by rejecting the Seventh Circuit’s *Nutrasweet* approach and Ninth Circuit’s *Qualitex* decision, and by adopting the Federal Circuit’s *Owens-Corning* and the Eighth Circuit’s *Master Distributors* position that color alone may serve as a protectable and registrable trademark.

In *Qualitex*, the plaintiff/petitioner had sold its dry cleaning press pads in a “special shade of green-gold” for over 30 years before the defendant/respondent began to sell its own pads in a similar color. Qualitex initially filed suit based on unfair competition under Section 43(a), 15 U.S.C. § 1125, of the Lanham Act, then obtained a trademark registration for the color, and amended its claims in the litigation to add a trademark infringement count.



Reg. No. 1,633,711

“The mark consists of a particular shade of green-gold applied to the top and side surfaces of the goods.”

The Supreme Court first considered the scope of the Lanham Act’s definition of a trademark as including “any word, name symbol or device, or any combination thereof.” Section 45, 15 U.S.C. § 1127, and described “the universe of things that can qualify as

a trademark . . . in the broadest of terms.” Citing registrations for other non-traditional marks, the Court asked “If a shape, a sound and a fragrance can act as symbols why, one might ask can a color not do the same?” 514 U.S. at 162. Analyzing the range of word marks, the Court next asked, “if trademark law permits a descriptive word with secondary meaning to act as a mark, why would it not permit a color, under similar circumstances, to do the same?” *Id.* at 163.

The *Qualitex* Court went on to find that it could not find “any obvious theoretical objection to the use of color alone as a trademark, where that color has attained ‘secondary meaning’ and therefore identifies and distinguishes a particular brand (and thus indicates its ‘source’).” *Id.* at 162. Following a further discussion of the benefits of source-identification, in an oft-quoted phrase, the Court stated:

It is the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve these basic purposes. . . . And, for that reason, it is difficult to find, in basic trademark objectives, a reason to disqualify absolutely the use of a color as a mark.

*Id.* at 164.

The *Qualitex* Court next considered objections based on the functionality doctrine of trademark law and the color depletion theory. The Court did not take an absolute position, stating:

Although sometimes color plays an important role (unrelated to source identification) in making a product more desirable, sometimes it does not. And, this latter fact—the fact that sometimes color is not essential to a product's use or purpose and does not affect cost or quality—indicates that the doctrine of “functionality” does not create an absolute bar to the use of color alone as a mark. See *Owens–Corning*, 774 F.2d, at 1123 (pink color of insulation in wall “performs no nontrademark function”).

It would seem, then, that color alone, at least sometimes, can meet the basic legal requirements for use as a trademark. It can act as a symbol that distinguishes a firm's goods and identifies their source, without serving any other significant function.

514 U.S. at 165-66 (emphasis added).

The Court rejected concerns over shade confusion, noting that “[c]ourts traditionally decide quite difficult [similar] questions” related to word and design marks. *Id.* at 167. Next, the Court rejected the color depletion theory, as one that would rely “on an occasional problem to justify a blanket prohibition,” and noting that if a “color scarcity” problem arose, the doctrine of functionality would “seem available.” *Id.* at 168-169.



This discussion of functionality, however, also held out the premise of the application of the controversial doctrine of aesthetic functionality to bar protection of colors in other circumstances. The Court discussed at length the *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850, 853, 858, n.20 (1982), decision, in which it had considered the functional purpose of colors of pills to identify a type of medication, and other decisions in which functionality had barred protection of colors. *Qualitex*, 514 U.S. at 169-170. The Court then quoted the Restatement's position on aesthetic functionality:

[I]f a design's "aesthetic value" lies in its ability to "confe[r] a significant benefit that cannot practically be duplicated by the use of alternative designs," then the design is "functional." Restatement (Third) of Unfair Competition § 17, Comment c, pp. 175–176 (1993). The "ultimate test of aesthetic functionality," it explains, "is whether the recognition of trademark rights would significantly hinder competition." *Id.*, at 176.

514 U.S. at 170.

The Court further rejected the application of historical law decided prior to the adoption of the Lanham Act, and focused on 1988 amendments to the Lanham Act and legislative history noting that Congress had expressly retained the Act's relevant portion defining a trademark, in the face of the *Owens Corning* decision and the Trademark Office's clear policy allowing registration of color marks. *Id.* at 172-73.

In ruling, the Court reversed the Ninth's Circuit decision, holding that "color may sometimes meet the basic legal requirements for use as a trademark" and that there was no need for "a special legal rule preventing color alone from serving as a trademark." *Id.* at 174.

### **The Post-*Qualitex* Color Mark Era**

Subsequent to *Qualitex*, several lower court decisions considered the protection of single colors, although often in the context of considerations of other aspects of trade dress or multiple colors.

In *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063 (2d Cir. 1995), the Second Circuit rejected a claim for protection of the color black for cosmetic compacts, finding it not distinctive. It quoted the lower court: "the color black could not reasonably be given protection since it would be analogous to according trade dress protection to a product's 'plain brown wrapper' merely because it did not have to be brown.' We agree that black is as common a color for a makeup case as brown is for a paper bag." *Id.* at 1070.

In *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349 (Fed. Cir. 1999), the court considered the protection of a single “composite color” called “Olde Brick,” used as a finish on lighting fixtures to give a weathered or antique appearance. The color was also described as “rust-type,” which was color-compatible with many interior furnishings. The lower court had granted summary judgment to defendant on the ground that the color was “de jure functional.” *Id.* at 1352. Reversing and remanding the case to the district court, the Federal Circuit concluded “[t]here is evidence that many customers prefer Olde Brick and other composite “rust-type” colors. It is not clear, however, that Olde Brick is one of a few colors that are uniquely superior for use in home decorating.” *Id.* at 1353.

If there was ever any doubt about the meaning of *Qualitex* on standards of proof for color marks, the Supreme Court answered the question five years later in *Wal-Mart Stores v. Samara Brothers*, 529 U.S. 205, 211 (2000), in which it stated that, in *Qualitex*, it had held that “at least with respect to at least one category of mark,” color marks can never be inherently distinctive.

In *McNeil-PPC, Inc. v. Merisant Co.*, 2004 WL 3316380 (D.P.R. July 29, 2004), a district court considered another case involving the packets for sugar substitutes – this one for Splenda’s yellow packets. Although the case turned on a broader look at the entire trade dress, the Court recognized that “the color yellow is not functional for the ingredient in Splenda (sucralose) and is capable of serving as a source identifier for Splenda.” It determined that a survey need not control for any confusion caused by the presence of yellow on both the Splenda and defendant’s package. *Id.* at \* 22.

In another Splenda case, *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC*, 511 F.3d 350 (3d Cir. 2007), the Third Circuit considered claims against several store-brand versions of its sucralose sugar substitute. This case considered the broader trade dress of the entire packaging, reaching different results as to each of the different store brands’ packages.



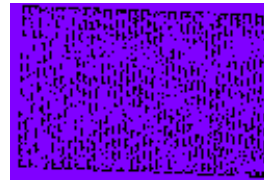
The court also specifically addressed what it called “color coding” in the industry, essentially finding that Splenda had not acquired secondary meaning for yellow alone:

Just because a consumer sees yellow packaging in the sugar aisle does not mean that she believes McNeil or Splenda to be the source, especially because consumers are generally aware of the use of pink and blue by manufacturers other than those of Sweet 'N Low and Equal, respectively. The sugar aisle in a representative grocery store also contains yellow packages of products other than sucralose, including sugar itself. In this factual context, we cannot conclude that whenever any other sucralose producer uses yellow packaging, consumers are likely to associate that product with Splenda.

*Id.* at 363.

In *3M Co. v. Intertape Polymer Group, Inc.*, 423 F. Supp. 2d 958 (D. Minn. 2006), the court considered an infringement claim by 3M based on its federal registration for the color blue for painter's tape. Defendant alleged as affirmative defenses that 3M had acquired its registration through fraud in asserting it made "substantially exclusive" use of the color blue for tape and that the color blue was functional for the product. Considering cross motions for summary judgment, the court granted summary judgment for 3M on the fraud claim, but found that genuine issues of material fact existed as to functionality of the color blue for the product.

In *Saint-Gobain Corp. v. 3M Co.*, 90 USPQ2d 1425 (TTAB 2007), the Board considered the registrability of the color purple for sandpaper. There, the Board held that color can be functional, and thus unregistrable as a trademark, even if it does not make the product perform better. The Board noted that "[c]olor, especially color that is dark in nature, both natural and dyed, is a common and useful feature in the field of coated abrasives ... [and] is functional because "exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage." *Id.* at 1448.



Ser. No. 75/588524  
"The mark consists of a distinctive purple color  
as applied to the entirety of rough side of the goods."

In *Johnson & Johnson v. Actavis Group hf*, 87 USPQ 2d 1125, 2008 WL 228061 (S.D.N.Y. 2008), J & J sought protection from alleged infringement of the gold/yellow background of its NEOSPORIN ointment, as well as other elements of trade dress. In a summary judgment motion, it sought protection on the background color alone, which it identified as its Signature Gold Mark ("Gold Mark"). The color mark was unregistered, but Johnson & Johnson asserted that the mark had acquired secondary meaning and was entitled to protection. While the court found that the evidence of secondary meaning was sufficient for a jury to conclude that the Gold Mark had acquired

distinctiveness in the marketplace, it held that it was insufficient to establish secondary meaning as a matter of law.

Significantly, however, the court went on to consider on summary judgment Activis' defense that the Gold Mark was functional, concluding that it was not. Citing *Qualitex*, the court noted, "[t]he ultimate test of aesthetic functionality ... is whether the recognition of trademark rights would significantly hinder competition. [514 U.S.] at 170 (citation omitted)." 2008 WL 228061 at \*3. Assessing the evidence, the court concluded that Activis had presented insufficient evidence to conclude that the Gold Mark is functional in connection with antibiotic ointment.

Although not a case addressing a single color, the Fifth Circuit's 2008 decision in *Board of Supervisors For Louisiana State University Agricultural And Mechanical College v. Smack Apparel Co.*, 550 F.3d 465 (5th Cir. 2008), is particularly instructive as to the doctrine of aesthetic functionality of colors. There, four universities and their official licensing agent successfully sued over defendant's infringing use of t-shirts of the universities' unregistered color schemes and other identifying indicia. The court noted that, by incorporating the Universities' color schemes into its shirts to refer to the school, a finding of secondary meaning was "inescapable," *Id.* at 476, and noted that defendant "itself believed that the Universities' color schemes had secondary meaning that could influence consumers." *Id.* at 477. Ultimately, the court also found as "inescapable" the conclusion that many consumers would likely be confused and believe that Smack's t-shirts were sponsored or endorsed by the Universities. *Id.* at 485.

In ruling in favor of the Universities, the court flatly rejected the doctrine of aesthetic functionality. Smack had asserted that the Supreme Court has recognized aesthetic functionality, and relied on the interplay between the Court's decisions in *Qualitex* and *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001). As noted above, the Supreme Court had recognized in *Qualitex* that color alone could be protected as a trademark. In its discussion of functionality, the Fifth Circuit summarized the Supreme Court's view that the purpose of the functionality doctrine is to prevent use of a product's feature as a trademark where doing so would hinder competition, and set forth the traditional definition of functionality that turns on whether the feature is "'essential to the use or purpose of the article' or 'affects [its] cost or quality.'" *Smack*, 550 F.3d at 487 (citing *TrafFix*, 532 U.S. at 32).

In *TrafFix* – a case addressing road sign stands, not color – the Supreme Court had reiterated the traditional test for functionality, but also had expanded on the secondary "competitive necessity" test in cases of aesthetic functionality, which it described as having been "the central question" in its decision in *Qualitex*. *TrafFix*, 532 U.S. at 33.

Smack relied on this pronouncement in *TrafFix* for the proposition that the Supreme Court had recognized the aesthetic functionality doctrine. The Fifth Circuit court rejected Smack's claims, commenting:

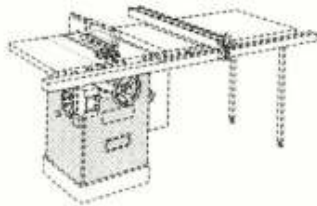
We note that the *TrafFix* Court's characterization of the issue in *Qualitex* has been harshly criticized by commentators. Nevertheless, neither *Qualitex* nor *TrafFix* addressed aesthetic functionality as the dispositive issue, let alone the purported aesthetic functionality of a color-scheme that acts to identify and create a desired association with the particular source. We do not believe that the Court's dictum in *TrafFix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality. (footnotes omitted).

550 F.3d at 487-88. The *Smack* court went on to hold that the competitive necessity test did not require a different result:

We agree with the Ninth Circuit [in *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1070 (9th Circ. 2006)] that “the fact that a trademark is desirable does not, and should not, render it unprotectable.” Smack's alleged competitive disadvantage ... relates solely to an inability to take advantage of the Universities' reputation and the public's desired association with the Universities that its shirts create. This is not an advantage to which it is entitled under the rubric of legitimate competition.

*Id.* at 488.

In *WMH Tool Group, Inc. v. Woodstock Int'l, Inc.*, 93 USPQ2d 1570, 2009 WL 6825247 (N.D. Ill. 2009), the district court considered cross motions for summary judgment regarding, *inter alia*, the validity of a trademark registration, and protection for, the color white as applied to the exterior surfaces of plaintiff WMH's woodworking and metalworking machinery:



Reg. No. 2,893,180

“The mark consists of the color white as applied to the exterior surfaces of the goods at the rectangular base thereof excluding the top surface, wheel and instrumentation.”

The opinion, however, did little to advance authority on protection of color marks, as it was mired in factual disputes. In light of the highly fact-intensive nature of the dispute, summary judgment on behalf of defendants was denied. *Id.* at \*7. The parties settled the case shortly following the decision.

Following *Smack*, the Federal Circuit again stepped into the mix in *ERBE Elektromedizin GmbH v. Canady Technology LLC*, 629 F.3d 1278, 1288 (Fed. Cir. 2010), a case involving patent claims and related trade dress claims for the use of the color blue for endoscope probes. The court affirmed summary judgment for the defendants, finding that the plaintiff had not established a genuine issue of material fact “that both the color blue is non-functional and had acquired secondary meaning.” The court rejected some evidence ERBE had put forth of the functional availability of other colors, noting that the evidence was prevalent in the medical field that “the blue color enhances identification of the endoscopic tip, and several companies use blue endoscope tips.” *Id.* at 1289. The court went on to hold that, even if the color blue was found non-functional, it would still affirm summary judgment for the defendant, finding that plaintiff had not established a genuine issue as to secondary meaning.

### **The Louboutin v. YSL Decision – Aesthetic Functionality Collides With the “Law” of Fashion**

*Smack* may have intrigued the trademark bar, but no decision of trademark law before or since has garnered such combined attention of the trademark bar and fashion aficionados than the recent decision of *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011), the widely-discussed and oft-criticized case now on appeal to the United States Court of Appeals for the Second Circuit. Louboutin, known for its high-fashion “red-soled shoes,” had obtained a trademark registration (the “Red Sole Mark”) for its mark, described in the registration as “a lacquered sole on footwear,” for goods described as “women’s high fashion designer footwear.”



Drawing for Louboutin Reg.  
No. 3,361,597 - “The color red is  
claimed as a feature of the mark.”

Louboutin Shoe

YSL Monochromatic Shoe

The dispute arose over four models of YSL shoes that featured bright red outsoles as part of a monochromatic design in which the shoe was entirely red (in a line with shoes that were entirely blue, entirely yellow, etc.). Louboutin demanded that Yves

Saint Laurent (“YSL”) cease sales of the shoes, but YSL refused to halt the sales. Louboutin then filed suit claiming trademark infringement and alleging other claims. YSL counterclaimed for tortious interference with business relations and unfair competition, and for cancellation of the Red Sole Mark registration on various grounds, including functionality.

The court’s decision has become a subject of wide discussion, and has been criticized even by those who believe that the ultimate result – denial of a preliminary injunction – was correct. For many, the broad language of the decision misconstrues what the trademark at issue was, and then overreaches beyond that necessary to rule in favor of either party.

The court began the decision by focusing on many of the facts supporting secondary meaning – including the fame of the Louboutin shoes and recognition in a Jennifer Lopez song – but framed the issue as whether “despite Christian Louboutin’s acknowledged innovation and the broad association of the high fashion red outsole with him as its source, trademark protection should not have been granted to [his] trademark registration.” 778 F. Supp. 2d at 448.

The court introduced its discussion by summarizing the basis for denial of the preliminary injunction as follows:

*Because in the fashion industry color serves ornamental and aesthetic functions vital to robust competition, the Court finds that Louboutin is unlikely to be able to prove that its red outsole brand is entitled to trademark protection, even if it has gained enough public recognition in the market to have acquired secondary meaning. The Court therefore concludes that Louboutin has not established a likelihood that it will succeed on its claims that YSL infringed the Red Sole Mark to warrant the relief that it seeks. (emphasis added).*

778 F. Supp. 2d at 449-50.

After summarizing the law of color as outlined in *Owens-Corning* and *Qualitex*, the court went on to refer to the products at issue in those cases (insulation and cleaning press pads) as “industrial goods”

that do not easily fit the unique characteristics and needs—*the creativity, aesthetics, taste, and seasonal change—that define production of articles of fashion*. . . . Can one imagine industrial models sashaying down the runways in displays of the designs and shades of the season’s collections of wall insulation? The difference for Lanham Act purposes, as elaborated below, is that *in fashion markets color serves not solely to identify sponsorship or source, but is used in designs primarily to advance expressive, ornamental and aesthetic purposes*. (emphasis added).

*Id.* at 451. The court next sought to answer what it described as a “narrow question” of “whether there is something unique about the fashion world that militates against extending trademark protection to a single color.” *Id.*

In a much criticized aspect of the opinion, the court devoted considerable ink to an analysis of what it described as a “fanciful hypothetical” – envisioning Picasso seeking to enjoin Monet from use of a “distinctive indigo” for water that it describes as too close to Picasso’s Blue Period “color of melancholy.” *Id.* The court followed with a lengthy justification for why art and fashion are essentially parallel, *Id.*, and share the same “dependence on color as an indispensable medium,” *Id.* at 452.

The court finally turned to the functionality doctrine, citing a number of pre-*Qualitex* decisions. The court used Christian Louboutin’s own testimony to support its view that the color served a functional purpose:

Christian Louboutin himself has acknowledged significant, nontrademark functions for choosing red for his outsoles. . . . [He chose the color to give his shoe styles “energy” and because it is “engaging” . . . [and] . . . that red is “sexy” and “attracts men to the women who wear my shoes.”

*Id.* at 453. The court went on to find YSL’s use as a non-trademark “monochromatic style” that coordinates with clothing items offered in the same collection. The court concluded:

The outsole of a shoe is, almost literally, a pedestrian thing. Yet, coated in a bright and unexpected color, the outsole becomes decorative, an object of beauty. To attract, to reference, to stand out, to blend in, to beautify, to endow with sex appeal—all comprise nontrademark functions of color in fashion.

*Id.* at 453-54 (S.D.N.Y. 2011).

The court ultimately defined the Red Shoe Mark as “the color red,” rejecting Louboutin’s argument that the protection afforded was that depicted in the registration certificate. *Id.* at 455. The opinion effectively ignored the dictates of the Lanham Act regulations that “the drawing shows the mark sought to be registered.” 37 C.F.R. §2.52. The court instead focused on the inherent difficulty in assessing how the color on the registration certificate might appear on a variety of other media. *Id.* The court then delved into the difficulty in assessing “how close to a protected single color” a competitor (on 455) could be before facing a legal challenge. *Id.* at 455-56. The court refused to engage in such a comparison which, critics argue, would be no different than comparing the similarity of competing word trademarks. In conclusion, the Court stated:

[T]he Court cannot conceive that the Lanham Act could serve as the source of the broad spectrum of absurdities that would follow recognition of a trademark for the use of a single color for fashion items.

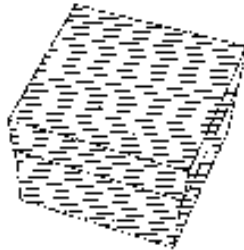


*Id.* at 457.

The *Louboutin* decision is now on appeal to the U.S. Court of Appeals for the Second Circuit, Case No. 11-3303-CV, and oral argument was held on January 24, 2012. The International Trademark Association filed an Amicus Curiae brief supporting Louboutin, vacatur and remand. INTA assigned as error the lower court's misconstruction of the Red Sole Mark as broadly "the color red" and the court's analysis of functionality. In contrast, a group of professors filed an Amicus Curiae brief supporting affirmance, arguing that aesthetic functionality is part of the governing law, and that the court correctly considered functionality of single-color claims in the fashion market.

### **Robin's-Egg Blue Supports Chinese Red**

A third Amicus brief was filed on behalf of Louboutin by the famous jewelry retailer, Tiffany and Company, which owns multiple registrations for its well-recognized "robin's-egg blue" boxes and packaging. Tiffany's counsel, the firm of Fross Zelnick Lehrman & Zissu, P.C., had also registered the Louboutin mark at issue, but represented to the Court of Appeals that it was contacted independently by Tiffany to prepare the Amicus brief, without Tiffany's knowledge that the law firm had itself registered the Louboutin mark. The brief outlines the fame of "Tiffany blue" and the multiple registrations owned by Tiffany for the color, and argues why the court incorrectly created a "fashion exception" to the protection of colors.



Reg. No. 2,359,351.

"The mark consists of a shade of blue often referred to as robin's-egg blue which is used on boxes."

### **Conclusion – Where Does the Law of Single Color Trademarks Go From Here?**

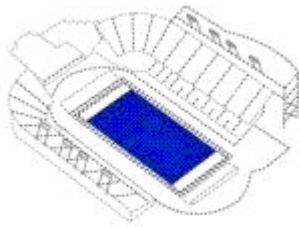
The Second Circuit's *Louboutin* decision is likely to have significant impact on the law of single color trademarks. Companies such as Tiffany should rightfully be concerned about the impact an affirmance of *Louboutin* by the Second Circuit would have, absent, at a minimum, a significant narrowing of the district court's holding.

Indeed all of this ignores the now relatively common use of trademark registrations to protect a single color. Who does not know the answer to “What Can Brown Do for You?” UPS, of course, has made the rather bland color of brown famous, with use dating back to 1917.



Reg. No. 2,131,693  
“The mark consists of the color brown applied to the vehicles used in performing the services.”

And what college sports fan doesn't know which university this football field belongs to?



Reg. No. 3,707,623  
“The mark consists of the color blue used on the artificial turf in the stadium.”

The USPTO register reflects a growing number of color registrations on both the Supplemental and Principal Registers. Where will it all end? What will the limits of “fashion” be? Are delivery trucks and football fields considered “fashion” or relegated to the category of “industrial goods” as described by the *Louboutin* court?

The *Louboutin*'s court's juxtaposition of fashion vs. other goods demonstrates that the adoption by the Second Circuit of a “fashion” exception will only serve to create a new line of inquiry as to “what is fashion” that will have to be decided on a case-by-case basis.