



PROGRAM MATERIALS

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Intellectual Property and Beyond: Expansion of Intellectual Property Rights in the Fashion Industry

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5301 North Federal Highway, Suite 180, Boca Raton, FL 33487

Phone 561-241-1919

Fax 561-241-1969

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BARTHOLOW & MILLER LLP

OLIVERA MEDENICA, PARTNER

JANUARY 10, 2019

Intellectual Property and Beyond:
Expansion of Intellectual Property Rights
in the Fashion Industry

TYPICAL PROTECTION SOUGHT IN THE FASHION INDUSTRY:

- Trademarks
- Design Patents
- Copyrights



COPYRIGHT

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COPYRIGHT PROTECTION IN THE FASHION INDUSTRY:

- U.S. copyright law protects “original works of authorship fixed in any tangible medium of expression.” 17 U.S.C.A. §102
- For a work to be original, it need only be “independently created by the author (as opposed to copied from other works), and . . . possess . . . at least some minimal degree of creativity.” Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc., 499 U.S. 340, 345 (1991)

COPYRIGHT PROTECTION IN THE FASHION INDUSTRY:

Clothing has historically been considered a “useful article” as defined in Section 101 of the Copyright Act because it has “an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. §101

The design of a garment could only acquire copyright protection if it “can be identified separately from, and [is] capable of existing independently of, the utilitarian aspect of the article.” 17 U.S.C. §101

COPYRIGHT PROTECTION IN THE FASHION INDUSTRY:

Mazer v. Stein, 347 U.S. 201 (1954)(holding that original design aspects of otherwise functional articles may be copyrighted)

Chosun Int'l, Inc. v. Chrisha Creations, Ltd., 413 F.3d 324 (2d Cir. 2005)(holding that copyright law may protect Halloween costumes if the costume's design elements can be separated from the overall function of the costume as clothing).

Galiano v. Harrah's Operating Co., 416 F.3d 411, 422 (5th Cir. 2005)(denying copyright protection for uniforms of casino workers because the clothing designer could not show that its designs were marketable independently of their utilitarian function as casino uniforms)

COPYRIGHT PROTECTION IN THE FASHION INDUSTRY:

On March 22, 2017, the Supreme Court articulated a two part test to determine copyright protection for designs incorporated in useful articles:

An artistic feature of the design of a useful article is eligible for copyright protection if the feature (1) can be perceived as a two or three dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article.

See Star Athletica, LLC v. Varsity Brands, Inc., 137 S.Ct. 1002 (2017)



DESIGN PATENTS

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DESIGN PATENTS IN THE FASHION INDUSTRY:

Design patents is a form of legal protection granted to the ornamental design of a functional item.

A design patent is a type of industrial design right.

Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor ...

35 U.S.C. §171

EXAMPLES OF DESIGN PATENTS



A drawing from VCF's instant registration (left) & the Tonic style shoe (right)



FIG. 1



FIG. 2





TRADEMARK

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WHAT IS A TRADEMARK?

The term “trademark” includes any word, name, symbol, or device, or any combination thereof –

- (1) used by a person, or

- (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

15 U.S.C. § 1127

WHAT IS A SERVICE MARK?

The term “service mark” includes any word, name, symbol, or device, or any combination thereof –

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown.

15 U.S.C. § 1127

WHAT IS A TRADE DRESS?

Trade dress is not defined in the Lanham Act.

The Supreme Court has found that:

- (1) Trade dress constitutes a symbol or device within the Lanham Act definition of a trademark. See Wal-Mart Stores, Inc. v. Samara Bros, Inc., 529 U.S. 205, 209-10 (2000); and
- (2) A symbol or device means almost anything that can carry meaning. See Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 162 (1995).

Trade dress is the total image of a product, which may include features such as size, shape, color or color combinations, textures, or graphics. See John H. Hardland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980 (11th Cir. 1983); see also Moldex-Metric, Inc. v. McKeon Prod., Inc., 891 F.3d 878, 881 (9th Cir. 2018).



FASHION INDUSTRY: EVOLUTION OF TRADEMARK LAW?

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ADIDAS-SALOMON v. TARGET, 228 F.SUPP.2D 1192 (D. OREGON 2002)

Adidas claimed that various features of its sneakers (three stripes on the side of its shoe, “shell toe”, and back heel section) constituted product packaging and therefore did not require a showing of secondary meaning. If product design, Target further argued that its design was distinctive and served as source identifiers. Target sold similar shoes but with four stripes instead of three.

The court agreed with Target’s argument that Adidas’ design constituted “product design” and therefore required a showing of secondary meaning. The court, however, ultimately sided with Adidas because it found that Adidas had shown secondary meaning.

ADIDAS-AMERICA, INC.V. PAYLESS SHOESOURCE, INC., 2008 WL 4279812 (D. OREGON 2008)

In this case, the court discussed Adidas' "Superstar" trade dress which consists of : 1) three parallel stripes (i.e., the Three—Stripe Mark) on the side of the shoe parallel to equidistant small holes; (2) a rubber 'shell toe'; (3) a particularly flat sole; and (4) a colored portion on the outer back heel that identifies the shoes as Adidas' brand."

Adidas argued that Payless was selling confusingly similar shoes.

Adidas



Payless



Adidas



Payless



*ADIDAS AMERICA, INC., ADIDAS AG, AND ADIDAS INTERNATIONAL MARKETING B.V.,
V. SKECHERS USA, INC., 3:15-CV-01741 (D. OREGON/9TH CIR.)*



image: adidas Stan Smith (left) & Skechers Onix (right)

Skechers Relaxed Fit Cross Court TR



adidas Ultra Boost with the Three-Stripe Mark



ADIDAS V. MARC JACOBS, 3:15-CV-00582 (D. OREGON)

Adidas sued Marc Jacobs for trademark infringement because Marc Jacobs used a four stripe motif running down the arms of some of its designs.

The case settled two months after it was filed.



Adidas (left) and Marc Jacobs (right)

ADIDAS AMERICA, INC. ET AL V. ATHLETIC PROPULSION LABS, LLC,
3:16-CV-00415-HZ (D. OREGON)



ADIDAS AMERICA, INC. ET AL V. ECCO USA, INC. ET AL, 3:16-CV-00684-SI (D. OREGON)



ADIDAS AMERICA, INC ET AL V. JUICY COUTURE, INC., 3:17-CV-00437 (D. OR.)



Juicy's striped garments

ADIDAS v. FOREVER 21, 3:15-CV-01559-SI (D. OREGON)

Adidas sued Forever 21 claiming the retailer infringed upon Adidas' three stripes trademark. The garments at issue were: sweatshirts bearing Teenage Mutant Ninja Turtles imagery with three stripes extending from the collar down the sleeves. Others feature Looney Tunes characters along with the three-stripe sleeve motif.

The case settled within 3 months of filing.



Forever 21's Teenage Mutant Ninja Turtles and Looney Tunes Sweatshirts

FOREVER 21 v. ADIDAS AMERICA INC., 2:17-CV-01752 (C.D. CAL.)

After receiving several C&D letters from Adidas over the 3 stripes, Forever 21 filed a declaratory judgment action against Adidas.



Forever 21 garments that Adidas has threatened to sue over

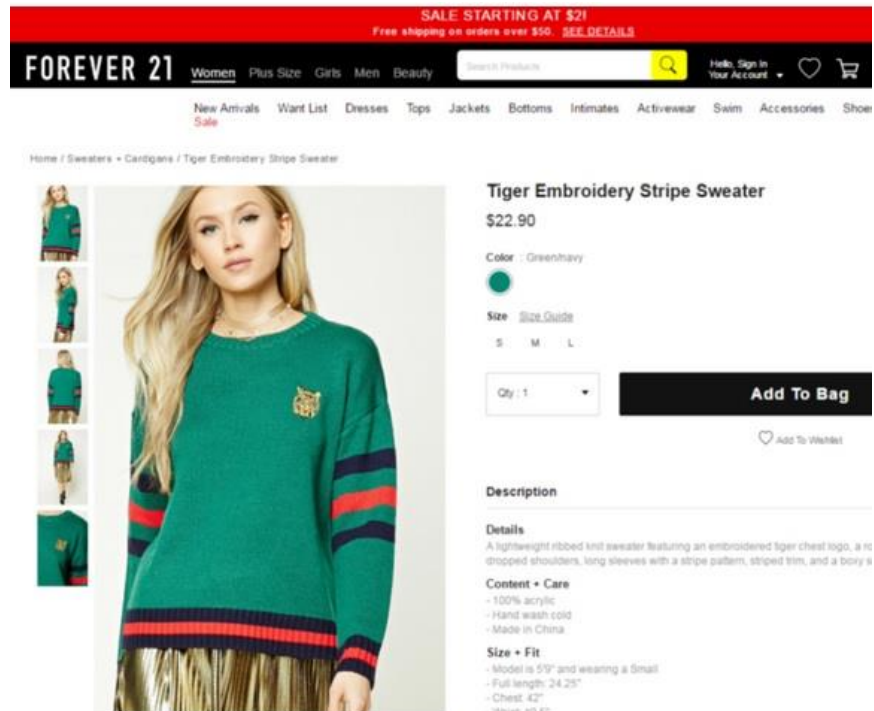
FOREVER 21, INC. V. GUCCI AMERICA, INC., ET AL., 2:17-CV-04706(C.D. CAL.)

After receiving several C&D letters from Gucci over the 3 stripes, Forever 21 filed a trademark cancellation action seeking to cancel Gucci's trademarks. The case settled.

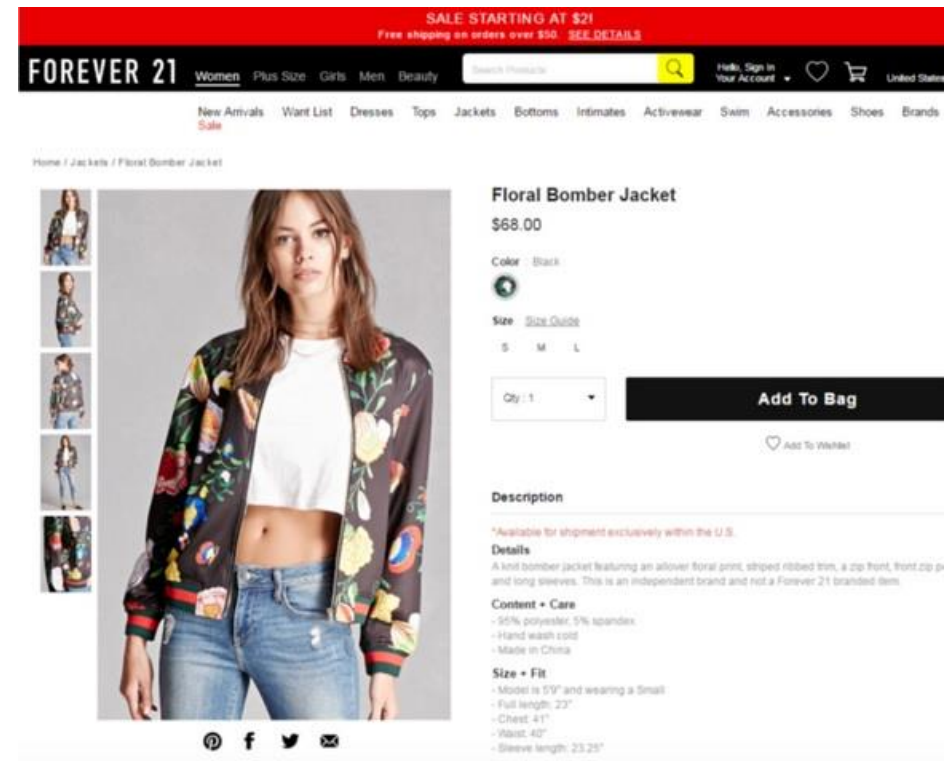


Garments bearing Gucci's striped trademarks

FOREVER 21



One of the allegedly infringing Forever 21 designs



One of the allegedly infringing Forever 21 designs

CHRISTIAN LOUBOUTIN S.A. v. YVES SAINT LAURENT AM. HOLDING, INC., 696 F.3D 206 (2D CIR. 2012)

Louboutin argued that Yves Saint Laurent's monochromatic heel design infringed upon Louboutin's iconic red sole shoes. The Court agreed that Louboutin had a trade dress in the red heel, but found that the YSL shoe did not infringe upon the trade dress because the entire shoe was of the same color.



Christian Louboutin (left); Yves Saint Laurent (right)

AESTHETIC FUNCTIONALITY TEST

A mark is aesthetically functional and therefore ineligible for trademark protection if: (1) the design feature is essential to the purpose of the good; (2) the design feature affects the cost of quality of the product; and (3) protection of the design feature would significantly hinder competition.

TTAB DECISIONS SINCE LOUBOUTIN

- In re Florists' Transworld Delivery, Inc., 106 USPQ2d 1784 (TTAB 2013) (“functionality hinges on whether registration of a particular feature hinders competition and not whether the feature contributes to the product’s commercial success”).
- In re Bottega Veneta International S.a.r.l., Serial No. 77219184 (Sept. 30, 2013) (non-precedential) (holding that a configuration of slim, uniformly-sized strips of leather, ranging from 8 to 12 millimeters in width, interlaced to form a repeating plain or basket weave pattern placed at a 45-degree angle over all or substantially all of the goods does not hinder competition).

LVL XIII BRANDS, INC. v. LOUISVUITTON MALLETIER S.A., 209 F. SUPP.3D 612 (S.D.N.Y. 2016)

Plaintiff LVL XIII (pronounced “Level 13”) sued defendant Louis Vuitton for trademark infringement, claiming that Louis Vuitton had infringed upon Level 13’s trade dress by placing a metal toe plate on its sneakers. Level 13 relied upon a similar argument as Adidas - that its metal toe plate was distinctive product packaging that did not require a showing of secondary meaning. The court disagreed and found that it was instead product design trade dress because “the [claimed mark] serves a primarily aesthetic function: making [the plaintiff’s] sneakers appear more enticing.” LVL XIII was unable to show secondary meaning, and thus its trademark claim was unsuccessful.



LVL XIII sneaker (left) and Louis Vuitton's sneaker (right)

STEVEN MADDEN V. JASMIN LARIAN LLC (SDNY) “ARK BAG”

Counter- Plaintiff (Cult Gaia) sued Steven Madden for trademark infringement. At issue is the Cult Gaia “Ark” bag, a structured handbag made of interlocking rigid strips arranged in a half-moon shape.

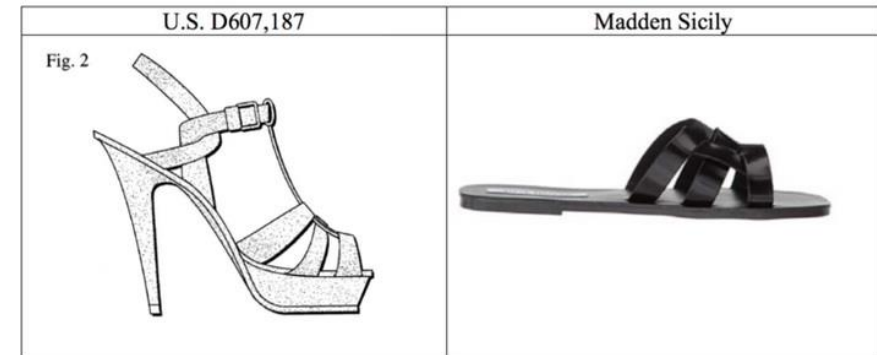


Madden's Shipper bag (left) & Cult Gaia's Ark bag (right)

STEVEN MADDEN v. YVES SAINT LAURENT, 1:18-CV-07592 (SDNY)

Madden filed a declaratory judgment against YSL seeking a declaration that it is not infringing YSL's Tribute shoe.

The case is pending.



YSL's Tribute flat (top) & Madden's Sicily flat (bottom)

HALSTON OPERATING COMPANY LLC ET AL v. CALVIN KLEIN, INC. ET AL, 2:18-CV-08893-AB-JPR (C.D.CAL)

Halston alleges that Calvin Klein copied the 3d copyright in a dress, as well as its trade dress. According to Halston “it is apparent that the elements, materials, place, movement, centering, composition, colors, arrangement, overlay, appearance and structure of the [CK dresses] are substantially and confusingly similar, if not identical” to the original Halston dresses.”

The case was voluntarily dismissed.



Subject Garment A – BNC161870B



Infringing Garment A – CD8B14NM

THANK YOU!

DUNNINGTON
BARTHOLOW & MILLER LLP

Olivera Medenica
Omedenica@Dunnington.com
(212) 682-8811

 KeyCite Yellow Flag - Negative Treatment
Declined to Follow by [Bracco Diagnostics, Inc. v. Amersham Health, Inc.](#), D.N.J., June 5, 2009

2008 WL 4279812

Only the Westlaw citation is currently available.
United States District Court, D. Oregon.

ADIDAS AMERICA, INC. and Adidas-Solomon
AG, Plaintiffs,

v.

PAYLESS SHOESOURCE, INC., Defendant.

No. CV 01-1655-KI.

Sept. 12, 2008.

Attorneys and Law Firms

[Stephen M. Feldman](#), [Thomas R. Johnson](#), Perkins Coie, LLP, Portland, OR, [Jerre B. Swann](#), [R. Charles Henn, Jr.](#), [William H. Brewster](#), Kilpatrick Stockton, LLP, Atlanta, GA, for Plaintiffs.

[Craig D. Bachman](#), [Kenneth R. Davis, II](#), [Milo Petranovich](#), Lane Powell, PC, William B. Crow, Schwabe Williamson & Wyatt, PC, Portland, OR, [Bridget A. Short](#), William R. Hansen, Lathrop & Gage, LC, New York, NY, [David V. Clark](#), [Gerald M. Kraai](#), [R. Cameron Garrison](#), [Travis W. McCallon](#), [William A. Rudy](#), Lathrop & Gage, LC, Kansas City, MO, [Michael G. Martin](#), [Michael J. Roche](#), [Phillip S. Lorenzo](#), Lathrop and Gage L.C., Denver, CO, [John J. Shaeffer](#), Spillane Shaeffer Aronoff Bandlow LLP, Los Angeles, OR for Defendants.

Opinion

[KING](#), Judge:

*1 Following a three-week trial, a jury returned a verdict in favor of plaintiffs adidas-America, Inc. and adidas-Solomon AG (collectively, “adidas”) on its claims against Payless Shoesource, Inc. (“Payless”) for trademark and trade dress¹ infringement, dilution, and related federal and state law claims based on Payless’ sale of footwear bearing two or four stripes. In addition, the jury found that Payless acted willfully and maliciously, or in wanton and reckless disregard of adidas’ trademark and trade dress rights. The jury determined adidas was entitled to: (1) actual damages in the form of a 7.78 percent royalty, totaling \$30.6 million; (2) a \$137 million

accounting of Payless’ profits; and (3) punitive damages of \$137 million.²

Before the court are: (1) Payless’ Motion for Judgment as a Matter of Law on adidas’ Damage Claims or, in the Alternative, for New Trial or Remittitur (# 863); (2) Payless’ Motion for Judgment as a Matter of Law or a New Trial (I) Due to Plaintiff’s Failure to Prove the Fact of Actual Damage, and (ii) on the Issue of Willfulness (# 866); (3) Payless’ Motion for Judgment as a Matter of Law on adidas’ Liability Claims or in the Alternative, for New Trial (# 868); and (4) Payless’ Supplemental Motion for New Trial (# 901). For the following reasons, I deny each of the motions for judgment as a matter of law and/or new trial, conditioned on adidas’ acceptance of a remittitur of the punitive damages, and I reduce the award of Payless’ profits.

LEGAL STANDARDS

I. Rule 50(b)-Judgment as a Matter of Law

Under [Federal Rule of Civil Procedure 50\(b\)](#), the court may set aside the jury’s verdict in favor of adidas, and enter judgment as a matter of law in favor of Payless, if there is “no legally sufficient evidentiary basis for a reasonable jury to find” for adidas on an issue or claim. “Judgment as a matter of law is proper if the evidence, construed in the light most favorable to the non-moving party, allows only one reasonable conclusion and that conclusion is contrary to that reached by the jury.” [Mockler v. Multnomah County](#), 140 F.3d 808, 815 n. 8 (9th Cir.1998).

A motion for judgment as a matter of law must be denied, and the jury’s verdict must be upheld, if the verdict is supported by substantial evidence. [Johnson v. Paradise Valley Unified School Dist.](#), 251 F.3d 1222, 1227 (9th Cir.), cert. denied, 534 U.S. 1055 (2001). “Substantial evidence is evidence adequate to support the jury’s conclusion, even if it is also possible to draw a contrary conclusion from the same evidence.” *Id.* When evaluating a motion for judgment as a matter of law under [Rule 50](#), “the court must draw all reasonable inferences in favor of the nonmoving party, and it may not make credibility determinations or weigh the evidence.” [Reeves v. Sanderson Plumbing Prods. Inc.](#), 530 U.S. 133, 150

(2000); see also *Johnson*, 251 F.3d at 1227 (“although the court should review the record as a whole, it must disregard all evidence favorable to the moving party that the jury is not required to believe.”).

II. Rule 59–New Trial

*2 Even if the verdict is supported by substantial evidence, the court may grant a motion for a new trial under *Federal Rule of Civil Procedure 59* “if the verdict is contrary to the clear weight of the evidence, is based on evidence which is false, or to prevent a miscarriage of justice.” *Silver Sage Partners v. City of Desert Hot Springs*, 251 F.3d 814, 819 (9th Cir.2001); see also *Molski v. M.J. Cable, Inc.*, 481 F.3d 724, 729 (9th Cir.2007) (“Historically recognized grounds [for a new trial under Rule 59] include, but are not limited to, claims that the verdict is against the weight of the evidence, that the damages are excessive, or that, for other reasons, the trial was not fair to the moving party.”) (internal quotation and citation omitted). A new trial is warranted on the basis of an incorrect evidentiary ruling only “if the ruling substantially prejudiced a party.” *United States v. 99.66 Acres of Land*, 970 F.2d 651, 658 (9th Cir.1992).

When a motion for new trial is based on insufficiency of evidence, a “stringent standard applies” and a new trial may be granted “only if the verdict is against the great weight of evidence or it is quite clear that the jury has reached a seriously erroneous result.” *Digidyne Corp. v. Data Gen. Corp.*, 734 F.2d 1336, 1347 (9th Cir.1984) (internal quotation and citation omitted), *cert. denied*, 473 U.S. 908 (1985). The “district court may not grant a new trial simply because it would have arrived at a different verdict.” *Silver Sage Partners*, 251 F.3d at 819. Rather, the “trial court must have a firm conviction that the jury has made a mistake.” *Landes Constr. Co., Inc. v. Royal Bank of Canada*, 833 F.2d 1365, 1372 (9th Cir.1987). When evaluating a motion for new trial under *Rule 59*, the court may weigh the evidence, evaluate the credibility of the witnesses, and is not required to view the evidence from the perspective most favorable to the prevailing party. *United States v. Kellington*, 217 F.3d 1084, 1095 (9th Cir.2000).

III. Remittitur

Remittitur is available to correct excessive verdicts. *Pershing Park Villas v. United Pacific Ins.*, 219 F.3d 895,

905 (9th Cir.2000). Generally, a court “must uphold the jury’s finding of the amount of damages unless the amount is grossly excessive or monstrous, clearly not supported by the evidence, or only based on speculation or guesswork.” *Los Angeles Mem’l Coliseum Comm’n v. NFL*, 791 F.2d 1356, 1360 (9th Cir.1986), *cert. denied*, 484 U.S. 826 (1987). A trial court reviewing a damages award attacked as excessive must consider the evidence of damages in a light most favorable to the prevailing party. *Seymour v. Summa Vista Cinema, Inc.*, 809 F.2d 1385, 1387 (9th Cir.), *opinion amended on other grounds*, 817 F.2d 609 (9th Cir.1987). If the court concludes that a damages award is excessive, it may either grant the defendant’s motion for a new trial, or deny the motion, conditioned upon the prevailing party’s acceptance of a remittitur. *Silver Sage Partners*, 251 F.3d at 818. A trial court granting a motion for remittitur does not substitute its judgment for that of the jury, but instead reduces the judgment to the maximum amount sustainable by the proof. *D & A Redi-Mix v. Sierra Redi-Mix & Contracting Co.*, 692 F.2d 1245, 1249 (9th Cir.1982).

DISCUSSION

I. Juror Misconduct

*3 At the outset, Payless moves for new trial based on alleged juror misconduct. Approximately three weeks after the jury returned its verdict, the court received a letter from Juror X requesting clarification of the “definition of the trial being over,” because she “understood from [the court’s] instructions that we weren’t to actively engage on the Internet ... in regard to the case until the trial was over.” Tr. of May 27, 2008 Tel. Conf. at 4:6–13 (quoting letter). Juror X wanted to know, “[w]as that on Thursday, when everyone rested, or was it on Monday, after the verdict was read and we were excused as jurors?” *Id.* at 4:13–15.

On May 27, 2008, the court held a telephone conference to read Juror X’s letter to the parties. During the telephone conference, Payless’ counsel revealed that Juror X had contacted him by email on May 20, 2008 to ask if Payless was appealing the verdict. Payless’ counsel indicated that he also spoke with Juror X by phone for about twenty minutes. He answered some very general questions Juror X had about the appeal. Payless’ counsel asked if any outside influences or extraneous information

found its way into the deliberations. Juror X was quite certain everybody followed the rules.

On May 28, 2008, the court held an evidentiary hearing with Juror X. She explained that she wrote to the court because she was concerned that another juror may have violated the court's instructions regarding out-of-court investigation:

JUROR X: There was a conversation on Friday morning, when all the jurors were together. When we went in and we had all the instructions, I started to read through, and other conversations were going on.

One juror said something—and, again, I can't recall verbatim, because I was overhearing. What I overheard was something about going online last night or the night before, and—and then there was something else said, but it wasn't necessarily about adidas or Payless. It was about appeals.

....

... The comment was made, "Well, the verdict will be appealed anyway."

And then there was—the juror said something about a Ninth—I don't know if it was District or Circuit or something about court.

There was another juror, I think, who asked something about "Well, are there a lot of verdicts overturned?"

At that point, I don't think I caught everything, because my brain went to "What did the judge say?" or "Does this matter? Does it mean anything?"

....

Then based on that, I was kind of testing the waters, and I said, "Oh, well, I thought we couldn't do anything until after we were all gone. If I had known we could have gone online last night, I would have gone online last night."

And nobody responded.

Tr. of May 28, 2008 Hr'g at 5:6–6:12.

In a response to the court's questions, Juror X stated:

And then another juror asked and said, "Are—are a lot of verdicts overturned?"

And the other juror said, "Not that many," and then kind of talked a little bit about—I can't remember

verbatim, but just a little about the process or where it goes, like to the Supreme Court or something.

*4

THE COURT: Do you remember anything being said by this juror who went online or any of the other jurors about getting information from the outside and relaying it to the other jurors? The person that went online, did they say anything that had anything to do with the facts of this case?

JUROR X: No, no.

Id. at 8:11–9:2.

At the conclusion of the May 28 evidentiary hearing, Juror X identified Juror Y as the juror who spoke about going online.

On June 4, 2008, the court interviewed Juror Y:³

THE COURT: And tell me, did you do any looking up of material on the Internet and then discuss it with the jury?

JUROR Y: No, didn't. Did discuss things, prior knowledge, you know, years before, from just searching the Internet, about appeals and jury judgments and awards.

THE COURT: Okay. Well, why don't you tell me—okay. What you're saying, then, is you didn't look up anything specifically during this trial?

JUROR Y: No, sir.

THE COURT: Before or after?

JUROR Y: No.

Tr. of June 4, 2008 Hr'g at 4:7–19.

Juror Y explained, "I remember people were talking about award judgments, awarding—that wanted large amounts. They were getting real large, 7, 800 million. And I just said, from looking up, from what I've seen before, if you get a real excessive amount, you're just going to be shoved out." *Id.* at 5:8–13.

Juror Y repeatedly denied doing any research on the internet during the trial or during the deliberations. He remembers the entire conversation in the jury room taking a minute or less.

Payless contends that the testimony of Jurors X and Y

establish that the jury was exposed to extrinsic evidence obtained from the Internet during deliberations. Payless argues that there is a “reasonable possibility” that this extrinsic evidence affected the verdict and therefore, Payless is entitled to a new trial under [Federal Rule of Civil Procedure 59](#). I disagree.

A. Legal Standards Governing Juror Misconduct

There are two types of juror-misconduct cases. [United States v. Rosenthal](#), 454 F.3d 943, 949 (9th Cir.2006) (citing [Sea Hawk Seafoods, Inc. v. Alyeska Pipeline Serv. Co.](#), 206 F.3d 900, 906 (9th Cir.), cert. denied, 531 U.S. 919 (2000)). The first type is extraneous⁴ evidence cases which “involve not only the introduction of ‘evidence’ per se but the submission of extraneous information (e.g., a file or dictionary) to the jury.” *Id.* (internal quotation omitted). The party seeking a new trial must show by a preponderance of evidence that the jury was exposed to extrinsic evidence. [United States v. Caro-Quinero](#), 769 F.Supp. 1564, 1574 (C.D.Cal.1991), aff’d, 42 F.3d 1403 (1994). In an extraneous evidence case, the court grants a new trial “if there is a reasonable possibility that the material could have affected the verdict.” [Rosenthal](#), 454 F.3d at 949 (internal quotation omitted). The party opposing a new trial has the burden to demonstrate the absence of prejudice. *Id.*

*5 The second type of case involves ex parte contacts with a juror that “do not include the imparting of any information that might bear on the case.” *Id.* (internal quotation omitted). Ex parte contacts “do not pertain to any fact in controversy or any law applicable to the case.” *Id.* (internal quotation omitted). In an ex parte contacts case, the court must hold a fair hearing if it finds a reasonable possibility of prejudice. Unless the ex parte contact is inherently coercive, the movant is not entitled to a new trial without demonstrating actual prejudice. *Id.*

B. Analysis

The initial issue is whether the information from Juror Y is extraneous evidence or an ex parte contact. Information about appeals arguably pertains to the law applicable to the case. It is similar to the extraneous evidence in [Rosenthal](#), in which a juror asked an attorney friend if she had to follow the judge’s instructions. Neither of these juror discussions directly concerned the substantive law in the case, but did concern procedural matters. *Id.* at 950.

Thus, I will use the reasonable possibility standard and adidas must demonstrate the absence of prejudice. First, Payless must prove that the jury was exposed to extrinsic evidence.

I conclude that Payless has not met its burden of proving by a preponderance of evidence that Juror Y improperly exposed the jury to extrinsic evidence obtained from the Internet during deliberations. Juror Y unequivocally and repeatedly denied engaging in any outside research during the trial. He stated that his comments regarding appeals and reversal of excessive verdicts were based on his general knowledge and prior searches on the Internet. In contrast, Juror X was unable to definitively state what she overheard Juror Y say in the jury room. Juror X’s vague recollections of what she thought she overheard Juror Y say about searching the Internet more than three weeks after the jury returned its verdict are not sufficient to establish by a preponderance of evidence that Juror Y did, in fact, violate the court’s instructions or introduce extrinsic evidence obtained from the Internet during deliberations.

Moreover, Juror Y’s comments regarding the likelihood of appeal and cautioning against an excessive verdict simply do not constitute the type of extrinsic information the Federal Rules of Evidence seek to prohibit. In examining a claim of a juror misconduct, a court must determine whether the allegedly extrinsic materials are, in fact, improper extrinsic materials, or are “merely the kind of common knowledge, which most jurors are presumed to possess.” [Fields v. Brown](#), 503 F.3d 755, 779 (9th Cir.2007) (citation omitted), cert. denied, 128 S.Ct. 1875 (2008); see also [Hard v. Burlington Northern Railroad Co.](#), 870 F.2d 1454, 1461 (9th Cir.1989) (“The type of after-acquired information that potentially taints a jury verdict should be carefully distinguished from the general knowledge, opinions, feelings, and bias that every jury carries into the jury room.”); [Gotemeyer v. Hickman](#), 393 F.3d 871, 878–79 (9th Cir.2004) (distinguishing between extrinsic evidence and “a juror sharing her own experiences [as a physician] with her colleagues on the jury”), cert. denied, 546 U.S. 880 (2005). Indeed, “[j]urors must rely on their past personal experiences when hearing a trial and deliberating on a verdict.” [Price v. Kramer](#), 200 F.3d 1237, 1255 (9th Cir.), cert. denied, 531 U.S. 816 (2000).

*6 Here, Juror Y’s statements regarding the likelihood of appeal and reversal of excessive damages awards are exactly the kind of general knowledge, opinion, and belief that jurors are allowed to possess and bring to the table during jury deliberations. The general population is aware that cases can be appealed and that excessive verdicts are

sometimes overturned. Payless was entitled to an “impartial jury, not an ignorant one,” *Grotemeyer*, 393 F.3d at 879, and Juror Y’s comments regarding the likelihood of appeal and/or reversal of an excessive verdict “merely confirmed what any reasonable juror already knew.” *United States v. Bagnariol*, 665 F.2d 877, 888 (9th Cir.1981), cert. denied, 456 U.S. 962 (1982). As adidas points out, it would be virtually impossible to seat a jury with citizens who have absolutely no knowledge of the appeals process. Juror Y’s general comments about potential for appeal do not fall within the realm of impermissible extraneous evidence that Rule 606 was intended to remedy.

Even if I were persuaded that Juror Y’s statements were impermissible extrinsic information (which I am not), there is no reasonable possibility that Juror Y’s general statements about the likelihood of appeal and the reversal of excessive verdicts could have affected the jury verdict. The Ninth Circuit instructs the trial court to consider the following factors in determining whether there is a reasonable possibility that extrinsic evidence affected the verdict: (1) whether the material was actually received, and if so, how; (2) the length of time it was available to the jury; (3) the extent to which the juror discussed and considered it; (4) whether the material was introduced before a verdict was reached, and if so at what point in the deliberations; and (5) any other matters which may bear on the issue of the reasonable possibility of whether the extrinsic material affected the verdict. *Estrada v. Scribner*, 512 F.3d 1227, 1238 (9th Cir.), cert. denied, 128 S.Ct. 2973 (2008). Generally, a court will not order a new trial unless the juror misconduct “relates directly to a material aspect of the case,” and there is a “direct and rational connection” between the extrinsic information and the verdict. *Bagnariol*, 665 F.2d at 1575.

Applying these factors here, there is no reasonable possibility that Juror Y’s general statements about the likelihood of appeal and the reversal of excessive verdicts could have affected the jury verdict. The testimony of Juror Y and Juror X indicate that only a few members of the jury heard the comments. Any discussion that followed took less than one minute. Further, both Jurors Y and X indicated that Juror Y made the comments at the very beginning of the jury’s two-day deliberation. There is no indication that anyone discussed the issue again. Finally, the possibility of appeal was peripheral to the issues that were before the jury and did not directly relate to any material fact or substantive law applicable to the case. These factors indicate that there is no reasonable possibility of prejudice. adidas met its burden that Payless suffered no prejudice. Accordingly, Payless’ motion for new trial based on juror misconduct is denied.

II. Likelihood of Confusion

*7 Payless argues that the evidence presented by adidas to establish a likelihood of confusion was insufficient to support the jury’s verdict for five reasons: (1) the court erred in admitting Dr. Ford’s likelihood of confusion analysis because Dr. Ford did not survey all of the accused shoes, and his analysis was based, in part, on the evaluation of third-party shoes; (2) adidas failed to introduce any evidence as to 107 of the 268 accused shoe lots which were not included in Dr. Ford’s analysis so it would be improper for the jury to extrapolate evidence about the surveyed shoes to the shoes not included in the survey; (3) no reasonable jury could find actionable similarity between the so-called “Category A” lots and adidas Three-Stripe Mark or the Superstar Trade Dress because the shoes bear little, if any, resemblance to any specific adidas shoe; (4) adidas presented no evidence that the alleged post-sale confusion of consumers actually affected a later purchasing decision; and (5) adidas failed to present evidence that Payless’ actions affected any purchasing decisions and thus, the evidence cannot support a finding of initial-interest confusion.

This court has ruled three times that Dr. Ford’s likelihood of confusion survey evidence was admissible as evidence of actual confusion. See Dec. 21, 2007 Opinion and Order, at 11, 37; Pre-Trial Conference Tr. at 60:24–61:3; and Trial Tr. at 1695:5–12 (denying Payless’ Rule 50 motion). Payless offers no compelling rationale or authority for upsetting those rulings now.

After considering Payless’ other four arguments, the court concludes that sufficient evidence supports the jury’s finding of likelihood of confusion. Payless’ arguments focus almost exclusively on a single factor in the likelihood of confusion analysis (*i.e.*, actual confusion) and ignore the other relevant factors. In determining whether the accused Payless shoes were likely to cause consumer confusion, the jury was charged with considering not just evidence of actual confusion—that is, Dr. Ford’s likelihood of confusion surveys—but with weighing: (1) the similarity of the marks; (2) the relatedness of the parties’ goods; (3) the similarity of trade or marketing channels; (4) the strength of the plaintiff’s marks; (5) defendant’s intent; (6) evidence of actual confusion; (7) the degree of care exercised by the average purchaser; and (8) the likelihood of expansion into other markets. *AMF v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir.1979). Payless’ arguments are not persuasive.

III. Dilution

Payless argues that the Trademark Dilution Revision Act (“TDRA”) and its predecessor, the Federal Dilution Trademark Act, both require adidas to prove that Payless used two or four stripes on shoes *as its own trademark*. As such, Payless contends that adidas’ dilution claims fail as a matter of law because adidas acknowledges (and this court has found) that Payless uses stripes “merely for decoration and *not* as a brand or trademark.” adidas’ Mem. in Supp. of Mot. for Partial Summ. J. (# 552) at 19; Dec. 21, 2007 Opinion and Order (# 662) at 62–64. I disagree.

***8** Payless’ argument that its subjective intent to use stripes as mere decoration, rather than as a trademark, controls whether its use of stripes falls within the scope of the TDRA is supported by neither the case law nor the policy underlying federal dilution law. The TDRA provides, in relevant part, that “the owner of a famous mark ... shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of *a mark* or trade name in commerce that is likely to cause dilution ... of the famous mark.” 15 U.S.C. § 1125(c)(1) (emphasis added).

Dilution is “the lessening of the capacity of a famous mark to identify and distinguish goods or services of the owner of the famous mark such that the strong identification value of the owner’s trademark whittles away or is gradually attenuated as a result of its use by another.” *Horphag Research Ltd. v. Garcia*, 475 F.3d 1029, 1035 (9th Cir.2007) (internal quotation marks omitted; emphasis added).

As adidas notes, I have rejected Payless’ present argument more than once. I agree with adidas that the important issue is whether consumers perceive Payless’ use of two and four stripes as a trademark so that the value of the mark to adidas is diluted. This can occur even if Payless does not put a nickel into promoting the stripes as its own trademark. Although *Horphag* does not address the issue directly, Payless’ argument is undercut by *Horphag* because the court found that the famous mark was diluted by the competitor, even though the competitor did not use the famous mark as its own mark. *Id.* at 1033–37.

I am unconvinced by Payless’ argument and decline to change my prior rulings.

IV. Fact of Actual Harm

At trial, adidas did not present evidence of lost sales. Instead, adidas proffered evidence that Payless’ infringement damaged the distinctiveness, perceived quality, positive consumer associations, and consumer loyalty that adidas built up in its Three–Stripe Mark and Superstar Trade Dress. Payless contends that adidas’ “speculative” and “hypothetical” expert opinion testimony regarding brand devaluation theory was not sufficient to prove that adidas suffered actual harm as a result of Payless’ infringement. As such, Payless contends that it is entitled to judgment as a matter of law on adidas’ damages claims.

adidas’ loss of the ability to control its reputation for quality is a legally cognizable form of injury. *Yale Electric Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir.1928). Judge Learned Hand described the loss of control over reputation as follows:

[I]t has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner’s reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use....

***9** *Id.* The Ninth Circuit starts with the basic premise that a “plaintiff must prove both the fact and the amount of damage.” *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1407 (9th Cir.) (quoting 2 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 30.27 at 511 (2d ed.1984)), *cert. denied*, 510 U.S. 815 (1993). The Circuit puts a twist on this, however:

Other jurisdictions have made a distinction between the elements necessary to establish a legal basis for liability from those required for proof of damages. Although we recognize this distinction, [n]evertheless, an inability to show actual damages does not alone preclude a recovery under section 1117. In so holding, we express a distinct preference for those opinions permitting relief based on the totality of the circumstances. See *Burger King Corp.*, 855 F.2d at 781 (plaintiff need not demonstrate actual damage to obtain an award reflecting an infringer's profits)....

Id. at 1410–11 (internal quotation and citation omitted). In *Southland Sod Farms*, the Ninth Circuit elaborated on its decision in *Lindy Pen*:

Moreover, although the Ninth Circuit in *Harper House* stated that “actual evidence of some injury resulting from the deception is an essential element” in a suit for damages under § 43(a), *id.*, a more recent decision holds that “an inability to show actual damages does not alone preclude recovery under section 1117.” *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1411 (9th Cir.1993) (quoting *Bandag, Inc. v. Bolser's Tire Stores*, 750 F.2d 903, 919 (Fed.Cir.1984)). Under *Lindy Pen*, the preferred approach allows the district court in its discretion to fashion relief, including monetary relief, based on the totality of the circumstances.

Southland Sod Farms v. Stover Seed Co., 108 F.3d 1134, 1146 (9th Cir.1997).

adidas relied primarily on two experts, Dr. Joachimsthaler and Dr. Pham, to provide evidence of the harm suffered by its marks. Payless first raised its current argument in motions in limine based on *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579, 592 (1993), to prevent the experts from testifying. Now that I have heard the entire testimony of the two experts, I am no more persuaded by Payless' argument than I was prior to trial. There is no requirement that these experts quantify the harm suffered by the brand. And the fact that the brand is very strong does not mean that it was not harmed by the infringement. The jury accepted the expert testimony, as it was entitled to do. No error was committed.

V. Willfulness

Payless argues that the jury's finding of willfulness and the resulting award of profits must be vacated because: (1) the court barred Payless from informing the jury that Magistrate Judge Jelderks and District Court Judge Haggerty both found that the parties' 1994 Settlement Agreement allowed Payless to continue selling shoes with two and four parallel straight-edged stripes like the ones at issue; (2) Judge Jelderks' and Judge Haggerty's rulings preclude a finding of willfulness during the three-year period when those rulings were in effect (*i.e.*, prior to the Ninth Circuit's reversal); and (3) the jury's finding of willfulness lacks support as to any of the 112 so-called “Category A” lots, which adidas did not accuse of imitating any specific shoes. Because the jury's finding of willfulness is unsupported by the record, Payless argues, the jury's award of profits and punitive damages must be vacated.

***10** Contrary to Payless' argument, the court did not preclude Payless from eliciting testimony or introducing evidence or argument that Payless relied on the rulings of Magistrate Judge Jelderks and District Court Judge Haggerty that the 1994 Settlement Agreement insulated Payless from any liability premised solely on the use of two or four straight-edged stripes. Although the court did preclude Payless from introducing those summary judgment opinions as exhibits, the court specifically allowed Payless to argue and introduce evidence that Payless believed, based on the 1994 Settlement Agreement and Judges Jelderks' and Haggerty's interpretations of that agreement, that it could sell shoes bearing two or four straight-edged stripes. See Pre-Trial Conference Tr. at 47:1–48:15 (allowing evidence and argument “relevant to ... Payless' intent, that it honestly believed that the '94 agreement allowed use of straight-edged stripes, ... I am going to allow Payless to bring in factors ... to determine the strength of adidas' trademark and Payless' intent. It will come in for those general purposes. But Payless will have to pose the issues in the proper context, with a proper foundation.”); see also Trial Tr. at 883:9–12 (“Payless can argue the agreement as it affects its intent. So I think the jury needs to know that the settlement agreement evidence relates solely to intent and is not a bar.”). Payless fails to cite any portion of the record in which it attempted to proffer (and the court explicitly excluded) evidence of Payless' good faith reliance on the 1994 Settlement Agreement or the court's prior rulings interpreting that agreement.⁵ If Payless had made an offer of proof, any misunderstanding as to the extent of my ruling would have been corrected. As such, Payless' motion for new trial based on

purportedly erroneous evidentiary rulings is without merit.

I am unpersuaded by Payless' argument concerning the Category A shoes. With 268 lots of shoes, adidas had to allocate its trial time and presumably spent the most time on the closest copies. After much discussion and consideration, however, I had the jury make a separate decision on whether each lot of shoes was infringing. The jury ruled for adidas in 267 of the 268 lots, indicating to me that the jury took its role seriously and considered each lot separately, as I instructed it to do. The Category A shoes are no reason to disturb the jury's willfulness decision or to grant a new trial.

As noted by adidas in its brief, the jury was presented with evidence from many sources on which it could base the willfulness determination, including internal Payless communications which refer to Payless shoes as adidas shoes.

Finally, I will consider Payless' argument concerning its right to rely on Judge Jelderks' and Judge Haggerty's rulings during the three years prior to the Ninth Circuit reversal when I consider the damages awards.

VI. Damages

*11 Payless argues that the jury's \$305 million damages award is flawed in numerous respects. First, Payless contends that the jury's \$30.6 million "reasonable royalty" calculation is contrary to law, speculative, and arbitrary. Second, Payless argues the award of profits is contrary to law because the jury did not (and could not) find willfulness by clear and convincing evidence, and the award of profits plus a reasonable royalty constitutes an impermissible double recovery. Payless also argues the award of profits violates the Lanham Act's prohibition against damages as a penalty. Finally, Payless argues that the jury's award of punitive damages for violations of state law is fundamentally inequitable, violates the Due Process Clause, and violates clearly established principles of federalism. In light of these "fundamental flaws," Payless moves to vacate the jury's verdict or, in the alternative, to remit the award of damages to no greater than \$19.7 million (i.e., Payless' claimed profits) or remand for a new trial on the issue of damages.

Although I have carefully considered all of the parties' arguments, and given a great deal of thought to whether the jury's damages awards should stand, I will not address each point raised by the parties in detail. Instead, I will

explain the reasons why I have decided to award the jury's figure of \$30,610,179 as damages in the form of a reasonable royalty and use my discretion under the Lanham Act to reduce the award based on a disgorgement of profits to \$19.7 million. I also deny Payless' motion for a new trial, conditioned on adidas accepting a remittitur of the punitive damages award to \$15 million.

A. Damages under the Lanham Act

If trademark infringement is found under the Lanham Act, it provides recovery of the defendant's profits and any damages sustained by the plaintiff, subject to the principles of equity. 15 U.S.C. § 1117(a).

The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

Id.

Thus, the Lanham Act provides the court with considerable "discretion to fashion relief, including monetary relief, based on the totality of the circumstances." *Southland Sod Farms*, 108 F.3d at 1146; see also *Lindy Pen*, 982 F.2d at 1411 (affirming district

court's denial of an accounting of profits and award of damages).

*12 Section 1117 does not give the court discretion to make a downward adjustment of actual damages. *Go Medical Industries Pty., Ltd. v. Inmed Corp.*, 471 F.3d 1264, 1274 (Fed.Cir.2006). “[I]t is essential that the trial courts carefully fashion remedies which will take all the economic incentive out of trademark infringement.” *Playboy Enterprises, Inc. v. Baccarat Clothing Co., Inc.*, 692 F.2d 1272, 1275 (9th Cir.1982).

In this case, I had the jury assess the profits and damages according to my instructions. It is now my job to determine if the jury verdict is equitable and comports with the law.

1. Reasonable Royalty

A reasonable royalty based on a hypothetical negotiation can be a measure of actual damages in a trademark infringement case. *Sands, Taylor & Wood v. Quaker Oats Co.*, 34 F.3d 1340, 1350 (7th Cir.1994) (“one measure of actual damages that, if ascertained with reasonable certainty, could be said to reflect the actual loss of [the trademark owner]—the cost of a reasonable royalty”); *Playboy Enterprises*, 692 F.2d at 1274–75 (concluding that the damages award based on the trademark owner's standard royalty rate was inadequate and awarding an accounting of defendant's profits).

adidas sought a reasonable royalty as a surrogate measure of damage to the marks, even though it concedes that it would not have licensed the marks to Payless. The evidence shows that the adidas marks are strong and grew stronger during the period in question. The evidence is of theoretical damage to the marks. There was no evidence of monetary loss to adidas in the nature of lost sales. The royalty figure awarded by the jury is consistent with royalties between adidas or Payless with third parties and also with royalties between third parties.

Although the jury's royalty award would have resulted in a loss to Payless at the current price point, this does not make the royalty unreasonable. “‘There is no rule that a royalty be no higher than the infringer's net profit margin.’” *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1338 (Fed.Cir.2004) (quoting *State Indus. Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1580 (Fed.Cir.1989), cert. denied, 493 U.S. 1022 (1990)) (in patent infringement case, court notes that what the infringer might have preferred to pay is not the test for

damages).

In sum, the jury accepted adidas' calculations. The royalty award is supported by substantial evidence and is not against the clear weight of the evidence. I will allow it to stand.

2. Profits

A defendant's profits can only be disgorged to prevent unjust enrichment if the trademark infringement was willful. *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988 (9th Cir.1995). Payless contends that I erred in failing to instruct the jury that it could only make a finding of willfulness under a clear and convincing standard. In a trademark case, *Gracie v. Gracie*, 217 F.3d 1060, 1068–69 (9th Cir.2000), the court analyzed and approved a jury instruction on willfulness that did not refer to a clear and convincing standard. I am aware of *CollegeNET, Inc. v. XAP Corp.*, 483 F.Supp.2d 1058, 1065 (D.Or.2007), and its holding that a finding of willful misconduct under the Lanham Act must be supported by clear and convincing evidence. *CollegeNET* cites three cases for this proposition, without any analysis. I reviewed the cited cases, however, and do not believe that they provide convincing support for a requirement of a clear and convincing standard. Accordingly, I am not persuaded that the jury instruction was in error.

*13 adidas was very aggressive in calculating Payless' profits. I conclude that the profits, as calculated by adidas' expert, were overstated and did not follow generally accepted accounting principles. I realize that under § 1117, Payless has the burden to prove all costs and deductions claimed. But after reflecting on Payless' expert's calculations, I do not think that Payless deducted any costs which did not actually contribute to the sale of the infringing shoes. *Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 516 (9th Cir.1985) (when calculating copyright infringer's profits, overhead costs should be deducted “only when the infringer can demonstrate that [the overhead expense] was of actual assistance in the production, distribution or sale of the infringing product.”) (internal quotation omitted).

As one example, a royalty would have to be deducted as a direct expense of selling the shoes. The fact that adidas did not include a royalty in its calculation demonstrates the unreasonableness of its method.

After advocating for a figure of \$208 million dollars in Payless' profits, the adidas expert admitted that a

commonly used measure of profit would result in a \$19 million dollar profit, a figure very close to that proffered by the Payless expert. I realize that adidas subtracted less overhead than normal to calculate profits for this disgorgement exercise, but the difference in the two amounts demonstrates the unreasonableness of the jury's award when I consider the equities.

I have also given a great deal of consideration to the jury's finding of willfulness. I firmly believe that the jury's finding of willfulness is correct given the evidence before it. But I am aware that the legal opinions of Judges Jelderks and Haggerty adopted Payless' interpretation of the 1994 settlement agreement until reversal by the Ninth Circuit three years later. During those three years, Payless did not commit willful infringement, although I note that Payless did not stop selling the shoes when adidas prevailed before the Ninth Circuit. Finally, there was substantial evidence of companies other than Payless selling two and four stripe shoes for years.

After considering all these factors, I conclude that the jury's verdict of just over \$137 million is so high that it is punitive rather than compensatory, and thus violates the Lanham Act. In my discretion under the Lanham Act, I find that an adequate recovery of defendant's profits is \$19.7 million.

B. Punitive damages

The jury's verdict of \$137,003,578 in punitive damages is based on adidas' common-law claims for trademark and trade dress infringement and statutory claims for unfair and deceptive trade practices under the acts of numerous states.

Payless contends that only five of the states allow punitive damages for the statutory claims under a clear and convincing standard, as instructed here with respect to the state claims, and that some of those states cap punitive damages unless special procedures are followed. Because the jury awarded punitive damages in the same amount as Payless' profits, Payless argues that the jury awarded punitive damages based on sales in all 50 states. Thus, Payless claims the amount of punitive damages violates the Constitution's principles of federalism because the award is punishing conduct taking place outside Oregon and in states which would not award punitive damages.

***14** adidas argues that the state common law claims support the punitive damages award because the harm is

felt by adidas here, where it has its North American headquarters.

Payless bases its argument on [*State Farm Mutual Automobile Insurance Co. v. Campbell*](#), 538 U.S. 408, 421–22, 123 S.Ct. 1513 (2003) (internal citations omitted):

A State cannot punish a defendant for conduct that may have been lawful where it occurred. Nor, as a general rule, does a State have a legitimate concern in imposing punitive damages to punish a defendant for unlawful acts committed outside of the State's jurisdiction. Any proper adjudication of conduct that occurred outside Utah to other persons would require their inclusion, and, to those parties, the Utah courts, in the usual case, would need to apply the laws of their relevant jurisdiction.

I am not convinced this principle applies here. In *State Farm*, plaintiff's counsel introduced evidence of State Farm's business practices for over 20 years in numerous states, with most of the practices bearing no relation to the bad faith third-party automobile insurance claim underlying plaintiff's complaint against the insurer. *Id.* at 415. "The [Utah] courts awarded punitive damages to punish and deter conduct that bore no relation to the [plaintiffs'] harm." *Id.* at 422. In part because of extraterritoriality concerns, the Court reversed the jury's verdict of \$145 million in punitive damages, which the trial court had reduced to \$25 million. *Id.* at 429.

Here, the evidence concerned Payless' conduct while infringing adidas' marks. The jury was not shown evidence that Payless infringed marks owned by anyone other than adidas. Thus, the jury verdict is based on the harm that Payless inflicted on adidas. That fact distinguishes the case before me from *State Farm*.

Alternatively, Payless argues that the punitive damages award is grossly excessive and thus violates due process principles. adidas claims that clear and convincing evidence fully supports the award.

The Due Process Clause prohibits the imposition of grossly excessive or arbitrary punishments on a tortfeasor. *State Farm*, 538 U.S. at 416. In reviewing a punitive damages award, a court must consider three guideposts:

(1) the degree of reprehensibility of the defendant's misconduct; (2) the disparity between the actual or potential harm suffered by the plaintiff and the punitive damages award; and (3) the difference between the punitive damages awarded by the jury and the civil penalties authorized or imposed in comparable cases.

Id. at 418 (citing *BMW of North America, Inc. v. Gore*, 517 U.S. 559, 575, 116 S.Ct. 1589 (1996)).

The degree of reprehensibility of defendant's conduct is the "most important indicium" of the reasonableness of a punitive damages award. The factors to be considered are whether (1) the harm caused was physical as opposed to economic; (2) the tortious conduct evinced an indifference to or a reckless disregard of the health or safety of others; (3) the target of the conduct had financial vulnerability; (4) the conduct involved repeated actions or was an isolated incident; and (5) the harm was the result of intentional malice, trickery, deceit, or mere accident. *Id.* at 419.

*15 Although the Court declined to establish a bright-line ratio which punitive damages cannot exceed, it noted that the jurisprudence has established that "in practice, few awards exceeding a single-digit ratio between punitive and compensatory damages, to a significant degree, will satisfy due process." *Id.* at 425. "It should be presumed a plaintiff has been made whole for his injuries by compensatory damages, so punitive damages should only be awarded if the defendant's culpability, after having paid compensatory damages, is so reprehensible as to warrant the imposition of further sanctions to achieve punishment or deterrence." *Id.* at 419. See also *Exxon Shipping Company v. Baker*, 554 U.S. 471, 128 S.Ct. 2605, 2633 (2008) (under maritime law, maximum award of punitive damages is equal to compensatory damages).

The first *Gore* guidepost is the degree of reprehensibility of Payless' conduct. The harm here is entirely economic.

Thus, Payless did not show an indifference to the health or safety of others. Moreover, there was no evidence that adidas lost any sales because of the infringement. Based on my instructions, the jury awarded a reasonable royalty as a surrogate form of damages instead of trying to quantify the harm to the distinctiveness, perceived quality, positive consumer associations, and consumer loyalty that adidas had built up in its marks. There was no evidence that adidas had financial vulnerability or that it suffered financial problems because of the infringement. In fact, the evidence showed that the adidas brand strengthened during the period of infringement.

The fourth factor under the reprehensibility guidepost is whether the conduct is repeated or isolated. The jury found that 267 lots of Payless' shoes infringed the adidas marks. Thus, this factor weighs heavily in favor of a larger award.

The last factor is whether the conduct was intentional malice, trickery, deceit, or mere accident. I have dealt with this issue above when considering the jury's willfulness finding. This was no mere accident. But, again, I do note that Payless sold the infringing shoes for three years believing that Judges Jelderks' and Haggerty's opinions allowed the sales under the 1994 settlement agreement. This is balanced by the fact that Payless did not stop selling the shoes after the Ninth Circuit reversed those rulings.

The second *Gore* guidepost is the disparity between the harm suffered by adidas and the punitive damages award. The first issue is what numbers I must compare. The \$30.6 million royalty figure was to compensate for harm suffered to the marks. Payless' profits, cut down by me to \$19.7 million, is to prevent unjust enrichment. Although defendant's profits are part of the recovery allowed under the Lanham Act—to remove any financial incentive for infringement—they are not harm suffered by the mark owner. Thus, I conclude that I should compare the \$30.6 million royalty figure with the \$137 million dollar punitive damages award. The ratio between the two is 4.5 to 1. This single-digit ratio, on its own, does not offend the Due Process Clause. But the analysis is not limited to the simple arithmetic calculation. The Court has noted that if the compensatory damages are substantial, a lesser ratio, "perhaps only equal to compensatory damages, can reach the outermost limit of the due process guarantee." *State Farm*, 538 U.S. at 425. I consider \$30.6 million in compensatory damages to be substantial, particularly in light of the fact that adidas lost no sales and the damages are based on theoretical harm suffered to the adidas brand, something not easily quantified. This factor counsels reducing the punitive damages to \$30.6 million, at the

most.

***16** The parties both agree that the third *Gore* guidepost, civil penalties in comparable cases, does not apply because there are no statutory penalties for trademark infringement.

After considering the *Gore* guideposts, I have decided that even a 1 to 1 ratio between compensatory and punitive damages is too high. The main reasons are that there was no physical harm or disregard for a person's health or safety, there were no lost sales, adidas suffered no economic harm that jeopardized its business in any way, and, even though Payless acted willfully, it did not do so for the entire period addressed here. I realize that going below a 1 to 1 ratio is unusual but such awards have been approved if there is only economic harm. See *Motorola Credit Corp. v. Uzan*, 509 F.3d 74 (2nd Cir.2007) (following a court trial in a financial fraud case the trial court characterized as hard to imagine financial conduct more reprehensible, the appellate court affirmed the trial court's decision on remand to reduce the punitive damages to \$1 billion from \$2.1 billion, along with compensatory damages of \$2.1 billion). After giving this much thought, I conclude that the punitive damages must be reduced to \$15 million to comport with due process concerns. Accordingly, I deny Payless' motion for a new trial, conditioned on adidas accepting a remittitur of the punitive damages award to \$15 million.

CONCLUSION

Payless' Supplemental Motion for New Trial (# 901); Payless' Motion for Judgment as a Matter of Law or a New Trial (I) Due to Plaintiff's Failure to Prove the Fact of Actual Damage, and (ii) on the Issue of Willfulness (# 866); and Payless' Motion for Judgment as a Matter of Law on adidas' Liability Claims or in the Alternative, for New Trial (# 868) are denied. Payless' Motion for Judgment as a Matter of Law on adidas' Damage Claims or, in the Alternative, for New Trial or Remittitur (# 863) is granted as explained above.

adidas is awarded \$30,610,179 as damages in the form of a reasonable royalty and \$19.7 million in Payless' profits. I deny Payless' motion for a new trial, conditioned on adidas accepting a remittitur of the punitive damages award to \$15 million.

IT IS SO ORDERED.

All Citations

Not Reported in F.Supp.2d, 2008 WL 4279812

Footnotes

- ¹ For the sake of brevity, at times I will refer to the trademark and trade dress together as "marks."
- ² The exact figures are \$30,610,179 for a reasonable royalty, \$137,003,578 in Payless' profits, and \$137,003,578 in punitive damages.
- ³ The court did not inform Juror Y of the reason for the interview until the court began questioning him.
- ⁴ Also known as extrinsic evidence.
- ⁵ In its motion, Payless cites only one specific ruling, in which the court granted in part adidas' motion in limine to exclude evidence inconsistent with the court's December 21, 2007 Opinion and Order. That ruling did not extend to Judges Jelderks' and Haggerty's previous rulings and the court made clear that evidence related to the 1994 Settlement Agreement was admissible to the extent that it was relevant to Payless' intent. Trial Tr. at 47:22-49:5. Payless cites two other portions of the trial record: (1) a passage at the end of Vanessa Backman's cross-examination; and (2) a short discussion of Payless' annual reports, which contained a description of the legal proceedings. In neither instance did Payless indicate that it wanted to elicit testimony or proffer evidence regarding Payless' intent, or its reliance on Judges Jelderks' or Haggerty's rulings.

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November 20, 2007

228 F.Supp.2d 1192
United States District Court, D. Oregon.

ADIDAS–SALOMON AG and adidas America,
Inc., Plaintiffs,

v.

TARGET CORP.; E.S. Originals, Inc.; and B.U.M.
International, Inc., Defendants.

No. Civ.01–1582–ST.

|

Oct. 30, 2002.

Synopsis

Shoe manufacturer sued retail store for, inter alia, trade dress infringement and dilution. On store's motion for summary judgment, the District Court, [Redden](#), J., adopting the findings and recommendation of [Stewart](#), United States Magistrate Judge, held that fact issues existed as to whether trade dress had acquired secondary meaning or fame, and whether store's shoe design was confusingly similar.

Motion denied.

West Headnotes (12)

- [1] **Trademarks**
 **Form, Features, or Design of Product as Marks; Trade Dress**

Product's "trade dress" is its total image and overall appearance; it includes features such as size, shape, color, color combinations, texture, or graphics.

[Cases that cite this headnote](#)

- [2] **Trademarks**
 **Trade dress**

To sustain claim for trade dress infringement, plaintiff must prove that its claimed dress is nonfunctional, serves source-identifying role either because it is inherently distinctive or has acquired secondary meaning, and that defendant's product creates likelihood of consumer confusion. Lanham Trade–Mark Act, § 43(a), [15 U.S.C.A. § 1125\(a\)](#).

[Cases that cite this headnote](#)

- [3] **Trademarks**
 **Functionality**

Product feature is "functional," and thus not protected from trade dress infringement, if feature is essential to use or purpose of article or if it affects cost or quality of article.

[Cases that cite this headnote](#)

- [4] **Trademarks**
 **Functionality**

Fact that individual elements of trade dress may be functional does not necessarily mean that trade dress as a whole is functional; rather, functional elements that are separately unprotectable can be protected together as part of trade dress. Lanham Trade–Mark Act, § 43(a), [15 U.S.C.A. § 1125\(a\)](#).

[Cases that cite this headnote](#)

- [5] **Trademarks**
 **Functionality**

Trade dress of athletic shoe, consisting of three stripes on side of shoe, flat sole, rubber toe and heel patch, was non-functional, and thus was protected from infringement. Lanham

Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[6]

Trademarks

🔑 Distinctiveness; secondary meaning

Factors court considers in determining whether allegedly infringed trade dress has acquired secondary meaning include: (1) whether actual purchasers of product bearing claimed trade dress associate trademark with producer; (2) degree and manner of advertising under claimed trade dress; (3) length and manner of use of claimed trade dress; and (4) whether use has been exclusive. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[7]

Trademarks

🔑 Distinctiveness; secondary meaning

To establish that trade dress has acquired “secondary meaning,” there must be showing that there is mental recognition in buyers’ and potential buyers’ minds that products connected with mark are associated with same source. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[8]

Trademarks

🔑 Distinctiveness; secondary meaning

In determining whether trade dress infringement plaintiff’s advertising is enough to establish dress’ secondary meaning, court looks at advertising’s amount, nature, and geographical scope, with eye toward how likely advertising is to expose large number of relevant consuming public to use of symbol. Lanham Trade-Mark

Act, § 43(a), 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[9]

Federal Civil Procedure

🔑 Copyright, trademark, and unfair competition cases

Issue of material fact as to whether trade dress of athletic shoe had acquired secondary meaning precluded summary judgment on manufacturer’s infringement claim. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[10]

Trademarks

🔑 Trade Dress

Factors court considers in determining likelihood of confusion, in trade dress infringement action, include: (1) strength of dress; (2) proximity of goods; (3) similarity of dresses; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and degree of care likely to be exercised by purchaser; (7) defendant’s intent in selecting dress; and (8) likelihood of expansion of product lines. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[11]

Federal Civil Procedure

🔑 Copyright, trademark, and unfair competition cases

Issue of material fact as to whether appearance of shoes being sold by retailer was likely to cause consumer confusion as to source precluded summary judgment on shoe manufacturer’s trade dress infringement claim. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A.

§ 1125(a).

Cases that cite this headnote

[12] **Federal Civil Procedure**

🔑 Copyright, trademark, and unfair competition cases

Issue of material fact as to whether trade dress of athletic shoe had was famous precluded summary judgment on manufacturer's dilution claim. Lanham Trade-Mark Act, § 43(c), 15 U.S.C.A. § 1125(c).

Cases that cite this headnote

Attorneys and Law Firms

*1193 William H. Brewster, R. Charles Henn, Jr., Jerre B. Swann, Kilpatrick Stockton, LLP, Atlanta, GA, Stephen M. Feldman, Thomas R. Johnson, Anne L. Nichol, Perkins Coie, LLP, Portland, OR, for plaintiffs.

Vincent Henry Chieffo, Frank E. Merideth, Jr., Greenberg Traurig, LLP, Santa Monica, CA, Kenneth R. Davis, II, Milo Petranovich, Lane, Powell, Spears, Lubersky, LLP, Portland, OR, James R. Steffen, Faegre & Benson, LLP, Minneapolis, MN, for Target Corporation.

Kenneth R. Davis, II, Milo Petranovich, Lane, Powell, Spears, Lubersky, LLP, Portland, OR, Lisa A. Pieroni, Martin W. Schiffmiller, Kirschstein, Ottinger, Israel, Schiffmiller, New York City, for E.S. Originals, Incorporated.

OPINION AND ORDER

REDDEN, District Judge.

This is an action by adidas-Salomon AG and adidas

America, Inc., alleging that defendants have offered for sale and sold shoes with features that bear confusingly similar imitations of adidas' trademark diagonal three stripes and the trade dress of adidas' Original Superstar shoe. Plaintiffs assert claims for violation of federal copyright law and the Lanham Act, 15 U.S.C. §§ 1051–1127, and state laws governing trademark dilution, injury to business reputation, unfair competition, and deceptive trade practices. The defendants *1194 filed a motion to dismiss, which the court converted to a motion for summary judgment. On July 31, 2002, Magistrate Judge Stewart filed Findings and Recommendations that the defendants' motion be denied.

The matter is now before me pursuant to 28 U.S.C. § 636(b)(1) and Rule 72(b) of the Federal Rules of Civil Procedure. Section (b)(1)(A) authorizes a magistrate to hear and determine any pretrial matter pending before the court except certain specified “dispositive” motions. *United States v. Raddatz*, 447 U.S. 667, 673, 100 S.Ct. 2406, 65 L.Ed.2d 424 (1980). Review by the district court of the magistrate's determination of dispositive motions excepted under § 636(b)(1)(A) is *de novo*. Fed.R.Civ.P. 72(b); *Bhan v. NME Hospitals, Inc.*, 929 F.2d 1404, 1414 (9th Cir.1991).

Defendants have filed timely objections to Magistrate Judge Stewart's Findings and Recommendation. I have given the Findings and Recommendation *de novo* review.

Defendants' first objection to the Findings and Recommendation is that Judge Stewart's Findings and Recommendation permits adidas to bring an anti-competitive strike suit in the guise of product design trade dress claims. This, say the defendants, flies in the face of the encouragement of copying product designs not protected by copyright or patent law.

[1] [2] A product's “trade dress” is its total image and overall appearance; it includes “features such as size, shape, color, color combinations, texture, or graphics.” *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir.1989)(internal quotations and citation omitted). To sustain a claim for trade dress infringement, the plaintiff must prove that its claimed dress is nonfunctional, serves a source-identifying role either because it is inherently distinctive or has acquired secondary meaning, and that the defendant's product creates a likelihood of consumer confusion. *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1257 (9th Cir.2001).

adidas asserts that the trade dress of its original Superstar shoe is based on four elements: the trademarked three

stripes on the side of the shoe, a flat sole, a rubber toe with a shell design (“shell toe,”) and a “heel patch” including a trefoil design.

Defendants’ first objection is based on the functionality doctrine. Under the functionality doctrine, the law distinguishes between trademark and trade dress features “which constitute the actual benefit that the consumer wishes to purchase, which do not engender trademark protection,” and “an assurance that a particular entity made, sponsored, or endorsed a product, which, if incorporated into the product’s design by virtue of arbitrary embellishment, does have trademark significance.” *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 785 (9th Cir.2002)(internal citations and quotations omitted). Under the functionality doctrine, competitors can replicate important non-reputation-related product features. *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 169, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995). However, the copying of “arbitrary embellishments” that have acquired distinctiveness or secondary meaning is prohibited. *Tie Tech*, 296 F.3d at 785.

[3] [4] Thus, trade dress protection extends only to design features that are nonfunctional. *Clicks Billiards*, 251 F.3d at 1258. A product feature is functional if the feature is essential to the use or purpose of the article or if it affects the cost or quality of the article. *Qualitex*, 514 U.S. at 165, 115 S.Ct. 1300; *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 121 S.Ct. 1255, 1259, 149 L.Ed.2d 164 (2001). In determining whether trade dress is nonfunctional, the whole collection of features must be taken together. See *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 822–23 (9th Cir.1993). The fact that individual elements of the trade dress may be functional does not necessarily mean that the trade dress as a whole is functional; rather, functional elements that are separately unprotectable can be protected together as part of a trade dress. *Clicks Billiards*, 251 F.3d at 1259. Trade dress is “the composite tapestry of visual effects.” *Id.*

[5] Judge Stewart concluded that when all of the elements of the Original Superstar shoe’s trade dress were taken together, they were nonfunctional and therefore protectable. Defendants have conceded that two elements of the Original Superstar’s trade dress, the three-stripe mark and the heel patch, are nonfunctional. However, they assert that the flat sole and the rubber shell toe are widely used in the shoe industry and therefore are functional elements which render the Original Superstar’s trade dress also functional.

adidas has proffered evidence that the flat sole of the

Original Superstar was considered optimal for a performance basketball shoe in 1969, when adidas introduced the Original Superstar, but that it is considered optimal no longer. adidas has also introduced evidence that the rubber toe of the Original Superstar shoe adds neither durability nor performance to the shoes, but is purely ornamental and actually increases the production cost. Judge Stewart concluded from this evidence that adidas had established the nonfunctionality of the Original Superstar trade dress. I agree with that conclusion. Defendants’ first objection is rejected.

Defendants’ second objection is that adidas failed to show that its claimed Original Superstar trade dress has acquired distinctiveness or secondary meaning. They also argue that Judge Stewart erroneously inferred that the B.U.M. shoe had been copied from the Original Superstar shoe, and that such copying conferred secondary meaning on the Original Superstar shoe. They also contend that the evidence proffered by adidas on the existence of acquired distinctiveness of the Original Superstar trade dress was merely circumstantial and therefore not probative. This objection is also without merit.

[6] [7] In evaluating the sufficiency of evidence of secondary meaning, the court looks to a number of factors, including 1) whether actual purchasers of the product bearing the claimed trade dress associate the trademark with the producer, 2) the degree and manner of advertising under the claimed trade dress, 3) the length and manner of use of the claimed trade dress, and 4) whether use has been exclusive. See *Committee for Idaho’s High Desert, Inc. v. Yost*, 92 F.3d 814, 822 (9th Cir.1996); *Japan Telecom, Inc. v. Japan Telecom America, Inc.*, 287 F.3d 866, 873 (9th Cir.2002). Secondary meaning requires a showing that there is a “mental recognition in buyers’ and potential buyers’ minds that products connected with the mark are associated with the same source.” *Japan Telecom*, 287 F.3d at 873 (internal quotations and citations omitted).

adidas has submitted evidence showing that since 1986, when the rap group “Run DMC” performed the song “My adidas” while wearing the Original Superstar shoes, several rap and hip-hop musical artists have written and performed songs whose lyrics refer to the adidas “shell toe.” adidas has also proffered evidence showing unsolicited media references identifying the Original Superstar’s trade dress, particularly the shell toe, with adidas.

[8] [9] In determining whether a plaintiff’s advertising is enough to establish secondary meaning, the court looks at the advertising’s “amount, nature and geographical *1196

scope” with an “eye toward how likely the advertising is to expose a large number of the relevant consuming public to the use of the symbol...” *Japan Telecom*, 287 F.3d at 875. adidas’ evidence shows extensive and diverse advertising of both the three-stripe mark and the Original Superstar shoe itself. This includes print advertising and placement of the Original Superstar shoe on famous athletes. In addition, adidas has shown that the Original Superstar shoe has been marketed continuously since 1969. The evidence is sufficient to create a triable issue of fact on secondary meaning.

^[10] ^[11] Defendants claim that adidas has not proffered sufficient evidence to constitute a triable issue of fact on whether the “retro look” of the B.U.M. shoe is likely to cause consumer confusion with the adidas Original Superstar. The likelihood of confusion is “the central element of trademark infringement.” *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir.2000). Likelihood of confusion involves consideration of the “total effect of the defendant’s product and package on the eye and mind of an ordinary purchaser.” *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383–84 (9th Cir.1987). The existence of customer confusion is determined by application of the so-called *Sleekcraft* factors, announced in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir.1979). These factors include 1) strength of the mark; 2) proximity of the goods; 3) similarity of the marks; 4) evidence of actual confusion; 5) marketing channels used; 6) type of goods and the degree of care likely to be exercised by the purchaser; 7) defendant’s intent in selecting the mark, and 8) likelihood of expansion of the product lines. Magistrate Stewart concluded that adidas had demonstrated the existence of triable issues of fact on the *Sleekcraft* factors.

Similarity is always a crucial question in a *Sleekcraft* analysis. *GoTo.com* 202 F.3d at 1205. The greater the similarity, the greater the likelihood of confusion. *Id.* at 1205–06. Two of the axioms which guide this comparison are first that the marks must be considered in their entirety and as they appear in the marketplace, and second that similarities are weighed more heavily than differences. *Id.* at 1206; see also *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1144 (9th Cir.2002).

The Original Superstar (plaintiffs’ Exhibit 3) and the B.U.M. “Jonah” shoe (defendants’ Exhibit 2) are strikingly similar. The B.U.M. “Jonah” shoe design consists of a flat sole nearly identical to that of the Original Superstar, a shell toe with the same number of decorative ridges (six) as the Original Superstar shell toe (although with a different pattern between the ridges), stitching around the eyelet holes that is essentially

indistinguishable from that of the Original Superstar, diagonal stripes with serrated edges on the side of the shoe (the Original Superstar has three stripes with perforations between them, the B.U.M. shoe has four stripes without perforations, but the size, angle, location and color of the stripes is nearly identical), and a heel patch of the same color and similar shape to the heel patch on the Original Superstar, but without the trefoil and three stripes design and the word “adidas.” Both the B.U.M. and the adidas shoes have a wide seam centered beneath the heel patch.

adidas has also submitted evidence showing the strength of the mark and the proximity of the goods (i.e., that the products are sold to the same class of purchasers and are similar in function). And finally, through the evidence of the double-blind survey, adidas has demonstrated a triable issue of fact on the issue of post-sale confusion, which occurs when consumers *1197 other than the purchaser see the item after it has been purchased. Defendants’ objection is rejected.

^[12] Defendants next object that adidas has not proffered evidence of the fame of the Original Superstar trade dress sufficient to raise a triable issue of fact on trade dress dilution. The court found sufficient adidas’ evidence that 1) shoes bearing Original Superstar trade dress have been manufactured and sold since the late 1960s; 2) they were worn by a number of famous basketball players in the 1970s and thereby achieved sufficient fame; 3) adidas has sold large numbers of shoes bearing the Original Superstar trade dress, particularly during the last five years; and 4) adidas has spent substantial sums to promote the Original Superstar trade dress over a wide geographical area. The Judge also noted the absence of any evidence that third parties have used designs incorporating all four elements of the Original Superstar trade dress.

I agree with Magistrate Stewart that this evidence is sufficient to withstand defendants’ motion for summary judgment.

Accordingly, I ADOPT Magistrate Judge Stewart’s Findings and Recommendation filed July 31, 2002 (doc. # 131). The defendants’ motion (doc. # 22) is DENIED. Defendants’ motion for leave to file a reply memorandum in support of its amended objections to the Findings and Recommendation (doc. # 146) is DENIED.

IT IS SO ORDERED.

For the reasons that follow, defendants' motion for summary judgment (docket # 22) should be denied.

FINDINGS AND RECOMMENDATION

STEWART, United States Magistrate Judge.

ANALYSIS

INTRODUCTION

On October 25, 2001, plaintiffs, adidas-Salomon AG and adidas America, Inc. (collectively, "adidas") filed this action against defendants, Target Corporation ("Target"), E.S. Originals, Inc. ("E.S. Originals") and B.U.M. International, Inc. ("B.U.M."). adidas alleges that defendants have offered for sale and sold shoes¹ with four stripes and other features that bear confusingly similar imitations of adidas' "Three Stripe Mark" and "Original Superstar Trade Dress"² in violation of various state and federal laws, including the federal Lanham Trademark Act ("Lanham Act"), 15 U.S.C. §§ 1051–1127.

adidas alleges a total of nine claims for relief for: (1) federal trademark infringement of the Three Stripe Mark in violation of 15 U.S.C. § 1114 (First Claim for Relief); (2) federal unfair competition and dilution in violation of 15 U.S.C. § 1125(a) and (c) as to the Three Stripe Mark (Second and Fourth Claims for Relief) and the Original Superstar Trade Dress (Third and Fifth Claims for Relief); (3) state trademark *1198 dilution and injury to business reputation in violation of O.R.S. 647.107 and various other states' laws (Complaint, ¶¶ 61, 65, and 67) as to the Three Stripe Mark (Sixth Claim for Relief) and as to the Original Superstar Trade Dress (Seventh Claim for Relief); (4) common law trademark infringement and unfair competition as to the Three Stripe Mark (Eighth Claim for Relief); and (5) unfair and deceptive trade practices in violation of O.R.S. 646.605–.656 and the unfair and deceptive trade practices statutes of other states as to the Three Stripe Mark (Complaint, ¶ 72) (Ninth Claim for Relief).

This court has jurisdiction over adidas' federal claims under the Lanham Act, 15 USC § 1121(a), and 28 USC §§ 1331 and 1338(a), and supplemental jurisdiction over the related claims under 28 USC §§ 1338(b) and 1367. Defendants Target and B.U.M.³ filed a Motion to Dismiss (docket # 22), which this court has converted to a motion for summary judgment pursuant to FRCP 12(b). See Minute Order (docket # 47).

I. Legal Standard for Motions for Summary Judgment

F.R.C.P. 56(c) authorizes summary judgment if no genuine issue exists regarding any material fact and the moving party is entitled to judgment as a matter of law. The moving party must show an absence of an issue of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). Once the moving party shows the absence of an issue of material fact, the non-moving party must go beyond the pleadings and designate specific facts showing a genuine issue for trial. *Id.* at 324, 106 S.Ct. 2548. A "scintilla of evidence," or evidence that is "merely colorable" or not "significantly probative," does not present a genuine issue of material fact. *United Steelworkers of Am. v. Phelps Dodge Corp.*, 865 F.2d 1539, 1542 (9th Cir.), cert denied, 493 U.S. 809, 110 S.Ct. 51, 107 L.Ed.2d 20 (1989) (citations omitted).

The substantive law governing a claim or defense determines whether a fact is material. *T.W. Elec. Serv., Inc. v. Pacific Elec. Contractors Ass'n*, 809 F.2d 626, 631–32 (9th Cir.1987). The court must view the inferences drawn from the facts in the light most favorable to the non-moving party. *Dethmers Mfg. Co., Inc. v. Automatic Equipment Mfg., Co.*, 272 F.3d 1365, 1369 (Fed.Cir.2001); *Bayer AG v. Elan Pharmaceutical Research Corp.*, 212 F.3d 1241, 1247 (Fed.Cir.), cert denied, 531 U.S. 993, 121 S.Ct. 484, 148 L.Ed.2d 457 (2000). Additionally, "[b]ecause of the intensely factual nature of trademark disputes summary judgment is generally disfavored in the trademark arena." *Interstellar Starship Servs., Ltd. v. Epix, Inc.* ("Interstellar Starship"), 184 F.3d 1107, 1109 (9th Cir.1999), citing *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1356 n. 5 (9th Cir.1985) (*en banc*).

II. Factual Background

While defendants and adidas have submitted factual statements, they have also opposed virtually every fact in

their opponent's statement. For contextual purposes only, the following is a brief statement of the history of the present lawsuit:

adidas is a German company and an American subsidiary that manufacture and *1199 distribute athletic footwear, sportswear, and sporting equipment. adidas owns a "Three Stripe Mark" for athletic footwear consisting of three parallel diagonal bands, covered by U.S. Registration Nos. 961,353 issued June 19, 1973 (Complaint, ¶ 14 and Ex. 4, p. 2), 1,815,956 issued January 11, 1994 (*id.*, ¶ 12 and Ex. 2), and 1,833,868 issued May 3, 1994 (*id.*, ¶ 13 and Ex. 3). Among its many different models of athletic shoes, adidas manufactures and sells a shoe model called the "Campus II J" which bears the Three Stripe Mark. Jorgenson Dec.,⁴ Ex. 2. However, adidas manufactures and sells some shoes that do not bear the Three Stripe Mark.

adidas claims protected rights in the Original Superstar Trade Dress, which consists of: (1) three stripes on the side of the shoe parallel to equidistant small holes; (2) a rubber "shell toe;" (3) a particularly flat sole; and (4) a colored portion on the outer back heel section (referred to by the parties as a "heel patch" or "color moustache"). Complaint, ¶ 18. adidas manufactures and sells a line of shoes called the "Originals" line, several of which bear the Original Superstar Trade Dress. Amended Jorgenson Dec., ¶¶ 31–32. Shoes in the Originals line are manufactured and sold under various names including "Superstar," "Superstar II" and "Superstar II K." Adler Dec., Exs. 3 & 4.

Shoes bearing the Original Superstar Trade Dress were first sold in 1969 as a basketball shoe and the principal elements of the Original Superstar Trade Dress have not changed since that time. All shoes sold under the "Superstar" name, including those shoes bearing the Original Superstar Trade Dress, bear the Three Stripe Mark. Shoes bearing the Original Superstar Trade Dress have varying suggested retail prices, depending on a number of factors, including, among others, whether the shoe is in an adult's or child's size.

Target is an operator of mass market retail stores. Complaint, ¶ 22. B.U.M. licenses sport shoes bearing a four stripe design under the model names "Jonah" and "Mikal" which are sold by Target at its retail outlets for \$12.99 and \$14.99, respectively. *Id.*, ¶ 24; Adler Dec., Exs. 2 ("Jonah" model) & 1 ("Mikal" model). B.U.M. owns the federally registered trademarks "b.u.m.," "B.U.M. Footwear," "b.u.m. equipment," "BUM," and "B.U.M." B.U.M. is well-known for its casual clothing and shoes. Target does not sell adidas shoes.

III. Preliminary Issue Relating to Trade Dress Claims

Initially, this court must clarify an issue discussed but not resolved at oral argument. At the hearing, this court questioned whether adidas was asserting a trade dress claim relating to its Campus model shoe against defendants' Mikal model shoe. The Campus model shoe displays the Three Stripe Mark, but does not incorporate the rubber shell toe, which is one of the four elements identified by adidas as constituting its Original Superstar Trade Dress. Although adidas' counsel responded affirmatively, a review of the pleadings and the briefing reveals that no such claim is presently alleged or being pursued by adidas.

As discussed in more detail below, the Ninth Circuit has cautioned that when analyzing the "elements of a trade dress claim, it is crucial that we focus *not* on the individual elements, but rather on the overall visual impression that the combination and arrangement of those elements *1200 create." *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1259 (9th Cir.2001) (emphasis in original). Thus, any reasoned analysis of adidas' trade dress infringement claims begins with an evaluation of the exact trade dress adidas alleges has been infringed:

Whatever may be claimed as the combination of elements making up the product or its packaging and presentation, ... it will not do to solely identify in litigation such a combination as "the trade dress." Rather, the discrete elements which make up the combination should be separated out and identified on a list. Only then can the court and the parties coherently define exactly what the trade dress consists of and determine whether that trade dress is valid and if what the accused is doing is an infringement.

MCCARTHY, J. THOMAS, MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION ("MCCARTHY".....), § 8.3 (4th ed. 2001).

The Original Superstar Trade Dress in which adidas claims a protectable interest includes four elements, namely: (1) three stripes on the side of the shoe parallel to equidistant small holes; (2) a rubber shell toe; (3) a particularly flat sole; and (4) a heel patch. Complaint, ¶ 18. In addition, the Complaint places a heavy emphasis on the fame and popularity of the rubber shell toe as a defining feature of the trade dress it seeks to protect. *Id.*, ¶ 20.

That said, it is undisputed that defendants' Mikal model shoe has no rubber toe, much less one that can be characterized as a "shell toe." Moreover, adidas acknowledges that it does not claim that the Mikal model is a knock-off of the Superstar Originals (*i.e.* of shoes bearing the Original Superstar Trade Dress), but only claims that the Mikal model infringes the Three Stripe Mark and "also happens to be a direct knock-off" of adidas' Campus model. Plaintiffs' Memorandum in Opposition to Defendants' Motion to Dismiss, pp. 22–23, n. 17. Thus, this court is baffled by the statement by adidas' counsel at oral argument that it *does* assert a trade dress claim with respect to the Campus model shoe. Hearing Transcript, p. 4. The Complaint simply does not allege that the Mikal shoe infringes the Original Superstar Trade Dress.

In short, adidas simply has not alleged infringement based on the trade dress (as opposed to the Three Stripe Mark) of the Campus shoe. Thus, to the extent that defendants seek summary judgment against any such claim against the Mikal model shoe, their motion should be denied as moot. Given the absence of such a claim, this court expresses no opinion on its viability should adidas seek to add it.

IV. Trademark Infringement and Unfair Competition Claims (First, Second, Third, and Eighth Claims for Relief)

Having dispensed with this preliminary issue, this court now turns to adidas' various claims and the challenges raised by defendants.⁵ Four of adidas' nine claims (the First through Third, and Eighth Claims) allege infringement and unfair competition with respect to adidas' Three Stripe Mark and Original Superstar Trade Dress. These claims raise legal issues which are closely related and, in some cases, identical. The common theme is that adidas has a protectable interest in the Three Stripe Mark and the Original Superstar Trade Dress, and that the markings and trade dress displayed on defendants' shoes

are sufficiently similar to *1201 adidas' shoes such that they infringe on adidas' trademark and trade dress.

A. Legal Standards

Trademark law is a species of the "generic concept" that the common law protects against the "broad business tort of 'unfair competition.'" *International Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 915 (9th Cir.1980), *cert. denied*, 452 U.S. 941, 101 S.Ct. 3086, 69 L.Ed.2d 956 (1981) (citation omitted). The Lanham Act "created a federal protection against two types of unfair competition, infringement of registered trademarks ... and the related tort of false designation of the origin of goods." *Id.* (citations omitted).

A claim for federal trademark infringement lies against any person who, without the consent of the holder of the registered trademark:

use[s] in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

15 U.S.C. § 1114(1)(a).

Additionally, a person incurs civil liability under federal law for unfair competition by using in commerce "any word, term, name, symbol, or device, or any combination thereof, ... which ... is likely to cause confusion, or to cause mistake, or to deceive as to the ... origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person." 15 U.S.C. § 1125(a). Trade dress is accepted as a "symbol" or "device" for purposes of protection under this provision of the Lanham Act. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* ("Wal-Mart"), 529 U.S. 205, 209, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000).

"To state an infringement claim under [15 U.S.C. §

1125(a)]—whether it be a trademark claim or a trade dress claim—a plaintiff must meet three basic elements: (1) distinctiveness; (2) nonfunctionality; and (3) likelihood of confusion.” *Kendall–Jackson Winery, Ltd. v. E & J Gallo Winery*, 150 F.3d 1042, 1046–47 (9th Cir.1998); see also *Wal–Mart*, 529 U.S. at 210, 120 S.Ct. 1339; *Clicks Billiards*, 251 F.3d at 1258.

The ultimate test for unfair competition is exactly the same as for federal trademark infringement, that is “whether the purchaser is likely to be deceived or confused by the similarity of the marks.” *Interstellar Starship*, 184 F.3d at 1110. However, claims for unfair competition through the simulation of trade dress may involve a broader range of inquiry than do claims for trademark infringement:

The emphasis and thrust of trademark protection is in the direction of deciding whether an alleged symbol in fact functions to identify and distinguish the goods or services of one seller.... In trademark law, therefore, it is only the exclusive symbol characterized as a “trademark” that is juxtaposed against another’s usage to determine whether or not the two uses by two sellers are likely to confuse customers.

On the other hand, unfair competition through the simulation of trade dress is not so limited in scope. Liability can result from the buyer’s likely confusion between two products or services based upon the total impact of all aspects of the parties’ selling efforts. The scope of what the alleged trade dress consists of is largely defined by plaintiff’s counsel in litigation and can range from the overall appearance of packaging to the actual design and shape of the product itself....

***1202** In unfair competition law, everything that is likely to have an impact on the purchaser might be relevant to the ultimate determination of whether there is probable “unfairness” or confusion by the purchaser.

[E]ven in the traditional similarity of appearance case, the scope of consideration under unfair competition law is much greater than under the more technical and limited area of trademark infringement law.

MCCARTHY, § 2.7.

B. Defendants’ Challenges to adidas’ Claims

As discussed in more detail below, defendants raise three basic issues, each of which touches on several of adidas’ claims. Defendants argue that adidas cannot show that the Original Superstar Trade Dress is nonfunctional or distinctive. They also argue there is no likelihood of confusion between: (1) the four stripe mark displayed on the B.U.M. shoes and the Three Stripe Mark displayed on adidas’ shoes; or between (2) the trade dress displayed on the B.U.M. shoes (displayed on the Jonah model B.U.M. shoes) and that of the Original Superstar Trade Dress (displayed on the Superstar II K model adidas shoes). For the reasons that follow, each of these arguments should be rejected.

1. Nonfunctionality

a. Legal Standard

“The requirement of nonfunctionality is based ‘on the judicial theory that there exists a fundamental right to compete through imitation of a competitor’s product, which right can only be temporarily denied by the patent or copyright laws.’ ” *Leatherman Tool Group, Inc. v. Cooper Indus., Inc.*, 199 F.3d 1009, 1011–12 (9th Cir.1999), quoting *In re Morton–Norwich Prods., Inc. (“Morton–Norwich”)*, 671 F.2d 1332, 1336 (C.C.P.A.1982) (emphasis omitted). This requirement is designed to encourage competition and the broadest dissemination of useful design features.

“Functional features of a product are features which constitute the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product.” *Rachel v. Banana Republic, Inc.*, 831 F.2d 1503, 1506 (9th Cir.1987) (internal quotation marks and citation omitted). Functionality is a question of fact on which the plaintiff in an infringement action bears the burden of proof. *Clicks Billiards*, 251 F.3d at 1258 (citations omitted); *HWE, Inc. v. JB Research, Inc.*, 993 F.2d 694, 696 (9th Cir.1993), citing *Rachel*, 831 F.2d at 1506. Functionality has two alternative design features:

“ ‘In general terms, a product feature is functional,’ and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,’ that is, if the exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.”

Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 165, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995), quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n. 10, 102 S.Ct. 2182, 72 L.Ed.2d 606 (1982); see also *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 32, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001) (citing *Qualitex* and *Inwood* with approval).

A design feature of a particular article is “essential” only if the feature is dictated by the functions to be performed; a feature that merely accommodates a useful function is not enough. *Morton–Norwich*, 671 F.2d at 1342 (shape of plastic container for spray products not essential to its purpose as a sprayer). A design feature “affecting the cost or quality of an article” is *1203 one which permits the article to be manufactured at a lower cost. *E.g.*, *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122, 59 S.Ct. 109, 83 L.Ed. 73 (1938) (pillow shape of shredded wheat biscuit functional as cost would be increased and quality lessened by other form), or one which constitutes an improvement in the operation of the goods, *e.g.*, *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193, 195 (1st Cir.1980) (two-tier design of woodstove functional because improving the operation of the stove in three respects).

The Ninth Circuit has all but rejected the concept of “aesthetic functionality,” *Clicks Billiards*, 251 F.3d at 1260 (citations omitted), and instead considers four factors when determining whether features of a product are functional: “(1) whether the design yields a utilitarian advantage, (2) whether alternative designs are available, (3) whether advertising touts the utilitarian advantages of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture.” *Disc Golf Ass’n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir.1998).

b. Analysis

1. The Three Stripe Mark

Defendants admit that the Three Stripe Mark is not functional. Reply, p. 8.

2. The Original Superstar Trade Dress

With respect to the Original Superstar Trade Dress, defendants concede both the nonfunctionality of the Three Stripe Mark (*id.*) and the heel patch (Hearing Transcript, p. 17). Instead, defendants argue that the flat sole and rubber shell toe are widely used throughout the shoe industry and therefore are functional elements which render the Original Superstar Trade Dress functional. However, it is inappropriate to parse out individual elements as being functional elements of the alleged trade dress:

A defendant cannot avoid liability ... simply by segregating out the various aspects of plaintiff’s product, packaging, and labels and claiming that no one of these is protectable in and of itself. It is the total combination of elements that is at issue.

* * * * *

Trade dress protection focuses on the plaintiff’s “entire selling image, rather than the narrower single facet of trademark.” Or as another judge put it, “the *tout ensemble* of the article as it appears to the average buyer is to be considered.”

MCCARTHY § 8.2, quoting *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir.1989) (footnotes and additional citations omitted); see also *Clicks Billiards*, 251 F.3d at 1259 (“Trade dress is the composite tapestry of visual effects.”)

“Courts have repeatedly cautioned that, in trademark—and especially [in] trade dress-cases, the mark must be examined as a whole, not by its individual constituent parts”; *Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.*, 826 F.2d 837, 842 (9th Cir.1987) (“functional elements that are separately unprotectable can be protected together as part of a trade dress”). In short, unequivocal Ninth Circuit authority requires this court to reject defendants’ “divide and conquer” approach to adidas’ trade dress claims. All the elements of adidas’ alleged Original Superstar trade dress must stand or fall together.

Defendants also point out several cases noting that many other shoe manufacturers commonly use strips, stripes, and bars on the sides of their shoes. *In Re The Lucky Co.*, 209 U.S.P.Q. 422, 1980 WL 39048 (TTAB, April 30, 1980); *Puma–Sportschuhfabriken Rudolf Dassler KG v. *1204 Superga SPA*, 210 U.S.P.Q. 316, 1980 WL 30117 (TTAB, February 21, 1980). As a result, they fear that adidas will have a monopoly over stripe designs if its trade dress claims are allowed to proceed. This fear is unfounded. The Ninth Circuit has expressly rejected the argument that protection of a trade dress consisting of

several functional elements results in a monopoly protection for elements competitors might wish to use:

Viewing the elements as a whole does not result in monopoly protection for necessary elements. If Fuddruckers were to get protection for its trade dress, which includes such items as directors chairs, white tile, and an open bakery, it could not preclude other restaurants from using those items. It can only prevent competitors from using the items in a way that, viewed as a whole, is likely to confuse consumers. There are many ways to use directors chairs, white tile, open bakeries, and the many other items that make up Fuddruckers' trade dress that would not cause confusion.

Fuddruckers, 826 F.2d at 842, n. 7 (citations omitted).

As in *Fuddruckers*, adidas may not prevent competitors from using strips, stripes, or bars, or from incorporating heel patches, flat soles, or rubberized toes into their shoe designs. However, it can prevent competitors from using those elements in a way that, viewed as a whole, is likely to cause confusion.

Defendants also insist that adidas cannot meet its burden of proving nonfunctionality simply by including some admittedly nonfunctional features (*i.e.* the heel patch and Three Stripe Mark) as elements of its trade dress claim, citing *TrafFix* and *Leatherman*. However, neither *TrafFix*, nor *Leatherman* support that argument.

TrafFix involved a trade dress claim based on a single element, namely a “dual-spring design” incorporated into temporary road signs that had to withstand strong gusts of wind. *TrafFix*, 532 U.S. at 23, 121 S.Ct. 1255. The Court found that “the dual-spring design provides a unique and useful mechanism to resist the force of the wind,” and consequently found that single design feature functional. *Id.* at 33, 121 S.Ct. 1255. Unlike *TrafFix*, this case does not involve a trade dress consisting of a single functional design feature.

In *Leatherman*, there was “no evidence ... that anything

about [the appearance of the plaintiff's pocket tool] (other than the Leatherman name) exists for any non-functional purpose. Rather, every physical part of the Leatherman is *de jure* functional,” meaning that it has its particular shape because that shape works better. *Leatherman*, 199 F.3d at 1012–13. The court concluded that because the trade dress was “nothing more than the assemblage of functional parts, and [that the] arrangement and combination of the parts is designed to result in superior performance,” it would be “semantic trickery to say that there is still some sort of separate but ‘overall appearance’ which is nonfunctional.” *Id.* Unlike *Leatherman*, this case does not involve a trade dress consisting simply of a grouping of functional elements whose overall appearance is a nonfunctional trade dress. Instead, what adidas seeks to protect is the overall appearance of its Original Superstar Trade Dress, which includes four identified elements, two of which defendants admit are nonfunctional, and two of which defendants contend are functional.

Defendants further argue that shoes incorporating the Original Superstar Trade Dress were originally designed and manufactured in the late 1960s, and are still sold and advertised, as performance basketball shoes. According to defendants, the flat sole improves the performance and the *1205 shell toe makes the shoes more durable. Even if they have since developed attractiveness as a fashion statement, defendants contend that these elements of the Original Superstar Trade Dress retain their utilitarian function. This argument again improperly focuses only on two of the elements of the Original Superstar Trade Dress (the flat sole and shell toe). But even assuming that it is appropriate to focus only on these two elements functionality is a fact-specific status that may change over time. “Even though a configuration has been held functional, its status may later change to become non-functional.” MCCARTHY, § 7:63, citing *In re Zippo Mfg. Co.*, 50 U.S.P.Q.2d 1852, 1999 WL 398181 (TTAB, March 23, 1999); see also *In re Honeywell, Inc.*, 1988 WL 252417, *6 (TTAB, Aug 16, 1988). adidas has presented evidence that, although the Original Superstar Trade Dress initially was designed as a performance basketball shoe, by today's standards, the flat sole feature of the Original Superstar Trade Dress is no longer considered optimal for performance. Amended Jorgenson Dec, ¶ 40.

Furthermore, adidas has submitted sufficient evidence of nonfunctionality of three of the four trade dress elements to avoid summary judgment. Specifically, according to adidas, the Three Stripe Mark does not increase the durability or performance of the shoes. *Id.*, ¶ 25. In addition, the shell toe feature adds no elements of

durability or performance of the shoes, but is purely ornamental and actually increases the production cost. *Id.*, ¶ 39. And, as noted above, the flat sole arguably serves to decrease performance by modern footwear standards. *Id.*, ¶ 40.

Other than their own unsupported assertions, defendants have failed to submit any evidence that the design of the Original Superstar Trade Dress yields a utilitarian advantage, that advertising touts the utilitarian advantages of the design, or that the design results from a comparatively simple or inexpensive method of manufacture. Defendants also have not responded to the obvious problem that while a rubberized toe might make the shoe more durable, the stylized “shell” design serves no utilitarian purpose.

Although limited, the evidence in the record which this court must interpret in adidas’ favor, supports the inference that a multitude of design alternatives are available to other shoe manufacturers (*see, e.g., Puma and In re The Lucky Company*) and that, rather than simplifying manufacture or decreasing production costs, the Original Superstar Trade Dress increases the production cost. Thus, to the extent that defendants’ motion rests on an argument that the Three Stripe Mark or the Original Superstar Trade Dress are functional, it should be rejected.

2. Distinctiveness: Acquired or Secondary Meaning

a. Legal Standard

Although nothing in the Lanham Act explicitly requires a showing that a trade dress is distinctive, “courts have universally imposed that requirement, since without distinctiveness the trade dress would not ‘cause confusion ... as to the origin, sponsorship, or approval of [the] goods,’ ” as the section requires. *Wal-Mart*, 529 U.S. at 210, 120 S.Ct. 1339 (citation omitted).

“An identifying mark is distinctive and is capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992). A mark is inherently distinctive:

if “[its] intrinsic nature serves to identify a particular source.” In the context of word marks, courts have

applied the *1206 now-classic test originally formulated by Judge Friendly, in which word marks that are “arbitrary” (“Camel” cigarettes), “fanciful” (“Kodak” film), or “suggestive” (“Tide” laundry detergent) are held to be inherently distinctive.

Wal-Mart, 529 U.S. at 210–11, 120 S.Ct. 1339 (citations omitted).

Even if not inherently distinctive, a mark acquires distinctiveness “if it has developed secondary meaning, which occurs when, ‘in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.’ ” *Id.* at 211, 120 S.Ct. 1339 (citations omitted). In the Ninth Circuit, secondary meaning is defined merely as “association” and has as its “basic element ... the mental association by a substantial segment of consumers and potential consumers ‘between the alleged mark and a single source of the product.’ ” *Levi Strauss & Co.*, 778 F.2d at 1354, quoting *MCCARTHY*, §§ 15:2 and 15:11(B) (additional citations omitted).

Whether a symbol or device has acquired secondary meaning is a question of fact. *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1240, 1246 (9th Cir.1984), *cert denied*, 469 U.S. 1188, 105 S.Ct. 955, 83 L.Ed.2d 962 (1985) (citation omitted).

b. Analysis

1. The Three Stripe Mark

It is undisputed that adidas’ Three Stripe Mark is the subject of incontestable federal registrations. Complaint, ¶¶ 12–13. Incontestable registrations constitute “conclusive evidence” that a trademark is distinctive. *Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 205, 105 S.Ct. 658, 83 L.Ed.2d 582 (1985). Thus, defendants are precluded from arguing that adidas’ claims for infringement of the Three Stripe Mark fail for lack of secondary meaning.

2. Original Superstar Trade Dress

a. “Product Packaging” vs. “Product Design”

An initial disagreement between the parties is whether the Original Superstar Trade Dress should be characterized as “product packaging” or “product design.” The proper characterization determines whether proof of secondary meaning is required.

A decade ago in *Two Pesos*, *supra*, the Supreme Court held that proof of acquired distinctiveness or secondary meaning is not required for protection of inherently distinctive trade dress. The Court did not articulate how to determine whether a particular trade dress is inherently distinctive, nor did the Court distinguish any particular type of trade dress (product packaging or product design for instance) that can or cannot be inherently distinctive. In the wake of *Two Pesos*, the Circuits split on the issue of which analysis should be used to determine inherent distinctiveness. Compare *Ashley Furniture Indus., Inc. v. Sangiacomo N.A. Ltd.*, 187 F.3d 363, 371 (4th Cir.1999) (applying “spectrum of distinctiveness” analysis first articulated in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2nd Cir.1976)) with *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 40, 49 (1st Cir.1998) (applying test articulated in *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344 (CCPA, December 22, 1977)). In 2000, the Supreme Court narrowed the split somewhat by determining that product design trade dress cannot be inherently distinctive and therefore always requires proof of acquired distinctiveness or secondary meaning. *Wal-Mart*, 529 U.S. at 216, 120 S.Ct. 1339.

Predictably, the parties in this case dispute whether the Original Superstar Trade Dress constitutes product design (as argued *1207 by defendants) or product packaging (as argued by adidas). Attempting to apply the *Wal-Mart* analysis yields no clear answer on this point, nor does the approach suggested by MCCARTHY, § 8:12.1 (criticizing the test articulated in *Wal-Mart* as “too subjective and speculative a method of distinguishing product from packaging” and advocating a “purely physical analysis”). As with the hypothetical Coke-drinking or Coke-bottle collecting consumers identified in *Wal-Mart*, a consumer might choose to purchase shoes bearing the Original Superstar Trade Dress for any variety of reasons. One consumer might simply need a pair of shoes for the utilitarian purpose of foot protection, while another might find it more stylish to wear shoes bearing the Original Superstar Trade Dress. When faced with this conundrum, the Supreme Court has directed that “courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning.” *Wal-Mart*, 529 U.S. at 215, 120 S.Ct. 1339.

This court will follow that admonishment and take the cautious approach of treating the Original Superstar Trade Dress as product design trade dress that is incapable of being inherently distinctive. Thus, the Original Superstar Trade Dress requires proof of secondary meaning.

b. Secondary Meaning

Defendants assert that adidas has failed to submit sufficient evidence that the Original Superstar Trade Dress has attained acquired distinctiveness, or secondary meaning, and that therefore all the claims premised on that trade dress fail. This court disagrees.

Trade dress acquires secondary meaning when “in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself.” *Qualitex*, 514 U.S. at 163, 115 S.Ct. 1300, quoting *Inwood*, 456 U.S. at 851 n. 11, 102 S.Ct. 2182. When deciding whether secondary meaning exists for a particular trade dress, courts consider such things as: (1) whether actual purchasers associate the dress with the source; (2) the degree and manner of advertising by the party seeking protection; (3) the length and manner of use of the dress, and (4) whether the use by the party seeking protection has been exclusive. See *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 517 (9th Cir.), cert. denied, 493 U.S. 872, 110 S.Ct. 202, 107 L.Ed.2d 155 (1989). Other considerations such as sales success and attempts by others to imitate the mark also favor finding secondary meaning. See *Clicks Billiards*, 251 F.3d at 1266; *Mana Prods., Inc. v. Columbia Cosmetics Mfg.*, 65 F.3d 1063, 1071 (2nd Cir.1995).

Defendants strenuously argue that the secondary meaning of the Three Stripe Mark must be ignored when evaluating adidas’ claims of trade dress infringement. However, neither of the cases upon which defendants rely stand for that proposition. In *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 873 (8th Cir.1994), the trade dress at issue “was the combination of natural-looking potpourri packaged in a pillow-shaped, doubled cellophane bag whose opening was gathered and tied with cords with a hanging tag attached thereto,” and secondary meaning of “Aromatique’s other registered and unregistered marks [was] not at issue.” In *San Francisco Mercantile Co., Inc. v. Beeba’s Creations, Inc.*, 704 F.Supp. 1005, 1006, 1009 (C.D.Cal.1988), the trade dress was “individual elements making up the [Victorian] ‘look’ [of the lingerie, including] the lace, the cotton fabric, buttons, etc.,” and “use of the name ‘QAL’ ” was

not at issue.

In contrast, numerous cases address trade dress claims which include registered *1208 trademarks. See, e.g., *Vision Sports*, 888 F.2d at 613–14 (trade dress included VSW mark); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 76 (2nd Cir.1985) (trade dress in bags included the repeating trademark LeSportsac on the trim); *Hard Rock Cafe Licensing Corp. v. Pacific Graphics, Inc.*, 776 F.Supp. 1454, 1460 (W.D.Wash.1991) (“Where, as here, the graphic elements that might otherwise be considered trade dress are part of a registered trademark, that mark should also be entitled to the broader protection afforded to trade dress”).

Given that the Three Stripe Mark cannot be ignored, adidas has submitted sufficient evidence to establish secondary meaning of the Original Superstar Trade Dress to overcome summary judgment. Secondary meaning can be shown through varying types of circumstantial evidence, including exclusivity, length and manner of use, amount and manner of advertising, amount of sales and number of customers, having an established place in the market, and proof of intentional copying. MCCARTHY, § 15:30 (collecting cases). The amount, nature, and geographical scope of advertising is relevant to the distinctiveness inquiry. See, e.g., *Japan Telecom, Inc. v. Japan Telecom Am., Inc.*, 287 F.3d 866, 875 (9th Cir.2002) (citation omitted). adidas has submitted some of this type of evidence.

adidas has had exclusive use of the Original Superstar Trade Dress since the late 1960s for which it has expended significant resources promoting the product and its appearance. Amended Jorgenson Dec., ¶¶ 7–9, 31, 36–38. Its advertising includes traditional television and print advertising, sponsorships, active product placement, and cooperative brand advertisements. The materials submitted by adidas do not specify the exact amount adidas has spent specifically promoting the Original Superstar Trade Dress, and do not specify the exact geographical scope of such advertising. However, adidas’ materials indicate that, at a minimum, their advertising and related research spans the United States (*id.*, ¶¶ 4 (research), 20 (sponsoring Boston Marathon), 22 (sponsoring United States Youth Soccer) 37 (product placement), and 38 (cooperative brand advertising with United States retailers)), resulting in significant sales throughout the United States. *Id.*, ¶¶ 27, 35.⁶ The sales figures provided for adidas shoes bearing the Original Superstar Trade Dress are sufficiently large that they are significant to the question of secondary meaning. See, e.g., *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1016 (9th Cir.1985), *cert. denied*, 474 U.S.

1059, 106 S.Ct. 802, 88 L.Ed.2d 778 (1986) (sales in excess of \$5 million).

Defendants complain that adidas has not done any image advertising in the sense that consumers are directed to “look for” the Original Superstar Trade Dress. However, adidas has done some image advertising. Amended Jorgenson Dec., ¶¶ 7–8, Ex. 1. Moreover, it is not clear what type of image advertising is required. Defendants argue that advertising merely showing the product is clearly insufficient; instead the advertising must feature in some way the trade dress itself. However, trade dress can be recognizable without advertising specifically telling a consumer to look for it. For example, the Coca-Cola Company does not say in its advertising to “look for the hourglass-shaped bottle,” and yet it is one of the most recognizable trade dresses in the world. E.g., *Rock & Roll Hall of Fame & Museum, Inc. v. Gentile *1209 Prods.*, 134 F.3d 749, 757 (6th Cir.1998) (Marin, C.J. dissenting: “Doubtless no symbol in the world is so readily recognized”).

adidas also has submitted numerous unsolicited media references evidencing the “cult” and “hip” status of the market of the Original Superstar and a sampling of press reports referencing the Three Strip Mark and the Original Superstar Trade Dress, including the shell toe feature. Amended Jorgenson Dec., ¶¶ 8, 29, 34, 41. Those sample references, at a minimum, give rise to a factual inference that the Original Superstar Trade Dress has acquired distinctiveness. Defendants argue that the media references, which nearly uniformly use the term “adidas” as an adjective to describe the particular feature (i.e. “adidas three stripes,” “adidas shell toes,” “adidas Superstars”) show that the Original Superstar Trade Dress is not distinctive because, if it were, there would be no need to add the term “adidas” in front of those terms. However, these references simply recognize adidas’ ownership and do not diminish the evidentiary value of these and similar references to the relevant trade dress, or elements thereof. “Evidence of extensive unsolicited media coverage supports a finding of secondary meaning.” *Lisa Frank, Inc. v. Impact Int’l, Inc.*, 799 F.Supp. 980, 992 (D.Ariz.1992), citing *Harlequin Enters. Ltd. v. Gulf & Western Corp.*, 644 F.2d 946, 950 (2nd Cir.1981).

Finally, the Ninth Circuit has noted: “Proof of exact copying, without any opposing proof, can be sufficient to establish secondary meaning [since] ‘[t]here is no logical reason for the precise copying save an attempt to realize upon a secondary meaning that is in existence.’ ” *Id.* at 1016, quoting *Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551, 557–58 (9th Cir.1960).

Defendants insist that this dicta cannot be squared with *Wal-Mart* at least insofar as a product design trade dress case is concerned. However, since *Wal-Mart*, the Ninth Circuit has cited its prior statements to that effect with approval without drawing any distinction between types of trade dress claims. *Clicks Billiards*, 251 F.3d at 1264 (citing *Transgo*, *Fuddruckers*, *Lisa Frank*, and *Vision Sports* with approval). Moreover, as discussed above, the Original Superstar Trade Dress is being treated as product design trade dress only because it does not fit squarely into either the product design or product packaging categories. To the degree that the ambiguous Original Superstar Trade Dress more closely resembles product packaging rather than product design, evidence of exact or intentional copying is relevant to the secondary or acquired meaning category, as these Ninth Circuit cases recognize.

As discussed in more detail below, defendants insist that the trade dress of their shoes is not an exact copy of the Original Superstar Trade Dress. This court need not resolve the parties' debate over whether defendants' shoes are sufficiently "exact" copies to be termed "knock offs." Suffice it to say that even a cursory look at the shoes indicates that the trade dress of defendants' shoes incorporates significantly more similarities to, than differences from, the Original Superstar Trade Dress. Thus, this factor weighs in favor of an inference of intentional copying, which in turn weighs in favor of a finding of secondary or acquired meaning.

Defendants submitted supplemental briefing notifying the court that adidas unsuccessfully sought to register a shell toe design with the United States Patent and Trademark Office and that a third party has also unsuccessfully attempted to register a shell toe design. According to defendants, the objections by other manufacturers to adidas' request to register the shell toe design show that adidas' use of *1210 the shell toe design is not exclusive and undercuts adidas' arguments that its shell toe design is distinctive or has acquired secondary meaning, or that defendants' trade dress causes a likelihood of confusion. However, even assuming that the evidence submitted by defendants could withstand adidas' evidentiary objections, it does not assist defendants in defeating adidas' trade dress claims. As discussed previously, protectable trade dress may be found in any combination of discrete elements and the visual impact of those elements must be considered as a whole. Thus, this court rejects defendants' suggestion that previous attempts to register a shell toe design necessarily defeats adidas' bid for trade dress protection.

3. Likelihood of Confusion

a. Legal Standard

Defendants also assert that, as a matter of law, there is no likelihood of confusion between their shoes and adidas' shoes.

Likelihood of confusion is a mixed question of law and fact which is "predominantly factual in nature." *Levi Strauss & Co.*, 778 F.2d at 1355. Likelihood of confusion is considered by examining the "total effect of the defendant's product and package on the eye and mind of an ordinary purchaser." *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383–84 (9th Cir.1987). As the Ninth Circuit has observed:

"It is so easy for the honest business man, who wishes to sell his goods upon their merits, to select from the entire material universe, which is before him, symbols, marks and coverings which by no possibility can cause confusion between his goods and those of competitors, that the courts look with suspicion upon one who, in *dressing* his goods for the market, approaches so near to his successful rival that the public may fail to distinguish between them."

Drop Dead Co. v. S.C. Johnson & Son, Inc., 326 F.2d 87, 96 (9th Cir.1963), *cert. denied*, 377 U.S. 907, 84 S.Ct. 1167, 12 L.Ed.2d 177 (1964), quoting *Florence Mfg. Co. v. J.C. Dowd & Co.*, 178 F. 73, 75 (2nd Cir.1910).

In the Ninth Circuit, neither an intent to confuse nor actual confusion are required elements of a trademark infringement claim. See *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1256 n. 16 (9th Cir.1982) (intent to confuse); *Brookfield Communications, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1050 (9th Cir.1999) (actual confusion). Instead, "[l]ikelihood of confusion will be found whenever consumers are likely to assume that a mark is associated with another source or sponsor because

of similarities between the two marks.” *Academy of Motion Picture Arts & Scis. v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1456 (9th Cir.1991), citing *Shakey’s, Inc. v. Covalt*, 704 F.2d 426, 431 (9th Cir.1983).

The Ninth Circuit has “developed eight factors ... to guide the determination of a likelihood of confusion.” *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir.2000), citing *AMF, Inc. v. Sleekcraft Boats (“Sleekcraft”)*, 599 F.2d 341, 348 (9th Cir.1979). Those factors are: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant’s intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Id.* The Sixth Circuit, which employs the same multifactor test used by the Ninth Circuit in assessing the likelihood of confusion, has pointed out that “[i]n some cases it may be unnecessary to undertake an extended analysis to infer confusion, e.g., where there is no difference between the marks of directly *1211 competitive goods/services.” *Homeowners Group, Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1107 n. 4 (6th Cir.1991), citing *Sleekcraft*, 599 F.2d at 348.

b. Analysis

1. Three Stripe Mark

Defendants do not dispute that adidas has an incontestable registration concerning the Three Stripe Mark. Instead, defendants seek summary judgment based on no likelihood of confusion between the Three Stripe Mark and the four stripe mark used on defendants’ Jonah and Mikal shoes.

From the mathematical premise that three does not equal four, defendants argue that, as a matter of law, the use of a four stripe design on the side of a casual shoe cannot be confusingly similar to adidas’ Three Stripe Mark. Defendants posit that to find otherwise would grant adidas a monopoly over the use of stripes as decorations on the sides of all sports shoes.

This argument is not well taken. Although three stripes obviously do not equal four stripes, the issue is not simply the number of stripes. Instead, the issue is whether the total effect of the allegedly infringing design is likely to

cause confusion in the minds of an ordinary purchaser. While there can be no debate that defendants’ four stripe mark has one stripe more than adidas’ Three Stripe Mark, so too there can be no debate that many of the other features of the stripes displayed on defendants’ Jonah and Mikal models are strikingly similar – if not identical – to the features of the Three Stripe Mark displayed on the Superstar IIK and Campus II models (Jorgenson Dec., Exs. 2–3). The stripes are equal in size, are placed equidistant at a similar or identical angle, are in substantially the same location between the sole and the reinforced area which supports the shoelace holes (with the necessary adjustment to accommodate four rather than three stripes), are displayed in colors which contrast with the background color of the shoes, and have serrated edges. Thus, this court cannot simply count the number of stripes and determine as a matter of law that four stripes are not confusingly similar to three stripes.

Second, defendants argue that there can be no confusing similarity between the three and four stripes because adidas’ shoes display a number of other adidas trademarks, while defendants’ shoes bear B.U.M. registered trademarks. They also point out that the B.U.M. shoes are sold at Target, at retail prices considerably below the price of the adidas shoes, which will not confuse purchasers. However, the mere fact that the B.U.M. shoes display the B.U.M. registered trademark does not automatically insulate defendants from liability. “A copier must not only attempt to avoid likelihood of confusion; it must succeed in doing so. Thus when there is a source-indicating label, the label must be effective to make consumer confusion unlikely, in light of all the circumstances.” *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1133 (Fed.Cir.), cert. denied, 510 U.S. 908, 114 S.Ct. 291, 126 L.Ed.2d 240 (1993).

Even if some purchasers know they are buying B.U.M. shoes with four stripes, rather than adidas shoes with three stripes, adidas may nevertheless establish the existence of initial interest confusion. The Ninth Circuit has explicitly recognized that the use of another’s trademark in a manner calculated “to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion,⁷ may still be an infringement.” *1212 *Dr. Seuss Enters., LP v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir.1997), petition for cert. dismissed, 521 U.S. 1146, 118 S.Ct. 27, 138 L.Ed.2d 1057 (1997) (citation omitted); see also *Brookfield Communications, Inc.*, 174 F.3d at 1062–63 (finding initial interest confusion by using “moviebuff.com” or “MovieBuff” to divert people looking for “MovieBuff” to defendant’s web site). Initial interest confusion allows the infringer to improperly benefit from the goodwill that has

developed in a mark. *Dr. Seuss Enters., LP*, 109 F.3d at 1405.

In the same way, a consumer encountering defendants' shoes at Target may be initially drawn to them because they appear to be adidas shoes from a distance. The shoes sit side-by-side in open boxes that are angled so that the customer primarily sees only the shoes, not the word "B.U.M." on the tongue or the shoebox. Kaltman Dec., ¶¶ 2–3, Ex. 1. This method of display may trade on adidas' Three Stripe Mark to capture the initial attention of the consumer, which may constitute trademark infringement.

Defendants' argument also ignores the doctrine of post-sale confusion. Post-sale confusion occurs "when consumers view a product outside the context in which it is originally distributed and confuse it with another, similar product." *Academy of Motion Picture Arts & Scis.*, 944 F.2d at 1455. "The law in the Ninth Circuit is clear that 'post-purchase confusion,' i.e. confusion on the part of someone other than the purchaser who, for example, simply sees the item after it has been purchased, can establish the required likelihood of confusion under the Lanham Act." *Karl Storz Endoscopy Am., Inc. v. Surgical Techs., Inc.*, 285 F.3d 848 (9th Cir.2002) (citations omitted).

As evidence of post-sale confusion of potential purchases of athletic shoes, adidas has submitted a double blind survey. Ford Dec., ¶ 8. Respondents not in the control group were shown a photograph of the Jonah shoe and asked questions regarding the source and authorization/approval of the shoes. *Id.*, ¶¶ 3, 12. To focus on the stripes, the shell toe was digitally removed. *Id.*, ¶ 12, n. 3. A preliminary review of the responses evidences that approximately 30% of the respondents expressed the belief that defendants' shoes are either made or put out by adidas. *Id.*, ¶ 4. An additional 3% expressed the belief that defendants' shoes are being put out with the authorization and approval of adidas. *Id.* This supports a finding of likelihood of post-sale confusion. *Id.*, ¶¶ 5, 17. Defendants challenge adidas' survey evidence on the grounds that it does not address children's model shoes, which are the only models that carry the B.U.M. name. However, they have submitted no evidence from which the court may conclude that adult shoes differ so significantly from children's shoes that the survey must be disregarded.

Finally, this court cannot ignore other factors, some of which favor a finding of likelihood of confusion. One factor is the strength of the mark. An incontestable registration alone does not establish a strong mark. *Miss World (UK) Ltd. v. Mrs. Am. Pageants, Inc.*, 856 F.2d

1445, 1449 (9th Cir.1988). Instead, strength of the mark in the marketplace must be considered. In this regard, adidas has submitted evidence which demonstrates the considerable success it has enjoyed in selling shoes bearing the Three Stripe Mark. Amended Jorgenson Dec., ¶¶ 7–9, 31, 35–38.

Another factor is the proximity of the goods. "[L]ess similarity between the marks will suffice when the goods are complementary, the products are sold to the same class of purchasers, or the goods are similar in use and function." *1213 *Sleekcraft*, 599 F.2d at 350; see also *MCCARTHY*, § 24:22 ("Where the goods or services are directly competitive, the degree of similarity of marks needed to cause likely confusion is less than in the case of dissimilar goods or services."). This factor favors adidas since defendants are using a four stripe design on a nearly identical product of athletic shoes.

The other likelihood of confusion factors—evidence of actual confusion, marketing channels used, the degree of care likely to be exercised by the purchaser, defendants' intent in selecting the mark, and likelihood of expansion of the product lines—lack any evidence and therefore do not bear on the analysis in light of the factors discussed above.

For these reasons, defendants' motion for summary judgment should be denied to the extent it is premised on a lack of evidence concerning a likelihood of confusion between the four stripe mark on defendants' shoes and adidas' Three Stripe Mark.

2. The Original Superstar Trade Dress

Defendants also argue that even if a four stripe mark might theoretically be confusingly similar to the Three Stripe Mark, in this case, the trade dress displayed on their shoes is not in fact confusingly similar to the Original Superstar Trade Dress. This argument also should be rejected. Here, defendants point out that, unlike the Original Superstar Trade Dress, their shoes: (1) have no perforations between any of the stripes; (2) have no stitching design on the rear side quarter of the shoe; (3) pass the laces through silver eyelets; (4) have a different molded toe construction; and (5) have a different shaped colored moustache. However, defendants improperly ignore initial interest and post-sale confusion, focusing instead solely on point-of-sale confusion, asserting that these minor differences, as well as the B.U.M. price tags and labels, avoids any confusion. As discussed above, these minor differences and the source-indicating label

may not avoid initial interest confusion. In addition, “post-sale confusion is equally relevant to a claim of trade dress infringement as it is to trademark infringement.” *Payless Shoesource, Inc. v. Reebok Int’l Ltd.*, 998 F.2d 985, 989–90 (Fed.Cir.1993).

This case is factually similar to *Payless Shoesource, Inc.*, in which the district court recognized that defendant’s private-label inexpensive shoes were “similar in appearance,” but held that there would be no likelihood of confusion because the shoes were sold in different stores to different customers at different prices. The Federal Circuit vacated the decision, holding that “by exclusively focusing on confusion at the point of sale, the district court effectively disregarded Reebok’s argument relating to ‘post-sale confusion.’ ” *Id.* at 989. In the post-sale context, the similarity of the products themselves is the most important factor tending to prove confusion. *Id.* at 989–90. “[P]ost-sale observers may be unaware that Payless and Reebok shoes are sold in different stores or at different prices, yet their confusion may be detrimental to Reebok.” *Id.* at 990. Consumers will “attribute any perceived inferior quality of Payless shoes to Reebok, thus damaging Reebok’s reputation and image.” *Id.*

adidas has submitted some evidence that the materials used in the construction of the Jonah shoes are inferior to the materials used in constructing the Original Superstar shoes. Zerr Dec., ¶¶ 3–8. Here the striking similarity of the shoes and the evidence concerning the inferior quality of the B.U.M. shoes presents a triable issue of fact.

***1214 V. Dilution and Injury to Business Reputation Claims (Fourth, Fifth, Sixth, and Seventh Claims for Relief)**

A. Legal Standard

“Dilution is a cause of action invented and reserved for a select class of marks – those marks with such powerful consumer associations that even non-competing uses can impinge on their value.” *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir.1999) (citation omitted). The Federal Trademark Dilution Act (“FTDA”) defines “[d]ilution” as “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake or deception.” 15 U.S.C. § 1127.

Under the FTDA, the owner of a “famous” mark is entitled to an injunction “against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.” 15 U.S.C. § 1125(c)(1). Similarly, Oregon law provides that:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under O.R.S. 647.015, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

O.R.S. 647.107.⁸

“[T]he [FTDA] ... appl[ies] ‘only to those marks which are both truly distinctive *and* famous, and therefore most likely to be adversely affected by dilution.’ ” *Avery*, 189 F.3d at 876 (citation omitted, emphasis in original). Thus, in order to succeed on a dilution claim, a plaintiff must show: “(1) its mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant’s use began after the plaintiff’s mark became famous; and (4) the defendant’s mark presents a likelihood of dilution of the distinctive value of the mark.” *Id.* at 874, citing *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir.1998).

B. Defendants’ Challenges

Defendants argue that they are entitled to summary judgment against adidas’ Fourth and Fifth Claims for Relief because the Three Stripe Mark and the Original Superstar Trade Dress are not sufficiently distinctive or famous to merit protection under the anti-dilution provisions of the FTDA. A recent article discussing this issue notes a split between the Circuits over whether a dilution claim may be premised upon a showing that a mark is distinctive because it has acquired distinctiveness through secondary meaning:

McCarthy argues that a “trademark cannot be famous unless it is distinctive.” However, the Lanham Act allows two forms of distinctiveness: inherent and acquired. The circuits disagree whether the FTDA requires inherent distinctiveness or merely distinctiveness acquired through secondary meaning. The First and Third Circuits read only a general requirement of distinctiveness, whether achieved inherently or through secondary meaning. In contrast, the Second Circuit essentially reads the FTDA as requiring a showing of inherent *1215 distinctiveness. The difference is critical, given the potential number of marks that acquire distinctiveness through secondary meaning.

Mangis, Daniel E., *When Almost Famous Just Isn't Famous Enough: Understanding Fame in the Federal Trademark Dilution Act as a Term of Art Requiring Minimal Distinctiveness*, 21 REV. LITIG. 455, 468 (Spring 2002), quoting MCCARTHY, § 24:91.1 (footnotes and citations omitted).

This article goes on to note that the Ninth Circuit will allow a dilution claim premised upon a showing of secondary meaning, but does not identify what minimal level of distinctiveness will suffice:

[I]n *Avery Dennison Corp. v. Sumpton*, the Ninth Circuit explicitly rejected the argument of the appellant that “the distinctiveness required for famousness under the [FTDA] is inherent, not merely acquired distinctiveness.” In doing so, the Ninth Circuit found that the minimal distinctiveness required for dilution protection is more than a mere showing of acquired distinctiveness through secondary meaning. But the court offers little in the way of determining what minimal level of distinctiveness is appropriate.

Id. at 472–73 (citations and footnotes omitted).

Citing *Felix the Cat Prods., Inc. v. New Line Cinema Corp.*, 54 U.S.P.Q.2d 1856, 1859, 2000 WL 770481 (D.C.Cal.2000), defendants argue that adidas must show that the Three Stripe Mark and the Original Superstar Trade Dress have elevated levels of distinctiveness to be protected under the dilution statutes. However, *Felix the Cat* merely states that “a mark must be more than ‘distinctive’ to qualify for protection under the dilution statutes.” *Id.* (citations omitted). That conclusion flows naturally from the FTDA, which identifies a non-exclusive list of eight factors a court may consider in deciding whether a mark is sufficiently famous to merit protection:

In determining whether a mark is distinctive and

famous, a court may consider factors such as, but not limited to—

(A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;

(C) the duration and extent of advertising and publicity of the mark;

(D) the geographical extent of the trading area in which the mark is used;

(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;

(G) the nature and extent of use of the same or similar marks by third parties; and

(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C. § 1125(c)(1)(A)–(H).

Although the statute states that these factors are used to determine whether a mark is “*distinctive and famous*” to merit protection, which could lead to the conclusion that some heightened degree of *distinctiveness* is required, McCarthy concludes that this language “was mere hyperbole to off-set the fact that federal registration was not required for federal dilution protection; as a result, the drafting committee included the ‘redundant’ language to emphasize that famous marks should be distinctive enough to qualify for federal registration.” 21 REV. LITIG. at 472. In seeming recognition of this, the Ninth Circuit refers to the factors identified in 15 U.S.C. § 1125(c)(1) as the “*famousness factors*” and states that the *1216 FTDA “requires a showing *greater than distinctiveness to meet the threshold element of fame.*” *Avery*, 189 F.3d at 876–77 (emphasis added). In other words, the Ninth Circuit explicitly rejects the notion that marks which have acquired distinctiveness through secondary meaning cannot qualify for protection under the dilution statutes and views the degree of distinctiveness simply as one factor to consider when determining whether the mark is sufficiently famous.

In order to meet the threshold requirement of famousness, the Ninth Circuit requires the mark to be “truly prominent and renowned.” *Id.* at 875 (citations omitted). Although

the Ninth Circuit has shied away from deciding “the exact degree of strength a protectable mark must reach,” it has stated that the mark “must at least be mature and well-known.” *Fruit of the Loom, Inc. v. Girouard*, 994 F.2d 1359, 1363 (9th Cir.1993).

1. The Three Stripe Mark

Defendants do not dispute that adidas owns the Three Stripe Mark which has become incontestable due to longstanding registration. In addition, adidas has submitted evidence that it has made extensive use of the Three Stripe Mark in connection with its athletic footwear since 1952 and has spent huge sums advertising, promoting and developing its brand identity, including that of the Three Stripe Mark both domestically and internationally. Amended Jorgenson Dec., ¶¶ 13, 19–21. It has also submitted evidence which leads to the reasonable inference that the Three Stripe Mark is widely recognized in the athletic apparel industry. In contrast, defendants have submitted no evidence of any other manufacturer of athletic apparel using three stripes to identify its products.

In short, viewing the evidence in the light most favorable to adidas, there is sufficient evidence in the record regarding the fame of the Three Stripe Mark for adidas to withstand summary judgment against the Fourth Claim for Relief.

2. The Original Superstar Trade Dress

Defendants initially question whether trade dress can be protected under the dilution statutes at all, and whether such protection might raise constitutional concerns. However, they devote only two lines of their briefing to that issue and suggest that this court need not reach that issue to rule on this motion. Thus, this court addresses only the issue of whether adidas has submitted sufficient evidence of the fame of the Original Superstar Trade Dress to survive summary judgment and expresses no opinion as to the viability of these other issues mentioned in passing by defendants.

In arguing for summary judgment against the dilution claim related to the Original Superstar Trade Dress, defendants initially take the position that the trade dress does not in fact exist. As discussed earlier, this argument was premised upon some initial confusion by defendants

as to the existence of a “Superstar” line of shoes. See footnote 2, *supra*.

Defendants also argue that adidas’ failure to seek registration of the Original Superstar Trade Dress and unsuccessful efforts to register a shell toe design show that the Original Superstar Trade Dress is not famous. Once again, this court is not persuaded that previous attempts to register a shell toe design necessarily defeats adidas’ bid for protection of the Original Superstar Trade Dress. Moreover, registration (or lack thereof) is only one factor considered when making a famousness determination and adidas has submitted evidence in its favor on a number of the other factors enumerated in 15 U.S.C. § 1125(c)(1)(A)–(H).

*1217 adidas has submitted evidence that shoes bearing the Original Superstar Trade Dress have been manufactured and sold by adidas since the late 1960s and that it achieved sufficient fame in the 1970s that they were worn by a number of famous NBA players. Amended Jorgenson Dec, ¶ 31. In addition, adidas has sold substantial numbers of shoes bearing the Original Superstar Trade Dress, which sales have increased dramatically over the past five years. *Id.*, ¶ 42. adidas has spent substantial sums to promote the Original Superstar Trade Dress both through brand-specific advertising and through active product placement. *Id.*, ¶¶ 36–37. The record does not reveal the geographical extent of the trading area in which adidas promotes the Original Superstar Trade Dress, nor has adidas broken down the sales figures for shoes bearing the Original Superstar Trade Dress into geographical sales. However, the number of shoes sold supports the inference that shoes bearing the Original Superstar Trade Dress have been marketed and sold over a wide geographical area. There is some evidence in the record that other manufacturers incorporate design elements (*i.e.* stripes, heel patches) in their shoes which are similar to some of the individual elements of the Original Superstar Trade Dress. However, excluding the allegedly infringing designs at issue in this case, the record is devoid of evidence that third parties have used designs incorporating all four of those elements of the Original Superstar Trade Dress.

Based on this evidence, this court concludes that adidas has submitted sufficient evidence of the fame of the Original Superstar Trade Dress to withstand defendants’ motion. Thus, to the extent defendants seek summary judgment that the Original Superstar Trade Dress is not sufficiently famous to merit protection under the dilution statutes, the motion should be denied.

VI. Unfair and Deceptive Trade Practices (Ninth Claim)

The remaining Ninth Claim alleges unfair and deceptive trade practices in violation of [O.R.S. 646.605–.656](#) and similar statutes of other states as to the Three Stripe Mark. Under Oregon law, a person engages in an unlawful practice by “caus[ing] likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of real estate, goods or services [or] [c]aus[ing] likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another.” [O.R.S. 646.608\(1\)\(a\) and \(b\)](#).

No party specifically addressed this claim. However, as discussed above, this court finds that defendants are not entitled to summary judgment against adidas’ federal claims. Because defendants’ arguments concerning the state law claims hinge upon their assertion that they were entitled to summary judgment against the federal claims, summary judgment should be denied with respect to the Ninth Claim under state law.

RECOMMENDATION

Footnotes

- ¹ The specific shoe models about which adidas complains are E.S. Originals’ Pro Sprit Vega and Pro Spirit Von, and B.U.M.’s Jonah and Mikal models.
- ² adidas titles the allegedly protected trade dress as the “SUPERSTAR Trade Dress.” Complaint, ¶ 18. Defendants initially argued that a “SUPERSTAR Trade Dress” does not exist because all elements of the trade dress are not used consistently by adidas. Specifically, defendants pointed out that many “Superstar” shoes do not have a flat sole, a colored portion on the back of the heel, and the so-called “shell toe.” However, adidas has now clarified that the subject of this dispute is a specific shoe in its “Originals” line which incorporates all of the Original Superstar Trade Dress elements alleged by adidas, namely the Original Superstar shoe. Plaintiffs’ Memorandum in Opposition to Defendants’ Motion to Dismiss, p. 17; Plaintiffs’ Response to Defendants’ Concise Statement of Material Facts, ¶¶ 1, 2. This court thus refers to that relevant trade dress as the “Original Superstar Trade Dress.”
- ³ E.S. Originals filed an Answer on December 5, 2001, and did not join in the Motion to Dismiss filed by Target and B.U.M. For simplicity, this court refers to Target and B.U.M. as “defendants” throughout the remainder of this Findings and Recommendation.
- ⁴ Excerpts from affidavits, declarations, and depositions are identified by the last name of the affiant, declarant, or deponent, and citations are to the paragraph(s) of the affidavit or declaration, or page(s) of the deposition transcript.
- ⁵ Because the parties do not separately address each claim, this court will follow suit and address them categorically.

For the reasons stated above, defendants’ B.U.M. International Incorporated’s and Target Corporation’s Motion to Dismiss (docket # 22), which has been converted into a motion for summary judgment, should be DENIED.

SCHEDULING ORDER

Objections to the Findings and Recommendation, if any, are due **August 19, 2002**. If no objections are filed, then the Findings and Recommendation will be referred to a district court judge and go under advisement on that date.

If objections are filed, the response is due no later than **September 6, 2002**. *1218 When the response is due or filed, whichever date is earlier, the Findings and Recommendation will be referred to a district court judge and go under advisement.

July 31, 2002

All Citations

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- 6 adidas submitted most of this evidence under seal. In order to avoid the necessity of sealing this Findings and Recommendation, this court will not reference specific dollar figures when referencing sales or advertising costs.
- 7 The Ninth Circuit analysis, which requires no purchase, raises vexing damages issues which need not and will not be addressed in this Findings and Recommendation.
- 8 For purposes of the present motion, the parties and this court assume that there are no fundamental differences between the state laws with respect to adidas' state law claims. Hearing Transcript, pp. 42–43.

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413 F.3d 324
United States Court of Appeals,
Second Circuit.

CHOSUN INTERNATIONAL, INC.,
Plaintiff–Appellant–Cross–Appellee,

v.

CHRISHA CREATIONS, LTD.,
Defendant–Appellee–Cross–Appellant.

Docket Nos. 04–1975–CV, 04–2228–CV.

Argued: Dec. 15, 2004.

Decided: June 30, 2005.

Synopsis

Background: Designer and manufacturer of plush animal-themed Halloween costumes sued competitor for copyright infringement. The United States District Court for the Southern District of New York, [Kimba M. Wood](#), J., 2004 WL 962906, dismissed, and appeal was taken.

[Holding:] The Court of Appeals, [Calabresi](#), Circuit Judge, held that fact issue existed as to whether design elements of costumes were conceptually separable from costumes’ overall utilitarian design.

Vacated and remanded.

West Headnotes (6)

- [1] **Federal Courts**
 Pleading
Federal Courts
 Dismissal for failure to state a claim

District court’s dismissal of complaint for failure to state claim is reviewed de novo, accepting plaintiff’s factual allegations as true and drawing all reasonable inferences in

plaintiff’s favor. [Fed.Rules Civ.Proc.Rule 12\(b\)\(6\)](#), 28 U.S.C.A.

Cases that cite this headnote

- [2] **Copyrights and Intellectual Property**
 Subjects of Copyright

Although “useful articles”, taken as a whole, are not eligible for copyright protection, individual design elements comprising these items may, when viewed separately, meet Copyright Act’s requirements. 17 U.S.C.A. §§ 101, 102.

Cases that cite this headnote

- [3] **Copyrights and Intellectual Property**
 Subjects of Copyright

If noncopyrightable “useful” article incorporates design element that is physically or conceptually separable from underlying product, that element is eligible for copyright protection. 17 U.S.C.A. § 101.

Cases that cite this headnote

- [4] **Copyrights and Intellectual Property**
 Subjects of Copyright

Design elements that can be conceptualized as existing independently of their utilitarian function are eligible for copyright protection. 17 U.S.C.A. § 101.

Cases that cite this headnote

- [5] **Copyrights and Intellectual Property**
 Literary or artistic qualities of work

Design elements that reflect merger of aesthetic and functional considerations cannot be said to be conceptually separable from utilitarian elements, and so are not copyrightable, but design elements that reflect designer's artistic judgment exercised independently of functional influences are conceptually separable, and thus copyrightable. 17 U.S.C.A. § 101.

[Cases that cite this headnote](#)

[6] **Copyrights and Intellectual Property**
 Pleading

Issue of whether elements of designer's plush sculpted animal Halloween costumes were conceptually separable from costumes' overall utilitarian design raised fact question that could not be determined on motion to dismiss copyright infringement complaint for failure to state claim. Fed.Rules Civ.Proc.Rule 12(b)(6), 28 U.S.C.A.

[Cases that cite this headnote](#)

Attorneys and Law Firms

*325 **Anthony H. Handal**, Kirkpatrick & Lockhart LLP, New York, NY, for Plaintiff–Appellant–Cross–Appellee.

Cheryl F. Korman, Rivkin Radler LLP (**Evan H. Krinick** and **Celeste M. Butera**, of counsel), Uniondale, NY, for Defendant–Appellee–Cross–Appellant.

Before: **MESKILL**, **CALABRESI**, and **WESLEY**, Circuit Judges.

Opinion

CALABRESI, Circuit Judge.

This appeal by plaintiff-appellant-cross-appellee Chosun International, Inc. (“Chosun”) poses the question of whether Halloween costumes, in their entirety or in their

individual design elements, are eligible for copyright protection under federal law. The district court (Wood, *J.*) held that they were not. The court ruled that Halloween costumes were “useful” articles and hence not copyrightable under the Copyright Act, 17 U.S.C. § 101 *et seq.* Accordingly, the court dismissed Chosun’s suit for failure to state a viable copyright infringement claim. *See Fed.R.Civ.P. 12(b)(6)*. Because the district court failed to conduct a separability analysis prior to dismissing Chosun’s complaint, we vacate the district court’s judgment and remand for further proceedings.

I. BACKGROUND

Chosun is a designer and manufacturer of Halloween costumes. Many of these are animal-themed children’s costumes, including a line of “plush sculpture” costumes, each of which consists of a bodysuit and a sculpted hood. Chosun describes its costumes as follows: “The plush sculpture attached to the hood of the costume takes the form of a head-like arrangement of small plush stuffed animal head features, which look like they might be a part of a plush stuffed toy animal. In addition, at the ends of the sleeves of the bodysuit, elements which may be seen as hands or claws are associated with a number of the costumes, being connected to the cuffs of the costume adjacent the hands and feet of a person wearing the costume.” Three such animal costumes are at issue in this appeal. Defendant-appellee-cross-appellant Chrisha Creations, Ltd. (“Chrisha”) is a competing costume manufacturer. It also distributes a line of plush animal-themed Halloween costumes. According to Chosun, Chrisha “slavishly copied” its costumes from Chosun’s plush costume designs.

On October 3, 2002, Chosun filed suit in the Southern District of New York against Chrisha for copyright infringement. Chosun alleged that Chrisha’s costumes infringed Chosun’s registered copyrights in its lion, orangutan, and ladybug costume *326 designs. The complaint sought monetary damages and equitable relief, including the recall of Chrisha’s assertedly infringing products.

On October 10, 2002, the district court (Wood, *J.*) held a hearing on Chosun’s request for a temporary restraining order, permanent injunction, and order of recall. At that hearing, the district court viewed the products sold by Chosun and by Chrisha. Based on that viewing, the court determined that Chrisha had likely copied Chosun’s

costume designs. The district court issued a temporary restraining order on October 16, 2002, which enjoined Chrisha from manufacturing or selling its allegedly infringing costumes.

Up to this point, Chrisha had not responded in any substantial fashion to Chosun's allegations. But soon after, Chrisha's attorneys brought to the court's attention several cases that called into question the copyrightability, under 17 U.S.C. § 101, of Halloween costumes. See *Whimsicality, Inc. v. Rubie's Costumes Co.*, 721 F.Supp. 1566, 1571–73 (E.D.N.Y.1989) (“*Whimsicality I*”) (holding ornamental costumes to be ineligible for copyright), *vacated in part and aff'd in part on other grounds*, 891 F.2d 452 (2d Cir.1989) (“*Whimsicality II*”) (invalidating plaintiff's copyright registration forms for fraud on the Copyright Office, and therefore never discussing the issue of whether costumes are copyrightable); *Whimsicality, Inc. v. Battat*, 27 F.Supp.2d 456, 463 (S.D.N.Y.1998) (“*Whimsicality III*”) (holding in the alternative that costumes are not eligible for copyright); see also *Funrise Canada Ltd. v. Zauder Bros.*, No. 99 Civ. 1519, 1999 WL 1021810 at *9 n. 9 (E.D.N.Y. July 2, 1999) (approvingly citing *Whimsicality I* and *Whimsicality III* in a footnote). On October 24, 2002, after Chosun and Chrisha reached a stipulation, under which Chosun's request for a permanent injunction was voluntarily withdrawn without prejudice, the temporary restraining order lapsed.

On March 30, 2004, the district court dismissed Chosun's complaint for failure to state a claim. See *Fed.R.Civ.P.* 12(b)(6). It did so because it concluded that, as a matter of law, Halloween costumes were not eligible for protection under the Copyright Act. That Act excludes “useful articles” from the scope of copyrightable items. See 17 U.S.C. §§ 101, 102. According to the district court, Halloween costumes fall within the Act's conception of non-copyrightable “useful articles”; as a result, no valid copyright infringement could arise from the unauthorized reproduction of Chosun's costumes.

Despite this conclusion, the district court recognized that individual design elements of useful articles are afforded some level of protection under the Copyright Act, so long as those design elements are physically or conceptually separable from the article itself. See, e.g., *Brandir Int'l, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142, 1145 (2d Cir.1987); *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411, 418 (2d Cir.1985); *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir.1980). And the court noted that the Copyright Office, in its internal regulations governing the registration of copyrightable materials, had interpreted the Copyright

Act so as to protect the physically and conceptually separable elements of costumes. See *United States Copyright Office Policy Decision: Registrability of Costume Designs*, 56 Fed.Reg. 56530, 56532 (1991) (finding that “fanciful” costumes, as opposed to “garment designs,” are “useful articles,” and therefore copyright-ineligible taken as a whole, but that *elements* of fanciful costumes may themselves be copyrighted, so long as *327 those elements meet the requirements of “physical or conceptual separability”).

But the district court did not, at any point in its order, determine whether elements of Chosun's costumes were physically or conceptually separable from their overall design. Instead, the court said that our circuit's tests for physical and conceptual separability were too inconsistent to afford meaningful guidance, and concluded that no elements of the costumes could possibly be separated from their utilitarian function as devices with which to masquerade. In the district court's words:

Attempting to judge the copyrightability of Halloween costumes reveals the incoherence of these [separability] tests. A costume's utility is in allowing the wearer to pretend to be something else—often a caricature of something else—and it is the artistic choices made in designing the costume that determine its saleability. It is impossible to say whether the utilitarian predominates over the artistic, or vice versa. Until a more coherent distinction is drawn by Congress, district courts can do little more than attempt to be consistent with precedent.

Three courts in this District have concluded that Halloween costumes are not copyrightable [citing *Whimsicality I*, *Whimsicality III*, and *Funrise*].... Following the precedents cited above, the Court holds that Halloween costumes may not be copyrighted. Plaintiffs' claim of copyright infringement is dismissed.

In a subsequent order read from the bench, the court denied Chrisha's request, as a prevailing party under the Copyright Act, for attorneys' fees.¹ This appeal, and cross-appeal, followed.

II. DISCUSSION

^[1] We review *de novo* a district court's dismissal for failure to state a claim, accepting the plaintiff's factual

allegations as true and drawing all reasonable inferences in the plaintiff's favor. See, e.g., *United States v. City of New York*, 359 F.3d 83, 91 (2d Cir.2004). A complaint should only be dismissed where it appears beyond doubt that the plaintiff can present no set of facts entitling him to relief. See *Conley v. Gibson*, 355 U.S. 41, 46, 78 S.Ct. 99, 2 L.Ed.2d 80 (1957). See also *Wynder v. McMahon*, 360 F.3d 73, 78 n. 8 (2d Cir.2004) ("The well-settled rule is that a court should not grant a Rule 12(b)(6) motion to dismiss unless it appears *certain* that the plaintiff can prove *no set of facts* in support of his claim which would entitle him to relief.") (emphasis added) (citation and internal quote omitted). At this stage of the proceedings, then, our charge is "not to weigh the evidence that might be presented at a trial but merely to determine whether the complaint itself is legally sufficient." *Goldman v. Belden*, 754 F.2d 1059, 1067 (2d Cir.1985).

The Copyright Act establishes that the broad category of "pictorial, graphic, or sculptural works" are eligible for copyright protection, provided, of course, that such works satisfy the Act's other requirements. See 17 U.S.C. § 102. The Act, however, excludes any "useful article"—defined as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information"—from copyright eligibility. See 17 U.S.C. § 101; see also *328 17 U.S.C. § 102, Notes of committee on the Judiciary, House Report No. 94-1476 (stating that works of "artistic craftsmanship" are not protected by the Act, "insofar as their ... utilitarian aspects are concerned."). This limitation is in keeping with the notion that functional items are not eligible for the relatively long-term protections of copyright, as opposed to the more temporary rights provided by the Patent Act, 35 U.S.C. § 271 *et seq.*²

[2] [3] But while "useful articles", taken *as a whole*, are not eligible for copyright protection, the individual design elements comprising these items may, viewed *separately*, meet the Copyright Act's requirements. Specifically, if a useful article incorporates a design element that is physically or conceptually separable from the underlying product, the element is eligible for copyright protection. See 17 U.S.C. § 101 ("[T]he design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified *separately from*, and are *capable of existing independently of*, the utilitarian aspects of the article.") (emphasis added). For this reason, one may not copyright the general shape of a lamp, because its overall shape contributes to its ability to illuminate the reaches of a room. But one can copyright the fanciful designs imprinted on, or carved into, the

lamp's base, so long as those designs are unrelated to the lamp's utilitarian function as a device used to combat darkness. See *Mazer v. Stein*, 347 U.S. 201, 74 S.Ct. 460, 98 L.Ed. 630 (1954). See also Copyright Office, *Compendium II of Copyright Office Practices* § 505.03 (1984) (recognizing that a "carving on the back of a chair, or pictorial matter engraved on a glass vase, could be considered for [copyright] registration" on the basis of separability).

The cases in our circuit have recognized the same distinction. For many years, articles of clothing have been identified as "useful" items and, hence, excluded from copyright eligibility. See, e.g., *Fashion Originators Guild v. FTC*, 114 F.2d 80, 84 (2d Cir.1940) (L.Hand, J.) (holding that "ladies' dresses" are useful articles not covered by the Copyright Act), *aff'd*, 312 U.S. 457, 61 S.Ct. 703, 85 L.Ed. 949 (1941). But we also have held separable elements in clothing, to the extent that they exist, may be eligible for copyright protection. Thus, in *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (2d Cir.1980), we concluded that the plaintiff's belt buckle designs were copyrightable. Taken as a whole, the belt undeniably was a "useful article" which performed the service of preventing one's pants from falling down. The ornate buckle design, however, was conceptually separable from that useful "belt" function. The design—which did not enhance the belt's ability to hold up one's trousers—could properly be viewed *329 as a sculptural work with independent aesthetic value, and not as an integral element of the belt's functionality. See *id.* at 993. It was, therefore, copyrightable. *Id.* And, in subsequent cases, we have reaffirmed the principle that separable elements of useful articles are protected by the Copyright Act. See *Brandir v. Cascade Pacific Lumber*, 834 F.2d 1142, 1145 (2d Cir.1987) (establishing the test for conceptual separability); *Carol Barnhart v. Economy Cover Corporation*, 773 F.2d 411, 418 (2d Cir.1985) (noting that physically or conceptually separable design elements are copyright-eligible).

[4] [5] Accordingly, design elements that can be "conceptualized as existing independently of their utilitarian function," *Carol Barnhart*, 773 F.2d at 418, are eligible for copyright protection. And we have noted that, while design elements that "reflect a merger of aesthetic and functional considerations ... cannot be said to be conceptually separable from the utilitarian elements," *Brandir*, 834 F.2d at 1145, "where design elements can be identified as reflecting the designer's artistic judgment exercised *independently* of functional influences, conceptual separability exists." *Id.* (emphasis added). See also *id.* at 1147 (clarifying that, when a design element is "influenced in *significant measure* by utilitarian

concerns,” the design is not conceptually separable from the underlying article) (emphasis added). In all this we have not doubted that when a component of a useful article can actually be removed from the original item and separately sold, without adversely impacting the article’s functionality, that physically separable design element may be copyrighted. *Cf. Mazer*, 347 U.S. at 218–19, 74 S.Ct. 460 (holding that the design of a dancer carved into the base of a lamp was protected by the Copyright Act, even though the design of the lamp itself was not protected).

¹⁶¹ Applying these tests to the case before us at the [Rule 12\(b\)\(6\)](#) stage—where a complaint will not be dismissed unless it is beyond peradventure that the plaintiff could prove no set of facts leading to success, see *Conley*, 355 U.S. at 45–46, 78 S.Ct. 99—we cannot say that Chosun’s allegations of copyright infringement are insufficient. It is at least possible that elements of Chosun’s plush sculpted animal costumes are separable from the overall design of the costume, and hence eligible for protection under the Copyright Act. It might, for example, be the case that the sculpted “heads” of these designs are physically separable from the overall costume, in that they could be removed from the costume without adversely impacting the wearer’s ability to cover his or her body.³ Similarly, it could be that the *330 sculpted “heads” (and perhaps “hands”) are *conceptually* separable. That is, Chosun may

be able to show that they invoke in the viewer a concept separate from that of the costume’s “clothing” function, and that their addition to the costume was not motivated by a desire to enhance the costume’s functionality *qua* clothing. It is, of course, possible that at any of several later stages Chosun will have failed, as a matter of law, to prove that such separability exists. But that possibility cannot justify dismissal of Chosun’s complaint now on a [Rule 12\(b\)\(6\)](#) motion.

III. CONCLUSION

The judgment of the district court is VACATED, and the case REMANDED for further proceedings not inconsistent with this opinion.

All Citations

413 F.3d 324, 2005 Copr.L.Dec. P 29,032, 75 U.S.P.Q.2d 1309

Footnotes

- 1 Chrisha cross-appeals the district court’s decision to deny attorneys’ fees. Because we conclude that the district court erred in dismissing Chosun’s complaint, we necessarily reject Chrisha’s request for attorneys’ fees. At the moment, Chrisha is not a prevailing party.
- 2 This general principle—that intellectual property owners should not be permitted to recategorize one form of intellectual property as another, thereby extending the duration of protection beyond that which Congress deemed appropriate for their actual creative efforts—has been suggested by the Supreme Court in recent years. See, e.g., *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 36–38, 123 S.Ct. 2041, 156 L.Ed.2d 18 (2003) (interpreting the Lanham Act so as to avoid perpetual unfair competition protection, when copyright protection of a more limited duration was available, as the Court believed that a contrary interpretation “would be akin to finding that [the Lanham Act] created a species of perpetual patent and copyright”); *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 29–30, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001) (holding that where trade dress was previously protected under the Patent Act by an expired utility patent, the dress is presumed to stand outside the Lanham Act’s scope).
- 3 Chrisha encourages us to conclude that these costumes are “useful” (as that term is defined under [§ 101](#)) not because they clothe the wearer’s body, but because they permit the wearer to masquerade as an animal character. We need not decide today whether the relevant use of these costumes is as clothing or as tools for masquerading. For even if masquerading were the relevant use, it might be that elements of Chosun’s costumes are separable and copyright-eligible (either because they could be removed without adversely impacting the wearer’s ability to portray himself or herself as a lion, ladybug, or orangutan, or because elements of the costumes can be conceived of as separate from the masquerading function). But while we do not decide the issue today, we express skepticism regarding Chrisha’s claim that Halloween costumes are, as such, copyright ineligible because they permit the wearer to masquerade. Were this the case, masks would necessarily be deemed “useful articles.” But that view has been expressly rejected by both the Copyright Office and by other circuits. See *United States Copyright Office Policy Decision: Registrability of Costume Designs*, 56 Fed.Reg. 56530, 56532 (1991) (categorizing masks as non-useful sculptural works not subject to separability analysis); *Masquerade Novelty, Inc. v. Unique Indus., Inc.*, 912 F.2d 663, 671 (3d Cir.1990) (holding that

masks are non-useful articles protected by the Copyright Act).

More fundamentally, Chrisha's broad understanding of masquerading as a "useful" function is at odds with the Copyright Act's very definition of "useful articles." After all, the Act states that a "useful article" is one "having an intrinsic utilitarian function *that is not merely to portray the appearance of the article* or to convey information." 17 U.S.C. § 101 (emphasis added). The function of a costume is, precisely, to portray the appearance of something (like a lion, ladybug, or orangutan), and in so doing, to cause the wearer to be associated with, or appear as, the item portrayed. It is difficult to see how such a "function" (separate and apart from the concomitant function as clothing) can make a costume, or a mask, "useful" under § 101. See *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320, 323 (2d Cir.1996) (holding that the function of a fish mannequin "is to portray its own appearance" and give form to the fish skin which covers it, and therefore concluding that fish mannequins are not "useful articles" under the Copyright Act); *Superior Form Builders v. Dan Chase Taxidermy Supply Co.*, 74 F.3d 488, 494 (4th Cir.1996) (holding that mammal taxidermy mannequins are not "useful articles" under the Copyright Act because they function "merely to portray the appearance" of an animal).



KeyCite Yellow Flag - Negative Treatment

Declined to Extend by [Golden Krust Patties, Inc. v. Bullock](#), E.D.N.Y., July 16, 2013

696 F.3d 206

United States Court of Appeals,
Second Circuit.

CHRISTIAN LOUBOUTIN S.A., Christian
Louboutin, L.L.C., Christian Louboutin,
Plaintiffs–Counter–Defendants–Appellants,
v.

[YVES SAINT LAURENT AMERICA HOLDING,
INC.](#), [Yves Saint Laurent S.A.S.](#), Yves Saint
Laurent America, Inc.,
Defendants–Counter–Claimants–Appellees,
Yves Saint Laurent, (an unincorporated
association), John Does, A to Z, (Unidentified),
Jane Does, A to Z, (Unidentified), XYZ
Companies, 1 to 10, (Unidentified),
Defendants–Appellees.

Docket No. 11–3303–cv.

Argued: Jan. 24, 2012.

Decided: Sept. 5, 2012.

Synopsis

Background: French footwear designer brought action against American competitor, alleging that competitor violated Lanham Act and New York law by producing “high fashion” shoes with designer’s trademarked, signature lacquered red outsoles. Competitor counter–claimed for cancellation of designer’s trademark registration. The United States District Court for the Southern District of New York, [Victor Marrero, J.](#), [778 F.Supp.2d 445](#), denied designer’s motion for preliminary injunction. Designer appealed.

[Holding:] The Court of Appeals, [José A. Cabranes](#), Circuit Judge, held that as limited to outsoles’ color contrast with shoes’ upper components, design feature acquired secondary meaning.

Affirmed in part and reversed and remanded in part.

West Headnotes (44)

[1] **Trademarks**

✦ **Functionality**

For purposes of trademark protection, an “ornamental feature” is one that does not serve a purpose in the design of a product. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[2] **Injunction**

✦ **Grounds in general; multiple factors**

To obtain a preliminary injunction, the moving party must establish irreparable harm and either (1) a likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief.

[Cases that cite this headnote](#)

[3] **Federal Courts**

✦ **Preliminary injunction; temporary restraining order**

Court of Appeals reviews the denial of a preliminary injunction for an abuse of discretion.

[Cases that cite this headnote](#)

[4] **Trademarks**

✦ **Trademarks**

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 good will and reputation attached to a trade name. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

whether the defendant's use of a similar mark is likely to cause consumer confusion. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[5] **Trademarks**
 🔑 Right to Use in General; Exclusivity

Federal trademark law provides the owner of a mark with the enforceable right to exclude others from using the mark. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[8] **Trademarks**
 🔑 Capacity to Distinguish or Signify; Distinctiveness
Trademarks
 🔑 Generic terms or marks

In order for a mark to be protectable, it must be distinctive and not generic. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[6] **Copyrights and Intellectual Property**
 🔑 Nature of statutory copyright
Patents
 🔑 Relation to other forms of intellectual property
Trademarks
 🔑 Functionality

Federal trademark law is not intended to protect innovation by giving the innovator a monopoly over a useful product feature; such a monopoly is the realm of patent law or copyright law, which seek to encourage innovation, and not of trademark law, which seeks to preserve a vigorously competitive market for the benefit of consumers. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[9] **Trademarks**
 🔑 Inherent distinctiveness in general

Mark is said to be inherently distinctive, and thus it is protectable under federal trademark law, if its intrinsic nature serves to identify a particular source. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[10] **Trademarks**
 🔑 Acquired distinctiveness and secondary meaning in general

Even a mark that is not inherently distinctive may nonetheless acquire distinctiveness, and thus be protectable under federal trademark law, by developing a "secondary meaning" in the public mind, meaning that, in the minds of the public, the primary significance of a product feature is to identify the source of the product rather than the product itself. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[7] **Trademarks**
 🔑 Infringement

Courts analyze trademark infringement claims in two stages, first looking to see whether the mark merits protection, and second, if and only if the trademark is distinctive within the meaning of trademark law, and is therefore valid and protectable, the court must then determine

[11]

Trademarks

🔑 **Functionality**

If a markholder has successfully demonstrated that its mark is valid and that the competitor's mark is likely to cause confusion, the competitor can nevertheless prevail by showing that the mark is functional. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[Cases that cite this headnote](#)

[15]

Trademarks

🔑 **Functionality**

Aspects of a product that are functional generally cannot serve as a trademark. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[12]

Trademarks

🔑 **Functionality**

Functionality of a mark can be demonstrated by, inter alia, showing that the mark has either traditional utilitarian functionality or aesthetic functionality. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[16]

Patents

🔑 **Monopoly powers in general**

Functional features of a product can be protected only through the patent system, which grants a limited monopoly over such features until they are released into general use.

[Cases that cite this headnote](#)

[13]

Trademarks

🔑 **Capacity to Distinguish or Signify; Distinctiveness**

If a mark is capable of being or becoming distinctive of the applicant's goods in commerce, then it is capable of serving as a trademark. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[17]

Trademarks

🔑 **Functionality**

Product feature is considered to be "functional," and thus not protectable under trademark law, in a utilitarian sense if it is (1) essential to the use or purpose of the article, or if it (2) affects the cost or quality of the article. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[14]

Trademarks

🔑 **Color**

Color alone can meet the basic legal requirements for use as a trademark, where it acts as a symbol that distinguishes a firm's goods and identifies their source, without serving any other significant function. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[18]

Trademarks

🔑 **Functionality**

Product feature is "essential" to the use or purpose of the article, as required to be deemed functional in a utilitarian sense, if it is dictated by the functions to be performed by the article. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[19] **Trademarks**
 [Functionality](#)

Product feature “affects the cost or quality of the article,” as required to be deemed functional, and thus not protectable under trademark law, where it permits the article to be manufactured at a lower cost or constitutes an improvement in the operation of the goods. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[20] **Trademarks**
 [Functionality](#)

Generally, where a product’s design is functional, there is no need to proceed further in the analysis of whether the design is protected by federal trademark law. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[21] **Trademarks**
 [Functionality](#)

When the aesthetic design of a product is itself the mark for which trademark protection is sought, the court may deem the mark functional, and thus not protectable, if giving the markholder the right to use it exclusively would put competitors at a significant non–reputation–related disadvantage. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[22] **Trademarks**
 [Functionality](#)

Test for aesthetic functionality of a product feature, for purposes of determining its protectability under federal trademark law, is threefold: first, the court addresses whether the design feature is either essential to the use or purpose or affects the cost or quality of the product at issue, second, if the feature would, from a traditional utilitarian perspective, be considered essential to the use or purpose or to affect its cost or quality, then the design feature is functional, but, third, if the design feature is not functional from a traditional perspective, it must still be shown not to have a significant effect on competition in order to receive trademark protection. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[23] **Trademarks**
 [Functionality](#)

Lanham Act protection does not extend to configurations of ornamental features which would significantly limit the range of competitive designs available. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[24] **Trademarks**
 [Functionality](#)

Doctrine of aesthetic functionality bars protection of a mark that is necessary to compete in the relevant market. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[25] **Trademarks**
 [Functionality](#)

Ultimate test of aesthetic functionality, for purposes of determining a mark’s protectability, is whether the recognition of trademark rights in

an aesthetic design feature would significantly hinder competition. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[26] **Trademarks**
 Functionality

Where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[27] **Trademarks**
 Functionality

Distinctive and arbitrary arrangements of predominantly ornamental features that do not hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional, and are hence eligible for trademark protection. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[28] **Trademarks**
 Functionality

Mark is “aesthetically functional,” and therefore ineligible for protection under the Lanham Act, where protection of the mark significantly undermines competitors’ ability to compete in the relevant market. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[29] **Trademarks**
 Functionality

In making a determination as to whether a mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, courts must carefully weigh the competitive benefits of protecting the source-identifying aspects of a mark against the competitive costs of precluding competitors from using the feature. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[30] **Trademarks**
 Functionality

In determining whether a mark has an aesthetic function so as to preclude trademark protection, courts must take care to ensure that the mark’s very success in denoting and promoting its source does not itself defeat the markholder’s right to protect that mark. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[31] **Trademarks**
 Functionality

Analysis of the aesthetic functionality of a mark is highly fact-specific, requiring the court to consider both the markholder’s right to enjoy the benefits of its effort to distinguish its product and the public’s right to the vigorously competitive market protected by the Lanham Act, which an overly broad trademark might hinder. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[32] **Trademarks**
 Color

No per se rule governs the protection of single-color marks in the fashion industry. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[33] **Trademarks**
🔑 **Functionality**

Functionality defense to a trademark infringement claim does not guarantee a competitor the greatest range for his creative outlet, but only the ability to fairly compete within a given market. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[34] **Trademarks**
🔑 **Functionality**

Purpose of the functionality defense to a trademark infringement claim is to prevent advances in functional design from being monopolized by the owner of the mark in order to encourage competition and the broadest dissemination of useful design features. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[35] **Copyrights and Intellectual Property**
🔑 **Originality of Work; Creativity**

Copyright, unlike trademark, rewards creativity and originality even if they interfere with the rights of an existing copyright holder.

[Cases that cite this headnote](#)

[36] **Trademarks**
🔑 **Similarity Between Marks; Likelihood of**

Confusion

Trademark system, unlike the copyright system, aims to prevent consumer confusion even at the expense of a manufacturer's creativity.

[Cases that cite this headnote](#)

[37] **Trademarks**
🔑 **Validity, ownership, and use**

Certificate of registration with the United States Patent and Trademark Office (USPTO) is prima facie evidence that the mark is registered and valid, that the registrant owns the mark, and that the registrant has the exclusive right to use the mark in commerce. Lanham Act, § 7(b), [15 U.S.C.A. § 1057\(b\)](#).

[Cases that cite this headnote](#)

[38] **Trademarks**
🔑 **Functionality**

French footwear designer's trademarked, signature lacquered red outsoles acquired limited secondary meaning as distinctive symbol to identify his brand, and thus that design feature was valid and protectable under Lanham Act to extent that red outsoles contrasted with color of shoe's "upper" component; in that context, design feature created "symbol," as shown by designer's advertising expenditures, media coverage, and sales success over 20 years of use, and created "brand with worldwide recognition" insofar as feature caused lacquered red outsole to "pop" in contrast to upper's color, as consumers recognized contrast between color of outsole and color of upper as distinctive feature of designer's footwear. Lanham Act, § 1 et seq., [15 U.S.C.A. § 1051 et seq.](#)

[Cases that cite this headnote](#)

[39] **Trademarks**

🔑 Color

In the case of a single-color mark, distinctiveness must generally be proved by demonstrating that the mark has acquired secondary meaning. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[40]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

Crucial question in a trademark case involving secondary meaning always is whether the public is moved in any degree to buy an article because of its source. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[41]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

Factors that are relevant in determining secondary meaning in a trademark case include (1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and (6) length and exclusivity of the mark's use. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[42]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

Whether a mark has acquired distinctiveness is an inherently factual inquiry. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[43]

Trademarks

🔑 Marks protected

Where the record contains sufficient undisputed facts to resolve the question of a mark's distinctiveness, the court may do so as a matter of law. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[44]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

To determine whether a mark has secondary meaning, it is not always the general public's understanding but, depending upon the product, often only a segment of consumers that need be examined. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

Attorneys and Law Firms

*211 **Harley I. Lewin** (Lee Carl Bromberg and Charles D. Ray, on the brief), McCarter & English, LLP, New York, NY, Boston, MA, Hartford, CT, for Plaintiffs–Counter–Defendants–Appellants Christian Louboutin S.A., Christian Louboutin, L.L.C., Christian Louboutin.

David H. Bernstein (Jyotin Hamid and Rayna S. Feldman, on the brief), Debevoise & Plimpton LLP, New York, NY, for Defendants–Counter–Claimants–Appellees Yves Saint Laurent America Holding, Inc., Yves Saint Laurent S.A.S., and Yves Saint Laurent America, Inc., and Defendants–Appellees Yves Saint Laurent, (an unincorporated association), John Does, A to Z, (Unidentified), Jane Does, A to Z, (Unidentified), XYZ Companies, (Unidentified).

Janet L. Cullum (John W. Crittenden, Cooley LLP, San Francisco, CA, and Susan J. Hightower, Pirkey Barber LLP, Austin, TX, on the brief), Cooley LLP, New York, NY, for amicus curiae International Trademark Association, in support of Plaintiffs–Counter–Defendants–Appellants.

Richard Z. Lehv (Jason D. Jones on the brief), Fross Zelnick Lehrman & Zissu, P.C., New York, NY, for amici curiae Tiffany (NJ) LLC and Tiffany & Co., in support of Plaintiffs–Counter–Defendants–Appellants.

Rebecca Tushnet, Professor of Law, Georgetown University Law Center, Washington, D.C., on the brief, for amici curiae Professors of Law in Trademark and Related Fields, in support of Defendants–Counter–Claimants–Appellees.

Before: CABRANES, STRAUB, and LIVINGSTON, Circuit Judges.

Opinion

JOSÉ A. CABRANES, Circuit Judge:

The question presented is whether a single color may serve as a legally protected trademark in the fashion industry and, in particular, as the mark for a particular style of high fashion women’s footwear. 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 *212 with the United States Patent and Trade Office (“PTO”).¹ We are asked to decide whether that mark is protectable under federal trademark law.

Louboutin, Christian Louboutin S.A., and Christian Louboutin, L.L.C. (jointly, “Louboutin”), bring this interlocutory appeal from an August 10, 2011 order of the United States District Court for the Southern District of New York (Victor Marrero, *Judge*) denying a motion for a preliminary injunction against alleged trademark infringement by Yves Saint Laurent America Holding, Inc., Yves Saint Laurent S.A.S., and Yves Saint Laurent America, Inc. (jointly, “YSL”). The District Court, in addressing a difficult and novel issue of trademark law, held that, because a single color can never be protected by trademark in the fashion industry, Louboutin’s trademark was likely not enforceable. It therefore declined to enter a preliminary injunction to restrain YSL’s alleged use of the mark.

We conclude that the District Court’s holding that a single color can never serve as a trademark in the fashion industry, *Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 778 F.Supp.2d 445, 451, 457 (S.D.N.Y.2011) (“*Louboutin*”), is inconsistent with the Supreme Court’s decision in *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 162, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995) (“*Qualitex*”), and that the District Court therefore erred by resting its denial of Louboutin’s preliminary injunction motion on that ground. We further conclude 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, pursuant to Section 37 of the Lanham Act, 15 U.S.C. § 1119, we limit the trademark to uses in which the red outsole contrasts with the remainder of the shoe (known as the “upper”). We conclude that the trademark, as thus modified, is entitled to trademark protection. Finally, we conclude that, because the monochrome design employed by YSL is not a use of Louboutin’s modified trademark, we 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.”

We therefore (1) affirm in part the order of the District Court, insofar as it declined to enjoin the use of all red lacquered outsoles; (2) reverse in part the order of the District Court insofar as it purported to deny trademark protection to Louboutin’s use of *contrasting* red lacquered outsoles; and (3) enter judgment accordingly. We remand for further proceedings with regard to YSL’s counterclaims.

BACKGROUND²

This appeal arises out of an action for injunctive relief and enforcement of a trademark brought by Louboutin, together with the corporate entities that constitute his eponymous French fashion house, *213 against YSL, a venerable French fashion institution. Louboutin is best known for his emphasis upon the otherwise-largely-ignored outsole of the shoe. Since their development in 1992, Louboutin’s shoes have been characterized by their most striking feature: a bright, lacquered red outsole, which nearly always contrasts sharply with the color of the rest of the shoe.

Christian Louboutin introduced his signature footwear to the fashion market in 1992. Since then, his 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 good will, 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*, 778 F.Supp.2d at 447. The District Court further found that Louboutin had succeeded in promoting his shoes “to the point where, in the high-stakes commercial markets and social circles in which these things matter a great deal, the red outsole became closely associated with Louboutin. Leading designers have said it, including YSL, however begrudgingly.” *Id.* at 447–48. 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. *Id.* at 448.

On the strength of the fashion world’s asserted recognition of the red sole, Louboutin on March 27, 2007 filed an application with the PTO to protect his mark (the “Red Sole Mark” or the “Mark”). The trademark was granted in January 2008, and stated: “The color(s) red is/are claimed as a feature of the mark. The mark consists of a lacquered red sole on footwear.” *Id.* at 449 (capitalization altered). The written description was accompanied by a diagram indicating the placement of the color:



In 2011, YSL prepared to market a line of “monochrome” shoes in purple, green, yellow, and red. YSL shoes in the monochrome style feature the same color on the entire shoe, so that the red version is all red, including a red insole, heel, upper, and outsole. 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.

In January 2011, Louboutin avers, his fashion house learned that YSL was marketing and selling a monochrome red shoe with a red sole. Louboutin requested the removal of the allegedly infringing shoes

from the market, and Louboutin and YSL briefly entered into negotiations in order to avert litigation.

The negotiations having failed, Louboutin filed this action on April 7, 2011, asserting claims under the Lanham Act, 15 U.S.C. § 1051 *et seq.*, 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 which so resembles the Red Sole Mark as to cause confusion among consumers.

***214** ^[1] In response, YSL asserted two counterclaims: (1) seeking cancellation of the Red Sole Mark on the grounds that (a) it is not “distinctive,”³ but instead merely “ornamental,”⁴ (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. On July 22, 2011, after a limited and expedited discovery process, the parties argued the preliminary injunction motion. As noted above, *see* note 2, *ante*, the District Court did not hold an evidentiary hearing.

On August 10, 2011, the District Court issued a Decision and Order denying the injunction and holding that the Louboutin fashion house had not shown a likelihood of success on the merits of its claims. As the District Court saw it, the “narrow question” presented by the case was “whether the Lanham Act extends protection to a trademark composed of a single color used as an expressive and defining quality of an article of wear produced in the fashion industry”—that is, “whether there is something unique about the fashion world that militates against extending trademark protection to a single color.” *Louboutin*, 778 F.Supp.2d at 451.

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.*’ ” *Id.* at 450 (quoting *Qualitex*, 514 U.S. at 166, 115 S.Ct. 1300) (alteration omitted). The District Court further observed, albeit without citation to authority, that “whatever commercial purposes may support extending trademark protection to a single color for industrial goods do not easily fit the unique characteristics and needs—the creativity,

aesthetics, taste, and seasonal change—that define production of articles of fashion.” *Id.* at 451. For that reason, the District Court held that, in the fashion industry, single-color marks are inherently “functional” and that any such registered trademark would likely be held invalid. *Id.* at 457. The Court therefore held that Louboutin was unlikely to be able to prove that the Red Sole Mark was eligible for trademark protection, and denied Louboutin’s motion for a preliminary injunction.⁶ *Id.* at 449–50, 457. This appeal followed.

***215** 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* 52.⁷

DISCUSSION

I. Standard of Review

^[2] ^[3] The District Court may grant a preliminary injunction if the moving party establishes “(a) irreparable harm and (b) either (1) likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief.” *UBS Fin. Servs., Inc. v. W. Va. Univ. Hosps., Inc.*, 660 F.3d 643, 648 (2d Cir.2011) (internal quotation marks omitted). We review the denial of a preliminary injunction for “abuse of discretion.” *Dexter 345 Inc. v. Cuomo*, 663 F.3d 59, 63 (2d Cir.2011); *cf. Sims v. Blot*, 534 F.3d 117, 132 (2d Cir.2008) (explaining that the term of art “abuse of discretion” includes errors of law).

We address the District Court’s order in three parts. We first consider whether a single color is protectable as a trademark, both generally and in the specific context of the fashion industry. We then address the doctrine of

“aesthetic functionality” and consider whether, as the District Court held, a single-color mark is necessarily “functional” in the context of the fashion industry—with the result that no such mark could ever be trademarked in that industry. Finally, we determine whether the Red Sole Mark is a valid trademark entitled to the protection of the Lanham Act.

II. Trademark Protection of Single-Color Marks

We begin by briefly recalling what trademark law is—and what it is not.

^[4] ^[5] 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 good will and reputation attached to a trade name.” *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 57 (2d Cir.1995) (internal quotation mark omitted) (alteration in the original).

[T]rademark 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 ***216** competitor) will reap the financial, reputation-related rewards associated with a desirable product.

Qualitex, 514 U.S. at 163–64, 115 S.Ct. 1300 (internal quotation marks, citation, and alteration omitted). In accordance with these purposes of the Lanham Act, the law provides the owner of a mark with the “enforceable right to exclude others from using [the mark].” *La Societe Anonyme des Parfums le Galion v. Jean Patou, Inc.*, 495 F.2d 1265, 1271 (2d Cir.1974).

^[6] Nevertheless, trademark law is *not* intended to “protect[] innovation by giving the innovator a *monopoly* ” over a useful product feature. *Fabrication Enters., Inc.*, 64 F.3d at 59 n. 4 (emphasis added); see *Nora Beverages, Inc. v. Perrier Grp. of Am.*, 269 F.3d 114, 120 n. 4 (2d Cir.2001) (noting that trademark law should not be used to “inhibit [] legitimate competition by giving monopoly control to a producer over a useful product”). Such a monopoly is the realm of patent law or copyright law, which seek to encourage innovation, and not of trademark law, which seeks to preserve a “vigorously competitive market” for the benefit of consumers.⁸ *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 115 (2d Cir. 2001) (internal quotation marks omitted).

A. The Analytical Framework

^[7] We analyze trademark infringement claims in two stages.

^[8] ^[9] ^[10] “First, we look to see whether plaintiff’s mark merits protection.” *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 115 (2d Cir.2006). In order for a trademark to be protectable, the mark must be “distinctive” and not “generic.” *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 143 (2d Cir.1997). A mark is said to be “inherently” distinctive if “[its] intrinsic nature serves to identify a particular source.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992).⁹ 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.*, 456 U.S. 844, 851 n. 11, 102 S.Ct. 2182, 72 L.Ed.2d 606 (1982). A mark has acquired “secondary meaning” when, “in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself.” *Id.*¹⁰

***217** ^[11] ^[12] Second, if (and only if) the plaintiff’s trademark is “distinctive” within the meaning of trademark law and is therefore valid and protectable, we must then determine “whether [the] defendant’s use of a similar mark is likely to cause consumer confusion.” *Louis Vuitton Malletier*, 454 F.3d at 115. In this second stage, if a markholder has successfully demonstrated that its mark is valid and that the competitor’s mark is likely to cause confusion, “the competitor can [nevertheless] prevail ... by showing that the [mark] is functional”—a traditional defense to the enforcement of a trademark. *Stormy Clime Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 974

(2d Cir.1987) (“*Stormy Clime* ”), *disapproved on other grounds by Two Pesos*, 505 U.S. at 773, 112 S.Ct. 2753. 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.*, 312 F.Supp.2d 195, 212 (D.Conn.2004); see Section III, *post*.

With this traditional (if somewhat mechanical) taxonomy in mind, we turn to the history of single-color trademarks.

B. A Brief History of Single-Color Marks

Prior to the adoption of our modern statutory trademark scheme in the Lanham Act of 1946, 15 U.S.C. § 1051 *et seq.*, the status of single-color trademarks rested on uncertain ground. See generally *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1118–19 (Fed.Cir.1985) (“*Owens-Corning* ”). Although as early as 1906 the Supreme Court had expressed a Delphic and suitably ambiguous skepticism that single-color marks could be registered as trademarks, see *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166, 171, 26 S.Ct. 425, 50 L.Ed. 710 (1906) (observing that “[w]hether mere color can constitute a valid trade-mark may admit of doubt”), other courts occasionally employed common law unfair competition principles to protect the use of color as a distinguishing product feature. See, e.g., *Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F.2d 407, 415 (6th Cir.1945) (holding that the user of a mark was “entitled to protection in its long established use of the color yellow on its taxicabs ..., inasmuch as it has acquired a good will by use of the yellow color scheme on taxicabs by virtue of appropriate application of the doctrine of secondary meaning”). 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*, 514 U.S. at 162, 115 S.Ct. 1300, courts “gradually ... rejected the *dictum* [of earlier cases] ... to the effect that color alone is not subject to trademark [protection],” *Owens-Corning*, 774 F.2d at 1122, and owners of color-related marks began to enjoy a degree of ***218** enforcement success. See, e.g., *Application of Hehr Mfg. Co.*, 47 CCPA 1116, 279 F.2d

526, 528 (1960) (holding that a square red label intended for use on automobile trailer windows was eligible for trademark registration); *Artus Corp. v. Nordic Co.*, 512 F.Supp. 1184, 1190 (W.D.Pa.1981) (protecting plaintiff's arbitrary color scheme for metal spacers). Nevertheless, the issue of single-color mark registration lay largely dormant until 1985, when the United States Court of Appeals for the Federal Circuit decided *Owens-Corning*.

^[13] Faced with the question of whether a fiberglass manufacturer could trademark the pink color of its residential insulation material, the Federal Circuit in *Owens-Corning* began by recounting the evolution of color as a product-source designator. In language that continues to hold force today, the Court observed that jurisprudence under the Lanham Act had “developed in accordance with the statutory principle that if a mark is capable of being or becoming distinctive of [the] applicant’s goods in commerce, then it is capable of serving as a trademark.” *Owens-Corning*, 774 F.2d at 1120. Noting that “[Owens-Corning’s] use of the color ‘pink’ performs no non-trademark function, and is consistent with the commercial and public purposes of trademarks,” the Court concluded that the use “serves the classical trademark function of indicating the origin of the goods, and thereby protects the public.” *Id.* at 1123. On that basis, the Court held that Owens-Corning was “entitled to register its mark.” *Id.* at 1128.

C. Single-Color Marks Today

^[14] The question of whether a color can be protected as a trademark or trade dress was finally resolved in 1995 by the Supreme Court’s decision in *Qualitex*, which involved a claim for trade dress protection of the green-gold color of a dry cleaning press pad. The question presented was “whether the [Lanham Act] permits the registration of a trademark that consists, purely and simply, of a color.” *Qualitex*, 514 U.S. at 160–61, 115 S.Ct. 1300 (citation omitted). Reversing a decision of the Ninth Circuit that had declared color *per se* ineligible for trademark protection, the Court observed that “it is difficult to find, in basic trademark objectives, a reason to disqualify absolutely the use of a color as a mark.” *Id.* at 164, 115 S.Ct. 1300. 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.” *Id.* 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.” *Id.* at 166, 115 S.Ct. 1300

(emphasis added).

III. The “Functionality” Defense

^[15] ^[16] As the Supreme Court observed in *Qualitex*, aspects of a product that are “functional” generally “cannot serve as a trademark.” *Id.* at 165, 115 S.Ct. 1300 (internal quotation mark omitted). We have observed that “[t]he doctrine of functionality prevents trademark law from inhibiting legitimate competition by giving monopoly control to a producer over a useful product.” *Nora Beverages, Inc.*, 269 F.3d at 120 n. 4; see *Genesee Brewing Co.*, 124 F.3d at 145 n. 5 (it is a “fundamental principle of trademark law that a trademark ... does not grant a monopoly of production”). This is so because functional features can be protected only through the patent system, which grants a limited monopoly over such features until they are released into general *219 use (typically after either 14 or 20 years, depending on the type of patent). See *Fabrication Enters., Inc.*, 64 F.3d at 58–59 & n. 4 (“The Lanham Act is not concerned with protecting innovation by giving the innovator a monopoly, which is the function of patent law.”); *Stormy Clime*, 809 F.2d at 977–78 (“Courts must proceed with caution in assessing claims to unregistered trademark protection in the design of products so as not to undermine the objectives of the patent laws.... Since trademark protection extends for an unlimited period, expansive trade dress protection for the design of products would prevent some functional products from enriching the public domain.”).

As noted above, two forms of the functionality doctrine are relevant to us today: “traditional” or “utilitarian” functionality, and “aesthetic” functionality. Both forms serve as an affirmative defense to a trademark infringement claim.

A. “Traditional” or “Utilitarian” Functionality

^[17] ^[18] ^[19] According to our traditional understanding of functionality, a product feature is considered to be “functional” in a utilitarian sense¹¹ if it is (1) “essential to the use or purpose of the article,” or if it (2) “affects the cost or quality of the article.” *Inwood Labs.*, 456 U.S. at 850 n. 10, 102 S.Ct. 2182.¹² A feature is essential “‘if [it] is dictated by the functions to be performed’ ” by the article. *LeSportsac, Inc. v. K mart Corp.*, 754 F.2d 71, 76 (2d Cir.1985) (quoting *Warner Bros. Inc. v. Gay Toys*

Inc., 724 F.2d 327, 331 (2d Cir.1983)).¹³ It affects the cost or quality of the article where it “permits the article to be manufactured at a lower cost” or “constitutes an improvement in the operation of the goods.”¹⁴ *Id.* (quoting *Warner Bros., Inc.*, 724 F.2d at 331). A finding that a product feature is functional according to the *Inwood* test will ordinarily render the feature ineligible for trademark protection.

B. “Aesthetic Functionality”

^[20] ^[21] Generally, “[w]here [a product’s] design is functional under the *Inwood* formulation there is no need to proceed further.” *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 33, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001) (“*TrafFix*”). Nevertheless, as the Supreme Court had held in 1995 in *Qualitex*, when the aesthetic design of a product is *220 itself the mark for which protection is sought, we may also deem the mark functional if giving the markholder the right to use it exclusively “would put competitors at a significant non-reputation-related disadvantage,” *Qualitex*, 514 U.S. at 165, 115 S.Ct. 1300. This remains true even if there is “no indication that [the mark has] any bearing on the use or purpose of the product or its cost or quality.” *TrafFix*, 532 U.S. at 33, 121 S.Ct. 1255; see *Landscape Forms, Inc. v. Colum. Cascade Co.*, 70 F.3d 251, 253 (2d Cir.1995) (when evaluating design trademarks we consider whether “certain features of the design are essential to effective competition in [the] particular market”).

^[22] As set forth below, the test for aesthetic functionality is threefold: At the start, we address the two prongs of the *Inwood* test, asking whether the design feature is either “essential to the use or purpose” or “affects the cost or quality” of the product at issue. Next, if necessary, we turn to a third prong, which is the competition inquiry set forth in *Qualitex*. In other words, if a design feature would, from a traditional utilitarian perspective, be considered “essential to the use or purpose” of the article, or to affect its cost or quality, then the design feature is functional under *Inwood* and our inquiry ends.¹⁵ But if the design feature is not “functional” from a traditional perspective, it must still pass the fact-intensive *Qualitex* test and be shown not to have a significant effect on competition in order to receive trademark protection.

i. The Development of the Aesthetic Functionality Doctrine

Although the theory of aesthetic functionality was proposed as early as 1938,¹⁶ the first court to adopt the theory as the basis for denial of protection of a design was the United States Court of Appeals for the Ninth Circuit in *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir.1952). In *Pagliero*, the Court of Appeals determined that the Wallace China Company was not entitled to the exclusive use of a particular floral design on hotel china, despite its “creat[ion of] a substantial market for its products bearing these designs by virtue of extensive advertising.” *Id.* at 340. The design, the Court held, was “functional” because it satisfied “a demand for the aesthetic as well as for the utilitarian.” *Id.* at 343–44. 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.” *Id.* at 343 (emphasis added).

^[23] ^[24] Despite its apparent counterintuitiveness (how can the purely aesthetic be deemed functional, one might ask?), our Court has long accepted the doctrine of *221 aesthetic functionality. See, e.g., *Warner Bros., Inc.*, 724 F.2d at 329–32 (distinctive color and symbols on toy car were not functional, and so were protectable as trade dress).¹⁷ We have rejected, however, the circular “important ingredient” test formulated by the *Pagliero* court, which inevitably penalized markholders for their success in promoting their product.¹⁸ Instead, we have concluded that “Lanham Act protection does not extend to configurations of ornamental features which would significantly limit the range of competitive designs available.” *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 171 (2d Cir.1991) (emphasis added). Accordingly, we have held that the doctrine of aesthetic functionality bars protection of a mark that is “necessary to compete in the [relevant] market.” *Villeroy & Boch Keramische Werke K.G. v. THC Sys., Inc.*, 999 F.2d 619, 622 (2d Cir.1993).

ii. A Modern Formulation of the Aesthetic Functionality Doctrine

^[25] In 1995, the Supreme Court in *Qualitex* gave its imprimatur to the aesthetic functionality doctrine, holding that “[t]he ultimate test of aesthetic functionality ... is whether the recognition of trademark rights [in an aesthetic design feature] would significantly hinder

competition.” *Qualitex*, 514 U.S. at 170, 115 S.Ct. 1300 (quoting *Restatement (Third) of Unfair Competition* § 17, cmt. c, at 176 (1993)) (internal quotation marks omitted). Six years later, reiterating its *Qualitex* analysis, the Supreme Court in *TrafFix* declared that where “[a]esthetic functionality [is] the central question,” courts must “inquire” as to whether recognizing the trademark “would put competitors at a significant non-reputation-related disadvantage.” *TrafFix*, 532 U.S. at 32–33, 121 S.Ct. 1255.

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 cases including *Wallace International Silversmiths*, *Stormy Clime*, and *LeSportsac*. See *Yurman Design, Inc.*, 262 F.3d at 116 (confirming, five months after the *222 *TrafFix* decision, that a putative design trademark is “aesthetic[ally] functional[],” and therefore barred from trademark protection, if granting “the right to use [the mark] exclusively ‘would put competitors at a significant non-reputation-related disadvantage’ ” (quoting *TrafFix*, 532 U.S. at 32, 121 S.Ct. 1255)).

[26] [27] On the one hand, “ ‘[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, the aesthetic functionality doctrine denies such protection.’ ” *Forschner Grp., Inc. v. Arrow Trading Co.*, 124 F.3d 402, 409–10 (2d Cir.1997) (quoting *Wallace Int’l Silversmiths, Inc.*, 916 F.2d at 81). But on the other hand, “ ‘distinctive and arbitrary arrangements of predominantly ornamental features that do *not* hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional[,] and [are] hence eligible for [trademark protection].’ ” *Fabrication Enters., Inc.*, 64 F.3d at 59 (quoting *Stormy Clime*, 809 F.2d at 977) (emphasis added).

[28] [29] In short, a mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark *significantly* undermines competitors’ ability to compete in the relevant market. See *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir.1995) (linking aesthetic functionality to availability of alternative designs for children’s fall-themed sweaters); *Landscape Forms, Inc.*, 70 F.3d at 253 (holding that “in order for a court to find a product design functional, it must first find that certain features of the design are essential to effective competition in a particular market”). In making this determination, courts

must carefully weigh “the competitive benefits of protecting the source-identifying aspects” of a mark against the “competitive costs of precluding competitors from using the feature.” *Fabrication Enters., Inc.*, 64 F.3d at 59.

[30] Finally, we note that a product feature’s successful source indication can sometimes be difficult to distinguish from the feature’s aesthetic function, if any. See, e.g., *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 857 (7th Cir.2010) (noting that “[f]iguring out which designs [produce a benefit other than source identification] can be tricky”). Therefore, in determining whether a mark has an aesthetic function so as to preclude trademark protection, we take care to ensure that the mark’s very success in denoting (and promoting) its source does not itself defeat the markholder’s right to protect that mark. See *Wallace Int’l Silversmiths, Inc.*, 916 F.2d at 80 (rejecting argument that “the commercial success of an aesthetic feature automatically destroys all of the originator’s trademark interest in it, notwithstanding the feature’s secondary meaning and the lack of any evidence that competitors cannot develop non-infringing, attractive patterns”).

[31] Because aesthetic function and branding success can sometimes be difficult to distinguish, the aesthetic functionality analysis is highly fact-specific. In conducting this inquiry, courts must consider both the markholder’s right to enjoy the benefits of its effort to distinguish its product and the public’s right to the “vigorously competitive market []” protected by the Lanham Act, which an overly broad trademark might hinder. *Yurman Design, Inc.*, 262 F.3d at 115 (internal quotation mark omitted). In sum, courts must avoid jumping to the conclusion that an aesthetic feature is functional merely because it denotes the product’s desirable source. Cf. *Pagliero*, 198 F.2d at 343.

*223 iii. Aesthetic Functionality in the Fashion Industry

[32] We now turn to the *per se* rule of functionality for color marks in the fashion industry adopted by the District Court—a rule that would effectively deny trademark protection to any deployment of a single color in an item of apparel. As noted above, the *Qualitex* Court expressly held that “sometimes [] a color will meet ordinary legal trademark requirements[, a]nd, when it does so, no special legal rule prevents color alone from serving as a trademark.” *Qualitex*, 514 U.S. at 161, 115 S.Ct. 1300. In

other words, the Supreme Court 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. The District Court created just such a rule, on the theory that “there is something unique about the fashion world that militates against extending trademark protection to a single color.” *Louboutin*, 778 F.Supp.2d at 451.

Even if *Qualitex* could be read to permit an industry-specific *per se* rule of functionality (a reading we think doubtful), such a rule would be neither necessary nor appropriate here. We readily acknowledge that the fashion industry, like other industries, has special concerns in the operation of trademark law; it has been argued forcefully that United States law does not protect fashion design adequately.¹⁹ Indeed, the case on appeal is particularly difficult precisely because, as the District Court well noted, in the fashion industry, color can serve as a tool in the palette of a designer, rather than as mere ornamentation. *Louboutin*, 778 F.Supp.2d at 452–53.

[33] [34] [35] [36] Nevertheless, the functionality defense does not guarantee a competitor “the greatest range for [his] creative outlet,” *id.* at 452–53, but only the ability to fairly compete within a given market.²⁰ *224 See *Wallace Int’l Silversmiths, Inc.*, 916 F.2d at 81 (“It is a first principle of trademark law that an owner may not use the mark as a means of *excluding* competitors from a ... market.” (emphasis added)). The purpose of the functionality defense “is to prevent advances in functional design from being *monopolized* by the owner of [the mark] ... in order to encourage competition and the broadest dissemination of useful design features.” *Fabrication Enters., Inc.*, 64 F.3d at 58 (internal quotation marks omitted) (emphasis added).

In short, “[b]y focusing upon hindrances to legitimate competition, the [aesthetic] functionality test, carefully applied, can accommodate consumers’ somewhat conflicting interests in being assured enough product differentiation to avoid confusion as to source and in being afforded the benefits of competition among producers.” *Stormy Clime*, 809 F.2d at 978–79.

IV. The Red Sole Mark

Having determined that no *per se* rule governs the protection of single-color marks in the fashion industry,

any more than it can do so in any other industry, we turn our attention to the Red Sole Mark. As we have explained, Part II.A, *ante*, we analyze a trademark infringement claim in two stages, asking first whether the mark “merits protection” and, second, whether the allegedly infringing use of the mark (or a similar mark) is “likely to cause consumer confusion.” *Louis Vuitton Malletier*, 454 F.3d at 115. The functionality defense (including the tripartite aesthetic functionality test) is an affirmative defense that we consider at the second stage of this analysis. *Stormy Clime, Ltd.*, 809 F.2d at 974.

[37] We have stated the basic rule that “[a] certificate of registration with the PTO is prima facie evidence that the mark is registered and valid (*i.e.*, protect[a]ble), that the registrant owns the mark, and that the registrant has the exclusive right to use the mark in commerce.” *Lane Capital Mgmt., Inc.*, 192 F.3d at 345. As the District Court correctly noted, “Louboutin’s certificate of registration of the Red Sole Mark gives rise to a statutory presumption that the mark is valid.”²¹ *Louboutin*, 778 F.Supp.2d at 450 (citing *225 15 U.S.C. § 1057(b)).²² But the District Court found, in effect, that YSL had rebutted that presumption by showing that the Red Sole Mark is ineligible for protection because a single color can never achieve trademark protection in the fashion industry. As explained above, that holding was error.

Although, as set forth below, we determine that the Mark as it currently stands is ineligible for protection insofar as it would preclude competitors’ use of red outsoles in *all* situations, including the monochromatic use now before us, we conclude that the Mark has acquired secondary meaning—and thus the requisite “distinctness” to merit protection—when used as a red outsole *contrasting* with the remainder of the shoe. Because in this case we determine that the Red Sole Mark merits protection only as modified, and because YSL’s use of a red outsole on monochromatic red shoes does not infringe on the Mark as modified, we need not, and do not, reach the issues of customer confusion and functionality at the second stage of the trademark infringement analysis described above.

A. Distinctiveness

[38] We first address whether the Red Sole Mark “merits protection” as a distinctive mark. As discussed above, distinctiveness may be shown either by proof that the mark is itself inherently distinctive, or by showing that the mark has acquired, through use, secondary meaning in the public eye. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210–11, 120 S.Ct. 1339, 146 L.Ed.2d

182 (2000); *Inwood Labs.*, 456 U.S. at 851 n. 11, 102 S.Ct. 2182 (“[S]econdary meaning” is acquired when “in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself”). For the reasons that follow, we hold that the Red Sole Mark has acquired limited secondary meaning as a distinctive symbol that identifies the Louboutin brand, and that it is therefore a valid and protectable mark as modified below. See *PaperCutter, Inc. v. Fay’s Drug Co., Inc.*, 900 F.2d 558, 559 (2d Cir.1990) (a mark having secondary meaning is a valid mark).

[39] Although a single color, standing alone, can almost never be inherently distinctive because it does not “almost automatically tell a customer that [it] refer[s] to a brand,” *Qualitex*, 514 U.S. at 162–63, 115 S.Ct. 1300 (emphasis omitted); see *Mana Prods., Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063, 1070 (2d Cir.1995), a color as used here is certainly capable of acquiring secondary meaning. As the *Qualitex* Court put it,

over time, customers may come to treat a particular color on a product or its packaging (say, a color that in context seems unusual, such as pink on a firm’s insulating material or red on the head of a large industrial bolt) as signifying a brand. And, if so, that color would have come to identify and distinguish the goods—i.e., “to indicate” their “source”—much in the way that descriptive words on a product ... can come to indicate a product’s origin.

Id. at 163, 115 S.Ct. 1300 (emphasis added). In the case of a single-color mark, therefore, distinctiveness must generally be proved by demonstrating that the mark *226 has acquired secondary meaning. *Id.* at 165–66, 115 S.Ct. 1300.

We see no reason why a single-color mark in the specific context of the fashion industry could not acquire secondary meaning—and therefore serve as a brand or source identifier—if it is used so consistently and prominently by a particular designer that it becomes a symbol, “the primary significance” of which is “to identify the source of the product rather than the product

itself.” *Inwood Labs.*, 456 U.S. at 851 n. 11, 102 S.Ct. 2182; see also *Mana Prods., Inc.*, 65 F.3d at 1071 (“In light of the Supreme Court’s decision in *Qualitex*, color is today capable of obtaining trademark status in the same manner that a descriptive mark satisfies the statutory definition of a trademark, by acting as a symbol and attaining secondary meaning.”).

[40] [41] [42] [43] [44] “The crucial question in a case involving secondary meaning always is whether the public is moved in any degree to buy an article because of its source.”²³ *Genesee Brewing Co.*, 124 F.3d at 143 n. 4. “Factors that are relevant in determining secondary meaning include ‘(1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and, (6) length and exclusivity of the mark’s use.’ ” *Id.* (quoting *Centaur Commc’ns, Ltd. v. A/S/M Commc’ns, Inc.*, 830 F.2d 1217, 1222 (2d Cir.1987)). Whether a mark has acquired distinctiveness is “an inherently factual inquiry.” *Yarmuth–Dion, Inc. v. D’ion Furs, Inc.*, 835 F.2d 990, 993 (2d Cir.1987). Where, as here, the record contains sufficient undisputed facts to resolve the question of distinctiveness—not to speak of facts found by the District Court that are based upon evidence of record and not clearly erroneous—we may do so as a matter of law. See *id.* at 993–94; *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 333–34 (2d Cir.1983) (determining, based on the weight of the evidence, that the challenged mark had established secondary meaning).

The record before the District Court included extensive evidence of Louboutin’s advertising expenditures, media coverage, and sales success, demonstrating both that Louboutin has created a “symbol” within the meaning of *Qualitex*, see *Qualitex*, 514 U.S. at 162, 115 S.Ct. 1300, and that the symbol has gained secondary meaning that causes it to be “uniquely” associated with the Louboutin brand, see *Two Pesos, Inc.*, 505 U.S. at 766 n. 4, 112 S.Ct. 2753. There is no dispute that Louboutin originated this particular commercial use of the lacquered red color over twenty years ago. As the District Court determined, in findings of fact that are supported by the record and not clearly erroneous, “Louboutin invested substantial amounts of capital building a reputation and good will, 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*, 778 F.Supp.2d at 447. And there is no dispute that Louboutin’s efforts were successful “to the point where, in the high-stakes commercial markets and social circles in *227 which these things matter a great deal, the red outsole became closely associated with Louboutin,” *id.* at

447–48 (emphasis added), and where unsolicited media attention to that red sole became rampant. Indeed, the Chief Executive Officer of YSL’s parent corporation, François–Henri Pinault, himself acknowledged that, “[i]n the fashion or luxury world, it is absolutely clear that we recognize the notoriety of the distinctive signature constituted by the red sole of LOUBOUTIN models in contrast with the general presentation of the model, particularly its upper, and so for all shades of red.”²⁴ Joint App’x 529.

In light of the evidence in the record, including extensive consumer surveys submitted by both parties during the preliminary injunction proceedings, and of the factual findings of the District Court, we think it plain that Louboutin’s marketing efforts have created what the able district judge described as “a ... brand with worldwide recognition,” *Louboutin*, 778 F.Supp.2d at 448. By placing the color red “in [a] context [that] seems unusual,” *Qualitex*, 514 U.S. at 162, 115 S.Ct. 1300, and deliberately tying that color to his product, Louboutin has created an identifying mark firmly associated with his brand which, “to those in the know,” “instantly” denotes his shoes’ source, *Louboutin*, 778 F.Supp.2d at 448. These findings of fact by the District Court in addressing a motion for a preliminary injunction are not clearly erroneous. We hold that the lacquered red outsole, as applied to a shoe with an “upper”²⁵ of a different color, has “come to identify and distinguish” the Louboutin brand, *Qualitex*, 514 U.S. at 163, 115 S.Ct. 1300, and is therefore a distinctive symbol that qualifies for trademark protection.

We further hold that 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 the District Court observed, “[w]hen Hollywood starlets cross red carpets and high fashion models strut down runways, and heads turn and eyes drop to the celebrities’ feet, lacquered red outsoles on *high-heeled, black shoes* flaunt a glamorous statement that *pops out* at once.” *Louboutin*, 778 F.Supp.2d at 448 (emphasis added). 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.” Joint App’x 529. *228

Of the hundreds of pictures of Louboutin shoes submitted to the District Court, only *four* were monochrome red. *Compare id.* 19, 415, 438, 587 (depicting monochrome Louboutin shoes), *with id.* 415–27, 431–47, 593–653, 680–724 (photographs and news articles depicting Louboutin shoes). 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 every one cited the red *sole* of the shoe, rather than its general red color. We conclude, based upon the record before us, that 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.

Because we conclude that 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 Act, 15 U.S.C. § 1119,²⁶ insofar as it is sought to be applied to any shoe bearing the same color “upper” as the outsole. We therefore instruct the Director of the Patent and Trade Office 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. *See id.*

In sum, we hold that the Red Sole Mark is valid and enforceable as modified. This holding disposes of the Lanham Act claims brought by both Louboutin and YSL because the red sole on YSL’s monochrome shoes is neither a use of, nor confusingly similar to, the Red Sole Mark. We therefore affirm the denial of the preliminary injunction insofar as Louboutin could not have shown a likelihood of success on the merits in the absence of an infringing use of the Red Sole Mark by YSL.

B. Likelihood of Confusion and Functionality

Having limited the Red Sole Mark as described above, and having established that the red sole used by YSL is not a use of the Red Sole Mark, it is axiomatic that we need not—and should not—address either the likelihood of consumer confusion or whether the modified Mark is functional.

CONCLUSION

To summarize:

We hold that the District Court’s conclusion that a single color can never serve as a trademark in the fashion industry was based on an incorrect understanding of the doctrine of aesthetic functionality and was therefore error. We further hold that the District Court’s holding, that Louboutin’s trademark has developed “secondary meaning” in the public eye, was firmly rooted in the evidence of record and was not clearly erroneous, and that the Red Sole Mark is therefore a valid and enforceable trademark. We limit the Red Sole Mark pursuant to Section 37 of the Lanham Act, [15 U.S.C. § 1119](#), to a red lacquered outsole that contrasts with the color of the adjoining “upper.”

*229 Accordingly, we (1) affirm in part the order of the District Court, insofar as it declined to enjoin the use of a red lacquered outsole as applied to a monochrome red shoe; (2) reverse in part the order of the District Court insofar as it purported to deny trademark protection to Louboutin’s use of *contrasting* red lacquered outsoles;

and (3) enter judgment accordingly.

We remand for further proceedings with regard to YSL’s counterclaims. In the interest of judicial economy, either party may restore jurisdiction to this Court to consider whatever arguments remain or arise relating to this case by sending a letter to the Clerk of this Court within 14 days of the District Court’s final judgment. Any such proceedings will be assigned to this panel.

The Clerk of the Court is hereby directed to notify the Director of the United States Patent and Trade Office of this Judgment, which concerns [U.S. Trademark Registration No. 3,361,597](#) held by Christian Louboutin and dated January 1, 2008.

All Citations

696 F.3d 206, 103 U.S.P.Q.2d 1937

Footnotes

- 1 Specifically, the registration for the Louboutin mark states: “The color(s) red is/are claimed as a feature of the mark. The mark consists of a lacquered red sole on footwear.” Joint App’x 294 (capitalization altered).
- 2 Because the District Court did not hold an evidentiary hearing prior to issuing its ruling on the preliminary injunction, the facts in this section are principally drawn from the uncontested facts asserted by the plaintiff to the District Court and to us, as well as the facts found by the District Court in its opinion. See [Lopez Torres v. N.Y. State Bd. of Elections](#), 462 F.3d 161, 172 (2d Cir.2006) (drawing conclusions of law based upon facts found by the district court during a preliminary injunction proceeding), *rev’d on other grounds*, 552 U.S. 196, 128 S.Ct. 791, 169 L.Ed.2d 665 (2008).
- 3 See Part IV.A, *post*.
- 4 An ornamental feature is one that “do[es] not serve a purpose” in the design of a product. See [TrafFix Devices, Inc. v. Marketing Displays, Inc.](#), 532 U.S. 23, 35, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001); see also [Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co., Inc.](#), 916 F.2d 76, 80 (2d Cir.1990) (holding that “the features at issue are strictly ornamental because they neither affect the use of the [product] nor contribute to its efficient manufacture”).
- 5 “ ‘[I]n general terms, a product feature is functional,’ and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,’ that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.” [Qualitex](#), 514 U.S. at 165, 115 S.Ct. 1300 (quoting [Inwood Labs., Inc. v. Ives Labs., Inc.](#), 456 U.S. 844, 850, n. 10, 102 S.Ct. 2182, 72 L.Ed.2d 606 (1982)). For a full discussion of the doctrines of functionality and, more specifically, “aesthetic functionality,” see Part III, *post*.
- 6 The District Court also issued an order to show cause why “the record of this action as it now exists should not be converted into a motion for partial summary judgment cancelling Louboutin’s trademark at issue here for the reasons stated in the Court’s decision above.” [Louboutin](#), 778 F.Supp.2d at 458. Nine days later, the Court stayed the entire case pending the resolution of this appeal. [Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.](#), No. 11–cv–2381 (VM), Docket Entry 60 (S.D.N.Y. Aug. 19, 2011).
- 7 [Federal Rule of Civil Procedure 52\(a\)\(2\)](#) requires that “[i]n granting or refusing an interlocutory injunction, the court must ... state

[separately] the findings [of fact] and conclusions [of law] that support its action.” Louboutin asserts that the District Court failed to make findings of fact as required by that rule, and announced a new *per se* legal rule rather than merely entering conclusions of law.

- 8 See *Fabrication Enters., Inc.*, 64 F.3d at 59 n. 4 (“The Lanham Act is not concerned with protecting innovation by giving the innovator a monopoly, which is the function of patent law.”); cf. *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411, 421 n. 1 (2d Cir.1985) (Newman, J., dissenting) (“Any concern that copyright protection may accord a monopoly to advances in functional design is adequately met by confining the scope of copyright protection to the precise expression of the proprietor’s design.” (citation omitted)).
- 9 Although *Two Pesos*, and several of the other cases we rely upon, discuss unregistered trade dress rather than a registered trademark, the infringement analysis is the same. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210–11, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000) (noting with approval instances in which courts analyzed distinctiveness with regard to trade dress by analogy to the law of registered trademarks); *Louis Vuitton Malletier*, 454 F.3d at 115 (noting that the “same analysis [used in claims of trade dress infringement] applies to claims of trademark infringement under § 32”); *Fabrication Enters., Inc.*, 64 F.3d at 57 n. 2 (noting that the distinction between defendant’s counterclaims of trade dress and trademark infringement was “immaterial ... because functionality ... is a defense in both trademark and trade dress cases”).
- 10 “A certificate of registration with the PTO is prima facie evidence that the mark is registered and valid (*i.e.*, protect[a]ble), that the registrant owns the mark, and that the registrant has the exclusive right to use the mark in commerce.” *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 345 (2d Cir.1999). In order to rebut the presumption of validity, the allegedly infringing party must show, by a preponderance of the evidence, *see id.*, that the mark is ineligible for protection. See 15 U.S.C. § 1115(a) (a party seeking to invalidate a registration must prove the existence of a “legal or equitable defense or defect ... which might have been asserted if such mark had not been registered”).
- 11 See *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 80 (2d Cir.1990) (noting that the term “functionality” as commonly understood seems to imply “only utilitarian considerations”).
- 12 An issue on appeal in *Inwood* was whether the color of a name-brand prescription pill was functional, and therefore available for use by manufacturers of the drug’s generic equivalent, because the color assisted pharmacists in dispensing the correct prescription. See *Inwood*, 456 U.S. at 847, 849–51, 102 S.Ct. 2182; but see *id.* at 857 n. 20, 102 S.Ct. 2182 (declining to rule on the functionality of the color).
- 13 In *LeSportsac*, K Mart challenged the trade dress of a backpack composed of “parachute nylon and trimmed in cotton carpet tape with matching cotton-webbing straps. The zippers used to open and close the bags [we]re color coordinated with the bags themselves, and usually [we]re pulled with hollow rectangular metal sliders.” *LeSportsac*, 754 F.2d at 74.
- 14 In *Warner Brothers*, we cited as examples *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122, 59 S.Ct. 109, 83 L.Ed. 73 (1938), in which the pillow shape of a shredded wheat biscuit was deemed functional because the cost of the cereal would be increased and its quality lessened by any other form, and *Fisher Stoves Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193, 195 (1st Cir.1980), in which a two-tier woodstove design was deemed functional because it improved the operation of the stove. See *Warner Bros., Inc.*, 724 F.2d at 331.
- 15 See, e.g., *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*, 725 F.2d 18, 19 (2d Cir.1984) (interlocking design of couch cushions was a visual “label” but served a utilitarian purpose by keeping cushions in place and was therefore functional).
- 16 In 1938, the Restatement of Torts stated that “[a] feature of goods is functional ... if it affects their purpose, action or performance, or the facility or economy of processing, handling or using them; it is non-functional if it does not have any of such effects.” *Restatement of Torts* § 742 (1938). In the official comment to that Section, the Restatement explained several ways in which goods or their features might be functional. With regard to “goods [that] are bought largely for their aesthetic value,” the Restatement suggested that “their features may be functional because they definitely contribute to that value and thus aid the performance of an object for which the goods are intended.” *Id.* § 742, cmt. a. This was the first time that a commentator had proposed that an aesthetic product feature might be functional. See 1 *McCarthy on Trademarks* § 7:79 (4th ed.).
- 17 The doctrine of aesthetic functionality remains controversial in our sister circuits, which have applied the doctrine in varying ways (and some not at all). For example, the Seventh Circuit has applied the doctrine of aesthetic functionality liberally, holding that “[f]ashion is a form of function.” See *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 860 (7th Cir.2010). The Sixth Circuit recently

discussed the doctrine, but made clear that it has not yet decided whether or not to adopt it. See *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 679 F.3d 410, 417–19 (6th Cir.2012). The Ninth Circuit has applied the doctrine inconsistently. See 1 McCarthy on Trademarks § 7:80 (4th ed.) (collecting cases). The Fifth Circuit rejects the doctrine of aesthetic functionality entirely. *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 487–88 (5th Cir.2008) (arguing that the Supreme Court has recognized the aesthetic functionality doctrine only in *dicta*, and that therefore the Fifth Circuit's long-standing rejection of the doctrine was not abrogated by *Qualitex* and *TrafFix*).

18 See *Wallace Int'l Silversmiths*, 916 F.2d at 80 (“We rejected *Pagliero* [‘s ‘important ingredient’ formulation] in [*Le*]*Sportsac c c c c* and reiterate that rejection here.” (internal citation omitted)); Mark P. McKenna, (*Dys*)*functionality*, 48 Hous. L.Rev. 823, 851 (2011) (“Courts that apply the aesthetic functionality doctrine today overwhelmingly rely on the test the Supreme Court endorsed in *TrafFix* [rather than the *Pagliero* test], ... asking whether exclusive use of the claimed feature put competitors at a significant non-reputation-related disadvantage.”).

19 The intellectual property protection of fashion design has been for years a subject of controversy among commentators. Some have proposed working within the confines of the current intellectual property system, while others have advocated that fashion design may be an appropriate area for *sui generis* statutory protection. See generally C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 Stan. L.Rev. 1147 (2009); see also *id.* at 1184–90. (Indeed, suggested legislation creating such protection has been considered several times by Congress, although not adopted. See, e.g., Design Piracy Prohibition Act, H.R.2033, 110th Cong. § 2(c) (2007); Design Piracy Prohibition Act, S.1957, 110th Cong. § 2(c) (2007).) Still other commentators have suggested that intellectual property protection of fashion design would be damaging to the industry and should be avoided. See Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 Va. L.Rev. 1687, 1775–77 (2006).

It is arguable that, in the particular circumstances of this case, the more appropriate vehicle for the protection of the Red Sole Mark would have been copyright rather than trademark. See generally *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993–94 (2d Cir.1980) (addressing the broad issue of aesthetically functional copyrights and holding that decorative belt buckles that were used principally for ornamentation could be copyrighted because the primary ornamental aspect of the buckles was conceptually separate from their subsidiary utilitarian function); Laura A. Heymann, *The Trademark/Copyright Divide*, 60 SMU L.Rev. 55 (2007). However, because Louboutin has chosen to rely on the law of trademarks to protect his intellectual property, we necessarily limit our review to that body of law and do not further address the broad and complex issue of fashion design protection.

20 The trademark system, in this way, stands in sharp contrast to the copyright system. Copyright, unlike trademark, rewards creativity and originality even if they interfere with the rights of an existing copyright holder. In the copyright system there is a defense to infringement known as “independent creation”: if a writer or musician, through the creative process, independently arrives at an arrangement of words or notes that is the subject of a copyright, he may market the result of his creativity despite the existing copyright. See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991) (requesting that the reader “assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable”); *Procter & Gamble Co. v. Colgate-Palmolive Co.*, 199 F.3d 74, 77–78 (2d Cir.1999). The trademark system, unlike the copyright system, aims to prevent consumer confusion even at the expense of a manufacturer's creativity: in trademark, if a branding specialist produces a mark that is identical to one already trademarked by another individual or corporation, he must “go back to the drawing board.” See *Blendco, Inc. v. Conagra Foods, Inc.*, 132 Fed.Appx. 520, 523 (5th Cir.2005) (although defendant's allegedly independent creation of infringing mark tended to show that infringement was not willful, defendant remained liable for damages); *Tuccillo v. Geisha NYC, LLC*, 635 F.Supp.2d 227 (E.D.N.Y.2009) (same).

21 Louboutin argues that the District Court disregarded the statutory presumption of validity to which the Red Sole Mark was entitled. We disagree. The District Court's ruling rested at least in part on its determination that the Red Sole Mark is functional and is therefore invalid, and its opinion clearly recognized that, at the threshold of analysis, Louboutin was entitled to the statutory presumption.

22 We note that a registered trademark that has been in continuous use for at least five years may, in certain circumstances, be deemed “incontestable.” 15 U.S.C. § 1065; see *Maker's Mark Distillery, Inc.*, 679 F.3d at 417–18. Because the Red Sole Mark has not been in use for five consecutive years since its registration, it is not yet entitled to the special protection available to incontestable marks.

23 Importantly, to determine whether a mark has secondary meaning, “it is not always the *general* public's understanding but—depending upon the product—often only a segment of consumers that need be examined.” *Centaur Commc'ns, Ltd. v.*

A/S/M Commc'ns, Inc., 830 F.2d 1217, 1221 (2d Cir.1987); see, e.g., *Harlequin Enters. Ltd. v. Gulf & Western Corp.*, 644 F.2d 946, 950 n. 2 (2d Cir.1981) (finding that a survey of “500 romance readers in three cities” in which fifty percent of the respondents identified a certain book cover design as having been produced by a certain publisher was “probative of secondary meaning”).

24 As an example of the interest of plagiarizers in “knocking off” Louboutin’s mark—another *Centaur Communications* consideration—we take judicial notice, pursuant to [Federal Rule of Evidence 201](#), of a recent seizure by the United States Bureau of Customs and Border Protection of over 20,000 counterfeit Louboutin shoes illegally shipped to the United States, with an estimated retail value of over \$18 million. *CBP Seizes More than 18 Million in Fake Women’s Fashion Shoes*, U.S. Dep’t of Homeland Sec., Customs & Border Prot. (Thursday, Aug. 16, 2012), http://www.cbp.gov/xp/cgov/newsroom/news_releases/local/08162012_5.xml; see *Ives Labs., Inc. v. Darby Drug Co.*, 638 F.2d 538, 544 n. 8 (2d Cir.1981) (taking judicial notice of existence of official government proceeding), *rev’d on other grounds by Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 102 S.Ct. 2182, 72 L.Ed.2d 606 (1982).

25 As noted above, we use the word “upper” to refer to the visible portions of the shoe other than the outsole.

26 15 U.S.C. § 1119 provides that “[i]n any action involving a registered mark the court may determine the right to registration, order the cancellation of registrations, *in whole or in part*, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby.” (emphasis added).

 KeyCite Yellow Flag - Negative Treatment
Distinguished by [Varsity Brands, Inc. v. Star Athletica, LLC](#), 6th Cir.(Tenn.), August 19, 2015

416 F.3d 411
United States Court of Appeals,
Fifth Circuit.

Jane GALIANO and Gianna, Inc.,
Plaintiffs–Appellants,
v.
HARRAH'S OPERATING COMPANY, INC.;
Harrah's Entertainment, Inc.,
Defendants–Appellees.

Nos. 04–30521, 04–30806.

|
July 7, 2005.

Synopsis

Background: Clothing designer sued casino operator for infringement of copyrights in uniform and costume designs. The United States District Court for the Eastern District of Louisiana, [Marcel Livaudais, Jr.](#), J., granted summary judgment for casino operator, and designer appealed.

[Holding:] The Court of Appeals, [Jerry E. Smith](#), Circuit Judge, held that designs were not copyrightable absent showing that they were marketable independently of their utilitarian function as casino uniforms.

Affirmed in part, vacated in part, and remanded.

See also [2004 WL 1336440](#).

West Headnotes (9)

[1] **Copyrights and Intellectual Property**
 Nature and elements of injury

To prove copyright infringement, plaintiff must show ownership of valid copyright and actionable copying.

[12 Cases that cite this headnote](#)

[2] **Copyrights and Intellectual Property**
 Subjects of Copyright

“Useful article” is entitled to copyright protection only to extent that its artwork or creative design is separable from its utilitarian aspects. [17 U.S.C.A. §§ 101, 102\(a\)](#).

[12 Cases that cite this headnote](#)

[3] **Copyrights and Intellectual Property**
 Pictorial, graphic, and sculptural works

Clothing design that is intended to be used on clothing is copyrightable only to extent that its artistic qualities can be separated from utilitarian nature of garment. [17 U.S.C.A. §§ 101, 102\(a\)](#).

[9 Cases that cite this headnote](#)

[4] **Copyrights and Intellectual Property**
 Pictorial, graphic, and sculptural works

Garment design's copyrightability is directly related to its actual or potential market value as stand-alone piece of artwork.

[Cases that cite this headnote](#)

[5] **Copyrights and Intellectual Property**
 Pictorial, graphic, and sculptural works

Clothing designs for casino workers were not copyrightable absent showing that they were marketable independently of their utilitarian function as casino uniforms.

[12 Cases that cite this headnote](#)

considerations of compensation and deterrence.

[2 Cases that cite this headnote](#)

[6] **Federal Courts**
🔑 Summary Judgment

Court of Appeals lacked appellate jurisdiction over denial of copyright infringement plaintiff's motion for summary judgment on defendant's fraud-on-the-Copyright-Office counterclaim, absent direction of final judgment on issue by district court. [Fed.Rules Civ.Proc.Rule 54\(b\)](#), 28 U.S.C.A.

[2 Cases that cite this headnote](#)

[7] **Federal Courts**
🔑 Determination of question of jurisdiction

Court of Appeals may exercise only proper appellate jurisdiction, even if doing so requires it to consider jurisdictional question *sua sponte*.

[Cases that cite this headnote](#)

[8] **Federal Courts**
🔑 Costs and attorney fees

Award of attorney's fees in copyright case is reviewed for abuse of discretion.

[2 Cases that cite this headnote](#)

[9] **Copyrights and Intellectual Property**
🔑 Attorney fees

Factors court considers when deciding whether to award attorney fees to prevailing party in copyright case include: (1) frivolousness; (2) motivation; (3) objective unreasonableness; and (4) need in particular circumstances to advance

Attorneys and Law Firms

*412 [Sidney L. Shushan](#) (argued), [Jonathan Marks Shushan](#), Guste, Barnett & Shushan, New Orleans, LA, for Plaintiffs–Appellants.

[Joseph W. Looney](#) (argued), [Robert N. Markle](#), Adams & Reese, New Orleans, LA, for Defendants–Appellees.

Appeals from the United States District Court for the Eastern District of Louisiana.

Before [DAVIS](#), [SMITH](#) and [DeMOSS](#), Circuit Judges.

Opinion

*413 [JERRY E. SMITH](#), Circuit Judge:

Gianna, Inc. (“Gianna”), sued Harrah’s Entertainment, Inc. (“Harrah’s”), for copyright infringement. The district court granted Harrah’s motion for summary judgment on the infringement claim and denied Gianna’s motion for summary judgment on Harrah’s fraud on the Copyright Office counterclaim. After the court issued its judgment, in a separate motion Harrah’s requested, and the district court granted, attorney’s fees. Gianna timely appealed (1) the summary judgment against its copyright infringement claim; (2) the denial of its summary judgment motion involving Harrah’s fraud on the Copyright Office counterclaim; and (3) the award to Harrah’s of attorney’s fees. We have consolidated all issues for appellate argument. We affirm the summary judgment in favor of Harrah’s on the infringement claim, dismiss the appeal regarding the denial of summary judgment to Gianna on the counterclaim, and vacate and remand the order awarding attorney’s fees.

I.

Jane Galiano is the founder and owner of Gianna, Inc.,

which designs clothing and counsels various industries regarding their professional attire. In August 1995, Gianna and Harrah's entered into an agreement (the "Design Consulting Agreement") pursuant to which Gianna was to design uniforms for employees of various Harrah's casinos. Subsequent exchanges between the parties resulted in the creation of several proposed sketches.

Because Gianna did not have the capacity to produce patterns of the sketch designs or make the finished uniforms, it entered into a manufacturing agreement (the "Uniform Manufacturing Agreement") with Uniform Ideas, Inc., one of Harrah's suppliers. That agreement stated that Uniform Ideas, Inc., would manufacture uniforms for Gianna during the period from September 1, 1995, to August 31, 1996. Gianna also contacted All-Bilt Uniform Fashion ("All-Bilt"), another Harrah's supplier, about manufacturing some of the uniform designs. Gianna and All-Bilt did not sign a contract, but All-Bilt produced some prototypes of Gianna-designed uniforms and submitted them for Harrah's approval.

The design agreement between Gianna and Harrah's expired according to its terms on December 1, 1995. The parties entered into negotiations to extend the contract, but failed to do so and entered into an agreement purporting to settle all disputes in May 1996.¹ Harrah's continued to order Gianna-designed costumes from its suppliers.

In October 1999 Gianna sought and received copyright protection for a collection of sketches entitled "Uniform and Costume Collection submitted to Harrah's Operating Company, Inc."² The certificate identified the collection as "Artwork for Wearing Apparel" and classified the work as "2-dimensional artwork." Galiano is identified as the author of the copyrighted work. The collection includes more than fifty colored and numbered illustrations, including sketches of uniform style shirts, blouses, vests, jackets, pants, shorts, ensembles, elaborate masquerade-type costumes, and unique head gear and a dozen pages of silkscreen artwork.³

***414** Three months after obtaining the copyright protection, Gianna (with Galiano individually as co-plaintiff) sued in federal district court alleging that Harrah's had breached the May 1996 settlement agreement⁴ and committed copyright infringement by continuing to use and order Gianna-designed uniforms. Harrah's counterclaimed for fraud and misuse of the Copyright Office, asserting that Gianna had failed to disclose that the allegedly copyrighted work was not original and that it intended to cover items that are not

properly copyrightable.

II.

^[1] To prove copyright infringement, a plaintiff must show ownership of a valid copyright and actionable copying. See *Positive Black Talk, Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 367 (5th Cir.2004). Accordingly, the district court first determined the extent of Gianna's copyright in her "registered" works. Because copyright law does not allow one to copyright "clothing designs" in which the artistic and utilitarian qualities are indivisible, the court reasoned, Gianna's copyright could not extend to the designs for the wearing apparel depicted in the illustrations referenced in her Certificate of Copyright. The court therefore found that Gianna's copyright is valid only to the extent that it protects the two-dimensional artwork, i.e., the illustrations and silkscreens that comprise the collection. We elaborate on this first holding somewhat extensively here.

The district court relied on much of the material we examine in part II.C.2.b, *infra*, in holding that Gianna's copyright did not extend to the uniform designs. The court explained that copyright protection would be available only for a design's artistic expression and not for the design of the clothing itself. Because the court could not equate the design of the uniforms' buttons, pleats, and collars—though admittedly very creative—to an artistic drawing on a shirt or a fabric design, it concluded that the design's artistic and utilitarian elements were conceptually indivisible and therefore not copyrightable subject matter.

Gianna also relies heavily on the deposition and report of Bonnie Belleau, Ph.D.,⁵ ***415** who opined that the Gianna uniform designs are highly artistic and that the utilitarian and aesthetic elements are easily separable. Belleau testified that the Gianna uniforms have a "costume look" as distinguished from a "functional uniform appearance" and therefore should qualify for copyright protection as artistic costumes.⁶ Gianna argues that Belleau's report and testimony demonstrate that these designs are not intended merely to enhance the garment's functionality, but to render the design a creative asset.⁷

The district court noted that Belleau set out in some detail the artistic features of the uniforms, but the court found that these features were nothing more than "useful design features of wearing apparel." Because none of these

design features has intrinsic value as a work of art that can exist independently of the uniform wearing apparel, the district court concluded, they do not qualify for copyright protection.

Next, the court analyzed whether Harrah's committed "actionable copying" of Gianna's collection, in light of the previously determined scope of copyright. The court differentiated between "direct infringement" and "contributory or vicarious infringement," which are separate and distinct causes of action.

In her original and amended complaints, Gianna alleged that Harrah's "reproduced the copyrighted work in copies" and "prepared derivative works based on the copyrighted works throughout its gambling empire."⁸ Therefore, the court concluded, Gianna based its claim on a theory of direct infringement. In its opposition to summary judgment, however, Gianna alleged that Harrah's would be liable for contributory infringement even if there was insufficient evidence of direct infringement. The court considered this additional allegation to constitute Gianna's pleading a new cause of action, which the court refused to allow Gianna to do after four years of litigation in this case. Denying Gianna leave to amend her complaint to add allegations of contributory or vicarious infringement, the court dismissed the infringement claim, holding that Gianna failed to show a material fact issue existed as to whether Harrah's committed "direct actionable copying" of the Gianna collection *416 that was entitled to copyright protection.

We conclude that Gianna did not own a valid copyright in the clothing designs. As a result of this disposition, we do not reach (1) whether Gianna's claim sounded in direct or contributory infringement or (2) whether Gianna could prevail under either theory.

A.

We have appellate jurisdiction of the district court's final order under 28 U.S.C. § 1291.⁹ We review a summary judgment *de novo*, in accordance with the Federal Rule of Civil Procedure 56 analysis that guides the district court. See *Ford Motor Co. v. Tex. Dep't of Transp.*, 264 F.3d 493, 498 (5th Cir.2001).

B.

^[2] This case involves the copyrightability of "pictorial, graphic, and sculptural works" ("PGS" works). These articles may be two- or three-dimensional and include works such as maps, fine or graphic art, diagrams, models, and technical drawings. 17 U.S.C. § 101. If an item qualifies as a "useful article" under the Act,¹⁰ however, it is entitled to copyright protection only to the extent that its artwork or creative design is separable from the utilitarian aspects of the work.

The applicable statute provides the following:

Copyright protection subsists in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include pictorial, graphic, and sculptural works

17 U.S.C. § 102(a). The statute then defines what a PGS work is:

Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a [PGS] work only if, and only to the extent that, such design incorporates [PGS] features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.

17 U.S.C. § 101.

C.

The test for whether Gianna can copyright the designs proceeds in two steps. First, we must determine whether the asset for which the creator seeks copyright protection is a “useful” article. If it is not, there is no PGS bar to copyright protection. If it is, the panel must determine whether the “design incorporates [PGS] features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” *Id.* Answering the first question is easy; answering the second is not.

*417 1.

There is little doubt that clothing possesses utilitarian and aesthetic value. “It is common ground ... among the courts that have examined this issue [that the 1976 Copyright Act’s PGS provisions were] intended to distinguish creative works that enjoy protection from the elements of industrial design that do not.” See *Pivot Point Int’l, Inc. v. Charlene Prods., Inc.*, 372 F.3d 913, 920–21 (7th Cir.2004) (en banc). The hard questions involve the methodology for severing creative elements from industrial design features.

2.

Although the statutory language ostensibly requires that two conditions be satisfied, the consensus among courts and academics is that, because the statutory language was essentially lifted from a case predating the legislation,¹¹ § 101’s separateness requirements implement what is called the “conceptual separability test.”¹² There are at least six distinct variations of that test,¹³ and courts “have twisted themselves into knots trying to create a test to effectively ascertain whether the artistic aspects of a useful article can be identified separately from and exist independently of the article’s utilitarian function.” *Masquerade Novelty, Inc. v. Unique Indus., Inc.*, 912 F.2d 663, 670 (3d Cir.1990).

Pivot Point is a sprawling, comprehensive exegesis of conceptual separability jurisprudence. See *Pivot Point*, 372 F.3d at 920–32. Although it is not binding on this court, *Pivot Point* represents, by orders of *418 magnitude, the most thorough and persuasive analysis of this question in any circuit.

That survey revealed several things. First, it concluded that “the circuits that have addressed [this question] have recognized that the wording of the statute does not supply categorical direction, but rather requires the Copyright Office and the courts ‘to continue their efforts to distinguish applied art and industrial design.’ ” *Id.* at 921 (internal citations omitted). Second, and more importantly, it re-framed the conceptual separability test:

Conceptual separability exists, therefore, when the artistic aspects of an article can be “conceptualized as existing independently of their utilitarian function.” This independence is necessarily informed by “whether the design elements can be identified as reflecting the designers’ artistic judgment exercised independently of functional influence.” If the elements do reflect the independent, artistic judgment of the designer, conceptual separability exists. Conversely, when the design of a useful article is “as much the result of utilitarian pressures as aesthetic choices,” the useful and aesthetic elements are not conceptually separable.

Id. at 931 (citations omitted). In other words, where artistic discretion dominates practical necessity as the driving force behind design choices, a useful article may nonetheless qualify for protection as a PGS work. Third, *Pivot Point* strongly suggests that the contested features may be considered in the aggregate. See *id.* at 925 (quoting *Carol Barnhart*, 773 F.2d at 418).¹⁴

Acknowledging the comprehensiveness of that opinion, however, is not tantamount to applying it here. We do not reject the *Pivot Point* test in this circuit, but we decline to apply it to the instant facts for several reasons.

a.

First, the degree of influence *Pivot Point* will ultimately exert is manifestly uncertain. Courts considering PGS issues post-*Pivot Point* seem either to be adopting the test in name only or to be straining to conform the results both to *Pivot Point* and to the relevant circuit’s prior caselaw.

For example, in *Bonazoli v. R.S.V.P. Int'l, Inc.*, 353 F.Supp.2d 218 (D.R.I.2005), the court cited *Pivot Point* extensively but reached a result that seems to belie the Seventh Circuit's reasoning. It held that the design of certain measuring spoons was not protectable under the Copyright Act, although the bowl of each spoon was designed in the shape of a heart and the handle in the shape of an arrow shaft. See *id.* at 220.

Although *Pivot Point* seems to require a contrary result—it is hard to conceive a utilitarian consideration animating these particular designs of bowls and shafts—the *Bonazoli* court ruled that “no reasonable trier of fact could conclude that the artistic aspects of Plaintiff's spoons are separable from their functional aspects.” *Id.* at 226. Moreover, the *Bonazoli* court explicitly declined formally to adopt the *Pivot Point* test:

But this Court need not worry whether the Seventh Circuit's test for conceptual separability would be palatable to the First Circuit because Plaintiff's claim of copyrightability also fails under every other test set forth in this decision [U]nder the *Kieselstein–Cord* primary/subsidiary test, it is readily apparent that [the spoon's artistic elements] *419 are not primary. Rather, it is the utilitarian function of measuring spoons that is primary [Plaintiff] has presented no evidence to rebut the fairly obvious conclusion that the spoons are designed to serve a primary functional purpose.

Id. at 225 (internal citations omitted). The court went on to explain why the measuring spoon design would fail several other conceptual separability tests, see *id.* at 225–26, a methodology that betrays discomfort with adopting *Pivot Point* wholesale.

In the only other non-Seventh Circuit case to address the issue, *Stanislawski*, 337 F.Supp.2d at 1113, the court seemed similarly circumspect about adopting *Pivot Point* in its entirety. *Stanislawski* considered the copyrightability of custom-designed picture frames; the plaintiff designed frames containing images such as cruise

ships and bowling balls and bearing varied expressions and lettering. Not only did the court appear to resort to a crude physical separability analysis, see *id.*, but it also hedged on the *Pivot Point* methodology.¹⁵

b.

^[3] Thus, a clothing design that is intended to be used on clothing is copyrightable only to the extent that its artistic qualities can be separated from the utilitarian nature of the garment. How to conduct the conceptual separation is, in turn, what continues to flummox federal courts. The leading treatise in the field, NIMMER ON COPYRIGHT, discusses conceptual separability extensively. It presents the conceptual separability test somewhat differently, and one standard reads as follows: “[I]t may be concluded that conceptual separability exists where there is substantial likelihood that even if the article had no utilitarian use it would still be marketable to some significant segment of the community simply because of its aesthetic qualities.”¹⁶

Nimmer's cogent discussion of the scope of copyright protection in design works breaks the subject into two categories: (1) fabric design and (2) dress design. Fabric designs include patterns or artistic features imprinted onto a fabric or that appear repeatedly throughout the dress fabric. Because one can generally separate the artistic elements of this design from the utility of the wearable garment, NIMMER ON COPYRIGHT states that fabric designs are generally entitled to copyright protection. On the other hand, dress designs, which graphically set forth the shape, style, cut, and dimensions for converting fabric into a finished dress or other clothing garment, generally do not have artistic elements that can be separated from the utilitarian use of the garment, and therefore typically do not qualify for copyright protection.¹⁷

The caselaw generally follows Nimmer's conceptual breakdown. Design of sweaters *420 is usually classified as “fabric design” and is entitled to copyright protection.¹⁸ Similarly, artistic designs woven or imprinted onto rugs qualify for copyright protection. See *Peel & Co. v. Rug Market*, 238 F.3d 391, 394 (5th Cir.2001).

Cases dealing with the copyrightability of clothing designs do not exclude them from protection *per se*; they instead focus on the “separability” analysis. In *Poe v. Missing Persons*, 745 F.2d 1238 (9th Cir.1984), for example, the court awarded copyright protection to a swimsuit design.¹⁹ *Poe* is quite enlightening, because it

involved no ordinary swimsuit. The court found that there was little chance of this elaborately crafted swimsuit's ever being worn—it appeared that it was marketed as a work of art.²⁰

The Second Circuit faced a similar situation dealing with belt buckles in *Kieselstein-Cord*. The court determined that “Winchester” and “Vaquero” belt buckles contained artistic elements that were conceptually separable despite the buckles’ utilitarian functions. See *Kieselstein-Cord*, 632 F.2d at 993. This ruling was premised on the belief that the buckles could exist independently as a valuable artistic commodity.²¹ The court nonetheless determined that the belt buckle in question existed on the “razor’s edge of copyright law.” As with the court in *Poe*, the *Kieselstein/Cord* court’s willingness to recognize the copyrightability of a useful article seems, at some elemental level, to turn on the capacity of the item to moonlight as a piece of marketable artwork.

c.

^[4] The caselaw on costume design is, to say the least, uneven. Generally speaking, however, it tends to reflect a direct relationship between a costume’s copyrightability and its actual or potential market value as a stand-alone piece of artwork.²²

***421** Confusion regarding the copyrightability of costumes and questions from the garment industry led to a 1991 opinion from the United States Copyright Office, 56 FR 56530-02, 1991 WL 224879 (F.R.), which concluded that “[g]arment designs (excluding separately identified pictorial representations of designs imposed upon the garment) will not be registered even if they contain ornamental features, or are intended to be used as historical or period dress.” See *id.*²³ The garment industry had sought broader protections for elaborate garment designs; the Office answered that “[g]arments are useful articles, and the designs of useful articles are generally outside of the copyright law.”²⁴

Sometimes, we must favor what might be a sub-optimal prophylactic rule because it is more determinate than the theoretically superior but hopelessly subjective one. We do not mean to suggest that the Nimmer/*Poe* test we ultimately endorse is conceptually inferior, but we do conclude that, if it is, it is not so theoretically infirm that such inferiority overcomes the benefits—at least at this time—of having a more determinate rule. Despite the

alleged “elegance” of the *Pivot Point* rule, the scope of that holding remains uncertain. Surely the Seventh Circuit considered itself as setting forth a test for courts to use when encountering any applied art but, as we have shown in part II.C.2.a, *supra*, courts have not rushed to extend the rule beyond mannequin designs.

Nor is it obvious that *Pivot Point* could not incorporate the Nimmer rule as a means to determine—for *garment design only*—whether the utilitarian and artistic elements are conceptually separable. In other words, as an evidentiary matter, *Pivot Point* could well require that, to prove that design choices were dominated by artistic considerations, a plaintiff must demonstrate that the piece of applied art could fetch a return functioning purely as an artistic commodity. We therefore adopt the likelihood-of-marketability standard *for garment design only*,²⁵ because it appears firmly rooted as the implicit standard courts have been using for quite some time. We are not unaware of the pitfalls of such a standard,²⁶ but its inherent problems are minimized when the ***422** rule’s ambit reaches a single type of applied art.²⁷

^[5] Gianna makes no showing that its designs are marketable independently of their utilitarian function as casino uniforms. Gianna correctly notes that there are costume museums and that they are replete with extravagant designs that might also have utilitarian qualities, but Gianna does not demonstrate that its designs describe such material. We therefore affirm the denial of summary judgment.

III.

^[6] Harrah’s counterclaimed against Gianna for fraud on the Copyright Office. The district court denied Gianna’s motion for summary judgment on the counterclaim. Denials of summary judgment are typically not final orders²⁸ and are generally appealable only as provided in 28 U.S.C. 1292(b), which requires a district court’s designation. Neither party points to such designation, nor can we locate one in the record.

Both parties instead premise jurisdiction for this issue on *Federal Rule of Civil Procedure* 54(b).²⁹ The district court’s rule 54(b) certification, however, says nothing of the fraud counterclaim; it certifies only the infringement determination. Both parties inexplicably and incorrectly assume that we have appellate jurisdiction and proceed directly to argument on the merits.

^[7] We may exercise only proper appellate jurisdiction, even if doing so requires us to consider the jurisdictional question *sua sponte*. See [Chunn v. Chunn](#), 106 F.3d 1239, 1241 (5th Cir.1997). We lack jurisdiction over the fraud counterclaim and dismiss the appeal of that issue.

IV.

The Copyright Act provides that “in its discretion” a district court may “award a *423 reasonable attorney’s fee to the prevailing party as part of the costs.” 17 U.S.C. § 505. In a separate appeal that we have consolidated with the case on the merits, Gianna argues that the district court erred in granting Harrah’s motion for attorney’s fees. The court ruled on this motion from the bench but declined to quantify its award of fees until a later hearing.

A.

^[8] We have jurisdiction over the [rule 54\(b\)](#) order granting fees as an order designated by the district court as immediately appealable. We review an award of attorney’s fees for abuse of discretion. See [Alameda Films S A de C V v. Authors Rights Restoration Corp.](#), 331 F.3d 472, 483 (5th Cir.2003).

B.

^[9] The district court did not consider any of the four factors set forth in [Fogerty v. Fantasy, Inc.](#), 510 U.S. 517, 114 S.Ct. 1023, 127 L.Ed.2d 455 (1994), in which the Court rejected the “British Rule,” used in some circuits, whereby the prevailing party in a copyright case is awarded attorney’s fees as a matter of course. The Court instead favored a more discretionary approach:

the purposes of enriching the general public through access to creative works, it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible. To that end, defendants who seek to advance a variety of meritorious copyright defenses should be encouraged to litigate them to the same extent that plaintiffs are encouraged to litigate meritorious claims of infringement.

Id. at 527, 114 S.Ct. 1023. *Fogerty* instructed courts, in determining whether to award attorney’s fees, to consider (1) frivolousness; (2) motivation; (3) objective unreasonableness; and (4) the need in particular circumstances to advance considerations of compensation and deterrence. See *id.* at 534 n. 19, 114 S.Ct. 1023.³⁰

The district court, without explanation, just assumed that, if it erred, this court would fix the mistake. The order gives no reason why the court awarded fees. The hearing transcript contains only the following passage:

I think [Harrah’s has] a better side of the picture The Motion for Entitlement to Attorney’s Fees is granted. The Fifth Circuit law, as I appreciate it, indicates that it’s the rule rather than the exception that in cases of this nature fees be awarded. So, if my ruling is upheld by the Fifth Circuit, we’ll schedule a hearing to quantify reasonable attorney’s fees. So, the motion is granted.

We cannot review a district court’s decision for abuse of discretion where that court effectively delegates the underlying issue to us without making a substantive ruling of its own. Although we view this suit to be far from frivolous—this is a close question of law—remand is appropriate. The district court should provide a *Fogerty* analysis in its ensuing opinion so that its ruling can, if needed, be reviewed on appeal.

[C]opyright law ultimately serves

In summary, we AFFIRM the summary judgment in favor

of Harrah's on the infringement ***424** claim, DISMISS the appeal regarding the denial of summary judgment to Gianna on the counterclaim, and VACATE and REMAND the order awarding attorney's fees.³¹

All Citations

416 F.3d 411, 2005 Copr.L.Dec. P 29,031, 75 U.S.P.Q.2d 1281

Footnotes

- 1 According to the district court's opinion, the settlement agreement set a lump sum payment and confirmed a scheme of royalties to be paid to Gianna in the event that Harrah's used certain specified Gianna designs.
- 2 Certificate of Registration No. 456-437.
- 3 The extent of Gianna's copyrighted collection is not completely clear from the appellate record. The Gianna Collection appears to include the following:
 - Uniform Jackets: semi-fitted look, princess lines in front and back, star buttons
 - Uniform Shirts: asymmetric closures, piped mandarin collar with center front notch, embroidered cuff logo, star buttons, and coin design
 - Chef Uniform: distinctive bib front, mandarin collar with center front notch, cuff logo and trim, and striped pants.
 - Chef Hats: uniquely shaped like vegetables
 - Uniform Shirt: short sleeves, piped mandarin collar with center front notch, jacquard fabric trim on a concealed button or snap placket, with additional jacquard fabric stripes down either side, piped cuff trim, inverted center back pleat with star at the top
 - Tuxedo Jackets: distinctive shawl collar styling with a deep V neckline
 - Uniform Vests: female has princess lines with unique buckle closure, deep V neckline and a semi-fitted look; male vest also has deep V neckline and two buckle accents on one side of the front
 - Uniform Shirt: color-blocked mandarin collar and concentric flanges on front accenting the princess lines, front and sleeves color-blocked
- 4 On April 10, 2002, the district court granted Harrah's' motion for partial summary judgment dismissing the breach of contract claim. A panel of this court affirmed the dismissal on May 14, 2003.
- 5 Belleau is Professor of Apparel Design and Production, LSU School of Human Ecology. It appears that the primary purpose of her report is to show that the designs manufactured by All-Bilt for Harrah's after the relationship with Gianna ended are "substantially similar" to the designs from the Gianna collection.
- 6 In her report, Belleau discusses the artistic qualities of the uniforms such as the logo cuff, a piped mandarin collar with a notch at center front, the inverted center back pleat with a star at the top, jacquard fabric trim on a concealed button or snap placket, jacquard fabric stripes down either side, piped cuff trim, princess lines in front and back, star buttons, a flange at the shoulder, concentric flanges on the jacket front, asymmetric closures, button designs, bib front, placement of buckle closures, color blocking, and combinations of fabrics, style lines, trim, and silhouette. She concludes that "[t]he unique design features are artistic characteristics that are not critical to the functional aspects of the garments, therefore the collection qualifies for copyright."
- 7 For example, Gianna notes that its design of the "jacquard fabric stripes down either side" look like suspenders, but are not; this demonstrates that the designer's intent to create an asset that was primarily artistic. Gianna also offers the uniform jacket's "star buttons," which, according to Belleau, "are very distinctive and unique and go beyond the basic functional requirements of a button, and, as such were copyrighted."
- 8 We do not extensively address the derivative works argument in this opinion. Although we decline to do so because the argument is under-theorized, we also note that to find infringement based on a derivative works right (the artwork itself is protected) would be to usurp a fairly developed (albeit hotly contested) applied-art jurisprudence that takes the difference between the drawings and the objects depicted in them into full consideration.
- 9 Title 28 U.S.C. § 1388(a) conferred original jurisdiction on the district court. Gianna satisfied the jurisdictional requirement of [17 U.S.C. § 411](#) by filing a certificate of registration with the United States Copyright Office.

- 10 A “useful article” is defined in 17 U.S.C. § 101 as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” The 1976 amended version of the Copyright Act changed the former language of “sole intrinsic utilitarian function” in the 1909 Act to the current wording of “an intrinsic utilitarian function.” 1 M. NIMMER AND D. NIMMER, NIMMER ON COPYRIGHT § 2.08[B][3], at 2–93–95 (2005); *see also Kieselstein–Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir.1980).
- 11 The current copyright laws expressly implement the holding in *Mazer v. Stein*, 347 U.S. 201, 74 S.Ct. 460, 98 L.Ed. 630 (1954). In *Mazer*, the Court upheld the a copyright in a statue used as a lamp base. The House Report accompanying the 1976 Act refers to “the rule of *Mazer*, as affirmed by the bill.” See H.R.REP. NO. 1476, 94th Cong., 2d Sess. 105 (1976) (hereinafter “House Report”).
- 12 *See Pivot Point*, 372 F.3d at 923 n. 8; *Superior Form Builders, Inc. v. Dan Chase Taxidermy Supply Co.*, 74 F.3d 488, 494 (4th Cir.1996) (asking whether functional aspects of animal mannequins are “conceptually separable from the works’ sculptural features”); *Brandir Int’l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1144 (2d Cir.1987) (stating that “ ‘[c]onceptual separability is’ thus alive and well”); *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411, 418 (2d Cir.1985) (judging copyrightability of mannequin torsos based on whether “forms possess aesthetic or artistic features that are physically or conceptually separable from the forms’ use as utilitarian objects to display the clothes”); *Norris Indus., Inc. v. Int’l Tel. & Tel. Corp.*, 696 F.2d 918, 923 (11th Cir.1983) (“Both case law and legislative history indicate that separability encompasses works of art that are either physically severable from the utilitarian article or conceptually severable [*sic*].”); *Kieselstein–Cord*, 632 F.2d at 993 (applying conceptual severability test).
- 13 *See Kieselstein–Cord*, 632 F.2d at 993 (examining whether artistic features are “primary” and utilitarian features are “subsidiary”); *Carol Barnhart*, 773 F.2d at 422 (Newman, J., dissenting) (examining whether the article “stimulate[s] in the mind of the beholder a concept that is separate from the concept evoked by its utilitarian function”); *Brandir Int’l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d at 1142, 1143 (adopting a position espoused by Professor Robert Denicola, whether the artistic design was animated by functional considerations); 1 NIMMER ON COPYRIGHT § 2.08[B][3], at 2–101 (2004) (stating the test as whether the useful article “would still be marketable to some significant segment of the community simply because of its aesthetic qualities.”); 1 PAUL GOLDSTEIN, COPYRIGHT § 2.5.3, at 2:67 (1996) (asking whether the artistic features “can stand alone as a work of art traditionally conceived, and ... the useful article in which it is embodied would be equally useful without it.”); 1 WILLIAM F. PATRY, COPYRIGHT LAW & PRACTICE 285 (1994) (suggesting that separability may actually be a frivolous requirement and that courts may be better served by relying on an alternate, two-step inquiry).
- 14 *See Stanislawski v. Jordan*, 337 F.Supp.2d 1103, 1113 (E.D.Wis.2004), discussed *infra* (“[W]hen looking at the Stanislawski’s frames, the arrangement of common elements may be an original and protectable artistic element even if the respective elements are themselves common and unprotectable.”) (internal citations omitted).
- 15 *See id.* (“Furthermore, the [c]ourt sees no tension between the ‘conceptual separability’ analysis of *Pivot Point* and the Seventh Circuit’s stated disfavor for dissecting works into copyrighted and unprotected elements.”).
- 16 1 NIMMER ON COPYRIGHT § 2.08[B][3], at 2–101.
- 17 *See id.* NIMMER ON COPYRIGHT does not conclude that clothing designs do not qualify for copyright protection *per se*, but it rather concludes that clothing designs rarely pass the “separability” test. This is an important distinction in light of existing case law, which can sometimes appear to implement a categorical approach. In *Whimsicality Inc. v. Rubie’s Costume Co.*, 891 F.2d 452, 454 (2d Cir.1989), for example, the court concluded that “[c]lothing design is not copyrightable.” (As Gianna points out, this statement is *dictum*, because the holding was based on fraud of the Copyright Office), and no opinion of which we are aware creates any *per se* rule for clothing or any other type of design.
- 18 *See, e.g., Segrets, Inc. v. Gillman Knitwear Co.*, 207 F.3d 56, 60 (1st Cir.2000) (failing to dispute of district court’s finding that sweater embroidery entitled to copyright protection); *Knitwaves v. Lollytogs, Ltd.*, 71 F.3d 996, 1002 (2d Cir.1995) (holding that fabric design, such as the artwork on plaintiff’s sweaters, is copyrightable).
- 19 In fact, the court *still* remanded the case to allow the jury to apply the separability test, concluding that “[n]othing in our legal training qualifies us to determine as a matter of law whether [the swimsuit design] can be worn as an article for swimming or any other utilitarian purpose.” *See Poe*, 745 F.2d at 1242.

- 20 See *id.* (“Here, as noted above, the uncontradicted evidence presented below established that the only reason for existence of Aquatint No. 5 [(the swimsuit)] was as a work of art.”).
- 21 The Vaquero buckle was created in 1978 and became part of a series of works inspired by a book on art nouveau design and the viewing of related architecture on the creator’s trip to Spain. See [Kieselstein–Cord](#), 632 F.2d at 990. The designer explained that he named the other buckle “Winchester” because he saw “in (his) mind’s eye a correlation between the art nouveau period and the butt of an antique Winchester rifle.” pulling “these elements together graphically.” The copyright registration specifically identifies the buckle as a sculpture. See *id.* at 991.
Each buckle sold for several hundreds of dollars, sometimes even approaching prices of \$1,000. The designer received the 1979 Coty American Fashion Critics’ Award for his work in jewelry design and a 1978 election to the Council of Fashion Designers of America. The Metropolitan Museum of Art has accepted both buckles for its permanent collection. See *id.*
- 22 See, e.g., [Animal Fair Inc. v. Amfesco Indus.](#), 620 F.Supp. 175 (D.C.Minn.1985), *aff’d mem.*, 794 F.2d 678 (8th Cir.1986) (holding that slipper depicting a bear’s foot entitled to copyright protection because it was essentially a fanciful artistic rendition of a bear’s foot); [National Theme Prod. v. Beck](#), 696 F.Supp. 1348 (S.D.Cal.1988) (holding that masquerade costumes are entitled to copyright protection because their design and form have little to do with their suitability as wearing apparel—they were essentially a collection of accessories); [Whimsicality](#), 891 F.2d at 456 (refusing to afford deference to registration of useful articles as “soft sculptures” where “Whimsicality knew full well that no reasonable observer could believe the costumes were soft sculpture.”).
- 23 The Office also concluded that “[f]anciful costumes will be treated as useful articles, and will be registered only upon a finding of separately identifiable pictorial and/or sculptural authorship.” The Office added that masks were generally not useful articles, and generally would be entitled to copyright protection. See 56 FR 56530–02, 1991 WL 224879 (F.R.).
- 24 *Id.* The Office further concluded that “[p]arties wishing to modify this position must address their concerns to Congress.”
- 25 This might most accurately be described as the *Poe* standard, even though the relevant language is found in 1 NIMMER ON COPYRIGHT § 2.08 [B][3], at 2–101.
- 26 For example, some have argued that (1) this standard is foreign to copyright; (2) it might unduly favor more conventional forms of art; and (3) it is too restrictive. See 1 NIMMER ON COPYRIGHT § 2.08[B][3], at 2–101. We do not find item (1) to be particularly compelling, because all of the lawmaking with respect to PGS works is interstitial, and most of it strikes us as freewheeling. Item (2) is a salient concern only if we apply the marketability test across the spectrum of applied artwork; here we apply it only to one art form. Item (3) represents the specific sacrifice we have chosen to make—copyright protection may become improperly thin for certain parties, but such theoretical unfairness is outweighed by the interest in having a determinate rule.
- 27 One might object to using a specific test to adjudicate the copyrightability of certain kinds of applied art but not others. We note, however, that we determine the copyrightability of maps—an article within the ambit of the PGS provisions—by reference to an “arrangement” or “merger” analysis that does not at all resemble the “separability” analysis of the *Pivot Point* cases. See, e.g., [Mason v. Montgomery Data, Inc.](#), 967 F.2d 135, 142 (5th Cir.1992) (“Because Mason’s maps possess sufficient creativity in both the selection, coordination, and arrangement of the facts that they depict, and as in the pictorial, graphic nature of the way that they do so, we find no error in the district court’s determination that Mason’s maps are original.”); [Kern River Gas Transmission Co. v. Coastal Corp.](#), 899 F.2d 1458, 1464 (5th Cir.1990) (“The problem for the copyrightability of the resulting maps, however, is not a lack of originality, but rather that the maps created express in the only effective way the idea of the location of the pipeline.”).
- 28 See [Skelton v. Camp](#), 234 F.3d 292, 295 (5th Cir.2000) (“A denial of summary judgment is not a final order within the meaning of 28 U.S.C. § 1291.”) (citing [Lemoine v. New Horizons Ranch & Ctr., Inc.](#), 174 F.3d 629, 633 (5th Cir.1999)).
- 29 That rule states:
When more than one claim for relief is presented in an action ... the court may direct the entry of a final judgment as to one or more but fewer than all of the claims or parties only upon an express determination that there is no just reason for delay and upon an express direction for the entry of judgment. In the absence of such determination and direction, any order or other form of decision ... which adjudicates fewer than all the claims or the rights and liabilities of fewer than all the parties shall not terminate the action as to any of the claims or parties, and the order or other form of decision is subject to revision at any time before the entry of judgment adjudicating all the claims and the rights and liabilities of all the parties.

[FED.R.CIV.P. 54\(b\)](#).

- 30 The Court elaborated that “[w]e agree that such factors *may* used to guide courts’ discretion, so long as such factors are faithful to the purposes of the Copyright Act and are applied to prevailing plaintiffs and defendants in an even-handed manner.” (Emphasis added.) See [Fogerty, 510 U.S. at 535 n. 19, 114 S.Ct. 1023](#). We interpret this passage as directing lower courts to apply these factors symmetrically, but not in such a way that reduces them to an end-around to the British Rule.
- 31 In the remanded proceedings, the trial court must (1) rule on the fraud on the Copyright Office claim such that it is appealable and (2) apply the *Fogerty* analysis to the attorney’s fees question. It need not try the infringement claim, as we have upheld the denial of summary judgment.

209 F.Supp.3d 612
United States District Court,
S.D. New York.

LVL XIII BRANDS, INC., Plaintiff,
v.

LOUIS VUITTON MALLETIER S.A. and Louis
Vuitton North America, Inc., Defendants.

Louis Vuitton Malletier S.A. and Louis Vuitton
North America, Inc., Counterclaim-Plaintiffs,
v.

LVL XIII Brands, Inc., Counterclaim-Defendant.

14 Civ. 4869 (PAE)

|
Signed September 13, 2016

Synopsis

Background: Fashion company, the holder of trademark rights in metal toe plate featured on all shoes in its first sneaker collection, brought action against alleged infringing fashion company, alleging trademark infringement, unfair competition and false destination of origin in violation of Lanham Act, New York common law unfair competition, and deceptive business practices in violation of New York General Business Law (GBL). Alleged infringing company asserted similar counterclaims. Parties both moved for summary judgment, and alleged infringing company moved to preclude report and testimony of plaintiff's expert witness.

Holdings: The District Court, [Paul A. Engelmayer](#), J., held that:

[1] company's witness was not qualified to provide expert testimony;

[2] rectangular metallic plate affixed to toe of line of company's shoes constituted product design trade dress not protectable under Lanham Act absent a showing of secondary meaning;

[3] company's toe plate did not have secondary meaning protectable under Lanham Act;

[4] balancing of factors weighed in favor of finding of defendant's non-infringement under Lanham Act; and

[5] balancing of factors weighed in favor of finding of non-infringement on defendant's Lanham Act counterclaim.

Ordered accordingly.

West Headnotes (104)

[1] Evidence

🔑 Preliminary evidence as to competency

The proponent of expert testimony has the burden of establishing by a preponderance of the evidence that the admissibility requirements of Federal Rule of Evidence governing such testimony are satisfied. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[2] Evidence

🔑 Necessity and sufficiency

The court's task as "gatekeeper," when deciding whether to admit expert testimony, is to make certain that an expert, whether basing testimony upon professional studies or personal experience, employs in the courtroom the same level of intellectual rigor that characterizes the practice of an expert in the relevant field. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[3] Evidence

🔑 Matters directly in issue

Evidence

🔑 Speculation, guess, or conjecture

District courts are to exclude expert testimony if it is speculative or conjectural, is based on assumptions so unrealistic and contradictory as

to suggest bad faith, or usurps either the role of the trial judge instructing the jury as to the applicable law or the role of the jury in applying that law to the facts. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[4]

Evidence

🔑 [Tendency to mislead or confuse](#)

The court may exclude expert testimony if its probative value is substantially outweighed by the danger of unfair prejudice, confusion, or delay. [Fed. R. Evid. 403, 702](#).

[Cases that cite this headnote](#)

[5]

Evidence

🔑 [Determination of question of competency](#)

Whether a witness is qualified as an expert is a threshold question that precedes the court's relevance and reliability inquiries. [Fed. R. Evid. 401, 402, 702](#).

[Cases that cite this headnote](#)

[6]

Evidence

🔑 [Knowledge, experience, and skill in general](#)

Where a witness's expertise is too general or too deficient, a court may properly conclude that he is insufficiently qualified to provide expert testimony. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[7]

Evidence

🔑 [Sources of Data](#)

If a witness is relying solely or primarily on experience in providing expert testimony, he must explain how that experience leads to the conclusion reached, why that experience is a sufficient basis for the opinion, and how that experience is reliably applied to the facts. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[8]

Evidence

🔑 [Knowledge, experience, and skill in general](#)

Witness for fashion company, the holder of trademark rights in metal toe plate featured on all shoes in its first sneaker collection, was not qualified to provide expert testimony in trademark infringement action on whether toe plate acquired secondary meaning; although witness's experience and education may qualify him as expert in certain areas of fashion history and intellectual property law, he did not have any training or experience measuring secondary meaning, whether through a traditional marketing survey or otherwise. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[9]

Trademarks

🔑 [Acquired distinctiveness and secondary meaning in general](#)

Trademarks

🔑 [Distinctiveness; secondary meaning](#)

Because the primary element of secondary meaning in trademark dispute is a mental association in buyers' minds between the alleged mark and a single source of the product, the determination whether a mark or dress has acquired secondary meaning is primarily an empirical inquiry.

[Cases that cite this headnote](#)

- [10] **Trademarks**
 🔑 Acquired distinctiveness and secondary meaning in general
Trademarks
 🔑 Distinctiveness; secondary meaning

Courts identify the following potentially relevant factors in determining whether mark or dress has acquired secondary meaning: (1) advertising expenditures; (2) unsolicited media coverage of the product; (3) sales success; (4) attempts to plagiarize the mark; and (5) length and exclusivity of the mark's use.

Cases that cite this headnote

- [11] **Evidence**
 🔑 Matters involving scientific or other special knowledge in general
Evidence
 🔑 Necessity and sufficiency

In order for expert testimony to be admissible, it must be both reliable and relevant in that it fits the facts of the case. *Fed. R. Evid. 702*.

Cases that cite this headnote

- [12] **Evidence**
 🔑 Matters involving scientific or other special knowledge in general
Evidence
 🔑 Necessity and sufficiency

The requirements that expert testimony both fit a case and be reliable overlap: testimony is neither helpful nor reliable where there is simply too great an analytical gap between the data on which the expert relies and the opinion proffered. *Fed. R. Evid. 702*.

Cases that cite this headnote

- [13] **Evidence**
 🔑 Matters involving scientific or other special knowledge in general
Evidence
 🔑 Necessity and sufficiency

Witness for fashion company, the holder of trademark rights in metal toe plate featured on all shoes in its first sneaker collection, misidentified company's primary customer base as "urban males," and, thus, witness's testimony was unhelpful and unreliable, and did not "fit" facts of trademark infringement action, thereby making witness unqualified to provide expert testimony as to whether toe plate acquired secondary meaning; company's president stated his brand was not tailored to "the hip hop urban market," but was "more of a mainstream brand with mainstream appeal," and company's business plan identified similar "typical consumer." *Fed. R. Evid. 403, 702*.

Cases that cite this headnote

- [14] **Evidence**
 🔑 Matters involving scientific or other special knowledge in general
Evidence
 🔑 Necessity and sufficiency
Evidence
 🔑 Speculation, guess, or conjecture

Under *Daubert*, a Court must ensure expert testimony is not only relevant, but reliable; that is, that the proffered testimony is more than subjective belief or unsupported speculation. *Fed. R. Evid. 702*.

Cases that cite this headnote

- [15] **Evidence**
 🔑 Necessity and sufficiency

A court may consider the following non-exclusive factors in determining whether an expert's methodology is reliable, for purposes of admissibility of expert testimony: (1) whether

the expert's technique or theory can be or has been tested; (2) whether it has been subjected to peer review and publication; (3) whether there is a high error rate for the expert's technique, and whether there are standards controlling the technique's operation; and (4) whether the expert's technique or theory is generally accepted by the relevant scientific community. [Fed. R. Evid. 702.](#)

[Cases that cite this headnote](#)

[16]

Evidence

🔑 [Necessity and sufficiency](#)

How the *Daubert* factors, which courts may consider in determining whether an expert's methodology is reliable, apply in a particular case will depend on the nature of the issue, the expert's particular expertise, and the subject of his testimony, and the court should consider these factors where they are reasonable measures of the reliability of expert testimony. [Fed. R. Evid. 702.](#)

[Cases that cite this headnote](#)

[17]

Evidence

🔑 [Necessity and sufficiency](#)

Nothing in either *Daubert* or the Federal Rules of Evidence requires a district court to admit opinion evidence which is connected to existing data only by the ipse dixit of the expert; accordingly, expert testimony should be excluded if it is speculative or conjectural, or where the proffered opinion is based on data, a methodology, or studies that are simply inadequate to support the conclusions reached. [Fed. R. Evid. 702.](#)

[Cases that cite this headnote](#)

[18]

Evidence

🔑 [Necessity and sufficiency](#)

Witness for fashion company, the holder of trademark rights in metal toe plate featured on all shoes in its first sneaker collection, did not use reliable methodology, through use of visual culture studies canon, in determining toe plate acquired secondary meaning before alleged infringer's shoe entered market, and, thus, was not qualified to provide expert testimony in trademark infringement action; methodology had not been tested or challenged, selected methodology had never been applied to assess secondary meaning, much less subjected to peer review in that context, and witness could not identify known or potential error rate for methodology or standards controlling its application, or show methodology had been recognized by courts or gained acceptance within relevant expert community. [Fed. R. Evid. 702.](#)

[Cases that cite this headnote](#)

[19]

Evidence

🔑 [Necessity and sufficiency](#)

That testimony is qualitative, rather than quantitative, does not mean that it must be excluded under *Daubert*. [Fed. R. Evid. 702.](#)

[Cases that cite this headnote](#)

[20]

Evidence

🔑 [Necessity and sufficiency](#)

Technical or other specialized knowledge may be relevant and reliable, and therefore admissible under *Daubert*, even if the field of knowledge, be it marketing or plumbing, does not readily lend itself to a formal or quantitative methodology. [Fed. R. Evid. 702.](#)

[Cases that cite this headnote](#)

[21]

Evidence

Necessity and sufficiency

Use of a qualitative or experience-based methodology does not exempt an expert from *Daubert* scrutiny. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[22]

Federal Civil Procedure

Materiality and genuineness of fact issue

On a motion for summary judgment, an issue of fact is “genuine” if the evidence is such that a reasonable jury could return a verdict for the nonmoving party. [Fed. R. Civ. P. 56\(a\)](#).

[Cases that cite this headnote](#)

[23]

Federal Civil Procedure

Weight and sufficiency

A party may not rely on mere speculation or conjecture as to the true nature of the facts to overcome a motion for summary judgment. [Fed. R. Civ. P. 56](#).

[Cases that cite this headnote](#)

[24]

Federal Civil Procedure

Presumptions

In determining whether there are genuine issues of material fact on a motion for summary judgment, a court is required to resolve all ambiguities and draw all permissible factual inferences in favor of the party against whom summary judgment is sought. [Fed. R. Civ. P. 56](#).

[Cases that cite this headnote](#)

[25]

Federal Civil Procedure

By both parties

Federal Civil Procedure

Presumptions

A court faced with cross-motions for summary judgment need not grant judgment as a matter of law for one side or the other, but must evaluate each party’s motion on its own merits, taking care in each instance to draw all reasonable inferences against the party whose motion is under consideration. [Fed. R. Civ. P. 56](#).

[Cases that cite this headnote](#)

[26]

Trademarks

Practices or Conduct Prohibited in General; Elements

To prevail on a trademark infringement, false designation of origin, or unfair competition claim under Lanham Act, a plaintiff must show: (1) he or she has a valid mark entitled to protection; and (2) defendant’s actions are likely to cause confusion as to the origin or sponsorship of the defendant’s goods. Lanham Trade-Mark Act § 43, [15 U.S.C.A. § 1125\(a\)](#).

[Cases that cite this headnote](#)

[27]

Trademarks

Inherent distinctiveness in general

For a mark to be protectable under Lanham Act, it must be “distinctive,” which means its intrinsic nature serves to identify a particular source. Lanham Trade-Mark Act § 43, [15 U.S.C.A. § 1125\(a\)](#).

[Cases that cite this headnote](#)

[28]

Trademarks

🔑 **Acquired distinctiveness and secondary meaning in general**

Even if a mark is not inherently distinctive and protectable under Lanham Act, it may acquire distinctiveness by achieving “secondary meaning” among the relevant consumer market; this “secondary meaning” has been acquired when, in the minds of the public, the primary significance of a product feature is to identify the source of the product rather than the product itself. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[29] **Trademarks**
🔑 **Form, Features, or Design of Product as Marks; Trade Dress**

Lanham Act section which protects marks against confusion, mistake, or deception protects not just word and symbol marks, but also trade dress, a category that originally included only the packaging, or “dressing,” of a product, but has been expanded to encompass the design of a product. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[30] **Trademarks**
🔑 **Form, Features, or Design of Product as Marks; Trade Dress**

Trade dress protection under Lanham Act for product design entails a greater risk of impinging on ideas, and hampering efforts to market competitive goods. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[31] **Trademarks**

🔑 **Functionality**

A design feature is functional, and thus not protectable under Lanham Act, if it is: (1) essential to the use or purpose of the article; (2) affects the cost or quality of the article; or, in cases involving an aesthetic feature, (3) its protection would put competitors at a significant non-reputation-related disadvantage. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[32] **Trademarks**
🔑 **Distinctiveness; secondary meaning**

In order to be protectable under Lanham Act, a claimed product design cannot be “generic,” that is, so broad that it refers only to the genus of which the particular product is a species. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[33] **Federal Civil Procedure**
🔑 **Admitted or undisputed facts; conflicting inferences or conclusions**

Even if a determination is properly cast as a factual question as opposed to an application of law to fact, a court may resolve such a question on summary judgment where only one possible conclusion may be drawn from the undisputed facts. Fed. R. Civ. P. 56.

Cases that cite this headnote

[34] **Trademarks**
🔑 **Nonliteral Elements**
Trademarks
🔑 **Particular Cases or Products**

Rectangular metallic plate affixed to toe of line

of fashion company's men's shoes constituted product design trade dress not protectable under Lanham Act absent a showing of secondary meaning, not conventional trademark or product packaging; packaging described in company's business plan did not include toe plate, and Patent and Trademark Office (PTO), in declining to register company's trademark for plate, stated the plate was configuration of feature of shoe design, which could never be inherently distinctive. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[35]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

A mark has "secondary meaning" protectable under Lanham Act when, in the minds of the public, the primary significance of a product feature is to identify the source of the product rather than the product itself. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[36]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

There are six non-exclusive factors that bear on the inquiry of whether a mark has secondary meaning protectable under Lanham Act: (1) advertising expenditures; (2) consumer studies linking the mark to a source; (3) unsolicited media coverage of the product; (4) sales success; (5) attempts to plagiarize the mark; and (6) length and exclusivity of the mark's use. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[37]

Trademarks

🔑 Marks protected; secondary meaning

Trademarks

🔑 Secondary Meaning

Proof of secondary meaning protectable under Lanham Act entails vigorous evidentiary requirements, and a plaintiff bears the burden of proving that his mark acquired secondary meaning by the time the allegedly infringing product came on the market. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[38]

Trademarks

🔑 Trade dress

Advertising expenditures, considered when analyzing whether mark has secondary meaning protectable under Lanham Act are regarded as indirect evidence of the possible effect that advertising may have on consumers' association of the trade dress with the source of the product. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[39]

Trademarks

🔑 Acquired distinctiveness and secondary meaning in general

Targeted albeit low-cost advertising may establish requisite advertising expenditures for mark to have secondary meaning protectable under Lanham Act, but only if the plaintiff can show it was successful in reaching the targeted audience. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[40] **Trademarks**

🔑 Distinctiveness; secondary meaning

A mark's secondary meaning cannot usually be proven by advertising that merely pictures the claimed trade dress and does nothing to emphasize it or call attention to it.

[Cases that cite this headnote](#)

[41] **Trademarks**

🔑 Distinctiveness; secondary meaning

Fashion company's minimal advertising expenditures weighed against determination that rectangular metallic plate affixed to toe of line of company's men's shoes, as product design feature, acquired secondary meaning before alleged infringer's shoe entered market, as required to determine that alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; company did not engage in any traditional paid advertising, its marketing activities did not succeed in reaching a relevant segment of population, and none of its promotional materials called attention to toe plate as an indication of source. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[42] **Trademarks**

🔑 Consumer data and market research; tests and surveys

In a borderline case where it is not at all obvious a designation has been used as a mark, survey evidence may be necessary to prove trademark perception and whether mark has secondary meaning protectable under Lanham Act. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[43] **Trademarks**

🔑 Trade dress

Consumer studies did not link rectangular metallic plate affixed to toe of line of fashion company's men's shoes, as product design feature, to single source, thereby weighing in favor of finding that toe plate did not acquire secondary meaning before alleged infringer's shoe entered market, as required to determine that alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; company did not conduct a secondary meaning survey, but alleged infringer did conduct survey which revealed lack of secondary meaning. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[44] **Trademarks**

🔑 Distinctiveness; secondary meaning

Lack of unsolicited media coverage weighed against finding that rectangular metallic plate affixed to toe of line of fashion company's men's shoes, as product design feature, acquired secondary meaning before alleged infringer's shoe entered market, as required to determine that alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; all but four media placements were the result of pitches by company's publicist, and none of four referred or called attention to toe plate as an indicator of source or otherwise. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[45] Trademarks**🔑 Distinctiveness; secondary meaning**

Lack of sales success for line of fashion company's men's shoes weighed against finding that rectangular metallic plate affixed to toe of shoes, as product design feature, acquired secondary meaning before alleged infringer's shoe entered market, as required to determine that alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; company only sold half of shoes manufactured for its first collection, and the remainder were returned to company to be donated. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[46] Trademarks**🔑 Secondary Meaning**

Evidence that a mark has been widely copied is persuasive evidence of secondary meaning protectable under Lanham Act, because it demonstrates the mark has become a strong source identifier in the eyes of the purchasing public; the key question to answer is whether the copying was done deliberately, so as to benefit from plaintiff's name and good will. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[47] Trademarks**🔑 Distinctiveness; secondary meaning**

Lack of attempts to plagiarize rectangular metallic plate affixed to toe of fashion company's line of men's shoes weighed against finding that toe plate, as product design feature, acquired secondary meaning before alleged infringer's shoe entered market, as required to determine that alleged infringer was not liable

for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; aside from alleged infringer, company was not aware of any third-party attempts to plagiarize toe plate, and it submitted no direct evidence that alleged infringer copied its design. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[48]**Evidence****🔑 Matters directly in issue**

Determining what motivated a particular person or entity is generally not an appropriate subject matter for expert testimony. [Fed. R. Evid. 702](#).

[Cases that cite this headnote](#)

[49]**Trademarks****🔑 Distinctiveness; secondary meaning**

Eight-month period fashion company used rectangular metallic plate affixed to toe of its line of men's shoes, as product design feature, was far too brief to support finding that toe plate acquired secondary meaning before alleged infringer's shoe entered market, as required to determine that alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; further, company did not show its use of toe plate was at any point exclusive, as alleged infringer and other luxury brands used toe plates and other metal shoe ornaments years prior. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[50]**Trademarks**

🔑 **Nature of Confusion**

Trademarks

🔑 **Persons confused; circumstances of sale**

To establish likelihood of confusion between marks, as required for claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, a plaintiff must show numerous ordinary prudent purchasers are likely to be misled or confused as to the source of the product in question because of the entrance in the marketplace of the defendant's mark, or that there may be confusion as to the plaintiff's sponsorship or endorsement of the defendant's mark. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[51]

Trademarks

🔑 **Nature of Confusion**

Affiliation confusion exists, as required to establish likelihood of confusion as part of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, where use of a unique and recognizable identifier could lead consumers to infer a relationship between the trademark owner and the new product. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[52]

Trademarks

🔑 **Nature of Confusion**

The relevant confusion required to satisfy likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, is that which affects the purchasing and selling of the goods or services in question. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[53]

Trademarks

🔑 **Time of confusion**

Trademarks

🔑 **'Initial interest' confusion**

A plaintiff need not show actual or potential confusion at the time of purchase to satisfy likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception; rather, "initial-interest confusion" and "post-sale confusion" are equally actionable. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[54]

Trademarks

🔑 **Extent or degree of confusion**

The plaintiff must demonstrate a probability of confusion, not a mere possibility, in order to establish likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[55]

Trademarks

🔑 **'Reverse' confusion**

When assessing likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, whereas "forward confusion" involves the misimpression that the senior user is the source or sponsor of the junior user's products, "reverse confusion" exists where a junior user selects a trademark that is likely to cause consumers to believe, erroneously, that the goods marketed by the

senior user are produced by the junior user. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[56]

Trademarks

🔑 'Reverse' confusion

When assessing likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, the reverse confusion theory, where confusion exists when a junior user selects a trademark that is likely to cause consumers to believe, erroneously, that the goods marketed by the senior user are produced by the junior user, protects the mark of a prior user from being overwhelmed by a subsequent user, typically where the subsequent user is larger and better known and consumers might conclude that the senior user is the infringer. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[57]

Trademarks

🔑 Factors considered in general

In assessing the likelihood of confusion, as part of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, a court considers the *Polaroid* factors: (1) the strength of the plaintiff's mark; (2) the degree of similarity between the plaintiff's and defendant's marks; (3) the competitive proximity of the products sold under the marks; (4) the likelihood that the plaintiff will bridge the gap; (5) actual confusion; (6) the defendant's good faith, or lack thereof, in adopting its mark; (7) the quality of the defendant's product; and (8) the sophistication of the plaintiff's customers. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[58]

Trademarks

🔑 Factors considered in general

In applying the *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, the proper approach is to weigh each factor in the context of the others to determine if, on balance, a likelihood of confusion exists. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[59]

Trademarks

🔑 Factors considered in general

When applying the *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, the court generally should not treat any single factor as dispositive, nor should it treat the inquiry as a mechanical process by which the party with the greatest number of factors wins; instead, the court should focus on the ultimate question of whether consumers are likely to be confused. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[60]

Federal Civil Procedure

🔑 Copyright, trademark, and unfair competition cases

Trademarks

🔑 Similarity or dissimilarity in general

When applying the *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which

protects marks against confusion, mistake or deception, in an appropriate case, the similarity of the marks can be dispositive and will warrant summary judgment for an infringement defendant if the court is satisfied the marks are so dissimilar that no question of fact is presented. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3); Fed. R. Civ. P. 56.

Cases that cite this headnote

[61]

Federal Civil Procedure

🔑 Copyright, trademark, and unfair competition cases

If a factual inference must be drawn to arrive at a particular finding on a factor in the *Polaroid* test, which is used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue on summary judgment; however, the fact on summary judgment that evidence must be construed in a light favorable to the non-moving party does not modify the standard itself, which requires a showing of a probability, or likelihood, of confusion. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3); Fed. R. Civ. P. 56.

Cases that cite this headnote

[62]

Trademarks

🔑 Strength or fame of marks; degree of distinctiveness

When assessing strength of plaintiff's mark, as part of likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, courts consider both the inherent distinctiveness of a mark and the distinctiveness it has acquired in the marketplace, that is, its secondary meaning; further, the inventiveness of the mark and the extent of third-party use are

particularly relevant to this inquiry. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[63]

Trademarks

🔑 Strength or fame of marks; degree of distinctiveness

A mark's strength is crucial to the likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, because a plaintiff's well-known association with the claimed mark makes it much more likely consumers will assume wrongly the plaintiff is somehow associated with the defendant's product, or has authorized the use of its mark; by contrast, where the plaintiff's mark is not associated with any particular source, defendant's use of a similar mark is unlikely to generate confusion. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

Cases that cite this headnote

[64]

Trademarks

🔑 Particular cases

Lack of strength and distinctiveness of fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes, weighed against finding of likelihood of confusion, under theory of "reverse confusion," with alleged infringer's use of toe plate on its shoes, as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; the toe plate, being product design, could not be inherently distinctive, it had not acquired secondary meaning, and there was third-party use of metal shoe ornaments and toe plates predating company's first shoe collection. Lanham

Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[65] **Trademarks**
 🔑 Examination and comparison; construction as entirety

In assessing similarity of plaintiff's and defendant's marks, as part of likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, courts look to the overall impression created by the marks and the context in which they are found and consider the totality of factors that could cause confusion among prospective purchasers. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[66] **Trademarks**
 🔑 Particular cases

Lack of similarity between fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes, and that of toe plate used by alleged infringer weighed against finding of likelihood of confusion of marks, under theory of "reverse confusion," as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; there were virtually no points of commonality between parties' toe plates, and differences were manifest, as company's toe plate had different shape, adornments, and color than that of alleged infringer. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[67] **Trademarks**
 🔑 Markets and territories; competition

The competitive proximity factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, concerns whether and to what extent products bearing the two parties' marks compete with each other. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[68] **Trademarks**
 🔑 Markets and territories; competition

Courts assessing competitive proximity factor, as part of likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, consider whether the products serve the same purpose and whether they share similar geographic distribution, market position and audience appeal; if the products serve the same purpose, fall within the same general class or are used together, the use of similar designations is more likely to cause confusion. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[69] **Trademarks**
 🔑 Particular cases

Competitive proximity of fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes, and that of toe plate used by alleged infringer weighed in favor of finding of likelihood of confusion of marks, under theory of "reverse confusion," as was required to determine alleged infringer was liable for trademark infringement, unfair competition or false designation or origin under

Lanham Act provision which protected marks against confusion, mistake or deception; any discrepancies in geographic distribution and market position were not so substantial so as to outweigh the similarities between products in terms of content, price, and target clientele. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[70]

Trademarks

🔑 [Markets and territories; competition](#)

“Bridging the gap” factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, as assessing strength of plaintiff’s mark, refers to the likelihood the senior user will enter the junior user’s market in the future, or that consumers will perceive the senior user as likely to do so; the factor protects the plaintiff’s interest in being able to enter a related field at some future time. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[71]

Trademarks

🔑 [Markets and territories; competition](#)

Where the parties’ products are already in competitive proximity, there is no gap to bridge between parties’ markets, making that factor is irrelevant to the *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[72]

Trademarks

🔑 [Actual confusion](#)

Although actual confusion need not be shown to prevail on likelihood of confusion element of claim alleging violation of Lanham Act provision which protects marks against confusion, mistake or deception, there can be no more positive or substantial proof of likelihood of confusion; accordingly, the absence of such evidence may favor the junior user. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[73]

Trademarks

🔑 [Actual confusion](#)

Evidence of actual confusion, as factor of *Polaroid* test used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, may consist of anecdotal or survey evidence. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[74]

Trademarks

🔑 [Actual confusion](#)

For actual confusion to be relevant factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, the confusion must be of a type that could inflict commercial injury on the plaintiff in the form of either a diversion of sales, damage to goodwill, or loss of control over reputation. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[75] Trademarks**🔑 Particular cases**

Lack of actual confusion between fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes, and that of toe plate used by alleged infringer slightly weighed against finding of likelihood of confusion of marks, under theory of "reverse confusion," as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; although company did not present survey evidence as to consumer confusion, and there was only de minimis evidence of confusion, shoes coexisted in marketplace for only a short period of time. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

Lack of willfulness or bad faith in alleged infringer's use of toe plate on one of its shoes weighed against finding of likelihood of confusion, under theory of "reverse confusion," with fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes, as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; alleged infringer's designer had never heard of company or its shoes, and its design team acted in good faith to avoid infringement, including soliciting advice of its in-house counsel and modifying its design to distance it from other shoes. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[76] Trademarks**🔑 Intent; knowledge of confusion or similarity**

The inquiry into willfulness or bad faith factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, considers whether the defendant adopted its mark with the intention of capitalizing on the plaintiff's reputation and goodwill and on any confusion between his and the senior user's product; as an example, evidence of intentional copying by a junior user may be indicative of an intent to create a confusing similarity between the products. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[78]**Trademarks****🔑 Intent; knowledge of confusion or similarity**

A defendant's failure to conduct a trademark search is not sufficient to demonstrate bad faith requisite for *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act provision which protects marks against confusion, mistake or deception. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[79]**Trademarks****🔑 Relative quality**

The "quality of the defendant's product" factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act section which protects marks against confusion, mistake or deception, directs courts to weigh, on the one hand, whether defendant's products or services are inferior to plaintiff's, thereby tarnishing plaintiff's reputation if consumers confuse the two, but on

the other hand, if the products are roughly equal in quality, the court must also consider whether that very similarity of quality may tend to create confusion as to source by bringing the products into even closer proximity. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[80]

Trademarks

🔑 [Persons confused; circumstances of sale](#)

The consumer sophistication factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act provision which protects marks against confusion, mistake or deception, considers the general impression of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[81]

Trademarks

🔑 [Persons confused; circumstances of sale](#)

In a reverse confusion case, where junior user selects a trademark likely to cause customers to erroneously believe goods marketed by senior user are produced by junior user, the consumers relevant to consumer sophistication factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act provision which protects marks against confusion, mistake or deception, are those who purchase the plaintiff's products. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[82]

Trademarks

🔑 [Persons confused; circumstances of sale](#)

Generally, when assessing the consumer sophistication factor of *Polaroid* test, used to assess likelihood of confusion element of claim alleging violation of Lanham Act provision which protects marks against confusion, mistake or deception, the greater the value of an article, the more careful the typical consumer can be expected to be; also, the more sophisticated the purchaser, the less likely he or she will be confused by the presence of similar marks in the marketplace. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

[83]

Trademarks

🔑 [Particular cases](#)

Consumer sophistication weighed against finding of likelihood of confusion, under theory of "reverse confusion," between fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes, and alleged infringer's use of toe plate on one of its sneakers, as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; sophistication could be inferred from high price point of shoes, and shoes' customers were brand-conscious and deliberate shoppers. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[84]

Antitrust and Trade Regulation

🔑 [Misappropriation](#)

The essence of an unfair competition claim under New York law is that the defendant has misappropriated the labors and expenditures of

another.

[Cases that cite this headnote](#)

- [85] **Antitrust and Trade Regulation**
 🔑Confusion or deception
Antitrust and Trade Regulation
 🔑Intent

To prevail on an unfair competition claim under New York law, a plaintiff must couple its evidence supporting liability under the Lanham Act with additional evidence demonstrating the defendant's bad faith, thereby proving: (1) actual confusion or a likelihood of confusion; and (2) the defendant's bad faith. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a)(3).

[Cases that cite this headnote](#)

- [86] **Antitrust and Trade Regulation**
 🔑Nature and Elements

New York's consumer protection statute prohibits deceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in the state, and to establish liability, plaintiff must show: (1) defendant engaged in a materially misleading act or practice; and (2) plaintiff was injured thereby. N.Y. General Business Law § 349(a).

[Cases that cite this headnote](#)

- [87] **Antitrust and Trade Regulation**
 🔑Fraud; deceit; knowledge and intent

The standard for whether an act or practice is misleading under New York's consumer protection statute is objective, requiring a showing that a reasonable consumer would have been misled by the defendant's conduct. N.Y. General Business Law § 349(a).

[Cases that cite this headnote](#)

- [88] **Antitrust and Trade Regulation**
 🔑Fraud; deceit; knowledge and intent

For conduct to be materially misleading, under New York's consumer protection statute, it must affect consumers' choice of product. N.Y. General Business Law § 349(a).

[Cases that cite this headnote](#)

- [89] **Antitrust and Trade Regulation**
 🔑Businesses in General; Competitors and Competition
Antitrust and Trade Regulation
 🔑Public impact or interest; private or internal transactions

Corporate competitors may bring claims under New York's consumer protection statute only if some harm to the public at large is at issue. N.Y. General Business Law § 349(a).

[Cases that cite this headnote](#)

- [90] **Antitrust and Trade Regulation**
 🔑Imitation, simulation, or resemblance
Trademarks
 🔑Particular cases

Alleged infringer's use of toe plate on one of its shoes did not create likelihood of confusion, with fashion company's mark, a rectangular metallic plate affixed to toe of line of company's men's shoes that affected consumers' purchasing decisions such that infringer did not engage in any materially misleading act, and, thus, was not liable under New York's consumer protection statute. N.Y. General Business Law § 349(a).

[Cases that cite this headnote](#)

user is in fact not related to the first. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[91]

Trademarks

🔑 Levels or categories of distinctiveness in general; strength of marks in general

In gauging the strength of a mark in trademark infringement action, courts consider both its inherent distinctiveness and its acquired distinctiveness, that is, fame, or the extent to which prominent use of the mark in commerce has resulted in a high degree of consumer recognition. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[92]

Trademarks

🔑 Levels or categories of distinctiveness in general; strength of marks in general

As to inherent distinctiveness of a mark, for purposes of trademark infringement claim, the law accords broad, muscular protection to marks that are arbitrary or fanciful in relation to the products on which they are used, and lesser protection, or no protection at all, to marks consisting of words that identify or describe the goods or their attributes. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[93]

Trademarks

🔑 Levels or categories of distinctiveness in general; strength of marks in general

As to acquired distinctiveness of a mark, for purposes of trademark infringement claim, if a mark has been long, prominently and notoriously used in commerce, there is a high likelihood that consumers will recognize it from its prior use; such widespread consumer recognition increases the likelihood consumers will assume the mark identifies the previously familiar user, and therefore increases the likelihood of consumer confusion if the new

[94]

Trademarks

🔑 Strength or fame of marks; degree of distinctiveness

Strength and distinctiveness of fashion company's monogram "LV" mark weakly weighed in favor of finding likelihood of confusion with alleged infringer's use of "LVL XIII" mark, as was required to determine alleged infringer was liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; although "LV" mark was registered trademark that had acquired secondary meaning as result of more than a century of use of logo on wide variety of products, extensive marketing and advertising of products bearing logo, and fame logo had achieved as a result, it did not have broader exclusive right to use non-stylized "LV" letter combination. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

[Cases that cite this headnote](#)

[95]

Trademarks

🔑 Examination and comparison; construction as entirety

Trademarks

🔑 Appearance, sound, and meaning

For purposes of trademark infringement claim, similarity of word marks is a holistic consideration that turns on the marks' sight, sound, and overall commercial impression under the totality of the circumstances. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

[Cases that cite this headnote](#)

[96]

Trademarks

🔑 Appearance, sound, and meaning

In trademark infringement case, the fact two marks share an element does not mean they are likely to be confused; that is true even where the common element is presented in a similar typeface. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[97]

Trademarks

🔑 Appearance, sound, and meaning

Dissimilarity between fashion company's monogram "LV" mark and alleged infringer's "LVL XIII" mark weighed strongly against likelihood of confusion, as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; although both parties' marks used letters "LV" in a similar font, any such similarities were offset by differences visually evident in logos. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[98]

Trademarks

🔑 Examination and comparison; construction as entirety

When assessing similarity of marks in trademark infringement case, the court must consider how marks are presented in the marketplace. Lanham Act, § 1 et seq., 15 U.S.C.A. § 1051 et seq.

Cases that cite this headnote

[99]

Trademarks

🔑 Knowledge, intent, and motive; bad faith

The burden of proving bad faith in trademark infringement case rests with the party claiming infringement.

Cases that cite this headnote

[100]

Trademarks

🔑 Intent; knowledge of confusion or similarity

Alleged infringer did not act in bad faith by adopting "LVL XIII" mark, thereby weighing against finding of likelihood of confusion with fashion company's monogram "LV" mark, as was required to determine alleged infringer was not liable for trademark infringement, unfair competition or false designation or origin under Lanham Act provision which protected marks against confusion, mistake or deception; alleged infringer's knowledge of company's mark did not create inference of bad faith, alleged infringer offered credible explanation for selecting mark, sought advice of counsel before finalizing mark, and counsel affirmed it could file trademark application for mark. Lanham Trade-Mark Act § 43, 15 U.S.C.A. § 1125(a).

Cases that cite this headnote

[101]

Trademarks

🔑 Delay in Assertion of Rights; Laches

To prevail on a laches defense in a trademark infringement action, a defendant must show: (1) the senior user knew of the junior user's use of the mark; (2) the senior user inexcusably delayed taking action; and (3) the junior user was prejudiced by the delay.

Cases that cite this headnote

[102]

Trademarks

🔑 Acquiescence

To establish acquiescence as part of laches defense in trademark infringement action, a defendant must show the senior user actively represented it would not assert a right or claim.

[Cases that cite this headnote](#)

[103] **Trademarks**

 [Alphabetical listing](#)

LV

[Cases that cite this headnote](#)

[104] **Trademarks**

 [Alphabetical listing](#)

LVL XIII

[Cases that cite this headnote](#)

Attorneys and Law Firms

***626** Joel Geoffrey MacMull, Ronald David Coleman, Brian Farkas, Goetz Fitzpatrick LLP, New York, NY, for Plaintiff.

Jonathan Daniel Lupkin, Lupkin & Associates PLLC, Melissa Yang, Rakower Lupkin PLLC, New York, NY, Hannah Yeon Mee Jurowicz, Robert E. Shapiro, Shermin Kruse, Vito Salvatore Solitro, Wendi Elizabeth Sloane, Barack, Ferrazzano, Kirschbaum, Perlman & Nagelberg, L.L.P., Chicago, IL, for Defendants.

OPINION & ORDER

PAUL A. ENGELMAYER, District Judge

In this trademark lawsuit, two fashion companies go toe-to-toe over the right to affix a metal plate to the toe of “luxury” men’s sneakers. Plaintiff LVL XIII Brands, Inc. (“LVL XIII,” pronounced “Level 13”) is a New York start-up company that manufactures, markets, and sells men’s luxury athletic footwear. LVL XIII brings this action against defendants Louis Vuitton Malletier S.A. and Louis Vuitton North America, Inc. (collectively, “LV”). It claims that LV, through its marketing and sale of the On the Road Sneaker (“OTR Sneaker”), infringed LVL XIII’s trademark rights in a metal toe plate (the “TP”) which was featured on all shoes in LVL XIII’s first sneaker collection.

LVL XIII brings claims for (1) trademark infringement, unfair competition, and false designation of origin, under § 43(a) of the Lanham Act, [15 U.S.C. § 1125\(a\)](#); (2) New York common law unfair competition; and (3) deceptive business practices, under [New York General Business Law \(“GBL”\) § 349](#). It seeks actual and punitive damages, costs and fees, and an injunction barring LV from selling footwear bearing the allegedly infringing toe plate.

In response, LV brings counterclaims for (1) a declaratory judgment, under [28 U.S.C. § 2201](#), that LVL XIII has no exclusive right in the shape of a rectangular *627 metal toe plate; and (2) an injunction requiring LVL XIII to disclaim the non-distinctive elements of the TP. Separately, it brings counterclaims for trademark infringement, unfair competition, and false designation of origin under the Lanham Act, based on LVL XIII’s alleged infringement of LV’s monogram mark (the “Initials Logo”). In connection with those counterclaims, LV seeks damages, costs and fees, and an injunction barring LVL XIII from continuing to use its “LVL XIII” mark or any other mark confusingly similar to the Initials Logo.

The parties have filed cross-motions for summary judgment on each of LVL XIII’s claims. In connection with its summary judgment motion, LV has also moved to preclude the report and testimony of LVL XIII’s expert witness. Separately, LVL XIII has moved for summary judgment on each of LV’s counterclaims.

For the reasons that follow, the Court grants (1) LV’s motion to preclude LVL XIII’s expert; (2) LV’s motion for summary judgment on each of LVL XIII’s claims; and (3) LVL XIII’s motion for summary judgment on each of LV’s counterclaims. The Court denies LVL XIII’s motion for summary judgment on its own claims.

The end result is that all claims in this lawsuit are dismissed.

I. Background

A. Factual Background¹

1. LVL XIII and its First Sneaker Collection

a. The Launch of LVL XIII's First Sneaker Collection

LVL XIII is a New York start-up company founded by Antonio Brown. JSF ¶¶ 1-2. Brown long had the goal of starting *628 a luxury footwear company; in the mid-2000s, he began to collect images of shoes as a hobby. Def. Supp. 56.1 ¶ 277. In summer 2012, Brown began soliciting capital contributions from friends and family, and recruiting artists and graphic designers, to help bring his visions to life. See *id.* ¶¶ 278-80. The designs that would serve as the basis for LVL XIII's first sneaker collection were developed in September and October 2013. See *id.* ¶¶ 281, 284. Sometime thereafter, they were submitted to a factory in Hong Kong to be made into samples. *Id.* ¶ 285. Each design featured the TP—a rectangular metal toe plate with a “LVL XIII inscription” secured to the front outsole of the sneaker by metal screws. See MacMull Decl., Ex. 5. Brown testified that he wanted the TP to “distinguish [his] brand from the market”—to be something that could “identify [his] shoe design from the rest of the shoes.” MacMull Decl., Ex. 1 (“Brown Dep. I”), at 137.

In December 2012, LVL XIII was incorporated in New York. Def. Supp. 56.1 ¶ 286. By March 2013, it began preparing a formal business plan with the help of a third-party vendor. *Id.* ¶ 287. The business plan was completed and distributed to investors sometime after November 2013. *Id.* ¶ 288. It states that “LVL XIII believes its typical consumer will be an affluent male between the ages of 17 and 35 years of age who appreciates luxury goods and typically shops for designer labels.” JSF ¶ 13.²

In January 2013, LVL XIII hired Lamont Johnson to serve as its publicist. Sloane Decl., Ex. 3 (“Brown Dep. III”), at 172. Brown testified that because LVL XIII was operating on a “shoestring budget,” he and Johnson knew it would be hard to obtain formal ad placements in major publications. MacMull Decl., Ex. 2 (“Brown Dep. II”), at 173-74. Accordingly, he testified, the two men “creatively came together... [and devised] creative ways to submit the brand for press and publicity[,] like ceding shoes to celebrities and ... editors ... [to] garner[] interest.” *Id.* at 174.³ One of those celebrities was pop star Jason Derulo, who, on July 19, 2013, performed on *Good Morning America* wearing LVL XIII sneakers. Def. Supp. 56.1 ¶ 296.⁴ Another was pop star Chris Brown, *629 who, in September 2013, wore a pair of LVL XIII sneakers during a photo shoot for *Annex Man Magazine*. *Id.* ¶ 301.⁵ According to Brown and Johnson, LVL XIII sneakers were also publicly worn by Kroy Biermann, Jim Jones, DeRay Davis, and Chris Rock. *Id.* ¶ 331.

In addition to reaching out to celebrities, LVL XIII leveraged its social media presence to garner free publicity. See *id.* ¶¶ 298-99. In April 2013, Brown began posting images of LVL XIII sneakers on his personal Instagram account, which, by then, had 50,000 followers. *Id.* ¶ 300; see Sloane Decl., Ex. 39 (“Media Placements”), at 1.⁶ In June 2013, LVL XIII posted its first Instagram. See Media Placements, at 1; Sloane Decl., Ex. 6 (“Johnson Dep. I”), at 66-67. Brown testified that social media has been a cornerstone of LVL XIII's brand development. Def. Supp. 56.1 ¶ 298.

Between July 21 and 23, 2013, LVL XIII debuted its first sneaker collection at the Project Sole event in New York City. *Id.* ¶ 293. There, samples of LVL XIII sneakers were displayed to retailers, from whom LVL XIII began taking orders and deposits. *Id.* ¶ 295; JSF ¶ 21. At the end of the event, male supermodel Tyson Beckford hosted a launch party for LVL XIII in New York City. Def. Supp. 56.1 ¶ 294. In August 2013, LVL XIII exhibited its sneakers at the Magic Show, a trade show in Las Vegas attended by wholesalers, retailers, press, and celebrities. *Id.* ¶ 302.

In the months that followed, Brown and LVL XIII were featured in a handful of online magazines including *Details*, *Ebony*, *Paper*, and *Footwear News*. *Id.* ¶ 297. The majority of the brand's media coverage, however, was on social media platforms and online blogs. See Media Placements.⁷ LVL XIII estimates that, in 2013, it spent a total of approximately \$82,000 in connection with marketing, advertising, and promotion. JSF ¶ 35.⁸ Of that, approximately \$15,000 was spent on the New York launch party, approximately \$10,000 on the Project Sole

Trade Show, approximately \$10,000 on the Magic Show, and approximately \$30,000 on monthly payments to LVL XIII's publicist. Pl. 56.1 ¶ 163; Brown Dep. II, at 172-73; Def. Supp. 56.1 ¶ 330. Brown testified that LVL XIII did not *630 engage in TV advertising or purchase any newspaper or magazine advertisements. Brown Dep. I, at 158-59. As he explained, he "didn't feel like it was necessary to invest [LVL XIII's] dollars into print ads and things of that nature, especially with the dying business of print publications this day and age." Brown Dep. II, at 175-76.

In November 2013, LVL XIII's first sneaker collection became available for purchase at retail. Pl. 56.1 ¶ 230. LVL XIII produced 1,000 pairs of sneakers for it, each of which featured the TP. JSF ¶ 31; Def. Supp. 56.1 ¶ 325. The sneakers were sold at prices between \$495 and \$1,200, with most priced between \$495 and \$595. Pl. 56.1 ¶¶ 154-55. Between November 2013 and March 2014, they were sold in at least 10 locations, including in Houston, Texas; Atlanta, Georgia; Los Angeles, California; Harvey, Illinois; Chicago, Illinois; Miami, Florida; and Washington D.C. *Id.* ¶ 234. They were also sold through the Carbon Bazaar website. *Id.* ¶¶ 246-47.⁹ LVL XIII estimates that it sold approximately 500 pairs of sneakers from its first collection. JSF ¶ 32. The remaining 500 pairs were returned to LVL XIII to be donated. *Id.* ¶ 33. In total, LVL XIII achieved \$141,241 in product sales in 2013. *Id.* ¶ 34.¹⁰

b. LVL XIII's Efforts to Obtain Trademark Protection for its Marks

In March 2013, LVL XIII filed two trademark registration applications with the U.S. Patent and Trademark Office ("PTO"). JSF ¶¶ 11-12. The first (the " '370 Application"), filed on March 4, was for the word mark "LVL XIII." *Id.* ¶ 11. The second (the " '102 Application"), filed on March 6, sought registration for a "shoe toe design featuring a rectangular metal plate across the front of the shoe toe with the wording LVL XIII engraved in the metal plate, and four small screws in the corners of the metal plate." *Id.* ¶ 12; Sloane Decl., Ex. 32, at 1.

On June 24, 2013, the PTO issued a non-final Office Action as to the '102 Application, requiring LVL XIII to submit a new drawing showing the screws in dotted lines, "as they cannot be part of the mark." Pl. 56.1 ¶ 102. The next day, LVL XIII submitted a revised application in

accordance with the PTO's directive. *Id.* ¶¶ 104-05. It stated:

LVL XIII (Stylized and/or with Design, see mark)—The applicant is not claiming color as a feature of the mark. The mark consists of a shoe toe design featuring a rectangular metal plate across the front of the shoe toe with the wording LVL XIII engraved in the metal plate, and four small screws in the corners of the metal plate. The dotted lines in the drawing are not part of the mark but show its position on the goods.

Id. ¶ 106. LVL XIII later amended the '102 Application to include two screws rather than four. *Id.* ¶ 107.

On July 10 and August 7, 2013, respectively, the PTO issued a Notice of Publication for the '370 and '102 Applications. JSF ¶¶ 22, 24. On September 24 and October 22, 2013, respectively, it issued a Notice of Allowance for each application. *Id.* ¶¶ 25-26. On March 24 and April 7, 2014, respectively, LVL XIII submitted a Statement of Use in connection with each application. *631 *Id.* ¶¶ 37-38. Each stated that LVL XIII had first used the claimed mark in commerce "at least as early as" August 1, 2013. *Id.* On May 27, 2014, the PTO issued a Registration Certificate for the '370 Application. *Id.* ¶ 41.

On July 18, 2014, two weeks after the initiation of this lawsuit, the PTO issued an Office Action for the '102 Application, declining to approve the application in its current form. *See id.* ¶¶ 43-44. It explained that "[a] product design can never be inherently distinctive as a matter of law [because] consumers are aware that such designs are intended to render the goods more useful or appealing rather than [to] identify their source." *Id.* ¶ 44. Accordingly, it directed, LVL XIII must "disclaim[] ... the rectangular shape of the shoe toe plate ... because it is a configuration of a feature of the shoe design." *Id.* It warned that if LVL XIII did not do so, the PTO "may refuse to register the entire mark." *Id.* Sometime thereafter, the PTO, at LVL XIII's request, suspended the '102 Application, pending the outcome of this lawsuit. *Id.* ¶ 45.

2. Louis Vuitton

Louis Vuitton Malletier S.A. (“LVM”) is a French company, founded in Paris in 1854. Pl. Supp. 56.1 ¶ 374. It manufactures, sells, and distributes luxury merchandise, including handbags, luggage, apparel, shoes, watches, jewelry, and other fashion accessories. JSF ¶¶ 7-8. Louis Vuitton North America, Inc. is a Delaware corporation that markets and distributes Louis Vuitton merchandise in the U.S. *Id.* ¶¶ 5-6.

a. The Initials Logo

The Initials Logo consists of a stylized “L” and “V” presented, in a Roman-like font, as a single, interlocking image, with the “V” overlapping the italicized “L” on a downward angle from right to left. The logo was created in 1897 by George Vuitton, in honor of his late father Louis Vuitton, the founder of the House of Louis Vuitton. Pl. Supp. 56.1 ¶ 375. It has been continuously used for more than 100 years in the U.S., and currently appears on hundreds of LV products. *Id.* ¶ 376.

LVM owns multiple registered U.S. trademarks for the Initials Logo, which apply to a wide variety of goods ranging from clothing to suitcases and stationery. *See generally* Sloane Decl., Ex. 59. Among these is a registered mark, which has become incontestable, for use of the Initials Logo on “shoes, boots[,] sandals, [and] tips for footwear.” *Id.* at 1–3.

LV advertisements, at least some of which feature the Initials Logo, have appeared in magazines such as *Vanity Fair*, *Vogue*, and *Elle*. Pl. Supp. 56.1 ¶ 378. LV has also received media coverage in publications such as *Marie Claire*, *Town & Country*, and the “Pop Sugar” online blog. *Id.* ¶ 379. In 2015, Interbrand Rankings and Brand Z ranked LV as one of the 100 most valuable global brands. *Id.* ¶ 381.

b. The OTR Sneaker

LVL XIII’s claims arise from LV’s use of a metal toe plate on its OTR Sneaker. That sneaker was designed and developed in June 2013, in the weeks leading up to LV’s Men’s Spring/Summer 2014 fashion show (the “Fashion Show”), which took place in Paris on June 27, 2013. Sloane Decl., Ex. 1 (“Viti Aff”) ¶ 5. Fabrizio Viti, the Style Director for LVM’s footwear division, oversaw the design process. *See* Dkt. 112 (“Viti Decl.”) ¶¶ 1, 5.

The theme for the Fashion Show was a “road trip” through 1950s Americana, focusing on the style of icons such as James Dean, Steve McQueen, and Jack Kerouac, and mixing in an “astronaut mood.” Pl. 56.1 ¶¶ 32, 40. In keeping with that theme, Viti decided to use the Converse Jack Purcell sneaker, worn by James Dean in a famous photo, as the inspiration for his design for the OTR Sneaker. *Id.* ¶ 41; Viti Aff. ¶ 6; Sloane Decl., Ex. 9 (“Viti Dep. I”), *632 at 26-28.¹¹ An identifying feature of the Jack Purcell sneaker is the “smile,” a thin dark rubber inset curving upwards in the sneaker’s rubber toe. Pl. 56.1 ¶ 42. Accordingly, the initial design for the OTR Sneaker (then called the “Dean”) included a thin metal strip inset into the shoe’s outsole, which Viti described as LVM’s “reinterpretation of the Jack Purcell [smile] with contemporary features.” Viti Decl. ¶ 8. Viti attested that this “reinterpretation” was informed by his knowledge of “metal detailing,” *i.e.*, the ornamental use of metal accents, which had been trending among high-end shoe designers, including LV, for several years. *See* Pl. 56.1 ¶¶ 43, 55-56.¹²

On June 7, 2013, a member of LV’s design team emailed the prototype for the OTR Sneaker to LV’s in-house legal department. Pl. 56.1 ¶ 50; *see* Sloane Decl., Ex. 20. The email identified several characteristics of the Jack Purcell sneaker and asked whether, legally speaking, there were enough areas of difference between those two shoes. Pl. 56.1 ¶ 51; *see* Sloane Decl., Exs. 20-21.¹³ On June 10, 2013, LV’s legal department responded that “there [was] a degree of risk attached” to LV’s use of the “smile.” Pl. 56.1 ¶¶ 53-54.

The next day, Viti’s assistant Mathieu Desmet¹⁴ emailed Viti, stating that “due to leg[a]l issue we need to change [th]e sneakers from the show.” Def. Supp. 56.1 ¶ 308; *see also* Sloane Decl., Ex. 57 (“Viti Dep. II”), at 38-40. Desmet attached to his email a revised design for the OTR Sneaker, which featured a thicker metal plate at the toe of the shoe. Def. Supp. 56.1 ¶ 309; Pl. 56.1 ¶ 60. That design was later revised because Viti and LV’s Artistic Director believed the metal plate was too large and “looked like a car.” Pl. 56.1 ¶ 61.

The final version of the OTR Sneaker was reviewed at a

model fitting on June 22, 2013. *Id.* ¶ 62. The design featured a plain metal toe plate in the shape of an isosceles trapezoid, with the top slightly shorter than the bottom, as a “subtle reference to the Jack Purcell [s]mile.” Viti Decl. ¶ 9; *see* Sloane Decl., Ex. 27.¹⁵ The toe plate had rounded edges and was inset into the rubber shoe toe. *Id.* The design also featured a rectangular metal heel plate. Pl. Supp. 56.1 ¶ 407. LV’s “LOUIS VUITTON” trademark was imprinted on the sneaker’s heel plate, tongue, shoelace rivets, and insole. *Id.* The Initials Logo was imprinted on its rubber sole. *Id.*

On June 27, 2013, the OTR Sneaker was publicly debuted on the runway at the Fashion Show. Pl. 56.1 ¶ 74. In the ensuing months, it was pictured in several print and online publications in the U.S. *See id.* *633 ¶¶ 76, 78-80. On March 4, 2014, it became available for purchase by U.S. customers, exclusively through LV’s stores and website. *Id.* ¶¶ 83, 88. It was available in four basic styles, which ranged in price from \$830 to \$1,790. *Id.* ¶¶ 69, 84-87.¹⁶

Between March 4 and September 13, 2014, LV sold 714 pairs of the OTR Sneaker in the U.S., generating \$764,000 in revenue. *Id.* ¶¶ 90-91.

3. LVL XIII’s Discovery of the OTR Sneaker, Purported Confusion, and Aftermath

Brown first learned about the OTR Sneaker in March 2014, when celebrity stylist Shaundell Hall called him to ask whether LVL XIII was collaborating with LV. *See* Brown Dep. IV, at 385-86; Dkt. 132 (“Hall Decl.”) ¶ 8. Hall attested that, upon first seeing the OTR Sneaker, he assumed there had been a collaboration between the two brands because of the similarities between the metal toe plates that appeared on each sneaker. Hall Decl. ¶ 8.

LVL XIII has submitted declarations by six individuals, including Hall, who attest to having made such an assumption.¹⁷ Four—Hall, Darius Baptist, Devon Johnson, and Eric Hamilton—are acquaintances of Brown’s.¹⁸ Each attested that, when he contacted Brown to inquire about the OTR Sneaker, Brown clarified that there had been no collaboration between the two brands.¹⁹

The remaining two declarants—Tavius Bolton and Kathleen Roque—are consumers who bought LVL XIII sneakers in early 2014. *See* Bolton Decl. ¶ 2; Roque Decl. ¶ 3. Each attested that, upon later seeing the OTR Sneaker, he or she assumed that LVL XIII had

collaborated with LV. *See* Bolton Decl. ¶ 4; Roque Decl. ¶ 4. Each attested that he had been disappointed by what he perceived as LVL XIII’s “selling out” to LV,²⁰ and had been glad to learn that such was not the case. Bolton Decl. ¶¶ 4-6; Roque Decl. ¶¶ 6-9.

Brown testified that, shortly after his communication with Hall, LVL XIII began receiving “Instagram questions about whether or not [] the [OTR Sneaker] was LVL XIII.” Brown Dep. IV, at 386. LVL XIII has identified two Instagram posts²¹ and three text messages,²² which it claims *634 evince such confusion. *See* Sloane Decl., Exs. 46-47. In total, LVL XIII has identified 12 individuals who it claims were confused whether LVL XIII had collaborated with LV. Pl. 56.1 ¶¶ 267, 271-72. However, Brown testified that he is unaware of any potential consumers who: (1) at the point of purchase, were confused as to whether the OTR Sneaker was affiliated with, or related to, LVL XIII; (2) bought the OTR Sneaker while thinking it was really a LVL XIII sneaker; or (3) saw LVL XIII sneakers on the street and were confused whether they were produced by LV or LVL XIII. Brown Dep. IV, at 436-38.

On June 30, 2014, LVL XIII filed this lawsuit. Dkt. 1. Sometime thereafter, it removed its sneakers from the market. Def. Supp. 56.1 ¶ 339. Brown testified that a reason for that decision was that at least one retailer had refused to carry LVL XIII’s shoes due to concerns about this lawsuit. Brown Dep. IV, at 439-41; Brown Dep. II, at 446-48.

In September 2015, LVL XIII launched its second shoe collection. Pl. 56.1 ¶ 128. The sneakers in that collection featured a new, modified toe plate, with rounded edges and no screws. *Id.* ¶¶ 130-32. The collection also included shoes without a metal toe plate. JSF ¶ 46.

B. Procedural History of This Litigation

On June 30, 2014, LVL XIII filed a complaint. Dkt. 1 (“Compl.”). On September 22, 2014, LV filed an answer and counterclaims. Dkt. 18. On October 9, 2014, LVL XIII filed an answer to LV’s counterclaims. Dkt. 21. On December 26, 2014, with leave of court, LV filed an amended answer and counterclaims. Dkt. 40. On January 16, 2015, LVL XIII filed an answer to the amended counterclaims. Dkt. 42.

On January 15, 2016, the parties filed the Joint Stipulated Facts, in anticipation of their respective forthcoming motions for summary judgment. Dkt. 102.

On January 21, 2016, LV moved to preclude the report and testimony of LVL XIII's expert witness, Charles E. Colman, Dkt. 103, and filed a memorandum of law, Dkt. 104 ("Def. [Daubert](#) Br."), and a declaration by its counsel, Dkt. 105, in support. That day, LV also filed a motion for summary judgment, Dkt. 106, along with a Rule 56.1 statement, Dkt. 110, a memorandum of law, Dkt. 108 ("Def. SJ Br."), and supporting declarations, Dkts. 107, 109, 112, 117.

On February 16, 2016, LVL XIII filed an opposition to LV's motion to preclude LVL XIII's expert. Dkt. 120 ("Pl. [Daubert](#) Opp. Br."). That day, LVL XIII moved to preclude the testimony of LV's expert witness, Michael Mazis. Dkts. 121-23. Also that day, LVL XIII filed a cross-motion for summary judgment, Dkt. 125, along with a memorandum of law, Dkt. 126 (Pl. SJ Br.), and a Rule 56.1 response and counterstatement, Dkt. 136. LVL XIII also filed nine supporting declarations, Dkts. 127-35, including by Erik Pelton, LVL XIII's trademark counsel, Dkt. 129 ("Pelton Decl.").

On March 15, 2016, LV filed an opposition to LVL XIII's motion to preclude LV's expert. Dkts. 145-47.

On March 22, 2016, LV filed reply briefs in support of its motion to preclude LVL XIII's expert, Dkt. 148 ("Def. [Daubert](#) Reply Br."), and its motion for summary judgment, Dkt. 152 ("Def. SJ Reply Br."), *635 along with supporting declarations, Dkts. 149, 153, and a supplemental Rule 56.1 statement, Dkt. 154. That day, LV also filed a motion to strike certain statements in LVL XIII's 56.1 response and counterstatement and the Pelton Declaration. Dkts. 150-51, 155.

On April 4, 2016, LVL XIII filed a reply brief in support of its motion to preclude LV's expert. Dkt. 159.

On April 21, 2016, LVL XIII filed a reply brief in support of its cross-motion for summary judgment, Dkt. 162 ("Pl. SJ Reply Br."), along with a response to LV's supplemental Rule 56.1 statement, Dkt. 163. That day, LVL XIII also filed a brief in opposition to LV's motion to strike. Dkt. 164.

On July 28, 2016, the Court heard argument. See Dkt. 172 ("Tr"). At the hearing, the Court ruled, at length, from the bench on LVL XIII's motion to preclude LV's expert and LV's motion to strike. For the reasons stated on the record at the hearing, the Court denied both motions. See Dkt. 170; Tr. 3-42.

II. Discussion

Before the Court are (1) LV's motion to preclude the report and testimony of LVL XIII's expert witness; (2) the parties' cross-motions for summary judgment on LVL XIII's claims; and (3) LVL XIII's motion for summary judgment on LV's counterclaims. The ensuing analysis proceeds as follows: The Court first addresses, and grants, LV's motion to preclude the report and testimony of LVL XIII's expert witness. The Court next addresses the cross-motions for summary judgment on LVL XIII's claims. Finally, the Court addresses LVL XIII's motion for summary judgment on LV's counterclaims.

III. LV's Motion to Preclude LVL XIII's Expert

LVL XIII retained Charles E. Colman to provide an expert report and testimony on the issues of inherent distinctiveness and secondary meaning with regard to the TP. See Dkt. 105, Ex. 1 ("Colman Rpt"), at 1. LV has moved to preclude Colman's report and testimony in their entirety pursuant to [Daubert v. Merrell Dow Pharmaceuticals](#), 509 U.S. 579, 113 S.Ct. 2786, 125 L.Ed.2d 469 (1993). For the following reasons, that motion is granted.

A. Applicable Legal Standards

[Federal Rule of Evidence 702](#) gives an expert witness testimonial latitude unavailable to others, "so long as the witness is 'qualified as an expert' and (1) 'the testimony is based on sufficient facts or data,' (2) 'the testimony is the product of reliable principles and methods,' and (3) 'the expert has reliably applied the principles and methods to the facts of the case.'" [United States v. Pryor](#), 474 Fed.Appx. 831, 834 (2d Cir.2012) (summary order) (quoting [Fed. R. Evid. 702](#)).

[1] [2] "[T]he proponent of expert testimony has the burden of establishing by a preponderance of the evidence that the admissibility requirements of [Rule 702](#) are satisfied." [United States v. Williams](#), 506 F.3d 151, 160 (2d Cir.2007). As the Supreme Court emphasized in [Daubert](#), it is the Court's duty to act as a "gatekeep[er]," ensuring that an expert's testimony "both rests on a reliable foundation and is relevant to the task at hand." 509 U.S. at 597, 113 S.Ct. 2786. The Court's task "is to make certain

that an expert, whether basing testimony upon professional studies or personal experience, employs in the courtroom the same level of intellectual rigor that characterizes the practice of an expert in the relevant field.” *636 *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 152, 119 S.Ct. 1167, 143 L.Ed.2d 238 (1999).

[3] [4] The Second Circuit instructs district courts to exclude expert testimony if it is “speculative or conjectural or based on assumptions that are ‘so unrealistic and contradictory as to suggest bad faith.’ ” *Zerega Ave. Realty Corp. v. Hornbeck Offshore Transp., LLC*, 571 F.3d 206, 214 (2d Cir.2009) (quoting *Boucher v. U.S. Suzuki Motor Corp.*, 73 F.3d 18, 21 (2d Cir.1996)). Courts should also exclude “testimony that usurp[s] either the role of the trial judge instructing the jury as to the applicable law or the role of the jury in applying that law to the facts before it.” *Nimely v. City of New York*, 414 F.3d 381, 397 (2d Cir.2005) (internal quotation marks and citations omitted). Finally, as with all evidence, under Rule 403, the Court may exclude testimony if its probative value is substantially outweighed by the danger of unfair prejudice, confusion, or delay. *Hart v. Rick’s Cabaret Int’l, Inc.*, 60 F.Supp.3d 447, 465 (S.D.N.Y.2014).

B. Analysis

LV moves to exclude Colman’s report and testimony on the grounds that: (1) Colman is not qualified to offer expert testimony on any topic on which he opines; (2) his focus on the “urban male” population makes his opinions irrelevant and unreliable; and (3) his opinions are based on an unreliable methodology.²³ The Court addresses these challenges in turn.

1. Colman is Not Qualified to Opine on Secondary Meaning

LV first argues that Colman is not qualified to offer expert testimony on any of the topics on which he opines. See Def. *Daubert* Br. 9-12; Def. *Daubert* Reply Br. 2-5.

[5] [6] [7] “Whether a witness is qualified as an expert is a threshold question that precedes the court’s relevance and reliability inquiries.” *Loyd v. United States*, No. 08 Civ. 9016 (KNF), 2011 WL 1327043, at *4 (S.D.N.Y. Mar.

31, 2011) (citing *Nimely*, 414 F.3d at 396 n. 11). Rule 702 states that a witness may be “qualified as an expert by knowledge, skill, experience, training, or education.” The Second Circuit has instructed that these words “be read in light of the liberalizing purpose of” Rule 702. *United States v. Brown*, 776 F.2d 397, 400 (2d Cir.1985), cert. denied, 475 U.S. 1141, 106 S.Ct. 1793, 90 L.Ed.2d 339 (1986). Accordingly, even if a proposed expert lacks formal training in a given area, he may still have “practical experience” or “specialized knowledge” that qualifies him to give opinion testimony. See *McCulloch v. H.B. Fuller Co.*, 61 F.3d 1038, 1043 (2d Cir.1995) (internal quotation marks omitted) (quoting *Fed. R. Evid. 702*). However, “[i]f the witness is relying solely or primarily on experience, then [he] must explain how that experience leads to the conclusion reached, why that experience is a sufficient basis for the opinion, and how that experience is reliably applied to the facts.” *Pension Comm. of Univ. of Montreal Pension Plan v. Banc of Am. Sec., LLC*, 691 F.Supp.2d 448, 473 n. 148 (S.D.N.Y.2010) (quoting *Fed. R. Evid. 702* Advisory Committee Note). Where a witness’s “expertise is too general or too deficient,” the Court “may properly conclude that [he is] insufficiently qualified.” *Stagl v. Delta Air Lines, Inc.*, 117 F.3d 76, 81 (2d Cir.1997).

*637 Here, although Colman’s report addresses a range of topics, LVL XIII has clarified that it contains only one “core conclusion”: that LVL XIII’s TP achieved secondary meaning among the relevant consumer population before LV’s OTR Sneaker came on the market—i.e., that, by March 2014, “in the minds of the public, the primary significance of [this] feature ... [was] to identify the source of the product rather than the product itself.” *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 216 (2d Cir.2012) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n. 11, 102 S.Ct. 2182, 72 L.Ed.2d 606 (1982)) (internal quotation marks omitted); see Pl. *Daubert* Opp. Br. 8-9; see also *id.* at 15–16. The Court must thus resolve whether Colman is qualified to opine on that issue.

a. Background

Colman is a 2009 law school graduate with a B.A. in linguistics. Colman Rpt., Appx. A, at 1. He was recently appointed Assistant Professor at the University of Hawaii William S. Richardson School of Law, where he will teach intellectual property law and other business-related

subjects.²⁴ Between 2013 and 2016, Colman was an Acting Assistant Professor at NYU School of Law, where he taught “Lawyering” to first-year students, and, for one year, led a reading group on “Identity, Consumption, and American Law.” Colman Rpt., Appx. A, at 1. Between 2014 and 2016, he also served as an Adjunct Professor and Faculty Fellow in the “Visual Culture: Costume Studies” M.A. Program at NYU Steinhardt School of Culture, Education, and Human Development, where he taught a course on “Contemporary Dress.” *Id.*; Dkt. 105, Ex. 2 (“Colman Dep.”), at 105-06. In fall 2013, Colman taught a course, “Fashion and Power,” in NYU’s Media, Culture, and Communications Department. Colman Rpt. ¶ 5. In spring 2013, he co-taught, as a visiting lecturer, a course on “International Business Strategies and Fashion Law” at New York City’s Fashion Institute of Technology, Department of Marketing and International Trade. *Id.*; see also <http://charlescolmanlaw.com/about> (accessed Aug. 1, 2016).

Since 2012, Colman has written, in various formats, on fashion and intellectual property law. See Colman Rpt. ¶¶ 13-14; *id.*, Appx. A, at 2. He has contributed chapters on fashion and intellectual property law to practitioner reference guides and an undergraduate textbook. *Id.* ¶ 13. And he has published articles on fashion history, the contemporary fashion landscape, intellectual property law, and related topics in academic and online journals. See *id.* ¶ 13-14. His book, *Patents and Perverts: The Hidden Moral Agenda of American Design Law*, is slated to be published by the Cambridge University Press in 2016-2017. *Id.* ¶ 14.

Since 2011, Colman has practiced intellectual property law through his sole proprietor firm Charles Colman, PLLC. *Id.* ¶ 9. That firm “cater[s] primarily to clients in the fashion, media, and related industries.” *Id.* To date, Colman has prosecuted approximately 10 trademark applications (approximately five of which were related to the fashion industry), and litigated approximately six oppositions or cancellation petitions. Colman Dep. 88-90, 206-07.

b. Analysis

LV argues that Colman is not qualified to opine on whether the TP acquired secondary meaning primarily because: (1) he did not conduct a marketing analysis or a secondary meaning survey; (2) he has no background or experience in fashion marketing; *638 and (3) his

practical experience in trademark law is too limited to supply relevant expertise. Def. *Daubert* Br. 10-12; Def. Reply Br. 2-4.

In response, LVL XIII argues that, “based on his extensive training, learning, experience[,] and recognition,” Colman has expertise in “intellectual property [law]; the history, business and culture of fashion; and the cultural matrix where these intersect.” Pl. *Daubert* Opp. Br. 1. LVL XIII asserts that Colman acquired that expertise “through many years spent in a university setting ... supplemented by thousands of hours of research, writing, and publishing on the fashion industry and U.S. intellectual property law, related cultural practices, and symbolic systems associated therewith[,] and years of professional experience spent representing parties in and writing about legal proceedings concerning the fashion industry.” *Id.* at 8. LVL XIII argues that such expertise “amply qualif[ies] [Colman] to testify on ... whether the LVL XIII toe plate achieved secondary meaning.” *Id.* at 9.

¹⁸On this issue, the Court holds for LV. It is well established that even if “a witness qualifies as an expert with respect to certain matters or areas of knowledge, it by no means follows that he or she is qualified to express expert opinions as to other fields.” *Nimely*, 414 F.3d at 399 n. 13 (citation omitted); see also *United States v. Tin Yat Chin*, 371 F.3d 31, 40 (2d Cir.2004) (“To determine whether a witness qualifies as an expert, courts compare the area in which the witness has superior knowledge, education, experience, or skill with the subject matter of the proffered testimony.”). Here, although Colman’s experience and education may qualify him as an expert in certain areas of fashion history and intellectual property law, LVL XIII has not shown how such expertise qualifies him to testify as to the central, and largely empirical, issue addressed in his report: whether the TP acquired secondary meaning.²⁵

¹⁹ [10]“Because the primary element of secondary meaning is ‘a mental association in buyer[s]’ minds between the alleged mark and a single source of the product,’ the determination whether a mark or dress has acquired secondary meaning is primarily an empirical inquiry.” *Sunbeam Products, Inc. v. W. Bend Co.*, 123 F.3d 246, 253 (5th Cir.1997) (citation omitted) (emphasis in original). Accordingly, courts have long held that consumer surveys are the most persuasive evidence of secondary meaning. See, e.g., *Sports Traveler, Inc. v. Advance Magazine Publishers, Inc.* (“*Sports Traveler II*”), 25 F.Supp.2d 154, 164 (S.D.N.Y.1998) (“[C]onsumer surveys have become the usual way of demonstrating secondary meaning.”); *639 *Ergotron, Inc.*

v. Hergo Ergonomic Support Sys., Inc., No. 94 Civ. 2732(SAS), 1996 WL 143903, at *8 (S.D.N.Y.1996) (“A consumer survey is the most persuasive element in demonstrating secondary meaning, because such a survey provides direct evidence.”) (citing, *inter alia*, *20th Century Wear, Inc. v. Sanmark-Stardust Inc.*, 815 F.2d 8, 10 (2d Cir.1987), and *Mattel, Inc. v. Azrak-Hamway Int’l, Inc.*, 724 F.2d 357, 361 (2d Cir.1983)). To be sure, consumer surveys are not the *only* form of evidence relevant to determining secondary meaning. *Centaur Commc’ns, Ltd. v. A/S/M Commc’ns, Inc.* (“*Centaur II*”), 830 F.2d 1217, 1223 (2d Cir.1987). As reviewed in detail *infra*, the Second Circuit has identified five other potentially relevant factors.²⁶ Nevertheless, the ultimate determination of whether a particular trademark or trade dress has acquired secondary meaning remains an “empirical question of consumer association.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 770–71, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992) (internal quotation marks and citation omitted) (recognizing that it is “often prohibitively difficult” to conduct that inquiry).

The expertise most germane to such a determination thus involves training or experience performing empirical analyses.²⁷ But as to this critical qualification, Colman’s credentials are woefully deficient.

***640** Colman does not appear to have any training or experience measuring secondary meaning—whether through a traditional marketing survey or otherwise. He purports to have done so here by employing “observational and analytical techniques” of the “Visual Culture Studies” (“VCS”) canon. *See* Colman Rpt. ¶¶ 17, 19-20; Colman Dep. 61-63. But, even assuming *arguendo* that VCS supplies a reliable empirical methodology (which, as discussed *infra*, it does not), there is no basis for concluding that Colman has experience thus applying it.²⁸ Colman testified that he has never served as an expert witness or used the VCS methodology to measure secondary meaning in connection with a legal case. Colman Dep. 80-81, 190. In fact, although he represents that he has “spent hundreds of hours familiarizing [himself] with the Visual Cultural canon,” Colman Rpt. ¶ 3, he does not purport to have *ever* applied its techniques to test whether a particular trademark or trade dress had acquired secondary meaning. None of his publications entail or reveal any such endeavor.²⁹

Under these circumstances, the Court is “not persuaded that [Colman] can offer opinion testimony [as to whether the TP achieved secondary meaning] that is anything other than conjecture.” *Loyd*, 2011 WL 1327043, at *5 (“Though [a medical expert] need not be a specialist in the exact area of medicine implicated by the plaintiff’s

injury, he must have relevant experience and qualifications such that whatever opinion he will ultimately express would not be speculative.” (internal quotation marks and citation omitted)). The Court, therefore, holds that Colman is not qualified to offer expert testimony on this issue.³⁰

***641 2. Colman’s Incorrect Assumption as to LVL XIII’s Customer Base Makes his Testimony Unhelpful and Unreliable**

In a separate aspect of its *Daubert* challenge, LV argues that Colman’s assumption that “urban males” are LVL XIII’s primary customer base is incorrect, and makes his resulting opinions irrelevant and unreliable. *See* Def. *Daubert* Br. 13 & n. 3; Def. *Daubert* Reply Br. 5-6. That critique is persuasive.

[11] [12] To be admissible, expert testimony must be of the type that will “help the trier of fact to understand the evidence or to determine a fact in issue.” *Fed. R. Evid. 702*. This means that the testimony must be both reliable *and* relevant in that it “fits” the facts of the case. *Daubert*, 509 U.S. at 591–92, 113 S.Ct. 2786. The “fit” and “reliability” requirements overlap: Testimony is neither helpful nor reliable where “there is simply too great an analytical gap between the data [on which the expert relies] and the opinion proffered.” *Gen. Elec. Co. v. Joiner*, 522 U.S. 136, 146, 118 S.Ct. 512, 139 L.Ed.2d 508 (1997).

Here, LV argues that Colman’s opinions are, at best, unhelpful, and, at worst, unfairly prejudicial, because they rest on a faulty assumption: that LVL XIII’s customer base consisted primarily of “urban male[s] (i.e., African-American and African-American cultured-inclined) luxury footwear buyers between the ages of 17 and 36.” Colman Rpt. ¶ 22 (internal quotation marks omitted); *see* Def. *Daubert* Br. 13 & n. 3; Def. *Daubert* Reply Br. 5-6. The Court agrees.

At the outset of his report, Colman posits that “urban males” are LVL XIII’s primary customer base. Colman Rpt. ¶ 22. He then identifies characteristics of this demographic which he claims shape their perception as consumers. For instance, he states that such persons:

are, by and large, extremely sensitive to the nuances of what many fashion historians and theorists have described as “sneaker culture.” Accordingly, these consumers are attuned, whether consciously or not, to detect source indicators that are often far more subtle than the metal toe plate at issue in this case.

Id. ¶ 24. Based on this “extreme[] sensitivity,” Colman concludes that the TP is “likely to be perceived by—and has been *642 perceived by—a significant majority ... of actual and potential consumers ... as an inherently distinctive indicator of source.” *Id.* ¶ 22; *see also id.* ¶¶ 24, 26, 29.

Colman similarly anchors his other opinions on this assumption about LVL XIII’s target market. These include that: (1) the TP achieved secondary meaning; (2) the TP “most likely served” as a “conventional trademark” rather than “product design”; and (3) the public will be harmed by LV’s alleged infringement of the TP. *See id.* ¶ 39(c) (“LVL XIII achieved [] widespread penetration” of “brand/visual-feature awareness ... among actual or potential urban male high-end luxury footwear consumers aged 17 to 36 before [LV] first used a confusingly similar toe plate in U.S. commerce.”); *id.* ¶¶ 23-24 (opining that, due to their “extreme[] sensitiv[ity] to the nuances of ... ‘sneaker culture,’ ” urban males were not likely to perceive LVL XIII’s metal toe plate as product design); *id.* ¶ 39(d) (“The social media and remaining cultural landscape of 2013 reveal that Antonio Brown’s leadership of LVL XIII resonated for countless members of the consumer group identified above [*i.e.*, urban males], in no small part because Mr. Brown has consistently espoused values (like genuine design innovation, pride in one’s individuality and accomplishments, and spiritual fulfillment) that a substantial portion of this group found compelling. The public would be harmed if [LV’s] confusing imitation of LVL XIII’s metal toe plate were permitted ... to (a) deprive LVL XIII of the financial means to create truly innovative designs ... and (b) disillusion the public, for whom Mr. Brown’s and LVL XIII’s beliefs and mission statement have so strongly resonated, by suggesting to the public that such idealistic ventures will only result in ‘selling out,’ failure, and/or being overpowered or ‘bullied’ by large, wealthy companies like defendants, without being protected by the courts.”).

a mismatch for the facts of this case, because Colman’s definition of the relevant consumer market lacks record foundation. Colman offers no factual basis for positing that “urban males” are a material segment of LVL XIII’s customer base. And LVL XIII has adduced no evidence to support that proposition.³¹ The record evidence is to the contrary: Testifying as LVL XIII’s 30(b)(6) witness, Brown stated that his brand was *not* tailored to “the hip hop urban market,” but was “more of a mainstream brand with mainstream appeal.” Brown Dep. IV, at 378. And, he testified, his Instagram “tailors more to a mainstream audience” than to “an urban or hip hop demographic.” *Id.* at 370. Finally, LVL XIII’s business plan identifies its “typical consumer” as “an affluent male ... who appreciates luxury goods and typically shops for designer labels” *643—it makes no mention of race or ethnicity. MacMull Decl., Ex. 6, at 19; *see also* JSF ¶ 9 (“LVL XIII is a start-up founded by Antonio Brown ... to introduce a line of luxury footwear catering to ‘affluent male consumers between the ages of 17 to 35 with an annual income in excess of \$100,000.’ ”).

Under these circumstances, Colman’s characterization of LVL XIII’s target market as consisting predominantly of urban males is conjecture. To the extent that his opinions are based on that unsupported assumption, they are not relevant.³² Put differently, even if Colman had a reliable basis for concluding that urban males perceived the TP as a source identifier, that opinion would not assist the trier of fact in determining the pertinent issue *in this case*: whether the TP achieved secondary meaning *among the relevant consumer population* (*i.e.*, young affluent men—across all races—with the proclivity to purchase luxury footwear). *Cf. Centaur Commc’ns, Ltd. v. A/S/M Commc’ns, Inc.* (“*Centaur I*”), 652 F.Supp. 1105, 1110–11 (S.D.N.Y.1987) (secondary meaning survey of “dubious value” where its universe was not keyed to the relevant market), *aff’d*, 830 F.2d 1217 (2d Cir.1987); *Bank of Texas v. Commerce Southwest, Inc.*, 741 F.2d 785, 789 (5th Cir.1984) (survey of a “population taken from an area ... comprising only a portion of the City of Dallas” insufficiently probative of whether service mark had acquired secondary meaning in the entire county). To the contrary, it would significantly risk *misleading* the factfinder.

Because the danger of confusion substantially outweighs any trifling probative value of Colman’s proffered opinions, preclusion is required under both [Rules 403](#) and [702](#).

^[13]This testimony fails *Daubert*’s “fit” requirement. It is

3. Colman's Methodology is Not Reliable

Finally, LV argues that Colman's report and testimony must be precluded because his methodology is "neither discernable nor reliable." Def. *Daubert* Br. 14; *see id.* at 14–17; Def. *Daubert* Reply Br. 6–9. That argument, too, is convincing.

a. Applicable Legal Standards

^[14]Under *Daubert*, the Court must ensure that expert testimony "is not only relevant, but reliable," 509 U.S. at 589, 113 S.Ct. 2786, that is, that the proffered testimony is "more than subjective belief or unsupported speculation," *id.* at 590, 113 S.Ct. 2786. The Supreme Court has clarified that this "gate-keeping function applies not just to scientific expert testimony ... but also to testimony based on 'technical' and 'other specialized' knowledge." *644 *Brooks v. Outboard Marine Corp.*, 234 F.3d 89, 91 (2d Cir.2000) (quoting *Kumho Tire*, 526 U.S. at 141, 119 S.Ct. 1167) (internal quotation marks omitted).

^[15] ^[16]In *Daubert*, the Supreme Court set out a list of non-exclusive factors that the Court may consider in determining whether an expert's methodology is reliable. These are: (1) whether the expert's technique or theory can be or has been tested; (2) whether it has been subjected to peer review and publication; (3) whether there is a high error rate for the expert's technique, and whether there are "standards controlling the technique's operation"; and (4) whether the expert's technique or theory is generally accepted by the relevant scientific community. *Daubert*, 509 U.S. at 592–94, 113 S.Ct. 2786; *accord Nimely*, 414 F.3d at 396. How the *Daubert* factors apply in a particular case will depend on "the nature of the issue, the expert's particular expertise, and the subject of his testimony." *Kumho Tire*, 526 U.S. at 150, 119 S.Ct. 1167. The Court "should consider the specific factors identified in *Daubert* where they are reasonable measures of the reliability of expert testimony." *Id.* at 152, 119 S.Ct. 1167.

^[17]"In addition to setting forth these criteria for testing an expert's methodology, the Supreme Court has also stated that reliability within the meaning of Rule 702 requires a sufficiently rigorous analytical connection between that methodology and the expert's conclusions." *Nimely*, 414 F.3d at 396. "[N]othing in either *Daubert* or the Federal Rules of Evidence requires a district court to admit

opinion evidence which is connected to existing data only by the *ipse dixit* of the expert." *Gen. Elec.*, 522 U.S. at 146, 118 S.Ct. 512. Accordingly, "expert testimony should be excluded if it is speculative or conjectural," *Boucher*, 73 F.3d at 21, or where the proffered opinion is "based on data, a methodology, or studies that are simply inadequate to support the conclusions reached," *Amorgianos*, 303 F.3d at 266.

b. Analysis

Colman purports to have used the VCS methodology to reach his opinions about the TP. *See* Colman Rpt. ¶¶ 15–20; Colman Dep. 61–63. According to Colman, scholars in the VCS field "employ the tools and insights of, *inter alia*, semiotics/linguistics, aesthetics, anthropology, social history, and law" to "engag[e] with ... 'visual cultures,' " such as the " 'culture' of contemporary luxury consumer goods." Colman Rpt. ¶ 16. Colman claims to have applied the VCS methodology here by: (1) reviewing Brown's social media history, press coverage of LVL XIII, and the other "visual and textual material generated by both parties"; and (2) using the insights he has derived from the scholarly literature and his professional and personal experience to (3) determine whether the TP achieved secondary meaning before LV's OTR Sneaker came on the market. *See Id.* ¶ 20; Colman Dep. 55, 61–64.

This methodology does not come close to withstanding scrutiny under *Daubert*—it does not satisfy a single one of the *Daubert* factors.

^[18]First, and most significant, Colman's methodology has not been—and, for multiple reasons, cannot be—tested or challenged in any objective sense. In forming his opinions, Colman claims to have relied primarily on data he retrieved from social media platforms, as well as press coverage he retrieved through Google. *See* Colman Dep. 55. Critically, however, he did not preserve, much less produce, the vast majority of the materials on which he purportedly relied. LVL XIII claims that Colman reviewed "over 100,000 unsolicited third-party online posts," Pl. *Daubert* Opp. Br. 7, but Colman—astoundingly—produced *645 copies of only 12 posts. *See* Sloane Decl., Ex. 41; Pl 56.1 ¶ 205.³³

Worse, it is impossible to reconstruct Colman's searches. He did not (1) retain a list of the search terms he used, his hit results, or the sites he reviewed but discarded as

“duplicative” or “not relevant”; or (2) collect his results in a chart or table. Colman Dep. 55-59. Indeed, Colman conceded that without “go[ing] back into [his] computer,” it would be “[im]possible to replicate the pool [of documents he relied upon] in the exact manner that [he] did the first time.” *Id.* at 57; *see also id.* at 192 (“We know this from quantum physics that there are going to be differences that cannot be avoided, and to the extent that you are talking about replicating precise sort[s] of variables, that is not possible in the world that we live in that is not possible because you can’t travel back in time.”).³⁴

This elementary lapse makes it impossible for a court or adversary to test—or a jury to assess—Colman’s methodology, as applied here, for veracity and reliability. *See Amorgianos*, 303 F.3d at 267 (in assessing the reliability of proposed expert’s analysis, “the district court should undertake a rigorous examination of the facts on which the expert relies”). For this reason alone, exclusion of Colman’s conclusions is mandatory under *Daubert*.³⁵

***646** Second, there is no indication that the VCS methodology has ever been applied to assess secondary meaning—much less subjected to peer review in that context.³⁶ Colman’s two peer-reviewed publications do not entail any such analysis. *See* Charles E. Colman, *Design and Deviance: Patent as Symbol, Rhetoric as Metric—Part 1*, 55 *Jurimetrics J.* 419–62 (2015); Charles E. Colman, *Design and Deviance: Patent as Symbol, Rhetoric as Metric—Part 2*, 56 *Jurimetrics J.* 1–45 (2015).

Third, Colman could not, when prompted at his deposition, identify a known or potential error rate for his methodology. *See* Colman Dep. 185 (“That is like asking what is the known rate of error in history.”). He countered that “no one has ever, to [his] knowledge, criticized [his] employment of this methodology in visual culture studies or law with regard to very similar subject matter.” *Id.* 189–90. But given that the Court has not located any prior occasion on which Colman applied this methodology to assess secondary meaning, his statement supplies little reassurance.

Colman has also not identified any standards controlling the application of the VCS methodology. To the contrary, when asked whether VCS offers “one specific methodology so that two people reviewing the information would reach the same conclusion,” Colman answered: “People employ different methodologies in ways that can vary depending upon the project, right? ... [T]he tools that will be best suited to a given situation ... will vary depending on the situation and the sources

examined in that situation.” *Id.* at 179. And, based on his account of his application of the methodology here, Colman did not heed objective standards. He did not, for instance, establish parameters to guide his selection of data (*e.g.*, social media posts). Rather, he simply “reviewed more and more material until [he] felt that [he] had achieved a view ... [as to] consumer perceptions of the metal toe plate.” *Id.* at 64.

Finally, Colman has not shown that his methodology has been recognized by the courts or gained acceptance within the relevant expert community. He could not identify any expert who has been held qualified to testify in a court proceeding (as to secondary meaning or otherwise) based on the VCS methodology. *See id.* at 190, 236. On the contrary, he acknowledged that the VCS methodology is at odds with “traditional measures used to determine secondary meaning” and the “completely haphazard methodology sometimes used by federal courts” to determine whether a trademark is inherently distinctive. Colman Rpt. ¶ 19; Colman Dep. 235-36. He also failed to identify any study or scholarly literature in which VCS was applied to measure secondary meaning.

[19] [20] [21] To be sure, that “testimony is qualitative, rather than quantitative, does not mean that it must be excluded [under *Daubert*].” *Sunny Merch.*, 97 F.Supp.3d at 505. As the Court explained in a prior intellectual property case, “[t]echnical ... or other specialized knowledge,” may be relevant and reliable, and therefore admissible under *Daubert*, even if the field of knowledge, be it marketing or plumbing, does not readily lend itself to a formal or ***647** quantitative methodology.” *Beastie Boys*, 983 F.Supp.2d at 365 (quoting Fed. R. Evid. 702). But the Court may not abdicate its gatekeeping function simply because an expert’s methodology does not fit neatly into *Daubert*’s four-factor test. Use of a qualitative or experience-based methodology does not exempt an expert from *Daubert* scrutiny. *See Kumho Tire*, 526 U.S. at 151–52, 119 S.Ct. 1167; *cf. Hi Ltd.*, 2004 WL 5486964, at ***4** (“[A] vague claim of ‘prior experience’ cannot salvage an opinion ... that is the product of guesswork. Otherwise, proffered expert witnesses could easily circumvent the requirements of *Daubert* by resorting to ambiguous claims of ‘past experience.’”).

Here, as is apparent, the problems with Colman’s methodology go far beyond foregoing a quantitative model: He has failed entirely to show a “sufficiently rigorous analytical connection between [his qualitative] methodology and [his] conclusions.” *Nimely*, 414 F.3d at 396. Colman testified that he arrived at his conclusions by “reviewing the content of the images [of LVL XIII sneakers posted on social media platforms], the comments

that accompany the images, [] the number of likes, [and] the dates.” Colman Dep. 62. But he offered no non-conclusory, or remotely clear, explication as to how any of those factors bore on his analysis. Instead, he stated vaguely that “[w]hat was relevant was whether there were retweets, whether there were likes, whether there were comments, and if so, the nature of the retweets, the people retweeting, [and] what people said when they commented on the images.” *Id.* at 63. Without any explanation *how* the content of a particular comment or retweet might support or negate a finding of secondary meaning, or *how many* “likes” or “retweets” are necessary to show acquired distinctiveness, the Court is left with no meaningful guidance as to how Colman reached his conclusion. See *Fed. R. Evid. 702*, Advisory Committee Note (“The trial court’s gatekeeping function requires more than simply ‘taking the expert’s word for it.’ ... The more subjective and controversial the expert’s inquiry, the more likely the testimony should be excluded as unreliable.” (internal quotation marks and citations omitted)).³⁷

On this point, *Linde v. Arab Bank, PLC*, 922 F.Supp.2d 316 (E.D.N.Y.2013), and *Koppell*, 97 F.Supp.2d 477, supply a revealing contrast. In *Linde*, plaintiff’s expert, Spitzen, described his methodology as “collect[ing] [] information from many sources[,] ... cross-referencing them, [and] examin[ing] [] new information that support[ed] or contradict[ed] previous assumptions that ha[d] been made in the course of [his] research.” 922 F.Supp.2d at 322 (internal quotation marks omitted). Unlike Colman, however, Spitzen did not leave the court to speculate how his review of those sources ultimately led to his conclusion. The opposite: Spitzen “describe[d] eighteen criteria, derived from his professional experience, academic studies, and other documents ... that he used when [formulating his opinions].” *Id.* at 322–23. Admitting Spitzen’s expert testimony, the court noted that Spitzen’s explication of those factors had “ma[de] plain and transparent *648 the considerations he evaluated in reaching his conclusions.” *Id.* at 323.

The shortcomings of the expert excluded in *Koppell* provide a closer analogue. There, defendants’ expert, Chapin, purported to base his opinions on his political experience, historical education, and the “methodology of history.” 97 F.Supp.2d at 481. In his report, he explained that, in reaching his conclusions, he “relied on campaign literature, newspapers, conversations with certain undisclosed individuals, and his ‘own memories.’ ” *Id.* He did not, however, “cite particular facts, pieces of literature, or articles” that shaped his analysis. *Id.* Nor did he (or defendants) produce the particular articles upon which he relied. *Id.* Citing these lapses, the court held that

Chapin’s report “fail[ed] to meet the threshold for reliability required by *Daubert* ” because it “d[id] not rely upon any discernible methodology.” *Id.* Rather, it held, the report was “essentially a compendium of Dr. Chapin’s [personal] opinions.” *Id.* As such, it was “not methodologically sound enough to provide reliable evidence.” *Id.*

The same outcome is necessary here. Like Chapin, the *Koppell* expert, Colman has supplied virtually no insight into the considerations that shaped his qualitative analysis. There is thus no basis on which to hold that his opinions derive from a reliable methodology. The Court is left to assume that they are the product of Colman’s “subjective belief or unsupported speculation.” *Daubert*, 509 U.S. at 590, 113 S.Ct. 2786.³⁸ It would be a “dereliction of this Court’s role as a ‘gatekeeper’ to find such [] opinion[s] admissible.” *Cross Commerce*, 2014 WL 11343849, at *8 (citing *Williams*, 506 F.3d at 160).

* * *

In sum, the Court holds that Colman’s report and testimony are inadmissible for at least three independent reasons: first, Colman is not qualified to offer the proffered testimony; second, his opinions are unhelpful and unreliable because they do not “fit” the facts of this case; and third, he did not use a reliable methodology. The Court, therefore, grants LV’s motion to preclude Colman’s report and testimony in its entirety. Accordingly, it will not consider this evidence in resolving the parties’ cross-motions for summary judgment on LVL XIII’s claims.

IV. The Motions for Summary Judgment

A. Applicable Legal Standards

To prevail on a motion for summary judgment, the movant must “show[] that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” *Fed. R. Civ. P. 56(a)*. The movant bears the burden of demonstrating the absence of a question of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986).

^[22] ^[23] ^[24]When the movant has properly supported its motion with evidentiary materials, the opposing party must establish a genuine issue of fact by “citing to particular parts of materials in the record.” *649 Fed. R. Civ. P. 56(c)(1); see also *Wright v. Goord*, 554 F.3d 255, 266 (2d Cir.2009). “An issue of fact is ‘genuine’ if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *SCR Joint Venture L.P. v. Warshawsky*, 559 F.3d 133, 137 (2d Cir.2009) (internal quotation marks and citation omitted). “[A] party may not rely on mere speculation or conjecture as to the true nature of the facts to overcome a motion for summary judgment.” *Hicks v. Baines*, 593 F.3d 159, 166 (2d Cir.2010) (internal quotation marks and citation omitted). In determining whether there are genuine issues of material fact, the Court is “required to resolve all ambiguities and draw all permissible factual inferences in favor of the party against whom summary judgment is sought.” *Johnson v. Killian*, 680 F.3d 234, 236 (2d Cir.2012) (quoting *Terry v. Ashcroft*, 336 F.3d 128, 137 (2d Cir.2003)).

^[25]“A court faced with cross-motions for summary judgment need not ‘grant judgment as a matter of law for one side or the other,’ but ‘must evaluate each party’s motion on its own merits, taking care in each instance to draw all reasonable inferences against the party whose motion is under consideration.’ ” *Cariou v. Prince*, 784 F.Supp.2d 337, 345 (S.D.N.Y.2011) (quoting *Heublein, Inc. v. United States*, 996 F.2d 1455, 1461 (2d Cir.1993)).

B. The Cross-Motions for Summary Judgment on LVL XIII’s Claims

LVL XIII brings claims for (1) trademark infringement, unfair competition, and false designation of origin, under § 43(a) of the Lanham Act; (2) New York common law unfair competition; and (3) deceptive business practices, under GBL § 349. The parties have filed cross-motions for summary judgment on each claim.

For the reasons that follow, the Court holds that LV is entitled to summary judgment on (1) LVL XIII’s Lanham Act claims, because LVL XIII has not established secondary meaning or a likelihood of confusion; (2) LVL XIII’s common law unfair competition claim, because LVL XIII has not shown bad faith or a likelihood of confusion; and (3) LVL XIII’s deceptive business practices claim, because LVL XIII has not shown material deception or public harm.

1. Lanham Act Claims

a. Section 43(a) of the Lanham Act

^[26]Section 43(a) of the Lanham Act protects registered and unregistered marks against the use of any word, term, name, symbol, or device “likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.” 15 U.S.C. § 1125(a). To prevail on a trademark infringement, false designation of origin, or unfair competition claim under this provision, a plaintiff must show, first, that he or she has a valid mark that is entitled to protection, and, second, that the defendant’s actions are likely to cause confusion as to the origin or sponsorship of the defendant’s goods. See, e.g., *Louboutin*, 696 F.3d at 224; *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 146 (2d Cir.2003); *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 115 (2d Cir.2001).

^[27] ^[28]As to the first requirement, for a mark to be “protectable,” it must be “distinctive.” *Louboutin*, 696 F.3d at 216. A mark is “inherently distinctive” if its “intrinsic nature serves to identify a particular source.” *Two Pesos*, 505 U.S. at 768, 112 S.Ct. 2753; see also *Qualitex Co. v. Jacobson Prod. Co.*, 514 U.S. 159, 162–63, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995) (inherently distinctive marks “almost automatically tell a customer that they refer to a brand”) (emphasis in original). Even if a *650 mark is not inherently distinctive, it may “acquire” distinctiveness by achieving “secondary meaning” among the relevant consumer market. *Two Pesos*, 505 U.S. at 769, 112 S.Ct. 2753. A mark has acquired “secondary meaning” when, “in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself.” *Id.* at 766 n. 4, 112 S.Ct. 2753 (quoting *Inwood Labs.*, 456 U.S. at 851 n. 11, 102 S.Ct. 2182).

^[29] ^[30]Section 43(a) protects “not just word marks, such as ‘Nike,’ and symbol marks, such as Nike’s ‘swoosh’ symbol, but also ‘trade dress’—a category that originally included only the packaging, or ‘dressing,’ of a product, but in recent years has been expanded by many Courts of Appeals to encompass the design of a product.”

Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 209, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000); see also *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 28, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001). However, the Supreme Court and Second Circuit have instructed that courts must exercise “particular ‘caution,’ when extending protection to product designs.” *Yurman Design*, 262 F.3d at 114 (quoting *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 380 (2d Cir.1997)); see also *Wal-Mart*, 529 U.S. at 215, 120 S.Ct. 1339. That is because, unlike word marks and product packaging, whose “predominant function [is often] source identification,” *id.* at 212, 120 S.Ct. 1339, product design “almost invariably” serves another purpose: “to render the product itself more useful or more appealing.” *Yurman Design*, 262 F.3d at 114–15 (quoting *Wal-Mart*, 529 U.S. at 213, 120 S.Ct. 1339).³⁹ Accordingly, trade dress protection for product design “entails a greater risk of impinging on ideas,” *id.* at 116, and “hamper[ing] efforts to market competitive goods,” *Landscape Forms*, 113 F.3d at 380.⁴⁰

[31] [32]A plaintiff asserting rights in product design, therefore, must “surmount additional hurdles.” *Yurman Design*, 262 F.3d at 115. Relevant here, in *Wal-Mart*, the Supreme Court held that product design can never be inherently distinctive, and thus always requires secondary meaning to be protected. 529 U.S. at 216, 120 S.Ct. 1339. Thus, whereas word marks and product packaging can be held distinctive by virtue of *either* inherent distinctiveness or secondary meaning, “[t]he product design plaintiff ... must always make the second, more difficult showing.” *Yurman Design*, 262 F.3d at 115 (citing *Wal-Mart*, 529 U.S. at 213–14, 120 S.Ct. 1339).⁴¹

[33] *651 The parties here hotly dispute the proper classification of the TP, which LVL XIII defines as a rectangular metallic plate affixed to the toe of an entire line of men’s sneakers. See Tr. 70; Pl. SJ Br. 16.⁴² LV argues that this is product design trade dress, which is not protectable absent a showing of secondary meaning. See Def. SJ Br. 15–17; Def. SJ Reply Br. 6–11. LVL XIII counters that the TP is not product design, but a conventional trademark or, alternatively, product packaging, either of which can be held inherently distinctive. See Pl. SJ Br. 10–16. The Court accordingly addresses first whether the TP is properly classified as product design, as opposed to a conventional trademark or product packaging, as this determination resolves whether LVL XIII must demonstrate secondary meaning.⁴³

b. Classification of the TP

In *Wal-Mart*, the Supreme Court did not provide definitive guidance on how to *652 determine whether a particular mark qualifies as product design. See *Adidas–Salomon AG v. Target Corp.*, 228 F.Supp.2d 1192, 1206–07 (D.Or.2002).⁴⁴ It instructed, however, that “[t]o the extent there are close cases, ... courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning.” *Id.* at 215, 120 S.Ct. 1339.

[34]This is not a close case. Even a cursory examination of the TP discloses that it does not qualify as a trademark or product packaging. The trademark designation is virtually always applied to two-dimensional words or symbols—not three-dimensional configurations like a metal toe plate. See *Decorations for Generations, Inc. v. Home Depot USA, Inc.*, 128 Fed.Appx. 133, 136 (Fed.Cir.2005) (“[W]hile a two-dimensional symbol or drawing may be considered a trademark, three-dimensional product designs or packaging may, under the right circumstances, be considered trade dress.”).⁴⁵ And product packaging is generally limited to “the appearance of labels, wrappers, boxes, envelopes, and other containers used in packaging a product as well as displays and other materials used in presenting the product to prospective purchasers.” *Restatement (Third) of Unfair Competition § 16* cmt.a (1995).⁴⁶

Tellingly, LVL XIII has not offered any admissible evidence to support its claim that the TP falls within either of these categories.⁴⁷ And the record evidence is decidedly to the contrary.

First, the “packag[ing]” described in LVL XIII’s business plan consists solely of “distinctive branded shoe boxes” and “black cotton dust bags”—it does not include the TP. See Pl. Supp. 56.1 ¶ 404.

Second, in declining to register the ‘102 Application, the PTO stated that “the rectangular shape of the shoe toe plate ... is a configuration of a feature of the shoe design,” which “can never be inherently distinctive as a matter of law.” JSF ¶ 44 (emphasis added); see also *id.* (requiring LVL XIII to “disclaim” the “rectangular shape of the shoe toe plate ... because it is a configuration of a feature of the shoe design”) (emphasis added). Although *653 the PTO’s determination is not dispositive, the Court is to “accord weight” to it. *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 148 n. 11 (2d Cir.1997) (internal quotation marks and citation omitted) (citing, *inter alia*, *D.M. & Antique Import Corp. v. Royal Saxe Corp.*, 311 F.Supp. 1261, 1274 (S.D.N.Y.1970) (“[T]he expertise of the trademark examiners does entitle their

views to respectful consideration.”)). Such deference is particularly appropriate where, as here, the PTO’s determination is consistent with the registrant’s own characterization of the claimed mark: As noted, the ‘102 Application sought registration for a “shoe toe *design*” Pl. 56.1 ¶ 106 (emphasis added); see *In re Slokevage*, 441 F.3d at 959 (“Slokevage’s reference in her application to the trade dress as a ‘cut-away flap design’ supported a determination that the configuration constitutes product design.”). And LVL XIII used dotted lines to identify unclaimed portions of the mark, Pl. 56.1 ¶ 105, a procedure required only for “trade dress marks.” See U.S. Patent & Trademark Office, Trademark Manual of Examining Procedures (“TMEP”) § 1202.02(c)(i) (Apr. 2016 ed.).⁴⁸

Despite this evidence, LVL XIII argues that the TP is an inherently distinctive trademark because its uniform size and placement on LVL XIII’s line of sneakers renders it “arbitrary” and “fanciful,” and thus apt to be an automatic indicator of source. See Pl. SJ Br. 10-12; Tr. 74.

That argument is not persuasive. In *In re Slokevage*, the Federal Circuit flatly rejected it when faced with a materially identical fact pattern. There, Slokevage had sought PTO protection for a “ ‘configuration’ that consist[ed] of a label with the words ‘FLASH DARE!’ in a V-shaped background, and cut-out-areas located on each side of the label[,] ... [which] consist[ed] of a hole in a garment and a flap attached to the garment with a closure device.” 441 F.3d at 958. The PTO refused to register the mark on the ground that it was “product design/configuration,” which, under *Wal-Mart*, could not be registered without a showing of secondary meaning. *Id.* at 958–59. On appeal, Slokevage argued that her mark should not be so classified because (1) “it d [id] not alter the entire product but [was] more akin to a label being placed on a garment,” and (2) it was “located on the rear hips of garments, which is a location that consumers frequently recognize as identifying the source of the garment.” *Id.* at 960, 962. The Federal Circuit disagreed. It rejected Slokevage’s premise that “product design trade dress must implicate the entire product,” and held that “design features” incorporated into a garment also fall within this category. *Id.* at 962. That holding, it explained, is consistent with the “reasoning behind the Supreme Court’s determination that product design cannot be inherently distinctive”: that the “predominant function” of product design is often not source identification, but rather to render a product “more useful or more appealing.” *Id.* (quoting *Wal-Mart*, 529 U.S. at 212–13, 120 S.Ct. 1339) (internal quotation marks omitted). The court noted that Slokevage’s design “c[ould] serve such utilitarian and *654 aesthetic functions. For example,

consumers may purchase Slokevage’s clothing for the utilitarian purpose of wearing a garment or because they find the appearance of the garment particularly desirable.” *Id.* Therefore, it concluded, it was “appropriate to require proof of acquired distinctiveness.” *Id.*

The same is so here. Despite LVL XIII’s efforts to shoehorn the TP into the trademark category, it does not fit. Rather, like the configuration in *Slokevage*, the TP serves a primarily aesthetic function: making LVL XIII’s sneakers appear more enticing. Accordingly, the TP can be classified only as a product design feature which is not inherently distinctive.⁴⁹ To prevail on its Lanham Act claims, LVL XIII must therefore show that the TP acquired secondary meaning.

c. Secondary Meaning

[35] [36] A mark has secondary meaning when “in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself.” *Louboutin*, 696 F.3d at 216 (quoting *Inwood Labs.*, 456 U.S. at 851 n. 11, 102 S.Ct. 2182). The Second Circuit has identified six non-exclusive factors that bear on this inquiry: “(1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and, (6) length and exclusivity of the mark’s use.” *Id.* at 226 (internal quotation marks and citation omitted). “Although the Second Circuit has stated that district courts should be cautious in weighing these factors at the summary judgment stage, it has nonetheless supported summary judgment in cases where the proponent of the alleged trademark has failed to raise a material issue of fact on the question of secondary meaning.” *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 344 (collecting cases).

[37] “[P]roof of secondary meaning entails vigorous evidentiary requirements.” *Thompson Med. Co. v. Pfizer Inc.*, 753 F.2d 208, 217 (2d Cir.1985) (internal quotation marks and citation omitted). A plaintiff bears the burden of proving that his mark acquired secondary meaning by the time the allegedly infringing product came on the market. *Id.* The relevant inquiry here, then, is whether the TP acquired secondary meaning by March 2014, when the OTR Sneaker became available for purchase in the U.S. The Court examines the relevant factors in turn.

i) Advertising Expenditures

[38] [39] [40] Advertising expenditures are regarded as “indirect evidence of the possible effect that advertising may have on *655 consumers’ association of the trade dress with the source of the product.” *Ergotron*, 1996 WL 143903, at *8 (citing *Centaur II*, 830 F.2d at 1222). Targeted albeit low-cost advertising may establish this factor, but only if the plaintiff can show that it was successful in reaching the targeted audience. See *Lopez v. Gap, Inc.*, 883 F.Supp.2d 400, 425 (S.D.N.Y.2012); *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 345. The Court should consider not only the total amount of the plaintiff’s expenditures, but also whether the plaintiff’s advertising specifically directed consumers to the mark as an indication of source.⁵⁰ Secondary meaning “cannot usually be proven by advertising that merely pictures the claimed trade dress and does nothing to emphasize it or call attention to it.” *J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition* § 8:8.50 (4th ed.).

[41] Here, it is undisputed that LVL XIII did not engage in any traditional paid advertising. See *Brown Dep. I*, at 158-59 (LVL XIII did not engage in TV advertising or purchase any newspaper or magazine advertisements). And it spent only \$82,000 in 2013 for marketing and promotion. See JSF ¶ 35.⁵¹ Courts have held far greater expenditures insufficient to support secondary meaning.⁵²

Even if the Court were to relax the standard given the small scale of LVL XIII’s business, the result would not differ. That is because LVL XIII has not shown that its marketing activities “succeeded in reaching a relevant segment of the population.” *Lopez*, 883 F.Supp.2d at 426. To the contrary, nearly half of LVL XIII’s advertising expenditures were spent in connection with its launch party and the two trade shows it attended in summer 2013—none of which were open to the general public. See Pl. 56.1 ¶¶ 163, 224-26; Def. Supp. 56.1 ¶ 302. Such promotion cannot be assumed to have fostered consumer association of the TP with LVL XIII.⁵³

Even more damaging, LVL XIII has not established that any of its promotional materials called attention to the TP as an indication of source. See *Kaufman & Fisher Wish Co., Ltd. v. F.A.O. Schwarz*, 184 F.Supp.2d 311, 318 (S.D.N.Y.2001) (“handful of media articles” did not support secondary meaning because they “d[id] not explicitly link the product’s design to its source”), *aff’d*,

*656 51 Fed.Appx. 335 (2d Cir.2002) (summary order). To the contrary, LVL XIII failed to identify a single article that discussed the TP or distinguished it from other elements of the sneaker design, such as the “LVL XIII” inscription. Pl. 56.1 ¶ 165. Advertising may not support secondary meaning where, as here, “the promotional material does not use the design alone but instead with other marks.” TMEP § 1202.02(b)(i) (collecting cases); see, e.g., *In re Soccer Sport Supply Co., Inc.*, 507 F.2d 1400, 1403 (C.C.P.A.1975) (advertisements displaying design at issue along with word marks lacked “nexus between appellant’s design per se and a single source”); *In re Mogen David Wine Corp.*, 372 F.2d 539, 542 (C.C.P.A.1967) (assuming, where advertisements displayed decanter at issue bearing “MOGEN DAVID” word mark, that consumers’ “association of the decanter with appellant was predicated upon the impression imparted by the [word mark] rather than by any distinctive characteristic of the container per se”).

LVL XIII argues that its “savvy exploitation of low- and no-cost promotion via social media” and celebrity endorsements eliminated the need for traditional paid advertising. Pl. SJ Br. 20-21; see also *Brown Dep. II*, at 175-76 (testifying that he “didn’t feel like it was necessary to invest [LVL XIII’s] dollars into print ads and things of that nature, especially with the dying business of print publications this day and age”).⁵⁴ But it has offered no concrete proof of the existence, let alone success, of such an action plan. Although *Brown* testified that, by April 2013, he had personally acquired 50,000 Instagram followers, Def. Supp. 56.1 ¶ 300, the record is silent as to the number of users following LVL XIII. And even if LVL XIII had adduced evidence of a substantial online following, that would not support secondary meaning, because LVL XIII has not identified a single post highlighting the TP as an indicator of source. See Pl. 56.1 ¶ 168; *Giggle, Inc. v. netFocal, Inc.*, 856 F.Supp.2d 625, 632 (S.D.N.Y.2012) (evidence that plaintiff’s website received more than one million unique hits not probative of secondary meaning because “volume does not automatically establish secondary meaning” and “[a] consumer may ... visit [plaintiff’s] website ... but never again associate [its] mark with [p]laintiff”).⁵⁵ Nor has it presented evidence of *657 any celebrity who called attention to the TP or associated it with LVL XIII. See *Brown Dep. IV*, at 286-88 (admitting he was unaware of “any verbal media placements that mentioned the toe plate”).⁵⁶

Accordingly, on the summary judgment record, there is no basis to conclude that LVL XIII’s social media presence compensated for its minimal paid advertising expenditures. This factor therefore favors LV.

ii) Consumer Studies Linking the TP to a Single Source

^[42]As discussed above in connection with LV's *Daubert* motion, consumer surveys have been consistently cited as the most persuasive evidence of secondary meaning. See, e.g., *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 370; *Ergotron*, 1996 WL 143903, at *8. And, "in a borderline case where it is not at all obvious that [a] designation has been used as a mark, survey evidence may be necessary to prove trademark perception." *McCarthy on Trademarks* § 3.3; see also *Denimafia*, 2014 WL 814532, at *12 (failure to submit consumer study weighed against finding of secondary meaning); *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 370 (same); *Chum Ltd. v. Lisowski*, 198 F.Supp.2d 530, 534–35 (S.D.N.Y.2002) (same).

^[43]Here, LVL XIII did not conduct a secondary meaning survey, ostensibly due to the "large expense involved." Pl. SJ Br. 25 (quoting *McCarthy on Trademarks* § 32:195); Pl. 56.1 ¶ 203. But that excuse is not convincing. LVL XIII *did* commission an expert to opine on secondary meaning—just not one who performed a survey or used an otherwise reliable methodology. See discussion *supra*, at 635–48; see also *Cross Commerce*, 2014 WL 11343849, at *8 (defendant's decision not to commission a survey due to expense "makes little sense in light of the significant resources the parties have spent litigating this case"). In any event, resource constraints do not relieve a plaintiff of the burden of coming forth with evidence on this factor.⁵⁷

LV, for its part, retained a well-recognized survey expert, Michael B. Mazis, to conduct a survey to assess whether and to what extent the TP acquired secondary meaning. See Pl. 56.1 ¶¶ 180–82; Dkt. 123, Ex. 5 ("Mazis Rpt."). The Mazis survey sampled 587 men, ages 18–34, who had purchased in the past 12 months, or expected to purchase in the next 12 months, a pair of men's shoes costing \$500 or more. See Mazis Rpt. ¶¶ 11–12.⁵⁸ It showed that, at most, 3% of respondents associated the TP, shorn of the "LVL XIII" literal element, with a single source. See *id.* ¶¶ 33, *658 39.⁵⁹ None identified LVL XIII as that source. *Id.* ¶ 36.⁶⁰ Those data unmistakably reveal a lack of secondary meaning.

In its motion to preclude Mazis's report and testimony, LVL XIII identified a number of methodological flaws in the survey, which it claims reduce its probative value. See

Pl. SJ Br. 25; Dkt. 122. As the Court noted in denying that motion, some of those objections, although not justifying preclusion, have merit.⁶¹ But given LVL XIII's failure to muster *any* contrary survey evidence, even if the factfinder were to afford the Mazis survey only limited weight, this factor would still favor LV. See *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir.1986) ("survey evidence, even with its methodological defects[,] ... [wa]s still somewhat probative" and could be considered on motion for summary judgment); *Akiro LLC v. House of Cheatham, Inc.*, 946 F.Supp.2d 324, 339 (S.D.N.Y.2013) ("Akiro's objections to the Isaacson Report at most diminish the weight of the survey evidence, and a reasonable juror would be well within his or her rights to dismiss those concerns ... as unpersuasive.").

iii) Unsolicited Media Coverage

^[44]As with paid advertising, LVL XIII has supplied only minimal evidence of unsolicited media coverage. Of the 25 pre-March 2014 media placements it has identified, all but four were the result of pitches by its publicist. See Pl. 56.1 ¶ 218. As such, they were not unsolicited. See *Gameologist*, 838 F.Supp.2d at 159 (articles solicited by plaintiff as part of its promotional strategy would not support finding of unsolicited media coverage); *Distillers Prods. Co., LLC v. Refreshment Brands, Inc.*, 198 F.Supp.2d 474, 481 (S.D.N.Y.2002) (evidence of media coverage did not favor plaintiff where such coverage was, in part, in response to efforts of public relations firm hired by plaintiff).

As to the remaining four—(1) an interview of Brown posted on *vervesocialmag.com*; (2) Jason Derulo's July 19, 2013 performance on *Good Morning America*, during which he wore a pair of LVL XIII sneakers; (3) Obvious Mag's review of LVL XIII's participation at the Project Sole tradeshow; and (4) a feature on the "Chris B. Fashion" Tumblr page—none refer or call attention to the TP, as an indicator of source or otherwise. See Pl. 56.1 ¶¶ 220–21; MacMull Decl., Ex. 21; *id.*, Ex. 10, at 7; Tr. 78.⁶² Accordingly, they, *659 too, do not prove secondary meaning.⁶³

LVL XIII argues that its sneakers "received additional unsolicited press coverage in the form of reviews, testimonials, and social media placements." Pl. SJ Br. 22. But that argument is, for many reasons, unavailing.

First, LVL XIII has produced evidence of only 12 social media posts, and none appear to be from the relevant time period, *i.e.*, before LV's OTR Sneaker came on the market. See Sloane Decl., Ex. 41; *cf. Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 374 (unsolicited media coverage that predated mark at issue and focused on plaintiff's other product not probative of secondary meaning); *Sports Traveler II*, 25 F.Supp.2d at 164 ("[A]ny media reference after June 26, 1996 is irrelevant because that is the date upon which Sports Traveler's trade dress must have attained secondary meaning.").⁶⁴ Second, it is not clear that "likes" and comments on LVL XIII's and Brown's social media pages, which invite people to "follow them," qualify as "unsolicited" coverage. Finally, the "accolades" on which LVL XIII relies all consist of general praise for LVL XIII's sneakers—none refer to the toe plates affixed to them. See, *e.g.*, Pl. SJ Br. 22-23 ("Dope", "Amazing!", "NICE REAL NICE...", "Classic", "Must have", "I'm in love with this footwear!!!") (quoting Sloane Decl., Ex. 41, at 4-6, 10-12). While these comments "may establish that [LVL XIII] had satisfied customers, [they] do[] not establish that [its] marks had taken root." *Lopez*, 883 F.Supp.2d at 427.

The record evidence, therefore, falls "far short of the type of media coverage necessary *660 [to support] secondary meaning." *Gameologist*, 838 F.Supp.2d at 159.⁶⁵ This factor favors LV.

iv) Sales Success

^[45]LVL XIII's evidence also falls short with respect to sales success. Of the 1,000 pairs of sneakers LVL XIII manufactured for its first collection, only half sold, generating \$141,241 in revenue. JSF ¶¶ 31-32, 34. The remainder were returned to LVL XIII to be donated. *Id.* ¶ 33. This sales level does not constitute "success" for purposes of establishing secondary meaning.⁶⁶

LVL XIII argues that it should not be penalized for its modest sales figures, because one reason it stopped selling its sneakers was that "some retailers refused to carry [them] ... because of the consumer confusion that is the subject matter of this lawsuit." Pl. SJ Br. 23. But even if that were true, it would not change matters, because LVL XIII must show that the TP acquired secondary meaning *before* LV's OTR Sneaker came on the market. Only sales achieved before March 2014 bear on this analysis. This factor, therefore, also favors LV.

v) Attempts to Plagiarize the Mark

^[46]"Evidence that a mark has been widely copied is persuasive evidence of secondary meaning because it demonstrates that the mark has become a 'strong source identifier in the eyes of the purchasing public.'" *Lopez*, 883 F.Supp.2d at 428 (quoting *T. Anthony, Ltd. v. Malletier*, No. 93 Civ. 6900 (KC), 1993 WL 659682, at *3 (S.D.N.Y. Nov. 24, 1993)); *accord Centaur I*, 652 F.Supp. at 1109. The key question is "whether the copying was done deliberately, so as to benefit from [the plaintiff's] name and good will." *661 *Cartier, Inc. v. Four Star Jewelry Creations, Inc. ("Cartier I")*, 348 F.Supp.2d 217, 243 (S.D.N.Y.2004) (internal quotation marks and citations omitted).

^[47]Here, LVL XIII concedes that, aside from LV's alleged infringement, it is not aware of any third-party attempts to plagiarize the TP. Pl. 56.1 ¶ 120. And it has submitted no direct evidence that LV copied its design. Rather, it argues that the "timeline of events leading up to the 2014 Runway Show" is "circumstantial evidence" of LV's plagiarism. Pl. SJ Br. 19, 23-24. It postulates:

The pressure ... brought on by Louis Vuitton's [] recognition that its initial "Converse copy" was a non-starter, coupled with the company's depressed sales as Asia's once red-hot markets cooled, was the backdrop that drove the calculated, cutthroat risk assessment behind [LV's] calculated infringement. Risking legal trouble with Converse was out. But Antonio Brown, whoever he was, was not a problem who could not be managed by Louis Vuitton. Voila!

Id. at 7–8.

^[48]But LVL XIII has not produced a shred of evidence to support this narrative. See *Conte v. Newsday, Inc.*, No. 06

Civ. 4859 (JFB), 2013 WL 978711, at *20 (E.D.N.Y. Mar. 13, 2013) (“[S]peculative assertions’ of copying do not create secondary meaning.” (quoting *Sports Traveler II*, 25 F.Supp.2d at 165)).⁶⁷ And it is refuted by the record evidence: Fabrizio Viti, the principal designer of the OTR Sneaker, testified without contradiction that, before this lawsuit, he had never heard of LVL XIII or its sneakers. Viti Decl. ¶ 13; Viti Dep. I, at 11-12.⁶⁸ “Clearly, [he] could not have copied [LVL XIII’s] trade dress.” *Sports Traveler II*, 25 F.Supp.2d at 166 (“[T]here is nothing in the record to infer that the two people who created the cover for Sports for Women, Lucy Sisman and Johan Svensson, copied Sports Traveler Magazine’s trade dress.... Sisman had not seen any issue of Sports Traveler Magazine *662 during the course of her design work for Sports for Women Clearly, [she] could not have copied Sports Traveler Magazine’s trade dress.”).⁶⁹

In any event, even if the Court were to credit LVL XIII’s conspiracy theory, it would not support secondary meaning. LVL XIII does not claim that the alleged copying was done “so as to benefit from [LVL XIII’s] name and good will.” *Cartier I*, 348 F.Supp.2d at 243. To the contrary, it implies that it was LVL XIII’s *anonymity* that made it a less “risky” target to copy. That theory is at odds with the notion that the TP had acquired distinctiveness in the marketplace.⁷⁰

LVL XIII next argues that this factor favors it because LV has not offered a “credible explanation” for the similarity between the parties’ toe plates, or “how [the TP] suddenly appeared only months after LVL XIII’s.” Pl. SJ Br. 24 (quoting *Centaur II*, 830 F.2d at 1224). LVL XIII bases this argument on *Centaur II*, 830 F.2d 1217, where the plaintiff claimed that the defendant’s use of the title “ADWEEK’s Marketing Week” infringed plaintiff’s “Marketing Week” mark. In that case, there was evidence that the defendant had been aware of the plaintiff’s publication, that the parties had previously discussed a joint venture, and that the defendant’s principal had copies of the plaintiff’s publication in his office. *Id.* at 1224. Given those facts, the *Centaur II* court held, the “obvious similarity of the titles and the fact that [the defendant] failed to provide a credible explanation for [its] change [of title]” supported an inference of intentional copying. *Id.*

This case bears no resemblance to *Centaur II*. First, there is no evidence of a preexisting relationship between LVL XIII and LV or that LV was aware of LVL XIII before this lawsuit.⁷¹ Second, LV has plausibly explained its independent conception of the OTR Sneaker’s toe plate: Viti testified that his initial design was inspired by a photo of James Dean wearing the Jack Purcell sneaker and his

knowledge of “metal detailing”; that design was later modified, first to reduce its similarity to the Jack Purcell “smile,” and then to make it look less “like a car.” See Pl. 56.1 ¶¶ 41, 43, 55, 58-61; Viti. Dep. 26-28.⁷² *663 Third, as discussed below, far from being “obvious[ly] similar[],” *Centaur II*, 830 F.2d at 1224, the parties’ trade dress have only one point of commonality—that they are metal toe plates, a design feature not at all uncommon in the designer shoe market.

On this record, there is zero basis to infer intentional copying. See, e.g., *Kaufman & Fisher Wish Co.*, 184 F.Supp.2d at 320 (declining to infer bad faith absent evidence defendants knew of plaintiff’s doll, as there was “insufficient similarity between the appearances of the two dolls to give rise to any inference of copying of the actual design”). This factor, too, favors LV.

vi) Length and Exclusivity of Use

^[49]With respect to the length of use, viewed generously, LVL XIII began “using” the TP in July 2013, when it first took orders from retailers at the Project Sole trade show. See Def. Supp. 56.1 ¶ 295.⁷³ Thus, the TP was in use for at most eight months before LV’s OTR Sneaker came on the market in March 2014. That duration is far too brief to support secondary meaning.⁷⁴

Critically, too, LVL XIII has not shown that its use of a metal toe plate was at *any* point exclusive. See *Time, Inc. v. Petersen Publ’g Co.*, 173 F.3d 113, 118 (2d Cir.1999) (directing courts to look at “[t]he use of part or all of the mark by third parties” since third-party use “weakens its overall strength”). Quite the contrary, the record is replete with examples of toe plates and other metal shoe ornaments used by LV and other luxury brands as early as 2010.⁷⁵ *664 This pervasive third-party use undermines *665 LVL XIII’s claim that *its* relatively fleeting use gave rise to secondary meaning.⁷⁶ This factor, therefore, weighs in LV’s favor.

* * *

In sum, not one relevant factor supports a finding of secondary meaning. Rather, each decisively favors LV. Given LVL XIII’s minimal advertising expenditures and

sales success, the dearth of unsolicited media coverage calling attention to the TP, the absence of attempted plagiarism, and the ubiquity of metal shoe accents in the marketplace, no reasonable juror could find that, by March 2014, consumers had come to perceive the TP as an indicator of source. LV's survey evidence to that effect—and LVL XIII's failure to produce survey evidence to the contrary—only bolsters that conclusion.

Because LVL XIII has not shown that the TP acquired secondary meaning, it cannot succeed on its Lanham Act claims. LV is thus entitled to summary judgment on those claims.⁷⁷

d. Likelihood of Confusion⁷⁸

Even if LVL XIII had established that the TP acquired secondary meaning, its Lanham Act claims would still fail because it has not shown a likelihood of confusion. See *Two Pesos*, 505 U.S. at 769, 112 S.Ct. 2753 (“[L]iability under § 43(a) [also] requires proof of the likelihood of confusion.”); *Giggle*, 856 F.Supp.2d at 630 (“Even if a mark is valid and protectable, a plaintiff must still prove a likelihood of confusion to succeed on its claims.”); *Lopez*, 883 F.Supp.2d at 419.

^[50] ^[51]To establish this element, a plaintiff must show that “numerous ordinary prudent purchasers are likely to be misled or confused as to the source of the product in question because of the entrance in the marketplace of the defendant’s mark,” *Gruner + Jahr Printing & Publ’g Co. v. Meredith Corp.*, 991 F.2d 1072, 1077 (2d Cir.1993), “or that there may be confusion as to [the] plaintiff’s sponsorship or endorsement of the [defendant’s] mark,” *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 502 (2d Cir.1996); see also *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 384 (2d Cir.2005) (“The public’s belief that the mark’s owner sponsored or otherwise approved the use of the trademark satisfies the confusion requirement.”) (quoting *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204–05 (2d Cir.1979)). “Affiliation confusion exists where use of a ‘unique and recognizable identifier’ could lead consumers to ‘infer a relationship’ between the trademark owner and the new product.” *De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc.*, 440 F.Supp.2d 249, 274 (S.D.N.Y.2006) (quoting *Star Indus.*, 412 F.3d at 384).

^[52] ^[53] ^[54] *666 “[T]he relevant confusion is that which affects the purchasing and selling of the goods or services

in question.” *W.W.W. Pharm.*, 984 F.2d at 574 (internal quotation marks and citations omitted). However, a plaintiff need not show “actual or potential confusion at the time of purchase.” *Lois Sportswear*, 799 F.2d at 872 (quoting *Grottrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1342 (2d Cir.1975)) (emphasis in *Grottrian*). Rather, “initial-interest confusion” and “post-sale confusion” are equally actionable. *Id.* at 872–73.⁷⁹ Regardless, the plaintiff must demonstrate “a probability of confusion, not a mere possibility.” *Star Indus.*, 412 F.3d at 383 (quoting *Gruner + Jahr*, 991 F.2d at 1077) (internal quotation marks omitted).

^[55] ^[56]Here, LVL XIII’s claims are based primarily on a theory of reverse confusion. See Tr. 84.⁸⁰ Whereas “forward confusion” involves the misimpression that the senior user is the source or sponsor of the junior user’s products, “reverse confusion” exists where a junior user “selects a trademark that is likely to cause consumers to believe, erroneously, that the goods marketed by the [senior] user are produced by the [junior] user.” *Lang v. Ret. Living Pub. Co.*, 949 F.2d 576, 583 (2d Cir.1991); accord *Banff, Ltd. v. Federated Dep’t Stores, Inc.*, 841 F.2d 486, 490 (2d Cir.1988). “The reverse confusion theory protects the mark of a prior user from being overwhelmed by a subsequent user, typically where the subsequent user is larger and better known and consumers might conclude that the senior user is the infringer.” *Mejia & Assocs. Inc. v. IBM*, 920 F.Supp. 540, 546 (S.D.N.Y.1996). LVL XIII claims that, due to the similarities between the TP and the toe plate on the OTR Sneaker, consumers were likely misled to believe either that LVL XIII had collaborated with LV on the OTR Sneaker, or that it had infringed LV’s design. See Tr. 84. LVL XIII implies that such confusion was particularly likely in the initial-interest and post-sale settings, i.e., when consumers saw the OTR Sneaker from a distance, in a photograph, or on the feet of a passerby. See Pl. SJ Br. 28.

^[57]In assessing the likelihood of confusion, courts in this Circuit consider the “*Polaroid* factors” articulated by Judge Friendly in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir.1961). *Star Indus.*, 412 F.3d at 384; see also *W.W.W. Pharm.*, 984 F.2d at 572 (applying *Polaroid* test to reverse confusion claim). Those are: (1) the strength of the plaintiff’s mark; (2) the degree of similarity between the plaintiff’s and defendant’s marks; (3) the competitive proximity of the products sold under the marks; (4) the likelihood that the plaintiff will bridge the gap; (5) actual confusion; (6) the defendant’s good faith, or lack thereof, in adopting *667 its mark; (7) the quality of the defendant’s product; and (8) the

sophistication of the plaintiff's customers. *Time, Inc.*, 173 F.3d at 117; see also *Polaroid*, 287 F.2d at 495.

[58] [59] [60] In applying the *Polaroid* test, "[t]he proper approach is to weigh each factor in the context of the others to determine if, on balance, a likelihood of confusion exists." *W.W.W. Pharm.*, 984 F.2d at 572. The court "generally should not treat any single factor as dispositive; nor should [it] treat the inquiry as a mechanical process by which the party with the greatest number of factors wins." *Playtex Prods., Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 162 (2d Cir.2004).⁸¹ "Instead, the court should focus on the ultimate question of whether consumers are likely to be confused." *Id.* (internal quotation marks and citation omitted).

[61] The Second Circuit has held that "summary judgment in a trademark action may be appropriate ... where the undisputed evidence would lead only to one conclusion as to whether confusion is likely." *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 478 (2d Cir.1996); see, e.g., *Universal City Studios, Inc. v. Nintendo Co., Ltd.*, 746 F.2d 112, 115 (2d Cir.1984) (affirming grant of summary judgment for defendant where plaintiff "failed to raise a question of fact on the issue of the likelihood of consumer confusion"). "If a factual inference must be drawn to arrive at a particular finding on a *Polaroid* factor, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue on summary judgment." *Patsy's Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 215 (2d Cir.2003) (internal quotation marks and citation omitted). However, "[t]he fact that on summary judgment the evidence must be construed in a light favorable to the non-moving party does not modify the standard itself, which requires a showing of a probability, or likelihood, of confusion." *Nora Beverages, Inc. v. Perrier Grp. of Am., Inc.*, 269 F.3d 114, 121 (2d Cir.2001). The Second Circuit has emphasized that "courts retain an important authority to monitor the outer limits of substantial similarity within which a jury is permitted to make the factual determination whether there is a likelihood of confusion as to source." *Universal City Studios*, 746 F.2d at 116 (internal quotation marks and citations omitted) (collecting cases). Accordingly, "summary judgment is appropriate if the court is satisfied that the products or marks are so dissimilar that no question of fact is presented." *Id.*

With these principles in mind, the Court considers each *Polaroid* factor.

i) Strength of LVL XIII's Mark

[62] The first *Polaroid* factor "focuses on 'the distinctiveness of the mark, or more precisely, its tendency to identify the goods' as coming from a particular source." *Lang*, 949 F.2d at 581 (quoting *McGregor-Doniger Inc.*, 599 F.2d at 1131). Assessing this factor, courts consider both the inherent distinctiveness of a mark and the distinctiveness it has acquired in the marketplace, i.e., secondary meaning. *668 *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 743 (2d Cir.1998). The "inventiveness" of the mark and the extent of third-party use are particularly relevant to this inquiry. See *Star Indus.*, 412 F.3d at 385.⁸²

[63] A mark's "strength" is "crucial to the likelihood of confusion analysis" because a plaintiff's well-known association with the claimed mark "makes it much more likely that consumers will assume wrongly that [the plaintiff] is somehow associated with [the defendant's product] or has authorized the use of its mark." *Lois Sportswear*, 799 F.2d at 873; see also *H. Lubovsky, Inc. v. Esprit De Corp.*, 627 F.Supp. 483, 486–87 (S.D.N.Y.1986) ("The strength of a mark is directly related to likelihood of confusion, for the stronger the mark, the more likely that the consumer will associate it with the familiar purveyor."). By contrast, where the plaintiff's mark is not associated with any particular source, defendant's use of a similar mark is unlikely to generate confusion. See *Thompson Med. Co.*, 753 F.2d at 215–16 ("If a mark has secondary meaning, a purchaser will associate it with a certain producer, and will be likely to make that same association when an identical mark (or a confusingly similar mark), is used on another producer's product. In the absence of secondary meaning, however, there will be no such association in the minds of the purchasing public.").

[64] Here, the TP, being product design, cannot be inherently distinctive. *Wal-Mart*, 529 U.S. at 216, 120 S.Ct. 1339. And, for the reasons set forth above, a reasonable jury could not find that it acquired secondary meaning. There is also substantial evidence of third-party use of metal shoe ornaments and toe plates predating LVL XIII's first sneaker collection. This factor, therefore, strongly militates against a finding of a likelihood of confusion.⁸³

ii) Similarity of the Marks

^[65]“In assessing similarity, courts look to the overall impression created by the [marks] and the context in which they are found and consider the totality of factors that could cause confusion among prospective purchasers.” *Gruner + Jahr*, 991 F.2d at 1078. This inquiry goes beyond a mere side-by-side comparison; that two marks appear similar is not dispositive. *669 See *Hormel Foods*, 73 F.3d at 503–04. The Second Circuit has instructed courts to compare the marks “in their entirety, because ‘juxtaposing fragments of each mark [or dress] does not demonstrate whether the marks as a whole are confusingly similar.’ ” *Paco Sport*, 86 F.Supp.2d at 315 (quoting *Universal City Studios*, 746 F.2d at 117).

^[66]Here, both parties’ trade dress consists of a metal toe plate affixed to the outsole of a men’s sneaker. But that alone does not make them “confusingly similar.” *Polaroid* requires the Court to consider the similarity of the marks *in context*. See *Gruner + Jahr*, 991 F.2d at 1078. Here, that includes a high-end shoe market permeated by metal shoe ornaments. Given the pervasiveness of such design features, the mere fact that two brands use metal toe plates does not imply an association. Rather, the toe plates would have to be sufficiently similar for consumers to assume that they originated from the same source or sponsor.

That is clearly not the case here. There are virtually no points of commonality between the parties’ toe plates.⁸⁴ And their differences are manifest: LVL XIII’s is rectangular, with sharp 90-degree edges; LV’s is a trapezoid, with soft rounded edges.⁸⁵ LVL XIII’s is adorned with a “LVL XIII” inscription and two screws;⁸⁶ LV’s is bare, with no literal element or adornment. LVL XIII’s is of a golden or copper hue; LV’s is best characterized as grey or silver.⁸⁷

Despite these differences, LVL XII argues that “the marks are virtually identical” because their distinguishing features are unlikely to be perceived “at a distance or from a height [] of five feet or more.” Pl. SJ Br. 28. Having observed the sneakers, the Court rejects that assessment. See *Malletier v. Dooney & Bourke, Inc.*, 561 F.Supp.2d 368, 384–85 (S.D.N.Y.2008) (marks were sufficiently different to distinguish *670 the parties’ products—“even when viewed in public from a distance, in a store window, from across a room, from a passing car, [] while walking in the street, in an advertisement, or hanging off of a woman’s shoulder”—where plaintiff’s mark consisted of “a combination of letters *and* shapes,” whereas defendant’s was “solely comprised of the ‘DB’ monogram, without any other shapes whatsoever”). And that critique, even if true as to the screws and “LVL XIII” engraving, would not apply to the marked differences in

shape and color among the competing toe plates. *Those* differences are palpable even from eye-level or at a distance. They are sufficiently acute to preclude a likelihood of confusion.

In sum, because the parties’ toe plates do not generate the same “overall impression,” they are unlikely to confuse consumers. *Gruner + Jahr*, 991 F.2d at 1078. This factor, therefore, also strongly favors LV.

iii) Competitive Proximity of the Products

^[67] ^[68]The “competitive proximity” factor concerns whether and to what extent products bearing the two parties’ marks compete with each other. *Cadbury Beverages*, 73 F.3d at 480. Courts assessing this factor consider “whether the products serve the same purpose and whether they share similar geographic distribution, market position and audience appeal.” *La Cibeles, Inc. v. Adipar, Ltd.*, No. 99 Civ. 4129 (AGS), 2000 WL 1253240, at *7 (S.D.N.Y. Sept. 1, 2000) (internal quotation marks and citation omitted); see also *Jordache Enterprises, Inc. v. Levi Strauss & Co.*, 841 F.Supp. 506, 517 (S.D.N.Y.1993) (“Factors to consider in determining the competitive proximity of the products include appearance, style, function, fashion appeal, advertising orientation and price.”) (citing *McGregor–Doniger*, 599 F.2d at 1134). If the products “serve the same purpose, fall within the same general class or are used together, the use of similar designations is more likely to cause confusion.” *Lang*, 949 F.2d at 582.

^[69]Here, LV rightly concedes that the “content” and “audience appeal” considerations favor LVL XIII. Def. SJ Br. 32. The parties’ respective toe plates are featured on virtually identical products: luxury men’s sneakers with a price exceeding \$490. See *Jack Schwartz Shoes*, 2002 U.S. Dist. LEXIS 25699, at *78 (“There is no dispute that the products in issue are both men’s shoes, and are therefore closely related.”). And it is undisputed that LVL XIII targeted LV’s customers.⁸⁸ See *Akiro*, 946 F.Supp.2d at 336 (proximity factor weighed in plaintiff’s favor where both parties sold goods in the natural and curly hair care product market and defendant “repeatedly described [plaintiff’s brand] as a competitor”).

LV nevertheless argues that this factor is neutral because the “geographic distribution” and “market position” considerations favor it. Def. SJ Br. 32. LV notes that “consumers [would] never encounter LVL XIII and LV

shoes together at [the] point of purchase” because the OTR Sneaker was sold only through LV-operated stores and LV’s website, whereas LVL XIII sneakers could be purchased only in small regional stores in five states and Washington D.C. and through the Carbon Bazaar website. *Id.*

Were LVL XIII claiming point-of-sale confusion, LV’s argument may have had some purchase. But it is misplaced here, where LVL XIII’s allegations predominantly involve initial-interest and post-sale *671 confusion, *i.e.*, when customers see the OTR Sneaker in a photograph or on the feet of a passerby. In this context, it is less relevant that the parties’ products are not sold in the same locations.⁸⁹ And courts have construed this factor to favor the plaintiff where identical products are sold in similar, albeit not coextensive, channels—for instance, on the Internet.⁹⁰

Accordingly, the Court finds that any discrepancies in geographic distribution and market position are not so substantial as to outweigh the similarities between the parties’ products in terms of content, price, and target clientele. This factor, therefore, favors LVL XIII.

iv) Bridging the Gap

[70] [71]“ ‘Bridging the gap’ refers to the likelihood that the senior user will enter the junior user’s market in the future, or that consumers will perceive the senior user as likely to do so.” *Star Indus.*, 412 F.3d at 387. This factor “protects the plaintiff’s interest in being able to enter a related field at some future time.” *Cartier II*, 294 Fed.Appx. at 619. Where, as here, the parties’ products are already in competitive proximity, there is “no gap to bridge, and this factor is irrelevant to the *Polaroid* analysis.” *Star Indus.*, 412 F.3d at 387 (citing *Patsy’s*, 317 F.3d at 218) (treating this factor as neutral where both parties used marks on liquor bottle labels); *accord Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir.2009) (same, where both parties used marks in connection with sale of coffee products); *Sunny Merch.*, 97 F.Supp.3d at 496 (same, where both parties’ marks appeared on sunglasses).

v) Actual Confusion

[72] Although “actual confusion need not be shown to prevail under the Lanham Act,” *Lois Sportswear*, 799 F.2d at 875, “[t]here can be no more positive or substantial proof of the likelihood of confusion.” *Dooney & Bourke*, 561 F.Supp.2d at 385 (quoting *Savin Corp. v. Savin Grp.*, 391 F.3d 439, 459 (2d Cir.2004)). Accordingly, “courts have concluded that the absence of such evidence may favor the junior user.” *Paco Sport*, 86 F.Supp.2d at 319 (collecting cases); *accord McGregor–Doniger*, 599 F.2d at 1136 (“[I]t is certainly proper for the trial judge to infer from the absence of actual confusion that there was *672 also no likelihood of confusion.” (internal quotation marks and citation omitted)).

[73] [74]“Evidence of actual confusion may consist of anecdotal or survey evidence.” *Paco Sport*, 86 F.Supp.2d at 319. To be relevant under the Lanham Act, the confusion must be of a type that “could inflict commercial injury [on the plaintiff] in the form of either a diversion of sales, damage to goodwill, or loss of control over reputation.” *Lang*, 949 F.2d at 583; *see also Trustees*, 964 F.Supp. at 747 (“[T]here is a difference between isolated expressions of momentary confusion and confusion that leads to actual purchasing decisions.”).

[75] Here, LVL XIII has not presented survey evidence as to consumer confusion. *See Orb Factory, Ltd. v. Design Sci. Toys, Ltd.*, No. 96 Civ. 9469 (RWS), 1999 WL 191527, at *12 (S.D.N.Y. Apr. 7, 1999) (“[A] plaintiff’s failure to offer a survey showing the existence of confusion is evidence that the likelihood of confusion cannot be shown.”) (collecting cases). Instead, it relies on 12 anecdotes of oral communications made to Brown or LVL XIII,⁹¹ three text messages, and two Instagram posts, which it claims reflect “actual and material confusion.” Pl. SJ Br. 30; *see* Pl. 56.1 ¶¶ 257, 267.⁹²

As to the anecdotes, most involve inquiries by fashion industry professionals whether LVL XIII had collaborated with LV on the OTR Sneaker. *See* Brown Dep. II, at 232-42; Brown Dep. IV, at 424-32; *id.* at 432 (“[E]veryone pretty much had the same question. I mean it was either one of two things. Did you do a collaboration with Louis Vuitton or did they copy your design?”). Courts have held such inquiries not probative of actual confusion. *See, e.g., Nora Beverages*, 269 F.3d at 124 (“Inquiries about the relationship between an owner of a mark and an alleged infringer do not amount to actual confusion. Indeed, such inquiries are arguably premised upon a *lack* of confusion between the products such as to inspire the inquiry itself.”). And nine of the 12 purportedly confused persons had a pre-established

personal or business relationship with Brown or LVL XIII. Pl. 56.1 ¶ 268.⁹³ As such, they are not representative of the typical consumer.⁹⁴

***673** As to the three unaffiliated persons, only two, Tavius Bolton and Kathleen Roque, appear to have been consumers.⁹⁵ Each attested that, upon seeing the OTR Sneaker, he or she was disappointed by what he assumed to be a collaboration between LVL XIII and LV. See Bolton Decl. ¶¶ 4-5; Roque Decl. ¶¶ 4-8. Each attested that he or she was glad to learn that LVL XIII had not sponsored or authorized the OTR Sneaker. Bolton Decl. ¶ 6; Roque Decl. ¶ 9. But neither indicated that he or she had made—or forewent—a purchase based on this confusion.⁹⁶ Only Bolton stated that he would have done so, had his confusion persisted. See Bolton Decl. ¶ 6.

As to the text messages, each was sent by a friend or former colleague of Brown's. See Brown Dep. IV, at 388-91, 393; Sloane Decl., Exs. 46-47.⁹⁷ The first attaches a photo of the OTR Sneaker and states: "Don't know if u scene [sic] it before, but LV did that ... LvL Viii wayy [sic] dooper." Sloane Decl., Ex. 47, at 1. The second states: "Louis Vuitton should hire you instead of copying your designs!" *Id.* at 2. Neither reflects actionable confusion.⁹⁸

The third text message and the two Instagram posts, by contrast, reflect actual confusion. The text message and first Instagram post each consist of a photo of the OTR Sneaker and an inquiry whether it was made by LVL XIII. See Sloane Decl., Ex. 46, at 2-3. The second Instagram post tags a photo of the OTR Sneaker "New #LVLXIII shoe." *Id.* at 1. Each evinces confusion as to source. Critically, however, none indicates that the speaker made a purchasing decision based on his confusion. Indeed, Brown admitted he was unaware of any consumer who experienced confusion at the point of purchase. Brown Dep. IV, at 437-38.⁹⁹

***674** Considered in the aggregate, the record evidence of "actual confusion" is *de minimis*. It "does not go far toward demonstrating that an 'appreciable number of ordinarily prudent purchasers' are likely to be confused." *O'Keefe*, 590 F.Supp.2d at 524 (quoting *Mejia*, 920 F.Supp. at 551) (internal quotation marks omitted) (emphasis in original).¹⁰⁰ But, because the parties' sneakers coexisted in the marketplace for only a short period, the Court will not draw a strong inference against LVL XIII on that basis. See *Lois Sportswear*, 799 F.2d at 875 (where "[t]here has been little chance for actual confusion," it "would be unfair to penalize [a plaintiff] for acting to protect its trademark rights before serious damage has occurred"); *Hasbro, Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70, 78 (2d Cir.1988) (lack of actual confusion

did not warrant inference against senior user in light of short time that junior user's product was on the market). This factor, therefore, tips slightly in LV's favor.

vi) Bad Faith

^[76]"The inquiry into willfulness or bad faith 'considers whether the defendant adopted its mark with the intention of capitalizing on the plaintiff's reputation and goodwill and on any confusion between his and the senior user's product.' " *De Beers*, 440 F.Supp.2d at 278 (quoting *Savin Corp.*, 391 F.3d at 460). "Evidence of intentional copying by a junior user may be indicative of an intent to create a confusing similarity between the products." *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1044 (2d Cir.1992).

^[77]As discussed above, there is zero evidence that LV copied the TP—much less that it did so with the goal of capitalizing on LVL XIII's reputation. Quite the contrary, LV's evidence is that (1) the OTR Sneaker's principal designer had never heard of LVL XIII or its sneakers before this lawsuit, and (2) LV's design team acted in *good faith* to avoid infringement—including by soliciting the advice of LV's in-house counsel and modifying its design to distance it from the Jack Purcell sneaker. See Pl. 56.1 ¶¶ 44-45, 50-54, 58-60; see also *Lang*, 949 F.2d at 583 ("[R]eliance on the advice of counsel ... support[s] a finding of good faith."); *Sports Traveler II*, 25 F.Supp.2d at 166 (same). That LV prominently displayed its own logos on the OTR Sneaker¹⁰¹ further undermines the notion that it sought to pass the shoes off as LVL XIII's. See *Jack Schwartz Shoes*, 2002 U.S. Dist. LEXIS 25699, at *80 (bad faith factor favored defendant where "evidence of copying [was] relatively weak and the undisputed evidence show[ed] that Defendant attempted to make clear the source of the 6905 shoe by placing its own logo on the shoe in multiple places"); see also *Medici II*, 683 F.Supp.2d at 313 ("[G]iven [plaintiff's] low sales volume and the lack of evidence of secondary meaning, ***675** it is patently unreasonable to conclude that defendants sought to usurp that reputation or to otherwise capitalize on it."); *Gameologist*, 838 F.Supp.2d at 163 (same); *Major League Baseball Props.*, 385 F.Supp.2d at 267 (same).

^[78]LVL XIII nevertheless argues that the Court should infer bad faith from LV's failure to submit evidence of a trademark search. Pl. SJ Br. 33. But a defendant's failure to conduct a trademark search is "not sufficient to

demonstrate bad faith.” *J.T. Colby & Co. v. Apple Inc.*, No. 11 Civ. 4060 (DLC), 2013 WL 1903883, at *23 (S.D.N.Y. May 8, 2013) (citing *Star Indus.*, 412 F.3d at 388), *aff’d*, 586 Fed.Appx. 8 (2d Cir.2014) (summary order). And the Second Circuit “has never held adoption of a mark with no knowledge of a prior similar mark to be in bad faith[,] even in the total absence of a trademark search.” *Star Indus.*, 412 F.3d at 388.¹⁰² This factor, therefore, favors LV.

vii) *Quality of LV’s Product*

^[79]The seventh *Polaroid* factor, the quality of the defendant’s product, “directs courts to weigh cross-cutting considerations.” *Akiro*, 946 F.Supp.2d at 340.

On the one hand, the court must determine “whether defendant’s products or services are inferior to plaintiff’s, thereby tarnishing plaintiff’s reputation if consumers confuse the two.” On the other hand, if the products are roughly equal in quality, the court must also consider whether “that very similarity of quality” may tend to create confusion as to source by bringing the products into even closer proximity.

Id. (quoting *Morningside Grp. Ltd. v. Morningside Capital Grp., L.L.C.*, 182 F.3d 133, 142 (2d Cir.1999)). Here, LVL XIII “attempts to take both forks of this road,” *id.*, arguing first, that the OTR Sneaker is inferior to LVL XIII sneakers in “workmanship [and] consumer satisfaction,” and second, that even if the sneakers were of the same quality, this factor would favor LVL XIII because buyers would “be more likely to substitute the products.” Pl. SJ Br. 34.

In support of its first argument, LVL XIII relies entirely on an email from a shoe manager at a Boston LV store. The email states:

I have an issue that Carmen my ops manager has been trying to address with a client. style 986189 show python shoe purchased at ULS. The metal plate is coming off in the back of the heel.... We called Aventura ... [and] they have seen

this damage happen multiple times already. I may have to give a refund, is this a know[n] issue?

MacMull Decl., Ex. 28, at 6. The negative account of LV’s OTR Sneaker embedded in this email is inadmissible double hearsay, not cognizable on a motion for summary judgment. And even if it were admissible, this evidence would be too skimpy to show LV’s sneaker was of lesser quality than LVL XIII’s. Indeed, the record is devoid of evidence as to the quality of, or consumer satisfaction with, either product.¹⁰³

***676** “Because there is insufficient evidence in the record indicating the superiority or inferiority of the products at issue,” or that they were of confusingly comparable quality, “this factor is neutral.” *BeautyBank*, 2013 WL 11327097, at *16.¹⁰⁴ It has no bearing on the Court’s assessment of the likelihood of confusion.

viii) *Consumer Sophistication*

^[80] ^[81]The final *Polaroid* factor, consumer sophistication, “consider[s] the general impression of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods.” *Star Indus.*, 412 F.3d at 390 (internal quotation marks and citation omitted). In a reverse confusion case, “the consumers relevant to [this] inquiry are those who purchase [the plaintiff’s] products.” *Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733, 742 (2d Cir.1994); *accord Denimafia*, 2014 WL 814532, at *24.

^[82]In general, “[t]he greater the value of an article the more careful the typical consumer can be expected to be.” *McGregor–Doniger*, 599 F.2d at 1137 (“[T]he average purchaser of an automobile will no doubt devote more attention to examining different products and determining their manufacturer or source than will the average purchaser of a ball of twine.”); *accord Dooney & Bourke*, 561 F.Supp.2d at 389 (“If the goods are expensive, the reasonably prudent buyer does not buy casually, but only after careful consideration. Thus, confusion is less likely than where the goods are cheap and bought casually.” (quoting *McCarthy on Trademarks* § 23:96) (internal quotation marks omitted)). And “the more sophisticated the purchaser, the less likely he or she will be confused by

the presence of similar marks in the marketplace.” *Sly Magazine, LLC v. Weider Publ’ns L.L.C.* (“*Sly Magazine II*”), 346 Fed.Appx. 721, 723 (2d Cir.2009) (summary order) (internal quotation marks and citation omitted); see also *Centaur II*, 830 F.2d at 1228 (existence of sophisticated consumers “usually militates against a finding of a likelihood of confusion”).

^[83]Here, the sophistication of LVL XIII’s consumers can be inferred from the high price points of its sneakers.¹⁰⁵ And *677 LVL XIII has conceded that its customers are brand-conscious and deliberate shoppers. See Brown Dep. III, 69-71 (testifying that customers “pay attention” when they purchase his products, “buy [his sneakers] because [they are] LVL XIII,” and “consciously [] ma[k]e the choice in their mind to buy the product”); see also *Jack Schwartz Shoes*, 2002 U.S. Dist. LEXIS 25699, at *81-82 (“courts have noted that shoe shoppers are increasingly savvy and sophisticated”; this factor favored defendant because “sophisticated consumers are more likely to notice the brand-name of the shoe”). To be sure, there are circumstances where consumer sophistication “cannot be relied on to prevent confusion.” *McGregor-Doniger*, 599 F.2d at 1137. But that is generally the case only where both the products and marks at issue are “identical.” *Id.*¹⁰⁶ Here, by contrast, the marks at issue are easily distinguishable. See discussion *supra*, at 668-70. Accordingly, a reasonable juror could only conclude that this factor favors LV.

ix) Balancing the factors

Viewed in combination, the *Polaroid* factors lopsidedly favor LV. The proximity factor favors LVL XIII, and the bridging-the-gap and quality factors are neutral, but the remaining factors all point against a likelihood of confusion.¹⁰⁷ Most significant, the overall impressions created by the parties’ toe plates are sufficiently dissimilar to rule out any confusion as to their association. That is particularly so given the extensive third-party use of metal shoe ornaments, the weakness of the TP as a source identifier, and the sophistication of LVL XIII’s consumers. Given the pervasiveness of metal toe plates in the market, and the fact the TP had not acquired secondary meaning, it is highly unlikely that upon seeing the OTR Sneaker’s toe plate, a sophisticated consumer would mistakenly associate it with LVL XIII.¹⁰⁸ LVL XIII’s failure to produce any probative evidence of actual confusion or bad faith reaffirms this conclusion.

*678 The Court therefore holds that there was no likelihood of confusion between the parties’ toe plates, and that a reasonable juror could not so find. This ruling supplies an independent basis for granting LV’s motion for summary judgment on LVL XIII’s Lanham Act claims.¹⁰⁹

2. New York Common Law Unfair Competition

^[84] ^[85]“The essence of an unfair competition claim under New York law is that the defendant has misappropriated the labors and expenditures of another.” *Saratoga Vichy Spring Co., Inc. v. Lehman*, 625 F.2d 1037, 1044 (2d Cir.1980). To prevail, a plaintiff “must couple its evidence supporting liability under the Lanham Act with additional evidence demonstrating [the defendant’s] bad faith.” *Info. Superhighway, Inc. v. Talk Am., Inc.*, 395 F.Supp.2d 44, 56 (S.D.N.Y.2005) (quoting *Philip Morris USA Inc. v. Felizardo*, No. 3 Civ. 5891 (HB), 2004 WL 1375277, at *6 (S.D.N.Y. June 18, 2004)). It must prove: (1) actual confusion or a likelihood of confusion; and (2) the defendant’s bad faith. *Sly Magazine II*, 346 Fed.Appx. at 723.

Because LVL XIII has failed to establish either element, its common law unfair competition claim fails as a matter of law. LV is thus entitled to summary judgment on this claim. See, e.g., *Empresa Cubana del Tabaco v. Culbro Corp.*, 399 F.3d 462, 485 (2d Cir.2005); *Denimafia*, 2014 WL 814532, at *26 n. 101; *Gameologist*, 838 F.Supp.2d at 165; *Lopez*, 883 F.Supp.2d at 430-31.¹¹⁰

3. Deceptive Business Practices

^[86] ^[87] ^[88]GBL § 349(a) prohibits “[d]eceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service” in New York. To establish liability, a plaintiff must show that: (1) the defendant engaged in an act or practice that was materially misleading, and (2) that the plaintiff was injured thereby. See *Sports Traveler, Inc. v. Advance Magazine Publishers, Inc.* (“*Sports Traveler I*”), No. 96 Civ. 5150 (JFK), 1997 WL 137443, at *2 (S.D.N.Y. Mar. 24, 1997). “The standard for whether an act or practice is misleading is objective, requiring a showing that a reasonable consumer would have been misled by the

defendant's conduct." *Pelman ex rel. Pelman v. McDonald's Corp.*, 396 F.Supp.2d 439, 444 (S.D.N.Y.2005). For conduct to be "materially" misleading it must affect consumers' choice of product. See *Bildstein v. MasterCard Int'l Inc.*, 329 F.Supp.2d 410, 414 (S.D.N.Y.2004).

^[89]Corporate competitors may bring claims under § 349(a) only if "some harm to the public at large is at issue." *Securitron Magnalock Corp. v. Schnabolk*, 65 F.3d 256, 264 (2d Cir.1995) (internal quotation marks and citation omitted). "Because section 349 is modeled after the Federal Trade Commission Act, federal courts have interpreted the statute's scope as limited to the types of offenses to the public interest that would trigger Federal Trade Commission intervention under 15 U.S.C. § 45, such as potential danger to the public health or safety." *Sports Traveler I*, 1997 WL 137443, at *2. Accordingly, many courts have found that mere evidence of consumer confusion is not enough to satisfy this element.¹¹¹

^[90] *679 Here, as discussed, LVL XIII has not established that LV's conduct created a likelihood of confusion—much less actual confusion that affected consumers' purchasing decisions. It has thus failed to satisfy the "material deception" requirement of its § 349 claim. And even if LVL XIII had shown confusion, that would not qualify as "public harm" actionable under § 349.¹¹² LV is therefore entitled to summary judgment on this claim, too.¹¹³

C. LVL XIII's Motion for Summary Judgment on LV's Counterclaims

The Court turns now to LV's counterclaims. These fall into two sets. The first mirrors LVL XIII's Lanham Act claims: LV seeks (1) a declaratory judgment that LVL XIII has no exclusive right in the shape of a rectangular metal toe plate; and (2) an injunction requiring LVL XIII to disclaim the non-distinctive elements of the TP (*i.e.*, all elements other than the "LVL XIII" inscription). LV has acknowledged that these counterclaims would be mooted by a holding that the TP is not protectable under the Lanham Act.¹¹⁴ They are, therefore, dismissed.

LV's second set of counterclaims stems from LVL XIII's use of the "LVL XIII" word mark. LV brings claims for trademark infringement, under § 32(a) of the Lanham Act, and unfair competition and *680 false designation of origin, under § 43(a).¹¹⁵ It claims that LVL XIII's use of

this mark is likely to cause confusion with LV's Initials Logo.¹¹⁶

Each of these counterclaims is analyzed under the "familiar two-prong test" that applies to infringement claims brought under § 43(a): LV must show, first, that its Initials Logo is entitled to protection, and second, that LVL XIII's use of its word mark is likely to cause consumer confusion as to the origin or sponsorship of its products. *Virgin Enters.*, 335 F.3d at 146; see *Nabisco II*, 220 F.3d at 45; *Gameologist Grp.*, 838 F.Supp.2d at 152–53.

LVL XIII concedes that the Initials Logo is a valid mark entitled to protection. Pl. SJ Br. 51. The sole issue for decision, therefore, is whether a reasonable juror could find that LVL XIII's use of its word mark is likely to cause confusion. Although this presents a considerably closer question than LVL XIII's claims, an analysis of the *Polaroid* factors reveals that the answer is no. The Court, again, addresses each factor in turn.

1. Strength of the Initials Logo

^[91] ^[92] ^[93]As noted, in gauging the strength of a mark, courts consider both its inherent distinctiveness and its "acquired distinctiveness, *i.e.*, fame, or the extent to which prominent use of the mark in commerce has resulted in a high degree of consumer recognition." *Virgin Enters.*, 335 F.3d at 147 (internal quotation marks omitted). As to inherent distinctiveness, "the law accords broad, muscular protection to marks that are arbitrary or fanciful in relation to the products on which they are used, and lesser protection, or no protection at all, to marks consisting of words that identify or describe the goods or their attributes." *Id.* As to acquired distinctiveness, "[i]f a mark has been long, prominently and notoriously used in commerce, there is a high likelihood that consumers will recognize it from its prior use." *Id.* at 148. Such widespread consumer recognition "increases the likelihood that consumers will assume [the mark] identifies the previously familiar user, and therefore increases the likelihood of consumer confusion if the new user is in fact not related to the first." *Id.*

^[94]Here, there is no question that LV's Initials Logo is strong by virtue of both its inherent and acquired distinctiveness. As a registered trademark, it is presumptively distinctive. See *Savin Corp.*, 391 F.3d at 457; *McGregor-Doniger*, 599 F.2d at 1132. And although

personal names are generally descriptive, they may be inherently distinctive where, as with LV's Initials Logo, they are presented in a "stylized" form. *Patsy's*, 317 F.3d at 217 ("[A] personal name rendered in a distinctive lettering style may be considered strong even without a showing of secondary meaning.").¹¹⁷ Finally, LVL XIII does not dispute that the Initials Logo has acquired secondary meaning as a result of: (1) LV's more than century-long use of the logo on a wide variety of products; (2) its extensive marketing and advertising of products bearing the logo; and (3) the *681 fame the logo has achieved as a result. See Pl. Supp. 56.1 ¶¶ 376–81.

To the extent, however, that LV claims a broader exclusive right to use the non-stylized "LV" letter combination, the same conclusion does not follow. On this point, *Gruner + Jahr*, 991 F.2d 1072, is instructive. The district court there held that, even though the registered "PARENTS" logo was strong, the mark was weak in its non-stylized form. *Gruner + Jahr USA Pub., a Div. of Gruner + Jahr Printing & Pub. Co. v. Meredith Corp.*, 793 F.Supp. 1222, 1231 (S.D.N.Y.1992), *aff'd*, 991 F.2d 1072 (2d Cir.1993). As the court explained, the "origin-indicating quality" of the mark "[l]ay" in the customized manner in which it [was] displayed, and not in the mere use of the word 'parents.' " *Id.* (internal quotation marks omitted). The Second Circuit affirmed. It held that "the trademark registration of the title PARENTS in its distinctive typeface did not confer an exclusive right to plaintiff on variations of the word 'parent.' " *Gruner + Jahr*, 991 F.2d at 1077. And the descriptive nature of the mark and extensive third-party use "lessen[ed] the possibility that a purchaser would be confused and think the mark came from a particular source." *Id.* at 1078. Accordingly, the Second Circuit upheld the ruling that "the 'parents' portion of the mark—divorced from the stylized typeface and its particular placement on [plaintiff's] magazine cover—was extremely weak." *Id.*

Similarly, here, although the Initials Logo is strong in its stylized form, that does not mean that LV has the "exclusive right to ... [every] variation []" of the "LV" initials. *Gruner + Jahr*, 991 F.2d at 1077. And because LV has offered no evidence of using those initials in a non-stylized form, there is no basis to conclude that they have acquired secondary meaning in that context.¹¹⁸ LVL XIII, for its part, has supplied evidence of seven third-party registrations for trademarks in the apparel or accessory industries that incorporate the "LV" letter combination. See MacMull Decl., Ex. 33.¹¹⁹ On this record, a reasonable juror could not find that the "LV" portion of the Initials Logo, "divorced from the stylized typeface and particular [entwined configuration of the

letters]," is distinctive. *Gruner + Jahr*, 991 F.2d at 1078.¹²⁰

Because this factor cuts both ways, the Court, drawing all reasonable inferences in LV's favor, holds that it can support, but only weakly, a likelihood of confusion.

2. Similarity of the Marks

^[95]In the context of word marks, similarity is a "holistic consideration that turns on the marks' sight, sound, and overall commercial impression under the totality of the circumstances." *682 *Bath & Body Works*, 7 F.Supp.3d at 394 (citing *Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 538 (2d Cir.2005)); see also *U.S. Polo Ass'n, Inc. v. PRL USA Holdings, Inc.*, 800 F.Supp.2d 515, 528 (S.D.N.Y.2011) ("An assessment of the similarity of marks examines the similarity between them in appearance, sound, and meaning."), *aff'd*, 511 Fed.Appx. 81 (2d Cir.2013) (summary order). The Second Circuit has instructed that courts must compare "[e]ach mark ... in its entirety" because "juxtaposing fragments of each mark does not demonstrate whether the marks as a whole are confusingly similar." *Advance Magazine Publishers*, 627 F.Supp.2d at 117; see also *Giggle*, 856 F.Supp.2d at 635 ("Under the anti-dissection principle, the similarity analysis must assess the marks in their entirety without dissecting out any one component.") (citing *McCarthy on Trademarks* § 11:27) (collecting cases).

^[96]Here, both parties' marks use the letters "LV" in a Roman-like font. But that alone does not make them "similar" for purposes of a *Polaroid* analysis. That two marks share an element does not mean they are likely to be confused. See *Brockmeyer v. Hearst Corp.*, 248 F.Supp.2d 281, 296 (S.D.N.Y.2003) ("[S]imply because [the marks] contain [a] common element does not mean that they are 'similar' for the purpose of assessing confusion under the *Polaroid* factors.").¹²¹ That is true even where the common element is presented in a similar typeface. See, e.g., *Flushing Bank v. Green Dot Corp.*, 138 F.Supp.3d 561, 588 (S.D.N.Y.2015) ("GObank" and "iGObanking" logos were "as a whole dissimilar" due to visual differences, even though they shared a literal element and their "type font [was] [] somewhat similar").

On this point, Judge Koeltl's analysis in *Brockmeyer*, 248 F.Supp.2d 281, is apt. The plaintiff there alleged that the publishers and distributors of "O The Oprah Magazine"

infringed its “>>O<<” trademark. Assessing the two marks’ similarity, Judge Koeltl noted that both parties’ magazines featured the letter “O” prominently on their covers in a similar size and typeface, such that the magazines could each be referred to as “O Magazine.” *Id.* at 296. But, he held, notwithstanding those similarities, the marks were not confusingly similar because “plaintiff’s use of guillemets *683 and the differences in cover layouts, photos and legends tend to differentiate the marks when viewed in context.” *Id.* The marks were further distinguishable because “the ‘O’ in the defendants’ magazine [was] a reference to Oprah Winfrey and her values, while the plaintiff’s mark ma[de] no reference to any particular personality, and only to the values associated with lesbianism, fetish culture, and sadomasochism.” *Id.* Given those differences, “the marks [could] not be said to be similar for the purposes of [the] confusion analysis.” *Id.*

^[97]So too, here. In this case, any similarity between the parties’ marks is more than offset by their differences. Most significant are the obvious visual distinctions between the two logos: LV’s Initials Logo presents the letters “L” and “V” as a single interlocking image, with the “V” overlapping the italicized “L” on a downward angle from right to left. By contrast, the “LV” in LVL XIII’s mark is invariably followed by “L XIII,” with all characters arranged collinearly. These differences in visual presentation render the marks dissimilar as a matter of law. See, e.g., *SLY Magazine, LLC v. Weider Publications L.L.C.* (“*SLY Magazine I*”), 529 F.Supp.2d 425, 439 (S.D.N.Y.2007) (fact that both marks included word “SLY” did not make them confusingly similar, where defendant’s “SLY” was always shown in block capital letters, whereas plaintiff’s was always presented in italicized script or followed by a tagline), *aff’d*, 346 Fed.Appx. 721 (2d Cir.2009) (summary order).

Moreover, given the common use of roman numerals and the “LVL” abbreviation,¹²² it is reasonable to assume that at least some consumers would (like the Court) understand LVL XIII’s mark to denote “level 13.” So read, LVL XIII’s mark takes on a pronunciation and connotation which further distinguish it from the Initials Logo.¹²³ Given these differences, no reasonable juror could conclude that the marks are likely to be confused.

Indeed, LV ultimately eschewed the broad argument that the two marks, in all contexts, are confusingly similar. Rather, it argues that the particular way LVL XIII presented its mark on social media and the *684 Carbon Bazaar website made it likely to cause confusion. Specifically, it claims, many of LVL XIII’s online photos “presented the shoe at an angle such that only the letters

‘LV’ in the word mark on the toe plate [were] visible.” Def. SJ Reply Br. 32. In that context, LV argues, LVL XIII’s mark was likely to be confused with the Initials Logo. *Id.*

^[98]That argument is unpersuasive. To be sure, in assessing similarity, the Court must consider “how [the marks] are presented in the marketplace.” *The Sports Auth., Inc. v. Prime Hosp. Corp.*, 89 F.3d 955, 962 (2d Cir.1996). But LV’s characterization of that presentation here is misleading. Although many of the photographs do present LVL XIII’s shoes on an angle, they do not, as LV claims, highlight the “LV” portion of its mark. To the contrary, in most photographs on which LV relies, the literal element of the toe plate is barely, if at all, legible. See, e.g., Sloane Decl., Ex. 37, at 30–33; *id.*, Ex. 41, at 4–5, 9–10; *id.*, Ex. 35, at 3, 5–11. And in every instance, the page displaying the photograph also presents the full “LVL XIII” mark—either as a standalone reference to the brand or as a link to its website (www.lvlxiii.com). See *id.*; see also *Starbucks*, 588 F.3d at 106 (“To the extent the Charbucks Marks are presented to the public through Black Bear’s website, the dissimilarity between the marks is still evident as the Charbucks brand of coffee is accompanied by Black Bear’s domain name, www.blackbearcoffee.com, and other products, such as shirts and cups, displaying Black Bear’s name.”). Therefore, because the “LVL XIII” mark and the Initials Logo are demonstrably dissimilar, this factor weighs strongly against a likelihood of confusion.

3. Competitive Proximity of the Products

It is undisputed that LV has featured its Initials Logo on the OTR Sneaker, among many other products. Pl. Supp. 56.1 ¶ 407. As discussed above, *supra*, at 670–71, that product is competitively proximate to LVL XIII’s sneakers. This factor, therefore, favors LV.¹²⁴

4. Bridging the Gap

Because the parties’ products are already in competitive proximity, there is “no gap to bridge,” and this factor is neutral. See *Starbucks*, 588 F.3d at 115 (internal quotation marks and citation omitted); *Star Indus.*, 412 F.3d at 387.

5. Actual Confusion

As discussed above, although “actual confusion need not be shown to prevail under the Lanham Act,” *Lois Sportswear*, 799 F.2d at 875, courts have held that the absence of such evidence “is a strong indicator that the likelihood of confusion is minimal.” *Plus Prods. v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1006 (2d Cir.1983). This inference is weakened, however, where the parties’ products have been competing for only a short time. See *Lois Sportswear*, 799 F.2d at 875.

Here, LV has not offered evidence of actual confusion. To the contrary, its 30(b)(6) witness testified that she was “not aware of any actual confusion” between the LVL XIII word mark and the Initials Logo. Def. Supp. 56.1 ¶ 371. Therefore, accounting for the brevity of the parties’ co-existence in the marketplace, this factor slightly favors LVL XIII.

*685 6. Bad Faith

^[99]As noted, the inquiry into bad faith “considers whether the defendant adopted its mark with the intention of capitalizing on [the] plaintiff’s reputation and goodwill and [on] any confusion between his and the senior user’s product.” *Savin Corp.*, 391 F.3d at 460 (internal quotation marks and citation omitted). “The burden of proving bad faith rests with the party claiming infringement.” *J.T. Colby & Co.*, 2013 WL 1903883, at *23 (citing *Star Indus.*, 412 F.3d at 388). As the Second Circuit has explained, “[w]hile ... caution must be exercised in granting summary judgment when state of mind is in issue, ‘[t]he summary judgment rule would be rendered sterile ... if the mere incantation of intent or state of mind would operate as a talisman to defeat an otherwise valid motion.’ ” *Nora Beverages*, 269 F.3d at 125 (quoting *Res. Developers, Inc. v. Statue of Liberty–Ellis Island Found., Inc.*, 926 F.2d 134, 141 (2d Cir.1991)).

^[100]Here, LV argues that LVL XIII’s bad faith can be inferred from the following facts: (1) Brown has long been familiar with LV and its Initials Logo; (2) LVL XIII considers LV “both an inspiration for its planned line of shoes and a competitor”; (3) “[o]ut of all the fonts and all the presentations possible of the name ‘Level Thirteen,’ ”

Brown chose to use the “LVL XIII” abbreviation in a “near-identical font to LV’s signature font”; and (4) the photos LVL XIII supplied to Carbon Bazaar present its sneakers in such a way that the “LV” portion of the “LVL XIII” logo is predominant. Def. SJ Reply Br. 33; Tr. 90. In combination, LV argues, these facts could lead a reasonable juror to find that LVL XIII deliberately sought to capitalize on LV’s reputation and goodwill.

Although LV’s notion that Brown sought to exploit LV’s goodwill is intuitively understandable, its evidence of bad faith is, ultimately, weak. As to Brown’s familiarity with LV, it is well established that “[p]rior knowledge of a senior user’s mark does not, without more, create an inference of bad faith.” *Playtex Prods.*, 390 F.3d at 166; accord *Malaco Leaf*, 287 F.Supp.2d at 376 (“While it is undisputed that PIM’s President ... was aware of plaintiff’s Swedish Fish candy before introducing Famous Squish Candy Fish, adoption of a mark with actual knowledge of another’s mark is not, alone, evidence of bad faith.”). Courts have typically found such knowledge probative of bad faith only where it is “accompanied by similarities so strong that it seems plain that deliberate copying has occurred.” *Paddington*, 996 F.2d at 587.¹²⁵ Such is not the case here, as the parties’ trademarks are far from confusingly similar. Cf. *686 *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 376 (“[A] comparison of plaintiff’s and defendant’s ‘Kosher Yellow Pages’ marks ... reveals obvious differences that suggest a lack of imitative intent.”). Nor is LVL XIII’s identification of LV as a competitor dispositive, because “the intent to compete ... is vastly different from the intent to deceive purchasers as to the source of the product.” *Streetwise Maps*, 159 F.3d at 745.

As to LVL XIII’s choice of abbreviation, Brown has offered a credible explanation for selecting this moniker: He testified that because “level thirteen” would have been “too long” to fit on a toe plate, he referenced allacronyms.com to select an abbreviation for “level.” Brown Dep. V, at 192–93. Of the options, Brown testified, “LVL” “stood out” out as the most obvious choice. *Id.* at 193. Consistent with this, “LVL” is the website’s top ranked abbreviation; the alternative options are more cryptic. See <https://www.allacronyms.com/level/abbreviated>; Pl. Supp. 56.1 ¶ 395 (noting that “Lev,” “LEL,” and “L” are among the listed abbreviations); see also *Nora Beverages*, 269 F.3d at 125 (no fact issue as to bad faith where only evidence was the similarity of the parties’ bottle designs and that defendant chose its design from a “limitless array of available design options”) (internal quotation marks omitted).¹²⁶ Moreover, any bad faith that could be inferred from LVL XIII’s selection of the “LVL” acronym is

negated by its efforts to decode its logo. As LV points out, LVL XIII has made a concerted effort to “instruct readers and viewers how to pronounce its name.” Pl. Supp. 56.1 ¶ 396. Such conduct is at odds with the claim that LVL XIII intended to pass off its sneakers as LV’s. See *Denimafia*, 2014 WL 814532, at *22–23 (that “New Balance knew of Denimafia’s mark and chose to use it despite options of ‘variations more different from the 5EP Logo’ ” did not create dispute of fact as to bad faith where New Balance had taken “affirmative steps” to distinguish its mark from Denimafia’s).

Finally, as discussed above, the record evidence does not support LV’s claim that the Carbon Bazaar photos effectively showcased the “LV” portion of the mark. The toe plate’s literal element is indecipherable in most of the photos. And the full “LVL XIII” logo is displayed beside each photo on the webpage. See Sloane Decl., Ex. 35. Accordingly, these images do not bespeak an intent to deceive. Cf. *Nora Beverages*, 269 F.3d at 125 (“[B]y placing its labels prominently upon its bottles, [defendant] negated an inference of intent to deceive consumers as to the source of its product.”).

In sum, the Court holds that, although there is a smidgeon of evidence favoring LV, the “suspicious facts” highlighted by LV, considered separately or together, are insufficient to create a material question of fact as to bad faith.¹²⁷ LVL XIII, for its *687 part, has proffered evidence of its good faith in selecting its logo: The record shows that LVL XIII sought the advice of counsel before finalizing its logo, and that counsel affirmed that it “c[ould] file a trademark application for the brand name LVL XIII.” Dkt. 161, Ex. 2 (“Pelton Dep. II”), at 11–12; see *Lang*, 949 F.2d at 583 (“[R]eliance on the advice of counsel ... support[s] a finding of good faith.”). “The fact that the [PTO] approved the application to register [the ‘LVL XIII’] mark without any reference or citation to [LV’s] registration of [the Initials Logo] supports [LVL XIII’s] judgment.” *Brockmeyer*, 248 F.Supp.2d at 298–99. Under these circumstances, and given the obvious dissimilarities between the two marks, LVL XIII could have “reasonably concluded that there would be no confusion between [its] mark ... and [the Initials Logo], a conclusion eventually affirmed by the [PTO].” *Id.* (“no basis from which to infer any bad faith,” despite defendant’s awareness of plaintiff’s mark, where defendant “made a good faith determination [that] using [its] mark ... would not infringe any other mark” and ultimately obtained registration from the PTO); *Playtex Prods., Inc. v. Georgia-Pac. Inc.*, No. 2 Civ. 7848 (HB), 2003 WL 21939706, at *7 (S.D.N.Y. Aug. 12, 2003) (“Playtex’s failure to produce evidence of bad faith strongly favor[ed] Georgia-Pacific” where “the PTO

found no conflict with other marks, including [Playtex’s] WET ONES, when it reviewed Georgia-Pacific’s ITU for MOIST ONES”).

Because LV has failed to proffer any non-speculative evidence of bad faith, and LVL XIII has produced evidence of its good faith, this factor favors LVL XIII.

7. Quality of LV’s Product

As discussed above in connection with LVL XIII’s claims, there is no record evidence as to the relative quality of the parties’ products. The seventh *Polaroid* factor is thus neutral and does not affect the Court’s analysis. See *Star Indus.*, 412 F.3d at 389; *Bath & Body Works*, 7 F.Supp.3d at 398.

8. Consumer Sophistication

The eighth *Polaroid* factor, consumer sophistication, weighs against finding a likelihood of confusion for the same reasons discussed in connection with LVL XIII’s claims: Given the “high price point of both LVL XIII’s and LV’s products,” Def. SJ Br. 35, it can be assumed that the typical customer is sophisticated and unlikely to be confused by any similarities between the parties’ logos. Indeed, “several courts have noted[that] purchasers of Louis Vuitton products tend to be sophisticated[,] discerning,” and less susceptible to confusion. *Sunny Merch.*, 97 F.Supp.3d at 498 (internal quotation marks and citation omitted) (collecting cases). This factor, therefore, also favors LVL XIII.

9. Balancing the Factors

In light of the above considerations, the Court holds that the *Polaroid* factors, on balance, favor LVL XIII. Although two factors—strength and proximity—to some degree favor LV, they do not outweigh the four which, strongly, point against a likelihood of confusion.¹²⁸

***688** Of particular significance is the “similarity of the marks” factor. The Second Circuit has held that, “in an appropriate case, [this] ... factor can be dispositive and will warrant summary judgment for an infringement defendant if ... [the] marks are so dissimilar that no question of fact is presented.” *Nabisco II*, 220 F.3d at 46 (internal quotation marks and citations omitted). Such is the case here: Given the obvious differences between the two marks, the Court assesses that “no reasonable factfinder could conclude that there is any likelihood of confusion between them,” especially given the sophistication of the relevant consumers. *Kaufman & Fisher Wish Co.*, 184 F.Supp.2d at 323.¹²⁹ LV’s failure to offer non-speculative evidence as to bad faith, or to proffer any proof of actual confusion, solidifies this conclusion.¹³⁰

[101] [102] The Court, therefore, grants LVL XIII’s motion for summary judgment on each of LV’s Lanham Act counterclaims.¹³¹

***689 CONCLUSION**

For the foregoing reasons, the Court grants LV’s motion to preclude the report and testimony of LVL XIII’s expert witness. The Court also grants LV’s motion for summary judgment with respect to all of LVL XIII’s claims, and denies LVL XIII’s motion for summary judgment on the same. Finally, the Court grants LVL XIII’s motion for summary judgment with respect to all of LV’s counterclaims.

The Clerk of Court is respectfully directed to terminate the motions pending at docket numbers 88, 103, 106, and 125, and to close this case.

SO ORDERED.

All Citations

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Footnotes

¹ The following facts are drawn primarily from the parties’ submissions in support of the motions for summary judgment, including the parties’ Joint Stipulated Facts, Dkt. 102 (“JSF”), and respective Rule 56.1 statements and responses, Dkt. 110 (“Def. 56.1”); Dkt. 144 (“Pl. 56.1”); Dkt. 154 (“Def. Supp. 56.1”); Dkt. 163 (“Pl. Supp. 56.1”). Standalone citations to the parties’ 56.1 statements incorporate the evidentiary materials cited therein. The Court also references the materials attached to the declarations submitted by counsel, including the Declaration of Wendi E. Sloane in Support of LV’s Motion for Summary Judgment, Dkts. 117, 156 (“Sloane Decl.”); the Declarations of Maureen Harmon in Support of LV’s Motion for Summary Judgment, Dkt. 107 (“Harmon Decl.”), Dkt. 153 (“Harmon Supp. Decl.”); and the Declarations of Joel G. MacMull in Support of LVL XIII’s Cross-Motion for Summary Judgment, Dkts. 127-28 (“MacMull Decl.”), Dkt. 161 (“MacMull Supp. Decl.”). Where the Court cites to multiple iterations of a single deposition (e.g., “Brown Dep. I” and “Brown Dep. II”), it is because the parties have submitted piecemeal segments of the transcript of that deposition throughout the briefing process.

Where facts stated in a party’s Rule 56.1 statement are supported by testimonial or documentary evidence, and denied by a conclusory statement by the other party without citation to conflicting testimonial or documentary evidence, the Court finds such facts true. See S.D.N.Y. Local Rule 56.1(c) (“Each numbered paragraph in the statement of material facts set forth in the statement required to be served by the moving party will be deemed to be admitted for purposes of the motion unless specifically controverted by a correspondingly numbered paragraph in the statement required to be served by the opposing party.”); *id.* at 56.1(d) (“Each statement by the movant or opponent ... controverting any statement of material fact[] must be followed by citation to evidence which would be admissible, set forth as required by Fed. R. Civ. P. 56(c).”); *Amnesty Am. v. Town of W. Hartford*, 288 F.3d 467, 470 (2d Cir.2002) (Sotomayor, J.) (“Fed. R. Civ. P. 56 does not impose an obligation on a district court to perform an independent review of the record to find proof of a factual dispute.”) (collecting cases); *Chimarev v. TD Waterhouse Investor Servs., Inc.*, 280 F.Supp.2d 208, 223 (S.D.N.Y.2003) (material facts set forth in a Rule 56.1 statement “are uncontested and may be accepted as true” where Rule 56.1 counter-statement consists solely of “blanket denials” that are “not supported by citation to any evidence”), *aff’d*, 99 Fed.Appx. 259 (2d Cir.2004) (summary order). On the other hand, the Court disregards all asserted facts that are unsupported by record evidence or otherwise inadmissible.

² The plan further states that LVL XIII’s target customer “will consist of a consumer from the age group of 17-35 with the income ability to afford the likes of a Gucci or Louis Vuitton item.” JSF ¶ 14. Brown testified that when he created the business plan, he identified Gucci, Lanvin, Christian Louboutin, Giuseppe Zanotti, and LV as his “inspiration” and his “competitors.” Sloane Decl., Ex. 51 (“Brown Dep. V”), at 83.

³ Johnson testified that, to generate publicity for LVL XIII, he engaged in “celebrity placement,” i.e., “[r]eaching out to different

celebrities[,] ... sending them photos and information about Antonio and LVL XIII.... [and] get[ting] them to wear [LVL XIII sneakers] in [the] hopes that they're photographed in [them] because that can turn into more press opportunities." Sloane Decl., Ex. 54 ("Johnson Dep. II"), at 38. Johnson explained that, as part of this initiative, he would provide free shoes to certain celebrities who agreed to wear them. *See id.* at 39.

- 4 Darius Baptist, Derulo's stylist, attested that, in spring 2013, after learning about Brown and LVL XIII through online media "buzz," he approached Brown to obtain shoes for Derulo's performance. Dkt. 135 ("Baptist Decl.") ¶¶ 9-11. Brown testified that, before agreeing to supply sneakers for the performance, he spoke with Baptist "to make sure that [Derulo] was the right fit to carry the shoes in that he catered to an audience that was a direct reflection of who [LVL XIII was] trying to target in the sense of [its] demographics." MacMull Decl., Ex. 4 ("Brown Dep. IV"), at 374-75. He testified that he "wasn't giving [his] shoes out to people just because they requested them. [He] wanted to know that it was a good fit and that [the celebrities who wore his shoes] fit into the target audience [that LVL XIII was] trying to reach." *Id.* at 375. Derulo was such a "fit," Brown explained, because "[h]e was an international pop star that didn't fall into the urban market at all, he fell into the mainstream market." *See id.*
- 5 Brown testified that Chris Brown's stylist reached out to LVL XIII to obtain a pair of shoes because he "wanted a shoe that represented luxury and was different than what was in the market at the time." Brown Dep. IV, at 376-77. During this conversation, Brown testified, Chris Brown's stylist noted that Chris Brown "was a pop star, that he represented a mainstream audience[,] and that his music was played on all the radio stations." *Id.* at 377. After the photo shoot, a photo of Chris Brown wearing LVL XIII sneakers was posted on the "Chris B. Fashion" Tumblr page—a fan page dedicated to tracking clothes worn by Brown. Def. Supp. 56.1 ¶ 303.
- 6 Brown testified that his followers consist mostly of "fashion enthusiasts, editors, creative directors," and celebrity stylists. Brown Dep. II, at 365-69. These followers, Brown testified, "are very diverse," reflecting that his Instagram "tailors more to a mainstream audience" than to "an urban or hip hop demographic." Brown Dep. IV, at 370.
- 7 The list of "Media Placements" compiled by LVL XIII's publicist includes 25 pre-March 2014 media placements, including Brown's and LVL XIII's first Instagram posts. Pl. 56.1 ¶ 218; *see* Media Placements, at 1-2. Johnson testified that only four of those media placements were "unsolicited"—*i.e.*, not the result of a pitch by LVL XIII's PR firm. Pl. 56.1 ¶ 218.
- 8 LVL XIII has not produced evidence of its 2014 advertising expenditures. *See* Pl. 56.1 ¶ 164.
- 9 As of the date of this Opinion and Order, the Carbon Bazaar website is no longer operative.
- 10 LVL XIII has not produced any sales records for 2014, and the record evidence indicates that retailers placed orders for shoes from LVL XIII's first sneaker collection during 2013 only. *See* Brown Dep. IV, at 410; Def. Supp. 56.1 ¶ 304. However, Brown testified that sneakers from that collection were available at retail until at least March 2014. *See* Brown Dep. IV, at 300-01.
- 11 This decision was made in collaboration with Jim Jones, LVM's Artistic Director for "Men's Ready to Wear." Viti Dep. I, at 22, 26-28.
- 12 LVL XIII was *not* among the designers that Viti identified as having previously used metal shoe accents. To the contrary, Viti attested that, until this litigation, he was unaware of Brown, LVL XIII, or its sneakers. Viti Decl. ¶ 13; *see also* Viti Dep. I, at 11-12. He further attested that LVL XIII's sneaker design did not inform his design of the OTR Sneaker. *See* Viti Decl. ¶ 14.
- 13 The email also pointed out that LV had featured the metal strip "accessory" on the heel of a men's shoe in LV's Fall/Winter 2013 collection. Pl. 56.1 ¶ 52.
- 14 Viti testified that Desmet's job was to "develop [Viti's] designs and to ... make the work go forward in a practical way." Viti Dep. II, at 38. Specifically, Desmet would "expand" and "develop" Viti's designs, but had no creative license to change them. *Id.* at 39-40.
- 15 According to Viti, he did not consider the toe plate to be an indicator of source; rather, he "designed [it] ... to be a decorative or ornamental feature." Viti Decl. ¶ 10.
- 16 These were: (1) sneaker boot in python and leather, (2) sneaker boot in bandana patchwork, (3) low-top in python and leather, and (4) low-top in bandana patchwork. Pl. 56.1 ¶ 69.

- 17 See Hall Decl.; Dkt. 130 ("Johnson Decl."); Dkt. 131 ("Hamilton Decl."); Dkt. 133 ("Bolton Decl."); Dkt. 134 ("Roque Decl."); Baptist Decl.
- 18 See Pl. 56.1 ¶ 268; Hall Decl. ¶ 3; Baptist Decl. ¶ 9; Johnson Decl. ¶ 4; Hamilton Decl. ¶ 4.
- 19 Hall Decl. ¶¶ 10-11; Baptist Decl. ¶¶ 15-16; Johnson Decl. ¶ 11; Hamilton Decl. ¶ 11.
- 20 Roque attested that she was "disappoint[ed]" that LVL XIII had "s[old] out," because "the draw of LVL XIII's products ... [was] the 'start-up urban culture' that is at the core of the company[,] which [she] view[ed] as the antithesis of [LV's] design and product offerings." Roque Decl. ¶ 6. Bolton attested that he was disappointed because he had thought of LVL XIII as a "'street' start-up that [he] could identify with and get behind," and assumed that "now LVL XIII ... would become just another tired, oversaturated 'global' sneaker brand, eroding its cachet as a street-style-driven-start-up company." Bolton Decl. ¶ 5. He attested that, had he not learned the truth, he "doubt[ed] that [he] would ever have purchased products from LVL XIII again." *Id.* ¶ 6.
- 21 One features a photo of the OTR sneaker and a user comment inquiring whether it was produced by LVL XIII. Sloane Decl., Ex. 46, at 2. The other features a photo of the OTR Sneaker, tagged "New #LVL XIII shoe." *Id.* at 1.
- 22 The first, sent by Hall, attaches a photo of the OTR Sneaker and states: "Don't know if u scene it before, but LV did that ... Lvl Viii wayy dooper. But i saw that metal in the front and was like 'oh ok' lol." Sloane Decl., Ex. 47, at 1. The second, sent by a Sean Roberson, attaches a photo of the OTR Sneaker and asks, "Lvlxiii?" *Id.*, Ex. 46, at 3; Pl. 56.1 ¶ 260. The third, sent by Brown's former colleague, states: "Louis Vuitton should hire you instead of copying your designs!" Sloane Decl., Ex. 47, at 2; Brown Dep. IV, at 393-94.
- 23 LV also objects that: (1) Colman did not review relevant parts of the record; (2) his opinions are contradicted by record evidence; (3) he opines on ultimate issues of fact and law; and (4) his bias against LV influenced his opinions. See Def. *Daubert* Br. 12-14, 17-19; Def. *Daubert* Reply Br. 10. The three objections addressed in the text are, in the Court's assessment, LV's most substantial grievances. Because the Court holds Colman's report and testimony inadmissible on each of those grounds, it need not decide whether LV's other objections require preclusion.
- 24 See University of Hawaii Manoa, UH Law School Announces New Faculty Member to Teach Intellectual Property Law (Mar. 14, 2016), <https://manoa.hawaii.edu/news/article.php?ald=7761>.
- 25 LVL XIII cites *HealthOne of Denver, Inc. v. UnitedHealth Group, Inc.*, No. 10 Civ. 1633, 2012 WL 94678, at *2-3, 2012 U.S. Dist. LEXIS 4506, at *7 (D.Colo. Jan. 12, 2012), and *Pandora Jewelers 1995, Inc. v. Pandora Jewelry, LLC*, 2011 WL 2295269, at *7, 2011 U.S. Dist. LEXIS 62969, at *21 (S.D.Fla. June 7, 2011), for the proposition that attorneys may qualify as experts in trademark cases. See Pl. *Daubert* Opp. Br. 10. But those cases are inapposite, as the experts there did not offer opinions on secondary meaning. See *HealthOne*, 2012 WL 94678, at *5-7, 2012 U.S. Dist. LEXIS 4506, at *14-21 (holding trademark lawyer qualified to testify as to contents of trademark search report, deferring judgment as to whether lawyer could testify about consumer survey conducted by other expert, and noting that it would depend on "whether or not [he] ha[d] any familiarity with the methods or reasoning used ... in [the] survey and what his experience [was] with surveys"; court demurred on whether lawyer could testify as to one factor in likelihood-of-confusion test); *Pandora*, 2011 WL 2295269, at *7, 2011 U.S. Dist. LEXIS 62969, at *21-22 (lawyer who specialized in "legal and regulatory compliance" could testify as expert "on distribution channels for branded and non-branded jewelry").
- 26 See *infra*, at 654-65. These are: (1) advertising expenditures, (2) unsolicited media coverage of the product, (3) sales success, (4) attempts to plagiarize the mark, and (5) length and exclusivity of the mark's use. *Centaur II*, 830 F.2d at 1222. Conceivably, Colman's knowledge of the "history of American fashion, contemporary American fashion, fashion subcultures ... and the history, development, and present landscape of American fashion design, marketing, and merchandising" may qualify him to opine on some of these factors. Colman Rpt. ¶ 14; see, e.g., *id.* ¶ 39(c) (stating that "[f]ashion companies ... have in recent years had at their disposal a new, paradigm-shifting set of tools for achieving consumer recognition—tools that are more effective than the traditional paid advertisements that were the hallmark of the pre-Internet era"). But it does not follow that he is qualified to draw the empirical conclusion that LVL XIII, whether through such "paradigm-shifting ... tools" or otherwise, in fact achieved secondary meaning among the relevant consumer population before LV's OTR Sneaker came on the market.

27 The Second Circuit cases on which LVL XIII relies are not to the contrary. In *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126 (2d Cir.1979), the Circuit held that it was not error for the district court to admit the testimony of expert witnesses with “extensive experience as [] professional buyer[s] of women’s coats” “to establish the level of sophistication of the typical purchaser of [defendant’s] coats.” *Id.* at 1138 n. 7. But the witnesses there did not, as is proposed here, offer testimony on the issue of secondary meaning. *Scarves by Vera, Inc. v. Todo Imports Ltd. (Inc.)*, 544 F.2d 1167 (2d Cir.1976), is similarly inapposite. Plaintiffs’ “experts on the fashion industry” testified there only that “plaintiff was recognized among the top ‘name’ designers”—they did not opine on secondary meaning. *Id.* at 1170. Finally, in *Triangle Publications v. Rohrlisch*, 167 F.2d 969 (2d Cir.1948), overruled by *Monsanto Chem. Co. v. Perfect Fit Products Mfg. Co.*, 349 F.2d 389 (2d Cir.1965), the Circuit noted that the “testimony of qualified witnesses who were in the merchandising business” supported a finding of secondary meaning and/or confusion as to sponsorship. *Id.* at 972. But it offered no details as to the mode of analysis (*i.e.*, empirical vs. theoretical) through which the experts had reached their opinions.

LVL XIII has identified one case outside this Circuit where the court held that it was proper to admit expert testimony on the issue of secondary meaning even though the proffered experts had no experience performing empirical analyses. In *Yamaha Int’l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572 (Fed.Cir.1988), the Federal Circuit upheld the PTO’s decision to admit the testimony (although affording it only “modest weight”) of a guitar-maker and a jazz guitarist regarding the source-identifying function of guitar heads. *Id.* at 1582–83. That case is distinguishable, however, because, there, the PTO had made clear that it was the experts’ “professional ‘lifetimes’ of observation and experience” which made it unnecessary for them to be “experts in conducting consumer surveys or to have actually conducted such surveys.” *Yamaha Int’l Corp. v. Hoshino Gakki Co., Ltd.*, 231 U.S.P.Q. (BNA) ¶ 926 (P.T.O. Oct. 9, 1986) (internal quotation marks and citation omitted). Here, by contrast, Colman’s personal “contact knowledge, experience, training, and understanding [of the relevant consumer population]” has clearly not progressed to such a level so as to render an empirical analysis superfluous. *Id.*

28 This case is thus easily distinguished from *Hi Ltd. P’ship v. Winghouse of Fla., Inc.*, 3 Civ. 116 (ACC), 2004 WL 5486964 (M.D.Fla. Oct. 5, 2004), where plaintiff’s expert was held qualified to testify as to whether Hooters’ trade dress had acquired secondary meaning. There, plaintiff’s expert had (1) taught a restaurant management course for more than 20 years; (2) taught a course on restaurant brand management in which he addressed secondary meaning in the context of trade dress; (3) wrote his dissertation on “A Model to Identify the Efficient Capacity Range for Monopolistically Competitive Fine Dining Restaurant Firms”; (4) authored case studies and articles on the subject of restaurant brand identity; (5) consulted with leading restaurant chains concerning brand management and trade dress; and (6) twice served as a testifying expert in trade dress cases. *Id.* at *9. Those credentials dwarf Colman’s, and evince a level of experience performing empirical analyses glaringly absent from Colman’s CV. *Beastie Boys v. Monster Energy Co.*, 983 F.Supp.2d 354 (S.D.N.Y.2014), is similarly distinguishable. There, the parties agreed that the expert’s 20 years of experience in branding and marking amply qualified him to assess the memorability of the infringing video. *Id.* at 363–64.

29 Each of Colman’s publications relating to trademark law (which LVL XIII produced to the Court on July 15 and 18, 2016, see Dkt. 167) sets forth either basic legal principles or Colman’s observations and normative views as to the development and present state of intellectual property law in the United States. See materials listed at Colman Rpt., Appx. A, at 2; Dkt. 105, Ex. 3.

30 Colman’s report implies that he also intended to opine on a different issue: whether the TP constitutes a conventional trademark, which can be held inherently distinctive, as opposed to product-design trade dress, which cannot be. The report states that “the placement of the metal toe plate in a regular and consistent manner on LVL XIII’s shoes has most likely served, since its inception, not as product design, or even product packaging, but rather, as a conventional trademark.” Colman Rpt. ¶ 23 (emphasis omitted). LVL XIII now disclaims this statement as “not fundamentally part of [Colman’s] opinion, nor central to it.” Pl. *Daubert* Opp. Br. 15. For avoidance of doubt, the Court would not have found this to be an appropriate area for Colman’s testimony, for two reasons. First, Colman’s scholarly works do not appear to address this narrow issue, and Colman’s experience practicing trademark law is too limited to qualify him as an expert on it. Second, Colman’s opinion appears to be a legal conclusion; accordingly, it is inadmissible, as it would “usurp either the role of the trial judge in instructing the jury as to the applicable law or the role of the jury in applying that law to the facts before it” by “undertak[ing] to tell the jury what result to reach” without providing any explanation or criteria by which the jury could render its own judgment. *Nimely*, 414 F.3d at 397–98 (internal quotation marks and citations omitted); cf. *Ideal World Mktg., Inc. v. Duracell, Inc.*, 15 F.Supp.2d 239, 244 n. 2 (E.D.N.Y.1998) (rejecting trademark attorney’s proposed expert opinion that “PowerCheck” mark was suggestive and not descriptive because it was a “legal conclusion” which “impinge[d] upon the Court’s role ... and [was] of no probative value on [summary judgment] motion”), *aff’d*, 182 F.3d 900 (2d Cir.1999); *Motown Productions, Inc. v. Cacomm, Inc.*, 668 F.Supp. 285, 288 (S.D.N.Y.1987) (rejecting trademark lawyer’s expert opinion that “Nightlife” mark was “suggestive” because “the expert testimony of an attorney as to an ultimate issue of domestic law or as to the legal significance of facts is inadmissible”) (citing *Marx & Co. v. The Diners’ Club, Inc.*, 550 F.2d 505, 508–11 (2d Cir.1977)), *rev’d on other grounds*, 849 F.2d 781 (2d Cir.1988).

- 31 Nor, as the Court explained in its bench decision denying LVL XIII's motion to preclude the report and testimony of LV's expert, do the pleadings allege such an "urban" demographic. LVL XIII claims that its complaint hints at the popularity of its sneakers among young African-American males by noting several African-American celebrities, such as Chris Brown and Jason Derulo, who endorsed, or were seen wearing, LVL XIII shoes. Pl. *Daubert* Opp. Br. 5 (citing Compl. ¶¶ 25, 27, 29, 30, 32, 34). But the complaint does not draw that connection, and Brown himself testified that Derulo and Chris Brown do not do not "fall into the urban market at all," but rather appeal to "mainstream" audiences. See Brown Dep. IV, at 374-75, 377-78. Indeed, he testified that Derulo's mainstream appeal made him a "good fit" for the "target audience [that LVL XIII was] trying to reach." *Id.* at 375. Nor does the fact that Brown was featured in *Ebony* magazine, which LVL XIII calls the "pioneering media outlet for African Americans," Pl. *Daubert* Opp. Br. 6 (citing Compl. ¶ 35), support that urban males were the dominant part of LVL XIII's customer base.
- 32 See, e.g., *Zaremba v. Gen. Motors Corp.*, 360 F.3d 355, 357-60 (2d Cir.2004) (upholding exclusion of expert testimony where expert's "opinions were speculative because they were based on [his] unsupported conjecture of how the accident occurred"); *Boucher*, 73 F.3d at 22 (district court should have excluded expert testimony regarding plaintiff's lost earnings because the expert's projection "was based on assumptions about [plaintiff's] employment prospects that represent[ed] a complete break with his work history of seasonal and intermittent employment"); *Loyd*, 2011 WL 1327043, at *5 ("[A]n opinion that rests on a faulty assumption may not be based on good grounds and, therefore, may render the opinion unreliable, ergo inadmissible.") (internal quotation marks omitted) (citing *Amorgianos v. Nat'l R.R. Passenger Corp.*, 303 F.3d 256, 269 (2d Cir.2002)). For the same reason, although testimony as to the perceptual tendencies of LVL XIII's typical consumer may have been relevant, see, e.g., *JIPC Mgmt., Inc. v. Incredible Pizza Co.*, No. 08 Civ. 04310 (MMM), 2009 WL 8591607, at *4 (C.D.Cal. July 14, 2009); *Chase Manhattan Bank, USA, N.A. v. Freedom Card, Inc.*, 333 F.Supp.2d 239, 249 n. 17 (D.Del.2004), Colman's testimony as to attributes of this much more narrow demographic would not substantially "help the trier of fact" in resolving any issue in this case. *Fed. R. Evid.* 702.
- 33 LVL XIII denies that these 12 posts constitute "the entirety of Colman's produc[tion] in the way of 'social media posts,'" but it has not cited any record evidence of additional posts that Colman produced. See Pl. 56.1 ¶ 205. Colman's failure to produce other posts is, therefore, deemed admitted. See S.D.N.Y. Local Rule 56.1(c), (d). Although not strictly relevant to the *Daubert* analysis, LVL XIII's woefully incomplete disclosure of the basis for its expert's opinion violates *Federal Rule of Civil Procedure* 26(a). See *Koppell v. N.Y. State Bd. of Elections*, 97 F.Supp.2d 477, 482 (S.D.N.Y.2000). Were Colman's testimony not excluded under *Daubert*, this lapse would likely itself require exclusion.
- 34 Defending his failure to preserve documentation, Colman testified that he believed that doing so was unnecessary because the sites and social media posts he reviewed are "representative of the general landscape of what is out there." Colman Dep. 56. But because Colman did not produce those materials, the Court has no means by which to verify that claim, and "is left only with his *ipse dixit*." *Cross Commerce Media, Inc. v. Collective, Inc.*, No. 13 Civ. 2754 (KBF), 2014 WL 11343849, at *10 (S.D.N.Y. Aug. 21, 2014) (rejecting expert's opinion as unreliable where he identified group of consumer survey respondents as "the correct group, but provide[d] no rationale as to why," instead, leaving the court "only with his *ipse dixit*").
- 35 LVL XIII cites *Louis Vuitton Malletier S.A. v. Sunny Merch. Corp.*, 97 F.Supp.3d 485 (S.D.N.Y.2015), and *Broadspring, Inc. v. Congoo, LLC*, No. 13 Civ. 1866 (JMF), 2014 WL 4100615, at *16 (S.D.N.Y. Aug. 20, 2014), for the proposition that it is "proper for an expert to testify regarding his review and analysis of vast amounts of material, available to all parties, in order to make them accessible, comprehensible and coherent." Pl. *Daubert* Opp. Br. 13. But those cases are easily distinguished. There, the raw data/materials on which the experts relied were available to all parties. See *Sunny Merch.*, 97 F.Supp.3d at 504 (plaintiff's expert "combed through at least 100 pages of sales reports [produced by defendant], compiled and aggregated the data ..., and presented it in a more readily understandable format"); *Broadspring*, 2014 WL 4100615, at *16 (expert "reproduce[d] the results of Internet searches and other third-party statements in his report ... and relied on his specialized knowledge in the field of information security to synthesize [that] information ... and to form an opinion"). As such, that data could be independently evaluated to assess the experts' conclusions. Compare *Loyd*, 2011 WL 1327043, at *7 (expert "may [have been] relying simply on *post hoc*, ergo *propter hoc* reasoning," where plaintiffs failed to produce records he claimed supported his opinion), with *U.S. Info. Sys., Inc. v. Int'l Bhd. of Elec. Workers Local Union No. 3, AFL-CIO*, 313 F.Supp.2d 213, 229 (S.D.N.Y.2004) (plaintiff's expert's testimony was admissible, even though it was "open to dispute" whether he drew an "appropriate inference" from the data in the record, because "defendants [would be] fully able ... to contest this inference both through the testimony of their own expert witnesses, and through cross-examination") (internal citation omitted). Here, Colman's failure even to preserve a record of the materials he reviewed or to provide clear instructions that would permit a third-party to retrace his steps precludes such an objective assessment.
- 36 Colman claimed that "[t]here is a sort of peer review system [in VCS] where people weigh in on the persuasiveness and

thoroughness of other people's projects," but did not identify any project concerning secondary meaning that was subject to such review. See Colman Dep. 186-87.

- 37 A related problem: Colman was tasked with determining whether the TP had achieved secondary meaning as of March 2014. But the social media posts he produced appear to be from a later time period. See Sloane Decl., Ex. 41; Pl. 56.1 ¶¶ 205-06. It is unclear to say the least, why such posts would be probative of the existence of secondary meaning at an earlier point. See *Cross Commerce*, 2014 WL 11343849, at *9 (use of marketing document as evidence of secondary meaning was "problematic" because "the marketing document fail[ed] to address the appropriate timeframe at issue with regard to secondary meaning").
- 38 Compare *Hi Ltd.*, 2004 WL 5486964, at *2, *4 (rejecting expert opinion as "highly speculative and unreliable" where expert testified that his methodology was "essentially, a thought process.... I discussed it with Bill Kerr ...; I read the restaurant data ...; I considered the prior cases we had done, my prior experience. It's really kind of a combination of all of those," without assigning any value to various factors or data points), with *Broadspring*, 2014 WL 4100615, at 16 (rejecting claim that expert's report "contain[ed] no method whose reliability could be tested," where the report "guide[d] the reader through each step of the analysis" and identified the specific findings on which the expert based his conclusion).
- 39 See also *Restatement (Third) Unfair Competition* § 16 cmt.b (1995) ("Product designs are more likely to be seen merely as utilitarian or ornamental aspects of the goods.").
- 40 See also *Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 1001 (2d Cir.1997) ("[O]ver-inclusive protection of the product design risks conferring benefits beyond the intended scope of the Lanham Act and entering what is properly the realm of patent law."); *Landscape Forms*, 113 F.3d at 380 ("[G]ranted trade dress protection to an ordinary product design would create a monopoly in the goods themselves.").
- 41 An additional "doctrinal hurdle is the congressionally-imposed requirement that a plaintiff prove that an unregistered trade dress is 'not functional.' " *Yurman Design*, 262 F.3d at 116 (quoting 15 U.S.C. § 1125(a)(3)). A design feature is functional, and thus not protectable, if it is "essential to the use or purpose of the article, ... affects the cost or quality of the article," or, in cases involving an aesthetic feature, if its protection "would put competitors at a significant non-reputation-related disadvantage." *Id.* at 116 (quoting *Traffix*, 532 U.S. at 32-33, 121 S.Ct. 1255) (internal quotation marks omitted). Finally, the claimed product design cannot be "generic," i.e., so broad that it refers only "to the genus of which the particular product is a species." *Id.* at 115 (quoting *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 32, 33 (2d Cir.1995)) (internal quotation marks omitted). Here, LV concedes that the TP is not functional, see Tr. 58, and has not argued that it is generic. Because LVL XIII's claims fail on other grounds, the Court has no occasion to consider, *sua sponte*, whether the TP is generic. But the issue whether LVL XIII's toe plate is so, and hence unprotectable even if it had acquired secondary meaning, appears substantial: The claimed trade dress consists of an unadorned metal toe plate—which, as discussed below, is a common design feature in the high-end footwear industry. See *Yurman Design*, 262 F.3d at 115 ("[E]ven a showing of secondary meaning is insufficient to protect product designs that are overbroad or 'generic.' "); *Fun-Damental*, 111 F.3d at 1000 ("A trade dress that consists of the shape of a product that conforms to a well-established industry custom is generic and hence unprotected. For example, the cosmetics industry's common use of black, rectangular-shaped compacts renders that packaging generic."); *Jeffrey Milstein, Inc.*, 58 F.3d at 33 ("Despite its initial novelty within the greeting card industry [,] ... Paper House's trade dress cannot qualify for trade dress protection because Paper House is effectively seeking protection for an idea or concept—die-cut photographic greeting cards.").
- 42 See also Brown Dep. I, at 91-92 (testifying as LVL XIII's 30(b)(6) witness that the allegedly infringed source identifier consists of a "metal plate" which (1) is "rectangular in shape with soft edges"; (2) contours the front of the toe of the shoe; (3) is "approximately 3 to 4 millimeters thick"; and (4) is inset into a two millimeter indentation in the outsole of the sneaker); Brown Dep. III, at 100 (the TP does not include the screws or the "literal element of LVL XIII"). Notably, this definition is broader than that recited in (1) the '102 Application, which sought protection for "a shoe toe design featuring a rectangular metal plate across the front of the shoe toe with the wording LVL XIII engraved in the metal plate," Pl. 56.1 ¶ 106 (emphasis added); and (2) the complaint, which defines the TP as a "rectangular metal plate across the front of the shoe toe including the legend 'LVL XIII' engraved in the metal plate, secured by small screws in the corners of the metal plate," Compl. ¶ 5.
- 43 LVL XIII argues that this question cannot be resolved on a motion for summary judgment because it presents a question of fact. Pl. SJ Br. 12 n. 3 (citing *In re Slokevage*, 441 F.3d 957, 959 (Fed.Cir.2006) ("[T]he determination whether trade dress is product design is a factual finding.")). But, even if this determination is properly cast as a factual question as opposed to an application of law to fact, a court may resolve such a question on summary judgment where "only one possible conclusion may be drawn from the undisputed facts." *Tuthill v. United States*, 270 F.Supp.2d 395, 399 (S.D.N.Y.2003); see also *Wal-Mart*, 529 U.S. at 215, 120 S.Ct. 1339 ("To the extent there are close cases, we believe that courts should err on the side of caution and classify ambiguous

trade dress as product design.”) (emphasis added); cf. *Jewish Sephardic Yellow Pages, Ltd. v. DAG Media, Inc.*, 478 F.Supp.2d 340, 355–56 (E.D.N.Y.2007) (“Although the classification [of a mark] is a fact-bound determination, [w]hen reasonable minds could not differ as to the import of the proffered evidence, then summary judgment is proper.” (internal quotation marks and citations omitted)).

44 The Court had no occasion to do so, because it was undisputed that the mark at issue—“one-piece seersucker outfits decorated with appliques of hearts, flowers, fruits, and the like—was product design. *Wal-Mart*, 529 U.S. at 207, 120 S.Ct. 1339 (2000).

45 In holding that the TP is three-dimensional, the Court does not rely on LVL XIII’s purported concession to that effect (from which LVL XIII now distances itself), see Pl. 56.1 ¶ 126, but on its own evaluation of the record photographs of the TP, see, e.g., Compl. 2, 5, 8-9, and on the inherent dimensions of such a “metal plate.”

46 Compare *L’Oreal USA, Inc. v. Trend Beauty Corp.*, No. 11 Civ. 4187 (RA), 2013 WL 4400532, at *2 (S.D.N.Y. Aug. 15, 2013) (perfume bottle and box containing bottle were packaging), and *Paddington Corp. v. Attiki Imps. & Distribs.*, 996 F.2d 577, 583–84 (2d Cir.1993) (shape of ouzo bottles was packaging), with *Fedders Corp. v. Elite Classics*, 268 F.Supp.2d 1051, 1062 (S.D.Ill.2003) (“undulating curve” on face plate of air conditioner unit was product design, not packaging).

47 In support of its trademark claim, LVL XIII relies solely on Colman’s opinion that “the placement of the metal toe plate in a regular and consistent manner on LVL XIII’s shoes has most likely served, since its inception, *not* as product design, or even product packaging, but rather, as a conventional trademark.” Pl. SJ Br. 11 (citing Colman Rpt. ¶ 23). But that opinion is “purely conclusory” and “without factual basis.” *Major League Baseball Props., Inc. v. Salvino, Inc.*, 542 F.3d 290, 311 (2d Cir.2008) (internal quotation marks and citation omitted). Even if Colman’s entire report had not been struck, this assertion would have been “inappropriate material for consideration on a motion for summary judgment.” *Id.* LVL XIII has offered absolutely no evidence to support its claim that the TP is product packaging.

48 LVL XIII denies that its language in the ‘102 Application shows that it “contemplated trade dress and not a trademark registration.” Pl. SJ Br. 13. In so arguing, it relies on the attestation of its trademark counsel, Erik Pelton, that he uses the word “design ... whenever the mark that is the subject matter of an application for registration contains a non-literal element,” not just for trade dress. Pelton Decl. ¶ 9. But even if that were true, it would not explain why, pursuant to TMEP § 1202.02(c), the rule for “drawings, descriptions, and disclaimers in *trade dress* applications,” LVL XIII amended its application to depict the screws on the toe plate in dotted lines, to indicate that they were not part of the mark. See Pl. 56.1 ¶¶ 104-05.

49 Given this holding, the Court need not determine whether LVL XIII would otherwise be bound by the admission in its amended answer that the TP is product design trade dress. See Def. SJ Br. 16 (quoting Dkts. 40, 42, ¶ 86 (admitting that “[t]he predicate for all four counts of LVL XIII’s complaint is that it has protectable trade dress rights in a shoe toe design featuring a rectangular metal plate across the front of the toe of a shoe”)); compare *Hoodho v. Holder*, 558 F.3d 184, 191 (2d Cir.2009) (“Facts admitted by a party are judicial admissions that bind th[at] [party] throughout th[e] litigation.” (internal quotation marks and citation omitted)), and *Hausler v. JP Morgan Chase Bank, N.A.*, 127 F.Supp.3d 17, 37 (S.D.N.Y.2015) (“It is clear that under federal law, ‘stipulations and admissions in the pleadings are generally binding on the parties and the Court’ as judicial admissions.”) (quoting *PPX Enterprises, Inc. v. Audiofidelity, Inc.*, 746 F.2d 120, 123 (2d Cir.1984)), with *Black & Decker Corp. v. Dunsford*, 944 F.Supp. 220, 225 n. 7 (S.D.N.Y.1996) (defendants’ “so-called judicial admissions of descriptiveness” in answer and counterclaim “do not constitute binding admissions that the mark is descriptive”), and *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 354 (defendants’ earlier admission that mark was descriptive was “probative and admissible,” but not binding).

50 See, e.g., *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 371 (“[M]erely showing that a certain amount was spent on advertising provides little support for secondary meaning. It must be shown that there was promotion of the mark as an identifier for the product.” (internal quotation marks and citation omitted)); *Lopez*, 883 F.Supp.2d at 426; *Urban Grp. Exercise Consultants, Inc. v. Dick’s Sporting Goods, Inc.*, No. 12 Civ. 3599 (RDS), 2013 WL 866867, at *3–4, 2013 U.S. Dist. LEXIS 33270, at *8–9 (S.D.N.Y. Mar. 8, 2013).

51 LVL XIII has not provided any evidence of its advertising expenditures for 2014.

52 See, e.g., *Jack Schwartz Shoes v. Skechers U.S.A.*, No. 00 Civ. 7721 (RMB) (THK), 2002 U.S. Dist. LEXIS 25699, at *64–66 (S.D.N.Y.2002) (evidence that plaintiff spent \$490,420 on advertising during 10-month period did not support secondary meaning because, “[g]iven the short period of time in question, an advertising campaign would need to be overwhelming in order to create an association between the [mark] and its source[,] [and] [p]laintiff’s advertising expenditures were modest, at best”),

adopted by 233 F.Supp.2d 512 (S.D.N.Y.2002); *Brandwynne v. Combe Int'l, Ltd.*, 74 F.Supp.2d 364, 382 (S.D.N.Y.1999) (advertising expenditures of \$120,000 over three-year period weighed against finding of secondary meaning).

- 53 This case is thus easily distinguished from *Centaur II*, 830 F.2d 1217, on which LVL XIII relies. See Pl. SJ Br. 21. There, the court emphasized that the plaintiff's advertising efforts, which included a direct mail solicitation campaign, had "served to put [plaintiff's product] before the relevant group of consumers." *Centaur II*, 830 F.2d at 1222.
- 54 LVL XIII cites *Amini Innovation Corp. v. McFerran Home Furnishings, Inc.*, 68 F.Supp.3d 1170, 1174 (C.D.Cal.2014), to support that a plaintiff's social media presence, without more, may satisfy the "advertising" factor. But that reliance is misplaced. The court there looked not only to the plaintiff's social media presence, but also to the "substantial sums [plaintiff had spent] advertising its products," and its "substantial presence at well-attended regular industry trade shows, in trade publications, in consumer magazines, on its website, ... and through its product catalogues." *Id.*; see also *Denimafia Inc. v. New Balance Athletic Shoe, Inc.*, No. 12 Civ. 4112 (AJP), 2014 WL 814532, at *11 (S.D.N.Y. Mar. 3, 2014) (that plaintiff "never had the funds for traditional advertising such as television commercials and print advertising ... and merely offer[ed] evidence of its use of free advertising" weighed against secondary meaning); *Gameologist Grp., LLC v. Sci. Games Int'l, Inc.*, 838 F.Supp.2d 141, 158 (S.D.N.Y.2011) (plaintiff's claim that it attended trade shows, paid to create prototypes of products, purchased an "email blast," disseminated press releases, and distributed hundreds of samples of its board games did not support secondary meaning, where plaintiff "produced no evidence as to the actual costs of th[o]se activities nor show[ed] they were anything but modest"), *aff'd*, 508 Fed.Appx. 31 (2d Cir.2013) (summary order). In any event, as noted, LVL XIII has not adduced sufficient evidence of its social media presence to support a finding of secondary meaning.
- 55 In fact, LVL XIII has produced only 12 social media posts, none of which appear to depict sneakers from LVL XIII's original sneaker line, much less call attention to the TP affixed to those sneakers as an indicator of source. See Sloane Decl., Ex. 41; Pl. 56.1 ¶¶ 205-08.
- 56 Although Brown testified that he "was told" that DeRay Davis "made mention of the shoes and the metal plate" on television, he clarified that he had "no firsthand knowledge" of this. See Brown Dep. IV, at 286-87; cf. *Advance Magazine Publishers, Inc. v. Norris*, 627 F.Supp.2d 103, 117 (S.D.N.Y.2008) (hearsay evidence proffered through affidavit insufficient to demonstrate media coverage without documentary evidence of such coverage in the record).
- 57 See *Lopez*, 883 F.Supp.2d at 426 ("Although the Court appreciates the modest nature of Lopez's business and that it is unrealistic to expect him to mount more than a very modest survey, and therefore assigns little weight to this factor, this factor, ultimately, cannot support a finding of secondary meaning [because plaintiff did not submit any study]."); *Sports Traveler II*, 25 F.Supp.2d at 164 (rejecting plaintiff's argument that it "should not be prejudiced because it did not conduct a survey" due to resource constraints).
- 58 The Court discussed Mazis's survey methodology in depth in its July 28, 2016 bench opinion, which denied LVL XIII's motion to preclude Mazis's report and testimony. See Tr. 17-41.
- 59 Mazis arrived at this figure by including the responses of all participants, regardless whether they had previously seen the shoes pictured in the survey prompt. Mazis Rpt. ¶ 38. Mazis's primary analysis, which excluded participants who had not seen the shoes, yielded an even lower figure: Only 1% of respondents associated the TP with a single source. *Id.* ¶ 33.
- 60 Mazis separately measured respondent recognition of the modified toe plate featured on LVL XIII's second line of sneakers. At most, 4% percent of respondents associated that toe plate with a single brand. Mazis Rpt. ¶¶ 34-35, 41. None associated it with LVL XIII. *Id.* ¶¶ 36, 42.
- 61 These are that: (1) the survey universe was overbroad because it included men who had bought or expected to buy any high-end shoes, as opposed to only luxury sneakers, Tr. 28-29; and (2) the survey measured recognition at the wrong point in time (*i.e.*, in October 2015 rather than before March 2014), *id.* at 32-34.
- 62 LVL XIII's arguments to the contrary are not persuasive. As to the Verve Social Magazine piece, LVL XIII contends that it included a "photo of LVL XIII's sneakers prominently featuring the toe plate." Pl. 56.1 ¶ 220. But the two photos submitted from that piece do not focus on the TP, as opposed to other features of the sneaker's design. One photo is shot from above, such that the TP is barely even visible. See MacMull Decl., Ex. 10, at 9. As to Jason Derulo's performance, at no point during that segment was there any comment on the sneakers or the TP. Tr. 78. LVL XIII argues that the fact that Derulo "st[ood] on his head with these shoes in mid air" called attention to the "very prominent metallic plates." *Id.*; see Compl. ¶ 25. But as the Court noted at argument,

Derulo's sneakers were no focus of Derulo's choreography. See Tr. 79 (describing the photo as "a bit of a Where's Waldo. There's a lot going on in the picture. The toe plate is sort of hard to find.... If [you were] told to look at the photo and to say the 10 things that strike you about [it], [the TP] would assuredly not be one of them."); see also *Urban Grp.*, 2013 WL 866867, at *4, 2013 U.S. Dist. LEXIS 33270, at *10–11 (rejecting argument that video on plaintiff's website served to "focus the viewers on [plaintiff's mark] ... as a source identifier for [plaintiff]" because video "d[id] not mention, emphasize or call attention to the [] alleged trade dress"). In any event, even if the toe plates had been highlighted, nothing in the *Good Morning America* segment identified LVL XIII as the source of the sneakers bearing them.

- 63 See, e.g., *Lopez*, 883 F.Supp.2d at 426–27 (evidence that artist was featured in magazine wearing plaintiff's apparel and that apparel was featured in music video did not support secondary meaning because plaintiff "d[id] not produce any evidence that consumers connected the apparel depicted in the photographs or the video to him or his company"); *Morgans Grp. LLC v. John Doe Co.*, No. 10 Civ. 5225 (KMW) (HBP), 2012 WL 1098276, at *7 (S.D.N.Y. Mar. 31, 2012) (fact that plaintiff's bar was featured in city guides and magazines did not support secondary meaning, where plaintiff had "not offered any evidence to demonstrate that the[] listings [] created the required association in the minds of the consumers who are likely to patronize [the bar]"); *Herman Miller, Inc. v. Palazzetti Imps. & Exps., Inc.*, 998 F.Supp. 757, 762 (E.D.Mich.1998) (discrediting evidence of unsolicited media coverage where it "reflect[ed] interest more in an unusual product [or individual] than in the source of the product") (quoting *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431, 1453 (3d Cir.1994) (internal quotation marks omitted)).
- 64 LVL XIII contests this point. See Tr. 83–84. But its claim that the posts "predate the filing of [this lawsuit]," *id.* at 83, is belied by their content: All appear to display shoes from LVL XIII's second line of sneakers, which was not launched until September 2015; and one displays a user comment referencing this lawsuit. See Sloane Decl., Ex. 41, at 10 ("he's suing Louie Vuitton ... I'm an instant fan"). LVL XIII's counsel did not fulfill its undertaking to provide the Court with documentation that would situate any of the posts within the relevant time period. See Tr. 84 ("We will satisfy the Court on that question, if not this evening, very shortly.").
- 65 See also, e.g., *Giggle, Inc.*, 856 F.Supp.2d at 632 (evidence of "a handful of cursory mentions and brief blurbs in ... national and regional periodicals," "a few industry-specific articles that discuss its business and goods," and more than one million hits on plaintiff's website not probative of secondary meaning); *Denimafia*, 2014 WL 814532, at *12 ("isolated incidents" of unsolicited media coverage in several industry-specific publications insufficient to show secondary meaning); *Strange Music, Inc. v. Strange Music, Inc.*, 326 F.Supp.2d 481, 490 (S.D.N.Y.2004) ("dozen or so unsolicited articles that praise[d] plaintiffs' product") not probative of secondary meaning); *Sunenblick v. Harrell*, 895 F.Supp. 616, 627 (S.D.N.Y.1995) ("Although his products have been played on some radio stations, and have received favorable reviews in certain publications, defendants correctly point out that releases under [plaintiff's] label have been few and far between, thereby leading the court to question whether such exposure ... could generate any strength in the mark."), *aff'd*, 101 F.3d 684 (2d Cir.1996).
- 66 See, e.g., *Denimafia*, 2014 WL 814532, at *5, *12 (clothing sales of \$328,000 between 2004–2006 and \$170,000 in 2007 "d[id] not support a finding of acquired distinctiveness"); *W.W.W. Pharm. Co. v. Gillette Co.*, 984 F.2d 567, 569, 573 (2d Cir.1993) (fact that plaintiff's sales "peaked" at \$233,267, before dropping due to supplier problems, "evidence[d] ... a low national recognition of [plaintiff's] product"); *Strange Music*, 326 F.Supp.2d at 489 ("[S]ale[s] of 1,310 CDs does not amount to 'success' within the confines of the secondary meaning test."); *Sunenblick*, 895 F.Supp. at 620, 627 (sales of fewer than 5,000 records did not constitute sales success for purposes of secondary meaning); *Brandwynne*, 74 F.Supp.2d at 382 (\$100,000 in sales in single year did not establish secondary meaning).
LVL XIII cites *Mortellito v. Nina of California, Inc.*, 335 F.Supp. 1288 (S.D.N.Y.1972), for the proposition that the sales volume achieved by a small business owner need not mirror that of a large national retailer. Pl. SJ Br. 23. The court there held that the plaintiff's \$184,000 in sales supported secondary meaning, given her "meager means" and the modest scale of her business. *Mortellito*, 335 F.Supp. at 1290–91, 1295. Notably, *Mortellito* was decided in 1972—the plaintiff's \$184,000 in revenue today would amount to more than \$1 million. LVL XIII's sales (\$141,241) are far less.
- 67 LVL XIII instead relies on Colman's unsubstantiated claim of "Louis Vuitton's history of misappropriation with respect to smaller, vulnerable innovators in general and of LVL XIII's Mark in particular in reaction to its creative stagnancy." Pl. SJ Br. 19. Colman states that "[l]arge, wealthy fashion companies have, since at least the 1960s, managed to remain culturally relevant in part by appropriating trends, identity markers, and other characteristics of American streetwear." Colman Rpt. ¶ 28. On this basis, he imagines that LV "likely misappropriated LVL XIII's metal toe plate mark in an effort to siphon the aura of creativity that LVL XIII had (and has) achieved through genuinely innovative sneaker designs." *Id.* ¶ 39(b). Not only does this speculative claim lack any factual basis, it is also outside the proper ambit of expert testimony: "Determining what motivated a particular person or entity is generally not an appropriate subject matter for expert testimony." *R.F.M.A.S., Inc. v. So*, 748 F.Supp.2d 244, 268 (S.D.N.Y.2010); see, e.g., *Sunny Merch.*, 97 F.Supp.3d at 507 ("[W]hile [plaintiff's expert] may properly explain why [defendant's] actions would

be consistent with intentional copying or why such copying would be profitable (if that is indeed the case), he may not testify that [defendant] actually employed such a strategy.”). Colman’s testimony on this point would thus be inadmissible even if the Court had not struck his report on other grounds.

- 68 LVL XIII also posits that LV’s “refusal to permit LVL XIII to depose [Viti’s assistant] Mathieu Desmet, whose live testimony could have provided the key to the untold ‘story’ of the inspiration for his rapid redesign ‘re-creation,’ should be credited to [LVL XIII’s] favor at this juncture.” Pl. SJ Br. 32. That argument is unpersuasive for many reasons. Among them, LVL XIII did not seek to depose Desmet until after the close of fact discovery, which the Court had already extended on multiple occasions. *See* MacMull Decl., Ex. 24, at 1, 3. Given that LV identified Desmet in documents produced well within the discovery period, *see* Pl. Supp. 56.1 ¶ 412, LV was under no obligation to accede to LVL XIII’s untimely request.
- 69 *See also Paco Sport, Ltd. v. Paco Rabanne Parfums*, 86 F.Supp.2d 305, 324 (S.D.N.Y.2000) (testimony by defendant’s president that he “did not know of [plaintiff] when he chose the mark” undermined plaintiff’s claim of intentional copying), *aff’d*, 234 F.3d 1262 (2d Cir.2000).
- 70 *See Gameologist*, 838 F.Supp.2d at 163 (inference of bad faith weakened where “defendant would derive no benefit from sowing confusion as to the source of the product, such as where the plaintiff has no good will or reputation on which the defendant could hope to capitalize”); *Major League Baseball Props., Inc. v. Opening Day Prods., Inc.*, 385 F.Supp.2d 256, 268 (S.D.N.Y.2005) (lack of evidence of “any reputation or goodwill” upon which the defendant “could possibly have hoped to capitalize” weighed against finding of bad faith); *Medici Classics Prods., LLC v. Medici Grp., LLC (“Medici II”)*, 683 F.Supp.2d 304, 313 (S.D.N.Y.2010) (“[G]iven [plaintiff’s] low sales volume and the lack of evidence of secondary meaning, it is patently unreasonable to conclude that defendants sought to usurp that reputation or to otherwise capitalize on it.”).
- 71 As noted, Viti testified that he was unaware of LVL XIII until this litigation. LV’s trademark counsel similarly testified. *See* Sloane Decl., Ex. 56, at 94-95 (no knowledge of LVL XIII or Brown before LV was served with the complaint).
- 72 Contrary to LVL XIII’s argument, Viti’s credibility is not undermined by his testimony that: (1) he “made the metal plaque more of a rectangular design”; and (2) “[t]he final shape of the metal plate of the OTR Sneaker is not a rectangle.” Pl. SJ Br. 24 (citing Viti Decl. ¶ 9; Viti Dep. I, at 23). Those statements are not contradictory. Nor has LV failed to supply “any evidence ... to document a timeline of independent conception and development” of the OTR Sneaker. *See id.* at 19. LV produced multiple records documenting the design progression, corroborating Viti’s account. *See* Pl. 56.1 ¶¶ 40-42, 47-54, 58-63.
- 73 November 2013, when LVL XIII’s sneakers first became available at retail, is arguably a more appropriate measure of “first use” for purposes of gauging secondary meaning. *See* Def. Supp. 56.1 ¶ 293.
- 74 *See, e.g., Braun v. Dynamics Corp. of Am.*, 975 F.2d 815, 822, 826 (Fed.Cir.1992) (“While not impossible, it is difficult for a product to acquire secondary meaning during an 18-month period.”); *Cicena Ltd. v. Columbia Telecomm. Grp.*, 900 F.2d 1546, 1552 (Fed.Cir.1990) (18-month use period “point[ed] strongly away from a finding of secondary meaning”); *Medici II*, 683 F.Supp.2d at 310 (four-year use of mark insufficient to support secondary meaning); *Jack Schwartz Shoes*, 2002 U.S. Dist. LEXIS 25699, at *63 (“length” factor “militate[d] strongly against ... [finding] secondary meaning” where plaintiff’s product was on the market for only 10 months before defendant’s product was introduced); *Sports Traveler II*, 25 F.Supp.2d at 166 (nine months “too limited in duration and quantity to find that secondary meaning had attached to [plaintiff’s] trade dress”); *Landscape Forms, Inc. v. Columbia Cascade Co.*, 117 F.Supp.2d 360, 366–67 (S.D.N.Y.2000) (five-year design use insufficient to establish secondary meaning). To be sure, “no absolute time span can be posited as a yardstick in cases involving secondary meaning,” *Centaur II*, 830 F.2d at 1225, and in rare circumstances, where the other factors strongly weighed in plaintiff’s favor, courts have found secondary meaning to have accrued within a shorter time period. *See, e.g., L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1130 (Fed.Cir.1993) (five-month period not too short for acquisition of secondary meaning where plaintiff’s “advertising and promotion were extensive, and public demand for [its] design was shown, by sales figures, to have been rapidly achieved”). But deviation from the usual standard is not warranted here, where LVL XIII’s advertising expenditures, media coverage, and sales figures were all minimal. There is no basis on which a factfinder could find that the TP acquired secondary meaning in such a short time span.
- 75 As to LV, Viti attested that, since 2010, he has “used metal accents, as an ornamental design feature, at the toe and/or the heel of both men’s and women’s shoes.” Viti Decl. ¶ 3. He identified 13 examples of LV footwear bearing such adornments, *see id.* ¶¶ 3(a)-(n), three of which were men’s shoes or boots featuring a metal toe plate, *see id.* ¶ 3(a) (LV men’s Derby Shoe, 2011 collection); *id.* ¶ 3(b) (LV men’s Samouri Ankle Boot, Fall/Winter 2012 collection); *id.* ¶ 3(d) (LV’s men’s Reflection Shoe, 2013 pre-collection). Viti further attested that, since at least 2011, he “ha[s] been familiar with [similar] ornamental use by a number

of other brands.” *Id.* ¶ 3. LV has supplied evidence—in the form of website screenshots—of well over 20 examples of such third-party uses by designers including Fendi, Christian Louboutin, Balenciaga, New Rock, Giuseppe Zanotti, and Adidas. See generally Harmon Decl., Exs. A-K.

LVL XIII objects to this evidence as “irrelevant” and “unsubstantiated.” Pl. SJ Br. 25-26. The Court, for the most part, rejects that critique.

LVL XIII first argues that, because it claims rights only in a toe plate affixed to men’s sneakers, LV’s evidence of third-party use is irrelevant to the extent it involves other footwear. *Id.* at 26 (citing *W.E. Bassett Co. v. Revlon, Inc.*, 435 F.2d 656, 661 (2d Cir.1970) (third-party use did not weigh against secondary meaning where “the third-party products cited by [defendant] range[d] from very different to slightly different products from [plaintiff’s], [and] most of the third-party products ha[d] names slightly different from [plaintiff’s], or else the third-parties did not promote their [marks] with as much effort and money as [plaintiff] did”); *New Colt Holding Corp. v. RJG Holdings of Fla., Inc.*, 312 F.Supp.2d 195, 229 (D.Conn.2004) (rejecting evidence of third-party uses not relevant to market claimed by plaintiff)). But that argument is not persuasive here, given Brown’s testimony that (1) “luxury athletic footwear” is a “niche market” which bridges the gap between athletic shoes and dress shoes, see Brown Dep. I, at 47-48; and (2) LVL XIII’s initial sneaker line included “sneaker boots,” i.e., “hybrid[s] between [] boot[s] and [] sneaker[s],” *id.* at 146. See *Nabisco v. Warner–Lambert Co. (“Nabisco I”)*, 32 F.Supp.2d 690, 698 (S.D.N.Y.1999) (“confections” as opposed to “mints” was “relevant product category” for gauging third-party use because “the consumer has the freedom to choose among mints, gums, or candies to achieve breath freshening and cool taste”). A reasonable juror would have to conclude that at least some of the many third-party uses cited by LV diluted LVL XIII’s claim to exclusive use, thereby hindering its accrual of secondary meaning.

LVL XIII next argues that LV’s screenshots are improperly authenticated and do not establish that “the third-party marks ... were promoted in commerce” or “recognized by consumers in any way.” Pl. SJ Br. 26. It relies on cases discounting evidence of third-party trademark registrations, on the ground that such registrations do not alone establish the actual use of the registered marks in commerce. See, e.g., *Scarves by Vera*, 544 F.2d at 1173–74; *Bear U.S.A., Inc. v. Kim*, 71 F.Supp.2d 237, 255 (S.D.N.Y.1999), *aff’d*, 216 F.3d 1071 (2d Cir.2000). But those cases are inapposite. LV’s evidence is not of third-party registrations; it consists instead of screenshots of websites and articles which reflect the actual use of metal shoe ornaments in commerce. See *Bear U.S.A.*, 71 F.Supp.2d at 255 (“[E]vidence of third party registrations, in contrast to evidence of third party usage in the marketplace, is not persuasive evidence that a mark is weak.”) (emphasis added); *Giggle*, 856 F.Supp.2d at 632–33 (“[w]hen reliable,” screenshots of advertisements and websites of third-party use can be “very persuasive in proving lack of secondary meaning”); *Icon Enters. Int’l, Inc. v. Am. Products Co.*, No. 4 Civ. 1240 (SVW), 2004 WL 5644805, at *33 (C.D. Cal. Oct. 7, 2004) (“[A] website is arguably more probative of actual use than either a trademark search or telephone listing.”); see also *New Colt Holding Corp.*, 312 F.Supp.2d at 209 (“[R]equiring Defendants to demonstrate that competing users are recognized by customers misplaces the burden of proof and places the proverbial cart before the horse.”).

Nor is LV’s authentication of these documents fatally deficient. Almost every screenshot was authenticated by the person who produced it and who attested that it is a “true and correct copy of a screen print of an article” retrieved from a particular website on a particular date. See Harmon Decl. Most bear time stamps showing the publication date. Although an attestation from a person responsible for each website publication as to its timing would have been more reliable, LV’s proof is sufficiently reliable to be received, at least to show that, in the aggregate, numerous third parties used and publicly promoted metal toe plates before LVL XIII. Cf. *Sunny Merch.*, 97 F.Supp.3d at 503 (rejecting objection to third-party advertisements, internet search results, and various articles and reports); *Giggle*, 856 F.Supp.2d at 632–33 (screenshots of websites and advertisements depicting third-party use of “GIGGLE” mark not hearsay).

In any event, even if the Court disregarded all evidence of third-party use, the evidence of LV’s earlier use of metal accents would preclude a finding of exclusivity.

76 See e.g., *Giggle*, 856 F.Supp.2d at 633 (“With such an abundance of third-party use of the GIGGLE mark, especially those usages occurring even before Plaintiff entered the market in 2003, any secondary meaning in Plaintiff’s GIGGLE family of marks has been greatly diminished.”); *Lopez*, 883 F.Supp.2d at 429 (evidence that numerous companies used plaintiff’s mark, and that none did so to capitalize off of his reputation, undermined his claim of secondary meaning); *Denimafia*, 2014 WL 814532, at *12 (same).

77 It follows that LVL XIII’s motion for summary judgment on those claims must be denied.

78 Although the Court’s holding that the TP did not acquire secondary meaning obviates the need to determine whether there was a likelihood of confusion, see *Thompson Med. Co.*, 753 F.2d at 216; *Cross Commerce*, 2014 WL 11343849, at *6, the Court considers this issue here in the interest of completeness and because it bears on LVL XIII’s state-law claims.

79 Initial-interest confusion occurs when a potential customer is initially attracted to the junior user’s product by virtue of its use of a mark that is confusingly similar to the senior user’s mark. See *Grotian*, 523 F.2d at 1342. Post-sale confusion occurs when “an observer, other than a direct purchaser, [] sees a product bearing a mark or trade dress that is confusingly similar to [the senior

user's mark], [and] assume[s] that the product she is viewing is the [senior user's] product, or that there is some sort of association between the manufacturers of the two products. This might result in a transfer of goodwill, and effect [sic] the consumer's buying decision." *Jack Schwartz Shoes*, 2002 U.S. Dist. LEXIS 25699, at *72–73 (citing *Lois Sportswear*, 799 F.2d at 872–73, 875–76).

- 80 Although LVL XIII cursorily alludes to forward confusion in its brief, see Pl. SJ Br. 30, at argument, its counsel clarified that “the most prominent species of confusion here is reverse confusion. What [Brown] experienced was people seeing the shoe, believing that he had either copied the On the Road [S]neaker or that he was collaborating with Louis Vuitton.” Tr. 84.
- 81 The Second Circuit has recognized a caveat to this general rule: “[I]n an appropriate case, the ‘similarity of the marks’ factor can be dispositive and will warrant summary judgment for an infringement defendant if the court is satisfied that the ... marks are so dissimilar that no question of fact is presented.” *Nabisco, Inc. v. Warner-Lambert Co. (“Nabisco II”)*, 220 F.3d 43, 46 (2d Cir.2000) (internal quotation marks and citations omitted) (collecting cases); *Resource Developers, Inc. v. Statue of Liberty–Ellis Island Foundation, Inc.*, 926 F.2d 134, 141–42 (2d Cir.1991) (affirming summary judgment where marks were “so materially different that no question of fact was presented on the issue of likelihood of their confusion”).
- 82 See also, e.g., *W.W.W. Pharm.*, 984 F.2d at 573 (extensive third-party use of mark “weighs against a finding that [plaintiff’s trademark] is strong”); *Lang*, 949 F.2d at 581 (same); *Giggle*, 856 F.Supp.2d at 633 (“With such an abundance of third-party use of the GIGGLE mark, especially those usages occurring even before Plaintiff entered the market in 2003, any secondary meaning in Plaintiff’s GIGGLE family of marks has been greatly diminished, making Plaintiff’s family of marks much weaker.”).
- 83 Some courts have held that “where a plaintiff alleges reverse confusion, ‘it is appropriate to consider the strength of the junior user’s mark, because the essence of such a claim is that the junior user overpowers the senior user’s mark.’” *Denimafia*, 2014 WL 814532, at *13 (quoting *Gameologist*, 838 F.Supp.2d at 160 n. 8) (collecting cases); but see *W.W.W. Pharm.*, 984 F.2d at 572–73 (examining strength only of senior user’s mark in reverse confusion case); *ImOn, Inc. v. ImaginOn, Inc.*, 90 F.Supp.2d 345, 351 (S.D.N.Y.2000) (same); *Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp.*, 964 F.Supp. 733, 744–45 (S.D.N.Y.1997) (same). Here, there is no evidence that the OTR Sneaker’s toe plate is any stronger a mark than the TP. Like the TP, it is a product design feature, which cannot be inherently distinctive. And there is no indication that it acquired secondary meaning during the six-month period it was on the market. Indeed, Viti attested that he “designed the metal plate of the OTR Sneaker to be a decorative or ornamental feature, not an indication that the shoe came from Louis Vuitton.” Viti Decl. ¶ 10. Therefore, even if the Court were to consider the strength of LV’s mark, this factor would still weigh against a likelihood of confusion.
- 84 LVL XIII has failed to identify a single similarity between the parties’ marks aside from their identity as metal toe plates. See Pl. SJ Br. 28–29 (arguing that parties’ marks are similar because they are both metal plates “on the toe of the outsole of their respective men’s sneakers”).
- 85 Seizing on Viti’s testimony that the OTR Sneaker’s toe plate is “more of a rectangular design” than his initial rendition of the Jack Purcell “smile,” LVL XIII asserts that the toe plate is, in fact, a rectangle. See Pl. SJ Br. 29 n. 11. But LV’s toe plate’s dimensions speak for themselves. Its top edge is undeniably shorter than its bottom edge.
- 86 Although LVL XIII has disclaimed the “LVL XIII” inscription and screws as parts of its mark, it acknowledges that these elements were present on every toe plate in its first sneaker collection.
- 87 LV argues that the distinct labeling and packaging of the parties’ sneakers makes them further distinguishable. See Def. SJ Reply Br. 21 & n. 11. It is true that the logos on the OTR Sneaker (“LOUIS VUITTON” is imprinted on the heel plate, tongue, shoelace rivets, and insole; and the Initials Logo is imprinted on the rubber sole) “would tend to lead the average consumer to believe” that LV’s shoes are not LVL XIII’s.” *Id.* (quoting *Lopez*, 883 F.Supp.2d at 420–21); see also *O’Keefe v. Ogilvy & Mather Worldwide, Inc.*, 590 F.Supp.2d 500, 522 (S.D.N.Y.2008) (“The Second Circuit has ‘repeatedly found that the presence of a distinct brand name ... weigh[s] against a finding of confusing similarity.’” (quoting *Playtex Prods.*, 390 F.3d at 164)). But to the extent that LVL XIII claims confusion as to *association*, as opposed to *source*, labeling is less relevant—a consumer could appreciate that the OTR Sneaker was marketed by LV, but still believe it was the product of a collaboration with LVL XIII. See *Lois Sportswear*, 799 F.2d at 873–74 (“Appellants’ labeling in no way dispels the likelihood that consumers will conclude that appellants’ jeans are somehow connected to appellee by virtue of the nearly identical stitching patterns.”). By contrast, the dissimilarities noted in text, above, are likely to dispel both types of confusion.
- 88 LVL XIII’s business plan states that its target customer “will consist of a consumer from the age group of 17–35 with the income ability to afford the likes of a Gucci or Louis Vuitton item.” JSF ¶ 14. Brown testified that when he created the business plan, he

identified LV among his “inspiration[s]” and “competitors.” Brown Dep. V, at 83.

- 89 Similarly, were LVL XIII primarily claiming confusion as to source, the exclusive distribution of the OTR Sneaker through LV-run channels would have reduced the likelihood of confusion. Consumers observing LVL XIII sneakers sold in an outside forum would have been less likely to mistakenly attribute them to LV. But such is not the case here, where LVL XIII primarily claims confusion as to association or sponsorship. Those types of confusion may exist regardless of the parties’ separate distribution channels.
- 90 See, e.g., *Bath & Body Works Brand Mgmt., Inc. v. Summit Entm’t, LLC*, 7 F.Supp.3d 385, 395–96 (S.D.N.Y.2014) (rejecting claim that parties did not compete in same market because plaintiff’s products were sold “exclusively in [its] stores and on its website,” where “both parties’ respective products were sold in retail stores in malls and over the internet” and the parties shared a target demographic); *BeautyBank, Inc. v. Harvey Prince, LLP*, No. 10 Civ. 00955 (AJN), 2013 WL 11327097, at *15 (S.D.N.Y. Mar. 29, 2013) (parties’ products were “largely in competitive proximity” where both “s[old] to customers through internet retailing”); see also *Cartier, Inc. v. Sardell Jewelry, Inc. (“Cartier II”)*, 294 Fed.Appx. 615, 619 (2d Cir.2008) (summary order) (products’ ability to be sold in same venue not necessary for a finding of competitive proximity); *Patsy’s*, 317 F.3d at 218 (defendants’ restriction of sales to its restaurant and franchises “did not tip this factor in [d]efendants’ favor” because the products “appeal[ed] to the same consumers, and sale locations [were] geographically close”); but see *Strange Music*, 326 F.Supp.2d at 491 (no competitive proximity where plaintiffs’ CDs were sold primarily through its website, whereas defendants’ CDs were sold in traditional music stores and outlets).
- 91 The 12 individuals who contacted Brown or LVL XIII are listed in LVL XIII’s interrogatories. See Pl. 56.1 ¶ 267. Six submitted declarations attesting to their purported confusion. See Baptist Decl.; Hall Decl.; Hamilton Decl.; Johnson Decl.; Bolton Decl.; Roque Decl.
- 92 Brown also testified that consumers at two boutiques had asked retailers whether LVL XIII was collaborating with LV. See Brown Dep. IV, at 415–22. But he admitted lacking first-hand knowledge of these inquiries, including how many consumers had expressed such “confusion,” or what they had said. See *id.* at 418–22. The Court does not credit this vague hearsay.
- 93 See also Johnson Decl. ¶ 4; Hamilton Decl. ¶ 4; Hall Decl. ¶ 3; Baptist Decl. ¶ 9.
- 94 See, e.g., *Jewish Sephardic Yellow Pages*, 478 F.Supp.2d at 370 (“[C]ourts have concluded that testimony from persons closely associated with the plaintiff does not adequately reflect the views of the buying public.” (internal quotation marks and citation omitted)); *Paco Sport*, 86 F.Supp.2d at 319 (“[B]ecause of their professional association with Paco Rabanne both De Gruttola and Pover are more aware of Paco Rabanne’s marks and more sensitive to them than an average consumer. Accordingly, their reaction to Paco Sport’s is not indicative of the typical consumer’s reaction.”); *Brown v. Quiniou*, 744 F.Supp. 463, 472 (S.D.N.Y.1990) (testimony of “fashion professional with substantial background in that industry ... cannot reasonably be said to reflect that of the average consumer”); *Elizabeth Taylor Cosmetics Co. v. Annick Goutal, S.A.R.L.*, 673 F.Supp. 1238, 1246 (S.D.N.Y.1987) (evidence of actual confusion was “scant” where it “consist[ed] mostly of anecdotal testimony of Goutal saleswomen who [were] employed at Bergdorf-Goodman and of Annick Goutal herself”); *In re Paint Prods. Co.*, 8 U.S.P.Q.2d 1863, 1866 (T.T.A.B.1988) (“Because these affidavits were sought and collected by applicant from ten customers who have dealt with applicant for many years, the evidence is not altogether persuasive on the issue of how the average customer for paints perceives the words ‘PAINT PRODUCTS CO.’ in conjunction with paints and coatings.”).
- 95 LVL XIII has supplied no identifying details as to the third person, Edgar Moreno.
- 96 See, e.g., *Denimafia*, 2014 WL 814532, at *19 (“none of Denimafia’s five alleged instances demonstrate[d] actual confusion” because “none of [the purportedly confused persons] testified that New Balance’s use of the <=> mark affected a purchasing decision of any kind or confused them as to the source of the products”); *O’Keefe*, 590 F.Supp.2d at 524 (“[B]ecause ‘the relevant confusion is that which affects the purchasing and selling of the goods or services in question,’ to be evidence of actual confusion in the marketplace, the testimony must indicate that the ‘confusion affected [the potential customer’s] determination to purchase [plaintiff’s] product.’ ” (quoting *W.W.W. Pharm.*, 984 F.2d at 574)); *La Cibeles*, 2000 WL 1253240, at *10 (“The relevance of Ibanez’ statements is minimal also because they do not evidence actual purchases made by confused consumers as a result of their confusion.”).
- 97 See *Gameologist*, 838 F.Supp.2d at 162–63 (“[H]earsay evidence of confusion on the part of friends and family members ... does not suffice to raise a genuine issue of material fact as to consumer confusion, especially given that this inquiry focuses on the consuming public as a whole, not interested parties already familiar with the plaintiff’s mark through personal connections.”);

Giggle, 856 F.Supp.2d at 636 (discounting emails asking whether there was an association between plaintiff and defendant because “the email correspondents address[ed] Plaintiff by her first name ... suggesting that they are not the average customers of Plaintiff’s stores”).

- 98 See, e.g., *Dooney & Bourke*, 561 F.Supp.2d at 386–87 (evidence not probative of confusion where it showed that “despite the fact that one source’s bag may remind some consumers of the bags of another source, consumers are generally aware that the two multi-colored and monogrammed designs come from different, unaffiliated sources which they were able to distinguish and identify by name”).
- 99 See *Computer Assocs. Int’l, Inc. v. AJV Computerized Data Mgmt., Inc.*, 889 F.Supp. 630, 637 (E.D.N.Y.1995) (no actual confusion where plaintiff did not offer evidence “of a single consumer, retail or wholesale, who intended to buy AJV’s software but mistakenly bought CAI’s” due to confusion regarding plaintiff’s and defendant’s marks).
- 100 See, e.g., *Trustees*, 964 F.Supp. at 746–47 (evidence of actual confusion was “de minimis” where several of plaintiff’s doctors testified that a few third parties had told them they thought defendant’s advertisements were connected with plaintiff, but “plaintiff produced no evidence of any patients or doctors who made decisions about which hospital to select based upon [that] confusion”); see also *Universal City Studios*, 746 F.2d at 118 n. 8 (“[T]he fact that there may be a few confused consumers does not create a sufficiently disputed issue of fact regarding the likelihood of confusion so as to make summary judgment improper.”).
- 101 LV’s “LOUIS VUITTON” trademark is printed on the rectangular metal heel plate, tongue, shoelace rivets, and insole of the OTR Sneaker. Pl. Supp. 56.1 ¶ 407. The Initials Logo is printed on its rubber sole. *Id.*
- 102 See *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 15 F.Supp.2d 389, 399 (S.D.N.Y.1998) (that plaintiff was a “relatively obscure firm in existence for six short months before defendant began using the mark suggest[ed] a lack of bad faith on the part of defendant,” notwithstanding defendant’s failure to perform a trademark search), *aff’d*, 192 F.3d 337 (2d Cir.1999). Inferring bad faith from the lack of such a search would be particularly unwarranted here, as the TP was not in fact registered at any point leading up to the design of the OTR Sneaker. As of June 24, 2013, the only action the PTO had taken as to the ‘102 Application was to issue a non-final Office Action, requiring LVL XIII to amend its application. See Pl. 56.1 ¶ 102.
- 103 Brown testified that “the LVL XIII shoe and the [OTR S]neaker are essentially the same quality.” Brown Dep. IV, at 486. But his opinion is not probative of consumer perception. Cf. *Gameologist*, 838 F.Supp.2d at 164 (“Even crediting the plaintiff’s opinion, this is not enough to raise a genuine issue of material fact that the plaintiff’s reputation would be injured by any inferior quality of the defendants’ products.”); *Malaco Leaf, AB v. Promotion In Motion, Inc.*, 287 F.Supp.2d 355, 377 (S.D.N.Y.2003) (plaintiff’s expert’s “personal opinion concerning his taste preference [was] insufficient to create a question of fact regarding the quality of defendant’s product,” where he “submitted no survey, or any other information, concerning consumers’ perceptions of a quality differential”). In any event, LVL XIII now seeks to walk back Brown’s testimony, arguing that “Brown believes the quality of the materials used for the products are the same,” but denies that their quality is comparable in any other respect. Pl. 56.1 ¶ 98.
- 104 See also, e.g., *Star Indus.*, 412 F.3d at 389 (“[A]bsent factual findings or evidence one way or the other, this [quality] factor is at most evenly balanced.”); *Akio*, 946 F.Supp.2d at 340–41 (quality factor neutral where record “contain[ed] scant evidence as to whether AUNT JACKIE’S products are inferior to MISS JESSIE’S products, and even if there were sufficient facts for a reasonable juror to reach a conclusion on that question, the record also contain[ed] little evidence about the nature of the relevant market that might illuminate whether any similarity or difference in quality would make consumer confusion more or less likely”); *Dooney & Bourke*, 561 F.Supp.2d at 389 (quality factor neutral where there was “[no] evidence in the record substantiating the high or low quality of defendant’s products relative to those of plaintiff”).
- 105 LVL XIII’s sneakers sold for between \$495 and \$1,200. See Pl. 56.1 ¶¶ 154-55.
- 106 Compare *Lane Capital*, 15 F.Supp.2d at 400 (buyer sophistication did not reduce likelihood of confusion where both parties used identical “Lane Capital Management” mark in connection with their respective investment management businesses), and *Lois Sportswear*, 799 F.2d at 875 (buyer sophistication likely to increase confusion because sophisticated consumers would be more likely to assume that the parties’ “nearly identical back pocket stitching patterns ... indicate[d] some sort of association between the two [jeans] manufacturers”), with *O’Keefe*, 590 F.Supp.2d at 525 (“Although it is true that ‘when ... there is a high degree of similarity between the parties’ services and marks, the sophistication of the buyers cannot be relied on to prevent confusion,’ there is no similarity between the parties[’] services or marks in this case. This factor weighs in [defendant’s] favor.” (citation

omitted)), and *Paco Sport*, 86 F.Supp.2d at 327 (distinguishing *Lois Sportswear*, and rejecting argument that consumer sophistication increased likelihood of confusion, because the parties' products were "competitively distant").

107 See *Sunny Merch.*, 97 F.Supp.3d at 495 ("Although the [proximity] factor analysis tends to favor Louis Vuitton ... the Court need not rely heavily on this factor in its overall *Polaroid* analysis.").

108 See *Thompson Med. Co.*, 753 F.2d at 215–16 ("If a mark has secondary meaning, a purchaser will associate it with a certain producer, and will be likely to make that same association when an identical mark (or a confusingly similar mark), is used on another producer's product. In the absence of secondary meaning, however, there will be no such association in the minds of the purchasing public."); *Jack Schwartz Shoes*, 2002 U.S. Dist. LEXIS 25699, at *84–86 (confusion unlikely in post-sale context, even though shoes were "substantially similar in appearance," where plaintiff's trade dress was not distinctive and there was "little or no probative evidence suggesting that consumers identif[ed] the design of [plaintiff's shoe] with its source").

109 It follows that LVL XIII's motion for summary judgment on these claims is denied.

110 Accordingly, LVL XIII's motion for summary judgment on this claim is denied.

111 See *Sports Traveler I*, 1997 WL 137443, at *3 ("The Courts of this Circuit have held that trademark infringement actions alleging only general consumer confusion do not threaten the direct harm to consumers that is required to state a claim under section 349.") (collecting cases); compare *id.* (dismissing § 349 claim where complaint merely alleged consumer confusion resulting from trademark infringement and was "devoid of allegations supporting an inference that the public's health or safety was at stake as a result of the alleged infringement"), *Stadt v. Fox News Network LLC*, 719 F.Supp.2d 312, 323–24 (S.D.N.Y.2010) (same), *LBB Corp. v. Lucas Distrib., Inc.*, No. 08 Civ. 4320 (SAS), 2008 WL 2743751, at *3 (S.D.N.Y. Jul. 14, 2008) (same), and *La Cibeles*, 2000 WL 1253240, at *15 (same), with *Securitron*, 65 F.3d at 264–65 (public harm "manifest" where defendants (1) gave false information regarding plaintiff's products to regulatory agency concerned with public safety, causing agency to undertake unnecessary investigations; and (2) risked unnecessary cancellation of health care center's contract), *Houbigant, Inc. v. ACB Mercantile*, 914 F.Supp. 964, 984 (S.D.N.Y.1995) (public harm requirement satisfied where defendants were part of unlawful scheme to export and sell counterfeit items), and *Weight Watchers Int'l, Inc. v. Stouffer Corp.*, 744 F.Supp. 1259, 1285 (S.D.N.Y.1990) ("[T]he false advertising involving diet and food that [the defendant] allegedly conducted clearly would involve a [sufficient] public harm if proved.").

LVL XIII cites *GTFM, Inc. v. Solid Clothing, Inc.*, 215 F.Supp.2d 273, 302 (S.D.N.Y.2002), and *Burberry Ltd. & Burberry USA v. Designers Imports, Inc.*, No. 07 Civ. 3997 (PAC), 2010 WL 199906, at *8 (S.D.N.Y. Jan. 19, 2010), for the proposition that a plaintiff may satisfy the "public harm" requirement merely by showing general consumer confusion. But those cases involved intentional counterfeiting, which is distinct from, and arguably more harmful than, garden-variety trademark infringement. Accordingly, they are not persuasive authority here.

112 LVL XIII argues that, in addition to showing confusion, it has established "real public harm" by way of Colman's testimony that LV's misconduct (1) deprived LVL XIII of the financial means to create innovative designs; (2) disillusioned the public by suggesting that ventures such as LVL XIII's will ultimately "sell out" to large wealthy companies; and (3) undermined the integrity of the U.S. trademark regime and the rule of law in the public's eyes. See Pl. SJ Br. 37 (citing Colman Rpt. ¶ 39(d)). But Colman's expert report has been precluded. And even if the Court were to consider his testimony, his claim of harm is unsubstantiated and not the type contemplated by § 349. This "evidence" would not satisfy the "public harm" requirement.

113 It follows that LVL XIII's motion for summary judgment on this claim is also denied.

114 See Tr. 61–63 (agreeing there would be "[no] reason to reach" LV's first two counterclaims if Court were to determine that LVL XIII had "no rights in th[e] toe plate" because it had not shown secondary meaning); see also *Leach v. Ross Heater & Manuf. Co.*, 104 F.2d 88, 91–92 (2d Cir.1939) (counterclaim for declaratory judgment could be dismissed as "unnecessary" if court were to hold that plaintiff did not have protectable rights in patent).

115 In its amended answer, LV also brought a counterclaim for deceptive business practices under GBL § 349, which it later withdrew, having not established public harm. Def. SJ Reply Br. 36.

116 Because LV has not provided details as to the type of confusion it alleges, the Court assumes that its claims are based on a theory of traditional forward point-of-sale confusion.

- 117 See also *Star Indus.*, 412 F.3d at 383 (stylized version of the letter “O” was inherently distinctive because of its shading, border, and thickness); *Gruner + Jahr*, 991 F.2d at 1077–78 (“PARENTS” mark, which was otherwise descriptive, was distinctive in its stylized form).
- 118 LV has produced PTO registrations for the “LV ROADScape” and “LV LANDScape” composite marks. See Sloane Decl., Ex. 59, at 68, 70. But it has not presented any evidence of its standalone use of the “LV” component of those marks, let alone evidence of (1) advertising expenditures in connection with such a mark; (2) a consumer study linking such a mark to LV; or (3) sales figures for products bearing such a mark. Instead, it has cited five examples of third-party references to LV as “LV.” See Pl. Supp. 56.1 ¶ 397. Without more, those isolated references cannot sustain a finding of secondary meaning for the non-stylized mark.
- 119 See e.g., *Giggle*, 856 F.Supp.2d at 633–34 (trademark search reports are “probative of third parties’ attempts to use those marks in commerce and [are] ... commonly accepted by courts for evaluation of third-party use”) (collecting cases).
- 120 See also *Giggle*, 856 F.Supp.2d at 635 (“[A]ny strength Plaintiff has acquired in its GIGGLE family of marks is not in the words themselves but in the appearance, colors, and styles associated with Plaintiff’s use.... Plaintiff has not shown that it has strong rights in all appearances and uses of the GIGGLE family of marks.”).
- 121 See, e.g., *Nabisco II*, 220 F.3d at 46–48 (parties’ use of “DENTYNE ICE” and “ICE BREAKERS” marks were “so dissimilar as to require judgment for [defendant]”); *Universal City Studios*, 746 F.2d at 116–18 (no similarity between “DONKEY KONG” and “KING KONG” marks); *Giggle*, 856 F.Supp.2d at 635 (finding marks dissimilar where defendant’s mark “only share[d] a single word—‘giggle’—in common with any member of [plaintiff’s] GIGGLE family of marks”); *Strange Music*, 326 F.Supp.2d at 490–91 (“STRANGE MUSIC” and “sTRANGEmUSIC” marks created dissimilar “overall impressions” due to differences in “fonts, colors and emblems”); *Medici Classics Prods. LLC v. Medici Grp. LLC (“Medici I”)*, 590 F.Supp.2d 548, 554 (S.D.N.Y.2008) (“There is one obvious similarity between plaintiff’s and defendants’ marks in that they both employ the word ‘Medici.’ However, this factor does not necessarily make the marks similar for purposes of assessing confusion under a *Polaroid* analysis.”); *Dana Braun, Inc. v. SML Sport Ltd.*, No. 03 Civ. 6405 (BSJ), 2003 WL 22832265, at *10 (S.D.N.Y. Nov. 25, 2003) (“SARAH ARIZONA” and “SARAH McKENZIE” did “not create the same overall impression”); *Paco Sport*, 86 F.Supp.2d at 316 (marks not confusingly similar, although they “both include[d] the name PACO,” because the “PACO” on plaintiff’s product was always accompanied by “RABANNE,” whereas the “PACO” on defendant’s products “appear[ed] alone or in conjunction with the words JEANS, SPORT, and others”); *Int’l Data Group, Inc. v. J & R Electronics, Inc.*, 798 F.Supp. 135, 139 (S.D.N.Y.1992) (“Computerworld” not confusingly similar to “J & R Computer World”), *aff’d*, 986 F.2d 499, 1992 WL 406398 (2d Cir.1992).
- 122 See, e.g., <http://www.acronymfinder.com/LVL.html> (identifying “level” as highest-ranked meaning for “LVL” acronym); <http://acronyms.thefreedictionary.com/LVL> (same); <http://www.urbandictionary.com/define.php?term=lvl> (same); <http://www.internetslang.com/LVL-meaning-definition.asp> (“The definition of LVL is ‘Level.’ ”); <http://slang.org/LVL-meaning-definition> (“The most popular meaning of LVL is: level.”).
- 123 See, e.g., *Hormel Foods*, 73 F.3d at 503 (although plaintiff’s mark “SPAM” and defendant’s mark “Spa’am” bore “more than a passing resemblance” to one another, defendant’s addition of an apostrophe and an “a” to “SPAM” and the resultant change in pronunciation established “some significant differences”); *SLY Magazine I*, 529 F.Supp.2d at 439 (marks not confusingly similar where “defendants’ use of ‘SLY’ ... connote [d] the values, image, and persona of the namesake of the magazine,” whereas “[p]laintiff’s ‘Sly’ ... reference[d] no particular personality, but rather refer[red] to the values associated with fashion and style”); *La Cibeles*, 2000 WL 1253240, at *6 (no reasonable trier of fact could find “Petit Cheri” and “Petite Cherie” confusingly similar because, “although the two marks do bear a resemblance, the addition of the ‘e’ in both words and the pronunciation of the ‘t’ engendered by defendant’s use of the feminine conjugation create a significant difference between the marks”); *In re Hearst Corp.*, 982 F.2d 493, 494 (Fed.Cir.1992) (“VARGA GIRL” and “VARGAS” were “sufficiently different in sound, appearance, connotation, and commercial impression, to negate likelihood of confusion”); *Nat’l Distillers & Chem. Corp. v. William Grant & Sons, Inc.*, 505 F.2d 719, 721 (C.C.P.A.1974) (“Confusion would not be likely to result from concurrent use of DUET and DUVET ... [because] DUET is a familiar word; DUVET is not. DUET has clear and obvious meaning; DUVET does not.”).
- 124 LV’s evidence that it has featured the Initials Logo on the metal heel plates of men’s dress shoes, see Sloane Decl., Ex. 14, at 95–96, further supports this holding, given the similarity in price and style between those shoe and LVL XIII’s sneakers. See *H. Lubovsky*, 627 F.Supp. at 494 (competitive proximity favored plaintiff even though defendant’s shoes were “far more sporty and informal,” because they were “generally of similar type, for the same kinds of occasions, and in a roughly similar price range”).

- 125 Compare *MetLife, Inc. v. Metro. Nat. Bank*, 388 F.Supp.2d 223, 234 (S.D.N.Y.2005) (crediting defendant's testimony that "the MetLife logo did not 'come up in any way' during the redesign process," but holding that "[n]evertheless, the similarity between the parties' marks is such that it strains credulity to believe that neither MNB nor the firm it hired to redesign its logo were not consciously influenced by the MetLife logo"), and *Omega Eng'g v. Omega Shielding*, No. 96 Civ. 1333 (PCD), 1998 WL 35256542, at *4 (D.Conn. Mar. 3, 1998) ("defendant's bad faith might reasonably be inferred from the similarity of the contested mark to [plaintiff's] mark," where plaintiff and defendant were direct competitors and both used the same "Omega" mark), with *Lang*, 949 F.2d at 583–84 ("Retirement Living's prior knowledge of Lang's trade name does not give rise to a necessary inference of bad faith, because adoption of a trademark with actual knowledge of another's prior registration of a very similar mark may be consistent with good faith."), and *La Cibeles*, 2000 WL 1253240, at *10 (holding that "no reasonable trier of fact could conclude that the selection and use of the mark Petite Cherie was made with the intent of capitalizing on Petit Cheri's existing reputation," even though defendant "was aware of plaintiff's mark before its Petite Cherie was launched").
- 126 LVL XIII's decision to use a Roman-style font is similarly non-incriminating, given the generic nature of this typeface. See also Tr. 63 (concession by LV's counsel that the typeface of the two logos is "not exactly the same").
- 127 LV has identified no case where circumstantial evidence of this caliber was found to create an issue of fact as to bad faith. And there is much case law to the contrary. See, e.g., *Playtex Prods.*, 390 F.3d at 166 (evidence did not support inference of bad faith where Playtex showed that (1) defendant was aware of plaintiff's trademark, and (2) commissioned a study which stated that a "[product] design similar to the current Playtex design may be appealing"); *Malaco Leaf*, 287 F.Supp.2d at 376 (no inference of bad faith despite evidence that (1) defendant's president was aware of plaintiff's mark and possessed plaintiff's product; and (2) defendant purchased sample packages of plaintiff's product during design process); *Sports Traveler II*, 25 F.Supp.2d at 165 (Sports Traveler had not met its burden of creating issue of fact as to Conde Nast's bad faith where it showed only that (1) Conde Nast's designer had previously been involved with Sports Traveler and was privy to its trade dress prototypes; (2) Conde Nast had contemplated acquiring Sports Traveler; and (3) there were copies of Sports Traveler Magazine in Conde Nast's office); *Nabisco I*, 32 F.Supp.2d at 700–01 (evidence that defendant (1) monitored the development and sales of plaintiff's "Ice Breakers" product before it launched "Dentyne Ice," and (2) failed to discuss "Ice Breakers" with its legal department insufficient to show bad faith).
- 128 See *Dooney & Bourke*, 561 F.Supp.2d at 390 (granting summary judgment for defendant, "[a]lthough Louis Vuitton's mark is strong and there is a proximity between the products, ... [because] a reasonable jury could only conclude that Dooney & Bourke's mark is not likely to cause confusion with Louis Vuitton's Monogram Multicolore mark"); cf. *Akiro*, 946 F.Supp.2d at 342 ("Akiro's strong mark and the fact that the two brands' products compete with one another are not, on their own, sufficient to overcome the other factors and entitle Akiro to judgment as a matter of law.").
- 129 See, e.g., *Playtex Prods.*, 390 F.3d at 166–67 (relying on "dissimilarity in the mark[s] themselves[] [and] the differences in the way the products [were] presented to consumers" to affirm grant of summary judgment, even though five of the *Polaroid* factors favored plaintiff).
- 130 See *THOIP v. Walt Disney Co.*, 788 F.Supp.2d 168, 191 (S.D.N.Y.2011) (no reasonable juror could find likelihood of confusion, even though proximity, quality, and strength factors weighed in plaintiff's favor, where there was no evidence of actual confusion, bad faith, or a likelihood that defendant's mark would overwhelm plaintiff's).
- 131 LVL XIII separately argues that LV's counterclaims are barred by the doctrines of laches and acquiescence. See Pl. SJ Br. 40–45; Pl. SJ Reply Br. 2–4. To prevail on a laches defense in a trademark infringement action, a "defendant must show three things: (1) that the senior user knew of the junior user's use of the mark; (2) that the senior user inexcusably delayed taking action; and (3) that the junior user was prejudiced by the delay." *Gucci Am., Inc. v. Guess?, Inc.*, 868 F.Supp.2d 207, 244 (S.D.N.Y.2012). To establish acquiescence, a defendant must also show that "the senior user actively represented that it would not assert a right or claim." *ProFitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C.*, 314 F.3d 62, 67 (2d Cir.2002) (internal quotation marks and citation omitted). Having dismissed LV's counterclaims on other grounds, the Court need not resolve LVL XIII's summary judgment motion based on these affirmative defenses. See *Sunny Merch.*, 97 F.Supp.3d at 501 n. 8. It notes, however, that there is no evidence that LV had either actual or constructive knowledge of LVL XIII's marks before this lawsuit. See *Perfect Pearl Co. v. Majestic Pearl & Stone, Inc.*, 887 F.Supp.2d 519, 545 (S.D.N.Y.2012) ("doctrine of constructive knowledge [did] not apply" because: (1) plaintiff was unaware of defendant's existence until shortly before it filed its claims; (2) plaintiff's "use of the marks long predated [defendant's] founding"; and (3) defendant "fail[ed] to explain what facts known to [plaintiff] purportedly gave rise to a duty to inquire as to [defendant's] use of the marks"). Accordingly, LV "delayed" at most three months (as to the counterclaims concerning the TP) and six months (as to those concerning the word mark) before filing its counterclaims. See Dkts. 18, 40. Such delay, without more, would not rise to the level of barring relief. See, e.g., *Inc. Pub'g Corp. v. Manhattan Magazine, Inc.*, 616

[F.Supp. 370, 397 \(S.D.N.Y.1985\)](#) (“If plaintiffs had made a strong showing of likelihood of confusion, I would not have regarded plaintiffs’ inaction between April and July as rising to the level of an equitable bar to relief.”). And, at least as to LV’s second set of counterclaims, LVL XIII has not alleged, much less proved, prejudice from that delay. See [Perfect Pearl Co., 887 F.Supp.2d at 545](#) (burden is on party asserting laches defense to show prejudice from delay); [Bath & Body Works, 7 F.Supp.3d at 393 n. 7](#) (plaintiff’s laches defense to counterclaims “insufficient to warrant summary judgment” because plaintiff “offered no evidence to demonstrate it was prejudiced by [defendant’s] delay”).

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 KeyCite Yellow Flag - Negative Treatment
Superseded by Statute as Stated in [Varsity Brands, Inc. v. Star Athletica, LLC](#), 6th Cir.(Tenn.), August 19, 2015

74 S.Ct. 460
Supreme Court of the United States

MAZER et al.

v.

STEIN et al.

No. 228.

|
Argued Dec. 3, 1953.

|
March 8, 1954.

|
Rehearing Denied April 12, 1954.

See [347 U.S. 949](#), [74 S.Ct. 637](#).

Synopsis

Action for infringement of copyright covering statuettes of male and female dancing figures. The United States District Court, [111 F.Supp. 359](#), entered judgment dismissing the complaint, and plaintiffs appealed. The United States Court of Appeals for the Fourth Circuit, [204 F.2d 472](#), entered judgment of reversal, and defendants obtained writ of certiorari. The United States Supreme Court, Mr. Justice Reed, held, inter alia, that fact that statuettes were intended for use as bases for lamps did not invalidate their registration.

Affirmed.

West Headnotes (19)

- [1] **Federal Courts**
 Presentation of Questions Below or on Review; Record; Waiver

United States Supreme Court would not reach for constitutional questions not raised by the parties but would limit its consideration to question presented by petition for writ of certiorari. 17 U.S.C.A. §§ 4, 5(g, h).

[17 Cases that cite this headnote](#)

- [2] **Federal Courts**
 Presentation of Questions Below or on Review; Record; Waiver

Fact that constitutional issue was mentioned in argument before United States Supreme Court did not bring such question properly before such court.

[8 Cases that cite this headnote](#)

- [3] **Copyrights and Intellectual Property**
 Pictorial, graphic, and sculptural works

It would be assumed that constitutional clause, empowering legislation “to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries,” includes within the term “Authors” the creator of a picture or a statue, where such assumption was made by parties to copyright infringement suit and by Congress in its enactments. Rules of Supreme Court, rule 38, subd. 2; U.S.C.A.Const. art. 1, § 8, cl. 8.

[68 Cases that cite this headnote](#)

- [4] **Copyrights and Intellectual Property**
 Pictorial, graphic, and sculptural works

Amendment of act, defining copyrightable subject matter as including works of the “fine arts,” so as to make “works of art” copyrightable destroyed verbal distinctions between purely aesthetic articles and useful works of art, and copyright statute, as amended, was intended to include more than traditional fine arts. 17 U.S.C.A. §§ 4, 5.

[31 Cases that cite this headnote](#)

- [5] **Copyrights and Intellectual Property**
🔑 Constitutional and statutory provisions
Statutes
🔑 Reports and analyses

House report was inconclusive as to effect of amendment to copyright statute. 17 U.S.C.A. § 4.

[6 Cases that cite this headnote](#)

- [6] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Statuettes were intended by Congress to be included within phrases “works of art” and “reproductions of works of art” contained in copyright statute. 17 U.S.C.A. §§ 4, 5.

[6 Cases that cite this headnote](#)

- [7] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

As regards things that appertain to the arts, the author’s tangible expression of his ideas, whether meticulously delineating the model or mental image or conveying the meaning by modernistic form or color, is copyrightable. 17 U.S.C.A. §§ 4, 5(g, h).

[144 Cases that cite this headnote](#)

- [8] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Statuettes of male and female dancing figures made of semi-vitreous china were “works of art”

and were “copyrightable.” 17 U.S.C.A. §§ 4, 5(g, h).

[8 Cases that cite this headnote](#)

- [9] **Copyrights and Intellectual Property**
🔑 Literary works; writings

Congress may, after publication, protect by copyright any writing of an author. U.S.C.A.Const. art. 1, § 8, cl. 8.

[2 Cases that cite this headnote](#)

- [10] **Copyrights and Intellectual Property**
🔑 Nature of statutory copyright
Copyrights and Intellectual Property
🔑 Nature of property; common law copyright in general

Copyright did not exist at common law, even though author had property right in his unpublished work, but was created by statute enacted pursuant to constitutional authority. 17 U.S.C.A. §§ 4, 5(g, h); U.S.C.A.Const. art. 1, § 8, cl. 8.

[9 Cases that cite this headnote](#)

- [11] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Patentability of statuettes, fitted as lamps or unfitted, would not bar copyright of statuettes as works of art. 17 U.S.C.A. §§ 4, 5(g, h); U.S.C.A.Const. art. 1, § 8, cl. 8.

[7 Cases that cite this headnote](#)

- [12] **Copyrights and Intellectual Property**

🔑 Nature of statutory copyright

Unlike a “patent,” a “copyright” gives no exclusive right to the art disclosed but protects only the expression of the idea, not the idea itself. 17 U.S.C.A. §§ 4, 5(g, h); [U.S.C.A.Const. art. 1, § 8, cl. 8](#).

[195 Cases that cite this headnote](#)

[13] **Copyrights and Intellectual Property**

🔑 Nature and elements of injury

Copyright protects originality, rather than novelty or invention, and confers only the sole right of multiplying copies, and in absence of copying, there can be no infringement of copyright. 17 U.S.C.A. §§ 4, 5(g, h); [U.S.C.A.Const. art. 1, § 8, cl. 8](#).

[39 Cases that cite this headnote](#)

[14] **Copyrights and Intellectual Property**

🔑 Acts Constituting Infringement

Owners of copyrighted statuette of human figures, used in table lamps, could not exclude others from using statuettes of human figures in table lamps, but could only prevent others from using copies of the copyrighted statuette as such or as incorporated in some other article. 17 U.S.C.A. §§ 4, 5(g, h); [U.S.C.A.Const. art. 1, § 8, cl. 8](#).

[45 Cases that cite this headnote](#)

[15] **Copyrights and Intellectual Property**

🔑 Pictorial, graphic, and sculptural works

Patents

🔑 Design Patents

The dichotomy of protection for the aesthetic is not beauty and utility but art for the copyright and the invention of original and ornamental

design for design patents. 17 U.S.C.A. §§ 4, 5.

[46 Cases that cite this headnote](#)

[16] **Copyrights and Intellectual Property**

🔑 Subjects of Copyright

The intended use or use in industry of article eligible for copyright does not bar or invalidate its registration. 17 U.S.C.A. §§ 4, 5(g, h); [U.S.C.A.Const. art. 1, § 8, cl. 8](#).

[14 Cases that cite this headnote](#)

[17] **Copyrights and Intellectual Property**

🔑 Defenses

The subsequent registration under copyright law of a work of art published as an element in a manufactured article is not a misuse of the copyright. 17 U.S.C.A. §§ 4, 5(g, h); [U.S.C.A.Const. art. 1, § 8, cl.](#)

[16 Cases that cite this headnote](#)

[18] **Copyrights and Intellectual Property**

🔑 Nature of statutory copyright

The copyright law is intended to grant valuable, enforceable rights to authors, publishers, etc., without burdensome requirements, and to afford greater encouragement to production of literary or artistic works of lasting benefit to the world, and reward to the owner of a copyrightable article is a secondary consideration. 17 U.S.C.A. §§ 4, 5(g, h); [U.S.C.A.Const. art. 1, § 8, cl. 8](#).

[28 Cases that cite this headnote](#)

[19] **Copyrights and Intellectual Property**

🔑 Nature of statutory copyright

Patents

🔑 Relation to other forms of intellectual property

The economic philosophy behind constitutional clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is best way to advance public welfare through talents of authors and inventors in Science and useful Arts. [U.S.C.A.Const. art. 1, § 8, cl. 8.](#)

67 Cases that cite this headnote

Attorneys and Law Firms

****462 *201** Messrs. Max R. Kraus and Robert L. Kahn, Chicago, Ill., for petitioners.

Mr. ***202** George E. Frost, Chicago, Ill. (Messrs. William Freeman, Chicago, Ill. and Charles F. Barber, Washington, D.C., on the brief), for respondents.

Mr. Benjamin Forman, New York City, for the Register of Copyrights. Amicus curiae by special leave of Court.

Opinion

Mr. Justice REED delivered the opinion of the Court.

This case involves the validity of copyrights obtained by respondents for statuettes of male and female dancing figures made of semivitreous china. The controversy centers around the fact that although copyrighted as ‘works of art,’ the statuettes were intended for use and used as bases for table lamps, with electric wiring, sockets and lamp shades attached.

Respondents are partners in the manufacture and sale of electric lamps. One of the respondents created original works of sculpture in the form of human figures by traditional clay-model technique. From this model, a production mold for casting copies was made. The resulting statuettes, without any lamp components added, were submitted by the respondents to the Copyright Office for registration as ‘works of art’ or reproductions

thereof under s 5(g) or s 5(h) of the copyright law,¹ and certificates ***203** of registration issued. Sales (publication in accordance with the statute) as fully equipped lamps preceded the applications for copyright registration of the statuettes. 17 U.S.C. (Supp. V, 1952) ss 10, 11, 13, 209, 17 U.S.C.A. ss 10, 11, 13, 209; Rules and Regulations, 37 CFR, 1949, ss 202.8 and [202.9](#). Thereafter, the statuettes were sold in quantity throughout the country both as lamp bases and as statuettes. The sales in lamp form accounted for all but an insignificant portion of respondents’ sales.

Petitioners are partners and, like respondents, make and sell lamps. Without authorization, they copied the statuettes, ****463** embodied them in lamps and sold them.

The instant case is one in a series of reported suits brought by respondents against various alleged infringers of the copyrights, all presenting the same or a similar question.² Because of conflicting decisions,³ we granted certiorari. [346 U.S. 811, 74 S.Ct. 49](#). In the present case respondents ***204** sued petitioners for infringement in Maryland. [Stein v. Mazer, D.C., 111 F.Supp. 359](#). Following the Expert decision and rejecting the reasoning of the District Court in the Rosenthal opinion, both referred to in the preceding note, the District Court dismissed the complaint. The Court of Appeals reversed and held the copyrights valid. [Stein v. Mazer, 4 Cir., 204 F.2d 472](#).⁴ It said: ‘A subsequent utilization of a work of art in an article of manufacture in no way affects the right of the copyright owner to be protected against infringement of the work of art itself.’ [204 F.2d at page 477](#).

Petitioners, charged by the present complaint with infringement of respondents’ copyrights of reproductions of their works of art, seek here a reversal of the Court of Appeals decree upholding the copyrights. Petitioners in their petition for certiorari present a single question: ‘Can statuettes be protected in the United States by copyright when the copyright applicant intended primarily to use the statuettes in the form of lamp ***205** bases to be made and sold in quantity and carried the intentions into effect?

‘Stripped down to its essentials, the question presented is: Can a lamp manufacturer copyright his lamp bases?’

****464** The first paragraph accurately summarizes the issue. The last gives it a quirk that unjustifiably, we think, broadens the controversy. The case requires an answer, not as to a manufacturer’s right to register a lamp base but as to an artist’s right to copyright a work of art intended to be reproduced for lamp bases. As petitioners say in their brief, their contention ‘questions the validity of the

copyright based upon the actions of respondents.’ Petitioners question the validity of a copyright of a work of art for ‘mass’ production. ‘Reproduction of a work of art’ does not mean to them unlimited reproduction. Their position is that a copyright does not cover industrial reproduction of the protected article. Thus their reply brief states:

‘When an artist becomes a manufacturer or a designer for a manufacturer he is subject to the limitations of design patents and deserves no more consideration than any other manufacturer or designer.’

It is not the right to copyright an article that could have utility under s 5(g) and (h), note 1, supra, that petitioners oppose. Their brief accepts the copyright-ability of the great carved golden saltcellar of Cellini but adds:

‘If, however, Cellini designed and manufactured this item in quantity so that the general public could have salt cellars, then an entirely different conclusion would be reached. In such case, the salt cellar becomes an article of manufacture having utility in addition to its ornamental value and would therefore have to be protected by design patent.’

***206** It is publication as a lamp and registration as a statue to gain a monopoly in manufacture that they assert is such a misuse of copyright as to make the registration invalid.

[1] [2] [3] No unfair competition question is presented. The constitutional power of Congress to confer copyright protection on works of art or their reproductions is not questioned.⁵ Petitioners assume, as Congress has in its ***207** enactments and as do we, that the constitutional ****465** clause empowering legislation ‘To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their ***208** respective Writings and Discoveries’,

Art. I, s 8, cl. 8, includes within the term ‘Authors’ the creator of a picture or a statue. The Court’s consideration will be limited to the question presented by the petition for the writ of certiorari.⁶ In recent years the question as to utilitarian use of copyrighted articles has been much discussed.⁷

****466** In answering that issue, a review of the development of copyright coverage will make clear the purpose of the Congress in its copyright legislation. In 1790 the First Congress conferred a copyright on ‘authors of any map, chart, book or books already printed’.⁸ Later, designing, engraving and etching were included;⁹ in 1831 musical ***209** composition;¹⁰ dramatic compositions in 1856;¹¹ and photographs and negatives thereof in 1865.¹²

[4] [5] The Act of 1870 defined copyrightable subject matter as:

‘* * * any book, map, chart, dramatic or musical composition, engraving, cut, print, or photograph or negative thereof, or of a painting, drawing, chromo, statue, statuary, and of models or designs intended to be perfected as works of the fine arts’. (Emphasis supplied.)¹³

The italicized part added three-dimensional work of art to what had been protected previously.¹⁴ In 1909 Congress ***210** again enlarged the scope of the copyright statute.¹⁵ The new Act provided in s 4:

‘That the works for which copyright may be secured under this Act ****467** shall include all the writings of an author.’¹⁶

Some writers interpret this section as being coextensive with the constitutional grant,¹⁷ but the House Report, while inconclusive, indicates that it was ‘declaratory of existing law’ only.¹⁸ Section 5 relating to classes of writings in 1909 read as shown in the margin with subsequent additions not material to this decision. ***211** ¹⁹ Significant for our purposes was the deletion of the fine-arts clause of the 1870 Act.²⁰ Verbal distinctions between purely aesthetic articles and useful works of art ended insofar as the statutory copyright language is concerned.²¹

The practice of the Copyright Office, under the 1870 and 1874 Acts and before the 1909 Act, was to allow registration ‘as works of the fine arts’ of articles of the same character as those of respondents now under challenge. Seven examples appear in the Government’s ***212** brief amicus curiae.²² In 1910, interpreting the 1909 Act, the pertinent Copyright Regulations read as shown in the margin.²³ Because, as explained by the Government, this regulation ‘made no reference to articles which might

fairly be considered works of art although they might also serve a useful purpose,' it was reworded in 1917 as shown below.²⁴ The amicus brief gives sixty examples **468 selected at five-year intervals, 1912—1952, said to be typical of registrations of works of art possessing utilitarian aspects.²⁵ The current pertinent regulation, published in 37 CFR, 1949, s 202.8, reads thus:

'Works of art (Class G)—(a)—In General. This class includes works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned, such as artistic jewelry, *213 enamels, glassware, and tapestries, as well as all works belonging to the fine arts, such as paintings, drawings and sculpture. * * *'

So we have a contemporaneous and longcontinued construction of the statutes by the agency charged to administer them that would allow the registration of such a statuette as is in question here.²⁶

This Court once essayed to fix the limits of the fine arts.²⁷ That effort need not be appraised in relation to this copyright issue. It is clear Congress intended the scope of the copyright statute to include more than the traditional fine arts. Herbert Putnam, Esq., then Librarian of Congress and active in the movement to amend the copyright laws, told the joint meeting of the House and Senate Committees:

'The term 'works of art' is deliberately intended as a broader specification than 'works of the fine arts' in the present statute with the idea that there is subject-matter (for instance, of applied design, not yet within the province of design patents), which may properly be entitled to protection under the copyright law.'²⁸

¹⁶¹ ¹⁷¹ The successive acts, the legislative history of the 1909 Act and the practice of the Copyright Office unite to show *214 that 'works of art' and 'reproductions of works of art' are terms that were intended by Congress to include the authority to copyright these statuettes. Individual perception of the beautiful is too varied a power to permit a narrow or rigid concept of art. As a standard we can hardly do better than the words of the present Regulation, s 202.8, supra, naming the things that appertain to the arts. They must be original, that is, the author's tangible expression of his ideas. Compare **469 *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 59—60, 4 S.Ct. 279, 281—282, 28 L.Ed. 349. Such expression, whether meticulously delineating the model or mental image or conveying the meaning by modernistic form or color, is copyrightable.²⁹ What cases there are confirm this coverage of the statute.³⁰

¹⁸¹ ¹⁹¹ ¹¹⁰¹ The conclusion that the statues here in issue may be copyrighted goes far to solve the question whether their intended reproduction as lamp stands bars or

invalidates their registration. This depends solely on statutory interpretation. Congress may after publication protect by copyright any writing of an author. Its statute creates the copyright.³¹ It did not exist at common law even *215 though he had a property right in his unpublished work.³²

But petitioners assert that congressional enactment of the design patent laws should be interpreted as denying protection to artistic articles embodied or reproduced in manufactured articles.³³ They say:

'Fundamentally and historically, the Copyright Office is the repository of what each claimant considers to be a cultural treasure, whereas the Patent Office is the repository of what each applicant considers to be evidence of the advance in industrial and technological fields.'

Their argument is that design patents require the critical examination given patents to protect the public against monopoly. Attention is called to *Gorham Mfg. Co. v. White*, 14 Wall. 511, 20 L.Ed. 731, interpreting the design patent law of 1842, 5 Stat. 544, granting a patent to anyone who by 'their own industry, genius, efforts, and expense, may have invented or produced any new and original design for a manufacture * * *.' A pattern for flat silver was there upheld.³⁴ The intermediate and **470 present law differs *216 little. 'Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, * * *' subject generally to the provisions concerning patents for invention. s 171, 66 Stat. 805, 35 U.S.C.A. s 171. As petitioner sees the effect of the design patent law:

'If an industrial designer can not satisfy the novelty requirements of the design patent laws, then his design as used on articles of manufacture can be copied by anyone.' Petitioner has furnished the Court a booklet of numerous design patents for statuettes, bases for table lamps and similar articles for manufacture, quite indistinguishable in type from the copyrighted statuettes here in issue.³⁵ Petitioner urges that overlapping of patent and copyright legislation so as to give an author or inventor a choice between patents and copyrights should not be permitted. We assume petitioner takes the position that protection for a statuette for industrial use can only be obtained by patent, if any protection can be given.³⁶

*217 ¹¹¹ As we have held the statuettes here involved copyrightable, we need not decide the question of their patentability. Though other courts have passed upon the issue as to whether allowance by the election of the author or patentee of one bars a grant of the other, we do not.³⁷ We do hold that the patentability of the statuettes, fitted as lamps or unfitted, does not bar copyright as works of art. Neither the Copyright Statute nor any other says that

because a thing is patentable it may not be copyrighted. We should not so hold.³⁸

[12] [13] [14] [15] [16] Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself.³⁹ Thus, in *Baker v. Selden*, 101 U.S. 99, 25 L.Ed. 841, the Court held that a copyrighted book on a peculiar system of bookkeeping was not infringed by a similar book using a similar plan which achieved similar results where the alleged infringer made a different arrangement of the columns and used different headings. The distinction is illustrated in *Fred Fisher, Inc. v. Dillingham, D.C.*, 298 F. 145, 151, when the court speaks of two men, each a perfectionist, independently making *218 maps of the same territory. Though the maps are identical each may obtain **471 the exclusive right to make copies of his own particular map, and yet neither will infringe the other's copyright. Likewise a copyrighted directory is not infringed by a similar directory which is the product of independent work.⁴⁰ The copyright protects originality rather than novelty or invention—conferring only ‘the sole right of multiplying copies.’⁴¹ Absent copying there can be no infringement of copyright.⁴² Thus, respondents may not exclude others from using statuettes of human figures in table lamps; they may only prevent use of copies of their statuettes as such or as incorporated in some other article. Regulation s 202.8, supra, makes clear that artistic articles are protected in ‘form but not their mechanical or utilitarian aspects.’ See *Stein v. Rosenthal, D.C.*, 103 F.Supp. 227, 231. The dichotomy of protection for the aesthetic is not beauty and utility but art for the copyright and the invention of original and ornamental design for design patents. We find nothing in the copyright statute to support the argument that the intended use or use in industry of an article eligible for copyright bars or invalidates its registration. We do not read such a limitation into the copyright law.

[17] Nor do we think the subsequent registration of a work of art published as an element in a manufactured article, is a misuse of the copyright. This is not different from *219 the registration of a statuette and its later embodiment in an industrial article.

[18] ‘The copyright law, like the patent statutes, makes reward to the owner a secondary consideration.’ *United States v. Paramount Pictures*, 334 U.S. 131, 158, 68 S.Ct. 915, 929, 92 L.Ed. 1260. However, it is ‘intended definitely to grant valuable, enforceable rights to authors, publishers, etc., without burdensome requirements; ‘to afford greater encouragement to the production of literary (or artistic) works of lasting benefit to the world. ‘”’ *Washingtonian Pub. Co. v. Pearson*, 306 U.S. 30, 36, 59

S.Ct. 397, 400, 83 L.Ed. 470.

[19] The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in ‘Science and useful Arts.’ Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered.

Affirmed.

Opinion of Mr. Justice DOUGLAS, in which Mr. Justice BLACK concurs.

An important constitutional question underlies this case—a question which was stirred on oral argument but not treated in the briefs. It is whether these statuettes of dancing figures may be copyrighted. Congress has provided that ‘works of art’, ‘models or designs for works of art’, and ‘reproductions of a work of art’ may be copyrighted, 17 U.S.C s 5, 17 U.S.C.A. s 5; and the Court holds that these statuettes are included in the words ‘works of art’. But may statuettes be granted the monopoly of the copyright?

Article I, s 8 of the Constitution grants Congress the power ‘To promote **472 the Progress of Science and useful Arts, by securing for limited Times to Authors * * * the *220 exclusive Right to their respective Writings * * *.’ The power is thus circumscribed: it allows a monopoly to be granted only to ‘authors’ for their ‘writings.’ Is a sculptor an ‘author’ and is his statute a ‘writing’ within the meaning of the Constitution? We have never decided the question.

Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53, 4 S.Ct. 279, 28 L.Ed. 349, held that a photograph could be copyrighted.

Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 23 S.Ct. 298, 47 L.Ed. 460, held that chromolithographs to be used as advertisements for a circus were ‘pictorial illustrations’ within the meaning of the copyright laws. Broad language was used in the latter case, ‘* * * a very modest grade of art has in it something irreducible, which is one man’s alone. That something he may copyright unless there is a restriction in the words of the act.’ 188 U.S., at page 250, 23 S.Ct. at page 300. But the constitutional range of the meaning of ‘writings’ in the

field of art was not in issue either in the Bleistein case nor in [F. W. Woolworth Co. v. Contemporary Arts](#), 344 U.S. 228, 73 S.Ct. 222, 97 L.Ed. 276, recently here on a writ for certiorari limited to a question of damages.

At times the Court has on its own initiative considered and decided constitutional issues not raised, argued, or briefed by the parties. Such, for example, was the case of [Continental Illinois Nat. Bank & Trust Co. v. Chicago, Rock Island R. Co.](#), 294 U.S. 648, 667, 55 S.Ct. 595, 601, 79 L.Ed. 1110, in which the Court decided the constitutionality of s 77 of the Bankruptcy Act, 11 U.S.C.A. s 205, though the question was not noticed by any party. We could do the same here and decide the question here and now. This case, however, is not a pressing one, there being no urgency for a decision. Moreover, the constitutional materials are quite meager (see Fenning, *The Origin of the Patent and Copyright Clause of the Constitution*, 17 Geo.L.J. 109 (1929)); and much research is needed.

The interests involved in the category of ‘works of art,’ as used in the copyright law, are considerable. The *221 Copyright Office has supplied us with a long list of such articles which have been copyrighted—statuettes, book ends, clocks, lamps, door knockers, candlesticks, inkstands, chandeliers, piggy banks, sundials, salt and pepper shakers, fish bowls, casseroles, and ash trays. Perhaps these are all ‘writings’ in the constitutional sense. But to me, at least, they are not obviously so. It is time that we came to the problem full face. I would accordingly put the case down for reargument.

All Citations

347 U.S. 201, 74 S.Ct. 460, 98 L.Ed. 630, 100 U.S.P.Q. 325

Footnotes

- 1 17 U.S.C. (Supp. V, 1952) s 4, 17 U.S.C.A. s 4:
‘The works for which copyright may be secured under this title shall include all the writings of an author.’
Id., s 5:
‘The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:
‘(g) Works of art; models or designs for works of art.
‘(h) Reproductions of a work of art.’
Errors of classification are immaterial. See Note 19, *infra*.
- 2 An unreported action, *Stein v. Zuckerman and DuBeshter*, was pending in the Eastern District of New York. Note, 66 Harv.L.Rev. 877, 878, n. 8. We are advised that it was dismissed by consent February 24, 1953.
- 3 [Stein v. Expert Lamp Co.](#), 7 Cir., 188 F.2d 611, [Stein v. Expert Lamp Co.](#), D.C., 96 F.Supp. 97 was the first action brought. Through an accident in presentation, the trial court determined the case as though the copyright was on a statuette with lamp attachments. It held the statuettes not copyrightable because this ‘was evidence of the practical use’ intended. 96 F.Supp. at page 98. On petition for reconsideration, it held the presence or absence of the attachments immaterial. [Stein v. Mazer](#), D.C., 111 F.Supp. 359, 361; [Rosenthal v. Stein](#), 9 Cir., 205 F.2d 633, 634. The Court of Appeals for the Seventh Circuit affirmed on the ground that the Copyright Act ‘does not refer to articles of manufacture having a utilitarian purpose nor does it provide for a previous examination by a proper tribunal as to the originality of the matter offered for copyright * * *.’ [Stein v. Expert Lamp Co.](#), 188 F.2d 611, 613.
[Stein v. Rosenthal](#), D.C., 103 F.Supp. 227, was a second infringement case. It was there held ‘Protection is not dissipated by taking an unadulterated object of art as copyrighted and integrating it into commercially valuable merchandise.’ 103 F.Supp. at page 230. On appeal, the Court of Appeals for the Ninth Circuit affirmed, saying ‘The theory that the use of a copyrighted work of art loses its status as a work of art if and when it is put to a functional use has no basis in the wording of the copyright laws and there is nothing in the design-patent laws which excludes a work of art from the operation of the copyright laws.’ [Rosenthal v. Stein](#), 9 Cir., 205 F.2d 633, 635.
In [Stein v. Benaderet](#), 109 F.Supp. 364, 365, a district court of Michigan held that it is the ‘intent and purpose’ of the designer which determines whether an object is copyrightable as a work of art. The court said plaintiffs should have applied for a design patent and held for defendants. An appeal is pending now in the Court of Appeals for the Sixth Circuit.
The opinions in the above cases and those of the District Court and the Court of Appeals in the present litigation deserve careful reading.
- 4 In this case the Register of Copyrights participated as amicus curiae and supported respondents. Through the Solicitor General he has also filed a brief in this Court, and participated in the oral argument. 346 U.S. 882, 74 S.Ct. 143.

5 We do not reach for constitutional questions not raised by the parties. [Chicago & G.T.R. Co. v. Wellman](#), 143 U.S. 339, 345, 12 S.Ct. 400, 402, 36 L.Ed. 176; [People of the State of New York ex rel. Rosevale Realty Co. v. Kleinert](#), 268 U.S. 646, 651, 45 S.Ct. 618, 619, 69 L.Ed. 1135; [C.I.O. v. McAdory](#), 325 U.S. 472, 475, 65 S.Ct. 1395, 1397, 89 L.Ed. 1741. The fact that the issue was mentioned in argument does not bring the question properly before us. [Herbring v. Lee](#), 280 U.S. 111, 117, 50 S.Ct. 49, 51, 74 L.Ed. 217.

No question of our jurisdiction emerges. [Chicot County Drainage Dist. v. Baxter State Bank](#), 308 U.S. 371, 60 S.Ct. 317, 84 L.Ed. 329. Compare [Kalb v. Feuerstein](#), 308 U.S. 433, 60 S.Ct. 343, 84 L.Ed. 370, and [Continental Illinois Nat. Bank & Trust Co. v. Chicago, R.I. & P.R. Co.](#), 294 U.S. 648, 667, 55 S.Ct. 595, 601, 79 L.Ed. 1110.

Compare on the constitutional question the following: [Burrow-Giles Lithographic Co. v. Sarony](#), 111 U.S. 53, 4 S.Ct. 279, 28 L.Ed. 349, upheld the copyright of a photograph unanimously. It was said: 'By writings in that clause is meant the literary productions of those authors, and congress very properly has declared these to include all forms of writing, printing, engravings, etchings, etc., by which the ideas in the mind of the author are given visible expression.' 111 U.S. at page 58, 4 S.Ct. at page 281.

'These findings, we think, show this photograph to be an original work of art, the product of plaintiff's intellectual invention, of which plaintiff is the author, and of a class of inventions for which the constitution intended that congress should secure to him the exclusive right to use, publish, and sell, as it has done by section 4952 of the Revised Statutes.' 111 U.S. at page 60, 4 S.Ct. at page 282.

[Bleistein v. Donaldson Lithographing Co.](#), 188 U.S. 239, 249—250, 23 S.Ct. 298, 299—300, 47 L.Ed. 460, upheld a copyright on circus posters. The Court said:

'We shall do no more than mention the suggestion that painting and engraving, unless for a mechanical end, are not among the useful arts, the progress of which Congress is empowered by the Constitution to promote. The Constitution does not limit the useful to that which satisfies immediate bodily needs. * * * Personality always contains something unique. It expresses its singularity even in handwriting, and a very modest grade of art has in it something irreducible, which is one man's alone. That something he may copyright unless there is a restriction in the words of the act.'

[Kalem Co. v. Harper Bros.](#), 222 U.S. 55, 63, 32 S.Ct. 20, 22, 56 L.Ed. 92, involved pirating by motion pictures of the copyrighted dramatic rights of a book. This Court said:

'It is argued that the law, construed as we have construed it, goes beyond the power conferred upon congress by the Constitution, to secure to authors for a limited time the exclusive right to their writings. Art. I, s 8, cl. 8. It is suggested that to extend the copyright to a case like this is to extend it to the ideas, as distinguished from the words in which those ideas are clothed. But there is no attempt to make a monopoly of the ideas expressed. The law confines itself to a particular, cognate, and well-known form of reproduction. If to that extent a grant of monopoly is thought a proper way to secure the right to the writings, this court cannot say that Congress was wrong.'

See also [Schreiber v. Thornton, D.C.](#), 17 F. 603, reversed on other grounds, [Thornton v. Schreiber](#), 124 U.S. 612, 613, 8 S.Ct. 618, 31 L.Ed. 577.

See Fenning, *The Origin of the Patent and Copyright Clause of the Constitution*, 17 Geo.L.J. 109; 2 Story, *Constitution* 5th ed.), c. XIX.

[Trade-Mark Cases](#), 100 U.S. 82, 94, 25 L.Ed. 550. Congress had passed a trade-mark act under the Patent and Copyright Clause. A unanimous Court held this effort to protect trade-marks was unconstitutional.

'The ordinary trade-mark has no necessary relation to invention or discovery. * * * If we should endeavor to classify it under the head of writings of authors, the objections are equally strong. In this, as in regard to inventions, originality is required. And while the word writings may be liberally construed, as it has been, to include original designs for engraving, prints, &c., it is only such as are original, and are founded in the creative powers of the mind. The writings which are to be protected are the fruits of intellectual labor, embodied in the form of books, prints, engravings, and the like.' The trade-mark does not 'depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation.'

See as to commerce, 100 U.S. at pages 95—98; Robert, *Commentary on the Lanham Trade-Mark Act*, 15 U.S.C.A. (ss 81—1113, 1948) p. 265.

6 [National Licorice Co. v. National Labor Relations Board](#), 309 U.S. 350, 357, note 2, 60 S.Ct. 569, 574, 84 L.Ed. 799; [General Talking Pictures Corp. v. Western Electric Co.](#), 304 U.S. 175, 546, 58 S.Ct. 849, 82 L.Ed. 1273; [Crown C. & S. Co. v. Ferdinand Gutmann Co.](#), 304 U.S. 159, 58 S.Ct. 842, 82 L.Ed. 1265, and cases cited; [Gunning v. Cooley](#), 281 U.S. 90, 50 S.Ct. 231, 74 L.Ed. 720. The policy is incorporated in Rule 38(2), Revised Rules of the Supreme Court of the United States, 28 U.S.C.A., and the practice of bringing 'additional questions into a case' has been condemned recently in [Irvine v. California](#), 347 U.S. 128, 129, 74 S.Ct. 381.

7 Ball, *Law of Copyright and Literary Property* (1944), 390; Howell, *Copyright Law* (1952), 130; 1 Ladas, *The International Protection of Literary and Artistic Property* (1938), 247; Weil, *Copyright Law* (1917), 227; Derenberg, *Copyright No-Man's Land: Fringe Rights in Literary and Artistic Property*, 1953 *Copyright Problems Analyzed* (CCH) 215; Pogue, *Borderland—Where Copyright and Design*

Patent Meet, 52 Mich.L.Rev. 33; Notes, 21 Geo.Wash.L.Rev. 353; [66 Harv.L.Rev. 877](#); 27 Ind.L.J. 130. See Report of the Copyright Committee, Board of Trade, October 1952, Artistic Copyright and Industrial Designs, pp. 82 et seq.

8 1 Stat. 124.

9 2 Stat. 171.

10 4 Stat. 436.

11 11 Stat. 139.

12 13 Stat. 540. Between 1789 and 1904, there were in all some twenty-five laws dealing with copyrights. Salberg, Copyright in Congress (1905), 89—93.

13 s 86, 16 Stat. 212. This Act also vested control of records relating to copyrights in the Librarian of Congress and provided he should administer the law. Id., s 85.

14 In connection with the phrase in the 1870 Act ‘intended to be perfected as works of the fine arts,’ see the 1874 amendatory Act, 18 Stat. 78, and [Bleistein v. Donaldson Lithographing Co.](#), 188 U.S. 239, 23 S.Ct. 298, 47 L.Ed. 460. Section 3 contained the following provision: ‘That in the construction of this act, the words ‘Engraving,’ ‘cut’ and ‘print’ shall be applied only to pictorial illustrations or works connected with the fine arts, and no prints or labels designed to be used for any other articles of manufacture shall be entered under the copyright law, but may be registered in the Patent Office.’

This was repealed in 1939 and the following enacted:

‘SEC. 2. Section 5(k) of the Act entitled ‘An Act to amend and consolidate the Acts respecting copyright’ approved March 4, 1909, is hereby amended to read: ‘(k) Prints and pictorial illustrations including prints or labels used for articles of merchandise.’’ 53 Stat. 1142. This was an amendment to s 5(k) of the Act of 1909, 35 Stat. 1077. It is to be noted, however, that the 1909 Act did not conform to the 1874 language, but the present Act, 17 U.S.C.(Supp. V, 1952) s 5(k), 17 U.S.C.A. s 5(k), does contain the amendatory language of the 1939 Act.

15 S.Rep.No.6187, 59th Cong., 2d Sess., p. 4:

‘The existing statutes attempt specifications which are unfortunate because necessarily imperfect and requiring frequent additions to cover new forms or new processes. The bill in its general definition substitutes a general term, ‘all the works of an author.’ The term used in the constitution is ‘writings.’ But Congress has always construed this term broadly, and in doing so has been uniformly supported by judicial decision. It has, for instance, interpreted it as authorizing subject-matter so remote from its popular significance as photographs, paintings, statuary, and dramas, even if unwritten.

‘As thus interpreted, the word ‘writings would to-day in popular parlance be more nearly represented by the word ‘works’; and this the bill adopts; referring back, however, to the word ‘writings’ by way of safe anchorage, but regarding this as including ‘all forms of record in which the thought of an author may be recorded and from which it may be read or reproduced.’’

[Burrow-Giles Lithographic Co. v. Sarony](#), 1884, 111 U.S. 53, 4 S.Ct. 279, 28 L.Ed. 349, has held that photographs were copyrightable in spite of the argument that the Constitution only specified protection for ‘writings’ of an ‘author.’ This decision made clear that ‘writings’ was not limited to chirography and typography.

16 35 Stat. 1076.

17 Weil, Copyright Law (1917), 214; Howell, The Copyright Law (3d ed. 1952), 8.

18 H.R.Rep.No.2222, 60th Cong., 2d Sess. 10. The report is not very clear on the point, however.

19 ‘The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

‘(a) Books, including composite and cyclopaedic works, directories, gazetteers, and other compilations;

‘(b) Periodicals, including newspapers;

‘(c) Lectures, sermons, addresses, prepared for oral delivery;

'(d) Dramatic or dramatico-musical compositions;

'(e) Musical compositions;

'(f) Maps;

'(g) Works of art; models or designs for works of art;

'(h) Reproductions of a work of art;

'(i) Drawings or plastic works of a scientific or technical character;

'(j) Photographs;

'(k) Prints and pictorial illustrations:

'Provided, nevertheless, That the above specifications shall not be held to limit the subject-matter of copyright as defined in section four of this Act, nor shall any error in classification invalidate or impair the copyright protection secured under this Act.' 35 Stat. 1076.

Subsection (k) was amended by the addition of the words 'including prints or labels used for articles of merchandise' in 1939. 53 Stat. 1142. See note 14, *supra*. Two more classes '(l) Motion-picture photoplays' and '(m) Motion pictures other than photoplays' were added in 1912. 37 Stat. 488.

20 See note 14, *supra*, for repeal of clause defining engraving cuts and prints in terms of 'fine art.'

21 Title 17 of the United States Code entitled 'Copyrights' was codified into positive law in 1947 without change in the pertinent provisions. 61 Stat. 652, 17 U.S.C.(Supp. V., 1952) ss 4, 5, 17 U.S.C.A. ss 4, 5.

22 E.g., 'A female figure bearing an urn in front partly supported by drapery around the head. The figure nude from the waist up and below this the form concealed by conventionalized skirt draperies which flow down and forward forming a tray at the base. Sides and back of skirt in fluted form. The whole being designed as a candlestick with match tray. The figure standing and bent forward from hips and waist.'

23 'Works of art.—This term includes all works belonging fairly to the so-called fine arts. (Paintings, drawings, and sculpture.) 'Productions of the industrial arts utilitarian in purpose and character are not subject to copyright registration, even if artistically made or ornamented.' Rules and Regulations for the Registration of Claims to Copyright, [Bulletin No. 15 \(1910\)](#), 8.

24 'Works of art and models or designs for works of art.—This term includes all works belonging fairly to the so-called fine arts. (Paintings, drawings, and sculpture.) 'The protection of productions of the industrial arts, utilitarian in purpose and character, even if artistically made or ornamented depends upon action under the patent law; but registration in the Copyright Office has been made to protect artistic drawings notwithstanding they may afterwards be utilized for articles of manufacture.' [37 CFR, 1939, s 201.4\(7\)](#).

25 E.g., 'Lighting fixture design. By F. E. Guitini. (Bowl-shaped bracket embellished with figure of half-nude woman standing in bunch of flowers.) Copyright December 28, 1912. Registration number G 42645. Copyright claimant: Kathodion Bronze Works, New York.'

26 [Great Northern R. Co. v. United States](#), 315 U.S. 262, 275, 62 S.Ct. 529, 534, 86 L.Ed. 836.

27 [United States v. Perry](#), 146 U.S. 71, 74, 13 S.Ct. 26, 27, 36 L.Ed. 890.

28 Arguments before the Committees on Patents of the Senate and House of Representatives, conjointly, on S. 6330 and H.R. 19853, To Amend and Consolidate the Acts Respecting Copyright, 59th Cong., 1st Sess., June 6—9, 1906, p. 11. The statement is applicable to the 1909 Act since ss 5(g) and (h) of the 1909 Act are identical with the same sections of S. 6330 and H.R. 19853. Although there were other hearings and reports (see 51 House Committee Hearings before Committee on Patents (1906—1912), on Consolidating and Revising the Copyright Laws; H.R.Rep.No.2222, 60th Cong., 2d Sess. 3), this statement of Mr. Putnam is the only explanation of the change in statutory language, though S.Rep.No. 6187, 59th Cong., 2d Sess., p. 11, refers to 'works of art' as a new designation and mentioned the deletion of 'fine' from the category.

29 Cf. [H. C. White Co. v. Morton E. Converse & Son Co.](#), 2 Cir., 20 F.2d 311.

30 [Burrow-Giles Lithographic Co. v. Sarony](#), 111 U.S. 53, 60, 4 S.Ct. 279, 282, 28 L.Ed. 349; [Bleistein v. Donaldson Lithographing Co.](#),

188 U.S. 239, 250, 23 S.Ct. 298, 300, 47 L.Ed. 460; *Louis De Jonge & Co. v. Breuker & Kessler Co.*, C.C., 182 F. 150, 152; *F. W. Woolworth Co. v. Contemporary Arts*, 1 Cir., 193 F.2d 162, 164; see same case, 344 U.S. 228, 73 S.Ct. 222, 97 L.Ed. 276; *Yuengling v. Schile*, C.C., 12 F. 97, 100; *Schumacher v. Schwencke*, C.C., 25 F. 466; *Pellegrini v. Allegrini*, D.C., 2 F.2d 610.

31 *Wheaton and Donaldson v. Peters and Grigg*, 8 Pet. 591, 661, 8 L.Ed. 1055; *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127, 52 S.Ct. 546, 76 L.Ed. 1010.

32 *Lord Brougham and Lord St. Leonards in Jefferys v. Boosey*, IV H.L.C. 815, 968, 979, 10 Eng.Rep. 681, 741, 745.

33 Two cases are relied upon to support the position of the petitioners. *Taylor Instrument Companies v. Fawley-Brost Co.*, 7 Cir., 139 F.2d 98, and *Brown Instrument Co. v. Warner*, 82 U.S.App.D.C. 232, 161 F.2d 910. These cases hold that the Mechanical Patent Law and Copyright Laws are mutually exclusive. As to overlapping of Design Patent and Copyright Laws, however, a different answer has been given by the courts. *Louis De Jonge & Co. v. Breuker & Kessler Co.*, C.C., 182 F. 150, affirmed on other grounds in 3 Cir., 191 F. 35, and 235 U.S. 33, 35 S.Ct. 6, 59 L.Ed. 113; see also cases cited in note 37, *infra*.

34 This Court said, 14 Wall. at page 525: 'It is a new and original design for a manufacture, whether of metal or other material; * * * to be either worked into, or on, any article of manufacture; or a new and original shape or configuration of any article of manufacture—it is one or all of these that the law has in view. And the thing invented or produced, for which a patent is given, is that which gives a peculiar or distinctive appearance to the manufacture, or article to which it may be applied, or to which it gives form. * * * It therefore proposes to secure for a limited time to the ingenious producer of those appearances the advantages flowing from them. * * * It is the appearance itself, therefore, no matter by what agency caused, that constitutes mainly, if not entirely, the contribution to the public which the law deems worthy of recompense.'

35 E.g., Design Patent 170.445 Base for table lamps, a fanciful statuette of a girl standing in front of a high rock in bathing costume.

36 The English Copyright Act, 1911, s 22, 4 Halsbury's Statutes of England (2d ed.) p. 800, does not protect designs registrable under the Patents and Designs Act (now the Registered Designs Act, 1949, 17 Halsbury's Statutes of England (2d ed.), unless such designs are not used or intended to be used as models or patterns to be multiplied by any industrial process. The Board of Trade has ruled that a design shall be deemed to be used as a model or pattern to be multiplied by industrial process within the meaning of s 22 when the design is reproduced or intended to be reproduced in more than fifty single articles. The Copyright (Industrial Designs) Rules, 1949, No. 2367, 1 Statutory Instruments 1949, p. 1453.

37 See *Rosenthal v. Stein*, note 3, *supra*; *In re Blood*, 57 App.D.C. 351, 23 F.2d 772; *Korzybski v. Underwood & Underwood, Inc.*, 2 Cir., 36 F.2d 727; *William A. Meier Glass Co. v. Anchor Hocking Glass Corp.*, D.C., 95 F.Supp. 264, 267; *Jones Bros. Co. v. Underkoffler*, D.C., 16 F.Supp. 729; *Louis De Jonge & Co. v. Breuker & Kessler Co.*, C.C., 182 F. 150; 66 Harv.L.Rev. 884; 52 Mich.L.Rev. 33; cf. *Taylor Instrument Companies v. Fawley-Brost Co.*, 7 Cir., 139 F.2d 98.

38 See, *Pogue, Borderland—Where Copyright and Design Patent Meet*, 52 Mich.L.Rev. 33, 58.

39 *F. W. Woolworth Co. v. Contemporary Arts*, 1 Cir., 193 F.2d 162; *Ansehl v. Puritan Pharmaceutical Co.*, 8 Cir., 61 F.2d 131; *Fulmer v. United States*, 103 F.Supp. 1021, 122 Ct.Cl. 195; *Muller v. Triborough Bridge Authority*, D.C., 43 F.Supp. 298.

40 *Sampson & Murdock Co. v. Seaver-Radford Co.*, 1 Cir., 140 F. 539. See, Annotation 26 A.L.R. 585.

41 *Jewelers Circular Pub. Co. v. Keystone Publishing*, 2 Cir., 281 F. 83, 94, 26 A.L.R. 571.

42 *White-Smith Music Pub. Co. v. Apollo Co.*, 209 U.S. 1, 28 S.Ct. 319, 52 L.Ed. 655; *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 249, 23 S.Ct. 298, 299, 47 L.Ed. 460; *Arnstein v. Porter*, 2 Cir., 154 F.2d 464, 468—469; *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.*, 2 Cir., 191 F.2d 99, 103; *Ansehl v. Puritan Pharmaceutical Co.*, *supra*; *Christie v. Cohan*, 2 Cir., 154 F.2d 827.

137 S.Ct. 1002
Supreme Court of the United States
STAR ATHLETICA, L.L.C., Petitioner
v.
VARSITY BRANDS, INC., et al.

No. 15–866.
|
Argued Oct. 31, 2016.
|
Decided March 22, 2017.

Synopsis

Background: Manufacturer of cheerleading uniforms brought action against competitor, alleging infringement of manufacturer's copyrighted uniform designs and asserting multiple state law claims. Competitor counterclaimed. The United States District Court for the Western District of Tennessee, No. 2:10–cv–02508, [Robert H. Cleland, J., 2014 WL 819422](#), entered summary judgment for competitor. Manufacturer appealed. The United States Court of Appeals for the Sixth Circuit, [Karen Nelson Moore](#), Circuit Judge, [799 F.3d 468](#), reversed and remanded. Certiorari was granted.

Holdings: The Supreme Court, Justice [Thomas](#), held that:

^[1] a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature can be perceived as a two- or three-dimensional work of art separate from the useful article, and it would qualify as a protectable pictorial, graphic, or sculptural work, either on its own or fixed in some other tangible medium of expression, if it were imagined separately from the useful article into which it is incorporated;

^[2] arrangements of lines, chevrons, and colorful shapes appearing on surface of cheerleading uniforms were eligible for copyright protection as separable features; and

^[3] a distinction between physical separability and conceptual separability is unnecessary, abrogating [Chosun Int'l, Inc. v. Chrisha Creations, Ltd.](#), 413 F.3d 324.

Affirmed.

Justice [Ginsburg](#) filed an opinion concurring in the

judgment.

Justice [Breyer](#) filed a dissenting opinion, in which Justice [Kennedy](#) joined.

West Headnotes (15)

- ^[1] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works
Copyrights and Intellectual Property
🔑 Other works

A feature incorporated into the design of a useful article is eligible for copyright protection only if the feature: (1) can be perceived as a two- or three-dimensional work of art separate from the useful article, and (2) would qualify as a protectable pictorial, graphic, or sculptural work, either on its own or fixed in some other tangible medium of expression, if it were imagined separately from the useful article into which it is incorporated. [17 U.S.C.A. §§ 101, 102\(a\)\(5\)](#).

Cases that cite this headnote

- ^[2] **Copyrights and Intellectual Property**
🔑 Nature and elements of injury

The first element of a copyright-infringement claim is ownership of a valid copyright. [17 U.S.C.A. § 102\(a\)](#).

Cases that cite this headnote

- ^[3] **Copyrights and Intellectual Property**
🔑 Scope of Exclusive Rights; Limitations

A valid copyright extends only to copyrightable subject matter. [17 U.S.C.A. § 102\(a\)](#).

[Cases that cite this headnote](#)

- [4] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Separability analysis, to determine whether features could be separately identified from and exist independently of the useful article, as required for eligibility for copyright protection, was necessary, with respect to arrangements of lines, chevrons, and colorful shapes appearing on surface of cheerleading uniforms; the arrangements were two-dimensional pictorial or graphic features incorporated into the design of a useful article. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

- [5] **Federal Courts**
🔑 Presentation of Questions Below or on Review; Record; Waiver

The Supreme Court generally does not entertain arguments that were not raised below and that were not advanced in the Court by any party, because it is not the Court's usual practice to adjudicate either legal or predicate factual questions in the first instance.

[Cases that cite this headnote](#)

- [6] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Deciding when a pictorial, graphic, or sculptural feature of a useful article could be identified separately from and was capable of existing independently of the utilitarian aspects of the article, as required for eligibility for copyright protection, was not a free-ranging search for the best copyright policy, but rather depended solely on statutory interpretation. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

- [7] **Statutes**
🔑 Giving effect to statute or language; construction as written

Courts must give effect to the clear meaning of statutes as written.

[Cases that cite this headnote](#)

- [8] **Statutes**
🔑 Plain language; plain, ordinary, common, or literal meaning

To give effect to the clear meaning of statutes as written, the court gives each word its ordinary, contemporary, common meaning.

[Cases that cite this headnote](#)

- [9] **Statutes**
🔑 Statute as a Whole; Relation of Parts to Whole and to One Another

Interpretation of a phrase of uncertain reach in a statute is not confined to a single sentence when the text of the whole statute gives instruction as to its meaning.

[Cases that cite this headnote](#)

- [10] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

The requirement that a pictorial, graphic, or sculptural feature incorporated into a useful article can be identified separately, as element for eligibility for copyright protection, is not onerous, and the decisionmaker need only be

able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

[11] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Arrangements of lines, chevrons, and colorful shapes appearing on surface of cheerleading uniforms were eligible for copyright protection as separable features of design of cheerleading uniforms; those surface decorations could be identified as features having pictorial, graphic, or sculptural qualities, arrangements would qualify as two-dimensional works of art if separated from uniforms and applied in another medium, and imaginatively removing surface decorations from uniforms and applying them in another medium would not replicate the uniform itself. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

[12] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

The focus of the separability inquiry for a pictorial, graphic, or sculptural feature incorporated into a useful article, to determine whether the feature is eligible for copyright protection, is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction; the Copyright Act does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature, and instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

[13] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

Separability of pictorial, graphic, or sculptural features incorporated into a useful article, as required for eligibility for copyright protection, is a conceptual undertaking that does not require the underlying useful article to remain, and thus, a distinction between physical separability and conceptual separability is unnecessary; abrogating *Chosun Int'l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

[14] **Copyrights and Intellectual Property**
🔑 Pictorial, graphic, and sculptural works

The separability inquiry for a pictorial, graphic, or sculptural feature incorporated into a useful article, to determine whether the feature is eligible for copyright protection, is limited to how the article and feature are perceived, not how or why they were designed, or marketability. 17 U.S.C.A. §§ 101, 102(a)(5).

[Cases that cite this headnote](#)

[15] **Statutes**
🔑 Legislative silence, inaction, or acquiescence

When interpreting statutes, congressional inaction lacks persuasive significance in most circumstances.

[Cases that cite this headnote](#)

1004 Syllabus

The Copyright Act of 1976 makes “pictorial, graphic, or sculptural features” of the “design of a useful article” eligible for copyright protection as artistic works if those

features “can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” 17 U.S.C. § 101.

Respondents have more than 200 copyright registrations for two-dimensional designs—consisting of various lines, chevrons, and colorful shapes—appearing on the surface of the cheerleading uniforms that they design, make, and sell. They sued petitioner, who also markets cheerleading uniforms, for copyright infringement. The District Court granted petitioner summary judgment, holding that the designs could not be conceptually or physically separated from the uniforms and were therefore ineligible for copyright protection. In reversing, the Sixth Circuit concluded that the graphics could be “identified separately” and were “capable of existing independently” of the uniforms under § 101.

Held : A feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article, and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined separately from the useful article *1005 into which it is incorporated. That test is satisfied here. Pp. 1008 – 1016.

(a) Separability analysis is necessary in this case. Respondents claim that two-dimensional surface decorations are always separable, even without resorting to a § 101 analysis, because they are “on a useful article” rather than “*designs of* a useful article.” But this argument is inconsistent with § 101’s text. “[P]ictorial” and “graphic” denote two-dimensional features such as pictures, paintings, or drawings. Thus, by providing protection for “pictorial, graphical, and sculptural works” incorporated into the “design of a useful article,” § 101 necessarily contemplates that such a design can include two-dimensional features. This Court will not adjudicate in the first instance the Government’s distinct argument against applying separability analysis, which was neither raised below nor advanced here by any party. Pp. 1008 – 1010.

(b) Whether a feature incorporated into a useful article “can be identified separately from,” and is “capable of existing independently of,” the article’s “utilitarian aspects” is a matter of “statutory interpretation.” *Mazer v. Stein*, 347 U.S. 201, 214, 74 S.Ct. 460, 98 L.Ed. 630. Pp. 1009 – 1012.

(1) Section 101’s separate-identification requirement is

met if the decisionmaker is able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities. To satisfy the independent-existence requirement, the feature must be able to exist as its own pictorial, graphic, or sculptural work once it is imagined apart from the useful article. If the feature could not exist as a pictorial, graphic, or sculptural work on its own, it is simply one of the article’s utilitarian aspects. And to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot be a useful article or “[a]n article that is normally a part of a useful article,” § 101. Neither could one claim a copyright in a useful article by creating a replica of it in another medium. Pp. 1010 – 1011.

(2) The statute as a whole confirms this interpretation. Section 101, which protects art first fixed in the medium of a useful article, is essentially the mirror image of § 113(a), which protects art first fixed in a medium other than a useful article and subsequently applied to a useful article. Together, these provisions make clear that copyright protection extends to pictorial, graphic, and sculptural works regardless of whether they were created as freestanding art or as features of useful articles. Pp. 1010 – 1011.

(3) This interpretation is also consistent with the Copyright Act’s history. In *Mazer*, a case decided under the 1909 Copyright Act, the Court held that respondents owned a copyright in a statuette created for use as a lamp base. In so holding, the Court approved a Copyright Office regulation extending protection to works of art that might also serve a useful purpose and held that it was irrelevant to the copyright inquiry whether the statuette was initially created as a freestanding sculpture or as a lamp base. Soon after, the Copyright Office enacted a regulation implementing *Mazer*’s holding that anticipated the language of § 101, thereby introducing the modern separability test to copyright law. Congress essentially lifted the language from those post-*Mazer* regulations and placed it in § 101 of the 1976 Act. Pp. 1010 – 1012.

(c) Applying the proper test here, the surface decorations on the cheerleading uniforms are separable and therefore eligible for copyright protection. First, the decorations can be identified as features having pictorial, graphic, or sculptural *1006 qualities. Second, if those decorations were separated from the uniforms and applied in another medium, they would qualify as two-dimensional works of art under § 101. Imaginatively removing the decorations from the uniforms and applying them in another medium also would not replicate the uniform itself.

The dissent argues that the decorations are ineligible for

copyright protection because, when imaginatively extracted, they form a picture of a cheerleading uniform. Petitioner similarly claims that the decorations cannot be copyrighted because, even when extracted from the useful article, they retain the outline of a cheerleading uniform. But this is not a bar to copyright. Just as two-dimensional fine art correlates to the shape of the canvas on which it is painted, two-dimensional applied art correlates to the contours of the article on which it is applied. The only feature of respondents' cheerleading uniform eligible for a copyright is the two-dimensional applied art on the surface of the uniforms. Respondents may prohibit the reproduction only of the surface designs on a uniform or in any other medium of expression. Respondents have no right to prevent anyone from manufacturing a cheerleading uniform that is identical in shape, cut, or dimensions to the uniforms at issue here. Pp. 1011 – 1013.

(d) None of the objections raised by petitioner or the Government is meritorious. Pp. 1012 – 1016.

(1) Petitioner and the Government focus on the relative utility of the plain white uniform that would remain if the designs were physically removed from the uniform. But the separability inquiry focuses on the extracted feature and not on any aspects of the useful article remaining after the imaginary extraction. The statute does not require the imagined remainder to be a fully functioning useful article at all. Nor can an artistic feature that would be eligible for copyright protection on its own lose that protection simply because it was first created as a feature of the design of a useful article, even if it makes that article more useful. This has been the rule since *Mazer*, and it is consistent with the statute's explicit protection of "applied art." In rejecting petitioner's view, the Court necessarily abandons the distinction between "physical" and "conceptual" separability adopted by some courts and commentators. Pp. 1012 – 1015.

(2) Petitioner also suggests incorporating two "objective" components into the test—one requiring consideration of evidence of the creator's design methods, purposes, and reasons, and one looking to the feature's marketability. The Court declines to incorporate these components because neither is grounded in the statute's text. Pp. 1014 – 1015.

(3) Finally, petitioner claims that protecting surface decorations is inconsistent with Congress' intent to entirely exclude industrial design from copyright. But Congress has given limited copyright protection to certain features of industrial design. Approaching the statute with presumptive hostility toward protection for industrial

design would undermine that choice. In any event, the test adopted here does not render the underlying uniform eligible for copyright protection. Pp. 1015 – 1016.

799 F.3d 468, affirmed.

THOMAS, J., delivered the opinion of the Court, in which ROBERTS, C.J., and ALITO, SOTOMAYOR, and KAGAN, JJ., joined. GINSBURG, J., filed an opinion concurring in the judgment. BREYER, J., filed a dissenting opinion, in which KENNEDY, J., joined.

Attorneys and Law Firms

John J. Bursch, Grand Rapids, MI, for petitioner.

*1007 William M. Jay, Washington, DC, for respondents.

Eric J. Feigin for the United States as amicus curiae, by special leave of the Court, supporting the respondents.

Steven M. Crosby, Stephen E. Feldman, The Feldman Law Group, New York, NY, Michael F. Rafferty, Emily Hamm Huseeth, Harris Shelton Hanover, Walsh, P.L.L.C., Memphis, TN, John J. Bursch, Bursch Law PLLC, Caledonia, MI, Matthew T. Nelson, Conor B. Dugan, Warner Norcross & Judd LLP, Grand Rapids, MI, for petitioner.

Grady M. Garrison, Adam S. Baldridge, Baker, Donelson, Bearman, Caldwell & Berkowitz P.C., Memphis, TN, William M. Jay, Brian T. Burgess, Goodwin Procter LLP, Washington, DC, Thomas Kjellberg, Cowan, Liebowitz & Latman, P.C., New York, NY, Robert D. Carroll, Goodwin Procter LLP, Boston, MA, Charles T. Cox Jr., Goodwin Procter LLP, Washington, DC, for respondents.

Opinion

Justice THOMAS delivered the opinion of the Court.

Congress has provided copyright protection for original works of art, but not for industrial designs. The line between art and industrial design, however, is often difficult to draw. This is particularly true when an industrial design incorporates artistic elements. Congress has afforded limited protection for these artistic elements by providing that "pictorial, graphic, or sculptural features" of the "design of a useful article" are eligible for copyright protection as artistic works if those features "can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." 17 U.S.C. § 101.

^[1] We granted certiorari to resolve widespread disagreement over the proper test for implementing § 101's separate-identification and independent-existence requirements. 578 U.S. —, 136 S.Ct. 1823, 194 L.Ed.2d 829 (2016). We hold that a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated. Because that test is satisfied in this case, we affirm.

I

Respondents Varsity Brands, Inc., Varsity Spirit Corporation, and Varsity Spirit Fashions & Supplies, Inc., design, make, and sell cheerleading uniforms. Respondents have obtained or acquired more than 200 U.S. copyright registrations for two-dimensional designs appearing on the surface of their uniforms and other garments. These designs are primarily “combinations, positionings, and arrangements of elements” that include “chevrons ..., lines, curves, stripes, angles, diagonals, inverted [chevrons], coloring, and shapes.” App. 237. At issue in this case are Designs 299A, 299B, 074, 078, and 0815. See Appendix, *infra*.

Petitioner Star Athletica, L.L.C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. The District Court entered summary judgment for petitioner on respondents' copyright claims on the ground that the designs did ***1008** not qualify as protectable pictorial, graphic, or sculptural works. It reasoned that the designs served the useful, or “utilitarian,” function of identifying the garments as “cheerleading uniforms” and therefore could not be “physically or conceptually” separated under § 101 “from the utilitarian function” of the uniform. 2014 WL 819422, *8–*9 (W.D.Tenn., Mar. 1, 2014).

The Court of Appeals for the Sixth Circuit reversed. 799 F.3d 468, 471 (2015). In its view, the “graphic designs” were “separately identifiable” because the designs “and a blank cheerleading uniform can appear ‘side by side’—one as a graphic design, and one as a cheerleading uniform.” *Id.*, at 491 (quoting Compendium of U.S.

Copyright Office Practices § 924.2(B) (3d ed. 2014) (Compendium)). And it determined that the designs were “‘capable of existing independently’” because they could be incorporated onto the surface of different types of garments, or hung on the wall and framed as art. 799 F.3d, at 491, 492.

Judge McKeague dissented. He would have held that, because “identifying the wearer as a cheerleader” is a utilitarian function of a cheerleading uniform and the surface designs were “integral to” achieving that function, the designs were inseparable from the uniforms. *Id.*, at 495–496.

II

^[2] ^[3] The first element of a copyright-infringement claim is “ownership of a valid copyright.” *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991). A valid copyright extends only to copyrightable subject matter. See 4 M. Nimmer & D. Nimmer, Copyright § 13.01[A] (2010) (Nimmer). The Copyright Act of 1976 defines copyrightable subject matter as “original works of authorship fixed in any tangible medium of expression.” 17 U.S.C. § 102(a).

“Works of authorship” include “pictorial, graphic, and sculptural works,” § 102(a)(5), which the statute defines to include “two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans,” § 101. And a work of authorship is “‘fixed’ in a tangible medium of expression when it[is] embod[i]ed in a” “material objec[t] ... from which the work can be perceived, reproduced, or otherwise communicated.” *Ibid.* (definitions of “fixed” and “copies”).

The Copyright Act also establishes a special rule for copyrighting a pictorial, graphic, or sculptural work incorporated into a “useful article,” which is defined as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” *Ibid.* The statute does not protect useful articles as such. Rather, “the design of a useful article” is “considered a pictorial, graphical, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of

existing independently of, the utilitarian aspects of the article.” *Ibid.*

Courts, the Copyright Office, and commentators have described the analysis undertaken to determine whether a feature can be separately identified from, and exist independently of, a useful article as “separability.” In this case, our task is to determine whether the arrangements of lines, chevrons, and colorful shapes appearing on the surface of respondents’ cheerleading uniforms are eligible for copyright protection as separable features *1009 of the design of those cheerleading uniforms.

drawings. See 4 *id.*, at 359 (defining “[g]raphic” to mean “[o]f or pertaining to drawing or painting”); 7 *id.*, at 830 (defining “[p]ictorial” to mean “of or pertaining to painting or drawing”). And the statute expressly defines “[p]ictorial, graphical, and sculptural works” to include “two-dimensional ... works of ... art.” § 101. The statute thus provides that the “design of a useful article” can include two-dimensional “pictorial” and “graphic” features, and separability analysis applies to those features just as it does to three-dimensional “sculptural” features.

2

A

As an initial matter, we must address whether separability analysis is necessary in this case.

1

^[4] Respondents argue that “[s]eparability is only implicated when a [pictorial, graphic, or sculptural] work is the ‘design of a useful article.’” Brief for Respondents 25. They contend that the surface decorations in this case are “two-dimensional graphic designs that appear on useful articles,” but are not themselves designs of useful articles. *Id.*, at 52. Consequently, the surface decorations are protected two-dimensional works of graphic art without regard to any separability analysis under § 101. *Ibid.*; see 2 W. Patry, Copyright § 3:151, p. 3–485 (2016) (Patry) (“Courts looking at two-dimensional design claims should not apply the separability analysis regardless of the three-dimensional form that design is embodied in”). Under this theory, two-dimensional artistic features on the surface of useful articles are “inherently separable.” Brief for Respondents 26.

This argument is inconsistent with the text of § 101. The statute requires separability analysis for any “pictorial, graphic, or sculptural features” incorporated into the “design of a useful article.” “Design” refers here to “the combination” of “details” or “features” that “go to make up” the useful article. 3 Oxford English Dictionary 244 (def. 7, first listing) (1933) (OED). Furthermore, the words “pictorial” and “graphic” include, in this context, two-dimensional features such as pictures, paintings, or

^[5] The United States makes a related but distinct argument against applying separability analysis in this case, which respondents do not and have not advanced. As part of their copyright registrations for the designs in this case, respondents deposited with the Copyright Office drawings and photographs depicting the designs incorporated onto cheerleading uniforms. App. 213–219; Appendix, *infra*. The Government argues that, assuming the other statutory requirements were met, respondents obtained a copyright in the deposited drawings and photographs and have simply reproduced those copyrighted works on the surface of a useful article, as they would have the exclusive right to do under the Copyright Act. See Brief for United States as *Amicus Curiae* 14–15, 17–22. Accordingly, the Government urges, separability analysis is unnecessary on the record in this case. We generally do not entertain arguments that were not raised below and that are not advanced in this Court by any party, *Burwell v. Hobby Lobby Stores, Inc.*, 573 U.S. —, —, 134 S.Ct. 2751, 189 L.Ed.2d 675 (2014), because “[i]t is not the Court’s usual practice to adjudicate either legal or predicate factual questions in the first instance,” *CRST Van Expedited, Inc. v. EEOC*, 578 U.S. —, —, 136 S.Ct. 1642, 1653, 194 L.Ed.2d 707 (2016). We decline to depart from our usual practice here.

*1010 B

^[6] ^[7] ^[8] ^[9] We must now decide when a feature incorporated into a useful article “can be identified separately from” and is “capable of existing independently of” “the utilitarian aspects” of the article. This is not a free-ranging search for the best copyright

policy, but rather “depends solely on statutory interpretation.” *Mazer v. Stein*, 347 U.S. 201, 214, 74 S.Ct. 460, 98 L.Ed. 630 (1954). “The controlling principle in this case is the basic and unexceptional rule that courts must give effect to the clear meaning of statutes as written.” *Estate of Cowart v. Nicklos Drilling Co.*, 505 U.S. 469, 476, 112 S.Ct. 2589, 120 L.Ed.2d 379 (1992). We thus begin and end our inquiry with the text, giving each word its “ordinary, contemporary, common meaning.” *Walters v. Metropolitan Ed. Enterprises, Inc.*, 519 U.S. 202, 207, 117 S.Ct. 660, 136 L.Ed.2d 644 (1997) (internal quotation marks omitted). We do not, however, limit this inquiry to the text of § 101 in isolation. “[I]nterpretation of a phrase of uncertain reach is not confined to a single sentence when the text of the whole statute gives instruction as to its meaning.” *Maracich v. Spears*, 570 U.S. —, —, 133 S.Ct. 2191, 2203, 186 L.Ed.2d 275 (2013). We thus “look to the provisions of the whole law” to determine § 101’s meaning. *United States v. Heirs of Boisdore*, 8 How. 113, 122, 12 L.Ed. 1009 (1849).

1

^[10] The statute provides that a “pictorial, graphic, or sculptural featur [e]” incorporated into the “design of a useful article” is eligible for copyright protection if it (1) “can be identified separately from,” and (2) is “capable of existing independently of, the utilitarian aspects of the article.” § 101. The first requirement—separate identification—is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities. See 2 Patry § 3:146, at 3–474 to 3–475.

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. See 2 OED 88 (def. 5) (defining “[c]apable” of as “[h]aving the needful capacity, power, or fitness for”). In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in § 101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

Of course, to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot itself be a useful article or “[a]n article that is normally a part of a useful article” (which is itself considered a useful article). § 101. Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

2

The statute as a whole confirms our interpretation. The Copyright Act provides “the owner of [a] copyright” with the “exclusive righ[t] ... to reproduce the copyrighted work in copies.” § 106(1). The statute clarifies that this right “includes the right to reproduce the [copyrighted] work in or on any kind of article, whether useful or otherwise.” § 113(a). *1011 Section 101 is, in essence, the mirror image of § 113(a). Whereas § 113(a) protects a work of authorship first fixed in some tangible medium other than a useful article and subsequently applied to a useful article, § 101 protects art first fixed in the medium of a useful article. The two provisions make clear that copyright protection extends to pictorial, graphic, and sculptural works regardless of whether they were created as freestanding art or as features of useful articles. The ultimate separability question, then, is whether the feature for which copyright protection is claimed would have been eligible for copyright protection as a pictorial, graphic, or sculptural work had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.

3

This interpretation is also consistent with the history of the Copyright Act. In *Mazer*, a case decided under the 1909 Copyright Act, the respondents copyrighted a statuette depicting a dancer. The statuette was intended for use as a lamp base, “with electric wiring, sockets and lamp shades attached.” 347 U.S., at 202, 74 S.Ct. 460. Copies of the statuette were sold both as lamp bases and separately as statuettes. *Id.*, at 203, 74 S.Ct. 460. The petitioners copied the statuette and sold lamps with the

statuette as the base. They defended against the respondents' infringement suit by arguing that the respondents did not have a copyright in a statuette intended for use as a lamp base. *Id.*, at 204–205, 74 S.Ct. 460.

Two of *Mazer*'s holdings are relevant here. First, the Court held that the respondents owned a copyright in the statuette even though it was intended for use as a lamp base. See *id.*, at 214, 74 S.Ct. 460. In doing so, the Court approved the Copyright Office's regulation extending copyright protection to works of art that might also serve a useful purpose. See *ibid.* (approving 37 C.F.R. § 202.8(a) (1949) (protecting "works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned")).

Second, the Court held that it was irrelevant to the copyright inquiry whether the statuette was initially created as a freestanding sculpture or as a lamp base. 347 U.S., at 218–219, 74 S.Ct. 460 ("Nor do we think the subsequent registration of a work of art published as an element in a manufactured article, is a misuse of copyright. This is not different from the registration of a statuette and its later embodiment in an industrial article"). *Mazer* thus interpreted the 1909 Act consistently with the rule discussed above: If a design would have been copyrightable as a standalone pictorial, graphic, or sculptural work, it is copyrightable if created first as part of a useful article.

Shortly thereafter, the Copyright Office enacted a regulation implementing the holdings of *Mazer*. See 1 Nimmer § 2A.08[B][1][b] (2016). As amended, the regulation introduced the modern separability test to copyright law:

"If the sole intrinsic function of an article is its utility, the fact that the article is unique and attractively shaped will not qualify it as a work of art. However, if the shape of a utilitarian article incorporates features, such as artistic sculpture, carving, or pictorial representation, which can be identified separately and are capable of existing independently as a work of art, such features will be eligible for registration." 37 C.F.R. § 202.10(c) (1960) (punctuation altered).

Congress essentially lifted the language governing protection for the design of a useful article directly from the post-*Mazer* regulations and placed it into § 101 of the *1012 1976 Act. Consistent with *Mazer*, the approach we outline today interprets §§ 101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp. See

347 U.S., at 218–219, 74 S.Ct. 460.

C

In sum, a feature of the design of a useful article is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.

^[11] Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter's canvas—they would qualify as "two-dimensional ... works of ... art," § 101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression—different types of clothing—without replicating the uniform. See App. 273–279. The decorations are therefore separable from the uniforms and eligible for copyright protection.¹

The dissent argues that the designs are not separable because imaginatively removing them from the uniforms and placing them in some other medium of expression—a canvas, for example—would create "pictures of cheerleader uniforms." *Post*, at 1035 – 1036 (opinion of BREYER, J.). Petitioner similarly argues that the decorations cannot be copyrighted because, even when extracted from the useful article, they retain the outline of a cheerleading uniform. Brief for Petitioner 48–49.

This is not a bar to copyright. Just as two-dimensional fine art corresponds to the shape of the canvas on which it is painted, two-dimensional applied art correlates to the contours of the article on which it is applied. A fresco painted on a wall, ceiling panel, or dome would not lose copyright protection, for example, simply because it was designed to track the dimensions of the surface on which it was painted. Or consider, for example, a design etched or painted on the surface of a guitar. If that entire design is imaginatively removed from the guitar's surface and placed on an album cover, it would still resemble the shape of a guitar. But the image on the cover does not

“replicate” the guitar as a useful article. Rather, the design is a two-dimensional work of art that corresponds to the shape of the useful article to which it was applied. The statute protects that work of art whether it is first drawn on the album cover and then applied to the guitar’s surface, or vice versa. Failing to protect that art would create an anomaly: It would extend protection to two-dimensional designs that cover a part of a useful article but would not protect the same design if it covered the entire article. The statute does not support that distinction, nor can it be reconciled *1013 with the dissent’s recognition that “artwork printed on a t-shirt” could be protected. *Post*, at 1019 (internal quotation marks omitted).

To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression—a uniform or otherwise.²

D

Petitioner and the Government raise several objections to the approach we announce today. None is meritorious.

1

Petitioner first argues that our reading of the statute is missing an important step. It contends that a feature may exist independently only if it can stand alone as a copyrightable work *and* if the useful article from which it was extracted would remain equally useful. In other words, copyright extends only to “solely artistic” features of useful articles. Brief for Petitioner 33. According to petitioner, if a feature of a useful article “advance[s] the utility of the article,” *id.*, at 38, then it is categorically beyond the scope of copyright, *id.*, at 33. The designs here are not protected, it argues, because they are necessary to two of the uniforms’ “inherent, essential, or natural

functions”—identifying the wearer as a cheerleader and enhancing the wearer’s physical appearance. *Id.*, at 38, 48; Reply Brief 2, 16. Because the uniforms would not be equally useful without the designs, petitioner contends that the designs are inseparable from the “utilitarian aspects” of the uniform. Brief for Petitioner 50.

The Government raises a similar argument, although it reaches a different result. It suggests that the appropriate test is whether the useful article with the artistic feature removed would “remain similarly useful.” Brief for United States as *Amicus Curiae* 29 (emphasis added). In the view of the United States, however, a plain white cheerleading uniform is “similarly useful” to uniforms with respondents’ designs. *Id.*, at 27–28.

^[12] The debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own.

Of course, because the removed feature may not be a useful article—as it would *1014 then not qualify as a pictorial, graphic, or sculptural work—there necessarily would be some aspects of the original useful article “left behind” if the feature were conceptually removed. But the statute does not require the imagined remainder to be a fully functioning useful article at all, much less an equally useful one. Indeed, such a requirement would deprive the *Mazer* statuette of protection had it been created first as a lamp base rather than as a statuette. Without the base, the “lamp” would be just a shade, bulb, and wires. The statute does not require that we imagine a nonartistic replacement for the removed feature to determine whether that *feature* is capable of an independent existence.

Petitioner’s argument follows from its flawed view that the statute protects only “solely artistic” features that have no effect whatsoever on a useful article’s utilitarian function. This view is inconsistent with the statutory text. The statute expressly protects two- and three-dimensional “applied art.” § 101. “Applied art” is art “employed in the decoration, design, or execution of useful objects,” Webster’s Third New International Dictionary 105 (1976) (emphasis added), or “those arts or crafts that have a *primarily utilitarian function*, or ... the designs and decorations used in these arts,” Random House Dictionary 73 (1966) (emphasis added); see also 1 OED 576 (2d ed. 1989) (defining “applied” as “[p]ut to practical use”). An

artistic feature that would be eligible for copyright protection on its own cannot lose that protection simply because it was first created as a feature of the design of a useful article, even if it makes that article more useful.

Indeed, this has been the rule since *Mazer*. In holding that the statuette was protected, the Court emphasized that the 1909 Act abandoned any “distinctions between purely aesthetic articles and useful works of art.” 347 U.S., at 211, 74 S.Ct. 460. Congress did not enact such a distinction in the 1976 Act. Were we to accept petitioner’s argument that the only protectable features are those that play absolutely no role in an article’s function, we would effectively abrogate the rule of *Mazer* and read “applied art” out of the statute.

^[13] Because we reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article, we necessarily abandon the distinction between “physical” and “conceptual” separability, which some courts and commentators have adopted based on the Copyright Act’s legislative history. See H.R. Rep. No. 94–1476, p. 55 (1976). According to this view, a feature is *physically* separable from the underlying useful article if it can “be physically separated from the article by ordinary means while leaving the utilitarian aspects of the article completely intact.” Compendium § 924.2(A); see also *Chosun Int’l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324, 329 (C.A.2 2005). *Conceptual* separability applies if the feature physically could not be removed from the useful article by ordinary means. See Compendium § 924.2(B); but see 1 P. Goldstein, Copyright § 2.5.3, p. 2:77 (3d ed. 2016) (explaining that the lower courts have been unable to agree on a single conceptual separability test); 2 Patry §§ 3:140–3:144.40 (surveying the various approaches in the lower courts).

The statutory text indicates that separability is a conceptual undertaking. Because separability does not require the underlying useful article to remain, the physical-conceptual distinction is unnecessary.

*1015 2

Petitioner next argues that we should incorporate two “objective” components, Reply Brief 9, into our test to provide guidance to the lower courts: (1) “whether the design elements can be identified as reflecting the designer’s artistic judgment exercised independently of

functional influence,” Brief for Petitioner 34 (emphasis deleted and internal quotation marks omitted), and (2) whether “there is [a] substantial likelihood that the pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function,” *id.*, at 35 (emphasis deleted and internal quotation marks omitted).

^[14] We reject this argument because neither consideration is grounded in the text of the statute. The first would require the decisionmaker to consider evidence of the creator’s design methods, purposes, and reasons. *Id.*, at 48. The statute’s text makes clear, however, that our inquiry is limited to how the article and feature are perceived, not how or why they were designed. See *Brandir Int’l, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142, 1152 (C.A.2 1987) (Winter, J., concurring in part and dissenting in part) (The statute “expressly states that the legal test is how the final article is perceived, not how it was developed through various stages”).

The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251, 23 S.Ct. 298, 47 L.Ed. 460 (1903) (“It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits”).

3

Finally, petitioner argues that allowing the surface decorations to qualify as a “work of authorship” is inconsistent with Congress’ intent to entirely exclude industrial design from copyright. Petitioner notes that Congress refused to pass a provision that would have provided limited copyright protection for industrial designs, including clothing, when it enacted the 1976 Act, see *id.*, at 9–11 (citing S. 22, Tit. II, 94th Cong., 2d Sess., 122 Cong. Rec. 3856–3859 (1976)), and that it has enacted laws protecting designs for specific useful articles—semiconductor chips and boat hulls, see 17 U.S.C. §§ 901–914, 1301–1332—while declining to enact other industrial design statutes, Brief for Petitioner 29, 43.

From this history of failed legislation petitioner reasons that Congress intends to channel intellectual property claims for industrial design into design patents. It therefore urges us to approach this question with a presumption against copyrightability. *Id.*, at 27.

[15] We do not share petitioner’s concern. As an initial matter, “[c]ongressional inaction lacks persuasive significance” in most circumstances. *Pension Benefit Guaranty Corporation v. LTV Corp.*, 496 U.S. 633, 650, 110 S.Ct. 2668, 110 L.Ed.2d 579 (1990) (internal quotation marks omitted). Moreover, we have long held that design patent and copyright are not mutually exclusive. See *Mazer*, 347 U.S., at 217, 74 S.Ct. 460. Congress has provided for limited copyright protection for certain features of industrial design, and approaching the statute with presumptive hostility toward protection for industrial design would undermine Congress’ choice. ***1016** In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection.

III

We hold that an artistic feature of the design of a useful article is eligible for copyright protection if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article. Because the designs on the surface of respondents’ cheerleading uniforms in this case satisfy these requirements, the judgment of the Court of Appeals is affirmed.

It is so ordered.

APPENDIX TO OPINION OF THE COURT

APPENDIX TO OPINION OF THE COURT



***1018** Justice GINSBURG, concurring in the judgment.

I concur in the Court’s judgment but not in its opinion. Unlike the majority, I would not take up in this case the separability test appropriate under 17 U.S.C. § 101.¹ Consideration of that test is unwarranted because the designs at issue are not designs of useful articles. Instead, the designs are themselves copyrightable pictorial or graphic works reproduced on useful articles.²

A pictorial, graphic, or sculptural work (PGS work) is copyrightable. § 102(a)(5). PGS works include “two-dimensional and three-dimensional works of fine, graphic, and applied art.” § 101. Key to this case, a copyright in a standalone PGS work “includes the right to reproduce the work in or on any kind of article, whether useful or otherwise.” § 113(a). Because the owner of a copyright in a pre-existing PGS work may exclude a would-be infringer from reproducing that work on a useful article, there is no need to engage in any separability inquiry to resolve the instant petition.

The designs here in controversy are standalone pictorial and graphic works that respondents Varsity Brands, Inc., et al. (Varsity) reproduce on cheerleading uniforms. Varsity’s designs first appeared as pictorial and graphic works that Varsity’s design team sketched on paper. App. 281. Varsity then sought copyright protection for those two-dimensional designs, not for cheerleading costumes; its registration statements claimed “2-Dimensional artwork” and “fabric design (artwork).” Appendix, *infra*, at 1020 – 1023, 1025 – 1026, 1028 – 1030. Varsity next

reproduced its two-dimensional graphic designs on cheerleading uniforms, also on other garments, including T-shirts and jackets. See, e.g., App. 274, 276.³

***1019** In short, Varsity’s designs are not themselves useful articles meet for separability determination under § 101; they are standalone PGS works that may gain copyright protection as such, including the exclusive right to reproduce the designs on useful articles.⁴

Appendix to opinion of GINSBURG, J.

APPENDIX

EXHIBIT 15

Certificate of Registration Additional certificate (17 U.S.C. 706) [Seal of the United States Copyright Office 1870] This Certificate issued under the seal of the Copyright Office in accordance with title 17, <i>United States Code</i> , attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.	Form VA For a Work of the Visual Arts UNITED STATES COPYRIGHT OFFICE RE VA 1-417-427 EFFECTIVE DATE OF REGISTRATION <u>5</u> <u>21</u> <u>07</u> Month Day Year Maria A. Pallante Acting Register of Copyrights, United States of America
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DO NOT WRITE ABOVE THIS LINE. IF YOU
NEED MORE SPACE, USE A SEPARATE CON-
TINUATION SHEET

1 Title of This Work <u>Design Number 078</u>	NATURE OF THIS WORK See instructions <u>2-dimensional artwork</u>
Previous or Alternative Titles	

Publication as a Contribution If this work was published as a contribution to a periodical, serial, or collection, give information about the collective work in which the contribution appeared. **Title of Col-
lective Work**

EXHIBIT 16

If published in a periodical or serial give
Volume Number **Issue Date** **On Pages**

2 NOTE Under the law the "author" of a "work made for hire" is generally the employer, not the employee (see instructions). For any part of this work that was "made for hire" check "Yes" in the space provided, give the employer (or other person to whom the work was prepared) as "Author" of the part, and leave the space for dates of birth and death blank.

a NAME OF AUTHOR

Varsity Brands, Inc.

DATES OF BIRTH AND DEATH

Year Born _____

Year Died _____

Was this contribution to the work a "work made for hire"? ☒ Yes ☐ No

Author's Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled in United States

Was this Author's Contribution to the Work

Anonymous? ☐ Yes ☒ No

Pseudonymous? ☐ Yes ☒ No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)
See Instructions

☐ 3-Dimensional sculpture

☒ 2-Dimensional artwork

Certificate of Registration
 Additional certificate (17 U.S.C. 706)

[Seal of the United States Copyright Office 1870]

This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Registration Number:
 VA 1-675-905

Effective date of registration:
 May 12, 2008

Maria A. Pallante
 Acting Register of
 Copyrights, United
 States of America

Title _____

Title of Work: 0815

Nature of Work: 2-dimensional artwork

Completion/Publication _____

Year of Completion: 2007

Date of 1st Publication: January 2, 2008

Nation of 1st Publication: United States

Author _____

Author: Varsity Brands, Inc.

Author Created: 2-dimensional artwork

Work made for hire: Yes

Domiciled in: United States

Anonymous: No

Pseudonymous: No

Copyright claimant _____

Copyright Claimant: Varsity Brands, Inc.

EXHIBIT 17

Certificate of Registration Form
 Additional certificate (17 For a Work of t
 U.S.C. 706) Visual A
 [Seal of the United States UNITED STATI
 Copyright Office 1870] COPYRIGHT OFFIC
 This Certificate issued RE VA 1-319-2
 under the seal of the Copy- EFFECTIVE DA
 right Office in accordance OF REGISTRATIC
 with title 17, *United States April 29 2005*
Code, attests that registra- Month Day Year
 tion has been made for the Maria A. Pallan
 work identified below. The Acting Register
 information on this certifi- Copyrights, Unit
 cate has been made a part States of America
 of the Copyright Office records.

If published in a periodical or serial give:

Volume	Number	Issue Date	On Pages
2	NOTE	Under the law the "author" of a "work	
		made for hire is generally the employer not the	
		employee (see instructions) For any part of this work	
		that was <i>made for hire</i> check "Yes" in the space pro	
		vided, give the employer (or other person for whom	
		the work was prepared) as "Author" of that part and	
		leave the space for dates of birth and death blank.	
a NAME OF AUTHOR			
VARSITY SPIRIT FASHIONS & SUPPLIES INC			
DATES OF BIRTH AND DEATH			
Year Born		Year Died	

DO NOT WRITE ABOVE THIS LINE. IF YOU
NEED MORE SPACE, USE A SEPARATE CO
TINUATION SHEET

Was this contribution to the work a "work
 made for hire"? ☒ Yes ☐ No

Author's Nationality or Domicile

Name of Country

Citizen of _____

Domiciled in United States

1 Title of This Work **NATURE OF THE**
299A **WORK** See instructions
FABRIC DESIGN
(ARTWORK)

Was this Author's Contribution to the WorkAnonymous? ☐ Yes ☒ NoPseudonymous? ☐ Yes ☒ No**Previous or Alternative Titles**

If the answer to either of these questions is "Yes," see
 detailed instructions.

Publication as a Contribution If this work was
 published as a contribution to a periodical, serial,
 collection, give information about the collective work
 in which the contribution appeared. **Title of Co**
lective Work

Nature of Authorship Check appropriate box(es)**See Instructions**☐ 3 Dimensional sculpture

- ☒ 2 Dimensional artwork
- ☐ Reproduction of work of art
- ☐ Map
- ☐ Photograph
- ☐ Jewelry design
- ☐ Technical drawing
- ☐ Text
- ☐ Architectural work

b Name of Author**Dates of Birth and Death**

Year Born _____ Year Died _____

Was this contribution to the work a "work made for hire"? ☐ Yes ☐ No

Author's Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled at _____

Was this Author's Contribution to the Work

Anonymous? ☐ Yes ☐ No

Pseudonymous? ☐ Yes ☐ No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(See Instructions)

- ☐ 3 Dimensional sculpture

EXHIBIT 18

Certificate of Registration
Additional certificate (17
U.S.C. 706)

[Seal of the United States
Copyright Office 1870]

This Certificate issued
under the seal of the Copy-
right Office in accordance
with title 17, *United States
Code*, attests that registra-
tion has been made for the
work identified below. The
information on this certifi-
cate has been made a part
of the Copyright Office
records.

Form
For a Work of the
Visual Arts
UNITED STATES
COPYRIGHT OFFICE

RE VA 1-319-226
EFFECTIVE DATE
OF REGISTRATION
Month Day Year
April 29 2005

Maria A. Pallante
Acting Register of
Copyrights, United
States of America

**DO NOT WRITE ABOVE THIS LINE. IF YOU
NEED MORE SPACE, USE A SEPARATE CON-
TINUATION SHEET**

1 Title of This Work **NATURE OF THIS**
299B **WORK** See instructions

FABRIC DESIGN
(ARTWORK)

Previous or Alternative Titles

Publication as a Contribution If this work was
published as a contribution to a periodical, serial, or
collection, give information about the collective work
in which the contribution appeared.

Title of Collective Work

If published in a periodical or serial give: **Volume Number** **Issue Date** **On Pages**

2 NOTE Under the law the "author" of a "work made for hire" is generally the employer not the employee (see Instructions) For any part of the work that was made for hire, check Yes in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part and leave the space for dates of birth and death blank.

a NAME OF AUTHOR**Varsity Spirit Fashions & Supplies Inc****DATES OF BIRTH AND DEATH**

Year Born

Year Died

Was this contribution to the work a "work made for hire"? ☒ Yes ☐ No

Author's Nationality or Domicile

Name of Country

Citizen of _____

or

Domiciled in USA**Was this Author's Contribution to the Work:**Anonymous? ☐ Yes ☒ NoPseudonymous? ☐ Yes ☒ No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)
See Instructions

☐ 3 Dimensional sculpture☒ 2 Dimensional artwork☐ Reproduction of work of art☐ Map☐ Photograph☐ Jewelry design☐ Technical drawing☐ Text☐ Architectural work**b Name of Author****Dates of Birth and Death**

Year Born

Year Died

Was this contribution to the work a "work made for hire"? ☐ Yes ☐ No

Author's Nationality or Domicile

Name of Country

Citizen of _____

or

Domiciled in _____

Was this Author's Contribution to the WorkAnonymous? ☐ Yes ☐ NoPseudonymous? ☐ Yes ☐ No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)
See Instructions

AMENDED EXHIBIT 19

Certificate of Registration
[Seal of the United States
Copyright Office 1870]

This Certificate issued
under the seal of the
Copyright Office in
accordance with title 17,
United States Code,
attests that registration
has been made for the
work identified below.
The information on this
certificate has been made
a part of the Copyright
Office records.

[Marybeth Peters]
Register of Copyrights,
United States of America

RATE CONTINUATION SHEET:

1 Title of This Work **NATURE OF TI**
Design Number 074 **WORK** See instruction
2-dimensional artwork

Previous or Alternative Titles

Publication as a Contribution If this work
published as a contribution to a periodical, serial
collection, give information about the collective w
in which the contribution appeared. **Title**
Collective Work

Form VA

For a Work of
Visual Arts

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COPYRIGHT OFFICE

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EFFECTIVE DATE
OF REGISTRATION

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If published in a periodical or serial give:
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2 NOTE Under the law the "author" of a "work
made for hire" is generally the employer, not
the employee (see instructions). For any part of
this work that was "made for hire" check "Yes"
in the space provided, give the employer (or
other person for whom the "work" was pre-
pared) as "Author" of that part and leave the
space for dates of birth and death blank

a NAME OF AUTHOR

Varsity Brands, Inc.

DATES OF BIRTH AND DEATH

Year Born

Year Died

Was this contribution to the work a "work
made for hire"? ☒ Yes ☐ No

Author & Nationality or Domicile

Name of Country

Citizen of _____

or

Domiciled at United States

Was this Author a Contribution to the Work

Anonymous? ☐ Yes ☒ No

Pseudonymous? ☐ Yes ☒ No

If the answer to either of these questions is "Yes," see
detailed instructions.

Nature of Authorship Check appropriate box(es)
See Instructions

☐ 3 Dimensional sculpture

☒ 2 Dimensional artwork

☐ Reproduction of work of art

*1030 Justice BREYER, with whom Justice KENNEDY
joins, dissenting.

I agree with much in the Court's opinion. But I do not
agree that the designs that Varsity Brands, Inc., submitted
to the Copyright Office are eligible for copyright
protection. Even applying the majority's test, the designs

cannot “be perceived as ... two- or three-dimensional work[s] of art separate from the useful article.” *Ante*, at 1007.

Look at the designs that Varsity submitted to the Copyright Office. See Appendix to opinion of the Court, *ante*. You will see *1031 only pictures of cheerleader uniforms. And cheerleader uniforms are useful articles. A picture of the relevant design features, whether separately “perceived” on paper or in the imagination, is a picture of, and thereby “replicate[s],” the underlying useful article of which they are a part. *Ante*, at 1007, 1031. Hence the design features that Varsity seeks to protect are not “capable of existing independently of [the] utilitarian aspects of the article.” 17 U.S.C. § 101.

I

The relevant statutory provision says that the “design of a useful article” is copyrightable “only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” *Ibid*. But what, we must ask, do the words “identified separately” mean? Just when is a design separate from the “utilitarian aspect of the [useful] article?” The most direct, helpful aspect of the Court’s opinion answers this question by stating:

“Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.” *Ante*, at 1010.

Exactly so. These words help explain the Court’s statement that a copyrightable work of art must be “perceived as a two- or three-dimensional work of art separate from the useful article.” *Ante*, at 1007, 1015 – 1016. They help clarify the concept of separateness. Cf. 1 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 2A.08[A][1] (2016) (Nimmer) (describing courts’ difficulty in applying that concept). They are consistent with Congress’ own expressed intent. 17 U.S.C. § 101; H.R. Rep. No. 94–1476, pp. 55, 105 (1976) (H.R. Rep.). And they reflect long held views of the Copyright Office. See Compendium of U.S. Copyright Office Practices § 924.2(B) (3d ed. 2014), online at

<http://www.copyright.gov/comp3/docs/compendium.pdf> (as last visited Mar. 7, 2017) (Compendium).

Consider, for example, the explanation that the House Report for the Copyright Act of 1976 provides. It says:

“Unless the shape of an automobile, airplane, ladies’ dress, food processor, television set, or any other industrial product contains some element that, *physically or conceptually*, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted....” H.R. Rep., at 55 (emphasis added).

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is “yes,” then the design is eligible for copyright protection. Otherwise, it is not. The abstract nature of these questions makes them sound difficult to apply. But with the Court’s words in mind, the difficulty tends to disappear.

An example will help. Imagine a lamp with a circular marble base, a vertical 10–inch tall brass rod (containing wires) inserted off center on the base, a light bulb fixture emerging from the top of the brass rod, and a lampshade sitting on top. In front of the brass rod a porcelain Siamese cat sits on the base facing outward. Obviously, *1032 the Siamese cat is *physically separate* from the lamp, as it could be easily removed while leaving both cat and lamp intact. And, assuming it otherwise qualifies, the designed cat is eligible for copyright protection.

Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp’s construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. The two are integrated into a single functional object, like the similar configuration of the ballet dancer statuettes that formed the lamp bases at issue in *Mazer v. Stein*, 347 U.S. 201, 74 S.Ct. 460, 98 L.Ed. 630 (1954). But we can easily imagine the cat on its own, as did Congress when conceptualizing the ballet dancer. See H.R. Rep., at 55 (the statuette in *Mazer* was “incorporated into a product without losing its ability to exist independently as a work of art”). In doing so, we do not create a mental picture of a lamp (or, in the Court’s words, a “replica” of the lamp), which is a useful article. We simply perceive the cat

separately, as a small cat figurine that could be a copyrightable design work standing alone that does not replicate the lamp. Hence the cat is *conceptually separate* from the utilitarian article that is the lamp. The pair of lamps pictured at Figures 1 and 2 in the Appendix to this opinion illustrate this principle.

Case law, particularly case law that Congress and the Copyright Office have considered, reflects the same approach. Congress cited examples of copyrightable design works, including “a carving on the back of a chair” and “a floral relief design on silver flatware.” H.R. Rep., at 55. Copyright Office guidance on copyrightable designs in useful articles include “an engraving on a vase,” “[a]rtwork printed on a t-shirt,” “[a] colorful pattern decorating the surface of a shopping bag,” “[a] drawing on the surface of wallpaper,” and “[a] floral relief decorating the handle of a spoon.” Compendium § 924.2(B). Courts have found copyrightable matter in a plaster ballet dancer statuette encasing the lamp’s electric cords and forming its base, see *Mazer, supra*, as well as carvings engraved onto furniture, see *Universal Furniture Int’l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417, 431–435 (C.A.4 2010) (*per curiam*), and designs on laminated floor tiles, see *Home Legend, LLC v. Mannington Mills, Inc.*, 784 F.3d 1404, 1412–1413 (C.A.11 2015). See generally Brief for Intellectual Property Professors as *Amici Curiae*.

By way of contrast, Van Gogh’s painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright. See Appendix, fig. 3, *infra*; 17 U.S.C. §§ 113(a)–(b). Courts have similarly denied copyright protection to objects that begin as three-dimensional designs, such as measuring spoons shaped like heart-tipped arrows, *Bonazoli v. R.S.V.P. Int’l, Inc.*, 353 F.Supp.2d 218, 226–227 (D.R.I.2005); candleholders shaped like sailboats, *Design Ideas, Ltd. v. Yankee Candle Co.*, 889 F.Supp.2d 1119, 1128 (C.D.Ill.2012); and wire spokes on a wheel cover, *Norris Industries, Inc. v. International Tel. & Tel. Corp.*, 696 F.2d 918, 922–924 (C.A.11 1983). None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from the utilitarian aspects of the object to which it relates. The designs cannot be physically separated because they themselves make up the shape of the spoon, candleholders, or wheel covers of which they are a part.

***1033** And spoons, candleholders, and wheel covers are useful objects, as are the old shoes depicted in Van Gogh’s painting. More importantly, one cannot easily imagine or otherwise conceptualize the design of the

spoons or the candleholders or the shoes *without that picture, or image, or replica being a picture of spoons, or candleholders, or wheel covers, or shoes*. The designs necessarily bring along the underlying utilitarian object. Hence each design is not conceptually separable from the physical useful object.

The upshot is that one could copyright the floral design on a soup spoon but one could not copyright the shape of the spoon itself, no matter how beautiful, artistic, or esthetically pleasing that shape might be: A picture of the shape of the spoon is also a picture of a spoon; the picture of a floral design is not. See Compendium § 924.2(B).

To repeat: A separable design feature must be “capable of existing independently” of the useful article as a separate artistic work that is not itself the useful article. If the claimed feature could be extracted without replicating the useful article of which it is a part, and the result would be a copyrightable artistic work standing alone, then there is a separable design. But if extracting the claimed features would necessarily bring along the underlying useful article, the design is not separable from the useful article. In many or most cases, to decide whether a design or artistic feature of a useful article is conceptually separate from the article itself, it is enough to imagine the feature on its own and ask, “Have I created a picture of a (useful part of a) useful article?” If so, the design is not separable from the useful article. If not, it is.

In referring to imagined pictures and the like, I am not speaking technically. I am simply trying to explain an intuitive idea of what separation is about, as well as how I understand the majority’s opinion. So understood, the opinion puts design copyrights in their rightful place. The law has long recognized that drawings or photographs of real world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects. See, e.g., *Burrow–Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 4 S.Ct. 279, 28 L.Ed. 349 (1884). That is why a copyright on Van Gogh’s painting would prevent others from reproducing that painting, but it would not prevent others from reproducing and selling the comfortable old shoes that the painting depicts. Indeed, the purpose of § 113(b) was to ensure that “ ‘copyright in a pictorial, graphic, or sculptural work, portraying a useful article as such, does not extend to the manufacture of the useful article itself.’ ” H.R. Rep., at 105.

II

To ask this kind of simple question—does the design picture the useful article?—will not provide an answer in every case, for there will be cases where it is difficult to say whether a picture of the design is, or is not, also a picture of the useful article. But the question will avoid courts focusing primarily upon what I believe is an unhelpful feature of the inquiry, namely, whether the design can be imagined as a “two- or three-dimensional work of art.” *Ante*, at 1007, 1015 – 1016. That is because virtually any industrial design can be thought of separately as a “work of art”: Just imagine a frame surrounding the design, or its being placed in a gallery. Consider Marcel Duchamp’s “readymades” series, the functional mass-produced objects he designated as art. See Appendix, fig. 4, *infra*. What is there in the world that, viewed through an esthetic lens, cannot *1034 be seen as a good, bad, or indifferent work of art? What design features could not be imaginatively reproduced on a painter’s canvas? Indeed, great industrial design may well include design that is inseparable from the useful article—where, as Frank Lloyd Wright put it, “form and function are one.” F. Wright, *An Autobiography* 146 (1943) (reprint 2005). Where they are one, the designer may be able to obtain 15 years of protection through a design patent. 35 U.S.C. §§ 171, 173; see also McKenna & Strandburg, *Progress and Competition in Design*, 17 *Stan. Tech. L. Rev.* 1, 48–51 (2013). But, if they are one, Congress did not intend a century or more of copyright protection.

III

The conceptual approach that I have described reflects Congress’ answer to a problem that is primarily practical and economic. Years ago Lord Macaulay drew attention to the problem when he described copyright in books as a “tax on readers for the purpose of giving a bounty to writers.” 56 *Parl. Deb.* (3d Ser.) (1841) 341, 350. He called attention to the main benefit of copyright protection, which is to provide an incentive to produce copyrightable works and thereby “promote the Progress of Science and useful Arts.” U.S. Const. Art. I, § 8, cl. 8. But Macaulay also made clear that copyright protection imposes costs. Those costs include the higher prices that can accompany the grant of a copyright monopoly. They also can include (for those wishing to display, sell, or

perform a design, film, work of art, or piece of music, for example) the costs of discovering whether there are previous copyrights, of contacting copyright holders, and of securing permission to copy. *Eldred v. Ashcroft*, 537 U.S. 186, 248–252, 123 S.Ct. 769, 154 L.Ed.2d 683 (2003) (BREYER, J., dissenting). Sometimes, as Thomas Jefferson wrote to James Madison, costs can outweigh “the benefit even of limited monopolies.” Letter from Thomas Jefferson to James Madison (July 31, 1788), in 13 *Papers of Thomas Jefferson* 443 (J. Boyd ed. 1956) (Jefferson Letter). And that is particularly true in light of the fact that Congress has extended the “limited Times” of protection, U.S. Const. Art. I, § 8, cl. 8, from the “14 years” of Jefferson’s day to potentially more than a century today. Jefferson Letter 443; see also *Eldred, supra*, at 246–252, 123 S.Ct. 769 (opinion of BREYER, J.).

The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright’s statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry. See, e.g., 1 *Nimmer* § 2A.08[H][3][c] (describing how Congress rejected proposals for fashion design protection within the 1976 Act and has rejected every proposed bill to this effect since then); *Esquire, Inc. v. Ringer*, 591 F.2d 796, 800, n. 12 (C.A.D.C.1978) (observing that at the time of the 1976 Copyright Act, Congress had rejected every one of the approximately 70 design protection bills that had been introduced since 1914); e.g., H.R. 5055, 109th Cong., 2d Sess.: “To Amend title 17, United States Code, to provide protection for fashion design” (introduced Mar. 30, 2006; unenacted). Congress has left “statutory ... protection ... largely unavailable for dress designs.” 1 *Nimmer* § 2A.08[H][3] [a]; Raustiala & Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 *Va. L.Rev.* 1687, 1698–1705 (2006).

*1035 Congress’ decision not to grant full copyright protection to the fashion industry has not left the industry without protection. Patent design protection is available. 35 U.S.C. §§ 171, 173. A maker of clothing can obtain trademark protection under the Lanham Act for signature features of the clothing. 15 U.S.C. § 1051 *et seq.* And a designer who creates an original textile design can receive copyright protection for that pattern as placed, for example, on a bolt of cloth, or anything made with that cloth. E.g., *Compendium* § 924.3(A)(1). “[T]his [type of] claim ... is generally made by the fabric producer rather than the garment or costume designer,” and is “ordinarily made when the two-dimensional design is applied to the

textile fabric and before the garment is cut from the fabric.” 56 Fed.Reg. 56531 (1991).

The fashion industry has thrived against this backdrop, and designers have contributed immeasurably to artistic and personal self-expression through clothing. But a decision by this Court to grant protection to the design of a garment would grant the designer protection that Congress refused to provide. It would risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly \$370 billion in annual spending and 1.8 million jobs. Brief for Council of Fashion Designers of America, Inc., as *Amicus Curiae* 3–4 (citing U.S. Congress, Joint Economic Committee, *The New Economy of Fashion* 1 (2016)). That is why I believe it important to emphasize those parts of the Court’s opinion that limit the scope of its interpretation. That language, as I have said, makes clear that one may not “claim a copyright in a useful article merely by creating a replica of that article in some other medium,” which “would not give rise to any rights in the useful article that inspired it.” *Ante*, at 1010.

IV

If we ask the “separateness” question correctly, the answer here is not difficult to find. The majority’s opinion, in its appendix, depicts the cheerleader dress designs that Varsity submitted to the Copyright Office. Can the design features in Varsity’s pictures exist separately from the utilitarian aspects of a dress? Can we extract those features as copyrightable design works standing alone, without bringing along, via picture or design, the dresses of which they constitute a part?

Consider designs 074, 078, and 0815. They certainly look like cheerleader uniforms. That is to say, they look like pictures of cheerleader uniforms, just like Van Gogh’s old shoes look like shoes. I do not see how one could see them otherwise. Designs 299A and 2999B present slightly closer questions. They omit some of the dresslike context that the other designs possess. But the necklines, the sleeves, and the cut of the skirt suggest that they too are pictures of dresses. Looking at all five of Varsity’s pictures, I do not see how one could conceptualize the design features in a way that does not picture, not just artistic designs, but dresses as well.

Were I to accept the majority’s invitation to

“imaginatively remov[e]” the chevrons and stripes *as they are arranged* on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a “painter’s canvas,” *ante*, at 1011 – 1012, that painting would be of a cheerleader’s dress. The esthetic elements on which Varsity seeks protection exist only as part of the uniform design—there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms. Hence, each design is not physically separate, nor is it conceptually separate, from the useful article it depicts, namely, a *1036 cheerleader’s dress. They cannot be copyrighted.

Varsity, of course, could have sought a design patent for its designs. Or, it could have sought a copyright on a textile design, even one with a similar theme of chevrons and lines.

But that is not the nature of Varsity’s copyright claim. It has instead claimed ownership of the particular “‘treatment and arrangement’ ” of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. Brief for Respondents 50. The majority imagines that Varsity submitted something different—that is, only the surface decorations of chevrons and stripes, as in a textile design. As the majority sees it, Varsity’s copyright claim would be the same had it submitted a plain rectangular space depicting chevrons and stripes, like swaths from a bolt of fabric. But considered on their own, the simple stripes are plainly unoriginal. Varsity, then, seeks to do indirectly what it cannot do directly: bring along the design and cut of the dresses by seeking to protect surface decorations whose “treatment and arrangement” are *coextensive with that design and cut*. As Varsity would have it, it would prevent its competitors from making useful three-dimensional cheerleader uniforms by submitting plainly unoriginal chevrons and stripes as cut and arranged on a useful article. But with that cut and arrangement, the resulting pictures on which Varsity seeks protection do not simply depict designs. They depict clothing. They depict the useful articles of which the designs are inextricable parts. And Varsity cannot obtain copyright protection that would give them the power to prevent others from making those useful uniforms, any more than Van Gogh can copyright comfortable old shoes by painting their likeness.

I fear that, in looking past the three-dimensional design inherent in Varsity’s claim by treating it as if it were no more than a design for a bolt of cloth, the majority has lost sight of its own important limiting principle. One may not “claim a copyright in a useful article merely by creating a replica of that article in some other medium,”

such as in a picture. *Ante*, at 1010. That is to say, one cannot obtain a copyright that would give its holder “any rights in the useful article that inspired it.” *Ante*, at 1010.

With respect, I dissent.

APPENDIX TO OPINION OF BREYER, J.

APPENDIX TO OPINION OF BREYER, J.



Fig. 1



Fig. 2

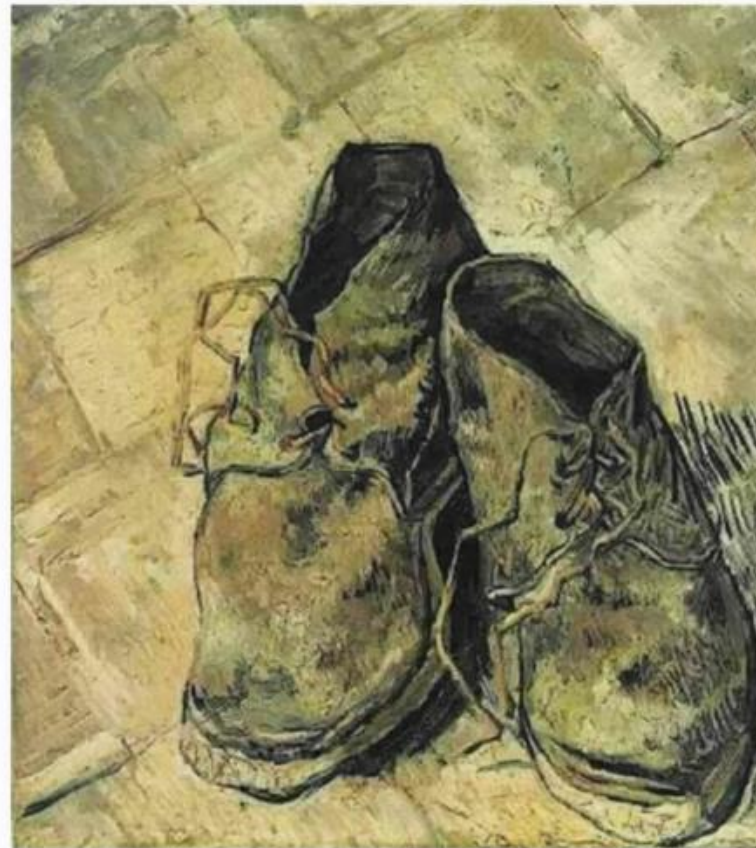


Fig. 3: Vincent Van Gogh, “Shoes”

APPENDIX TO OPINION OF BREYER, J.

All Citations

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Fig. 4: Marcel Duchamp,
“In Advance of the Broken Arm”

Footnotes

- * The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U.S. 321, 337, 26 S.Ct. 282, 50 L.Ed. 499.
- 1 We do not today hold that the surface decorations are copyrightable. We express no opinion on whether these works are sufficiently original to qualify for copyright protection, see *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 358–359, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991), or on whether any other prerequisite of a valid copyright has been satisfied.

- 2 The dissent suggests that our test would lead to the copyrighting of shovels. *Post*, at 1020; Appendix to opinion of BREYER, J., fig. 4, *post*. But a shovel, like a cheerleading uniform, even if displayed in an art gallery, is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. § 101. It therefore cannot be copyrighted. A drawing of a shovel could, of course, be copyrighted. And, if the shovel included any artistic features that could be perceived as art apart from the shovel, and which would qualify as protectable pictorial, graphic, or sculptural works on their own or in another medium, they too could be copyrighted. But a shovel as a shovel cannot.
- 1 Courts “have struggled mightily to formulate a test” for the separability analysis. 799 F.3d 468, 484 (C.A.6 2015); see 2 W. Patry, Copyright § 3:136, p. 3–420 (2016) (noting “widespread interpretative disarray” over the separability test); Ginsburg, “Courts Have Twisted Themselves into Knots”: U.S. Copyright Protection for Applied Art, 40 Colum. J.L. & Arts 1, 2 (2016) (“The ‘separability’ test ... has resisted coherent application....”); 1 M. Nimmer & D. Nimmer, Copyright § 2A.08[B] [6], p. 2A–84 (2016) (separability is a “perennially tangled aspect of copyright doctrine”).
- 2 Like the Court, I express no opinion on whether the designs otherwise meet the requirements for copyrightable subject matter. See *ante*, at 1012, n. 1; 17 U.S.C. § 102(a) (“Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated.”). In view of the dissent’s assertion that Varsity’s designs are “plainly unoriginal,” *post*, at 1036, however, I note this Court’s recognition that “the requisite level of creativity [for copyrightability] is extremely low; even a slight amount will suffice,” *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 345, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991); see *Atari Games Corp. v. Oman*, 979 F.2d 242 (C.A.D.C.1992).
- 3 That Varsity’s designs can be placed on jackets or T-shirts without replicating a cheerleader’s uniform supports their qualification as fabric designs. The dissent acknowledges that fabric designs are copyrightable, but maintains that Varsity’s designs do not count because Varsity’s submissions depict clothing, not fabric designs. *Post*, at 1035 – 1036. But registrants claiming copyrightable designs may submit drawings or photos of those designs as they appear on useful articles. See Compendium of U.S. Copyright Office Practices § 1506 (3d ed. 2014) (“To register a copyrightable design that has been applied to the back of a useful article, such as a chair, the applicant may submit drawings of the design as it appears on the chair[.]”), online at <https://www.copyright.gov/comp3/docs/compendium.pdf> (as last visited Mar. 8, 2017). And, as noted in text, Varsity’s registration statements claimed “2–Dimensional artwork” and “fabric design (artwork).” Appendix, *infra*, at 1020 – 1023, 1025 – 1026, 1028 – 1030.
The dissent also acknowledges that artwork printed on a T-shirt is copyrightable. *Post*, at 1032. Varsity’s colored shapes and patterns can be, and indeed are, printed on T-shirts. See, e.g., App. 274. Assuming Varsity’s designs meet the other requirements for copyrightable subject matter, they would fit comfortably within the Copyright Office guidance featured by the dissent. See *post*, at 1032 (citing Compendium of U.S. Copyright Office Practices, *supra*, § 924.2(B)).
- 4 The majority declines to address this route to decision because, it says, Varsity has not advanced it. *Ante*, at 1009 – 1010. I read Varsity’s brief differently. See Brief for Respondents 25 (explaining that the Copyright Act “expressly provides that PGS designs do not lose their protection when they appear ‘in or on’ a useful article,” quoting § 113(a)); *id.*, at 52 (disclaiming the need for separability analysis because the designs are themselves PGS works).