Louboutin v. Yves Saint Laurent: The Second Circuit’s Functionality Faux Pas

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**LOUBOUTIN v. YVES SAINT LAURENT: THE SECOND CIRCUIT’S FUNCTIONALITY FAUX PAS**

**INTRODUCTION**

“Never use the word ‘cheap.’ Today everybody can look chic in inexpensive clothes (the rich buy them too). There is good clothing design on every level today. You can be the chicest thing in the world in a T-shirt and jeans...”

— Karl Lagerfeld

The world that well-respected fashion designer Karl Lagerfeld speaks of is one where fashion is the right and privilege of every individual, regardless of his or her socio-economic status. Various parts of society work towards attaining such a world, even our court system. To create a world where fashion is not the exclusive right of the affluent, trademark law aspires not only to protect markholders, but also to protect their competitors and consumers. As shown in this Note, the key to achieving this goal is to allow designers to copy one another and to bar them from monopolizing aspects of their design that either are essential to the use of their products or put their competitors at a disadvantage by their exclusive use.

Recently, however, the Second Circuit deviated from this trend of consumer protection and, in *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.* allowed shoe designer, Christian Louboutin, trademark rights in the contrasting red color of the soles of his shoes. Subsequently, a similar issue arose in the Central District Court of California, when BCBG Max Azria, a well-known clothing brand, brought a trademark infringement suit against Stretta Moda for manufacturing a dress similar to BCBG’s “bandage dress.” Had BCBG Max Azria and Stretta Moda not obtained a

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2. Id.
4. Id.
5. See infra Part IV.C.1.
consent judgment, the Central District Court of California would have had the option either to continue the judicial trend of limiting what fashion designers can claim as their trademarks or to adopt the Second Circuit’s rationale and allow designers to completely monopolize current fashion trends. As this Note argues, the Second Circuit in Christian Louboutin addressed this dilemma but incorrectly chose to grant fashion designers much more power than they should be afforded. The BCBG matter, however, acts as a red flag for courts in other jurisdictions. It stands as a notice that this power struggle between consumers, high-fashion designers, and those who wish to mimic their designs is not ephemeral. More importantly, it represents the idea that, in the future, courts will have the opportunity to limit the negative effect of the Louboutin decision and to restore the balance of trademark law so that consumers and competitors are as protected as designers are.

To fully dissect and understand the issues and the arguments against other courts adopting the Second Circuit’s holding, Part II traces the history of the functionality doctrine and its role in fashion, and explains the current understanding of it. Part III analyzes the Supreme Court’s holding that colors may be trademarks in Qualitex Co. v. Jacobson Products Co., Inc. Part IV discusses the procedural history of Christian Louboutin and suggests that the Second Circuit erred in granting Christian Louboutin trademark rights in its shoes’ red soles. Part V explains the rationale for BCBG suing Stretta Moda and asserts that, had the parties not obtained a consent judgment, this case would have given the Central District Court of California the opportunity to reject Louboutin and find that BCBG’s bandage feature was functional. Finally, this Note concludes that if courts reject Louboutin when deciding similar cases, they will reinforce the Lanham Act’s goals of protecting consumers, which in turn will support a vibrant fashion industry.

THE FUNCTIONALITY DOCTRINE

If we look at the recent history of trademark law, it illustrates how pre-Lanham Act cases created the functionality doctrine; however, post-Lanham Act cases first strengthened the doctrine and then muddled it by creating a confusing standard.

The Lanham Act defines a trademark as “any word, name, symbol, or device, or any combination thereof, used by a person to identify and distinguish his or her goods . . . and to indicate the source of the goods . . . .”

Stretta Moda claimed that the bands of fabric in the “bandage dress” are functional since they are used to form a tight-fitting outfit that accentuates the female form. Id.

8. See infra Part IV.
9. See infra Part IV.C.
Because of the breadth of this definition, it is possible for brands to claim exclusive trademark rights in even the most minute details of its product, allowing in-demand brands to charge excessively high prices for its branded products.\textsuperscript{11} The Lanham Act, however, also provides a limit via the functionality doctrine, which denies trademark protection to product features that are “essential to the use or purpose of the article” or “[affect] the cost or quality of the article.”\textsuperscript{12} Even though the functionality doctrine is part of the Lanham Act, it emerged long before the law was enacted.\textsuperscript{13}

\textbf{A. The History of the Functionality Doctrine}

The functionality doctrine dates back to the late nineteenth century.\textsuperscript{14} It was during that time that only inherently distinctive words and designs were considered trademarks, while other source identifiers like product designs and packaging were not protected.\textsuperscript{15} The nineteenth century plaintiff needed to bring a “palming off” claim in order to stop others from using his or her product design or feature.\textsuperscript{16} Such a claim was developed to hold a manufacturer or designer liable for imitating a rival’s product to intentionally confuse consumers into believing that the product is actually its rival’s.\textsuperscript{17} The successful plaintiff had to prove three things: (1) that the product feature acquired distinctiveness; (2) that the defendant copied the feature; and (3) that consumers were likely to be confused by the defendant’s use of the feature in question.\textsuperscript{18}

As the volume of palming off claims increased, however, courts realized that “overly broad protection of product features could harm, rather than help,
consumers.” Although these claims were helpful in protecting distinctive product features, they were also hurting the market by barring competitors from using features that were necessary to use the product. With little to no competition in the market, markholders could charge consumers unreasonably high prices. The courts noticed that these lawsuits were defeating the purpose of trademark and unfair competition law, so they began denying palming off claims when using the products’ features was necessary for competitors. Additionally, courts were concerned with the overlapping of trademark and unfair competition law with patent law and “did not want to grant perpetual patent-like protection under the guise of unfair competition law.”

In his article, “The Rise and Fall of Trademark Law’s Functionality Doctrine,” Mark Alan Thurmon discussed cases from the early 1900s that reflect the judicial system’s strong reluctance to grant “monopolistic protection” to functional, but unpatented, product features via trademark and unfair competition law. For instance, in Marvel Co. v. Pearl, the Second Circuit recognized that the bulbous shape, easy compressibility, and soft rubber protecting guard of a syringe were “necessary in making and operation of such an instrument.” Furthermore, the court stated that “in the absence of protection by patent, no person can monopolize or appropriate to the exclusion of others elements of mechanical construction which are essential to the successful practical operation of a manufacture, or which primarily serve to promote its efficiency for the purpose to which it is devoted.” The court held that the basic configuration of a syringe cannot be monopolized because it has a functional purpose and was unpatented.

After the Marvel decision, the Eighth Circuit, in Le Mur Co. v. W.G. Shelton Co., used a similar rationale to find that the alleged infringer’s use of a hair curler’s wrapper that warns its user when it is over heated and the foil that seals the hair to the curling rod cannot be considered trespass. The Eighth Circuit recognized that these features were not patentable for lack of novelty and that Le Mur Company, the prior user, could not bar others from

19. Id. at 259.
20. Id.
21. Id.
22. Thurmon, supra note 13, at 259.
23. Id. at 260 (explaining that “early courts seemed most concerned with the patent bargain issue when the feature in question was also important to free competition”).
24. Id. See also Cheney Bros. v. Doris Silk Corp., 35 F.2d 279, 280 (2d Cir. 1929) (holding that anything not protected by intellectual property law can be freely copied).
27. Marvel Co., 133 F. at 161.
29. Id. at 81; Thurmon, supra note 13, at 260 n.54.
incorporating these features in their hair curlers. The court explained that “a manufacturer . . . must be admitted to have good right to make and vend any unpatented article embodying therein the necessary functional parts so that the whole will function.” The Eighth Circuit reinforced the Second Circuit’s decision in Marvel and held that competitors were free to utilize both the wrapper and foil in their hair curlers.

The Supreme Court’s concern about the overlapping of patent law and unfair competition law, also known as the patent bargain concern, played a significant role in recognizing the approach that “trademark protection did not extend to the configuration of a product and that there was a public right to copy the design of unpatented articles as long as the imitator did not pass off his goods as the product of another’s.” This recognition was reflected in the 1896 case Singer Manufacturing Co. v. June Manufacturing Co. Singer Manufacturing Company (Singer), maker of sewing machines called “Singers,” sued June Manufacturing Company (June) for making and selling machines of the same “size, shape, ornamentation, and general external appearance as the machines manufactured by [Singer].” Because its design patents had expired, Singer claimed trade mark rights in both the design of its machines and in the name, “Singers.” It sought to enjoin June from utilizing the design and calling the allegedly infringing machine, the “Improved Singer.”

The Supreme Court denied Singer injunctive relief, stating, “it is self evident that on the expiration of a patent[,] the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property.” June, therefore, had the right to use Singer’s design and to call it the “Improved Singer.” The Court, however, stated that

30. Le Mur Co., 32 F.2d at 81.
31. Thurmon, supra note 13, at 260 n.54 (quoting Le Mur Co., 32 F.2d at 81).
32. Id.
35. Singer Mfg. Co., 163 U.S. at 169; Cohen, supra note 33, at 602. See also Thurmon, supra note 13, at 262 n.59.
38. Id. at 185; Cohen, supra note 33, at 602.
39. Singer Mfg. Co., 163 U.S. at 203. Also, the court determined that Defendant could use the name “Singer” because the term had become generic and referred to sewing machines in general. Id. at 185–86. See also Thurmon, supra note 13, at 262 n.59.
despite having the rights to the design, June was still obligated to inform the public that its machines were not manufactured by Singer.40

Relying on the Singer decision, other pre-Lanham Act courts adopted the approach of protecting the public’s right to use unpatented product features that were functional.41 For example, in Kellogg Co. v. National Biscuit Co., the Supreme Court allowed Kellogg Company (Kellogg) to use the “pillow-shape” design of its shredded wheat and to call it “Shredded Wheat” even though National Biscuit Co., also known as Nabisco, was the first to do so.42 Nabisco had tried to attain a design patent on the pillow shape design; however, the patent was later invalidated because the design had been in the public domain for more than two years before the patent application had been submitted.43

The Court first decided that the name, “Shredded Wheat” was generic since the pillow-shaped biscuit was generally known by that name.44 Additionally, the Court noted that Nabisco did not have the exclusive right to sell shredded wheat in the pillow-shaped form because its design functioned as an identifier of the product itself rather than the source of the product.45 Furthermore, the Court stated:

Where an article may be manufactured by all, a particular manufacturer can no more assert exclusive right in a form in which the public has become accustomed to see the article and which, in the minds of the public, is primarily associated with the article rather than a particular producer, than it can in the case of a name with similar connections in the public mind.46

Coupling this approach with the Singer decision, the Court held that Kellogg could utilize both the name and design of the biscuit, but only if it reasonably makes known to the public that its product is not Nabisco’s.47

In light of the Singer decision, courts realized that they needed a “middle ground” because placing distinctive or source-identifying features into the public domain on grounds of functionality would lead to consumer

40. Singer Mfg. Co., 163 U.S. at 186 (“But it does not follow, as a consequence of a dedication, that the general power vested in the public to make the machine and use the name imports that there is no duty imposed on the one using it, to adopt such precautions as will protect the property of others and prevent injury to the public interest, if by doing so no substantial restriction is imposed on the right of freedom of use.”). See also Cohen, supra note 33, at 602.
41. Cohen, supra note 33, at 604.
43. Kellogg Co., 305 U.S. at 119 n.4.
44. Id. at 116. See also Thurmon, supra note 13, at 265 n.78.
45. Kellogg Co., 305 U.S. at 119. See also Thurmon, supra note 13, at 265 n.78; Cohen, supra note 33, at 604.
46. Kellogg Co., 305 U.S. at 120.
47. Id.; Cohen, supra note 33, at 604.
confusion. In *Shredded Wheat Co. v. Humphrey Cornell Co.*, the Second Circuit found that consumer protection was more important than the patent bargain concern. The court considered numerous potential changes that Humphrey Cornell Company (Humphrey Cornell) could make in order to ensure that consumers would not mistake its biscuits for Shredded Wheat Company’s (Shredded Wheat), the first company to make shredded wheat biscuits. After Shredded Wheat’s design patents on the size and shape of the biscuit had expired, Humphrey Cornell made its biscuits in the same shape and size. Shredded Wheat, however, was able to show secondary meaning to its product in that “the public [had] become accustomed to regard its familiar wheat biscuits as emanating, if not from it by name, at least from a single, though anonymous, maker.”

Giving the distinctiveness of the biscuit size and shape a great deal of significance, the Second Circuit refused to permit Humphrey Cornell to use Shredded Wheat’s functional features without any restrictions. It stressed that Humphrey Cornell should make “nonfunctional” changes since doing so would not leave it at any competitive disadvantages and would simultaneously protect consumers from confusion. The court recognized, however, that Humphrey Cornell could not make any changes in its biscuits’ form, color, or size. Changing the form would not be fair because Shredded Wheat had an expired design patent, indicating that the form was functional. A color change would be over-burdensome because, to change the color, Humphrey Cornell would have to bake its biscuits in a way that would ruin the biscuits’ taste. Also, Humphrey Cornell could not change the size because doing so would not give any “effective relief” to Shredded Wheat. Still, the Second Circuit found that “some mark impressed upon the surface of the biscuit in the baking, or some wrapping or tag, with an adequate legend” would be practicable relief.

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49. *Id.*
52. *Id.* at 962.
53. *Id.* at 963. In this opinion, the Second Circuit cited to the Singer opinion and stated the rule of law that “[i]f the public has come so to associate the machine with a single maker, he is, we think, entitled to some protection, as much when the association be through mere appearances as when it be wrapped up in a name . . . .”*Id.*
54. *Id.* at 964–65; Thurmon, *supra* note 13, at 264.
57. *Shredded Wheat*, 250 F. at 964.
58. *Id.* at 964–65; Thurmon, *supra* note 13, at 264.
60. *Shredded Wheat*, 250 F. at 965.
ensure that such a solution was practical, the court also concluded that Humphrey Cornell could return to court in six months to bar this requirement if it made competition with Shredded Wheat impossible. Through this opinion, the Second Circuit conveyed the message that consumer protection surpasses any other concern when it comes to unfair competition, and even the functionality doctrine must be used in a way that is consistent with this.

Although the functionality doctrine emerged from “palming off” claims to protect the market from monopolistic tyranny, its birth also brought into courts the confusion of balancing its protecting effects with the unwanted intermingling with patent law. To find a balance, courts transformed the functionality shield into a “limited defense,” keeping the focus on the defendant’s product, rather than the plaintiff’s product. Such was the case in Marvel, Singer, and Shredded Wheat, where the courts considered what the defendants could do in order to market their products rather than focus on whether the plaintiffs’ products were actually functional. This common law trend, however, disappeared after the enactment of the Lanham Act.

B. The Functionality Doctrine Today

Although many cases like Marvel, Singer, and Shredded Wheat Co. played a significant role in structuring the functionality doctrine, the 1946 enactment of section 45 of the Lanham Act was by the far the most influential event in the history of the functionality doctrine. Because of the breadth of section 45’s definition of a trademark, product configuration and design now fall into the trademark category. The common law doctrines are no longer necessary in determining whether a functional product feature is protectable because the Lanham Act explicitly states that functionality is a basis to refuse registration and to cancel a registered trademark. Furthermore, the plaintiff has the burden of proof to show that, if the mark is not registered, his or her mark is

61. Id. at 967; Thurmon, supra note 13, at 265.
63. Thurmon, supra note 13, at 258.
64. See supra note 23 and accompanying text.
65. Thurmon, supra note 13, at 270.
66. Id.
67. See id. at 251 n.30.
68. See generally Cohen, supra note 33.
69. See Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 212–13 (2000) (holding that product design can be trademarked if the mark holder can show that the design has acquired distinctiveness); Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 776 (1992) (holding that product packaging can qualify as a trademark and can be inherently distinctive).
not functional. Today, functionality is no longer a “limited defense” that it once was in the common law era, and, because of the Lanham Act, the courts base their decisions almost solely on the functionality doctrine rather than use the balancing tests from previous “palming off” cases.

The post-Lanham Act courts have delved further into defining the functionality doctrine, bifurcating it into two types: utilitarian functionality and aesthetic functionality. Utilitarian functionality is defined by the Inwood standard, which states that if the product feature is “essential to the use or purpose of the article or it affects the cost or quality of the article . . . there is no need to proceed further to consider if there is a competitive necessity for the feature.” A feature is aesthetically functional when its aesthetic values “conf[e]r a significant benefit that cannot practically be duplicated by the use of alternative designs.”

Initially, the Supreme Court recognized the Inwood standard as the general definition of functionality. This standard, however, created problems because almost any feature “affects the cost or quality of the product.” Many circuit courts tried to avoid using the Inwood standard by rendering it dicta and choosing to use the competitive need rationale. This competitive need rationale denies trademark protection to a feature that “would eliminate a competitive market for the product on which the trademarked feature appears.” Finally, the Supreme Court, in Qualitex Co. v. Jacobson Products Co., provided a uniform functionality standard by reconciling Inwood with the competitive need rationale. It held that a product feature, utilitarian or aesthetic in nature, is functional and cannot serve as a trademark “if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.”

71. Lanham Act §33(b)(8).
73. Cohen, supra note 33, at 597.
76. Inwood Laboratories, 456 U.S. at 850 n.10 (“In general terms, a product 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.”) (emphasis added).
77. Thurmon, supra note 13, at 285.
78. Id. at 290.
79. Luhrs, supra note 12, at 235.
80. Id. at 240.
81. Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 165 (1995). The Supreme Court did not overrule the Inwood standard in Qualitex, but actually used it along with the competitive need rationale to create the new standard. Id.
Some circuits have implemented an even stricter standard for functionality, reflecting the idea that the functionality doctrine has grown much stronger than it was considered in *Shredded Wheat*. One of these attempts manifested in the Tenth Circuit’s decision in *Vornado v. Duracraft*, in which the court stated that where product configuration is a significant inventive component of an invention covered by an expired utility patent, patent policy requires it to enter the public domain even if it is nonfunctional. *Vornado*, a fan manufacturer, had a utility patent on the grills of its fan on which they spent a considerable amount of advertising expenses. Subsequently, *Duracraft*, another fan manufacturer, also incorporated grills into its fans without infringing the patent. Upset with *Duracraft*’s success in selling its fans, *Vornado* sued seeking to enjoin *Duracraft* from using the grills. The Tenth Circuit sided with *Duracraft*. Because the grills were patented, they were, collectively, a “significant inventive element” of *Vornado*’s fans and could not be protected as a trade dress. Most circuits, however, chose to reject *Vornado* and decided that protection is not necessarily foreclosed just because there is a utility patent for the product.

Years later, the Supreme Court agreed with the Tenth Circuit’s decision in *Vornado* and, in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, held that when an expired patent claims the features in question, the person seeking to establish protection has the burden of showing that the feature is not functional. In this case, *Marketing Displays* created road signs with a dual springs and *TrafFix Devices* followed with an identical design.

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82. Luhrs, *supra* note 12, at 239.
83. See *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1500 (10th Cir. 1995); Luhrs, *supra* note 12, at 239 (“*Vornado* marked the first time a court adopted a per se rule prohibiting trademark protection for features that were part of a patent.”).
84. *Vornado Air Circulation Sys.*, 58 F.3d at 1500.
85. Id. at 1500–01 (noting that both parties agreed that the [Duracraft] Turbo Fan did not infringe *Vornado*’s patents); Thurman, *supra* note 13, at 315 n.324.
86. *Vornado Air Circulation Sys.*, 58 F.3d at 1501.
87. Id. at 1500.
88. Id. at 1510; Luhrs, *supra* note 12, at 239 (The *Vornado* decision was “the first time a court adopted a per se rule” that denied trademark protection for features that were protected by an expired patent.) (citing Thurman, *supra* note 13, at 316).
89. Thurman, *supra* note 13, at 316.
90. TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 30 (2001). Although the TrafFix decision is often cited when discussing this rule, the concept of using an expired patent to identify a product feature as functional dates to a much earlier time. Cohen, *supra* note 33, at 602; *See In re Application of Oneida Community, 41 App. D.C. 260, 260 (D.C. Cir. 1913)* (holding that the Commissioner of Patents’ refusal to register, as a trademark for spoons, a “circular or O shaped film having distinct edges, on the back of the spoon bowl” was justified since there was an expired patent covering this feature).
Designs used to have a utility patent on the springs, but it had expired.\textsuperscript{92} The Supreme Court first decided that the expired patent created a strong evidentiary inference of functionality.\textsuperscript{93} It then explained that the competitive need rationale only applied to aesthetic functionality cases and reinstated the \textit{Inwood} standard.\textsuperscript{94} Because the expired patent showed the dual spring design was essential to the use of the sign, it was presumed to be functional.\textsuperscript{95} Marketing Designs was unable to produce any evidence that showed that the design was not functional, which led to the Supreme Court holding in favor of TrafFix.\textsuperscript{96}

A great deal of controversy stemmed from \textit{TrafFix} because of the Supreme Court’s break from the majority, its allegedly flawed analysis, and its decision to provide two different standards for the functionality doctrine.\textsuperscript{97} Despite the fact that the Fifth, Sixth, Seventh, Ninth Circuits, and the Court of Appeals for the Federal Circuit had rejected \textit{Vornado} in that they refused to grant automatic protection to features of an invention protected by an expired utility patent, the Supreme Court accepted it in \textit{TrafFix}.\textsuperscript{98} Several scholars also argued that the Supreme Court erred in coming to this decision.\textsuperscript{99} One of these scholars, Mark Alan Thurmon, criticized that:

\begin{quote}
the Court never discussed the competition concern or the potential for consumer confusion that will result when distinctive product features are deemed functional and thus denied trademark protection. Instead, the Court myopically focused on the patent question. That was a grave mistake, and it led to a series of errors that effectively turned the entire functionality doctrine on its head.\textsuperscript{100}
\end{quote}

The “grave mistake” that Thurmon referred to was that the Supreme Court began its analysis with the assumption that the evidence of a utility patent is heavily weighted; thus, the decision had been made before the analysis.\textsuperscript{101} Another major change brought about by the \textit{TrafFix} decision was that it created two different standards for functionality.\textsuperscript{102} It limited the preferred competitive need rationale to aesthetic functionality.\textsuperscript{103} The utilitarian functionality doctrine, however, “reverted to the foggy \textit{Inwood} standard.”\textsuperscript{104}

\begin{footnotes}
\textsuperscript{92} Id. at 26.
\textsuperscript{93} Thurmon, supra note 13, at 324 (quoting \textit{TrafFix Devices, Inc.}, 532 U.S. at 29).
\textsuperscript{94} Id. at 325 (citing \textit{TrafFix Devices Inc.}, 532 U.S. at 29).
\textsuperscript{95} \textit{TrafFix Devices Inc.}, 532 U.S. at 29.
\textsuperscript{96} Id. at 33–35.
\textsuperscript{97} Thurmon, supra note 13, at 325–26.
\textsuperscript{98} Id. at 323.
\textsuperscript{99} Id. at 324–26.
\textsuperscript{100} Id. at 324.
\textsuperscript{101} Id.
\textsuperscript{102} Id. at 326.
\textsuperscript{103} Id.; Luhrs, supra note 12, at 240.
\textsuperscript{104} Luhrs, supra note 12, at 240.
\end{footnotes}
For these reasons, critics argue that the Supreme Court turned the functionality doctrine into a set of “inconsistent and largely incomprehensible standards and distinctions.”

The functionality doctrine has evolved as a shield that keeps trademark owners from asserting rights in parts of their products that are essential to their use. Upon the enactment of the Lanham Act, this doctrine grew from the common law defense to a statutory element of trademark validity. The Inwood decision, however, was overbroad because it declared functional all features that affected the value of the product. The majority of courts later adopted the Qualitex standard that reflected the competition theory, but the Supreme Court disagreed in TrafFix and limited its applicability to only aesthetic functionality. The current functionality doctrine has been left vague, incomprehensible, and controversial.

ESTABLISHING COLORS AS TRADEMARKS

Part II traced the history of the functionality doctrine and explained the controversies stemming from its current understanding. This Part explains the establishment of single colors as trademarks. In the pre-Lanham Act era, single colors were not thought to be sufficiently distinctive to be considered valid marks. Colors could only be protected if they were incorporated into a pattern of other colors, words, or symbols. The Lanham Act, however, erased most of the restrictions. The modern law is that as long as the mark is used in commerce, is inherently distinctive or has acquired distinctiveness as an indication of source, and is nonfunctional, it may be considered a trademark.

105. Thurmon, supra note 13, at 326.
106. See supra Part II.A.
107. See supra notes 68–72 and accompanying text.
109. Luhrs, supra note 12, at 240.
110. Id.
113. Id. at 373–74.
114. See Abercrombie and Fitch, Co. v. Hunting World, Inc., 537 F.2d 4, 9–11 (2d Cir. 1976) (holding that trademarks can be inherently distinctive if they are either: suggestive, arbitrary, or fanciful in nature and, if the trademark merely describes the product, it will need secondary meaning).
Relying on the breadth of the Lanham Act, the _Qualitex_ court explicitly removed the ban on single color trademarks. Qualitex was a company that made green and gold dry-cleaning pads and sued Jacobson Products, another company, for using the same color for its pads. Qualitex alleged that Jacobson Products was a trademark infringer and sought an injunction to stop it from continuing the use of the color. The United States Supreme Court agreed with Qualitex and stated that single colors can be trademarked once they have acquired enough distinctiveness so that they signify that the product comes from a single source. It concluded that “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 the basic purposes of a trademark.”

The Supreme Court also addressed many of Jacobson’s counterarguments that supported the denial of trademark protection to single colors. First, Jacobson contended that the court’s final decision would lead to shade confusion, meaning courts and competitors would be unable to differentiate between colors to conclude if there was infringement. The Supreme Court, however, disagreed, holding instead that the courts face similar problems with other non-color marks; thus, allowing color protection would do no additional harm. Jacobson next argued that allowing single color trademarks would put competitors at a disadvantage because exclusive use of a color would lead to color depletion. The Court rebutted Jacobson’s objection with the theory that the functionality doctrine was designed to protect competitors from this situation and barring single color trademarks was, therefore, unnecessary. Finally, Jacobson argued that since colors are already protected as overall trade dress, it is unnecessary to provide them separate, individual protection. This argument failed as well because “one can easily find reasons why the law might provide trademark protection in addition to trade dress protection.”

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117. _Qualitex Co._, 514 U.S. at 161.
118. _Id._
119. _Id._ at 166.
120. _Id._ at 164. Furthermore, the Supreme Court held that “sometimes, a color will meet ordinary legal trademark requirements. And, when it does so, no special legal rule prevents color alone from serving as a trademark.” _Id._ at 161.
122. _Qualitex Co._, 514 U.S. at 167–68.
123. _Id._ at 168; _Gorman_, _supra_ note 111, at 377.
124. _Qualitex Co._, 514 U.S. at 168.
125. _Id._ at 169.
126. _Id._ at 173.
127. _Id._ at 174.
In *Qualitex*, the Supreme Court solidified the role of single colors as trademarks. This decision was revolutionary, and numerous companies celebrated the chance to finally claim rights to the colors that had brought them their success and their clientele. The issue of whether the *Qualitex* decision can help a fashion designer attain trademark rights in a color, however, is brought into question in *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*

**CHRISTIAN LOUBOUTIN S.A. V. YVES SAINT LAURENT AMERICA HOLDING, INC.**

This Part discusses the District Court’s decision in *Christian Louboutin* and analyzes the Second Circuit’s decision. It also suggests that the Second Circuit ignored the need for copying in the fashion industry and that Christian Louboutin’s red soles are aesthetically functional. In *Christian Louboutin*, the Second Circuit held that Mr. Christian Louboutin (Louboutin), a French footwear designer, had a valid trademark in the contrasting red outsoles of its black shoes. These black shoes sell from four hundred to six thousand dollars per pair and flaunt the Red Sole Mark, the “shiny” red color appearing on their soles since 1992. Fashion critics consider these shoes to be “the most revered shoes around the globe.” Intent on making this red colored signature exclusively his own, Louboutin registered this hue as a mark with the United States Patent and Trademark Office. Yves Saint Laurent, another famous fashion brand, began marketing red shoes which included red soles. Louboutin sought a preliminary injunction against Yves Saint Laurent, claiming trademark infringement. Yves Saint Laurent counterclaimed for cancellation of the mark’s registration on the basis of aesthetic functionality.

129. *Id.* (“Since *Qualitex*, various companies such as United Parcel Service, 3M, and Tiffany & Co. have successfully registered single color marks.”).
131. *Id.* at 228.
135. *Id.* at 449.
136. *Id.* at 450.
137. *Id.* at 457.
A. The District Court’s Decision

In the first round of litigation, Yves Saint Laurent prevailed on its motion for summary judgment. The U.S. District Court for the Southern District of New York found that even though colors may be marks, the use of the red color in this case was per se aesthetically functional. The lower court stated that it was protecting the market from an undue hindrance to competition. Though recognizing that, in *Qualitex*, the Supreme Court explicitly stated that upon acquiring distinctiveness a single color may be a mark, the court found that the nature of the fashion industry compelled it to find this matter distinguishable. According to the judge, the industries in *Qualitex* were very different from the fashion industry in that the latter revolves around “creativity, aesthetics, taste, and seasonal change.” The use of colors in the fashion industry do not only signify the source of the design, but they are used for expressive and aesthetic purposes.

Approaching the Louboutin matter with the fashion industry distinction in mind, the lower court held that the color red was aesthetically functional and Louboutin had no right to bar Yves Saint Laurent from using red in its soles. One of the most important facts supporting the court’s decision was that Louboutin had conceded that he used red because it was “sexy” and “attracts men to the women who wear [his] shoes,” which indicated that the color had a functional purpose. It follows that Yves Saint Laurent would need to use the color for functional purposes as well, such as “to create a monochromatic shoe, and to create a cohesive look consisting of color-coordinating shoes and garments.” If the court were to grant Louboutin trademark rights, not only Yves Saint Laurent, but other competitors would be unduly barred from “achieving [their] stylistic goals.” Because of the functional nature of the color red and the harm to competition that would result from ruling in favor of Louboutin, the lower court refused to recognize the color as a trademark.

138. *Id.* at 458.
139. *Id.* at 451.
141. *Id.* at 451, 456.
142. *Id.* 451.
143. *Id.*
144. *Id.* at 457.
145. *Id.* at 453. The court stated that “[t]he 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 454.
147. *Id.*
148. *Id.* at 457.
Much to Louboutin’s dismay, the district court also stated that it was likely that trademark registration of the Red Sole Mark would be cancelled.149 The judge was unable to cancel the mark at that time because discovery had not formally closed and “Louboutin [was] entitled to certain ‘procedural safeguards’ before the court may sua sponte dispose of its claims.”150 The court reserved its decision on cancellation to give Louboutin a reasonable amount of time to defend his mark and salvage his registration rights.151

Louboutin appealed to the Second Circuit,152 but the decision to appeal was a risky one.153 If Louboutin’s attorneys waited to appeal until after the court had invalidated the Red Sole Mark, competitors could have released into the market numerous “cheap red-soled shoes.”154 If, however, they appealed before the district judge cancelled the mark, they would risk annoying the courts, as circuit courts do not “look favorably on challenges of interim rulings.”155 After balancing the risks, Louboutin concluded that waiting to appeal would do irreparable damage to his business.156

B. The Second Circuit’s Decision

The Second Circuit reversed the district court’s decision, holding that Louboutin had a valid and enforceable trademark because it was the “pop” of the red sole that distinguished its creator.157 Yves Saint Laurent, however, was still not found to be infringing because its shoes were monochrome and did not incorporate the “pop” of the red color, which now exclusively belonged to Louboutin.158 The Second Circuit came to this decision via a three-part analysis.159 First, it considered whether a single color can act as a trademark in the fashion industry.160 Next, it discussed whether a single color mark is always functional in the fashion industry.161 Finally, it determined whether the Red Sole Mark could be protected as a legitimate trademark.162

149. Id. at 458.
150. Id. at 457–58.
151. Id. at 458.
153. Id.
154. Id.
155. Id.
156. Id.
158. Christian Louboutin, 696 F.3d at 228.
159. Id. at 215.
160. Id.
161. Id.
162. Id.
As to the question of whether a single color could act as a protectable trademark in the fashion industry, the Second Circuit concluded it could. 163 It first noted that the Qualitex court had held that a single color can act as a mark if it acquires secondary meaning in that it “distinguishes a firm’s goods and identifies their source, without serving any other significant function.” 164 The Second Circuit also interpreted the Supreme Court’s decision in Qualitex to prohibit the application of a per se rule that would invalidate single color trademarks because they are adopted in a specific industry. 165 It found that the lower court’s decision to bar single color trademarks in the fashion industry was inconsistent with the Supreme Court’s decision in Qualitex. 166

The Second Circuit next analyzed the aesthetic functionality doctrine and determined that not all single color marks are aesthetically functional in the fashion context. 167 It again relied on Qualitex, and stated that “in determining whether a mark has an aesthetic function . . . we take care to ensure that the mark’s very success in denoting (and promoting) its source does not itself defeat the markholder’s right to protect that mark.” 168 The Second Circuit deduced that this standard did not grant a competitor the largest range for “his [or her] creative outlet,” but only protected him or her from being completely excluded from a market. 169 This way, consumers would still benefit from the competition. 170 Using this narrower reading of the doctrine, the Second Circuit stated that color marks in the fashion world could be accommodated as trademarks as long as they did not hinder competition. 171 Rather than applying the district court’s per se rule, the Second Circuit required that courts balance “‘the competitive benefits of protecting source-identifying aspects’ of a mark against the ‘competitive costs of precluding competitors from using the feature,’” and found it unnecessary to decide whether the Red Sole Mark was functional. 172

The Second Circuit concluded that the Red Sole Mark could serve as a valid trademark and that the lower court’s holding that a single color could

163. Id. at 226.
165. Id. at 223.
166. Id.
167. Id.
168. Id. at 222. “When the aesthetic design of a product is itself the mark for which protection is sought, we may also deem the mark functional if giving the markholder the right to use it exclusively ‘would put competitors at a significant non-reputation-related-disadvantage.’” Id. at 219–20 (quoting Qualitex Co., 514 U.S. at 165).
169. Id. at 223.
170. Christian Louboutin, 696 F.3d at 224.
171. Id.
172. Id. at 222 (citing Fabrication Enter. v. Hygenic Corp., 64 F.3d 53, 59 (2d Cir. 1995)).
never be a trademark in the fashion industry was clearly erroneous.\footnote{173}{Id. at 228.} Pursuant to the \textit{Qualitex} standard, the Red Sole Mark was valid only if it acquired secondary meaning.\footnote{174}{Id. at 225–26. “Factors that are relevant in determining secondary meaning include: (1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and (6) length and exclusivity of the mark’s use.” \textit{Id.} at 26 (quoting Genesee Brewing Co. v. Stroh Brewing Co., 124 F.3d 137, 143 n.4 (2d Cir. 1997)).} After evaluating the district court’s findings regarding Loboutin’s advertising expenses, media coverage, and volume of sales, the Second Circuit concluded that the Red Sole Mark immediately denoted the shoes’ source in the public’s mind.\footnote{175}{Id. at 226, 228.} This conclusion, however, only extended to instances where the red sole “[popped] out” in contrast to the upper black part of the shoe because consumers identified Louboutin as the source of the shoe when only the sole was red.\footnote{176}{Christian Louboutin, 696 F.3d at 227. The Second Circuit limited its conclusion to only the contrast of the Red Sole Mark to the rest of the shoe after finding that “Louboutin’s own consumer surveys [showed] that when consumers were shown the YSL monochrome red shoe, of those consumers who misidentified the pictured shoes Louboutin-made, nearly every one cited the red sole of the shoe, rather than its general red color.” \textit{Id.} at 228.} Louboutin, therefore, could not enjoin Yves Saint Laurent from selling its monochrome shoe, but it still held valid trademark rights in the Red Sole Mark.\footnote{177}{Id. at 228.}

C. The Second Circuit’s Errors

The main argument against the Second Circuit’s decision to allow Louboutin exclusive right in the Red Sole Mark is that the court ignored the importance of copying in the fashion industry. Also, if the Second Circuit would have applied its test for aesthetic functionality on the Red Sole Mark, it would have correctly concluded that it was a functional, invalid mark.

1. Copying: The Key to Affordable Fashion and Innovation

Although Louboutin may assert that the Supreme Court’s decision in \textit{Qualitex} requires the Second Circuit to grant it the exclusive right to use the Red Sole Mark, fashion is a very different industry where \textit{Qualitex} should not be construed as a bar to copying.\footnote{178}{See RAUSTIALA & SPRIGMAN, supra note 3, at 35.} According to Professors Kal Raustiala and Christopher Sprigman, this industry’s uniqueness lies in its reliance on the dual pronged function of copying designs.\footnote{179}{Id. at 44–45.} First, copying allows for consumers of all socio-economic statuses to afford new fashion trends.\footnote{180}{Id. at 44.} Additionally, it gives rise to induced obsolescence of designs, which leads designers to create
new designs and keeps innovation in the fashion industry alive.\textsuperscript{181} The Second Circuit’s decision to bar copying of the Red Sole Mark will therefore freeze the high prices of red soled shoes and inhibit innovation in the shoe industry.

One of the roles that copying plays in the fashion industry is that it controls the prices of new designs so that they are affordable to all.\textsuperscript{182} The fashion world is unlike any other industry because it is driven by clothing, a part of people’s daily lives that conveys “socially complex and context-dependent” signals about them.\textsuperscript{183} Coupling the positional nature of clothing with the human desire to “buy what others buy,” consumers rush to purchase the newest trends sported by a celebrity or a stylish role model.\textsuperscript{184} Newly launched designs, however, often sell at sky-high prices that are impossible for the average, middle-class consumer to afford.\textsuperscript{185} Copying provides this consumer the key to indulge in the same high fashion that society’s most elite and affluent enjoy.\textsuperscript{186} Once a new fashion trend is copied, it simultaneously becomes more widely purchased and less desirable to those who religiously purchase only the newest designs in the market.\textsuperscript{187} Raustiala and Sprigman have labeled this phenomenon as the “piracy paradox.”\textsuperscript{188} What springs from this paradox is price reduction and higher marketing of less expensive versions of the design, allowing consumers of even the lower income tiers to enjoy new fashion.\textsuperscript{189}

In addition to cost reduction, copying creates a cycle called induced obsolescence, which allows for innovation in the industry to thrive.\textsuperscript{190} The cycle begins with the launch of a new design, which finds its way to the closets of the early adopters, who seek to “stand out.”\textsuperscript{191} Immediately, this design catches the eyes of numerous fashion magazines and blogs that “write of it glowingly.”\textsuperscript{192} After noticing the upward trajectory of the design’s success, other fashion houses desire to sell the same design to the next tier of buyers who seek to flock to the trend.\textsuperscript{193} Once the design becomes popular among a wider range of consumers, however, the early adopters, who deeply value the

\begin{thebibliography}{99}
\bibitem{181} Id. at 45.
\bibitem{182} Id. at 34.
\bibitem{183} Id. at 40.
\bibitem{184} RAUSTIALA & SPRIGMAN, supra note 3, at 40.
\bibitem{185} Id. at 44.
\bibitem{186} Id.
\bibitem{187} Id.
\bibitem{188} Id.
\bibitem{189} Id.
\bibitem{190} RAUSTIALA & SPRIGMAN, supra note 3, at 44.
\bibitem{191} Id.
\bibitem{192} Id.
\bibitem{193} Id.
\end{thebibliography}
exclusivity of a design, seek to abandon it.194 After the early adopters “move on,” the others, who are “less style focused,” also become bored with this design.195 It is at this point that designers must again create new designs and funnel them to the early adopters.196 This process is a constant cycle that starts with the birth of a design and ends with the demand for another.197 For this reason, designers are constantly innovating fashion trends to meet the ends of the cycle, which not only keeps creativity alive, but also maintains the life of the industry.198

Because copying plays such an essential role in protecting a wide range of customers and the fashion industry itself, the Second Circuit’s decision in Louboutin to bar others from copying the Red Sole Mark can be very harmful. The Second Circuit has essentially allowed only the affluent early adopters to afford shoes that fashion the Red Sole Mark. With all other designers barred from incorporating the “pop” of the Red Sole Mark, there will never be widespread distribution of cheaper versions of these shoes. This design will always remain the exclusive right of those who can afford to spend up to six thousand dollars for a pair of shoes, while the rest of the consumers can only want to sport one of today’s most stylish trends.

Additionally, the Second Circuit’s Louboutin holding has also placed a great obstacle in the cycle of induced obsolescence, which leads to lesser creativity in the fashion industry. Now that the “pop” of the Red Sole Mark will not reach the “flockers,” the early adopters who value the exclusivity of their red soles have no incentive to “move on” to other shoe designs. The desire of the early adopters to “stand out” withstands time, as the craze of the trend will likely not fade since “flockers” cannot dilute its popularity. Had the Second Circuit considered the unique nature of the fashion industry and its reliance on copying, it would have realized that it is harming not only consumers, but also the process that helps the fashion industry survive.

2. The Functional Role of Red

Even if the “pop” of the Red Sole Mark may be a distinctive source identifier, the mark still fails to meet the standards of validity since it is aesthetically functional. The Second Circuit stated that courts must use a balancing test and weigh the benefits of protecting the source-identifying aspects with costs of barring competitors from using the feature, but it dodged resolving the issue of whether the Red Sole Mark’s “pop” is aesthetically

194. _Id._
195. _Id._
196. RAUSTIALA & SPRIGMAN, _supra_ note 3, at 44.
197. _Id._
198. _Id._
Had the court continued its analysis using this test, it would have found that the costs of granting Louboutin trademark rights in the Red Sole Mark is extremely high to its competitors because of the importance of red in the fashion industry. Red has historically been considered “the equivalent of couture” and “only the wealthy wore it because its production required imported dyestuffs, driving up costs and a lust for it along with it.” Today, this color is used by women to “get noticed,” to “immediately hearken love, lust, and sex,” and to signal passion, romance, and panache. As stated earlier, The Red Sole Mark is meant to invoke these same emotions. Barring others from using this mark, therefore, unreasonably burdens competitors since they will resort to using colors that do not have the same appeal as the passion-invoking appearance of the red sole.

After Christian Louboutin, the Second Circuit left for consumers a market where fashion designers’ fears of competition are dwindling, allowing them to charge high prices for these designs. Moreover, Louboutin’s competitors are barred from using an aesthetically functional feature that plays a very important role in the fashion industry. If adopted in other circuits, the Second Circuit’s rationale has the potential to exclude the general public from enjoying the benefits of reasonably priced fashion. For this reason, other courts should view the resurfacing of this problem as an opportunity to limit the effect of the Second Circuit’s decision. One such case that illustrates this opportunity is BCBG Max Azria, Inc. v. Stretta Moda, LLC.

This Part explains the features of BCBG’s “bandage dress,” discusses why BCBG sued Stretta Moda, and asserts that this case, had it gone to trial, would have provided the Central District Court of California the opportunity to reject the Second Circuit’s rationale in Christian Louboutin and to render the dress

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199. See supra note 172 and accompanying text.
202. Id.
204. See supra Part IV.A.
205. See supra Part IV.B.
aesthetically functional. In *BCBG Max Azria Group, Inc. v. Stretta Moda LLC.*, the issue of whether fashion designers can use trademark law to claim specific features of their designs reemerged. BCBG is a California corporation that owns the “Herve Leger” brand of high fashion apparel, which claimed trademark rights in its “bandage dress.” The corporation sought an injunction against Stretta Moda for selling a dress that embodies many of the bandage dress’s features, which, as it claimed, distinguishes the dress from those made by other designers.

A. The Bandage Dress Debuts

BCBG claimed that its famous “bandage dress,” the Herve Leger Trade Dress, is a “high fashion garment [that contains] the following non-functional elements: (a) bands of fabric, (b) arranged in horizontal and/or diagonal patterns, (c) to form the tight-fitting dress with an overall look that accentuates the female form.” According to BCBG’s complaint, the Herve Leger brand made continuous and exclusive use of these elements in each of its dresses in order to distinguish it from dresses made by other designers. To ensure that the public immediately identifies the Herve Leger Trade Dress to its brand, BCBG spent millions of dollars to specifically promote the signature bandage look in several fashion shows, magazines, and advertisements. Additionally, BCBG purposely marketed these dresses to exclusively specialty boutiques and high-end department stores such as Saks Fifth Avenue, Bloomingdales, Nordstrom, and Neiman Marcus. Having taken such careful marketing steps, BCBG turned its Herve Leger Trade Dress into a haute couture garment and claimed to have established secondary meaning in consumers’ minds.

206. The Central District Court of California is not obligated to follow the Second Circuit’s decision in *Christian Louboutin* since the BCBG court is a district court in the Ninth Circuit. Thus, *Christian Louboutin* is not binding precedent for the BCBG court.


208. *Id.*

209. *Id.*


211. *Id.* at 2–3.

212. *Id.* at 3. Herve Leger also maintains that these promotional activities “have reinforced the distinguishing aesthetic features of the Herve Leger Trade Dress by sending clear, consistent message that Herve Leger garments represent the ultimate couture quality, design, and craftsmanship.” *Id.*


214. *Id.* at 3–4.
B. The Bandage Dress is Copied

In November 2010, Stretta Moda was formed. Stretta Moda is a line of less expensive, lower quality garments, and its bandage dresses are sold to retail stores and on its website. BCBG alleges that “each Stretta garment . . . is either a direct copy of an authentic Herve Leger garment embodying the Herve Leger Trade Dress, or is an amalgam of one or more Herve Leger garments . . . embodying the Herve Leger Trade Dress.”

BCBG claimed that it suffered because of Stretta Moda’s use of the bandage feature in its dresses. First, BCBG stated that the alleged infringement caused consumers to be confused about whether BCBG either is the actual manufacturer of Stretta Moda’s garments or has licensed it to use the bandage feature. Also, BCBG stated that the status of the Herve Leger Trade Dress as a unique product identifier of the Herve Leger brand deteriorated because of Stretta’s alleged infringement. Finally, Stretta’s actions allegedly caused reputational harm to the Herve Leger brand because the inferior quality construction of Stretta’s products led confused consumers to believe that BCBG is responsible for the products’ shortcomings.

In light of all of the alleged harm claimed, BCBG sued Stretta Moda for trade dress dilution, trade dress infringement, and unfair competition. BCBG moved for the Central District Court of California to enjoin Stretta from continuing to infringe the Herve Leger Trade Dress, that Stretta pay BCBG for all of the harm it had caused, and that BCBG be awarded three times any

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215. Id. at 4.
216. Id. at 4–5.
217. Id. BCBG was not only upset with Stretta Moda for incorporating the bandage dress feature in its own products, but also for making garments that were “superficially identical” to the authentic Herve Leger products. Id. It alleged that “Stretta has attempted to capitalize on the superficial identity of its garments with the authentic Herve Leger Trade Dress by engaging in a ‘leak’ campaign.” Id. Stretta has allegedly “leaked” to consumers and the fashion trade that its dresses were manufactured by the same factories as the authentic Herve Leger dresses and the only difference between the two brands was price, not quality. Id.
218. Complaint, supra note 210, at 5–6.
219. Id. According to BCBG, some celebrity stylists, who are considered to be “some of the most discerning and sophisticated consumers,” were also convinced that Stretta Moda’s merchandise was genuine Herve Leger apparel. Id.
220. Id. at 5–6.
221. Id. at 6.
222. Id. In order to bring a dilution claim, BCBG must show that it has a valid, famous trade dress and that Stretta Moda’s use of the trade dress in interstate commerce causes a likelihood of dilution by either blurring or tarnishing the mark. Lanham Act §43(c)(1), 15 U.S.C. §1125(c)(1) (2006). BCBG claims that Stretta’s use of the bandage feature “diminishes the public’s association of the exclusivity of that trade dress with the Herve Leger brand . . . and harm[s] the Herve Leger brand’s reputation for high quality and craftsmanship.” Complaint, supra note 210, at 7.
damages that the district court found due. 223 Months later, however, the parties obtained a consent judgment in favor of BCBG Max Azria. 224

C. The District Court’s Interest in Ignoring Christian Louboutin

Though the parties obtained a consent judgment, BCBG Max Azria Group, Inc. v. Stretta Moda provides an ideal example of how the problems that first surfaced in Louboutin are hardly ephemeral. 225 Courts that face such cases should limit the reach of the Second Circuit’s decision and, instead, should provide competitors and consumers the fair chance to create and purchase affordable fashion. For example, had BCBG Max Azria Group, Inc. v. Stretta Moda gone to trial and appeal, the district court and the Ninth Circuit would have had the opportunity to hold that because the fashion industry thrives on copying and because the bandage feature is aesthetically functional, BCBG cannot have trademark rights in the Hervé Leger Trade Dress. Stretta Moda’s copying would simultaneously allow a much larger number of consumers to afford a form-flattering dress and trigger more innovation among dress designers. Recognizing the bandage dress’ functional nature will also preserve the healthy competition among dress designers. Once courts begin to acknowledge these benefits, they can provide other courts some guidance in correctly finding that the Red Sole Mark is functional as well.

1. The Ability to Copy the Bandage Dress

Because of the constraining effects that the Louboutin decision brings to the fashion industry, 226 courts should use cases like BCBG as vehicles to prevent these effects from invading other jurisdictions. One way courts can do this is by emphasizing that the fashion industry is one where copying is essential in making today’s trends available to all kinds of consumers. For example, if BCBG had gone to trial, the courts in the Ninth Circuit could refuse to adopt Louboutin, reasoning that the decision is not binding and that adopting it would require the court to overlook the fact that without Stretta’s alleged

223. Complaint, supra note 210, at 8.
225. Groeneveld Transport Efficiency, Inc. v. Lubecore International, Inc. is also an example of how such problems are recurring since, in that case, the Sixth Circuit took into consideration the public policies behind the functionality doctrine when it decided that a grease pump in an automated lubrication system for trucks could not serve as a valid trademark. See Groeneveld Transp. Efficiency, Inc. v. Lubecore Int’l, Inc., 730 F.3d 494, 508 (6th Cir. 2013) (noting that such a holding is “consonant with the public policy underlying the functionality doctrine, which is to channel the legal protection of useful designs from the realm of trademark to patent” and that “[s]uch channeling ensures that the high public costs of monopoly are not imposed without an assurance that the design satisfies the rigorous requirements of patentability . . . .”).
226. See supra Part IV.A.
“infringement,” only the rich and famous could afford the bandage dress. Moreover, the fashion industry thrives on exactly the type of copying in which Stretta engaged, and it needs Stretta to make bandage dresses at lower prices so that this trend may also pass through the cycle of induced obsolescence. The fashion industry is designed to encourage copying so that there remains a demand for new trends and innovative creations, and Stretta Moda was ensuring exactly that. Although the Second Circuit found the opposite conclusion and granted Louboutin rights in the Red Sole Mark, cases like *BCBG* arise as golden opportunities for courts to isolate the *Louboutin* decision to only the Second Circuit rather than expand its application to other jurisdictions.

2. The Aesthetically Functional Role of the Bandage Dress

Courts can also avoid stretching the negative effects of *Louboutin* by refusing to side-step the aesthetic functionality issue. For instance, if the Central District Court of California had gotten the chance to decide *BCBG*, it would have been able to find that the bandage feature is aesthetically functional. The costs of keeping competitors from using the bandage feature far outweigh the benefits of protecting its source-identifying aspects. Consumers flock to the Herve Leger Trade Dress because it flatters the female body form and, in its complaint, BCBG conceded that the dual horizontal and diagonal arrangement of the bands of fabric is meant to create a flattering and slimming look.227 Giving BCBG exclusive trademark rights in the bandage feature would then keep competitors from designing dresses that flatter the female form. If the *BCBG* court were to apply the aesthetic functionality test correctly, it would find this restriction to be unreasonably burdensome on dress designers and would thusly hold that the “bandage dress” is aesthetically functional. Such a decision would direct future courts reviewing the Red Sole Mark to note that its appearance also plays a functional role in the fashion industry and that barring others from using it would be unreasonably burdensome.

CONCLUSION

*Louboutin* has not only left designers in constant fear of being sued for incorporating fashion trends in their designs, but it has also provided no rational solution that other courts can use when deciding similar cases. Because of the prevalence of this issue, however, other courts have the power to salvage the very essence of the fashion industry. *BCBG* is an example of future cases that will allow other jurisdictions to emphasize the uniqueness of the fashion industry by focusing on the fact that copying leads to more

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227. See *supra* note 210 and accompanying text.
affordable fashion designs and increases innovation in the industry.\textsuperscript{228} If the district court in the Ninth Circuit had had the chance to hear \textit{BCBG} and to take the role of copying into consideration, it would have likely held that Stretta Moda is not infringing by copying BCBG’s Herve Leger Trade Dress.\textsuperscript{229} Had the Second Circuit done so, it would have found that giving Christian Louboutin exclusive rights in the Red Sole Mark would deny the middle-class consumer affordable fashion and would hinder the cycle of induced obsolescence.\textsuperscript{230} Furthermore, the \textit{BCBG} court should have found that when balanced with the need to protect any source identifying function BCBG’s bandage feature may have, the need to protect the competition is much more necessary.\textsuperscript{231} This conclusion stems from the fact that other competitors would be barred from making a dress that flatters the female body form, which is an important feature in the fashion industry.\textsuperscript{232} Such a holding would allow other courts to hold that the Red Sole Mark is also aesthetically functional by drawing on the similarities between the function of the color red and the function of the bandage dress.\textsuperscript{233}

More importantly, cases like \textit{BCBG} present courts with the opportunity to confirm that intellectual property rights are indeed meant to protect various members of society. The public policy behind trademark protection is not to reward a markholder with a monopoly; it is to create a balance in the market so that the markholder, the consumer, and the competitor are protected.\textsuperscript{234} Although, at first glance, it may seem that copying a source-identifying feature of a fashion design is an outright violation of trademark law, it should be noted that this “violation” protects the consumer and the industry as whole. For this reason, the correct holding in \textit{BCBG} would be that BCBG’s Herve Leger Trade Dress cannot be trademarked. Such a decision reinforces the idea that every consumer, regardless of his or her socio-economic status, has the right to indulge in every form of fashion at an affordable price. Moreover, it can reassure members of the fashion industry that they will not be forced into a market where the very essentials of fashion design can be monopolized and taken away from their palette. Thus, the must-have this season is the refusal to adopt the Second Circuit’s fashion \textit{faux pas}.

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\begin{itemize}
\item \textsuperscript{228} See supra Part V.C.1.
\item \textsuperscript{229} See supra Part V.C.1.
\item \textsuperscript{230} See supra Part IV.C.1.
\item \textsuperscript{231} See supra Part V.C.
\item \textsuperscript{232} See supra Part V.C.2.
\item \textsuperscript{233} See supra Part V.B.2.
\item \textsuperscript{234} See supra note 3 and accompanying text.
\end{itemize}

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