

Looks Can Be Deceiving: Aesthetic Functionality In *Louboutin* and Beyond

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I. INTRODUCTION

Aesthetic functionality is a concept that has been the subject of many trademark cases throughout the past several decades. It is an elusive doctrine that has caused a great deal of consternation for the courts in their attempts to create a single standard that balances the protection of seemingly arbitrary product identifiers with the importance of allowing and encouraging free competition. Despite the plethora of cases that have examined and applied this concept, aesthetic functionality still confuses the courts to this day, evidenced by two recent controversial cases examining the concept: *Fleischer Studios v. A.V.E.L.A.* and *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.* (*Louboutin II*).

This Comment will trace the origins of the aesthetic functionality doctrine and explore the ways different courts have applied it. I suggest, as opposed to a single standard, a set of “functionality factors” that courts should consider when determining whether a feature is aesthetically functional—a list that will embrace the policies that the limit on aesthetic functionality was meant to protect, while still accounting for the many different types of features that can be the subject of an aesthetic functionality claim. Lastly, it will apply these factors to the recent *Louboutin* decision.

II. FUNCTIONALITY AND WHY IT MATTERS

The scope of trademark law is codified in the Lanham Act and is meant to protect “any word, name, symbol, or device” that is used “to identify [or] distinguish” a product “from those manufactured or sold by others and to indicate the source of the goods.”¹ Trademarks serve four main functions: they ensure that consumers will be able to identify the goods of an individual seller, signify that all products emblazoned with that mark come from a single source, convey the quality of items bearing the mark, and serve as a “prime instrument [for] advertising” and sales purposes.²

A trademark can be protectable if it is found to be inherently distinctive or if it has secondary meaning.³ A mark that is inherently distinctive is one that is found to be “fanciful, arbitrary, [or] suggestive,” and these marks immediately receive protection.⁴ Other marks, however,

1. 15 U.S.C. § 1127 (2006).

2. 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:2 (4th ed. 2012).

3. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992).

4. 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, *supra* note 2, § 15:1.50.

can only become protected if they “acquire[] distinctiveness, or through secondary meaning.”⁵ Secondary meaning entails that “in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.”⁶

Even if a mark has previously been registered, i.e., classified either as inherently distinctive or having secondary meaning, that mark can be rendered invalid if it is determined that the feature is functional.⁷ Therefore, functionality may be raised as an affirmative defense to a claim of trademark infringement.⁸ Even if a product feature has been established as a symbol of a brand and otherwise qualifies for trademark protection, a finding of functionality trumps all and destroys protection.⁹

The United States Supreme Court has classified a product as functional if it is “essential to the use or purpose of the article or if it affects the cost or quality of the article.”¹⁰ The aim of this seemingly broad test is to protect free competition in commerce and ensure that other companies have the ability to create and sell competing products.¹¹ Without this registration bar for functional items, companies would be able to circumvent the intellectual property protections that have been specifically designed for functional features, i.e., patents.¹² As the Supreme Court stated in *Qualitex Co. v. Jacobson Products Co.*, “[I]t is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a *limited time*, after which competitors are free to use the innovation.”¹³ In contrast, trademark law provides continual protection, so a trademark on a functional feature would essentially grant the creator of the product a perpetual patent.¹⁴ Therefore, the functionality limitation on trademarks

5. *Id.*

6. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982).

7. *See Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1067 (9th Cir. 2006) (noting that functional features are ineligible for trademark protection).

8. *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc. (Louboutin II)*, No. 11-3303-CV, 2012 WL 3832285, at *1, *11 (2d Cir. Sept. 5, 2012).

9. *See id.*; *see also* Erin M. Harriman, *Aesthetic Functionality: The Disarray Among Modern Courts*, 86 TRADEMARK REP. 276, 278 (1996) (“‘Fair competition’ prohibits copying a trademark where there is a likelihood of confusion as to the source of a particular product. In the interest of free competition, however, if a trademark is deemed ‘functional,’ it is ineligible for protection regardless of its ability to identify the source of the product and regardless of confusion.” (footnote omitted)).

10. *Inwood Labs.*, 456 U.S. at 850 n.10.

11. *See* 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, *supra* note 2, § 7:65.

12. *See id.*

13. 514 U.S. 159, 164-65 (1995) (emphasis added).

14. *See id.*

prevents awarding unlimited protection under trademark law to a feature that is in actuality better suited for patent protection.

III. UTILITARIAN FUNCTIONALITY VERSUS AESTHETIC FUNCTIONALITY

The concept of functionality can sometimes be applied easily, particularly in cases involving what the courts have specified as utilitarian functionality. Utilitarian functionality is arguably more instinctive than its counterpart, aesthetic functionality, because it relates to either the way the product is made or the product's "practical use."¹⁵ The Supreme Court examined the concept of utilitarian functionality in *Traffix Devices, Inc. v. Marketing Displays, Inc.*¹⁶ There, a manufacturer of outdoor road signs attempted to trademark a spring within the road sign that kept the sign upright in inclement weather.¹⁷ Not only were these springs a unique component of the sign that gave the manufacturer an advantage over competitors' products, but the manufacturer had previously acquired a utility patent on the spring—a fact the court weighed heavily in determining whether the spring was functional.¹⁸ The Court opined, "[T]he dual-spring design is not an arbitrary flourish in the configuration of [the] product; it is the reason the device works."¹⁹ Protecting the spring under a trademark would have been an inappropriate extension of the law; this was clearly the type of element that was meant for patent protection.²⁰ Once the patent on the product expired, classifying the spring as an identifier of the creator of the product and thus granting the spring additional protection would undermine the policy reasons behind granting a limited term for patents.²¹ This was a logical application of the functionality doctrine, in which it was clear that trademark protection was improper.²²

In cases in which the concept of aesthetic functionality comes into play, the analysis is often much more complicated: the feature is not crucial to the operation of the item, but it may arguably still serve a non-

15. See 3 CALLMANN ON UNFAIR COMPETITION, TRADEMARKS & MONOPOLIES § 19:8 (4th ed. 2010).

16. 532 U.S. 23, 27-28 (2001).

17. See *id.* at 25-26.

18. See *id.* at 29-30.

19. *Id.* at 34.

20. See *id.*

21. See *id.*

22. See *id.*

source-identifying purpose.²³ In aesthetic functionality cases, courts are charged with the task of determining whether an aesthetic feature is a mere embellishment or whether it legitimately falls under the definition of functionality—that it is “essential to the use or purpose of the article or [if it] affects the cost or quality of the article.”²⁴

In a case involving a claim of aesthetic functionality, the United States Court of Appeals for the Seventh Circuit illustrated the concept with the straightforward example of the shape of a football.²⁵ The court explained, “[A] firm that makes footballs could not use as its trademark the characteristic oval shape of the football,” because this shape, while an aesthetic element, is “intrinsic to the entire product.”²⁶ The court further explained:

The football’s oval shape is “functional” in the following practical sense: it would be found in all or most brands of the product even if no producer had any desire to have his brand mistaken for that of another producer. A feature functional in this sense—a feature that different brands share rather than a feature designed to differentiate the brands—is unlike those dispensable features of the particular brand that, like an arbitrary identifying name, rivals do not need in order to compete effectively.²⁷

The issues of what can be classified as an element necessary for fair competition and what can be classified as an arbitrary, dispensable feature have been particularly litigious in cases of aesthetic functionality. These determinations are rarely obvious, and due to the broad nature of the aesthetic functionality standards set out by many courts, the concept has led to both legitimate and outlandish claims.

IV. AESTHETIC FUNCTIONALITY IN THE COURTS

The first case to apply aesthetic functionality was *Pagliero v. Wallace China Co.*²⁸ There, a manufacturer of hotel china sued a competitor for trademark infringement, arguing that the decorative patterns on its china were protected.²⁹ In an opinion that set the concept

23. See Nancy Clare Morgan, *Aesthetic Appeal: The Blending of Aesthetics and Usefulness in Design Can Result in Challenges to the Theoretical Foundation of Trademark Law*, L.A. LAW., Feb. 2012, at 34, 36 (“Unlike utilitarian functionality, aesthetic functionality assumes that the feature for which protection is sought has no conventional use, such as making the product work better or reducing manufacturing cost. Rather, its purpose is to compel people to buy the product.”).

24. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.10 (1982).

25. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 339 (7th Cir. 1985).

26. *Id.*

27. *Id.*

28. 198 F.2d 339 (9th Cir. 1952).

29. See *id.* at 340.

of aesthetic functionality into motion, the court held that the designs were functional elements of the china because they were “one of the essential selling features of hotel china.”³⁰ It found that allowing trademark protection for the designs would “render [the manufacturer] immune from the most direct and effective competition.”³¹ Essentially, this case required the court for the first time to consider whether decoration could serve as a function, and in considering the effects of attractive design on consumer demand, the court held that it could.³² In its expansion of the notion, the Ninth Circuit set forth a standard that classified as functional any feature that “is an important ingredient in the commercial success of the product,” that is not “a mere arbitrary embellishment,” and is “unrelated to basic consumer demands in connection with the product.”³³

The court’s effort in *Pagliero* was the first of many attempts to articulate a standard for aesthetic functionality. However, the problems inherent in such a broad standard were brought to light in later cases. For example, in *Keene Corp. v. Paraflex Industries, Inc.*, the United States Court of Appeals for the Third Circuit found the *Pagliero* standard problematic because it discourages creative and aesthetically appealing design.³⁴ It explained that the more attractive and successful the design, the less protection it would receive; any competitor could then copy the design and claim that it is functional because consumers like it.³⁵ In noting the problems inherent in such a test, the court stated, “[I]t would be unfortunate were we to discourage use of a spark of originality which could transform an ordinary product into one of grace.”³⁶

In *Paraflex*, the feature in question was the design of an outdoor, wall-mounted, lighting fixture.³⁷ Keene claimed that the design of its luminaire, which was created to be visually compatible with the building on which it was mounted, could not be functional because luminaires are “use[d] in areas where aesthetics are not important.”³⁸ The court, however, disagreed, holding that aesthetics do matter and further that “there are only a limited number of configurations or designs for a luminaire which are architecturally compatible with the type of structures

30. *Id.* at 343.

31. *Id.* at 344.

32. *See id.* at 343-44.

33. *Id.* at 343.

34. 653 F.2d 822, 825 (3d Cir. 1981).

35. *See id.*

36. *Id.*

37. *See id.* at 823.

38. *Id.* at 826.

on which they are placed.”³⁹ In contrast to a “wine bottle or ashtray design,” the design of a wall-mounted luminaire does not have “unlimited boundaries.”⁴⁰ The standard asserted by the Third Circuit in this case was that functionality hinges on “the extent to which the design feature is related to the utilitarian function of the product.”⁴¹ Because the court considered architectural compatibility with the structure to be part of the luminaire’s design, its aesthetics were intertwined with its function.⁴²

The Supreme Court’s treatment of aesthetic functionality has been unclear. In fact, it is debatable whether the Supreme Court has given attention to the concept of aesthetic functionality at all.⁴³ While the Court settled that a color may be eligible for trademark protection in *Qualitex v. Jacobson Products Co.*,⁴⁴ it is uncertain whether the precedent set by this case was meant to apply to all aesthetic functionality cases or whether the central issue simply focused on trademark protection of a color.⁴⁵ Six years later, in *TraFFix*, which concerned utilitarian functionality, the Court stated that based on *Qualitex*, “[I]t is proper to inquire into a ‘significant non-reputation-related disadvantage’ in cases of aesthetic functionality.”⁴⁶ The opinion suggests that this inquiry should be applied after the utilitarian functionality test enunciated in *Inwood*: an element is functional “when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.”⁴⁷ Some courts have found this functionality analysis, based on a merging of *Inwood* and *Qualitex*, to be persuasive, including the Second Circuit, which recently approved (but did not apply) this standard in *Louboutin II*.⁴⁸ However,

39. *Id.* at 827.

40. *Id.*

41. *Id.* at 825.

42. *Id.* at 823.

43. See Yevgeniy Markov, *Raising the Dead: How the Ninth Circuit Avoided the Supreme Court’s Guidelines Concerning Aesthetic Functionality and Still Got Away with It in Au-Tomotive Gold*, 6 NW. J. TECH. & INTELL. PROP. 197, 197-98 (2008).

44. 514 U.S. 159, 174 (1995).

45. 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, *supra* note 2, § 7:80 (stating that *Qualitex* only mentioned aesthetic functionality one time in the case, apart from “two quotations made in passing from the Restatement” and that the assertion that aesthetic functionality was the central question of *Qualitex* is “amazing and incomprehensible”).

46. *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001) (quoting *Qualitex v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995)).

47. *Id.*

48. No. 11-3303-CV, 2012 WL 3832285, at *214 n.5 (2d Cir. Sept. 5, 2012).

the Supreme Court's language has been considered dicta by several commentators and has not been followed consistently.⁴⁹

In *Wallace International Silversmiths v. Godinger Silver Art Co.*, a manufacturer of silver products adorned with baroque-style roots, scrolls, curls, and flowers attempted to enjoin another silver manufacturer from selling silverware with a similar baroque style.⁵⁰ Like the Third Circuit in *Paraflex*, the United States Court of Appeals for the Second Circuit deemed the *Pagliari* standard too broad, and stated that the Ninth Circuit should have considered whether “comparably attractive patterns were . . . available to the competitor.”⁵¹ However, the court ultimately found that, like the designs in *Pagliari*, the baroque style was aesthetically functional, because trademarking basic elements of baroque style would bar all competitors from the market.⁵² Had the manufacturer been able to point to a *single* baroque style as the company's trademark, the court suggested that there could have been a valid trademark, because other baroque alternatives would still be available.⁵³ In its rejection of *Pagliari*, the Second Circuit adopted the following guideline for a determination of aesthetic functionality: if trademarking the ornamental feature “would significantly hinder competition by limiting the range of adequate alternative designs,” the ornamental feature is seen as aesthetically functional and therefore not eligible for trademark protection.⁵⁴ More recent Second Circuit cases have embraced this language, along with that provided by the Supreme Court in *Qualitex* and *Traffix*.⁵⁵

49. See Markov, *supra* note 43, at 201-03; see also Harriman, *supra* note 9, at 276-77 (“Although dicta in the Supreme Court's recent decision in [*Qualitex*] appears to embrace the theory of aesthetic functionality, it does little to settle the split among the circuits. This creates an ideal situation for Supreme Court review.” (footnotes omitted)); Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co., 550 F.3d 465, 487-88 (5th Cir. 2008) (“Nevertheless, neither *Qualitex* nor *Traffix* addressed aesthetic functionality as the dispositive issue We do not believe that the Court's dictum in *Traffix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality.”); Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc., 679 F.3d 410, 418 (6th Cir. 2012) (stating that the Supreme Court has discussed aesthetic functionality in dicta, but the Sixth Circuit has not decided which test it would use or whether it has adopted the doctrine at all).

50. 916 F.2d 76, 77-78 (2d Cir. 1990), *abrogated on other grounds by* Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996 (2d Cir. 1995).

51. *Id.* at 80.

52. See *id.* at 81.

53. See *id.* at 82.

54. *Id.* at 81.

55. *Louboutin II*, No. 11-3303-CV, 2012 WL 3832285, at *221 (2d Cir. Sept. 5, 2012) (“Although we have not recently had occasion to apply the doctrine of aesthetic functionality thus enunciated by the Supreme Court, it is clear that the combined effect of *Qualitex* and *Traffix* was to validate the aesthetic functionality doctrine as it had already been developed by this Court in *Wallace International Silversmiths* [and other earlier cases].”).

Employing a somewhat similar standard, the United States Court of Appeals for the Federal Circuit has analyzed aesthetic functionality in terms of a competitive need.⁵⁶ In *Brunswick Corp. v. British Seagull Ltd.*, a manufacturer of boat outboard engines that had consistently colored its engines black attempted to trademark the color for this purpose.⁵⁷ The court upheld the finding of the United States Patent and Trademark Office's Trademark Trial and Appeal Board that the color black was functional.⁵⁸ The court agreed with the Board that black engines are more desirable to customers than engines of other colors, because black makes the engine look smaller and coordinates well with other colors.⁵⁹ To the court, these were sufficient nontrademark functions that would create a competitive advantage for the party claiming the mark, because the color black for outboard engines was needed by all engine manufacturers in order to compete effectively.⁶⁰

The Seventh Circuit analyzed aesthetic functionality in the context of a cookbook.⁶¹ In *Publications International, Ltd. v. Landoll, Inc.*, the Seventh Circuit stated, "If consumers derive a value from the fact that a product looks a certain way that is distinct from the value of knowing at a glance who made it, then it is a nonappropriable feature of the product."⁶² In that case, a cookbook publisher, Publications International (PIL), filed a claim of trade dress infringement against Landoll.⁶³ PIL claimed that it had a distinctive trademark for its cookbooks consisting of large pages, an oilcloth cover, and gilded edges.⁶⁴ The court held that these features did not solely serve a nontrademark purpose.⁶⁵ First, the large pages were functional, because someone using a cookbook presumably would want to lay the cookbook flat on a kitchen counter to consult while cooking, and the large pages were conducive to this.⁶⁶ Second, the oilcloth cover was functional, because it is easier to clean than a regular book cover, and dirtying the cover of a cookbook is not an unusual occurrence.⁶⁷ Finally, the function of gilded pages was twofold: first, it "prevent[ed] the unsightly appearance" of the edges of the book reflecting the

56. *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531 (Fed. Cir. 1994).

57. *Id.* at 1529.

58. *See id.* at 1533.

59. *See id.*

60. *See id.*

61. *Publ'ns Int'l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 341-43 (7th Cir. 1998).

62. *Id.* at 339.

63. *Id.* at 338.

64. *Id.* at 341.

65. *See id.* at 343.

66. *Id.* at 342.

67. *Id.*

“bleeding” that results when a photo runs to the end of the page; second, the gold color gave the book a lavish, luxurious look—an effect that is often desired when it comes to upscale food products.⁶⁸ These features, therefore, were ineligible for trademark protection.⁶⁹

In more recent cases in the Seventh Circuit, however, it appears that this circuit has adopted the Supreme Court’s standard. *Jay Franco & Sons, Inc. v. Franek* presented the Seventh Circuit with an opportunity to analyze the functionality of a round beach towel marketed for both its aesthetic appeal (a round beach towel is a stylish alternative to a rectangular towel) as well as its usefulness (a round beach towel allows a sunbather to rotate positions without rearranging the towel).⁷⁰ While the court found the round beach towel functional under the *Inwood* inquiry, it also looked to *Qualitex* to determine whether there was a significant non-reputation-related disadvantage.⁷¹ In consideration of the aesthetic aspects of the round beach towel, which was marketed as a fashion statement, the court found: “[F]ashion is a form of function. A design’s aesthetic appeal can be as functional as its tangible characteristics.”⁷² Therefore, the court found that allowing exclusive use of the round towel “would put competitors at a significant non-reputation-related disadvantage.”⁷³

Of all the circuits that have considered the doctrine of aesthetic functionality, the doctrine has arguably gone through the strangest evolution in the circuit where it first received judicial attention: the Ninth Circuit. After *Pagliari*, the next major Ninth Circuit case to consider aesthetic functionality was *International Order of Job’s Daughters v. Lindeburg & Co.*⁷⁴ In that case, Job’s Daughters, a women’s fraternal group, filed a trademark infringement claim against Lindeburg, a jewelry company that used the Job’s Daughters logo on jewelry without permission.⁷⁵ The court examined whether Lindeburg’s use of the Job’s Daughter’s insignia was meant for a source-identification purpose or a functional purpose, ultimately finding that the Job’s Daughters insignia was aesthetically functional.⁷⁶ The reasoning behind this decision was that the Job’s Daughter’s logo was functional in that it had intrinsic value

68. *Id.*

69. *See id.* at 341-42.

70. 615 F.3d 855, 857 (7th Cir. 2010).

71. *See id.* at 859-60.

72. *Id.* at 860.

73. *Id.*

74. 633 F.2d 912 (9th Cir. 1980).

75. *See id.* at 914.

76. *See id.* at 917-20.

to the consumer; people chose the Job's Daughters jewelry designed by Lindeburg to communicate their allegiance to the organization, not because they believed it originated with Job's Daughters.⁷⁷ The court explained:

[O]ur jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, the schools we attend, the landmarks we have visited, the sports teams we support, the beverages we imbibe. Although these inscriptions frequently include names and emblems that are also used as collective marks or trademarks, it would be naive to conclude that the name or emblem is desired because consumers believe that the product somehow originated with or was sponsored by the organization the name or emblem signifies.⁷⁸

Essentially, what this case seemed to suggest was that if a logo served some purpose other than simply conveying the origin of the product, then that secondary purpose would be considered functional. The case was never overruled but was criticized by other courts.⁷⁹ It was a troublesome opinion because the court created an overly broad allowance for aesthetic functionality claims; unless there was evidence that consumers would be misled about the origin of the product as a result of an appropriated logo, it would not likely be considered a feature protected by trademark law.

The next major case to shape aesthetic functionality in the Ninth Circuit was *Vuitton et Fils S.A. v. J. Young Enterprises, Inc.* Young began manufacturing handbags with an allover print that was “remarkably similar” to the well-known “LV” fleur-de-lis print that adorns most Louis Vuitton handbags and luggage.⁸⁰ Louis Vuitton sued for trademark infringement; Young claimed Louis Vuitton's design was functional.⁸¹ Following *Pagliero*, the United States District Court for the Central District of California held that Louis Vuitton's pattern “constitute[d] the primary decoration of those goods and [was] a factor in their consumer appeal and saleability,” therefore classifying the print as a functional element of the goods.⁸² Specifically, Young argued that in the market of designer handbags, the products “must [fulfill] aesthetic requirements of consumers.” The designs are central to consumer appeal, and therefore

77. See *id.* at 918.

78. *Id.*

79. See *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 340 (7th Cir. 1985); see also *Alpha Tau Omega Fraternity, Inc. v. Pure Country, Inc.*, No. IP 01-1054-C-B/F, 2004 WL 3391781, at *3 (S.D. Ind. Oct. 26, 2004) (“[The] notion of aesthetic functionality [from *Job's Daughters*] has not generally caught on elsewhere.”).

80. See *Vuitton et Fils S.A. v. J. Young Enters., Inc.*, 644 F.2d 769, 772 (9th Cir. 1981).

81. See *id.* at 771.

82. *Id.* at 773.

are functional.⁸³ Following this reasoning, a feature that makes a handbag aesthetically pleasing is functional⁸⁴

On appeal, the Ninth Circuit held that the district court failed to consider a great deal of evidence before finding that the print was functional as a matter of law.⁸⁵ One factor that the court took into consideration was the intent of the trademark holder to have the mark serve as a source identifier.⁸⁶ Comparing *Vuitton* to *Pagliari*, the court noted that in *Pagliari*, the designs on the china had initially been used solely to beautify, while in *Vuitton*, the design had been officially registered for decades before the litigation began.⁸⁷ The court took this to mean that the mark was in large part intended to identify Louis Vuitton products and not to serve as a decorative element.⁸⁸ Further, the court acknowledged that carrying a particular bag can be a symbol of prestige, so there was a greater likelihood that the Louis Vuitton print served as more of a status symbol than an attractive design.⁸⁹ Reflecting on *Vuitton* in a later case, the Ninth Circuit in *Au-tomotive Gold, Inc. v. Volkswagen of America, Inc.* explained, “the mere fact that the mark is ‘the benefit that the consumer wishes to purchase’ will not override trademark protection if the mark is source-identifying.”⁹⁰ The court went on to acknowledge that in *Vuitton*, “aesthetic functionality was dealt a limiting but not fatal blow.”⁹¹

In *Au-Tomotive Gold*, a maker of key chains and license plate covers made an argument somewhat similar to that made by Young in *Vuitton*. Au-Tomotive Gold’s products were adorned with Volkswagen and Audi marks, despite Volkswagen and Audi’s refusal to authorize this use.⁹² Au-Tomotive Gold’s argument in support of its use of the marks was that the logos are functional because they embody “the actual benefit that the consumer wishes to purchase.”⁹³ The United States District Court for the District of Arizona agreed, finding that “[t]he VW and Audi logos are used not because they signify that the license plate or key ring was manufactured or sold (i.e., as a designation of origin) by Volkswagen

83. See *id.* at 774.

84. See *id.*

85. See *id.* at 776. The Ninth Circuit remanded for a trial on the issue of functionality.

Id.

86. See *id.* at 773-74.

87. See *id.*

88. See *id.* at 774.

89. See *id.*

90. 457 F.3d 1062, 1069 (9th Cir. 2006).

91. *Id.*

92. See *id.* at 1065.

93. See *id.* at 1064.

or Audi, but because there is a[n] aesthetic quality to the marks that purchasers are interested in having.”⁹⁴ The Ninth Circuit noted that certain famous trademarks have acquired a popular consumer appeal unrelated to the traditional purpose of denoting source—e.g., the Nike Swoosh and sports franchise logos.⁹⁵ However, acknowledging that a ruling in favor of Au-Tomotive Gold “would be the death knell for trademark protection,” the Ninth Circuit reversed.⁹⁶ It held that Au-Tomotive Gold’s argument was based on an antiquated and primitive interpretation of aesthetic functionality and ultimately chose to follow the *Qualitex* standard—whether “exclusive use of [the marks] would put competitors at a significant non-reputation-related disadvantage.”⁹⁷ In finding that the marks were not functional under *Qualitex*, the Ninth Circuit emphasized that the use of the marks was not based on aesthetics and “the alleged aesthetic function is indistinguishable from and tied to the mark’s source-identifying nature.”⁹⁸

However, in 2011, the Ninth Circuit’s reassessment of *Fleischer Studios, Inc. v. A.V.E.L.A., Inc. (Fleischer I)* demonstrated that this court still struggles with the concept. The case was highly controversial, both procedurally and because of the implications of its holdings. Essentially, the facts of this case were as follows: Animator Max Fleischer created the classic character known as Betty Boop in the 1930s and licensed it for use in toys and other products.⁹⁹ After about a decade, Fleischer dissolved his production studio and sold his rights to the character and cartoons.¹⁰⁰ In the 1970s, Fleischer’s survivors purchased the rights to the original Betty Boop character and began licensing the character for use in various types of merchandise.¹⁰¹ At some point, Fleischer Studios discovered A.V.E.L.A.’s use of the Betty Boop character on dolls, t-shirts, and handbags and sued for trademark infringement.¹⁰² The United States District Court for the Central District of California dismissed Fleischer’s claim based on procedural errors.¹⁰³ On appeal, the Ninth Circuit affirmed, but based on a sua sponte analysis of aesthetic functionality

94. *Id.* at 1066.

95. *See id.* at 1067.

96. *Id.* at 1064.

97. *Id.* at 1074 n.9 (quoting *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001)).

98. *Id.* at 1074.

99. *See Fleischer I*, 636 F.3d 1115, 1117 (9th Cir. 2011), *withdrawn and superseded*, 654 F.3d 958 (9th Cir. 2011).

100. *See id.* at 1117-18.

101. *See id.* at 1118.

102. *Id.* at 1122.

103. *See id.* at 1118.

under the precedent of *Job's Daughters*.¹⁰⁴ The court stated in a February 2011 opinion that A.V.E.L.A. was not using Betty Boop to suggest origin or that the merchandise was official Betty Boop merchandise.¹⁰⁵ Instead, the court explained, “Just as in *Job's Daughters*, Betty Boop ‘w[as] a prominent feature of each item so as to be visible to others when worn.’”¹⁰⁶ The court held that Betty Boop was an invalid trademark, because it was aesthetically functional.¹⁰⁷

The Ninth Circuit’s curious decision in *Fleischer I* was very contentious. It sparked amici briefs from entities such as Major League Baseball¹⁰⁸ and the Motion Picture Association of America,¹⁰⁹ and many feared the effects this decision would have on licensing rights and trademark law as a whole.¹¹⁰ But the implications of this decision were short-lived. Six months later, the Ninth Circuit withdrew the February opinion and issued a new decision to replace it on August 19, 2011.¹¹¹ The August decision did not contain a single mention of the concept of aesthetic functionality.¹¹² Rather than explaining its reasoning for withdrawing the February opinion, which might have provided further guidance as to when the application of aesthetic functionality is appropriate, the court simply said nothing.¹¹³ Thus, the importance of *Fleischer II* seems to have centered not on what the court said, but on what it did not say. As a commentator recently stated, “[B]y withdrawing *Fleischer I*, the Ninth Circuit intentionally avoided an opportunity to resolve the issues regarding the uncertainty of [aesthetic functionality] and the court’s own precedent.”¹¹⁴

V. PROBLEMS INHERENT IN A UNIFORM STANDARD

As described *supra*, the courts have come to many different conclusions in their attempts to carve out an all-encompassing standard

104. *See id.* at 1122.

105. *Id.* at 1124.

106. *Id.* (quoting Int’l Order of Job’s Daughters v. Lindeburg & Co., 633 F.2d 912, 919 (9th Cir. 1980)).

107. *See id.* at 1124-25.

108. Brief of Amici Curiae Major League Baseball Properties, Inc., et al., *Fleischer I*, 636 F.3d 1115 (No. 09-56317), 2011 WL 3281852.

109. Brief of Amicus Curiae Motion Picture Ass’n of America, *Fleischer I*, 636 F.3d 1115 (No. 09-56317), 2011 WL 3281853.

110. *Id.* (quoting Int’l Order of Job’s Daughters v. Lindeburg & Co., 633 F.2d 912, 920 (9th Cir. 1980)).

111. *Fleischer II*, 654 F.3d 958, 960 (9th Cir. 2011).

112. *Id.* at 958-71.

113. *Id.*

114. Morgan, *supra* note 23, at 34, 38.

for aesthetic functionality, but many of the circuits are still split on how to analyze new aesthetic functionality claims. The likely reason for this confusion is the varying nature of the allegedly aesthetic features in these cases: a standard that supports a finding of functionality in the case of a color might not fit a case where a party is claiming that a logo is functional. As the Ninth Circuit explained in *Au-Tomotive Gold* in comparing the aesthetic functionality claim of the Volkswagen and Audi logos in that case to the cookbooks in *Publications International* and the black engines in *Brunswick*, “[I]t is difficult to extrapolate from cases involving a true aesthetically functional feature . . . to cases involving well-known registered logos and company names, which generally have no function apart from their association with the trademark holder.”¹¹⁵

Esteemed trademark commentator J. Thomas McCarthy has advocated for abandonment of the concept of aesthetic functionality entirely, arguing, “Ornamental aesthetic designs are the antithesis of utilitarian designs,”¹¹⁶ but it is clear from several of the cases mentioned *supra* that there is a place for it in analyzing legitimate trademarks. The problem is that there are holes in the standards. For example, in *Paraflex*, the Third Circuit considered the relationship between the design feature and the utilitarian function of the product. Specifically, it stated that if a design feature is completely unrelated to the utilitarian function of the product, then it may be protected as a trademark.¹¹⁷ The problem inherent in such a standard is that the utilitarian function of the product is not always clear. In the case of *Louis Vuitton*, it could be argued that the utilitarian purpose of a handbag is to carry one’s belongings, so the design on the handbag does not interfere with the handbag’s ability to carry these items and would not be functional. However, in the world of designer purses, it can also be argued that the utilitarian function of the bag is to complement one’s outfit or to make a statement about which designer a person is carrying. In those situations, the design on the bag would be related to its utilitarian purpose.

Another example is the standard suggested by the Second Circuit in *Wallace International Silversmiths*. “[W]here an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs,

115. *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1073 (9th Cir. 2006).

116. 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, *supra* note 2, § 7:81.

117. *See Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3d Cir. 1981).

the aesthetic functionality doctrine denies such protection.”¹¹⁸ In order to employ such a standard, the court must be able to identify the relevant market to determine whether the range of designs has been limited.¹¹⁹ However, in *Wallace*, the court failed to provide any guidance in terms of how to define this market.

A recent article in the University of Houston Law Review highlighted the problem of determining the relevant market, arguing that courts have never been able to articulate a methodology of doing so.¹²⁰ The author illustrated this problem with the case of *Dippin’ Dots, Inc. v. Frosty Bites Distribution, Inc.*, where the court analyzed whether the bead-like consistency of flash-frozen ice cream was functional and whether Frosty Bites would be excluded from the market and unable to compete if Dippin’ Dots trademarked the consistency of their ice cream.¹²¹ The court in that case held that the consistency of Dippin’ Dots’ flash-frozen ice cream was functional and explained that the relevant market was for flash-frozen ice cream, “which is . . . a different market from more traditional forms of ice cream.”¹²² As the author notes, there is no methodology for determining whether a market exists, and while this may very well have been the correct determination in this case, it was a decision based on nothing more than intuition.¹²³

The guidance on aesthetic functionality that has been provided by the Supreme Court, as discussed *supra*, is vague, and its precedential value is uncertain.¹²⁴ While several courts have utilized the *Qualitex* test, which requires the court to determine whether allowing the trademark-holder exclusive use of a mark would put competitors at a significant non-reputation-related disadvantage, this language is broad, and the Court has not provided further assistance about what specific factors to consider when applying this standard.¹²⁵

What results from this confusion are frivolous claims of functionality that, on a visceral level, seem wrong. In *Vuitton*, the Louis Vuitton print was a unique source-identifying pattern that was developed by the designer as a way to distinguish their products and convey an

118. *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 81 (2d Cir. 1990), *abrogated on other grounds by Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996 (2d Cir. 1995).

119. See Harriman, *supra* note 9, at 300 (citing Diana E. Pinover, *Aesthetic Functionality: The Need for Foreclosure of Competition*, 83 TRADEMARK REP. 571, 602 (1993)).

120. Mark P. McKenna, *(Dys)functionality*, 48 HOUS. L. REV. 823, 830 (2011).

121. 369 F.3d 1197 (11th Cir. 2004).

122. *Id.* at 1203 n.7.

123. McKenna, *supra* note 120, at 832.

124. See *id.* at 858-59.

125. See *id.* 829-30.

essence of luxury and quality.¹²⁶ Allowing a competing designer to appropriate the pattern simply because this pattern is desired by the public flies in the face of why trademark laws were developed. However, despite this obvious criticism, this is not how *Vuitton* was initially decided at the district court level.¹²⁷ Following the standard in *Pagliari*,¹²⁸ the district court held that the Louis Vuitton pattern was a key factor in the consumer appeal of its products, which led to an appeal in which the Ninth Circuit highlighted the holes in the district court's reasoning.¹²⁸ Based on instinct alone, it is shocking that the claim even went this far. And the court's 1981 decision in *Vuitton*, in which it rejected the *Pagliari* standard, did not deter the aesthetic functionality claim in *Au-Tomotive Gold* in 2006 or the court's sua sponte aesthetic functionality analysis in *Fleischer I* in 2011.

What the courts should be aiming to articulate is a list of factors to consider, rather than a single standard. A list of factors would give the courts more leeway in allowing them to balance the policies of trademark law that dominate the functionality debate. It would allow courts to deny a functionality claim that appears to be an overextension of the doctrine on its face. Further, it would give the courts more guidance in deciding trickier cases, providing various specific elements to consider.

One flaw inherent in utilizing a nonexclusive list of factors as a guideline as opposed to a single standard is the possibility of inconsistent rulings. However, based on the history of courts' complicated application of aesthetic functionality, this Comment takes the position that the positives of applying a list of factors outweigh the negatives. Further, the use of nonexclusive factors is not foreign to intellectual property law. For example, courts apply a series of factors in order to determine likelihood of confusion in trademark infringement claims, as discussed in *AMF Inc. v. Sleekcraft Boats*.¹²⁹ These factors are "not applied mechanically," and courts may consider factors based on their "relevance and importance."¹³⁰ Thus, despite the shortcomings of employing a list of factors to draw a legal conclusion, courts have been amenable to using them.

Having a list of factors instead of a single standard would promote a more intuitive use of aesthetic functionality. It would likely deter the use

126. *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 89 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983) (per curiam).

127. *Id.*

128. *See Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 773 (9th Cir. 1981).

129. 599 F.2d 341, 348-49 (9th Cir. 1979).

130. *See Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1076 (9th Cir. 2006).

of frivolous functionality defenses and lead parties to settle in situations of obvious trademark infringement, which would promote judicial economy. Having a list of factors that promotes a more holistic approach to aesthetic functionality would provide benefits to the overall goals of trademark law, to the courts, to parties whose trademarks have been unjustly appropriated, and to legitimate competitors in the marketplace.

VI. PROPOSED FUNCTIONALITY FACTORS

As discussed *supra*, this Comment proposes a list of several factors that would help courts decide aesthetic functionality cases in a way that the application of a single standard has not been able to accomplish. The list is nonexclusive. These are not the only factors that courts may consider, and courts may choose to weigh certain factors more heavily than others. These factors are simply meant to serve as basic guidelines for the courts in deciding aesthetic functionality cases, and their collective use is meant to encourage courts to consider aesthetic functionality in terms of policies of trademark law, rather than confining the analysis to a single standard. The factors are as follows: (1) the strength of the non-source-identifying purpose, (2) the originality of the feature and duration of exclusive use, (3) whether there was a demonstrated intent to establish the mark as a trademark, (4) the degree of disadvantage other competitors would face if they were barred from using the feature in their products, and (5) whether the demand for the product is inextricably tied to the trademark itself.

A. *Strength of the Non-Source-Identifying Purpose*

In the many aesthetic functionality cases that have been litigated, various arguments have been asserted about the types of non-source-identifying functions different features can have. In *Deere & Co. v. Farmhand, Inc.*, John Deere, a manufacturer of completed farm machinery and equipment (e.g., tractors), filed an infringement action against Farmhand, a similar company that manufactures only accessories such as “farm attachments and implements.”¹³¹ Deere had become known for using a specific shade of green on its farm equipment and sought an injunction to prevent Farmhand from using this shade of green on its products.¹³² Farmhand claimed that the color green was aesthetically functional and presented testimony from farmers stating “that farmers prefer that their loaders match their tractors, both in their

131. 560 F. Supp. at 88-89.

132. *Id.* at 88.

styling and in their color.”¹³³ While the court acknowledged that “the testimony [was] also clear that no farmer would purchase a loader solely because of its color,” the court was still persuaded by the argument that farmers wanted their equipment to match.¹³⁴

The court ultimately held that the color green was functional in this case.¹³⁵ However, this type of “consumer preference” suggesting functionality based on the fact that farmers simply prefer matching green machinery—particularly in an area that is as unrelated to aesthetics as farming—seems to carry less clout than some other aesthetic functionality cases that this Comment has explored. In *Publications International*, for example, the gilded edges of the cookbook actually served a legitimate purpose (preventing “bleeding”) and communicated something to the consumer (royalty and luxury).¹³⁶ Even in *Brunswick*, where black ship engines were found to be functional because the color black was easily matched to an array of other colors, there was the additional factor that black has the optical effect of making a large engine appear smaller.¹³⁷ In *Deere*, the function seems to be much less substantive than in these two cases: it is based on nothing more than the notion that consumers favor a uniformly colored tractor to one that is dichromatic. In making a determination of functionality, courts should look for something stronger and more substantial than simply a finding that consumers prefer one ornamental feature to another.

Another aspect that can be considered in relation to this element is whether there is a clear connection between the function of the feature and the claimed purpose. For example, in *In re Hudson News Co.*, the Trademark Trial and Appeal Board found that the use of the color blue as the main décor theme for a retail newsstand, including blue neon lighting, carpeting, accents, and employee uniforms, was not functional.¹³⁸ The Examining Attorney presented evidence that blue is a soothing color that competitors should have the benefit of using.¹³⁹ The Board did not discount the evidence that blue is a soothing color, but disagreed that there was a competitive need for the color blue in this context.¹⁴⁰ The Board explained:

133. *Id.* at 91.

134. *Id.* at 92.

135. *Id.* at 101.

136. *Publ’ns Int’l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 342 (7th Cir. 1998).

137. *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531 (Fed. Cir. 1994).

138. *In re Hudson News Co.*, 39 U.S.P.Q.2d (BNA) 1915, 1925 (T.T.A.B. 1996).

139. *Id.* at 1919.

140. *Id.* at 1920.

Even if we were to accept as a fact that blue is a soothing color, we do not see why a blue interior necessarily is beneficial to a retail newsstand. In this connection, there is no evidence to even suggest that a newsstand (or any retail store) with a blue interior would attract more customers and/or increase sales. That people are soothed by or feel good in a blue environment does not necessarily mean that these people, as customers in applicant's newsstand, will buy more products.¹⁴¹

One could argue that just about anything can have a functional purpose. However, as the Board did in this case, it is important for courts to examine the relevance of this functional purpose to ensure that there is a connection and that the claimed function is not too broad or overreaching. The goal of a newsstand retail store is to generate income; if there is no demonstrated effect on the store's ability to generate income, then the color blue should be seen as an arbitrary embellishment, not one that is crucial to the success of the store. There must be a clear and coherent connection between what the feature is claimed to accomplish and what it actually achieves. If the correlation is too attenuated, or too broad, then it would be appropriate for the courts to find that the non-source-identifying feature is weak, therefore weighing against a finding of functionality.

B. Originality of the Feature and Duration of Exclusive Use

The originality of the feature should carry some weight in an aesthetic functionality analysis, particularly if the product it enhances is not unique on its own. In *Qualitex*, a manufacturer of dry cleaning pads was found to have a valid trademark for the use of a green-gold color on its product.¹⁴² While the Supreme Court case focused almost entirely on the question of whether color could be trademarked, the district court's findings in this case demonstrate the importance of originality in a functionality analysis. The district court concluded that Qualitex had instructed its fabric finisher to use the green-gold color, it ran extensive advertising campaigns featuring the gold-green pads, and, over approximately thirty years, Qualitex was the only company to use the green-gold color for dry cleaning pads.¹⁴³

While secondary meaning does not, and should not, trump the functionality bar on trademark law, a long duration of exclusive use is telling of whether or not a feature is functional. From the time the sale of

141. *Id.*

142. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 174 (1995).

143. *Qualitex Co. v. Jacobson Prods. Co.*, 21 U.S.P.Q.2d (BNA) 1457 (C.D. Cal. 1991), *aff'd in part, rev'd in part*, 13 F.3d 1297 (9th Cir. 1994).

dry cleaning pads began, Qualitex had been the only company of its kind to use the green-gold color, while other similar companies turned to other hues.¹⁴⁴ If the feature had been functional, then a competing company would have begun to utilize the feature sooner. In contrast, it is highly unlikely that the cookbook publisher in *Publications International* would have been able to prove that it was the first to utilize gilded edges on a cookbook and that it had done so exclusively for an extended period of time, especially when gilded edges are common on other books.¹⁴⁵ For example, this embellishment is often seen on copies of the Bible. Thus, a long period of extensive use, as well as a determination that a company was the first to make use of a feature, weighs in favor of source-identification and against functionality.

C. Demonstrated Intent To Use the Mark as a Trademark

Closely related to originality and exclusive use, a demonstrated intent to use the mark as a trademark should be contemplated in determining whether a feature is ornamental or aesthetically functional. The most obvious way to make this determination is to inquire into whether the mark was registered, and if so, when it was registered. The Ninth Circuit acknowledged this consideration in *Vuitton* in holding that the Louis Vuitton print was a legitimate trademark, emphasizing that the pattern was entered on the Principal Register of the United States Patent and Trademark Office since August 1979 and was registered with them in 1932.¹⁴⁶ In contrast, the Ninth Circuit noted that the floral china designs in *Pagliari* “were neither trademarked, copyrighted, nor patented.”¹⁴⁷

An additional consideration connected with this factor is whether the company used the particular feature as a component in the majority of its products. As discussed above, in *Qualitex*, the trademark owner used the green-gold color on its entire stock of merchandise.¹⁴⁸ In *Vuitton*, the court stated that “most Vuitton merchandise” is covered with the print.¹⁴⁹ A party’s continuous and extensive use of the feature is useful in determining a finding of intent to establish a feature as a trademark.

144. *Id.*

145. *Publ’ns Int’l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 342 (7th Cir. 1998).

146. *Vuitton et Fils S.A. v. J. Young Enters., Inc.*, 644 F.2d 769, 774 (9th Cir. 1981).

147. *Id.* at 773.

148. *Qualitex*, 21 U.S.P.Q. 2d (BNA) 1457.

149. *Vuitton et Fils S.A.*, 644 F.2d at 772.

D. The Degree of Legitimate Disadvantage Faced by Other Competitors

This factor highlights the importance of free competition that is balanced by trademark law. A solid example of this element is *Wallace Silverware*, where a manufacturer of silver products claimed that the general use of baroque scrolls, curls, and flowers on silver products was a trademark of the company.¹⁵⁰ Unlike in *Qualitex*, where competitors were free to create the same dry cleaning pad if they used another color, trademarking an entire style of silverware would put competitors at a significant disadvantage because of the importance of decorative accents in the market of fine silver products.¹⁵¹

Courts have frequently discussed the availability of alternative designs in determining functionality, but narrowing down this standard to a relevant market is difficult.¹⁵² For example, in *Au-Tomotive Gold*, the manufacturer of accessories bearing the marks of Audi and Volkswagen could claim, as they did, that in the market of Volkswagen and Audi accessories, there are no other adequate designs that would allow them to compete.¹⁵³ This factor emphasizes that the disadvantage faced should be more than simply an inability to use one specific ornamental mark. The disadvantage should be an exclusion from an entire array of designs for which there is true public demand, such as baroque silverware.

E. Demand for the Product Is “Inextricably Tied” to the Trademark Itself

If the demand for the product is “inextricably tied”¹⁵⁴ to the trademark itself, the mark is not functional. In *Au-Tomotive Gold*, the Ninth Circuit acknowledged, “Famous trademarks have assumed an exalted status of their own in today’s consumer culture that cannot neatly be reduced to the historic function of trademark to designate source.”¹⁵⁵ Acknowledging that consumers purchase products for reasons extending beyond source designation, the court held that claiming the logo itself

150. *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 77-82 (2d Cir. 1990), *abrogated on other grounds by* *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996 (2d Cir. 1995).

151. *See id.* at 81.

152. *See* Harriman, *supra* note 9, at 299-301; *see also* McKenna, *supra* note 120, at 830-32.

153. *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1074 n.9 (9th Cir. 2006).

154. *Id.* at 1074.

155. *Id.*

was the aesthetic feature that consumers desire was not an acceptable argument for aesthetic functionality.¹⁵⁶

It is clear that the concept of aesthetic functionality was not developed to allow competitors to appropriate the unique marks developed by retailers to signify their products, despite consumers' desire for products that bear such logos. The reason why these trademarks have reached what the Ninth Circuit describes as an "exalted status" is essentially because of what the mark has come to represent: top quality, efficiency, luxury, sex appeal, opulence, charm, cost, innovation, and other positive qualities.¹⁵⁷ Essentially, there is a reason why marks like the Volkswagen and Audi logos are attractive to consumers, and it is not because they are beautiful. Therefore, an important factor to consider in an aesthetic functionality analysis is whether the function is intertwined with the trademark itself.

VII. THE SAGA CONTINUES: *CHRISTIAN LOUBOUTIN S.A. v. YVES SAINT LAURENT AMERICA HOLDING, INC.*

A. *Facts of the Case*

The concept of aesthetic functionality is alive and well in the courts today, and as the August 2011 *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*, case demonstrates, it is causing as much controversy as ever. Designer Christian Louboutin has become known in the fashion world, as well as general pop culture, for his iconic use of a red lacquered sole on the bottom of his high-end shoes. Retailing for generally \$595 for classic pumps to more than \$2,495 for a pair of python knee-high boots,¹⁵⁸ Louboutin heels have become a true symbol of status and style, and it is the bright red sole embellishing each pair of Louboutins that communicates this statement of luxury.¹⁵⁹ In 2008, the United States Patent and Trademark Office approved registration of the red soles, which Christian Louboutin has used on the bottom of his shoes since 1992.¹⁶⁰

Christian Louboutin filed a lawsuit against designer Yves Saint Laurent (YSL) in 2011 in response to four styles in YSL's 2011 entirely red "Cruise" collection—featuring a red upper and a matching red sole.¹⁶¹

156. *See id.* at 1067-74.

157. *Id.* at 1067.

158. SAKS FIFTH AVE., <http://www.saksfifthavenue.com> (last visited Nov. 12, 2012).

159. *See* *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc. (Louboutin I)*, 778 F. Supp. 2d 445, 447-48 (S.D.N.Y. 2011).

160. *See id.*

161. *Id.* at 449.

Louboutin then moved for a preliminary injunction to prevent YSL's marketing and sale of red-soled shoes during the pendency of the action.¹⁶² YSL counterclaimed, seeking cancellation of the mark under, among other things, the aesthetic functionality doctrine.¹⁶³

In analyzing Louboutin's request for preliminary injunction, the United States District Court for the Southern District of New York first explained that in order to prevail on a motion for preliminary injunctive relief, Louboutin needed to prove "(1) '[I]rreparable harm and (2) either (a) a likelihood of success on the merits, or (b) sufficiently serious questions going to the merits of its claims to make them fair ground for litigation, plus a balance of the hardships tipping decidedly in [its favor].'"¹⁶⁴ In order to prevail on a claim of trademark infringement and unfair competition under the Lanham Act, the court stated that the following two elements must be established: "(1) [the] Red Sole Mark merits protection and (2) YSL's use of the same or a sufficiently similar mark is likely to cause consumer confusion as to the origin or sponsorship of YSL's shoes."¹⁶⁵

The court began with the first question—whether the red sole mark merits protection—in its determination of whether the case would likely succeed on the merits.¹⁶⁶ Acknowledging case law that has determined that color can be a valid trademark in situations involving industrial goods, the district court held that color is per se functional in fashion because of "the unique characteristics and needs—the creativity, aesthetics, taste, and seasonal change—that define production of articles of fashion."¹⁶⁷ The court essentially found that in an area that is as artistic as fashion, holding a color to be a trademark would be detrimental to competition. The ability to trademark a color would put undesirable limits on the creative expression of other designers to use that color to convey a theme or style in their designs, such as Chinese design elements, monochromatic design, and color-coordination.¹⁶⁸ The opinion explained that trademark law is not meant to "countenance restraints that would interfere with creativity and stifle competition by one designer,

162. *Id.*

163. *Id.* at 457.

164. *Id.* at 450 (quoting *Monserrate v. N.Y. State Senate*, 599 F.3d 148, 154 (2d Cir. 2010)).

165. *Id.*

166. *See id.*

167. *Id.* at 451 (citing *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 160 (1995) (green gold color for dry cleaning pads); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985) (pink for fiberglass insulation)).

168. *See id.* at 454.

while granting another monopoly invested with the right to exclude use of an ornamental or functional medium necessary for freest and most productive artistic expression by all engaged in the same enterprise.”¹⁶⁹ After all, Louboutin acknowledged that the functional elements of his red soles were that red gives his shoes energy and makes the wearer more attractive to men.¹⁷⁰ Further, the court expressed a concern that other designers envisioning a head-to-toe red ensemble would have to sacrifice their designs because of Louboutin’s trademark.¹⁷¹ Louboutin’s request for a preliminary injunction was therefore denied, because the court found that Louboutin had not established a likelihood that he would succeed on the merits.¹⁷² Not surprisingly, Louboutin appealed, arguing that the decision “stray[ed] into legal error by announcing a *per se* rule that a single color on a fashion item may not act as a trademark.”¹⁷³

The Second Circuit issued its much-anticipated ruling on September 5, 2012.¹⁷⁴ In examination of the district court’s adoption of a *per se* rule of functionality for color marks in the fashion industry, the court reversed, stating,

[T]he Supreme Court [in *Qualitex*] specifically forbade the implementation of a *per se* rule that would deny protection for the use of a single color as a trademark in a particular industrial context. *Qualitex* requires an individualized, fact-based inquiry into the nature of the trademark, and cannot be read to sanction an industry-based *per se* rule.¹⁷⁵

In short, the Second Circuit rejected the main line of reasoning employed by the district court in determining whether Louboutin would have a likelihood of success on the merits.¹⁷⁶ However, the Second Circuit ultimately affirmed the district court’s denial of a preliminary injunction, but based on other grounds.¹⁷⁷ In turning to whether the red sole itself is functional, the court set out the framework of examining whether a trademark infringement claim merits protection: first, it needed to determine whether it merits protection as a mark that is either

169. *See id.* at 453.

170. *See id.*

171. *Id.* at 454.

172. *Id.* at 457-58. Because of this finding, the court did not continue on to discuss the issue of consumer confusion, nor did it discuss the second element necessary for a preliminary injunction: whether Louboutin would suffer irreparable harm. *Id.* at 457.

173. Brief for Plaintiffs—Counter-Defendants—Appellants at 1, *Louboutin II*, No. 11-3303-CV, 2012 WL 3832285 (2d Cir. Sept. 5, 2012), 2011 WL 5031696, at *33.

174. *Louboutin II*, 2012 WL 3832285, at *1.

175. *Id.* at *10.

176. *See id.* at *11.

177. *See id.* at *30.

inherently distinctive or one that has acquired secondary meaning.¹⁷⁸ Then, it would determine a likelihood of consumer confusion.¹⁷⁹ Finally, it would consider the aesthetic functionality affirmative defense.¹⁸⁰

The analysis stopped after the first inquiry: whether the red sole merits protection.¹⁸¹ The court found that it did not merit protection because Louboutin had established distinctiveness only for a contrasting use of the red sole.¹⁸² In other words, Louboutin's use of the red sole had acquired secondary meaning, but only when the rest of the shoe was not red.¹⁸³ The court then modified Louboutin's trademark to reflect this clarification.¹⁸⁴ The effect of this determination in this case, then, was that the court ultimately held that there was no infringing use.¹⁸⁵ Since the Second Circuit modified the trademark as meriting protection only when the red sole contrasts with the rest of the shoe, there was no infringement of Louboutin's mark because the YSL shoe that prompted the litigation was a monochromatic red shoe with a red upper and matching red sole.¹⁸⁶ This amendment to Louboutin's trademark in effect allows YSL and any other designer the right to produce monochromatic red shoes featuring a red sole, because the validity of the Louboutin trademark only applies to a contrasting use.¹⁸⁷ Because the court ultimately held that there was no infringing use, the question of whether Louboutin's red sole is functional—the original question presented by this litigation—remains unanswered.¹⁸⁸

178. *See id.* at *11-12.

179. *See id.*

180. *See id.*

181. *See id.* at *30.

182. *See id.* at *29.

183. *Id.* at *27-29.

184. *See id.* at *30. A court may modify a trademark in any action involving a registered mark pursuant to 15 U.S.C. § 1119 (2006). *Id.* at *30 n.26.

185. *See id.*

186. *See id.*

187. *See id.*

188. *See id.* However, it is important to note that the Second Circuit did remand YSL's counterclaims. *Id.* at 31. Because one of YSL's counterclaims sought cancellation of the mark on the basis of functionality, it is a possibility that this issue will be addressed on remand. *Id.* at 7, 30. At the time of this writing (September 16, 2012), it was unclear whether or not YSL would pursue this issue. According to an article in *Patent, Trademark and Copyright Law Daily* published shortly after the Second Circuit's decision, YSL's attorney, David H. Bernstein of Debevoise & Plimpton, stated that YSL intended to pursue their counterclaims and "predicted that after viewing the entire record, [the district court judge would] cancel Louboutin's trademark for being aesthetically functional." Tamlin H. Bason, *Both Sides Claim Victory as 2nd Cir. Upholds Louboutin's Mark, Says YSL Didn't Infringe*, PATENT, TRADEMARK & COPYRIGHT LAW DAILY (Sept. 15, 2012), <http://www.bloomberglaw.com/document/XGVNEHS000000>.

B. Applying the Factors

By focusing its inquiry on whether color is per se functional in the fashion industry, the district court confronted a larger issue that did not need to be addressed and one that ultimately detracted from the narrow question presented in this litigation: whether the Louboutin red sole was aesthetically functional. In fact, at least one amici curiae explicitly stated that the court's analysis of the issue of whether color is always functional in fashion was beyond the scope of what was necessary and appropriate for its ruling on Louboutin's motion for a preliminary injunction.¹⁸⁹ While the Second Circuit clarified the issue of whether a color could ever be a legitimate trademark in the fashion industry, the viability of a functionality defense to infringement of the red sole is still uncertain.

Had the district court applied the functionality factors to this case, there would have been no need to confront the broad question of whether color is per se functional in fashion, as the factors would have provided the court with sufficient guidance to determine Louboutin's likelihood of success on the merits. The functionality factors allow for a holistic determination of whether the Louboutin red sole is functional. Applying the factors illuminates the valid arguments on both sides of the issue; however, the factors weigh in favor of a finding that the red sole is nonfunctional. If the court had examined the issue using the functionality factors, the analysis would have likely shed light on the issues discussed *infra*.

1. Strength of the Non-Source-Identifying Purpose

In considering this element, the United States District Court for the Southern District of New York would have had to identify the function that YSL claims the red sole serves. An initial finding that would weigh in favor of functionality is whether YSL can establish a purpose other than basic consumer preference. YSL does not seem to have made the claim that the red sole is functional because consumers enjoy the appearance of the color red; rather, it argues that the use of red soles was to create a monochromatic look and to evoke an image of "Chinese lacquer ware aesthetics."¹⁹⁰ Further, the court also points to Louboutin's own testimony in which the designer stated that the reason why he chose

189. See Brief of Amicus Curiae, Tiffany (NJ) LLC in Support of Appellants' Appeal at 3, *Louboutin II*, No. 11-3303-CV, 2012 WL 3832285, 2011 WL 5126167, at *3 ("Amicus curiae respectfully submit that adoption of such a blanket rule was unnecessary to a resolution of the preliminary injunction motion below and should be rejected by this Court.")

190. Brief for Defendants—Counter-Claimants—Appellees at 16, *Louboutin II*, No. 11-3303-CV, 2012 WL 3832285, 2011 WL 6916986, at *36.

the color red was because red is “sexy” and “gives his . . . shoes energy.”¹⁹¹

YSL’s claims that the use of the red sole allows them to illustrate a Chinese-inspired look as well as a modern, monochromatic style are particularly persuasive in applying this element. Rather than stating that red was necessary because of consumers’ appreciation of the color red, YSL was able to point to a specific, defined use of the feature that is highly relevant to fashion design. In an area like fashion that is so intertwined with art and used by many as a means of personal expression, YSL’s arguments that color is used to convey a message are valid. Trends, many of which incorporate color, change from season to season and reflect different moods, artistic inclinations, world events, and even economic climates. Unlike in *In re Hudson News Co.*, where the court found that the use of a soothing blue color of a newsstand did not have the functional purpose of increasing sales, in this case, it is clear that consumers, particularly those who are willing to spend several hundred dollars on a pair of designer shoes, are particularly influenced by the latest trends by designers such as YSL and Louboutin when purchasing new accessories.¹⁹² Therefore, YSL’s ability to utilize all means to create and follow trends is necessary to attract customers and increase sales of its shoes.

The argument that the red sole is functional because it has energy and sex appeal would likely be seen as a weaker non-source-identifying purpose under this analysis. While it is expected that a designer would strive to convey these attributes, this “function” seems less persuasive than YSL’s other design objectives because it is extremely broad, and the determination of what color is “sexy” is largely subjective. Moreover, this “function” is more in line with basic consumer appreciation of the color red. It would be more difficult for YSL to make the argument that the red sole is necessary to accomplish its goal of creating a sexy, energetic shoe style than it would be to make the argument that the red sole is necessary to express Chinese-inspired influences and a monochromatic look. In considering this element, courts must be mindful of the importance of drawing the line somewhere, and a specific design objective that is accomplished by an aesthetic element is more persuasive than a broad characterization of what feeling the color or other element conveys.

191. See *Louboutin I*, 778 F. Supp. 2d 445, 447 (S.D.N.Y. 2011).

192. See *id.* at 448.

Had YSL argued that it was entitled to use the color red solely because there is a consumer preference for red as opposed to other colors, this factor would not be particularly beneficial to YSL's case. YSL was able to identify that the red sole is used for tangible, identifiable reasons: to illustrate international influences and create a dramatic, monochromatic look. Therefore, it is likely that this factor would weigh in favor of a finding of functionality.

2. Originality of the Feature and the Duration of Exclusive Use

Christian Louboutin was probably not the first to paint the sole of a shoe red. In fact, YSL claims to have occasionally used this design element in the past as part of a monochromatic theme and to convey Chinese design influences.¹⁹³ However, in consideration of the manner in which the red sole has come to signify Christian Louboutin, the district court would have likely found that prior to Louboutin's use of the red sole, this was not an embellishment that consumers were accustomed to seeing, or the red sole would have never have reached this point of recognition. For example, if Louboutin had simply begun to create a standard red shoe with the standard black or beige sole, the mark never would have become established in the minds of consumers simply because red shoes with black or beige soles have been produced for decades. Louboutin was the first to use the red sole as a source-identifying mark on every pair of shoes, regardless of the color coordination of the rest of the shoe, and he has done so consistently since 1992.¹⁹⁴ If the red sole was such a crucial element of artistic expression, then it would have been utilized more over the many years that high heels have been in vogue. Louboutin's extensive and near-exclusive use of red soles thus goes against a finding of functionality.

3. Demonstrated Intent To Use the Mark as a Trademark

For two decades, fashion designer Christian Louboutin has used the red sole on nearly every pair of shoes he has designed.¹⁹⁵ However, the designs of other elements of the shoes are not dictated by the red sole. Over the years, Louboutin has designed shoes with a vast variety of prints and colors, some of which even clash with the red sole.¹⁹⁶ In fact,

193. Brief for Defendants—Counter-Claimants—Appellees, *supra* note 190, at 15.

194. *Louboutin I*, 778 F. Supp. 2d at 447.

195. *Id.*

196. Brief for Plaintiffs-Counter-Defendants-Appellants, *supra* note 173, at 17; *Louboutin I*, 778 F. Supp. 2d at 448.

part of what makes the look so distinctive is the contrast. Rather than a design element, the red sole has been used on every pair of Louboutin shoes as an indication of the source for twenty years. Further, in 2008, Louboutin was granted a federal registration for the mark.¹⁹⁷ Because of Louboutin's continued use of the mark and the act of registering the mark, the court would have likely found that Louboutin intended to use the red sole as a trademark.

4. The Degree of Legitimate Disadvantage Faced by Other Competitors

In determining the degree of legitimate disadvantage faced by other competitors, the court would have to determine whether other designers would be able to effectively compete in the marketplace without using the red sole. There is no question that without the red sole, other competitors would still be able to create elegant high-heeled shoes. But would their inability to use the red heel interfere with their ability to properly use the color red?

The court would likely find that unlike in *Wallace Silversmiths*, where the silverware company was attempting to trademark general baroque design elements, Louboutin's trademark is very limited and imposes very few hindrances on competitors.¹⁹⁸ The single element that Louboutin is attempting to trademark is a bright-red sole, not the color red used on shoes in general. Competitors would be free to use the color red anywhere else on their shoes, so they would not be impeded in their artistic expression. Therefore, for example, YSL would be free to use the color red to convey Chinese design elements anywhere else on the shoe. Further, competitors could create a monochromatic look with any other color—including an even darker shade of red. The court should consider that by allowing Louboutin to trademark a red sole, it would only be excluding competitors from using a very specific design element, rather than an array of designs.¹⁹⁹ An analysis of this factor would weigh against a finding of functionality.

197. *Louboutin I*, 778 F. Supp. 2d at 448.

198. *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 86, 81 (2d Cir. 1990), *abrogated on other grounds by* *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996 (2d Cir. 1995).

199. An obvious concern with this logic is that if Louboutin could trademark a red sole, and other designers could trademark other colors for their soles, eventually the array of colors available to designers would be significantly limited due to an overabundance of trademarks. In other words, if each designer were allowed to trademark a color, eventually, what color options would be left to designers without a trademark? This "color depletion" argument has been addressed by the courts before, most notably, by the Supreme Court in *Qualitex Co. v. Jacobson*

5. Demand for the Product Is “Inextricably Tied” to the Trademark Itself

Here, the court would have to determine whether consumers’ demand for a shoe with a red sole stems from its depiction of “Christian Louboutin” or whether there is another reason why consumers desire a shoe with a red sole—for example, to match their outfits, or simply because they like it. In considering this element, the court would likely find that in this case, the demand for the product is inextricably tied to the trademark, thus leaning against a finding of functionality.

There is good reason to believe that consumers desire the red sole because it says Christian Louboutin. The district court opinion sums up the issue quite well, stating that the red sole has become “closely associated with Louboutin,” and noting that about 240,000 pairs are sold within the United States each year.²⁰⁰ The court continued:

[W]hen Hollywood starlets cross red carpets and high fashion models strut down runways . . . lacquered red outsoles on high-heeled, black shoes flaunt a glamorous statement that pops out at once. For those in the know, cognitive bulbs instantly flash to associate: Louboutin. . . . And as an equally marked sign of Louboutin’s success, competitors and black market infringers, while denying any offense, mimic and market its red sole fashion.²⁰¹

There seems to be no real question that the red sole signifies Louboutin and the glamour and sophistication that comes with it. While there may be some consumers who would purchase the Louboutin shoes or an imitation because they happen to find the red-sole accent aesthetically pleasing, it seems that the desire for the red sole is because the sole says Louboutin. Thus, in examining this factor, the court would have likely determined that the demand for the product is inextricably tied to the trademark itself.

VIII. CONCLUSION

Weighing the elements of the functionality factors seems to favor a finding that the Louboutin red sole is not a functional element of the

Products Co., 514 U.S. 159, 168 (1995). The Court found the argument “unpersuasive,” as it “relies on an occasional problem to justify a blanket prohibition.” *Id.* It is also worth noting that under *Qualitex*, in order for a color to be trademarked, it must first acquire secondary meaning. *Id.* at 163. If a swarm of designers immediately rushed to trademark individual colors, proving secondary meaning would likely be much more burdensome because it would be more difficult for the public to keep track of which color was associated with each designer.

200. See *Louboutin I*, 778 F. Supp. 2d at 448.

201. *Id.*

shoe, but rather a source-identifying feature. Taking a step back, it seems that this is the correct result. YSL has a legitimate argument that using the color red can be necessary in order to use color to send a certain message or evoke a certain theme in its designs. The limited use of red over which Louboutin is claiming ownership, however, does not prevent other designers from using the color red to accomplish their design objectives in other ways. Additionally, Louboutin chose this embellishment not for the purpose of creative expression, but to signify ownership. This is demonstrated by the fact that regardless of the color scheme or style of the shoe, virtually all of his shoes have had this common feature for two decades. Finally, Louboutin's statement regarding why he chose red—because of its energy and attractiveness—should not be held against him in determining whether the mark is functional. Every individual who chooses a trademark does so for some reason; a logo or a print can convey “energy” just as well as a color. Penalizing Louboutin for choosing a mark that is attractive brings forth the same concerns with the *Pagliari* standard that the Third Circuit expressed in *Keene Corp. v. Paraflex*—that such a standard would discourage creativity.²⁰²

Aesthetic functionality is a vague concept and one that has been difficult to articulate. Employing a set of factors as opposed to a single standard would allow courts to consider the individual factual nuances of each situation and feature. It would permit courts to stray from the confines of a rigid standard of analysis and instead focus on balancing the protection of a good-faith trademark with the importance of fostering a system of free competition. The functionality factors guide the court's analysis to focus on fairness and the totality of the circumstances with the direction of guidelines shaped by the policy concerns of trademark law. Implementing a set of concerns for the court to address rather than a single standard enables courts to examine aesthetic functionality from a clear vantage point.

202. See *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3d Cir. 1981).