SHEPPARD MULLIN SHEPPARD MULLIN RICHTER & HAMPTON LLP

Fashion & Apparel Law BLOG Legal Issues Facing the Fashion, Apparel & Beauty Industry

Fashion Apparel Law Blog

May 5, 2011 by Sheppard Mullin

YSL has Louboutin Seeing Red

Elvis Costello's 1977 hit song "The Angels Want to Wear My Red Shoes" might be an appropriate theme song for the high profile fashion trademark case that was brought in the United States District Court for the Southern District of New York earlier last month by the designer Christian Louboutin, Christian Louboutin S.A. and Christian Louboutin LLC ("Christian Louboutin") against Yves Saint Laurent America, Inc., Yves Saint Laurent America Holding, Inc., Yves Saint Laurent S.A.S. and Yves Saint Laurent ("YSL). Plaintiff Louboutin and his related corporate entities allege that YSL and its affiliated companies violated Louboutin's red sole trademark by selling women's shoes with red uppers and outsoles virtually identical to Louboutin's red sole trademark. Plaintiffs further allege that: "YSL shoe models Tribute, Tribtoo, Palais, and Woodstock all appear now to carry the copy of Plaintiffs' Red Sole Mark." The YSL shoes at issue were part of a YSL collection featuring colored soles and uppers in red, green and blue color ways. Plaintiffs seek injunctive relief to prevent YSL from any further sales of red-soled shoes, profits allegedly earned through sales of the accused infringing shoes, actual damages, statutory damages, interest, and costs and reasonable attorneys' fees.

Christian Louboutin alleges in the complaint that Mr. Louboutin "introduced the world's first lacquered red footwear outsole" and was the first designer to have used red shoe soles as a trademark for women's shoes when he painted red nail polish on the soles of black shoes sold by Christian Louboutin in 1992. Christian Louboutin shoes have been sold in the U.S. since 1992 at high end department stores, stand alone specialty boutiques, and luxury online retailers. The complaint also alleges that extensive celebrity and media coverage, fashion editorials, and features in music videos and major motion pictures have led to increased popularity of the brand and generated extensive goodwill for Christian Louboutin's red sole trademark. Christian Louboutin applied for a federal trademark registration in 2007 and the mark was first published on the Principal Register on January 1, 2008. The complaint alleges that "the Red Sole Mark had acquired distinctiveness based on its many years of continuous use in commerce, the considerable media attention featuring the Red Sole Mark, consumer association of the Red Sole Mark with Louboutin Footwear, and the considerable sales of Louboutin Footwear bearing the Red Sole Mark."

Count One in the complaint for federal trademark infringement and counterfeiting

pursuant to 15 U.S.C. § 1114(a) alleges that YSL is taking unfair advantage of the goodwill and brand recognition encompassed by the Christian Louboutin registered red sole mark. Plaintiffs also allege that YSL's red soles are likely to cause consumer confusion and deception as to the origin of the YSL shoes. Count Two alleges a claim for false designation of origin and unfair competition under the Lanham Act (15 U.S.C. § 1125(a)) and reiterated that YSL has caused a likelihood of confusion as to the origin and sponsorship of the accused infringing footwear. Count Three for federal trademark dilution (15 U.S.C. §1125(c)), alleges that the Christian Louboutin red sole mark is famous and that YSL is diluting the distinctiveness of the red sole mark by selling its all red shoes with red uppers and soles.

Count Four alleges trademark infringement under New York common law and that the continued sale of YSL shoes bearing red soles is intentional and willful. Count Five alleges trademark dilution under New York law (N.Y. Gen. Bus. Law §360(1)) and that: "Defendants knew and intended their acts to dilute the Red Sole Mark and to injure Plaintiffs' business and reputation." Count Six asserts a claim of unfair competition in violation of New York common law. Count Seven alleges unlawful deceptive acts and practices under New York General Business Law §349.

One major issue in this case will be whether the sale of YSL shoes featuring red uppers and soles in a YSL collection featuring all red, all blue and all green uppers and soles is likely to cause confusion with consumers so as to constitute an infringement of the Christian Louboutin red sole trademark. Central to this guestion is the strength and recognition accorded to both the Christian Louboutin and YSL trademarks, the level of sophistication of pertinent consumers and exclusive channels of trade in the world of high fashion footwear. As Mr. Louboutin conceded in his declaration made in support of the red sole trademark registration: "[M]y customers are sophisticated, deliberately seeking out my red-soled shoes because of the cachet and instant recognition they bring to the wearer. Because of the high value of my shoes, consumers take care over their purchase. Buying a pair of shoes that generally costs in excess of \$1,000 not be an impulse purchase." The litigation of the issue of likelihood of confusion between these two famous designers should be interesting, especially where high fashion designer footwear is far from an impulse purchase and the two brands at issue are wellestablished in the marketplace. Indeed, the YSL Tribute sandal or the 105mm stiletto heel of a Tribtoo may be just as distinguished as a red-soled Louboutin. The question of post-sale confusion -- that is whether consumers viewing the YSL footwear as worn by a consumer in the marketplace will be confused about the source of the shoe -- may be a significant point of dispute in this case.