

PROTECTING YOUR BRAND'S HUE: A LEGAL PERSPECTIVE

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INTRODUCTION

According to Swiss psychologist Carl Jung, colors are the subconscious's mother tongue¹. Colors are crucial in defining culture, brand identity, and customer impression. To stick in the minds of consumers, brands need to use the proper colours. Cultural changes and influences are frequently the foundation of fashion trends. Designers and marketers keep a careful eye on foreign influences, societal shifts, artistic developments, and colour preferences. Fashion relies heavily on color psychology since it influences mood and introspection in a variety of ways. A trademark is a distinguishing symbol, pattern, or statement that sets one source's goods and services apart from those of another. This article explains the importance of color as an identity in the fashion industry, mostly using the Pantone colour system and the well-known Louboutin case as references.

TRADEMARK LAWS

"In order to be irreplaceable one must always be different." —Coco Chanel²

One of the most interesting things about trademark law is its flexibility. The law has adapted to provide trademark protection to a wide variety of objects from the mundane, like words or logos, to the unusual, like live animals. Examples of Non-Traditional Trademarks:- Motion/Multimedia Marks; Scent/Smell Trademarks; Taste marks; sound; colour; hologram; shape; 3D; location.

One commonly litigated non-traditional trademark is color. While the ability to trademark a combination of colors is not controversial, companies over the years have sought to gain trademark protection for a single color. Most recently this has been litigated in the context of high fashion.

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¹ Scott Schwertly, 'The History of Color Psychology' (Ethos3) < [² Haedrich and Marcel, *Coco Chanel: Her Life, Her Secrets* \(1972\)](https://ethos3.com/the-history-of-color-psychology/#:~:text=One%20prominent%20researcher%20in%20the.recover%20from%20trauma%20or%20disstress.> accessed 26 July 2024</p></div><div data-bbox=)

Courts do not want businesses to utilise trademark law to materially disadvantage their competitors, therefore even in cases where the trademark is awarded, the protection is quite limited.

Crucially, the challenges listed above only apply to trademarks with a single colour and are significantly reduced for trademarks with numerous colours, patterns, or colours and forms combined. As a result, companies who are still developing their brand might wish to think about using one of those trademarks to provide simpler protection.

In the modern business environment, when word-of-mouth and internet evaluations may significantly influence a company's earnings, cultivating and safeguarding a company's brand and reputation is particularly crucial.

Although colour can be registered as a trademark, it lacks legal ownership. It is unlikely that two products in different marketplaces can be mistaken for one another. In the unlikely chance that "Barbie" is confused for the identically colored "Pepto-Bismol," even though the product is pink in more than 100 categories. "Target" and "Coca-Cola" are equally pertinent. It is unthinkable that customers would confuse the two brands, even if "Target" sells "Coca-Cola" products.

As per the ruling of the US Supreme Court, a colour cannot be protected by trademark if it does not differentiate the product from its rivals if it is not functional, or has a utilitarian advantage if it is connected to the product through commercial use (secondary meaning), and if it does not affect the cost or quality of the product, making competitors less advantageous.³

That being said, in the USA, businesses can apply for trademarks for colour markings even before the colour is a secondary meaning or widely connected with the brand. This early submission may guarantee an earlier filing date, providing you with a competitive advantage if competitors attempt to use the same colours later.

Registration on the Principal Register, which offers more protection, is the ultimate goal, even if a colour mark may be filed on the Supplemental Register initially.

This typically has to be used consistently for a minimum of five years to develop secondary meaning.

³ *Qualitex Co. v. Jacobson Products Co.* [1995] 514 US 159

Before investing a large sum of money in a colour mark, it is strongly recommended that you consult with a trademark attorney. Attorneys can assess the possibility of registration, identify any trademark conflicts, and provide strategies for maintaining the original meaning and expediting the transition to a secondary interpretation. Early legal intervention can save costs and prevent issues down the road.

There is no mention of colour in the Lanham Act⁴, and other appellate courts have reached different conclusions on the use of colour as a trademark in and of itself. In *Qualitex Co. v. Jacobson Products Co.*⁵, the Supreme Court resolved the matter in 1995. The 1950s saw Qualitex begin utilising a green-gold hue for their dry-cleaning press pads. Press pads that were exactly the same hue as Qualitex's were being sold by Jacobson's when the former launched an unfair competition case against the latter. Following that, Qualitex claimed trademark infringement and submitted a trademark application for the colour. Despite the firm's victory in district court, the Court of Appeals for the Ninth Circuit reversed the ruling.

In India, a design or colour can be trademarked if it has practical benefits that are highlighted in advertising, other patterns or colours are readily available, the design or colour was produced using an easy or affordable method, and the design or colour offers benefits in real life. In line with Section 2(1)(zb) according to the Trade Marks Act, 1999⁶, a "trademark" is any symbol that may be visually represented and used to identify one person's goods or services from those of another. It can also be the design of a product, its packaging, or a combination of colours.

"A trademark may be limited wholly or in part to any combination of colours and any such limitation shall be taken into consideration by the tribunal having to decide on the distinctive character of the trademark," according to Section 10 of the Trade Marks Act, 1999⁷. Section 2(1) of the Trademarks Act 1999⁸ allows colours to be trademarked in India, provided they are able to be graphically represented and are original and distinctive. Actually, any phrase, word, phrase, name, brand, device, symbol, sign, number, heading, letter, or numeric, product form, and packaging may all be registered under the Trademarks Act, 1999,

⁴ The Lanham Act 1946

⁵ *Qualitex Co. v. Jacobson Products Co.* [1995] 514 US 159

⁶ Trade Marks Act 1999, s 2(1)(zb)

⁷ Trade Marks Act 1999, s 10

⁸ Trade marks Act 1999, s 2(1)

Section 2(1)(zb)⁹, provided that they satisfy the requirements of distinctiveness and graphical representation. There are instances in which issues and challenges may emerge that are not addressed by customary or traditional trademarks. For this reason, applying for exclusive status is challenging.

Even if the hues themselves may differ fundamentally, a colour combination can serve as a unique means of expressing a brand's message. By doing this, the brand may be more suited for trademark registration. If the colour combination that you wish to trademark can be used to identify the commercial origin of the brand's products and services, then so should it. People may relate to this more readily due to the distinctiveness of the colours, of the products and services. The colour mix should be able to increase the perceived value of the products or services. It ought to be beneficial in the real world.

COLOR BRANDING IN FASHION

The success of Bottega Veneta, which saw a comeback in popularity in 2021 following a rebranding initiative, serves as one illustration. In support of this endeavour, Bottega debuted items featuring its signature "Bottega Green" hue during the company's spring 2021 ready-to-wear line. The vivid hue gave the business a fresh, contemporary feel and helped to boost revenue by 9.3% from 2020. Numerous media sites even designated "Bottega Green" the colour of the year for 2021. Bottega achieved a strong visual relationship between the colour and the brand by establishing a brilliant green hue that was both distinctive and memorable. UPS is registered as a service mark holder for its unique "Pullman" brown colour, which is applied as a service mark on delivery trucks and apparel of delivery staff. Since the 1990s, Tiffany & Co. has kept trademarks and service marks for its recognisable Robin's egg blue across a variety of products and services that have come to be associated with the company. Tiffany & Co.'s link with the colour blue goes back to 1889, which further establishes the brand's status as a protected and well-known identity.

Glossier has trademark rights for the pink tint used on bags that store its skincare and cosmetics goods, and Hermès has trademark rights for a particular orange colour used on the outside of their merchandise packaging. The Green-Red-Green stripe logo is Gucci's registered trademark. Nonetheless, in order to safeguard the entire physical the way their design looks.

⁹ Supra 6

Trademark rights are territorial, as the Supreme Court recently confirmed in *Abitron Austria GmbH v. Hetronic Int'l, Inc.*¹⁰. Japan, for instance, is a useful example of how trademark laws and regulations differ depending on the nation or region (e.g. the European Union). Although multi-color marks, like the red, orange, and green 7-Eleven signs, have been approved by the Japan Patent Office (JPO), registration of single-color marks has been denied by the JPO thus far. Even trying to get the same trademark protection they have in the US in Japan has presented serious obstacles for Hermès and Louboutin. For instance, in May 2023, Hermès filed an appeal to get their orange and brown colours registered as utilised on the product's packaging. In order to demonstrate acquired distinctiveness, Hermès provided evidence from a poll of affluent people in their 30s to 50s, showing that 43.1% of respondents correctly identified Hermès when presented with its iconic orange and brown packaging. Nonetheless, the JPO contended that the survey sample was excessively small, and even in that small sample, fewer than half associated the colours with the brand.

CASE OF CHRISTIAN LOUBOUTIN V YVES SAINT LAURENT

“Designing my shoes, I'm thinking timeless. Not trendy” -Christian Louboutin.

The complainant, Christian Louboutin, was a French designer of accessories and shoes for ladies. The lacquered, vivid crimson outsoles of Louboutin's shoe collections were always a striking contrast to the colours of the uppers and soles. Following fifteen years of growing notoriety and commercial success, Louboutin registered his signature red-lacquered outsoles as a trademark under the Red Sole Mark. The defendant, Yves Saint Laurent America Holding, Inc. (YSL), started selling a line of all-black shoes. Every shoe had a single colour for the heel, outsole, sole, and upper. YSL produced their monochromatic footwear in red, yellow, green, and purple. Seeking a preliminary injunction to stop YSL from selling any shoes with outsoles that employed the same shade of red as the Red Sole Mark, Louboutin sued the fashion house for trademark infringement. Counterclaims were filed by YSL against Louboutin, claiming the Red Sole Mark was deemed invalid due to its ornamental nature rather than its distinctiveness, or its practical nature. Louboutin requested a preliminary injunction, but the district judge rejected it, stating that Louboutin's arguments lacked validity. The district court reasoned that in the context of the fashion sector, trademark protection could not be limited to a single colour. Louboutin made a claim.

¹⁰ *Abitron Austria GmbH v. Hetronic Int'l, Inc.* [2023] 21-1043

"When in doubt, wear red." —Bill Blass.

Louboutin filed a PTO application to protect his mark (the "Red Sole Mark" or the "Mark") on March 27, 2007, citing the fashion industry's purported recognition of the red sole as support. "The color(s) red is/are claimed as a feature of the mark," according to the trademark application, which was approved in January 2008. The lacquered red sole of the footwear is the mark. An accompanying diagram that showed where the colour should be placed was included with the written description: YSL got ready to launch a collection of "monochrome" shoes in red, purple, green, and yellow in 2011. The entire shoe is coloured the same in YSL's monotone collection, therefore the red version is completely red, including a red outsole, heel, and upper pieces. This was not the first monochrome shoe collection from YSL or even a line of shoes with red bottoms; in fact, the fashion house claims to have been selling shoes in red and other hues since the 1970s.

According to Section 37 of the Lanham Act,¹¹ the trademark is limited to uses in which the red outsole contrasts with the color of the remainder of the shoe. It was concluded that the trademark, as thus modified, is entitled to trademark protection. Because Louboutin sought to enjoin YSL from using a red sole as part of a monochrome red shoe, it was affirmed in part the order of the District Court insofar as it declined to enjoin the use of red lacquered outsoles in all situations. However, the order of the District Court insofar was reversed as it purported to deny trademark protection to Louboutin's use of contrasting red lacquered outsoles. Affirmed in part, reversed in part, and remanded.

It was further concluded that Louboutin's trademark, which covers the red, lacquered outsole of a woman's high fashion shoe, has acquired limited "secondary meaning" as a distinctive symbol that identifies the Louboutin brand. As explained below, under Section 37 of the Lanham Act¹², the trademark is limited to uses in which the red outsole contrasts with the remainder of the shoe (known as the "upper"). The trademark, as thus modified, is entitled to trademark protection. Finally, because the monochrome design employed by YSL is not a use of Louboutin's modified trademark, it need not, and indeed should not, address whether YSL's use of a red outsole risks consumer confusion or whether the Louboutin mark, as modified, is "functional."

¹¹ The Lanham Act 1946, s 37

¹² Ibid

Louboutin shoes have grown in popularity, appearing regularly on various celebrities and fashion icons. The District Court concluded, and YSL does not dispute, that “Louboutin [had] invested substantial amounts of capital building a reputation and goodwill, as well as promoting and protecting Louboutin’s claim to exclusive ownership of the mark as its signature in women’s high fashion footwear.” Louboutin.

As a result of Louboutin’s marketing efforts, the District Court found, the “flash of a red sole” is today “instantly” recognizable, to “those in the know,” as Louboutin’s handiwork.

This was not the first time that YSL had designed a monochrome footwear line or even a line of footwear with red soles; indeed, YSL maintains that since the 1970s it had sold such shoes in red and other colors.

The negotiations having failed, Louboutin filed this action on April 7, 2011, asserting claims under the Lanham Act, for (1) trademark infringement and counterfeiting, (2) false designation of origin and unfair competition, and (3) trademark dilution, as well as state law, claims for (4) trademark infringement, (5) trademark dilution, (6) unfair competition, and (7) unlawful deceptive acts and practices. Louboutin also sought a preliminary injunction preventing YSL from marketing, during the pendency of the action, any shoes, including red monochrome shoes, bearing outsoles in a shade of red identical to the Red Sole Mark, or in any shade that so resembles the Red Sole Mark as to cause confusion among consumers. In response, YSL asserted two counterclaims: (1) seeking cancellation of the Red Sole Mark on the grounds that (a) it is not “distinctive,” but instead merely “ornamental,” (b) it is “functional,”⁵ and (c) it was secured by fraud on the PTO; and (2) seeking damages for (a) tortious interference with business relations and (b) unfair competition.

Christian Louboutin, a designer of high-fashion women’s footwear and accessories, has since 1992 painted the “outsoles” of his women’s high-heeled shoes with a high-gloss red lacquer. In 2008, he registered the red lacquered outsole as a trademark with the United States Patent and Trade Office (“PTO”). We are asked to decide whether that mark is protectable under federal trademark law.

Interpreting the Supreme Court’s holding in *Qualitex*, the District Court explained that color is protectable as a trademark only if it “acts as a symbol that distinguishes a firm’s goods and identifies their source, without serving any other significant function.”

On appeal, Louboutin argues that the District Court erred in (1) holding, based on the doctrine of “aesthetic functionality,” that the Red Sole Mark was not entitled to legal 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 Federal Rule of Civil Procedure.

The principal purpose of federal trademark law is to “secure the public’s interest in protection against deceit as to the sources of its purchases, [and] the businessman’s right to enjoy business earned through investment in the goodwill and reputation attached to a trade name.” *Fabrication Enters., Inc. v. Hygenic Corp.*¹³, (internal quotation mark omitted) (alteration in the original). Trademark law, by preventing others from copying a source-identifying mark, reduces the customer’s costs of shopping and making purchasing decisions, for it quickly and easily assures a potential customer that this item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.

Nevertheless, trademark law is not intended to “protect innovation by giving the innovator a monopoly” over a useful product feature. *Fabrication Enters., Inc.*; see *Nora Beverages, Inc. v. Perrier Grp. of Am.*¹⁴

Such a monopoly is the realm of patent law or copyright law, which seeks to encourage innovation, and not of trademark law, which seeks to preserve a “vigorously competitive market” for the benefit of consumers.

“First, we look to see whether plaintiff’s mark merits protection.” *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*¹⁵. In order for a trademark to be protectable, the mark must be “distinctive” and not “generic.” *Genesee Brewing Co. v. Stroh Brewing Co.*¹⁶. A mark is said to be “inherently” distinctive if “[its] intrinsic nature serves to identify a particular source.”

¹³ *Fabrication Enters Inc v Hygenic Corp* [1995]

¹⁴ *Nora Beverages Inc v Perrier Grp of Am* [1998]

¹⁵ *Louis Vuitton Malletier v Dooney & Bourke Inc* [2006]

¹⁶ *Genesee Brewing Co v Stroh Brewing Co* [1997]

Two Pesos, Inc. v. Taco Cabana, Inc.¹⁷. Even a mark that is not inherently distinctive may nonetheless “acquire” distinctiveness by developing “secondary meaning” in the public mind. Inwood Labs., Inc. v. Ives Labs., Inc.¹⁸ The “functionality” of a mark can be demonstrated by, inter alia, showing that the mark has either traditional “utilitarian” functionality or “aesthetic” functionality. New Colt Holding Corp. v. RJG Holdings of Fla., Inc.

Although courts did not go so far as to hold that single-color marks could merit trademark protection, the recognition by some courts that color standing alone can, in some circumstances, acquire secondary meaning was an important building block in the evolution of single-color marks. After the passage of the Lanham Act, which codified “in the broadest of terms” the “universe” of things eligible for trademark protection, Qualitex, courts “gradually rejected the dictum [of earlier cases] . . . to the effect that color alone is not subject to trademark [protection],” and owners of color-related marks began to enjoy a degree of enforcement success. See, e.g., *Application of Hehr Mfg. Co.*, 279 F.2d 526, 528 (C.C.P.A. 1960) (holding that a square red label intended for use on automobile trailer windows was eligible for trademark registration); *Artus Corp. v. Nordic Co.*¹⁹, (protecting plaintiff’s arbitrary color scheme for metal spacers.

The Court held, among other things, that it could find no “principled objection to the use of color as a mark in the important ‘functionality’ doctrine of trademark law.” It concluded 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 function.”

The design, the Court held, was “functional” because it satisfied “a demand for the aesthetic as well as for the utilitarian.” Because the “particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a patent or copyright.”

In sum, courts must avoid jumping to the conclusion that an aesthetic feature is functional merely because it denotes the product’s desirable source.

¹⁷ *Two Pesos Inc v Taco Cabana Inc* [1992]

¹⁸ *Inwood Labs Inc v Ives Labs Inc* [1982]

¹⁹ *Artus Corp v Nordic Co* [1981]

The Chief Executive Officer of YSL's parent corporation, François-Henri Pinault, himself acknowledged that "in the fashion or luxury world, it is absolutely clear that we recognize the notoriety of the distinctive signature constituted by the red sole of Louboutin models in contrast with the general presentation of the model, particularly its upper, and so for all shades of red."

The record fails to demonstrate that the secondary meaning of the Red Sole Mark extends to uses in which the sole does not contrast with the upper—in other words, when a red sole is used on a monochromatic red shoe.

As clearly suggested by the District Court, it is the contrast between the sole and the upper that causes the sole to "pop," and to distinguish its creator. The evidentiary record further demonstrates that the Louboutin mark is closely associated with contrast. For example, Pinault, the chief executive of YSL's parent company, wrote that the "distinctive signature" of the Mark is in its "contrast with the general presentation of the [shoe], particularly its upper." Of the hundreds of pictures of Louboutin shoes submitted to the District Court, only four were monochrome red.

And Louboutin's own consumer surveys show that when consumers were shown the YSL monochrome red shoe, of those consumers who misidentified the pictured shoes as Louboutin-made, nearly everyone cited the red sole of the shoe, rather than its general red color. Louboutin has not established secondary meaning in an application of a red sole to a red shoe, but only where the red sole contrasts with the "upper" of the shoe. The use of a red lacquer on the outsole of a red shoe of the same color is not a use of the Red Sole Mark. The secondary meaning of the mark held by Louboutin extends only to the use of a lacquered red outsole that contrasts with the adjoining portion of the shoe, we modify the Red Sole Mark, pursuant to Section 37 of the Lanham Act²⁰, insofar as it is sought to be applied to any shoe bearing the same color "upper" as the outsole. The Director of the Patent and Trade Office was instructed to limit the registration of the Red Sole Mark to only those situations in which the red lacquered outsole contrasts in color with the adjoining "upper" of the shoe. In sum, the Red Sole Mark is valid and enforceable as modified.

²⁰ Supra 11

The denial of the preliminary injunction insofar as Louboutin could not have shown a likelihood of success on the merits in the absence of infringing use of the Red Sole Mark by YSL.

“I firmly believe that with the right footwear, one can rule the world.” —Bette Midler

If the court had considered all of the circumstances surrounding consumer uncertainty in Louboutin, YSL would have won since there was not any. In addition, the Second Circuit misapplied the aesthetic functioning doctrine and disregarded the decision's long-term fairness and implications for public policy.

The reversal by the Second Circuit demonstrated to other businesses, both inside and outside the fashion sector, that color monopolization is legitimate and protected, which has increased litigation for some businesses.

Furthermore, the district court's ruling was misinterpreted by the Second Circuit, which concluded that there was a per se prohibition against the fashion industry's use of single-color trademarks. Such a requirement was never specifically established by the district court in its ruling. Rather, the district court approached its investigation with thoughtfulness and depth, which led to as "the source of the broad spectrum of absurdities that would follow recognition of a trademark for the use of a single colour for fashion items," the Lanham Act could not be, it was concluded. The Second Circuit was irritated by its fantastical hypotheticals, which may have contributed to the appeal court's prompt review and partial reversal.

“I like my customer to be fierce”- Christian Louboutin.²¹

The sophistication of the consumer is a highly relevant consideration when evaluating luxury footwear like Louboutin and YSL because of the high price point of luxury items. Women "know their perfume," and they most definitely recognise upscale footwear. Most luxury purchases in developed economies, such as the US, take place in traditional brick-and-mortar stores, with 72% of premium consumers making some kind of online do your homework before buying. Sixty-five percent of luxury consumers still prefer to touch a thing before making a purchase, even in the digital age. It is difficult to argue that luxury buyers are not

²¹ ABC News, *Red Sole Man: Christian Louboutin's Signature Shoe Has Made Him an Icon* (ABC News, 18 November 2011) <https://abcnews.go.com/Business/red-sole-man-christian-louboutins-signature-shoe-made/story?id=14983446> accessed 26

knowledgeable consumers given that the average age of luxury shopping in established markets is forty-six, with the average luxury purchase costing over \$2,200. The average consumer of both brands is largely price insensitive, even though market analyses of YSL and Louboutin are not publicly available. This is due to the similar price ranges of the two brands' shoes, the small number of luxury stores that carry the brands' shoes, and what is known about established luxury markets. Repeat business from luxury customers suggests that these purchasers are sophisticated and know what they are purchasing.

CONCLUSION

The district court determined that Louboutin's claim about the colour red was excessively broad and in violation of the Lanham Act concerning unfair competition. Not only would the luxury shoe market suffer if Louboutin's trademark claim was successful, but other clothing items might also be caught in the legal straits. What would happen if more and more companies began to use their distinctive colours with this supplementary meaning? We can only associate a limited range of colours and tones with specific brands. Will a monopoly of colours soon come to pass? Some may be concerned that the fashion business may become less creative and competitive if this form of protection is allowed. But just as in the Louboutin, Hermes and Tiffany show, not all brands can merely take on new significance. The aforementioned worries might be unfounded because it took decades for customers to identify these colours with their specific products. Furthermore, it is important to remember the objectives of trademark law. In the *Qualitex* case, the Supreme Court declared that trademark law lowers the costs associated with shopping and decision-making for consumers by preventing others from copying source-identifying marks. This is because it can be used to quickly and easily reassure a potential customer that an item bearing a mark is produced in the same way as other similarly marked items that the customer has previously liked or disliked. In addition, the law helps ensure that a product will receive financial awards based on reputation that is connected to a popular product.