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# Examining Trademark Infringement in the World of Fashion

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Examining Trademark Infringement in the World of Fashion

In *Louboutin v. Yves Saint Laurent*,<sup>1</sup> the Federal Circuit Court for the Second Circuit did not use the traditional eight factor approach in determining whether trademark infringement took place and did not engage in any type of fact sensitive analysis before making its determination. This case involved analyzing whether a single color may serve as a trademark.<sup>2</sup> The court found that the red outsole of the Louboutin shoes was sufficient to identify the Louboutin brand and thus was entitled to trademark protection.<sup>3</sup> The court then moved on to determine whether trademark infringement occurred by Yves Saint Laurent's use of the red outsole by asking if the mark merits protection and if so is consumer confusion likely to result.<sup>4</sup> The red sole mark was found to be a valid trademark but the court refused to engage in any type of analysis to determine the likelihood of consumer confusion and found that no trademark infringement occurred.<sup>5</sup> The court did not engage in any fact sensitive inquiry before making this determination. The Second Circuit was wrong in their analysis of trademark infringement because they failed to apply the multi-factor test. This matters because it is important for courts to take a uniform approach with the law and try to create consistency in the law so that consumers and businesses can act accordingly. It is extremely important to avoid consumer confusion and without this type of analysis the court cannot adequately determine the likelihood of consumer confusion between two trademarks. This article will explore the proper approach to determine if trademark infringement took place, in this particular instance in the fashion world, and the importance of using a uniform approach.

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<sup>1</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206 (2d Cir. 2012).

<sup>2</sup> *Id.* at 212.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 216.

<sup>5</sup> *Id.* at 228.

This paper is broken up into seven different sections to fully analyze the topics mentioned above.

Part II discusses general trademark principles and ideas, which will provide some useful background information for the rest of the paper. It will discuss an overview of trademark infringement and the likelihood of confusion inquiry, which is essential to understanding the *Louboutin* case and the focus of this paper.

Part III examines the traditional eight factor test for determining the likelihood of confusion in a trademark infringement case that has previously been used by the Second Circuit to determine the uniformity and breadth of this test. The section will also study how the lower courts in the Second Circuit have applied the eight factor test in various circumstances that are comparable to the *Louboutin* case. The eight factor test requires looking at the strength of the prior (original) user's mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that prior owner will bridge the gap, actual confusion will result, good faith, the quality of defendant's product, and sophistication of buyers. This all requires a fact sensitive analysis. This section will serve as a benchmark of how courts typically undertake applying the eight factor test in trademark infringement cases.

Part IV discusses the underlying rationale for the eight factor approach and why that is the best method to determine if trademark infringement occurred and if confusion to consumers is likely to result. Deterring consumer confusion about the source of a good is something the courts are interested in doing and requires looking at the facts of the case very carefully. Additionally companies spend money and time investing in their trademarks and the courts think it is important to protect them from trademark infringement and the negative repercussions of it.

Part V will examine the decision of the Second Circuit and the approach it used when analyzing trademark infringement. The Second Circuit failed to use a fact sensitive approach such as the typical eight factor test that helps the court in determining of whether trademark infringement took place. In *Louboutin* the court didn't use the eight factor test as it had in the past but rather made a blanket decision that there was no infringement without engaging in any type of analysis. This section will discuss the approach the court used and the implications of the Second Circuit's decision.

Part VI applies the eight factor test to the facts in the *Louboutin* case to determine if the same outcome of finding there was no trademark infringement would have occurred as opposed to the approach used by the Second Circuit. This all requires a fact sensitive analysis. Each factor will be applied to the facts at hand and a final determination of whether or not trademark infringement would have been found under the eight factor test. Based on the outcome of using the eight factor test this article will reinforce the position that the Second Circuit should have applied the eight factor test in assessing the likelihood of confusion inquiry.

Part VII reiterates the importance of applying a uniform approach when looking at the likelihood of confusion in a trademark infringement case and how the approach taken by the Second Circuit in the *Louboutin* case was incorrect.

## **II. General Trademark Principles**

Trademarks are used to provide consumers information about the source of a product or service and to protect information about the provider. They are used to aid consumers in making decisions about purchasing a good but they are also used to differentiate one product from its competitors. Companies invest substantial amounts of time, money and good will into building valid trademarks. If these trademarks are not protected then companies will stop creating them

and consumers will have less information available to them when making purchasing decisions.

The uses of trademarks are essential to aiding consumers. This is why valid trademarks are entitled to protection, because we want to prevent consumers being confused about the source of a good and we want consumers to make informed decisions when purchasing products.

Trademark infringement doctrine helps to protect companies from others using their trademark and protects consumers from confusion.

### **A. Validity and Secondary Meaning**

Analyzing trademark infringement is a two-step process that first requires seeing if the mark in question is valid and warrants protection. Next, there is an inquiry into whether or not the use of the mark by another party is sufficiently likely to cause consumer confusion.<sup>6</sup> A mark is entitled to protection and is considered a valid mark if it is distinctive instead of generic.<sup>7</sup> It will be deemed distinctive if the nature of the mark is used to identify the source of the product.<sup>8</sup>

A mark can also acquire distinctiveness and be a valid mark if it has achieved secondary meaning.<sup>9</sup> A mark is considered to have secondary meaning when the main reason for a certain product feature is to provide the public information about the source of the product.<sup>10</sup> In

*Louboutin* the Second Circuit found the mark to be a valid mark because it had achieved

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<sup>6</sup> 15 U.S.C.A. § 1125 (West 2012) (explaining the cause of action arising out of consumer confusion). See *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 115 (2d Cir. 2006) (applying the test to determine if trademark infringement took place).

<sup>7</sup> *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 143 (2d Cir. 1997) (explaining the standard for a valid trademark). “A generic mark is generally a common description of goods.” *Id.* (quoting *W.W.W. Pharmaceutical Co. v. Gillette Co.*, 984 F.2d 567, 572 (2d Cir.1993)). A generic mark is “one that refers, or has come to be understood as referring, to the genus of which the particular product is a species”. *Genesee Brewing Co.*, 124 F.3d at 143 (quoting *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir.1976)).

<sup>8</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 216 (2d Cir. 2012) (discussing the criteria of a valid trademark). “A mark is said to be ‘inherently’ distinctive if ‘[its] intrinsic nature serves to identify a particular source.’” *Id.* (quoting *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992)).

<sup>9</sup> *Christian Louboutin S.A.*, 696 F.3d at 217 (explaining the different ways that a mark can be classified as distinctive). “A mark has acquired “secondary meaning” when, ‘in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself.’” *Id.* (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n. 11 (1982)).

<sup>10</sup> See *Christian Louboutin S.A., v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d at 216 (showing what it means for a mark to be distinctive through secondary meaning as in *Louboutin*).

secondary meaning. This validity decision is beyond the scope of this paper because I am focusing on the likelihood of confusion factor so there will be no discussion on the validity and secondary meaning of the mark.

## **B. Functionality**

Functionality is a defense that can be used in trade dress and trademark infringement cases even though a trademark is considered valid.<sup>11</sup> Even if a trademark is found to be a valid trademark and consumer confusion is likely to result from two similar marks, trademark infringement will not be found if there is a showing that the mark is functional.<sup>12</sup> Functional marks cannot be trademarked.<sup>13</sup> There are two types of functionality, traditional (utilitarian) and aesthetic. Traditional functionality is when it is “essential to the use or purpose of the article,” or “if it affects the cost or quality of a good”.<sup>14</sup> If the product is improved by the mark or if the mark helps the product to perform the function it is created for then it will be considered traditionally functional.<sup>15</sup> Aesthetic functionality inquires as to whether a trademark will hinder competition by limiting adequate alternative designs.<sup>16</sup> “A mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark significantly undermines competitors’ ability to compete in the relevant market”.<sup>17</sup> This is used to prevent the creation of monopolies in the market place and to encourage healthy competition.<sup>18</sup> The functionality defense helps to protect interests of companies and consumers alike. If a competitor can prove the mark is either aesthetically or traditionally functional then it

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<sup>11</sup> *Id.* at 217 (discussing the doctrine of functionality).

<sup>12</sup> *Id.* at 218 (discussing the functionality doctrine).

<sup>13</sup> *Id.* at 219 (applying the functionality doctrine to specific marks).

<sup>14</sup> *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 (1982).

<sup>15</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d at 219 (showing how a mark can be traditionally functional).

<sup>16</sup> *Id.* at 222 (defining aesthetic functionality).

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 223 (demonstrating the purpose of aesthetically functional trademarks).

is a defense to a trademark infringement claim. In the *Louboutin* case the Second Circuit found that the mark was not functional and a further discussion of this is beyond the scope of this paper.

### C. Likelihood of Confusion

The focus of this paper is on the likelihood of confusion inquiry which arises in the trademark infringement context once the court has already determined there is a valid mark and no viable affirmative defenses. Once a trademark is found to be distinctive and valid then the court looks at whether there is a sufficient likelihood of consumer confusion that would result from the two similar marks. This is factual question that is decided based on the particular market conditions at issue.<sup>19</sup> The likelihood of confusion for consumers requires considering actual and probable reactions of people when looking at a good and if that will influence whether or not they buy something.<sup>20</sup> This inquiry entails looking at a variety of factors, considering the totality of the circumstances in light of all the available evidence.<sup>21</sup> While there is not a standard multifactor test applied in each circuit, all of the federal appellate courts have adopted a variation of the test used by the Second Circuit.<sup>22</sup> Each court may give more weight to some factors than others.<sup>23</sup> Although the list is not exclusive all of the Federal Circuits consider at least the following four factors: “the similarity of the parties’ trademarks, the competitive proximity of their products or services, the existence of actual confusion, and the strength of the senior trademark”.<sup>24</sup> The court cannot accurately tell whether consumers are likely to be confused by

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<sup>19</sup> RICHARD L. KIRKPATRICK, LIKELIHOOD OF CONFUSION IN TRADEMARK LAW 163 (2000) (explaining how to apply the likelihood of confusion test).

<sup>20</sup> *Id.* at 164 (stating the reasoning for the likelihood of confusion test).

<sup>21</sup> *Id.* at 168 (providing further justification for the likelihood of confusion test).

<sup>22</sup> *Id.* at 170 (noting that all Circuits use a variation of the likelihood of confusion test).

<sup>23</sup> Thomas R. Lee, Eric D. DeRosia & Glenn L. Christensen, *Sophistication, Bridging the Gap and the Likelihood of Confusion: An Empirical and Theoretical Analysis*, 98 TRADEMARK REP. 913 (2008) (discussing the variations of the multifactor test used in each circuit).

<sup>24</sup> *Id.* at 916.

two similar marks without looking at these and other factors. “An appellate court may reverse a district court decision if the factors are not properly address and weighed” and no single factor is dispositive.<sup>25</sup> The tests used by each court is essential to determining whether the defendant can continue to use the infringing mark or if there is trademark infringement based upon whether consumers are likely to be confused about the source or producer of the good.<sup>26</sup> The eight factor test adopted by the Second Circuit considers factors on a very fact sensitive basis which is the best way to analyze whether or not confusion would result from the two similar marks. The bottom line is always that the list is flexible and a court may look at any factors that are relevant, even if they are not on the list, but courts must look at the factors. The factors need to be reflected in the context of causing confusion to consumers and the degree each factor applies in each circumstance.<sup>27</sup>

### **III. Multifactor Test in Use by the Second Circuit**

In order to determine whether trademark infringement occurred courts traditionally examine whether two marks are similar enough to cause confusion in consumers about the source of the good. The eight factors used by the Second Circuit set forth in the *Polaroid* case are the strength of the mark, the degree of similarity between the two marks, the proximity of the products in the market, the likelihood that the original trademark owner will bridge the gap, whether actual confusion has occurred, defendant’s good faith in adopting their own trademark, the quality of the defendant’s product, and the sophistication of the buyers of the good.<sup>28</sup> A

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<sup>25</sup> LOUIS ALTMAN & MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS, AND MONOPOLIES, § 21:11 (4th ed. 2012) (explaining the use of the likelihood of confusion test in practice).

<sup>26</sup> Charles E. Colman, *An Overview of Intellectual Property Issues Relevant to the Fashion Industry*, in NAVIGATING FASHION LAW: LEADING LAWYERS ON EXPLORING THE TRENDS, CASES AND STRATEGIES OF FASHION LAW 113, 149 (2012) (discussing trademark protection and the test for infringement).

<sup>27</sup> KIRKPATRICK, *supra* note 18, at 182 (explaining how the factors should be applied generally).

<sup>28</sup> *Polaroid Corp. v. Polarad Elecs. Corp.*, 182 F. Supp. 350 (E.D.N.Y. 1960), *aff’d sub nom. Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961) (discussing the factors that should be applied under a likelihood of confusion analysis).



single factor is not dispositive and the court should consider as many factors as are relevant to determine whether there is a likelihood of consumer confusion.<sup>29</sup>

The analytical significance of each factor will be considered to explain why the Second Circuit should have applied the *Polaroid* likelihood of confusion factors. *Factor 1 Strength of the Plaintiff's Mark*: The strength of the mark is an important factor to consider. While a strong mark receives a broader range of protection the strength of the mark is not dispositive of whether consumer confusion will result.<sup>30</sup> Historically the Second Circuit has looked at the inherent strength of the mark as well as the commercial strength of the mark.<sup>31</sup> If the mark is inherently distinctive or has acquired secondary protection the strength of the mark is determined based on the mark's layout, design, sales, and publicity and how likely consumers are to associate that mark with the source of the good.<sup>32</sup> This factor is important because if a company has invested substantial amounts of time, money and goodwill into creating a valid, useful, trademark it is a good strong mark that is entitled to protection. If companies are not able to protect themselves they will not invest money into creating these types of source identifiers and consumer confusion will result. That is something trademark infringement law is meant to protect against so the stronger the mark the more protection it should be entitled to.

*Factor 2 Degree of Similarity*: The degree of similarity between the two marks helps to determine whether or not confusion is likely. "In assessing similarity, courts look to the overall impression created by the logos and the context in which they are found, and then consider the

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<sup>29</sup> GoSMiLE, Inc. v. Dr. Jonathan Levine, D.M.D. P.C., 769 F. Supp. 2d 630, 648 (S.D.N.Y. 2011) (discussing the balancing of factors the court engaged in while analyzing the consumer confusion issue).

<sup>30</sup> Kevin Blum, Ariel Fox, Christina J. Hayes & James Xu, *Consistency of Confusion? A Fifteen- Year Revisiting of Barton Beebe's Empirical Analysis of Multifactor Tests for Trademark Infringement*, STAN. TECH. L. REV. 3, 33 (2010) (explaining the strength of the mark factor in the likelihood of confusion test).

<sup>31</sup> *Id.* at 34 (discussing what the Second Circuit looks at to evaluate the strength of a trademark).

<sup>32</sup> GoSMiLE, Inc., 769 F. Supp. at 638 (explaining what to look at when assessing the strength of a trademark).

totality of factors that could cause confusion among prospective purchasers”.<sup>33</sup> If the marks are nearly identical and the average consumer would have difficulty distinguishing the source of the item then that lends to a likelier showing that consumer confusion would result from use of the marks. The Second Circuit places emphasis on this factor.<sup>34</sup> Courts look at the market conditions to see whether the differences between the two marks are notable.<sup>35</sup> This is an important factor because by looking at the two products side by side a court can analyze whether the trademarks are substantially similar and if a lay person observing the good would be confused of its origin. The more similar the two marks are the more likely it is that confusion will result.

*Factor 3 Proximity of Products:* The proximity of the products is also important because if they are in unrelated markets then there is not likely to be confusion between the marks. This factor looks to the placement of goods in the commercial marketplace and whether the goods are competitive items which may cause confusion about the source of the particular good.<sup>36</sup> This factor looks at the circumstances that surround a consumer’s decision to purchase a product.<sup>37</sup> It requires looking at the marking, advertising and trade channels because a sufficient overlap in these areas may make it likely for consumer confusion to result.<sup>38</sup> This is an essential factor to consider because if two goods are sold in the same stores, placed near each other, and marketed

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<sup>33</sup> Blum, *supra* note 29, at 46.

<sup>34</sup> Ashley Hofmeister, note, *Louis Vuitton Malletier v. Dooney & Burke, Inc.: Resisting Expansion of Trademark Protection in the Fashion Industry*, 3 J. BUS. & TECH. L. 187, 196 (2008):

The similarity of two trademarks, is especially important to any likelihood of confusion analysis, and is evaluated in most circuits through a sequential, marketplace comparison. “....” The Second Circuit explicitly held that “courts must analyze the mark’s overall impression on a consumer, considering the context in which the marks are displayed and the ‘totality of factors that could cause confusion among prospective purchasers’”. *Id.* at 197 (quoting *Gruner + Jahr USA Publ'g v. Meredith Corp.*, 991 F.2d 1072, 1078 (2d Cir. 1993)).

<sup>35</sup> *Louis Vuitton Malletier v. Dooney & Burke Inc.*, 561 F. Supp. 2d 368, 384 (S.D.N.Y. 2008) (describing how courts assess the similarity between two trademarks).

<sup>36</sup> Blum, *supra* note 29, at 48 (discussing what to look at under the proximity of the products factor).

<sup>37</sup> *Id.* (explaining how this factor applies to consumers).

<sup>38</sup> ALTMAN, *supra* note 24 (providing guidance on things to help determine the proximity of two trademarks).

towards the same target audience there is a greater likelihood that consumers will be confused about who makes each product and possibly mistake one good for another. We want to limit the chance of consumer confusion and the possibility of gaining the wrong information and purchasing the wrong item.

*Factor 4 Bridging the Gap:* The likelihood that the original owner will bridge the gap considers whether the original trademark owner would have used their mark in this way in the future. This factor requires looking at whether the original user of the mark will enter into the market of the infringer and compete with the infringer.<sup>39</sup> The analysis of this factor is essential to protect the original owner to have the ability to expand into a future market.<sup>40</sup> If both items with similar marks are already targeting the same market then there is no gap to bridge and this factor isn't relevant.<sup>41</sup> This factor is used to protect the original trademark owner and promote competition in the market place while at the same time trying to provide adequate information to consumers about the source of an item. It is considered to make sure the defendant's use of a similar mark will not inhibit growth and expansion that the original trademark owner intended. It requires balancing the interests of both parties. It is important to provide variety to consumers but not at the risk of causing source confusion.

*Factor 5 Actual Confusion:* It is essential to look at the facts and see whether actual confusion has already occurred by the use of these similar marks. Many courts consider this the best or most important factor to indicate the likelihood of consumer confusion.<sup>42</sup> Actual confusion isn't essential for proving trademark infringement, just that there is a probability that

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<sup>39</sup> Blum, *supra* note 29, at 52 (stating what the bridging the gap factor entails and how it is applied).

<sup>40</sup> *Id.* (explaining the importance of the bridging the gap factor).

<sup>41</sup> *GoSMiLE, Inc. v. Dr. Jonathan Levine, D.M.D. P.C.*, 769 F. Supp. 2d 630, 642 (S.D.N.Y. 2011) (discussing bridging the gap when applying the likelihood of confusion test).

<sup>42</sup> *KIRKPATRICK, supra* note 18, at 187 (stating the weight given to the actual confusion factor).

confusion will surround the source of the mark.<sup>43</sup> If there is evidence that consumers have experienced confusion between products based on similar marks it is likely that confusion will continue and that consumers are being harmed by these similarities. This would weigh heavily in concluding trademark infringement occurred. Companies want to avoid actual confusion from happening, as the whole purpose of a trademark is to provide information to consumers. If actual confusion and harm results to consumers companies will have less incentives to invest in trademarks and this is problematic for society and consumers as a whole.

*Factor 6 Good Faith:* Defendant's good faith in adopting its own mark looks at whether it seems like the defendant copied the mark for deceptive purposes or if it was unintentional. It has been suggested by the Second Circuit that solely evidence that shows that the defendant was aware of the original owner's mark is insufficient to satisfy this factor.<sup>44</sup> If there is evidence that the defendant acted in bad faith with the intent of deceiving customers then the factor will weigh in factor of finding trademark infringement.<sup>45</sup> A defendant acted in bad faith if they attempted to use the good will and reputation of the original owner of the mark to cause confusion about the source of the good and promote their own product.<sup>46</sup> This factor is meant to deter companies from acting in bad faith and intentionally using another's trademark to help themselves. If trademarks can easily be stolen with no repercussions then companies would not have an incentive to invest in trademarks and consumers would be harmed since there would be less information available about products they are interested in purchasing.

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<sup>43</sup> GoSMiLE, Inc., 769 F. Supp. 2d at 642 (explaining the use of the actual confusion factor when looking at a trademark infringement claim).

<sup>44</sup> Louis Vuitton Malletier v. Dooney & Burke Inc., 561 F. Supp. 2d 368, 388 (S.D.N.Y. 2008) (discussing what is required for a finding of bad faith under the likelihood of confusion analysis).

<sup>45</sup> *Id.* (describing what evidence of bad faith requires and how that factor is to be applied).

<sup>46</sup> GoSMiLE, Inc., 769 F. Supp. 2d at 645 (explaining the good faith factor in the likelihood of confusion test).

*Factor 7 Quality:* The quality of a defendant's product is useful to determine whether confusion will result because if the products are of vastly different quality it is unlikely that consumers would be confused. If the quality of the goods is similar there is a higher tendency of confusion.<sup>47</sup> If one of the goods is of high quality and another is of low quality the chance of confusion will be less likely because consumers will not think the producer of the high quality goods would have produced a good of substantially lesser quality.<sup>48</sup> "The Second Circuit explained that *dissimilarity* in quality *decreased* the likelihood of confusion while such dissimilarity increased the likelihood of harm to the plaintiff from any confusion".<sup>49</sup> This is an important factor because consumers generally associate a certain level of quality with a good or a certain level of quality based on what company created the item. It aids them in choosing what to purchase and if similar goods are of similar quality then consumers are more likely to be confused and harmed, an action that needs to be deterred.

*Factor 8 Sophistication of Buyers:* It is also important to consider the target market of a product and the sophistication of buyers because if the buyers are unsophisticated then depending on the product if the marks are similar buyers may likely be confused. It is the "prevailing view in the Second Circuit that sophistication usually militates against a finding of a likelihood of confusion, though it might increase the likelihood of confusion, depending upon the circumstances of the market and the products".<sup>50</sup> Trademarks are helpful to consumers to determine the product quality and attributes of a good along with the source of the item.<sup>51</sup> The trademark helps consumers to make inferences about a product and the sophistication of the

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<sup>47</sup> Louis Vuitton Malletier, 561 F. Supp. 2d at 388 (stating the relationship between the quality of two products and the likelihood of confusion).

<sup>48</sup> *Id.* at 389 (reasoning for the relationship between quality and product confusion).

<sup>49</sup> 125 Am. Jur. Trials *Litigating Infringement of Trade Dress* 117, 135 (2012).

<sup>50</sup> Lee, *supra* note 22, at 920.

<sup>51</sup> *Id.* at 924 (discussing the purpose and use of trademarks).

buyer is useful to whether consumers can accurately identify the brand without confusion. It is essential to consumers who the product is meant for and the typical buyers because all consumers are different and it provides insight into whether or not consumers are likely to be confused when purchasing an item.

The eight factors used by the Second Circuit give a fair depiction of how the marks are viewed in the public and by others through application whether trademark infringement is likely to have occurred. Protecting against trademark infringement is necessary to protect the public interests at stake and prevent marketplace confusion and promoting fair competition.<sup>52</sup> It is also important to have uniformity between courts since all circuit courts have adopted some form of this multifactor test to analyze trademark infringement claims. Use of this test is consistent with how this court has previously analyzed trademark infringement which is important so companies can be aware of the law and avoid infringing on others trademarks and knowing what their options are if in fact their trademarks have been infringed upon. It establishes a standard for parties to accept, understand and follow. The Second Circuit has consistently applied this test and used these non-exclusive factors when looking at trademark infringement. To throw away all the rationale and reasoning for previously using this approach and not looking at any specific facts would be harmful to the judicial system and the public as a whole.

While as indicated above other courts have used a variation of this approach to determine trademark infringement I am going to discuss a few cases within the Second Circuit to illustrate how the court apply these factors in a trademark infringement case to establish precedent and uniformity set by the court. These cases provide guidance for the Second Circuit and the analysis would be helpful for the Second Circuit to reevaluate how it examined trademark infringement in

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<sup>52</sup> *Storck U.S.A. v. Farley Candy Co.*, 797 F. Supp. 1399, 1413 (Northern Dist. Ill. 1992) (balancing the harms to parties and public in infringement actions).

the *Louboutin* case. It is important to have uniformity with how this court has previously analyzed trademark infringement so companies can be aware and avoid infringing on others trademarks and knowing what their options are if in fact their trademarks have been infringed upon.

In a case involving whether or not trademark infringement took place based on handbags sold by designers Louis Vuitton and Dooney & Burke the Second Circuit remanded the case to the lower court to further look at the factors carefully and make a determination on the trademark infringement issue. On remand the court granted Dooney & Burke's summary judgment and found that the designs used by the defendant did not infringe upon Louis Vuitton's trademark.<sup>53</sup> In 2002, Louis Vuitton began selling handbags with a Monogram Multicolore mark, a design that was not registered as a trademark, and in 2003 Dooney & Burke began selling similar bags bearing their D&B monogram but now as a colored monogram.<sup>54</sup> The bags sold by Dooney & Burke were similar in size, shape and design to the Louis Vuitton bags however they were a substantially less expensive product.<sup>55</sup> Louis Vuitton alleged trademark infringement and other claims that resulted in litigation.<sup>56</sup>

In assessing the trademark infringement claim on remand the court had to decipher whether the use of the mark by Dooney & Burke was likely to cause consumer confusion and had to participate in a weighing analysis of the eight factors previously mentioned.<sup>57</sup> While it is not necessary for the court to examine every factor to make a conclusion about the likelihood of consumer confusion, the court needs to engage in a fact sensitive analysis and these factors

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<sup>53</sup> Louis Vuitton Malletier, 561 F. Supp. 2d. at 368.

<sup>54</sup> *Id.* at 374.

<sup>55</sup> *Id.* at 375.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 378.

provide the necessary guidance.<sup>58</sup> This court looked primarily at a few factors, including the similarity between both marks and in doing so examined the market conditions to see whether the differences are memorable and distinct enough to not cause confusion.<sup>59</sup> The court found this factor to weigh against consumer confusion as there was enough discernible dissimilarity between the marks and the fact that the defendant had a valid registered trademark.<sup>60</sup> Another factor the court used was actual confusion between the two products because that can be a powerful indication of the likelihood of confusion.<sup>61</sup> Since the amount of confusion as to the creator of the product was minimal, this factor also weighed in favor of the defendant.<sup>62</sup> The court also considers whether Dooney & Burke adopted their mark in bad faith and no proof was provided that Dooney & Burke intended to deceive consumers so this factor also weighed in their favor.<sup>63</sup> It has been suggested by the Second Circuit that showing a defendant was aware of a plaintiff's mark before creating a similar mark is not sufficient on its own to show bad faith.<sup>64</sup> Finally, the last two factors that the court goes into a discussion about are the quality of Dooney & Burke's product and the sophistication of buyers purchasing these purses.<sup>65</sup> Both Louis Vuitton and Dooney & Burke make high quality products so the quality factor does not lean in favor of either party.<sup>66</sup> When products are more expensive, such as the purses sold by these parties, buyers usually invest time and consideration before deciding to purchase an item.<sup>67</sup> Here there is an overlap of customers but this factor also slightly favors Dooney & Burke.<sup>68</sup> Upon

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<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 384.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.* at 385.

<sup>62</sup> *Id.* at 387.

<sup>63</sup> *Id.* at 388.

<sup>64</sup> *Id.* (discussing what is required for a showing of bad faith).

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.* at 389 (assessing the quality of goods factor in reference to the cost of the product itself).

<sup>68</sup> *Id.*



balancing all of these factors the court concluded that since no single factor is dispositive and ruled in favor of Dooney & Burke dismissing the trademark infringement claim.<sup>69</sup>

The Louis Vuitton case is an important case to look at because it is a case in the fashion world and in some ways similar to the *Louboutin* case. It also provides helpful insight on how the Second Circuit will remand a case to the lower court when it thinks the lower court didn't adequately address an issue and gives guidance on how to apply the eight factor test to a set of facts making a conclusion about trademark infringement. That case also shows that while the court may not significantly look at every factor carefully, the factors are there to aid the court in determining if there is a likelihood of consumer confusion and this determination cannot be made without vigilant analysis.

In another similar case out of the Southern District of New York between Gucci and Guess also over trademark infringement of a design used on purses the court found that Gucci was able to establish a high enough likelihood of confusion that Guess had to stop selling certain purses that contained a certain design.<sup>70</sup> The court again applied the eight factor test to come to a conclusion about the likelihood of confusion.<sup>71</sup> Since a majority of the factors weighed in favor of Gucci the court held that Gucci should be entitled to protection for their trademark and prohibited Guess from continuing to infringe upon it.<sup>72</sup> This is another circumstance that illustrates how important it is for the court to look at these factors and apply them to the specific facts of a case to determine if trademark infringement took place because without using the factors it is difficult for a court to make an informed, rational and supported decision.

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<sup>69</sup> *Id.* at 390.

<sup>70</sup> Tamlin H. Bason, *Gucci Prevails in Trademark, Trade Dress Suit Against Guess; Gets \$4.6 Million Award*, 84 PAT. TRADEMARK & COPYRIGHT J. 232 (2012) (discussing the decision in the Gucci case and how the court found a likelihood of confusion with respect to a majority of the designs).

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

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

#### **IV. Justification for using a multifactor test to determine whether consumer confusion will result from trademark infringement**

Trademark infringement cases hinge on whether or not consumers will be confused about the source of a good and this should be protected. The purpose of trademarks are to “secure the public’s interest in protection against deceit as to the sources of its purchases, [and] the businessman’s right to enjoy business earned through investment in the good will and reputation attached to a trade name”.<sup>73</sup> Trademarks are used to provide consumers with information about the source of a good and it is problematic if the trademarks do the opposite and confuse consumers. If companies are permitted to free ride on the trademarks of others with no negative consequences then the company originally creating the trademark will have no incentive to invest money, time, and effort into making source identifying trademarks. There would be no incentives for them to provide consumers information about their company or where the product came from if they are unable to reap the financial benefits from doing so. With no source identifiers consumers will have difficulty purchasing products because of the limited information available and confusion will result having harmful economic consequences. It is essential to limit the amount of confusion to consumers and to have an efficient, working market of goods, therefore, enforcing trademarks and deterring trademark infringement is an important practice. Trademark law promotes the idea that business should invest resources into developing their trademarks to provide useful information to consumers about the source of the good and trademark infringement law protects those businesses and prohibits competitors from using that mark to further their own interests.<sup>74</sup>

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<sup>73</sup> *Fabrication Enters Inc., v. Hygienic Corp.*, 64 F.3d 53, 57 (2d Cir. 1995) (discussing the purpose of trademarks).

<sup>74</sup> Nicole Giambarrese, Comment, *Intellectual Property Comment: The Look for Less: A Survey of Intellectual Property Protections in the Fashion Industry*, 26 *TOURO L. REV.* 243, 246 (2010) (discussing trademarks generally and provides reasoning on why trademarks should be protected).

There are other market factors that justify looking at a variety of factors to determine whether trademark infringement has occurred. The factors give a fair depiction of how the marks are viewed in the public and through application whether trademark infringement is likely to have occurred. There are economic justifications for use of a multifactor test because harm can come from actual confusion as to the source of a good.<sup>75</sup> Use of a color as a trademark in the context as Louboutin did promotes economic efficiency because the mark is so strong that it indicates the source much more quickly, speeding up the buying process of a good.<sup>76</sup> This type of indicator reduces the cost incurred by consumers when searching for an item and provides an incentive for the owner to continue producing quality goods.<sup>77</sup> When another uses an unauthorized trademark there is a probability of social harm if actual confusion occurs.<sup>78</sup> If the marks are substantially similar it is likely that the consumer will incur additional costs due to the necessity to search for information about a products quality and there are problematic implications if sellers are not able to differentiate the quality of their products by a trademark.<sup>79</sup> The company who originated the trademark is also harmed by infringers. The owner of the trademark invested time, money and goodwill into developing a successful trademark and a loss of sales, reputation etc. can result from that mark being infringed upon.<sup>80</sup> While these other harms result from infringement the real problem is consumer confusion and the only way to determine whether consumers are likely to be confused is to look at the multifactorial test based

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<sup>75</sup> Robert Bone, *Taking the confusion out of likelihood of confusion: toward a more sensible approach to trademark infringement*, 106 NW. U. L. REV. 1307, 1361 (2012) (explaining the negative economic implications of trademark infringement).

<sup>76</sup> Danielle Gorman, Note, *Protecting Single Color Trademarks in Fashion After Louboutin*, 30 CARDOZO ARTS & ENT. L.J. 369, 388 (2012) (discussing the economic efficiency of trademarks).

<sup>77</sup> *Id.* (explaining how trademarks aid consumers).

<sup>78</sup> Bone, *supra* note 74, at 1362 (discussing harms that result from unauthorized trademark usage).

<sup>79</sup> *Id.* (stating additional harms from trademark infringement).

<sup>80</sup> *Id.* at 1363 (examining trademark infringement from the perspective of a company).

on the specific facts of the case. Courts cannot adequately determine consumer confusion without looking at these various factors and applying them in each situation.

#### **V. Second Circuit Decision in the Louboutin Case**

The case that started it all was *Louboutin v. Yves Saint Laurent*<sup>81</sup> in which Louboutin claimed that Yves Saint Laurent infringed upon the Red Sole trademark of Louboutin shoes and sought a preliminary injunction to stop Yves Saint Laurent from further using the trademark. The lower court decision was concerned with determining whether or not Christian Louboutin should have been granted trademark registration in the first place and if that trademark was valid then the court would examine the trademark infringement allegations.<sup>82</sup> Louboutin shoes are known for their red outsoles and Louboutin spent substantial amounts of capital and good will to promote this mark as associated with only Louboutin shoes.<sup>83</sup> In 2008, Louboutin registered the trademark for the lacquered red sole of their shoes.<sup>84</sup> A few years later Yves Saint Laurent established a cruise collection of shoes and the models offered by them are either the same or substantially, allegedly similar to the Louboutin shoes, mainly because they bear the same bright red outsole as the Louboutin shoes.<sup>85</sup> The court in the Southern District of New York found that the red soles of Louboutin shoes are not entitled to trademark protection even though Louboutin had registered the red sole mark.<sup>86</sup> The reasoning was because the color is functional; the color affects the cost of the shoe, and serves other non trademark functions which would significantly hinder competition.<sup>87</sup>

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<sup>81</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011).

<sup>82</sup> *Id.* at 448.

<sup>83</sup> *Id.*

<sup>84</sup> *Id.* at 449.

<sup>85</sup> *Id.*

<sup>86</sup> *Id.* at 450.

<sup>87</sup> *Id.* at 453.

In *Louboutin v. Yves Saint Laurent* on appeal to the Second Circuit an issue on appeal was to determine whether Louboutin's single color trademark is in fact a legally protected trademark and if the mark is protected then whether or not Yves Saint Laurent infringed upon that trademark. The court concluded that a single color can be a legally protected trademark in the fashion industry and then moved on to a discussion about trademark infringement.<sup>88</sup> The Second Circuit found that the mark does merit protection because it has acquired secondary meaning in identifying the Louboutin brand.<sup>89</sup> This secondary meaning was established through extensive advertising, sales, media coverage and more that has caused the unusual red outsole of a shoe to be associated with Louboutin shoes.<sup>90</sup> The court found that this secondary meaning is only when the "red sole contrasts with the upper of the shoe" and hence why the trademark is limited to situations where the red sole is in contrast with the rest of the shoe.<sup>91</sup>

Trademarks are used to indicate the source of a good or object and if trademarks are not protected against infringement then consumers will be confused about the source of the good or service. The purpose of trademark law is to "secure the public's interest in protection against deceit as to the sources of its purchases, [and] the businessman's right to enjoy business earned through investment in the good will and reputation attached to a trade name".<sup>92</sup> Trademark protection was permitted in Louboutin's use of contrasting red lacquered outsoles and the district court decision was reversed. The district court had held "a single color can never serve as a trademark in the fashion industry" but the Second Circuit found that to be inconsistent with prior Supreme Court decisions.<sup>93</sup> Color can be protected by a trademark in circumstances where the

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<sup>88</sup>Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc., 696 F.3d 206 (2d Cir. 2012).

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

<sup>90</sup>*Id.* at 226.

<sup>91</sup>*Id.* at 228.

<sup>92</sup>*Id.* at 215.

<sup>93</sup>Fabrication Enters Inc. v. Hygienic Corp., 64 F.3d 53, 57 (2d Cir. 1995).

color has achieved secondary meaning and thus is a means of identifying the particular brand or source of an item.<sup>94</sup> The court granted Louboutin trademark protection of the red sole but only when the outsole is used in contrast to the color in the upper part of the shoe.<sup>95</sup> The reasoning was that the mark has achieved secondary meaning because the main reason for the red soles is to identify the source of the product.<sup>96</sup> The red outsoles were found to be a valid trademark because it is used to identify Louboutin as the source of those specific shoes.

In determining whether trademark infringement took place the court must look at whether the mark merits protection and whether the use of the mark or a similar mark is likely to cause consumer confusion and if both are answered affirmatively then trademark infringement is found to occur. The mark merits protection if it is a valid and enforceable trademark.<sup>97</sup> In the *Louboutin* decision the court found that the red mark in question was a valid and enforceable mark only in those situations where the specially colored red outsole of the shoe contrasts with the color of the “upper” part of the shoe.<sup>98</sup> The next step of the analysis to see if trademark infringement took place is examining whether the mark will cause confusion to consumers. The Second Circuit held that the “red sole used by YSL is not a use of the Red Sole Mark,” so the court will not even address the issue of consumer confusion because there was no infringement.<sup>99</sup> The court failed to engage in any analysis before determining that there was no trademark infringement.

The Second Circuit does not reach the issue of consumer confusion or delve into a fact sensitive analysis to determine whether or not infringement occurred. The court holds that Louboutin’s red mark is entitled to trademark protection only when the red outsole is in contrast

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<sup>94</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 161 (1995) (holding that a color can be trademarked where it meets normal trademark requirements).

<sup>95</sup> *Christian Louboutin S.A v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d at 212.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* at 225 (discussing when a mark is considered valid).

<sup>98</sup> *Id.*

<sup>99</sup> *Id.* at 228 (holding that there was no trademark infringement).

to the rest of the shoe.<sup>100</sup> Since the mark is a valid and enforceable trademark, the next step in the analysis is to determine if trademark infringement occurred is to examine if consumer confusion will result from similar marks. The Second Circuit did not address the functionality of the mark or if consumer confusion will result. The court held that trademark infringement did not take place.<sup>101</sup>

## VI. Application of the eight factor test as applied to the *Louboutin* decision

While the Second Circuit was correct in permitting Louboutin to trademark the red outsoles of the shoe when they are on contrast with the upper sole of the shoe, the court did not apply the multifactor test to determine whether or not Yves St. Laurent infringed upon Louboutin's valid trademark. Based on the holding in *Qualitex*,<sup>102</sup> Louboutin is permitted to register and use a color in a particular circumstance as a trademark. If the Second Circuit applied the eight factor test used routinely by the Second Circuit in trademark infringement cases as discussed above this analysis would follow.

*Factor 1 Strength of the Plaintiff's Mark:* The strength of the mark is a useful indicator of consumer confusion over the source of an item. Typically the stronger the mark and the more well-known the mark is the greater the number of individuals who will associate that mark or a similar mark with the source creator. Louboutin invested considerable amounts of time, money and good will to promote this trademark and build a reputation for high quality, fashionable shoes that are notable for the red outsoles.<sup>103</sup> Louboutin has become known for these shoes with the specific red outsoles and are instantly recognized as such.<sup>104</sup> A factor in support of Louboutin's trademark is that the company registered the color red in use on the outsole of the

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<sup>100</sup> *Id.* at 228.

<sup>101</sup> *Id.*

<sup>102</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995) (holding that a color can be a valid trademark).

<sup>103</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445, 447 (S.D.N.Y. 2011).

<sup>104</sup> *Id.* at 448 (showing how other industry leaders have come to recognize the red sole as Louboutin's mark).

shoe as a valid trademark in 2008.<sup>105</sup> Even though Louboutin didn't register the trademark until 2008, the company has been using this lacquered red color for over fifteen years and has been successful in having their shoes associated with this color and particular mark.<sup>106</sup> Other competitors in the industry recognize that the red sole is a mark of Louboutin as well as consumers giving the mark worldwide recognition.<sup>107</sup> Louboutin has created a mark that allows people to instantly symbolize the source of the shoes.<sup>108</sup> All of that information lends the assumption that Louboutin has created a strong mark with lots of recognition both in its industry and outside. A mark with that strong of a reputation as to indicate the Louboutin brand is entitled to trademark protection. Yves St. Laurent would argue that the red sole mark is only distinguishable when it is in contrast with the upper color of the shoe and agree with the findings of the Second Circuit. This factor would favor a finding for a likelihood of confusion.

*Factor 2 Degree of Similarity:* The degree of similarity between two items is a factor that helps to determine how likely it is that a consumer purchasing the items would be confused. The more substantially similar the items and distinguishing marks are the greater the chance of confusion. Louboutin shoes are trademarked as having a lacquered red sole on their shoes in a Chinese Red color.<sup>109</sup> Yves St. Laurent created shoes are part of their 2011 cruise collection that were monochromatic designs and bearing a bright red outsole similar to the Louboutin outsoles.<sup>110</sup> It is not typical in the fashion industry for shoes to possess an outsole of the shoe that is not a neutral color so use of a bright red outsole is unique and identified as a mark of Louboutin shoes. The bright red outsoles of the Yves St. Laurent shoes are substantially similar

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<sup>105</sup> *Id.*

<sup>106</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 213 (2d Cir. 2012).

<sup>107</sup> *Id.* at 227 (discussing recognition of Louboutin's trademark).

<sup>108</sup> *Id.* (explaining the wide breadth of Louboutin's red sole mark).

<sup>109</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d at 449.

<sup>110</sup> *Id.*



to the mark the Louboutin shoes possess therefore a consumer could easily be confused upon seeing the red outsole that Louboutin is the maker of those shoes. Yves St. Laurent could argue that the color of their outsoles is not identical to the Chinese Red. They may also point out that their cruise collection is unique because they are selling shoes with monochromatic yellow and blue shoes with matching color outsoles and that is markedly different than the Louboutin trademark. This factor favors a finding of a likelihood of confusion between the two marks.

*Factor 3 Proximity:* The proximity of the products in the market is an essential factor because the more closely situated two similar goods are, the higher the likelihood of consumer confusion about the source of the item. In the instant case Louboutin shoes and Yves St. Laurent shoes are marketed towards the same target group and sold in the same channels, high end fashion retail stores. Given that information it is likely that the shoes are situated near each other and unless there is adequate information by each pair of shoes in the store to indicate who the designer is the close proximity of these two items are bound to cause confusion. This factor slightly favors a finding of a likelihood of confusion.

*Factor 4 Bridging the Gap:* The likelihood that the original owner will bridge the gap and go into the market of the defendant can be an indicator of trademark infringement. In this specific case both parties are women's high end fashion designers with an emphasis on footwear.<sup>111</sup> Since Louboutin and Yves St. Laurent are targeting the same audience as prospective buyers there is no gap to be bridged. In this context this factor is not relevant because both parties are already in the same market so Louboutin does not have another market to break into.

*Factor 5 Actual Confusion:* One of the most important factors that will look at the likelihood of consumer confusion is whether or not there has been evidence of actual confusion

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<sup>111</sup> *Id.* at 447.

between the two products. In this case there is no empirical evidence on record of actual confusion existing however this does not mean that no confusion has occurred in the market. The court would need to look further into this factor but as it stands there is no evidence of actual confusion that is not dispositive. Although there is evidence that Louboutin conducted consumer surveys during which consumers were shown the Yves St. Laurent shoes that were monochrome red and the individuals thought the shoes being shown were Louboutin shoes.<sup>112</sup> Yves St. Laurent would argue that since there is no evidence of actual confusion occurring then it is not likely and the mark shouldn't be afforded trademark protection. This factor slightly favors Louboutin because the customer surveys show that individuals have been confused between the two shoes. The court should remand this factor and do market studies to see if this confusion has led to consumers purchasing the wrong shoes.

*Factor 6 Good Faith:* The good faith factor considers the defendant's subjective good faith when they produced their product and if they intentionally copied the original owner's trademark with the intent to capitalize on the goodwill and brand of the original product. While there is no evidence that defendant's acted with malice and bad faith when creating the cruise collection of shoes, including the red monochrome shoes, the CEO of Yves St. Laurent does recognize the red outsole of a shoe as a mark of Louboutin.<sup>113</sup> The CEO of Yves St. Laurent, Francois- Henri Pinault, stated "[i]n the fashion or luxury world, it is absolutely clear that we recognize the notoriety of the distinctive signature constituted by the red sole of LOUBOUTIN models in contrast with the general presentation of the model, particularly its upper, and so for all shades of red."<sup>114</sup> This statement makes clear that Yves St. Laurent was not only aware of Louboutin's trademark of the red sole, but that it is distinctive and recognized for that specific

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<sup>112</sup> Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc., 696 F.3d at 228.

<sup>113</sup> *Id.* at 227.

<sup>114</sup> *Id.*

reason. Yves St. Laurent would argue that even though they were aware of the mark their shoes are markedly different as the outer sole is monochromic with the entire shoe and they did not product the shoes with the intention of copying Louboutin, hence why they created shoes with blue and yellow outer soles as well. While this evidence does not prove bad faith it does demonstrate that Yves St. Laurent could assume that the source of creation of their shoes could be confusing for consumers and since they were aware of Louboutin's mark this factor weighs in favor of finding trademark infringement.

*Factor 7 Quality:* The quality of the products helps to determine whether consumers are likely to be confused between two goods based on their similar trademarks. In this case both the cruise collection shoes by Yves St. Laurent and the Louboutin shoes are high end and expensive.<sup>115</sup> When the quality of products is very similar as these two are there is a greater likelihood of consumer confusion. The similarity between the quality of these shoes and the reputations of their makers leads to a substantial likelihood of consumer confusion. On the other hand, when consumers are spending considerable money on these high end shoes they usually do research and have an idea of the product they are buying before they make a purchase. This factor weighs against a likelihood of consumer confusion.

*Factor 8 Sophistication of Buyers:* The sophistication of buyers of the product is an important factor to consider when determining whether trademark infringement took place. Again, since both Louboutin and Yves St. Laurent are high end fashion designers it is expected that they sell their shoes to very sophisticated buyers. The cost of these high end shoes are quite expensive so it is safe to assume that consumers who regularly purchase these shoes and spend that type of money are sophisticated and observant. This factor weighs in favor of Yves St. Laurent and less consumer confusion because it is likely that people who buy these shoes are

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<sup>115</sup> Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc., 778 F. Supp. 2d at 447.

informed and sophisticated and understand the difference between each of these well-known designer brands.

After analyzing the facts of the Louboutin case in the multifactor test I would reverse the decision of the Second Circuit in finding that no trademark infringement took place and remand the case to the district to do a more in depth analysis of the eight factors. A majority of the factors weigh in favor of finding trademark infringement while a few weigh in favor of Yves St. Laurent. Based on the facts available, I conclude that Yves St. Laurent did infringe on the Louboutin trademark because while the trademark is only expressly protected when the red outsole contrasts with the rest of the shoe the possibility of confusion among consumers is still too great and those consumers should be warranted this protection. In women's high end designer shoes, Louboutin is known for having the shoes with the red soles, and any other high end designer shoe with a red sole can cause confusion, especially because they are sold in the same channels and marketed towards the same target group. Trademarks are used to provide consumers information as to the source of a good and if the likelihood of confusion between two trademarks is too high, trademark infringement should be found to have occurred.

## **VII. Conclusion**

This article discusses the Louboutin decision made by the Second Circuit and how its' analysis of a trademark infringement claim was incorrect because it did not apply the eight factor test that is routinely used by the Second Circuit and without looking at the specific facts in an analytical way the court cannot adequately assess whether or not there is a likelihood of consumer confusion. I concluded that after applying the factors to the facts of the Louboutin case that the outcome of finding trademark infringement would have been different. I would suggest

that the case be remanded to the lower court as in the Louis Vuitton case discussed earlier to reexamine each factor based on the facts of the case.

Even if upon remand the lower court finds that the outcome would have been the same in applying the eight factor test and doing what the Second Circuit did, the eight factor test is still the proper means for determining whether trademark infringement took place because it is the best way for courts to adequately determine whether consumer confusion would be likely between the two trademarks. Trademarks are used to provide consumers information about the source of a good so the marks must be clear and distinct to provide them this information. Since all Federal Circuits apply some form of the multi-factor test in determining trademark infringement and the Second Circuit has consistently used that approach in the past this case should not be any different and cannot depart from the years of precedent this court has established.