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# **I'M THROWING ON MY LOUBOUTIN'S: HIGH FASHION POST-SALE CONFUSION**

Jennifer Whritenour  
Seton Hall University School of Law

## **ABSTRACT**

*The purpose of trademark law is to provide the owner of the trademark with the enforceable right to exclude others from using that mark. This guarantee of protection secures the public's interest in protection against deceit as to the sources of its purchases, as well as the businessman's right to enjoy business earned through good will and reputation attached to the trademark. To receive trademark protection, a mark must be inherently distinctive and source indicating, as it serves to identify a particular source. This paper will explore the use of trademark protection in regards to color in high fashion, with a pair of red soled shoes created by French fashion designer Christian Louboutin.*

*In September 2012, the United States Court of Appeals in the Second Circuit heard the case of Christian Louboutin v. Yves Saint Laurent and held that Louboutin's design features acquired secondary meaning. But, the court also held that Yves Saint Laurent's use of the design with respect to its monochromatic use of the color red on its high heels was not infringement, as the secondary meaning only applied to shoes with a red sole that had a contrasting color. This paper addresses the issue in the Louboutin case and applies the Second Circuit's test for likelihood of confusion to argue that while there may be a lack of point-of-sale confusion, there is likely post-sale confusion among non-purchasers.*

## **INTRODUCTION**

Christian Louboutin is a prominent French fashion designer who sells more than six hundred thousand shoes a year. Louboutin took a part of the shoe that is most commonly ignored, the sole of the shoe, and began to design shoes with a red lacquered sole. When asked why he chose the color red, Louboutin gave the following as his reasoning: “I selected the color because it is engaging, flirtatious, memorable, and the color of passion.”<sup>1</sup> In March 2011, the New Yorker described Louboutin’s shoes as such: “The sole of each of his shoes is lacquered in a vivid, glossy red. The red sole offers the pleasure of secret knowledge to their wearer, and that of serendipity to their beholder. Like Louis XIV’s red heels, they signal a sort of sumptuary code, promising a world of glamour and privilege. They are also a marketing gimmick that renders an otherwise indistinguishable product recognizable.”<sup>2</sup> This description by the New Yorker illustrates that this is not just any ordinary shoe, but a shoe that has achieved worldwide fame.

On March 27, 2007, Louboutin filed an application with the Patent and Trademark office to protect his infamous shoes. In January 2008, the Patent and Trademark Office granted trademark protection for the Red Sole Mark. The trademark stated: “The color(s) red is/are claimed as a feature of the mark. The mark consists of a lacquered red sole on footwear.”<sup>3</sup> It should be noted that since the trademark was granted in 2008, it had not been in use for five consecutive years prior to the time the litigation began in 2011. There is a special protection that allows a registered trademark that has been in continuous use for five years to be deemed as incontestable in certain

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<sup>1</sup>Lauren Collins, *Sole Mate: Christian Louboutin and the Psychology of Shoes*, THE NEW YORKER (Mar. 28, 2011), [http://www.newyorker.com/reporting/2011/03/28/110328fa\\_fact\\_collins?currentPage=all](http://www.newyorker.com/reporting/2011/03/28/110328fa_fact_collins?currentPage=all)

<sup>2</sup> Collins, *supra* note 1.

<sup>3</sup> Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc., 778 F. Supp. 2d, 449 (S.D.N.Y. 2011).

circumstances.<sup>4</sup> But, because the registered mark here had not reached this time frame, this special exception does not apply.

Louboutin's are worn by countless celebrities and its prominence in the media has resulted in numerous knockoffs. In 2010, Louboutin started a website to help buyers purchase authentic Louboutin's by listing authorized retailers.<sup>5</sup> But, while this website serves to deter people from purchasing fake shoes, there have been other issues with Louboutin's designs. In January 2011, Louboutin's fashion house learned that fashion house Yves Saint Laurent (YSL) was marketing and selling a monochromatic red shoe that included a red sole as part of YSL's 2011 Cruise fashion line.<sup>6</sup> In an attempt to avoid litigation, Louboutin requested that YSL cease selling the allegedly infringing shoes. But, negotiations between the parties failed.<sup>7</sup>

This paper explores the litigation surrounding the red soled shoes and suggests that the Second Circuit Court of Appeals did not go far enough in its decision. The biggest flaw in the decision is the lack of analysis regarding a likelihood of confusion. The absence of this analysis in the context of post-sale confusion leaves open the floodgates for more potential litigation as well as uncertainty. This paper uses the *Polaroid* factors to determine whether or not a likelihood of confusion exists and suggests a different holding than the one given by the Second Circuit. Part I of this paper discusses the district court's decision which led to an appeal to the Second Circuit Court of Appeals by Christian Louboutin. Part II discusses the decision rendered by the Second Circuit in 2012. Part III provides a background on basic trademark law and the evolution of granting trademark protection to color. Part IV discusses point-of-sale confusion and how that does not apply to this case. Part V addresses post-sale confusion and provides analysis regarding

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<sup>4</sup> See 15 U.S.C. §1065; see *Maker's Mark Distillery, Inc.*, 679 F.3d at 417-18.

<sup>5</sup> Stop Fake: Christian Louboutin, <http://stopfake.christianlouboutin.com/> (Last accessed October 28, 2013).

<sup>6</sup> *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d (S.D.N.Y. 2011), at 449.

<sup>7</sup> *Id.*, at 213.

a likelihood of confusion by way of the Second Circuit’s test for confusion with the *Polaroid* factors. Part VI mentions recent litigation regarding Louboutin and Part VII concludes the paper.

### **PART I: The District Court Case: “Louboutin I”**

In 2011, the Southern District of New York heard the case of *Christian Louboutin S.A. v. Yves Saint Laurent* in which Louboutin sought a preliminary injunction to stop YSL from marketing shoes that use this confusingly similar red sole trademark.<sup>8</sup> The Southern District held that Louboutin’s registered trademark for use of lacquered red color on outsoles did not merit protection under the Lanham Act.<sup>9</sup> The court held that color can only be granted trademark protection if it “acts as a symbol that distinguishes a firm’s goods and identifies their source, without serving any other significant function.”<sup>10</sup> The court reasoned that “[A]warding one participant in the designer shoe market a monopoly on the color red would impermissibly hinder competition among other participants.”<sup>11</sup> Furthermore, the court found Louboutin to be unlikely to “prove that its red outsole brand is entitled to trademark protection, even if it has gained enough public recognition to have acquired secondary meaning.”<sup>12</sup> According to the District Court, color as a trademark in the fashion industry has been held to be a valid mark in cases where the color is not merely source indicating, but in a distinct combination or pattern that manifests a conscious effort to design a uniquely identifiable mark embedded in the goods.<sup>13</sup> The

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<sup>8</sup> *Id.*, at 449.

<sup>9</sup> *Id.*, at 228.

<sup>10</sup> *Id.*, at 214 (quoting *Qualitex Co. v. Jacobson*, 115 S. Ct. 1300 (1995) (“Green-gold color of manufacturer’s dry cleaning press pads could be registered as trademark; color had developed secondary meaning, since customers identified color as manufacturer’s, and color served no other function.”))

<sup>11</sup> *Id.*, at 454.

<sup>12</sup> *Id.*, at 449.

<sup>13</sup> See *Burberry Ltd. v. Euro Moda, Inc.*, No. 8 Civ. 5781, 2009 WL 1675080, at 5 (S.D.N.Y. June 10, 2009). (holding registered Burberry check pattern entitled to statutory presumption of validity). *Louis Vuitton Malletier*, 454 F.3d at 116 (observing the “LV” monogram combined in a pattern of rows with thirty-three bright color) (reviewing these cases shows that the court points out that the valid trademark was a combination of an arrangement of colors and “... their synergy to create a distinct recognizable image purposely intended to identify a source while at the same time serving as an expressive, ornamental, or decorative concept.” See “Louboutin I” at 451.)

district court ruled that Louboutin's trademark was not valid and therefore was not entitled to protection. As a result, the court stated that a preliminary injunction was not warranted here.<sup>14</sup>

Following this result, Louboutin appealed this case to the Court of Appeals for the Second Circuit.

## **PART II: Court of Appeals Case, "Louboutin II"**

In 2012, the Court of Appeals dealt with the following issue: whether a single color may serve as a legally protected trademark in the fashion industry, and in particular, as the mark for a particular style of high fashion women's footwear.<sup>15</sup> Louboutin argues that the District Court erred in the following ways:

1. holding that the Red Sole Mark was not entitled to protection;
2. applying the doctrine of aesthetic functionality to hold that a single color on a fashion item could not act as a trademark;
3. failing to give weight to the statutory presumption of validity deriving from the Red Sole Mark's registration;
4. applying an improper analysis of trademark infringement and dilution;
5. ignoring allegedly undisputed proof of likelihood of confusion and irreparable harm; and
6. announcing a per se rule of functionality in a manner that violated Rule 52 of the Federal Rules of Procedure.<sup>16</sup>

The court held that Louboutin's trademark had acquired limited secondary meaning with regards to the outsole of the shoe which serves as a distinctive symbol of the designer. The Court of Appeals concluded that Louboutin's trademark should be modified and granted protection only to color contrasting shoes.<sup>17</sup> The trademark was thus limited to the outsoles' color contrast

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<sup>14</sup> *Id.*, at 449. . (holding that the Court therefore concludes that Louboutin has not established a likelihood that it will succeed on its claims that YSL infringed the Red Sole Mark to warrant the relief that it seeks.)

<sup>15</sup> *Christian Louboutin, LLC v. Yves Saint Laurent America Holding, Inc.*, 696 F.3d 206 (2012).

<sup>16</sup> *Id.*, at 215. (See Federal Rule of Procedure 52(a)(2) which requires that "[I]n granting or refusing an interlocutory injunction, the court must ... state [separately] the findings [of fact] and conclusions [of law] that support its action.") Louboutin asserts that the District Court failed to make findings of fact as required by that rule, and announced a new per se legal rule rather than merely entering conclusions of law.

<sup>17</sup> *Id.*, at 212.

with the shoes upper components, as that design feature had acquired secondary meaning.<sup>18</sup> Therefore, YSL's monochromatic red shoe did not constitute infringement on the Louboutin trademark.

While the court may have been correct in concluding that there was no likely point-of-sale confusion, there is likely post-sale confusion. Point-of-sale confusion is unlikely since the clientele that typically would purchase high end designer shoes would be aware of what designer they are purchasing, especially when hundreds and even thousands of dollars are spent in acquisition of the designer good. But, by holding that YSL was allowed to continue to sell its shoes, the court opened the door for post-sale confusion as an ordinary person would not be able to tell the difference between the shoes and may confuse a shoe designed by the YSL fashion house for a Louboutin shoe. This has potential harms as the confusion could lead to harm to the designers reputation as an individual may think a shoe that was crafted poorly was designed by Louboutin and thus refrain from purchasing a pair of Louboutin's.

### **PART III: Basic Trademark Law and the History of Color**

Trademark law was designed 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>19</sup> Under the Lanham Act, trademark registration is granted to "any word, name, symbol, or device, or any combination thereof... which a person has a bona fide intention to use in commerce and applies to register..., to identify and distinguish his or her goods... from those manufactured and sold by others and to indicate the source of the goods."<sup>20</sup> Granting protection to a source identifying mark helps not only the consumer but the producer as well. The consumer knows that this item was produced by

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<sup>18</sup> See generally "Louboutin II".

<sup>19</sup> *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 57 (2d Cir. 1995).

<sup>20</sup> See 15 U.S.C. § 1127.

the same producer with other similar marks. Meanwhile, the producer is allowed to reap the financial benefits of producing the good, as well as the benefits that bolster its reputation as the producer of a desirable product.<sup>21</sup> It is important to note that trademark law does not serve to grant a monopoly to the creator of the innovation, as that is more suited for copyright and patent law where innovation is encouraged.<sup>22</sup>

Claims for trademark infringement require a two step analysis. First, for infringement to occur, the mark must actually be protected. To be a protectable mark, the mark must be inherently distinctive and identify a particular source.<sup>23</sup> However, trademark protection can be granted to marks that are not inherently distinctive if the public believes that the mark has acquired secondary meaning. Secondary meaning is acquired 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.”<sup>24</sup> If the mark is deemed to be a valid and protectable trademark, the second inquiry one must make is whether, if the defendant were to use the similar mark, a likelihood of confusion would exist.<sup>25</sup>

The rules governing the protectability of color as a trademark have evolved over time. Earlier cases have expressed some doubt as to whether or not color could serve as a valid trademark.<sup>26</sup> Some courts have held that in some instances, color alone can serve as a trademark if secondary meaning is acquired.<sup>27</sup> In 1985, the United States Court of Appeals for the Federal Circuit was

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<sup>21</sup> *Qualitex*, at 163-64.

<sup>22</sup> *Nora Beverages, Inc. v. Perrier Group of America*, 269 F.3d 114, 120 n. 4 (2d Cir. 2001) (noting that trademark law should not be used to “inhibit [ ] legitimate competition by giving monopoly control to a producer over a useful product”).

<sup>23</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112 S.Ct. 2753 (1992).

<sup>24</sup> *Inwood Labs., Inc., v. Ives Labs., Inc.*, 456 U.S. 844, 851 (1982).

<sup>25</sup> *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 115 (2d Cir. 2006).

<sup>26</sup> See *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 26 S.Ct. 425, 50 (1906) (“Whether mere color can constitute a valid trademark may admit of doubt”).

<sup>27</sup> See *Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F.2d 407 (6<sup>th</sup> Cir. 1945) (holding that the user of the mark was “entitled to protection in its long established use of the color yellow on its taxicabs ...,”

faced with the issue of single color trademark registration in regards to a manufacturer's pink fiberglass material. The court held that the use of the mark "serves the classical trademark function of indicating the origin of the goods, and thereby protects the public."<sup>28</sup> The Court reasoned that if the mark "is capable of being or becoming distinctive of the applicant's goods in commerce, then it is capable of serving as a trademark."<sup>29</sup> Therefore, the Court concluded that the color pink used in the residential insulation material entitled the manufacturer to receive trademark protection, permitting the manufacturer to register its mark.<sup>30</sup>

Trademark protection with color was finally addressed by the Supreme Court in 1995, when the Supreme Court decided the *Qualitex v. Jacobson* case. In *Qualitex*, the Court was faced with granting trademark protection for the green-gold color of a dry cleaning press pad. The issue before the Court was "whether the Lanham Act permits the registration of a trademark that consists, purely and simply, of a color."<sup>31</sup> The Supreme Court reasoned that "it is difficult to find, in basic trademark objectives, a reason to disqualify absolutely the use of color as a mark."<sup>32</sup> Additionally, the Court went further and held that "color alone, at least sometimes, can meet the basic legal requirements for use as a trademark. It can act as a symbol that distinguishes a firm's goods and identifies their source, without serving any other significant purpose."<sup>33</sup>

This analysis of trademark law and protection granted to color illustrates that the use of color as a trademark can be valid as the red soled shoe is a symbol of the Louboutin brand and identifies that this particular shoe was designed by Louboutin. This identification is achieved simply with the use of the color red, without the fashion house having to put a designer logo on

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inasmuch as it has acquired a good will by use of the yellow color scheme on taxicabs by virtue of appropriate application of the doctrine of secondary meaning").

<sup>28</sup> See *Owens-Corning*, 774 F.2d at 1123.

<sup>29</sup> *Id.*, at 1120.

<sup>30</sup> *Id.*, at 1128.

<sup>31</sup> *Qualitex*, at 160-61.

<sup>32</sup> *Id.*, at 164.

<sup>33</sup> *Id.*, at 166.

the shoes. Although, it should be noted that the color can be valid, but more is needed, such as evidence of the existence of secondary meaning. The certificate of registration of the Red Sole Mark gives rise to the presumption that Louboutin's mark is valid, although this presumption may be rebutted.<sup>34</sup>

#### **PART IV: POINT OF SALE CONFUSION IN REGARDS TO LOUBOUTIN**

Point of sale confusion occurs when a company uses a confusingly similar mark, which consumers may think is the mark that has a valid and protectable trademark. This infringement, as a result, causes the consumer to be confused as they believe that the defendant's good came from the valid trademark owner. As a result, a diversion is created which increases sales for the alleged infringer while resulting in a loss of sales for the trademark owner as well as a loss of control over the trademarks owners' reputation.<sup>35</sup> Point of sale confusion is not likely to be present with a good of this caliber. Given the high cost of a pair of Louboutin shoes, with some pairs over one thousand dollars, most buyers are sophisticated purchasers who pay attention to detail and have a greater degree of care when purchasing such an expensive luxury good. Here, the Second Circuit was correct in determining that point of sale confusion is not a relevant issue to the trademark in question. But, the court concluded its analysis here and did not continue on to determine whether or not post-sale confusion was present.

#### **PART V: POST-SALE CONFUSION IN REGARDS TO LOUBOUTIN**

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<sup>34</sup> See 15 U.S.C. § 1057(b); Lane Capital Mgmt., Inc., v. Lane Capital Mgmt., Inc., 192 F.3d 337, 345 (2d Cir. 1999) (holding that a certificate of registration with the PTO is prima facie evidence that the mark is registered and valid (i.e., protectable), that the registrant owns the mark, and that the registrant has the exclusive right to use the mark in commerce. See 15 U.S.C. § 1115(a).) (stating that registration by the PTO without proof of secondary meaning creates the presumption that the mark is more than merely descriptive, and, thus, that the mark is inherently distinctive. PaperCutter, Inc. v. Fay's Drug Co., 900 F.2d 558, 563 (2d Cir.1990). As a result, when a plaintiff sues for infringement of its registered mark, the defendant bears the burden to rebut the presumption of mark's protectibility by a preponderance of the evidence. See id.)

<sup>35</sup> See generally Hearts on Fire v. Blue Nile, 603 F.Supp.2d 274 (D. Mass. 2009).

Post-sale confusion confuses the general public, not the consumer, with the use of a similar mark. Post-sale confusion occurs when a “potential purchaser, knowing that the public is likely to be confused or deceived by the allegedly infringing product, will choose to purchase that product instead of a genuine one.”<sup>36</sup> Post-sale confusion arises from a good that is intended to confuse non-purchasers, rather than a misdirected purchase as with point-of-sale confusion.<sup>37</sup> The harm that is caused by post-sale confusion most notably is a potential loss of reputation, most especially if the infringing goods are of an inferior quality when compared to the goods produced by the valid trademark owner.<sup>38</sup> Other harms with post-sale confusion include: harm to the originals reputation for rarity, a decrease in the original goods value, harm to consumers if the original good decreases the value in the product to compete more economically, harm to the trademark owner if sales decline due to fear of the public that they may not be purchasing an original good, and deception to the general public if expertise is required to distinguish between the two goods.<sup>39</sup>

#### **A) DETERMINING POST-SALE CONFUSION**

The Second Circuit has held that confusion does not need to be limited to point-of-sale confusion to be actionable under the Lanham Act. Indeed, the Second Circuit has held that confusion “among non-purchasers, arising from use of a mark outside of a retail environment after any sale of purchase of a product has concluded, is actionable under the Lanham Act.”<sup>40</sup>

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<sup>36</sup> See *Gucci America, Inc. v. Guess? Inc.*, 868 F. Supp.2d 207 (2012) at 238, 239.

<sup>37</sup> *Id.*

<sup>38</sup> See generally *GM v. Keystone*

<sup>39</sup> *Id.*

<sup>40</sup> See *Clinique Laboratories, Inc.*, 945 F.Supp. at 558 (S.D.N.Y. 1996) (holding that use of disclaimers is insufficient to address post-sale confusion among consumers).

In determining post-sale confusion, Courts in the Second Circuit apply the eight factors set forth by the Second Circuit in the *Polaroid* case.<sup>41</sup> These factors include:

1. the strength of plaintiff's mark,
2. similarity of plaintiff's and defendant's marks,
3. competitive proximity of the products,
4. bridging the gap,
5. actual confusion,
6. defendant's intent/bad faith,
7. quality of defendant's product, and
8. sophistication of consumers.<sup>42</sup>

This list of factors is not exhaustive and no one factor is dispositive, rather this list serves as a guide in determining confusion.<sup>43</sup> The Second Circuit has held that “the steady application of *Polaroid* is critical to the proper development of trademark law, for it is only when the *Polaroid* factors are applied consistently and clearly over time that the relevant distinctions between different factual configurations can emerge.”<sup>44</sup> Additionally, the Second Circuit has held that “no single *Polaroid* factor is pre-eminent, nor can the presence or absence of one without analysis of the others, determine the outcome of an infringement suit.”<sup>45</sup>

Post-sale confusion can be harmful as there may be confusion over whether or not the item may be an original and expertise may be required to distinguish between an original and an infringer.<sup>46</sup> In the case of *Louboutin*, one could assume that YSL would also be creating a high end product so the shoes most likely would be of similar quality. This assumption is based on

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<sup>41</sup> See *Polaroid Corp. v. Polaroid Elecs. Corp.* 287 F.2d 492 (2d Cir. 1961) (holding that Plaintiff's 11-year delay, with knowledge of allegedly infringing use, in proceeding against defendant for trademark infringement, barred plaintiff from relief so long as defendant's use of allegedly infringing mark remained far removed from plaintiff's primary fields of activity.)

<sup>42</sup> See generally *id.*

<sup>43</sup> See generally *id.* Also see *Lois Sportwear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 871 (2d Cir. 1986) (“The *Polaroid* factors serve as a useful guide through a difficult quagmire. Each case, however, presents its own peculiar circumstances.”).

<sup>44</sup> See *New Kayak Pool Corp. v. R & P Pools, Inc.*, 246 F.3d 183 (2d Cir. 2001) (remanding for consideration of the *Polaroid* factors).

<sup>45</sup> See *Thompson Medical Co. v. Pfizer Inc.*, 753 F.2d 208, 214 (2d Cir. 1985).

<sup>46</sup> See generally, *Hermes International v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, at 108 (2d. Cir. 2000).

several factors such as the high cost of the good as well as the notoriety that Louboutin has gained as being a high end luxury designer. Additionally, the concern over the relative quality is not as great in cases of post-sale confusion as “such persons are not in a position to examine a product’s construction and materials.” The focus on post-sale confusion is the view of the casual observers in the general public rather than the confusion among direct purchasers, which is the concern in point-of-sale confusion.<sup>47</sup> But, this even further illustrates the point that allowing YSL to produce monochromatic red shoes is likely result in post-sale confusion by the general public. As the record in the District Court stated, the red sole shoe can “instantly” be attributed to Louboutin.<sup>48</sup> Louboutin is an innovator in the fashion industry as he transformed the soles of shoes that typically are black or beige and transformed them into a red sole that has gained worldwide recognition.<sup>49</sup> Imagine this scene as described by the District Court: “... Hollywood starlets cross red carpets and high fashion models strut down runways, and heads turn and eyes drop to the celebrities’ feet, lacquered red outsoles... that flaunt a glamorous statement that pops out at once.”<sup>50</sup> The instant recognition that Louboutin has gained makes it all the more likely that post-sale confusion will occur as the general public could easily think YSL’s red soled shoe was really designed by Louboutin. With a post-sale confusion claim, the plaintiff “...must establish a likelihood of confusion among an appreciable number of post-sale observers.”<sup>51</sup> Furthermore, this confusion must occur in the commercial context by casual observers.<sup>52</sup> Louboutin’s mark most certainly falls within the commercial context and the confusion here

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<sup>47</sup> See generally *Gucci America*, citing Lanham Act, §§ 32, 43, 15 U.S.C.A. §§1114, 1115

<sup>48</sup> See “*Louboutin I*”, at 448.

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> See generally *Gucci America*, citing Lanham Act 32, 43, 15 U.S.C.A. 1114, 1125.

<sup>52</sup> See generally *Gucci America*.

would most likely occur by casual observers since the purchasers would not experience any confusion as they are considered to be a sophisticated buyer of luxury goods.

In determining the existence of trademark infringement with post-sale confusion, the marks are considered similar if they create the same commercial impression in the contexts that would be encountered by the casual observer.<sup>53</sup> Here, the red soled shoes by Louboutin and YSL do create a similar commercial impression. To the ordinary person walking down the street, or the models and celebrities who wear a pair of red soled shoes on the red carpet or in a magazine, how would a casual observer be able to distinguish between the two designers? The only plausible way to know if a red soled shoe was Louboutin or YSL would be if the name of the fashion house that designed the shoe was explicitly stated. But, most casual observers may not even inquire as to the origin of the designer as those observers in the know in the fashion industry may automatically associate the red sole with Christian Louboutin.

## **B) APPLYING THE POLAROID FACTORS**

### **1) STRENGTH OF THE PLAINTIFF'S MARK**

In determining the strength of the mark, the Second Circuit focuses on the distinctiveness of the mark.<sup>54</sup> The test for the mark's strength is 1) the degree to which it is inherently distinctive; and 2) the degree to which it is distinctive in the marketplace.<sup>55</sup> The first element of this test does not apply to this case as the Supreme Court has held that color cannot be inherently distinctive.<sup>56</sup> The distinctiveness in the marketplace can be evaluated by looking at the evidence of sales, marketing and advertising, continuous use of the mark by Louboutin, website traffic,

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

<sup>54</sup> See *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 46 (2d Cir. 1994) (discussing that the precise focus of distinctiveness is its tendency to identify goods sold under the mark as emanating from a particular, although possibly anonymous source).

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

<sup>56</sup> See generally *Qualitex*.

and use in the media are just a few examples of evidence that can be gathered to determine distinctiveness.<sup>57</sup> This is known as commercial or acquired distinctiveness as it has developed with both purchasers and non-purchasers to identify the red sole as a design by Louboutin and therefore shows that Louboutin's use of the color red as acquired secondary meaning.<sup>58</sup>

As of 2012, Louboutin was selling 600,000 pairs of shoes annually and had forty-two Louboutin boutiques worldwide. His designs can also be purchased on his website, in 2010 his e-commerce website became active in the United States and in 2012 his European e-commerce website was launched.<sup>59</sup> Louboutin has countless celebrity fans display his shoes in all forms of media from the red carpet to magazines. Some of these celebrities include: Madonna, Blake Lively, Sarah Jessica Parker, Jennifer Lopez, Kim Kardashian, Beyonce, Victoria Beckham, and Katie Holmes and her young daughter, just to name a few of the many famous faces who wear the infamous red sole. Jennifer Lopez even created a song titled "Louboutin" where she states in the verse, "I'm throwing on my Louboutin's". Together these factors help to provide further evidence to illustrate the distinctiveness of Louboutin's mark and its strength. Therefore, post-sale confusion is likely as YSL's red monochromatic shoes are likely to confuse individuals other than the buyer due to the strength and overall fame of Louboutin's mark.

## **2) DEGREE OF SIMILARITY**

The degree of similarity includes an analysis of: 1) "whether the similarity between the two marks is likely to cause post-sale confusion and 2) what effect the similarity has upon prospective purchasers."<sup>60</sup>

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<sup>57</sup> See *Lois Sportswear*, at 741. (in discussing the distinctiveness in the marketplace, the court looked at evidence of widespread advertising and promotion of defendant's product that featured defendant's mark, continuous use of the mark for more than a century, and sales figures to determine the strength of the mark).

<sup>58</sup> See generally, *id.*

<sup>59</sup> See *Voguepedia: Christian Louboutin* [http://www.vogue.com/voguepedia/Christian\\_Louboutin](http://www.vogue.com/voguepedia/Christian_Louboutin) (last accessed November 5, 2013).

<sup>60</sup> See *Sports Authority Inc., v. Prime Hospitality Corp.*, 89 F.3d 955, 962 (2d Cir. 1996).

The question to be asked here is whether, when worn, if the shoes designed by YSL are likely to confuse people other than the buyer due to the degree of similarity. The court should focus on the fact that YSL has created a monochromatic red shoe and determine whether or not the difference between the YSL and Louboutin shoe is such that non-purchasers will not be confused. The relevant similarity in this case is not just the red soles of the shoes but also the red upper body of the shoes. The use of the monochromatic shoe by YSL is likely to cause confusion when compared to Louboutin's monochromatic red sole.

Accordingly, the court could find that the similarity between the use of the red soles by the two fashion houses is extremely similar and therefore is likely to cause confusion in the post-sale context.

### **3) PROXIMITY OF THE PRODUCTS**

The proximity of the products can result in confusion over the source of the origin of the product. To prevail on this factor, the Plaintiff (Louboutin) must show that the parties' products are sufficiently related in the context in which they are found.<sup>61</sup> The focus of this test is "...whether and to what extent the two products compete with each other."<sup>62</sup> To prevail under this factor, Louboutin must show that "the parties' products or services are sufficiently related so that customers are likely to confuse the source of the origin."<sup>63</sup> The shoes that are sold together in department stores such as Saks Fifth Avenue or Neiman Marcus are more likely to be related and cause confusion as they would be sold in the same area of the store. But, this does not apply here as the confusion at issue is in regards to post-sale confusion, which does not include consumers who are contemplating purchasing the product. This point is not really relevant to the discussion of a likelihood of post-sale confusion. The element of where the shoes are sold is not

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<sup>61</sup> See *Lexington Management Corp. v. Lexington Management Partners*, 10 F.Supp. 2d 271 at 284 (S.D.N.Y. 1998).

<sup>62</sup> *Id.*, at 284.

<sup>63</sup> *Id.*, (quoting generally *Scarves by Vera, Inc., v. Tofo Imports Ltd*, 544 F.2d 1167 (2d. Cir. 1976)).

relevant here as it only applies to purchasers and therefore would be more applicable in determining point-of-sale confusion.

The inquiry that needs to be made here is whether or not the goods at issue are the same type of goods. In an extreme example, it would be highly impossible for a non-purchaser to think that a red soled tire for a luxury vehicle was made by shoe designer Louboutin as these are two entirely different products. But, two red soled shoes, created by two high end fashion designers, are very similar products. The fact that they are both shoes increases the likelihood that non-purchasers will be confused. Therefore, the similarity of the marks is relevant in establishing a likelihood of confusion in this case.

This factor also can be considered along with the final *Polaroid* factor of sophistication of the consumers. These two factors are frequently considered together in the Second Circuit because the likelihood of confusion here also can vary based on the sophistication of the relevant purchasing parties.<sup>64</sup> But, here, the focus of the issue between Louboutin and YSL focuses on the post-sale confusion not point-of-sale confusion so the sophistication by consumers is not relevant among purchasers when analyzing confusion in a post-sale context.

#### **4) LIKELIHOOD OF BRIDGING THE GAP**

One of the prominent *Polaroid* factors that not present in this case is bridging the gap. This element of confusion poses the question: “whether the two companies are likely to compete directly in the same market.”<sup>65</sup> The shoes by YSL and Louboutin are both shoes that are designed by high end fashion houses. Therefore, it can be determined that they would be in the same market, more so than a pair of knock-off shoes which would appeal to a different consumer. Under the Lanham Act, “when the companies target the same customers, there is no

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<sup>64</sup> See *Cadbury Beverages v. Cott*, 73 F.3d 474, 480 (2d Cir. 1996).

<sup>65</sup> See *Charles of the Ritz Group Ltd. V. Quality King Distributors, Inc.*, 832 F.2d 1317 (2d Cir. 1987) at 1322 (“The issue here is whether the two companies are likely to compete directly in the same market.”)

gap to bridge, and this factor leans in favor of the plaintiff.”<sup>66</sup> Here, both YSL and Christian Louboutin are already in the same market as they are already well established fashion houses. Both designers are already sold in department stores such as Neiman Marcus and Saks Fifth Avenue and both have their own stores worldwide. Since Louboutin and YSL both have been in the same market prior to the alleged infringement that is the subject of this litigation, there is no gap to bridge. Courts have held that where the market for competing goods or services is the same, there is no need to determine whether or not bridging the gap will occur between the two markets.<sup>67</sup> Therefore, bridging the gap is not a relevant factor in determining whether a likelihood of confusion exists in this case. The lack of bridging the gap in this case does not harm the analysis of likelihood of confusion in the post-sale context as courts have held that irrelevant factors can be abandoned in the analysis.<sup>68</sup>

#### **5) EVIDENCE OF ACTUAL CONFUSION OF CONSUMERS**

Actual confusion is defined as the likelihood of consumer confusion that enables a seller to pass off his goods as the goods of another.<sup>69</sup> But, it has been determined that actual confusion does not need to be shown to prevail in an infringement claim under the Lanham Act. In reality, actual confusion is very difficult to prove and the Lanham Act “requires only a likelihood of confusion as to the source.”<sup>70</sup> Proof of actual confusion can be proven by evidence conducted

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<sup>66</sup> See Lanham Act §§32, 43, 15 U.S.C.A. §§1114, 1125.

<sup>67</sup> See *Planned Parenthood of America, Inc., v. Bucci*, 1997 WL 133313 at \*8 (S.D.N.Y. 1997) (declining to consider this factor where both plaintiff and defendant, whose websites were both on the Internet, were “vying for users in the same ‘market’”).

<sup>68</sup> See *Gruner+ Jahr USA Publishing v. Meredith Corp.*, 991 F.2d 1072, 1077 (2d Cir. 1993) (stating that courts may consider other variables and irrelevant factors may be abandoned).

<sup>69</sup> *Supra*, *W.W.W. Pharm. Co., Inc. v. Gillette Co.*, 984 F.2d 567, 574 (2d Cir. 1993).

<sup>70</sup> See *Lois Sportwear, U.S.A.* at 875. See also *Lexington Management Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271, 286 (S.D.N.Y. 1998) (discussing where plaintiff provided no evidence of actual confusion in connection with its motion, this *Polaroid* factor neither supported nor detracted from plaintiff's motion for preliminary injunction).

through a survey, although such evidence is not required.<sup>71</sup> A survey can be considered to be highly probative evidence of the existence of a likelihood of confusion. Additionally, if a survey is conducted it must be “fairly prepared and its results directed to the relevant issues.”<sup>72</sup>

In the matter at hand, no surveys were conducted by either party to the litigation. Conducting a survey would be useful here as it would serve as proof of actual confusion among post-sale consumers. However, conducting a truly fair and scientific survey could be costly. If a survey were to be conducted, the ideal test group would be among relevant post-sale viewers of the shoes designed by YSL. But, as previously stated, actual confusion does not need to be proven to constitute a likelihood of confusion. Therefore, this *Polaroid* factor can be set aside as it is not crucial to establishing post-sale confusion in regards to the red soled shoe.

#### **6) THE DEFENDANT’S GOOD FAITH IN ADOPTING THE MARK**

To analyze this factor of the *Polaroid* test, one must ask whether the defendant used the plaintiff’s mark with the “intention of capitalizing on plaintiff’s reputation and goodwill and any confusion between his and the senior user’s product.”<sup>73</sup> Here, given the notoriety of Louboutin’s red sole shoes, YSL was aware that their use of the monochromatic red shoe as part of the YSL Cruise Collection could result in confusion between the two designers. At the time YSL designed and marketed their shoe, Louboutin’s trademark included all red soles. Therefore at the time of YSL’s creation they engaged in bad faith. Although Louboutin’s trademark was modified to include only color contrasting red soled shoes, the initial creation of YSL’s products clearly exemplifies bad faith. Cases in the Second Circuit have held that “actual or constructive

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<sup>71</sup> See *The Sports Authority Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 964 (2d Cir. 1996) (discussing that survey evidence is not required to show actual confusion).

<sup>72</sup> See *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 850 F. Supp. 232, 245 (S.D.N.Y. 1994).

<sup>73</sup> See *Edison Brothers Stores, Inc. v. Cosmair*, 651 F.Supp. 1547, 1560 (S.D.N.Y. 1987).

knowledge may signal bad faith.”<sup>74</sup> Furthermore, decisions in this circuit have held that the second comer, here YSL, has “a duty to so name and dress his product” in such a way as to avoid all likelihood of confusion, when compared to the first comer, Louboutin.<sup>75</sup> YSL could have avoided this issue entirely if they acted in good faith when creating their 2011 Cruise Collection.

There clearly is a lack of good faith on behalf of YSL and therefore, this factor weighs in favor of Louboutin.

#### **7) THE QUALITY OF THE DEFENDANT’S GOOD**

The quality of the good used by the defendant plays an important role in determining if a likelihood of confusion exists. The quality of the good is relevant for two reasons. First, an inferior good may cause injury to the plaintiff if people think that the goods come from the same source. Second, products of equal quality may create confusion as to the source of the good because of this similarity.<sup>76</sup>

While the red soled shoes here are strikingly similar, the harm to Louboutin’s reputation would not be as severe as YSL and Louboutin are both high end designers that create luxury goods using high end materials. This factor would be different if the defendant’s red sole shoes were created using inferior materials as then it would be more likely to cause harm to the reputation of Louboutin. The lack of YSL’s shoes being inferior to Louboutin’s in the post-sale context makes this factor inapplicable. The second prong of the test for quality of the defendant’s goods is more relevant to this case as the products are of such a similar quality that confusion can occur as to the source of the designer of the shoe. Therefore, this similarity in quality could lead to the existence of post-sale confusion.

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<sup>74</sup> See *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d, 254, 259 (2d Cir. 1987).

<sup>75</sup> See *Harold f. Ritchie Inc. v. Chesebrough-Pond’s, Inc.*, 281 F.2d 755, 758 (2d Cir. 1960).

<sup>76</sup> See *Hormel Foods Corp. v. Jim Henson Prods.*, 73 F.3d 497, 505 (2d Cir. 1996).

## **8) SOPHISTICATION OF CONSUMERS**

In regards to purchasing luxury designer shoes, it can be said that the consumers would be sophisticated. In analyzing this factor, one looks at the level of care and attention that is paid by consumers. When an individual is paying anywhere from six hundred to one thousand dollars for a pair of shoes, it can be concluded that they would place a higher degree of time and effort in purchasing the luxury good. But again, this factor is more relevant towards point-of-sale confusion than post-sale confusion. Post-sale confusion focuses more on the general non-purchasing public rather than the purchaser. Therefore, the sophistication of consumers may not be a relevant factor in terms of post-sale confusion.

While the sophistication of purchasers is an irrelevant factor, the sophistication of the non-purchasers is a relevant factor in this case. The shoes designed by YSL and Louboutin are so similar that sophisticated consumers would have a hard time determining which designer produced a particular monochromatic red shoe. It could even be assumed that non-purchasers would believe that the shoe was designed by Louboutin based on the notoriety of Louboutin alone. If a comparison between the shoes were to be made by non-purchasers after the lawsuit between Louboutin and YSL became known then maybe some people would question who designed the all red shoes. But, overall, it can be argued that even sophisticated non-consumers would have a difficult time in determining which luxury designer created the high end red monochromatic shoe. As a result, the sophistication of non-purchasers is a relevant factor in determining post-sale confusion in this case.

## **C) OVERALL POLAROID FACTOR ANALYSIS**

Therefore, the overall analysis of the *Polaroid* factors in regards to determining post-sale confusion with the red sole shoes shows that there is a likelihood of confusion. The most

important factors used to reach this confusion in the case at bar are: the strength of Louboutin's mark, the degree of similarity between Louboutin and YSL, the proximity of the products, YSL's lack of good faith in adopting the mark, and the quality of the shoes produced by YSL.

#### **D) ARGUMENTS AGAINST POST-SALE CONFUSION**

While the defense for YSL, on a post-sale confusion claim, would argue that the creation of a trademark is not to decrease competition and have a monopoly on a mark as that is more in the realm of copyright law, it should not allow for the misuse of a mark that clearly has acquired secondary meaning. Unlike copyright law, trademark law aims to prevent consumer confusion even if it hinders the creation of a mark. In trademark law, "if a branding specialist produces a mark that is identical to one already trademarked by another individual or corporation, he must 'go back to the drawing board'." <sup>77</sup>

On the alternative side, those against the doctrine of post-sale confusion will argue that the fashion houses both create goods that are of a high quality so the prestige or low quality will not be a major element that would cause harm to the designer. But, Louboutin's shoe itself, regardless of color is distinct. Louboutin's "lasts are shorter (from toe to heel), higher (in the arch), and tighter (across the width of the foot) than most designers."<sup>78</sup> It has been said that Louboutin has "upped the ante in terms of how high the heel can soar." Additionally, his shoes have been described to "morph the body" as they lengthen the legs, define the calves, and lift one's rear, all features that most women seek plastic surgery to achieve.<sup>79</sup> Certainly, no casual observers on the street would be able to tell the difference between these proportions of a shoe,

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<sup>77</sup> See *Blendco Inc., v. Conagra Foods, Inc.*, 132 Fed. Appx. 520, 523 (5<sup>th</sup> Cir. 2005) (holding that although defendant's allegedly independent creation of infringing mark tended to show that infringement was not willful, defendant remained liable for damages.); See also *Tuccillo v. Geisha NYC, LLC* 635 F.Supp.2d 227 (E.D.N.Y. 2009) (stating the same holding).

<sup>78</sup> *Supra*, Collins.

<sup>79</sup> *Id.*

which therefore would result in post-sale confusion. This argument fails, just as the argument that people would not even notice the use of the red soles as the casual observer would not pay attention to the sole of a shoe. There has been evidence as stated in the District Court and the Court of Appeals that the red sole makes the shoe “pop” and stand out. By decorating the outsole of the shoe, the shoe becomes an “object of beauty.”<sup>80</sup> The facts of the case even stated that Louboutin has created a product “so eccentric and striking that it is easily perceived and remembered.”<sup>81</sup> This rebuts any presumption that casual observers would not notice the red sole mark and therefore post-sale confusion is likely to exist with regards to the use of the red sole mark by YSL on monochromatic shoes.

Many of the other arguments against post-sale confusion also fail. One such argument is that post-sale confusion does not apply if the mark is not highly visible to third persons when the product is being used.<sup>82</sup> But, this argument fails here as the soles of shoes are visible, whereas underwear, the issue in *Musingwear v. Jockey*, is not. Additionally, the argument that post-sale confusion does not come into play where the businessperson’s interests do not come into play is not applicable in the Louboutin case.<sup>83</sup> The red sole used by Louboutin significantly affects the cost of the shoe as the addition of the red lacquered finish is more expensive than producing identical shoes without the finish. This higher cost of production is actually desirable to

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<sup>80</sup> See *Louboutin I* at 454.

<sup>81</sup> *Id.*, at 448 (stating that Louboutin “departed from longstanding conventions and norms of his industry, transforming the staid black or beige bottom of a shoe into a red brand with worldwide recognition at the high end of women’s wear...”).

<sup>82</sup> See *Musingwear Inc., v. Jockey Int’l Inc.*, 39 F.3d 1184 (8<sup>th</sup> Cir. 1994) (deciding that underwear, because of its inherently concealed nature, does not pose a sufficiently great risk of post-sale confusion).

<sup>83</sup> See *U.S. Surgical Corp. v. Orris Inc.*, 185 F.3d 885 (Fed. Cir. 1999) (considering a case where surgeons did not have a way to distinguish certain instruments after they had been re-sterilized from the new instruments. Holding that post-sale confusion did not exist as the “surgeon’s confusion is only relevant to the extent that it influences the hospital’s purchasing decisions). See also *Gibson Guitar Co. v. Paul Reed Smith Guitars* 423 F.3d 539 (6<sup>th</sup> Cir. 2005) (holding that post-sale confusion cannot be used as a substitute for point-of-sale confusion).

designers like Louboutin as it makes the final creation more exclusive and costly.<sup>84</sup> Therefore, the business interests of Louboutin do come into play as the exclusivity and cost are major elements of the Louboutin design.

Another argument against post-sale confusion is that the allegedly confused consumers in the post-sale confusion context are not purchasers or even potential purchasers of the goods. Since post-sale confusion focuses on the view of the “casual observer”, those against post-sale confusion will say that their confusion is irrelevant since they are not purchasing the luxury brand shoes. But, confusion “need not always be that of a potential purchaser but can exist where ‘the defendant duplicated the protected trademarks and sold them to the public knowing that the public would identify them as being the plaintiff’s trademarks’.”<sup>85</sup> The intent of Congress is to protect the public at large, not merely purchasers or potential purchasers. Applying this reasoning, the public would identify the red outer sole of YSL’s shoes as the red sole mark used by Louboutin as the evidence has already established the fame and recognition that the mark has obtained. Furthermore, the fact that YSL is another luxury designer is additional evidence that they are well aware of the mark used by one of their luxury competitors.

## **PART VI: “POST LOUBOUTIN II” DECISION**

The Court’s decision in Louboutin leaves many questions unanswered in regards to post-sale confusion with color. Yet, both sides in the case claimed a victory. While Louboutin’s trademark was modified by the Patent and Trademark Office (PTO), the PTO acknowledged that it was a valid mark once modified.<sup>86</sup> Harley Lewin, the attorney for the fashion house stated the decision

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<sup>84</sup> See Louboutin II at 454.

<sup>85</sup> See generally *Rolex Watch U.S.A., Inc., v. Canner*, 645 F. Sup. 484 (United States District Court, S.D. Florida, Miami Division, 1986). See also *Rolls-Royce Motor Ltd., v. A & A Fiberglass, Inc.*, 428 F. Supp. 689 (N.D.Ga. 1976) (considering a case where the court found in favor of Rolls-Royce Motors in an action against a manufacturer of automobile customizing kits, claiming that one of the defendant’s kits infringed on its grill and hood ornamentation designs).

<sup>86</sup> See generally, “Louboutin II”.

allows Louboutin “to protect a life’s work as the same is embodied in the red sole found on his women’s luxury shoes.”<sup>87</sup> Yet, YSL claimed a victory as well as the fashion house is now allowed to sell women’s shoes that all are red. The attorney who represented YSL stated that the Second Circuit’s decision was a complete victory for YSL for this very reason.<sup>88</sup> While this may be a victory in this sense for both parties, there still are many legal concerns left unanswered by the courts decision and post-sale confusion is still likely to occur.

In May 2013, Louboutin filed suit in the Southern District of New York against Alba Footwear, Easy Pickins, Inc., and Alan H. Warshak, for trademark infringement. The defendants here manufactured and sold counterfeit versions of Louboutin’s red sole. The allegedly infringing shoe produced by Alba is named “Christian” and includes a red sole. The shoe is a leopard print with spikes, but this alone would not have given rise to the infringement claims had Alba not infringed on the Red Sole Mark. The fashion house is asking for two million dollars in damages, injunctive relief, as well as additional damages.<sup>89</sup>

Most recently, another shoemaker has marketed shoes with red soles. In June 2013, Louboutin brought a claim for trademark infringement against Charles Jourdan, a lower end designer for selling red soled shoes at the shoe chain Designer Shoe Warehouse (DSW) at locations in Brooklyn and Manhattan in addition to listing the shoes for sale on their website, DSW.com. The case was filed in New York federal court but within a month, the parties reached a settlement agreement.<sup>90</sup> Since the details of the settlement are not public, it is unknown exactly

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<sup>87</sup> See “Both Sides Claim Victory in YSL v. Louboutin Shoe Case”, Hannah Elliot, Forbes Staff. September 5, 2012.

<sup>88</sup> *Id.*, (“The Court has conclusively ruled that YSL’s monochromatic red shoes do not infringe any trademark rights of Louboutin, which guarantees that YSL can continue to make monochromatic shoes in a wide variety of colors, including red.”)

<sup>89</sup> See “Louboutin files One of Its First Post-YSL Lawsuits”, The Fashion Law, May 2013. <http://www.thefashionlaw.com/?p=12548> (Last visited: October 21, 2013).

<sup>90</sup> See “Louboutin’s Latest Shoe Lawsuit is Comparatively Boring”, Charlotte Cowles. New York Magazine. July 16, 2013. (“In contrast to the YSL vs. Louboutin suit, this case was much less dramatic.”) (“The opposing parties came to an amicable settlement.”)

how much the two designers settled for or any concessions that were made. But, the use of the red sole by Charles Jourdan would constitute post-sale confusion by the casual observer. Additionally, there could have been the potential for point-of-sale confusion if the purchaser truly believed that they were purchasing a pair of Louboutin shoes. Although it is highly unlikely that a consumer would even find a pair of Louboutin's for sale at DSW, a discount shoe chain. Allowing lawsuits such as this is not in the judicial economy of the court, not only in New York but in the Second Circuit, or any other jurisdictional venue in which a fashion case regarding confusion, most specifically post-sale confusion would occur. The lack of clarity on this type of infringement leaves many unanswered questions.

## **CONCLUSION**

The modification of Louboutin's trademark by the Court of Appeals for the Second Circuit allows for post-sale confusion as there is likely to be confusion among non-purchasers who see the monochromatic red shoes. The Second Circuit did not go far enough in its decision and should have held that Louboutin's trademark should apply to the monochromatic red shoe and not just the color contrasting shoes. In the fashion industry, color plays a prominent role as a means of creativity and design and therefore the court should protect both the monochromatic red shoes as well as the color contrasting red shoes. The biggest failure of the Second Court was the lack of analysis regarding a likelihood of confusion in the post-sale context.

The Second Circuit in most infringement cases applies the *Polaroid* Factors, a list of eight factors that are non-exhaustive in determining whether a likelihood of confusion exists. It is troubling that the Second Circuit did not even address this issue or apply the *Polaroid* test. Had this test been applied, it can be argued that the Second Circuit would have ruled differently. Most importantly, the failure to address that there was a lack of good faith on behalf of YSL as well

as a high degree of similarity between the products, illustrates the failure of this court.

Furthermore, there exists a close proximity between the products as they are competing fashion houses who produce the same type goods which are sold together in major luxury department stores worldwide. Most importantly, the strength of Louboutin's famous mark should have been discussed by the Second Circuit as this clearly would result in a likelihood of post-sale confusion.

The lack of bridging the gap does not deter the finding that a likelihood of confusion exists. In fact, the products designed by both fashion houses are already competing in the same market. Therefore, this factor, actually weighs in favor of Louboutin since the designers target the same consumer base resulting in a lack of a gap to bridge. Additionally, the lack of actual confusion of consumers is irrelevant in a post-sale confusion analysis as well as the sophistication of consumers. It is important to keep in mind that this analysis is geared toward the general public rather than the consumer who is currently in the store. These two *Polaroid* factors would be more applicable to a point-of-sale confusion analysis rather than an analysis regarding post-sale confusion.

While Louboutin's attorney stated that this case was a victory for the fashion house, as the court held that the designer's color contrasting shoes were entitled to valid trademark protection, this has not stopped Louboutin from filing trademark infringement suits against other designers. Although none of the infringement claims since the YSL suit have been high end fashion houses like YSL, there nonetheless has been infringement by other manufactures. This poses the question of when will these creators realize that the Red Sole Mark belongs to Louboutin. Although post-sale confusion will still exist with cheaper products embodying the red sole mark, the failure of the Court of Appeals for the Second Circuit to even address the issue of post-sale

confusion calls the need for a case either in the Second Circuit or the Supreme Court to address this issue.

Overall, it can be determined that the Second Circuit's failure to address post-sale confusion in the case of *Christian Louboutin v. YSL* is the biggest flaw of the court's ruling that Louboutin's trademark can only be valid on color contrasting shoes. The lack of analysis by the Court is troubling, as in most cases for trademark infringement under the Lanham Act most courts apply an analysis assessing whether or not a likelihood of confusion exists. Different courts use different factors in determining confusion. For instance, the Federal Circuit applies the *DuPont* factors, whereas the Fourth Circuit applies the *Pizzeria Uno* factors. But regardless of the name of the test, the lack of an application by the Court of Appeals for the Second Circuit regarding a likelihood of post-sale confusion had resulted in a decision that future courts will need to reevaluate and possibly overturn. Therefore, the application of the *Polaroid* factors in this case would allow for a likelihood of post-sale confusion to exist and could have resulted in Louboutin's original trademark to be upheld rather than the modification that was issued by the Second Circuit.