

RED WITH ENVY: WHY THE FASHION INDUSTRY SHOULD EMBRACE ADR AS A VIABLE SOLUTION TO RESOLVING TRADEMARK DISPUTES

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I. INTRODUCTION

*“In order to be irreplaceable one must always be different.”*¹

With the emergence of a booming and competitive fashion market in recent years, this quote from iconic fashion designer Coco Chanel has never had more significance. Today’s fashion world has evolved into a massive industry with United States sales of more than \$200 billion per year—larger than those of books, movies, and music combined.² The fashion and apparel sector has become one of the largest and most dynamic in the global economy, accounting for nearly four percent of the total global GDP, a sum now in excess of \$1 trillion per year.³ In *The Law, Culture, and Economics of Fashion*, Harvard Law School Professors C. Scott Hemphill and Jeannie Suk argue that it is hard to imagine an area of social life that does not exhibit fashion in some way.⁴ “The desire to be ‘in fashion’—most visibly manifested in the practice of dress—captures a significant aspect of social life, characterized by both the pull of continuity with others and the push of innovation toward the new.”⁵ Similarly, Aram Sinnreich and Marissa Gluck, co-authors of *Music & Fashion: The Balancing Act Between Crea-*

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¹ World Intellectual Property Organization, *Intellectual Property in the Fashion Industry*, WIPO Magazine May–June 2005, 16, available at http://www.wipo.int/sme/en/documents/wipo_magazine/5_2005.pdf.

² C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 *STAN. L. REV.* 1147, 1148 (2009).

³ Guillermo C. Jimenez, *Fashion Law: Overview of a New Legal Discipline*, in *FASHION LAW: A GUIDE FOR DESIGNERS, FASHION EXECUTIVES, AND ATTORNEYS* 6 (Guillermo C. Jimenez & Barbara Kolsun eds., 2010).

⁴ Hemphill & Suk, *supra* note 2, at 1149.

⁵ *Id.* at 1149–50.

tivity and Control, a book chapter about music, fashion and copyright for the Norman Lear Center, consider fashion as “one of the most visible markers we have in contemporary society to express affiliation, lifestyle choice and identity.”⁶

While fashion trends may come and go, some designs have become classic pieces.⁷ The twentieth century marked the beginning of many of today’s most famous and expensive brands, including Chanel, Balenciaga, and Dior.⁸ Recently, in 2005, there was a one-year waiting period for Hermès’ classic “Kelly” handbag, which grew to fame in 1956 after Princess Grace Kelly of Monaco appeared carrying the handbag on the cover of *LIFE Magazine*.⁹ The timeless Chanel suit, designed by Coco Chanel in the 1930s, is still sold today, and the cost can run up to \$5,000 per suit.¹⁰ Other iconic fashion items include the Burberry trench coat,¹¹ Ralph Lauren Polo Shirt,¹² Louis Vuitton luggage,¹³ Levi 501 jeans,¹⁴ and Ray Ban aviator sunglasses.¹⁵

Many fashion houses may strive to create such everlasting designs; however, the fame and success that goes along with such notoriety almost always comes with a price. “Any industry that has reached this size and level of social importance will inevitably generate a number of common and repetitive legal problems and issues.”¹⁶ When designers succeed, if they have not obtained the appropriate protection, imitators will be able to take a free ride on their creative work.¹⁷ “In the legal realm, this social dynamic of innovation and continuity is most directly engaged by the law of intellectual property.”¹⁸ In recent years, owners of intellectual

⁶ Aram Sinnreich & Marissa Gluck, *Music & Fashion: The Balancing Act Between Creativity and Control*, The Norman Lear Center, 10 (Jan. 29, 2005), <http://learcenter.org/pdf/RTSSinnreichGluck.pdf>.

⁷ World Intellectual Property Organization, *supra* note 1, at 16.

⁸ Sinnreich & Gluck, *supra* note 6, at 20.

⁹ World Intellectual Property Organization, *supra* note 1, at 16.

¹⁰ *Id.*

¹¹ Natalia Sieukaran, *Iconic Fashion Pieces: Chanel, Louis Vuitton, Burberry, Ralph Lauren*, ALLIGATOR (Nov. 8, 2011, 12:15 AM), http://www.alligator.org/blogs/ifthechoofits/article_28b3fa64-09ba-11e1-8818-001cc4c03286.html (last updated Nov. 13, 2011, 8:32 PM).

¹² *Id.*

¹³ *Id.*

¹⁴ *Icons of Fashion: The Top Must-Haves of All Time*, FEMALE FIRST (Feb. 29, 2008), <http://www.femalefirst.co.uk/lifestyle-fashion/styletrends/fashion-4590.html>.

¹⁵ *Id.*

¹⁶ Jimenez, *supra* note 3, at 6–7.

¹⁷ See World Intellectual Property Organization, *supra* note 1, at 17.

¹⁸ Hemphill & Suk, *supra* note 2, at 1150.

property are more actively protecting their assets, taking whatever steps they can to gain a competitive advantage in the market.¹⁹

Many times, however, new designs in fashion draw on previous trends, making it hard for designers and companies to fully protect or shield their pieces. It has been argued that fashion may be the most cyclical of all design industries²⁰: “[I]deas and aesthetics constantly have been recycled, particularly from the 1930s to the present. Sleeves, collars, skirt lengths, patterns, fabrics, buttons and hems all are elements with seemingly infinite permutations, but in reality there is a fairly limited aesthetic vocabulary, with the proven successes cropping up again and again.”²¹

As trends continue to drive the fashion industry, some argue that it is the absence of intellectual property rights that is essentially feeding the creative process²²: “With fashion, the constant frenzy of creation and imitation may actually drive rather than destroy the market for original goods.”²³ Yet, many designers and intellectual property scholars are in favor of legal protection, arguing that without it, designers would lack incentives to create and manufacturers would be reluctant to make investments in the product.²⁴ However, despite this support for intellectual property protection, copyright and patent law in the United States is quite

¹⁹ “The fashion industry is driven by creativity and by the intellectual capital invested in it. Protecting that intellectual capital in the form of IP assets serves to boost income through sale, licensing, and commercialization of differentiated new products, to improve market share, raise profit margins, and to reduce the risk of trampling over the IP rights of others. Good management of IP assets in a business or marketing plan helps to enhance the value of an enterprise in the eyes of investors and financing institutions.” World Intellectual Property Organization, *supra* note 1, at 19.

²⁰ Sinnreich & Gluck, *supra* note 6, at 6.

²¹ *Id.*

²² Christine Cox & Jennifer Jenkins, *Between the Seams, A Fertile Commons: An Overview of the Relationship Between Fashion and Intellectual Property*, The Norman Lear Center, 16 (Jan. 29, 2005), <http://learcenter.org/pdf/RTSJenkinsCox.pdf>; *see also* Kal Raustiala & Chris Sprigman, *Is the Design Piracy Prohibition Act a Good Idea?*, FREAKONOMICS (Mar. 12, 2010), <http://www.freakonomics.com/2010/03/12/should-fashion-be-protected-by-copyright-laws-a-guest-post/>. Raustiala and Sprigman argue that copying in the fashion world has hidden benefits because as copies of trendy or noteworthy garments are made, consumers recognize the need for “the new new thing,” forcing the fashion cycle to turn even faster. “The interesting effect of copying is to generate more demand for *new* designs, since the old designs—the ones that have been copied—are no longer special.” Raustiala and Sprigman agree with Leon Bendel Schmulen (of the Henri Bendel department store)’s 1947 contention that copying was “no danger to the business” and a “natural consequence of fashion.” They argue that the Design Piracy Prohibition Act is both unnecessary and unwise.

²³ Cox & Jenkins, *supra* note 22, at 17.

²⁴ JESSICA LITMAN, *DIGITAL COPYRIGHT: PROTECTING INTELLECTUAL PROPERTY ON THE INTERNET* 105–06 (2000).

limited in the area of fashion.²⁵ As a result, fashion houses that value their brand equity have developed bonds with their customers through their brand names and fiercely protect these through the registration of trademarks.²⁶ Trademarks, therefore, have become devices used to identify the source of consumer products in the fashion industry.²⁷

In today's market-driven economy, the economic health of a company is based in part on the strength of its intellectual property²⁸: "The strength and vitality of the U.S. economy depends directly on effective mechanisms that protect new ideas and investments in innovation and creativity. The continued demand for . . . trademarks underscores the ingenuity of American inventors and entrepreneurs."²⁹ As companies increasingly invest time and capital in establishing and protecting their rights and maintaining positive reputations for their products, disputes over trademark rights in the fashion industry have inevitably arisen.³⁰ With an increase in trademark infringement cases, it is important to discuss various ways in which designers can resolve their claims.

This Note proposes that based on the nature of trademark disputes in the fashion industry, discussed in more detail below, alternative dispute resolution may be a viable option to resolve these cases. These alternative methods allow parties to explore mutually beneficial solutions, while avoiding litigation and ensuring the vitality of their brand. This Note also proposes that, based on previously successful programs used by other organizations, the Council of Fashion Designers of America should develop an alternative dispute resolution program to resolve disputes within the fashion industry.

Part II outlines the history of fashion design protection and examines the current types of legal protection, including proposed statutory regulations, available to fashion designs in the United States. Part III addresses the role and importance of trademarks in

²⁵ See *infra* II. for greater detail.

²⁶ World Intellectual Property Organization, *supra* note 1, at 17.

²⁷ Cox & Jenkins, *supra* note 22, at 12.

²⁸ See *supra* note 19.

²⁹ *The USPTO: Who We Are*, THE UNITED STATES PATENT AND TRADEMARK OFFICE (Jan. 10, 2007, 9:40 AM), <http://www.uspto.gov/web/menu/intro.html>.

³⁰ "The characteristics of the fashion industry and the increasing complexity of both the industry and the laws that affect it have led to a need for fashion executives to become more knowledgeable about the law and more aware of when they need professional legal advice. At the same time, increases in litigation by fashion businesses and growing specialization in the legal profession have made the fashion industry a source of opportunity for law firms." Jimenez, *supra* note 3, at 5-6.

the fashion industry and also examines the disadvantages of trademark litigation, represented by a study of *Christian Louboutin, S.A. v. Yves Saint Laurent America, Inc.* and the fight over red-soled shoes. Part IV defines the various forms of alternative dispute resolution and analyzes how such methods are beneficial to fashion trademark disputes. Lastly, Part V concludes by examining how other intellectual property organizations have developed alternative dispute resolution programs to facilitate disputes and proposes a way the Council of Fashion Designers of America can successfully apply these initiatives.

II. HISTORY OF UNITED STATES' PROTECTION FOR FASHION DESIGN

Intellectual property protection provides tremendous value to the creation and marketing of products in the fashion industry.³¹ As the fashion industry thrives on innovation and original creative expression, companies must act quickly to gain intellectual property protections for their work.³²

Professor Susan Scafidi at Fordham Law School argues that intellectual property law is being re-fashioned for a new generation. At the same time, however, she recognizes that United States law has long excluded most creative fashion designs from protection.³³ Compared to other major fashion-producing countries such as Japan, India, and European nations, the United States has failed to protect American fashion designers, apart from their trademarked labels and logos.³⁴

³¹ See World Intellectual Property Organization, *supra* note 1, at 16. "In the current business environment, the primary source of competitive advantage for all businesses, including those in the fashion industry, is innovation and original creative expressions." *Id.*

³² See *id.* (arguing that "[b]usiness managers need to identify such valuable intangible assets in a timely manner, determine their business relevance, and agree on those to be protected and leveraged through the intellectual property (IP) system").

³³ Susan Scafidi, *Re-Fashioning Intellectual Property Law*, AM. CONSTITUTION SOC'Y BLOG (Aug. 13, 2010), <http://www.acslaw.org/acsblog/re-fashioning-intellectual-property-law> (calling recent intellectual property law "the new minimalism": "unmistakably modern, cover[ing] all the essentials, but mak[ing] a point of leaving quite a bit in the public domain.").

³⁴ *Id.*

A. Copyright Protection

Since 1914, Congress has considered more than seventy bills that would provide copyright protection to fashion designs, but none have been successful.³⁵ For example, the Design Copyright Bill of 1930, which would have given protection to dressmakers, passed through the House, but the Senate voted against it.³⁶ In 1932, the Fashion Originators' Guild, made up of fashion retailers and designers, was the first organized effort outside the United States legislature to promote the protection of fashion design.³⁷ Although the Guild implemented several successful measures to regulate fashion designs,³⁸ in 1941, the United States Supreme Court affirmed the Second Circuit's finding that the Guild's practices violated antitrust laws.³⁹

While copyright law may protect the purely artistic elements of a garment that exist independent of its utilitarian features, the law does not currently cover useful articles themselves.⁴⁰ Section 102 of the Copyright Act authorizes copyright protection in "original works of authorship"; however, of the eight categories listed in the Act, only "pictorial, graphic, and sculptural works" could logically encompass fashion.⁴¹ Such "pictorial, graphic, and sculptural works" are protected "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."⁴²

³⁵ See Rocky Schmidt, Comment, *Designer Law: Fashioning a Remedy for Design Piracy*, 30 U.C.L.A. L. REV. 861, 864-65 (1983).

³⁶ See Lisa J. Hedrick, Note, *Tearing Fashion Design Protection Apart At the Seams*, 65 WASH. & LEE L. REV. 215, 234-35 (2008).

³⁷ See Judith S. Roth & David Jacoby, Schiff Hardin LLP, *Copyright Protection and Fashion Design*, 967 PLI/PAT. 1081, 1095 (2009).

³⁸ Guild members had to register their designs with the Design Registration Bureau. Trial and appellate tribunals then determined whether a garment was a copy. Retailers were asked to sign a "declaration of cooperation" agreeing not to deal with copyists. The Guild also imposed fines on members who did business with retailers who did not cooperate and sold knockoffs. See *id.*

³⁹ See *Fashion Originators Guild v. Fed. Trade Comm'n*, 114 F.2d 80, 85 (2d Cir. 1940), *aff'd*, 312 U.S. 457, 467-68 (1941).

⁴⁰ Jerome Gilson & Anne Gilson LaLonde, 1 Gilson on Trademarks § 2A.12 (Matthew Bender 2006); Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1699 (2006). A "useful article" 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." 17 U.S.C. § 101 (2006).

⁴¹ 17 U.S.C. § 102 (2006).

⁴² 17 U.S.C. § 101 (2006).

As a result of this separability requirement, fashion designs in their entirety typically fail since the design can rarely be separated from its utilitarian function.⁴³ Therefore, usually only certain fabric pattern designs, features independent of the garment, or some types of original artwork on clothing may be protectable under the current copyright law.⁴⁴ Because copyright law generally fails to provide a remedy to fashion designers, an “imitator may copy with impunity, and the law grants no remedy to the creator.”⁴⁵

1. The Design Piracy Prohibition Act

The Design Piracy Prohibition Act (“DPPA”), introduced on April 30, 2009 in the United States House of Representatives, seeks to include fashion designs under copyright law by amending Title 17 of the United States Code.⁴⁶ The bill defines “fashion design” as “the appearance as a whole of an article of apparel, including its ornamentation” and “includes original elements of the article of apparel or the original arrangement or placement of original or non-original elements as incorporated in the overall appearance of the article of apparel.”⁴⁷ Essentially, the DPPA would provide only a modest scope of protection, as it protects only innovative and truly unique fashion elements, leaving everything else, including staple and commonplace design parts, in the public domain and available to copy.

⁴³ Gilson & Gilson LaLonde, *supra* note 40.

⁴⁴ *Id.*

⁴⁵ *Id.*, quoting *Millinery Creators’ Guild v. Fed. Trade Comm’n*, 109 F.2d 175, 177 (2d Cir. 1940), *aff’d*, 312 U.S. 469 (1941).

⁴⁶ See generally Design Piracy Prohibition Act, H.R. 2196, 111th Cong. (2009), available at <http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.2196>; see also Sheppard Mullin Richter & Hampton LLP, *Senate Goes Fashion Forward With Latest Version of Design Piracy Prohibition Act*, FASHION & APPAREL LAW BLOG (Aug. 10, 2007), available at <http://www.fashionapparelblog.com/2007/08/articles/changes-in-law/senate-goes-fashion-forward-with-latest-version-of-design-piracy-prohibition-act/>. The goal of the Design Piracy Prohibition Act “is to ensure that those who spend their time and money developing new and innovative fashion designs are able to secure and enforce adequate copyright protections for their hard work.” See Sheppard Mullin Richter & Hampton LLP, *supra* note 46.

⁴⁷ Design Piracy Prohibition Act, *supra* note 46, at § 2(a)(7).

2. The Innovative Design Prevention and Piracy Prohibition Act

The Innovative Design Protection and Piracy Prohibition Act (“IDPPPA”) is an alternative bill to the DPPA.⁴⁸ The IDPPPA also would give fashion designs copyright protection by amending Title 17 of the United States Code.⁴⁹ With the support of the Council of Fashion Designers of America and the American Apparel and Footwear Association, New York Senator Charles Schumer introduced the bill on August 5, 2010 in the United States Senate.⁵⁰ The IDPPPA defines a fashion design in the same manner as the DPPA, but also specifies that the original elements of apparel “are the result of a designer’s own creative endeavor” and must “provide a unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles.”⁵¹

While both proposed pieces of legislation may be steps in the right direction, the changes they offer are seen as too limited to address the fundamental flaws associated with the earlier versions of the bill.⁵²

B. Patent Protection

Fashion designers of “new, original and ornamental design for an article of manufacture” may be able to seek design patent protection.⁵³ As opposed to a utility patent, which protects the way an article is used and works,⁵⁴ a design patent protects the way an article looks⁵⁵ for a term of fourteen years from the date of issu-

⁴⁸ See generally Innovative Design Protection and Piracy Prevention Act, S. 3728, 111th Cong. (2010), available at <http://thomas.loc.gov/cgi-bin/query/z?c111:S.3728>.

⁴⁹ *Id.*

⁵⁰ See Susan Scafidi, *IDPPPA: Introducing the Innovative Design Protection and Piracy Prevention Act, a.k.a. Fashion Copyright*, COUNTERFEITCHIC.COM (Aug. 6, 2010), <http://counterfeitchic.com/2010/08/introducing-the-innovative-design-protection-and-piracy-prevention-act.html>.

⁵¹ Innovative Design Protection and Piracy Prevention Act, *supra* note 48, at § 2(a)(7).

⁵² “It must be recognized that this bill is not perfect and there are several legitimate concerns with the way this bill attempts to protect designs. . . . Some areas of the bill that need to be improved are: the standard for liability, the definition of designs in the public domain, and the secondary liability provisions.” *Innovative Design Protection and Piracy Prohibition Act*, AM. APPAREL & FOOTWEAR ASS’N, available at http://76.227.223.129/LegislativeTradeNews/category.asp?SUBCATEGORY_ID=24.

⁵³ 35 U.S.C. § 171 (2006).

⁵⁴ 35 U.S.C. § 101 (2006). Utility patents protect any new, non-obvious, and useful process, machine, manufacture, or composition of matter.

⁵⁵ 35 U.S.C. § 171 (2006).

ance.⁵⁶ A patent holder may prevent others from making, using, selling, or importing the design⁵⁷; however, only a few designs have been successful in obtaining design patents since most fashion designs fail the statutory requirement of novelty, non-obviousness, and non-functionality.⁵⁸ The cyclical elements of the industry⁵⁹ results in very few sufficiently novel products being able to meet the standard.⁶⁰ The non-obviousness element, which is analyzed from the perspective of “a designer of ordinary skill or capability” in the same profession, often presents the greatest hurdle to overcome.⁶¹

In addition, acquiring a design patent can be a costly and time-consuming process.⁶² Even if a design is found to be nonfunctional and non-obvious, “the substantial length of time it takes to obtain a patent renders this protection generally ineffective against the typical, near-instantaneous knockoff”⁶³ or the newly emerging trend.⁶⁴ The fourteen-year term of the design patent protection may also be too long for the fashion industry.⁶⁵

⁵⁶ See 35 U.S.C. § 173 (2006).

⁵⁷ See 35 U.S.C. § 271 (2006).

⁵⁸ See generally Laura C. Marshall, Note, *Catwalk Copycats: Why Congress Should Adopt A Modified Version of the Design Piracy Prohibition Act*, 14 J. INTELL. PROP. L. 305, 312 (2007). For apparel, “the nonobviousness standard is so demanding that even new clothing designs that do not incorporate any known design elements can still fail to qualify for design patent protection.” Anne Theodore Briggs, Note, *Hung Out To Dry: Clothing Design Protection Pitfalls in United States Law*, 24 HASTINGS COMM. & ENT. L.J. 169, 177 (2002).

⁵⁹ Sinreich & Gluck, *supra* note 6, at 6. See also Emily S. Day, Comment, *Double-Edged Scissor: Legal Protection for Fashion Design*, 86 N.C.L. REV. 237, 251 (2007) (“[C]lothing rarely meets the criteria of patentability.’ This is due to fashion’s inherently cyclical nature, which results in very few sufficiently novel and original designs.”) (citations omitted).

⁶⁰ See Alissandra Burack, Note, *Is Fashion an Art Form that Should be Protected or Merely a Constantly Changing Media Encouraging Replication of Popular Trends?*, 17 VILL. SPORTS & ENT. L.J. 605, 613 (2010) (“[P]atents within the fashion industry are rare, as many apparel designs are re-workings of original designs and unable to meet the ‘new’ standard that is required by patent law.”).

⁶¹ See Marshall, *supra* note 58, at 312.

⁶² See *id.* at 312; see also JULIE COHEN, LYDIA PALLAS LOREN, RUTH L. OKEDIJI, & MAUREEN A. O’ROURKE, COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 228 (2d ed. 2006) (claiming that the average examination period before obtaining a patent is eighteen months).

⁶³ Gilson & Gilson LaLonde, *supra* note 40, at § 2A.12(2).

⁶⁴ See generally Marshall, *supra* note 58, at 312 (citing Jack Adelman, Inc. v. Sonners & Gordon, Inc., 112 F. Supp. 187, 190 (S.D.N.Y. 1934), for the proposition that “designs and patterns usually are short-lived and with the conditions and time incidental to obtaining the patent, this protection comes too late, if at all.”).

⁶⁵ “[D]esign patents last too long to fit comfortably into the fast-paced fashion market. If design patents, which expire fourteen years after the date on which they are granted, were regularly given to fashion works, the fashion cycle might grind to a halt because of designers’ fear of infringing another designer’s long-lasting patent. Long-term protection is particularly out-of-sync with the transitory nature of fashion designs in the Internet era.” Marshall, *supra* note 58, at 313.

C. *Trademark and Trade Dress Protection*

Currently, trademark law serves as a designer's best protection. While trademark law does not protect the overall design of an item, the law does protect logos, brand names, or other registered marks.⁶⁶ Trademark law, under the Lanham Act, provides protection to "any word, name, symbol, or device" that is distinctive to the designer.⁶⁷ As trademarks are used to identify and distinguish goods, a distinctive mark must be capable of identifying the source or manufacturer of a particular good.⁶⁸ The Supreme Court has suggested that the design of a product (including a fashion work) is not inherently distinctive, and thus designers must show "secondary meaning"—that "in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself."⁶⁹

Protection under trademark law may include trade dress infringement, trademark dilution, and claims for unfair competition under state law. Trade dress, a specific type of trademark protection, protects the overall appearance and packaging of a product.⁷⁰ When apparel cannot realistically include a logo, word mark, or protectable design element, trade dress law can protect the overall image of a product if it is nonfunctional,⁷¹ distinctive,⁷² and has acquired secondary meaning.⁷³ Under 15 U.S.C. § 1125(a), a plaintiff must show that his product is not functional and that the in-

⁶⁶ See Roth et al., *supra* note 37, at 1091 (arguing that while trademark law does not permit the copying of the registered mark, it does permit the copying of the overall design).

⁶⁷ See 15 U.S.C. § 1127 (2006).

⁶⁸ Tiffany Walden, Note, *Problems with the Piracy Paradox: Rebutting the Claim That Fashion Designs Do Not Need Intellectual Property Protection*, 20 N.Y. ST. B.A. ENT. ARTS & SPORTS L.J. 16, 16 (2009).

⁶⁹ Marshall, *supra* note 58, at 314, quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982).

⁷⁰ See Roth et al., *supra* note 37, at 1092.

⁷¹ A design is functional, and therefore not protectable, if it gives the plaintiff a competitive edge, such as when the design is necessary for the product's usage or affects the production cost or quality. See *Qualitex Co. v. Johnson Prod. Co.*, 514 U.S. 159, 165 (1995).

⁷² For definition of distinctiveness, see *supra* notes 67–68.

⁷³ *Gilson & Gilson LaLonde*, *supra* note 40, at § 2A.12(4)(a). Although the Lanham Act does not provide protection for merely descriptive marks, it does provide an exception for descriptive marks that have acquired secondary meaning. See 15 U.S.C. § 1052(f); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). In order to establish secondary meaning for a term, a plaintiff "must show that the primary significance of the term in the minds of the consuming public is not the product but the producer." *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118; see also Marshall, *supra* note 58, at 314.

fringing feature is “likely to cause confusion” between the plaintiff’s and defendant’s product.⁷⁴

Fashion designers may also have a claim for trademark dilution. Trademark dilution, however, only protects against infringement of a “famous mark” that is “widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”⁷⁵ Courts do not make side-by-side comparisons of the products when determining if dilution exists.⁷⁶ Instead, the court attempts to place itself in the position of the consumer, who is more likely to be viewing the products at issue in different settings and at different times.⁷⁷

Lastly, designers may seek protection under a state claim of unfair competition, which requires a showing that the plaintiff’s mark has obtained secondary meaning and that the public may confuse the infringing mark with the plaintiff’s mark.⁷⁸ In this context, secondary meaning “exists only if a significant number of prospective purchasers understand the term, when used in connection with a particular kind of good . . . as an indication of association with a particular [designer].”⁷⁹ Thus, it is hard for fashion designs to acquire secondary meaning in this context because many trends do not last long enough for the public to associate the article with the designer.⁸⁰

III. IMPORTANCE OF TRADEMARKS IN THE FASHION INDUSTRY

In today’s dynamic economic society, where perhaps nothing carries more weight than the eternal brand,⁸¹ a company’s name or

⁷⁴ See 15 U.S.C. § 1125(a) (2006); *see also* Wal-mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205, 210, 216 (2000).

⁷⁵ 15 U.S.C. § 1125(c) (2006).

⁷⁶ Gilson & Gilson LaLonde, *supra* note 40, at § 2A.12(4)(c).

⁷⁷ *See id.* at § 5.03.

⁷⁸ *See* Roth et al., *supra* note 37, at 1094.

⁷⁹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 13 cmt. e (1995).

⁸⁰ Briggs, *supra* note 58, at 199; *see also* Sara R. Ellis, Note, *Copyrighting Couture: An Examination of Fashion Design and Why the DPPA and IDPPPA Are a Step Towards the Solution to Counterfeit Chic*, 78 TENN. L. REV. 163, 177 (“[I]t takes time to establish secondary meaning, and in the meantime, designers are vulnerable to copyists. . . . The presence of copies on the market makes it even harder to establish secondary meaning—it is difficult for a company to establish itself as the sole source of a good if there are competitors selling exactly the same product.”) (citations omitted).

⁸¹ *See* DAVID A. AAKER, *MANAGING BRAND EQUITY* (1991) (arguing that a brand is a distinguishing name and/or symbol used to identify a seller’s goods or services or to differentiate

logo is arguably its most valuable asset. Scholars have defined the term “brand” in various ways. Kevin Lane Keller, author of *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, argues that a brand is “a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need. These differences may be rational and tangible—related to product performance of the brand—or more symbolic, emotional, and intangible—related to what the brand represents.”⁸² Similarly, John L. Mariotti, author of *Smart Things to Know About Brands & Branding*, defines the term “brand” as “a simplified ‘shorthand’ description of a package of value upon which consumers and prospective purchasers can rely to be consistently the same (or better) over long periods of time.”⁸³ Over time, consumers tend to develop a “brand image,” defined as “the total of all the information they have received about the brand—from experience, word of mouth, advertising, packaging, service and so on.”⁸⁴

As technology progresses, the need to protect business clientele, reputations, and brand image has become increasingly important,⁸⁵ thereby creating a stronger desire for protective trademark law. Trademarks perform a valuable function by identifying the source of products and services and serving as an indicator of reliable quality to the consumer.⁸⁶ As such, companies spend more effort and money on building solid brands because they know that consumers often respond better to a logo or slogan than to the

those goods or services from a competitors. A brand signals to the customer the source of the product, and protects the customer and producer from competitors who attempt to provide products that appear to be identical.)

⁸² Shanna M. Bruer, Nancy Cassill & Michelle Jones, *Branding to Compete: Applications to Textiles and Apparel*, 4 J. TEXTILE, APPAREL, TECH., AND MGMT 1, 10 (citing KEVIN LANE KELLER, STRATEGIC BRAND MANAGEMENT: BUILDING, MEASURING, AND MANAGING BRAND EQUITY 3 (3d ed. 1998)).

⁸³ Bruer, Cassill & Jones, *supra* note 82, at 10 (citing JOHN L. MARIOTTI, SMART THINGS TO KNOW ABOUT BRANDS & BRANDING 13 (1999)).

⁸⁴ Bruer, Cassill & Jones, *supra* note 82, at 12 (citing GEOFFREY RANDALL, BRANDING: A PRACTICAL GUIDE TO PLANNING YOUR STRATEGY 7 (2d ed. 1997)).

⁸⁵ See Gerard N. Magliocca, *From Ashes to Fire: Trademark and Copyright in Transition*, 82 N.C.L. REV. 1009, 1014–17 (2004).

⁸⁶ UNITED STATES PATENT AND TRADEMARK OFFICE, *Performance and Accountability Report Fiscal Year 2011*, available at <http://www.uspto.gov/about/stratplan/ar/2011/USPTOFY2011PAR.pdf>.

quality of the product.⁸⁷ The fashion industry is no exception to this phenomenon.⁸⁸

In fashion, trademark law offers “a small but significant ray of hope for fashion designers seeking protection” for their brands.⁸⁹ For example, this area of law protects designer logos like the Louis Vuitton “LV,” the Chanel “interlocking C,” the Lacoste alligator, the Ralph Lauren polo horse, and other such emblems that are placed directly on garments and accessories.⁹⁰ Fanciful⁹¹ word marks or brand names for clothing, such as “Banana Republic,” which are non-descriptive, are easily registrable, while descriptive marks that simply describe the actual product or the name of the designer himself, “such as ‘Tommy Hilfiger,’ require a considerable amount of investment before they may become registered trademarks.”⁹² In other words, fanciful emblems that are not descriptive of the products on which they are used may be enforced and registered without a showing of secondary meaning.⁹³

Because fashion companies are beginning to recognize that trademark law offers the best option among intellectual property rights for long-term protection,⁹⁴ as opposed to the limited term protections available through patent and copyright law,⁹⁵ they are

⁸⁷ See Jerre B. Swann, Savid A. Aaker & Matt Reback, *Trademarks and Marketing*, 91 TRADEMARK REP. 787, 792 (2001) (arguing that “brands encompass not only consumer awareness, but also perceived quality, customer loyalty, and a rich set of associations.”).

⁸⁸ See Ezra Fitch, *Trademarks in Fashion*, THE WASHINGTON POST (Aug. 20, 2010, 5:18 PM), http://voices.washingtonpost.com/ezra-klein/2010/08/trademarks_in_fashion.html (arguing that the fashion industry seems enamored of logos, brand icons, and other identifying trademarks). See also *infra* III.A. (discussing Christian Louboutin’s reliance on his trademark, which has become a key brand identifier for the company).

⁸⁹ Gilson & Gilson LaLonde, *supra* note 40, at § 2A.12(3).

⁹⁰ *Id.*

⁹¹ The term “fanciful” used in relation to trademarks and trade names is a term of art developed by the Second Circuit in *Abercrombie*. In *Abercrombie*, the Second Circuit created four categories to test the distinctiveness of a word mark: generic, descriptive, suggestive, and arbitrary or fanciful. See *Abercrombie*, 537 F.2d at 9.

⁹² Cox & Jenkins, *supra* note 22, at 13.

⁹³ Gilson & Gilson LaLonde, *supra* note 40. For example, the United States Patent and Trademark Office registered Gucci’s horsebit design as an inherently distinctive and source-indicating mark for eyeglass frames and sunglasses without requiring Gucci to show that this product design element had acquired secondary meaning. *Id.*

⁹⁴ Cox & Jenkins, *supra* note 22, at 13 (arguing that “[p]rotection against trademark infringement has been a key objective for many fashion houses”).

⁹⁵ Kevin M. Lemley, *I’ll Make Him an Offer He Can’t Refuse: A Proposed Model for Alternative Dispute Resolution in Intellectual Property Disputes*, 37 AKRON L. REV. 287, 289–90 (2004). Currently, trademark law grants unending protection, so long as the owner renews the mark and continues to use it, as opposed to copyright protection, which last for the life of the author plus seventy years, or patent protection, which lasts for twenty years from the filing of the patent. *Id.*

more actively pursuing such protection, leading to a rise in trademark registration.⁹⁶ Such increased registrations may in turn lead to significant costs, as businesses must make legal expenditures for trademark protection and defend themselves in trademark litigation.

A. *Christian Louboutin, S.A. v. Yves Saint Laurent America, Inc.*

*Christian Louboutin, S.A. v. Yves Saint Laurent America, Inc.*⁹⁷ provides a tangible example of the importance of trademarks in fashion. French footwear designer Christian Louboutin (“Louboutin”) sells more than five hundred thousand pairs of shoes per year, at prices ranging from \$395 to \$6,000 a pair.⁹⁸ While the considerable price tag certainly bolsters the fame of the brand, Louboutin’s shoes, which are quickly turning into fashion’s ultimate status symbol,⁹⁹ are best known for their red outsoles.¹⁰⁰

Louboutin began applying the color red to the outsoles of his high fashion women’s shoes in 1992.¹⁰¹ Since then, his shoes have grown in popularity, appearing regularly on fashion icons and celebrities.¹⁰² To Louboutin’s loyal customers, “the red soles offer the pleasure of secret knowledge to their wearer, and that of serendipity to their beholder. Like Louis XIV’s red heels, they signal a

⁹⁶ From 1990 until 2010, trademark applications filed for registration has increased almost 300%, from 127,294 in 1990 to 368,939 in 2010. UNITED STATES PATENT AND TRADEMARK OFFICE, *Performance and Accountability Report Fiscal Year 2010*, available at http://www.uspto.gov/about/stratplan/ar/2010/oai_06_wlt_16.html.

⁹⁷ *Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc.*, No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

⁹⁸ See Lauren Collins, *Sole Mate: Christian Louboutin and the Psychology of Shoes*, THE NEW YORKER (Mar. 28, 2011), http://www.newyorker.com/reporting/2011/03/28/110328fa_fact_collins.

⁹⁹ The Christian Louboutin brand has consistently ranked at the top of The Luxury Institute’s Annual Luxury Brand Status Index (LBSI), which is an objective measure of the value of high-end brands to wealthy consumers. See, e.g., *High Net-Worth Shoppers Rank Luxury Brands on Multiple Criteria*, LUXURY INST. BLOG (Mar. 29, 2011), <http://blog.luxuryinstitute.com/?p=993> (ranking Christian Louboutin as the second most luxurious brand in the Women’s Shoes category in 2011, and as the top brand from 2007 to 2010).

¹⁰⁰ The Second Circuit called the red outsole appearing on Louboutin’s shoes “their most striking feature.” *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 2.

¹⁰¹ *Id.*

¹⁰² *Id.*

sort of sumptuary code, promising a world of glamour and privilege.”¹⁰³

With this distinctive technique, Louboutin invested substantial amounts of capital building a reputation and goodwill, as well as promoting and protecting his claim to exclusive ownership of the mark as his signature in women’s high fashion footwear.¹⁰⁴ Over the years, Louboutin’s efforts paid off:

Louboutin succeeded 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 [Yves Saint Laurent] YSL, however begrudgingly. . . . No doubt then, Christian Louboutin broke ground and made inroads in a narrow market. He departed from longstanding conventions and norms of his industry, transforming the staid black or beige bottom of a shoe into a red brand with worldwide recognition at the high end of women’s wear, a product visually so eccentric and striking that it is easily perceived and remembered.¹⁰⁵

In January 2008, the United States Patent and Trademark Office awarded Louboutin a trademark for a “lacquered red sole on footwear (the “Red Sole Mark”).”¹⁰⁶ Since then, Louboutin’s red soles have become a powerful trademark for his brand, and a key brand identifier for the company.¹⁰⁷ As Kal Raustiala and Chris Sprigman argue on their blog, *Freakonomics*, the signature red soles scream that the purchaser “paid a lot of money for these beautiful shoes! . . . [A] signature sole color was a great marketing idea, and clearly penetrated the consciousness of the high-end shoe buy-

¹⁰³ Collins, *supra* note 98.

¹⁰⁴ *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 2.

¹⁰⁵ *Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc.*, 778 F.Supp.2d 445, 447–48 (S.D.N.Y. 2011), *overruled by* *Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc.*, No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

¹⁰⁶ *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 2. “The Patent and Trademark Office awarded a trademark with Registration No. 3,361,597 (the ‘Red Sole Mark’) to Louboutin on January 1, 2008.” *Louboutin*, F.Supp.2d at 448, *overruled by* *Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc.*, No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

¹⁰⁷ On January 24, 2012, Louboutin stated that for him, this dispute with YSL is very personal. “[T]his is an intrinsic part of my life and my company, which bears my name – and which I have built over the past 20 years and still independently own.” On February 8, 2012, Louboutin told French newspaper *Libération* that “colours play a part in a brand’s identity. I’m not saying that red usually belongs to me – I repeat that this is about a precise red, used in a precise location.” Elle Alexander, *The Red Sole Fight*, *VOGUEUK.COM* (Feb. 16, 2012), available at <http://www.vogue.co.uk/news/2011/04/20/christian-louboutin-sues-yves-saint-laurent-for-red-sole-shoes>.

ing public.”¹⁰⁸ Another article suggests that these red outsoles are “a marketing gimmick that renders an otherwise indistinguishable product instantly recognizable. . . . Louboutin’s shoes issue their own press releases.”¹⁰⁹ The trademark has become highly recognizable, especially among female consumers, and many women are willing to pay the exorbitant prices for the prestigious status the red-soled shoes impart on the wearer.¹¹⁰ Louboutin’s marketing and branding efforts, which promote his trademarked red-soles, have arguably developed a brand image in the minds of retail consumers.¹¹¹ These efforts have differentiated his product from others in the market in a “symbolic, emotional, and intangible” way, emphasizing “what the brand represents” to both consumers and observers.¹¹²

Yet, Louboutin’s recent court battle with rival high-end footwear designer Yves Saint Laurent (“YSL”) threatened the legality and vitality of the Red Sole Mark. In April 2011, Christian Louboutin, S.A. filed suit in New York District Court against Yves Saint Laurent America, Inc.,¹¹³ alleging that several of YSL’s shoes from its rival’s Cruise 2011 collection infringed Louboutin’s 2008 trademark on women’s shoes with a red outsole, in violation of the Lanham Act.¹¹⁴ Louboutin 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 customers.”¹¹⁵ On May 20, 2011, YSL filed its answer and counterclaims to Louboutin’s complaint, seeking cancellation of the mark on various grounds, including fraud.¹¹⁶ Although the court recog-

¹⁰⁸ Kal Raustiala & Chris Sprigman, *Can You Trademark a Color?*, FREAKONOMICS (Aug. 12, 2011), <http://www.freakonomics.com/2011/08/12/can-you-trademark-a-color/>.

¹⁰⁹ Collins, *supra* note 98.

¹¹⁰ Louboutin’s shoes are highly revered and not inexpensive; some models cost thousands of dollars. Raustiala & Sprigman, *supra* note 108.

¹¹¹ See, e.g., Alison Frankel, *Louboutin Red-Sole Trademark Case: Color War at the 2nd Circuit*, THOMSON REUTERS (Jan. 5, 2012), http://newsandinsight.thomsonreuters.com/Legal/News/2012/01_-_January/Louboutin_red-sole_trademark_case_color_war_at_the_2nd_Circuit/ (Louboutin is “known around the world for the flashy Chinese red on the bottom of his posh high heels . . .”).

¹¹² Bruer, Cassill & Jones, *supra* note 82.

¹¹³ *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 3.

¹¹⁴ *Louboutin*, F.Supp.2d at 449, *overruled by* Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc., No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

¹¹⁵ *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 3.

¹¹⁶ Defendants/Counterclaim-Plaintiffs’ Answer and Counterclaims, Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc., 778 F.Supp.2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv).

nized the law's respect for innovation,¹¹⁷ in an order dated August 10, 2011, Southern District Judge Victor Marrero rejected Louboutin's motion, ruling that,

[b]ecause in the fashion industry color serves ornamental and aesthetic functions vital to robust competition, the Court finds that Louboutin is unlikely to be able to prove that its red outsole brand is entitled to trademark protection, even if it has gained enough public recognition in the mark to have acquired secondary meaning.¹¹⁸ The Court therefore concludes that Louboutin has not established a likelihood that it will succeed on its claims that YSL infringed the Red Sole Mark to warrant the relief that it seeks.¹¹⁹

Louboutin appealed Judge Marrero's ruling on October 17, 2011.¹²⁰ On September 5, 2012, the Second Circuit issued its decision, affirming in part the order of the District Court, insofar as it declined to enjoin the use of the red lacquered outsole as applied to a monochrome red shoe; reversing in part the order of the District Court insofar as it purported to deny trademark protection to Louboutin's use of contrasting red lacquered outsides; and remanding for further proceedings with regard to YSL's counterclaims.¹²¹ Although the Second Circuit agreed with the District Court's finding that the red outsole has become closely associated

¹¹⁷ "The law, like the marketplace, applauds innovators. It rewards the trend-setters, the market-makers, the path-finding non-conformists who march to the beat of their own drums. To foster such creativity, statutes and common law rules accord to inspired pioneers various means of recompense and incentives. Through grants of patents and trademarks registrations, the law protects ingenuity and penalizes unfair competition." *Louboutin*, 778 F.Supp.2d at 448, *overruled by* Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc., No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

¹¹⁸ A showing of secondary meaning is required for non-inherently distinctive marks. Secondary meaning refers to the acquired distinctiveness a trademark gains when "as a result of its use, prospective purchasers have come to perceive it as a designation that identifies goods, services, businesses, or members. . . ." RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 79, at § 13(b); *see also* Inwood Labs., 456 U.S. at 851 n.11 (1982).

¹¹⁹ *Louboutin*, 778 F.Supp.2d at 449–50, *overruled by* Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc., No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

¹²⁰ Brief for Plaintiffs-Counter-Defendants-Appellants and Special Appendix at 3, Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc., 778 F.Supp.2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv).

¹²¹ *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 15. The Court did not rule on YSL's counterclaim that the trademark is invalid because a red sole is a functional element of design and therefore ineligible for protection. It also did not consider YSL's counterclaim for tortious interference with business relations, based on allegations that Louboutin used its influence to persuade department stores not to stock YSL's shoes. David Bernstein, the attorney representing YSL, told Managing IP that the company will pursue these claims. Alli Pyrah, *Lessons for Brand Owners from Louboutin v YSL*, MANAGING IP (Sept. 7, 2012), <http://www.managingip.com>.

with *Louboutin*,¹²² it held that secondary meaning extended only to the use of a lacquered red outsole that contrasted with the adjoining portion of the shoe.¹²³ Therefore, the court modified the Red Sole Mark, limiting it to situations in which the red lacquered outsole contrasts in color with the adjoining upper portion of the shoe.¹²⁴

B. *Disadvantages of Trademark Litigation in the Fashion Industry*

Louboutin provides a tangible example of why litigating trademark questions in the fashion industry can be an extremely risky endeavor, especially for designers and fashion companies that rely heavily on their marks. Even when a brand has acquired secondary meaning, its trademark may be in jeopardy. For *Louboutin*, and other designers in similar situations, in which their brands rely on a highly recognizable trademark, gambling everything in court becomes a precarious undertaking, and may put one of the parties at a severe disadvantage. Although both parties claimed victory after the Second Circuit's ruling,¹²⁵ *Louboutin*'s trademark arguably has been severely limited, now covering only circumstances in which the red outsole contrasts with the adjoining upper portion of the shoe. In addition, YSL's counterclaims were remanded, which would have required both parties to expend substantial amounts of money in an additional proceeding had YSL not dismissed its counterclaims voluntarily.¹²⁶ After *Louboutin*, intellectual property at-

com/Article/3086205/Managing-Trade-Marks-Archive/Lessons-for-brand-owners-from-Louboutin-v-YSL.html.

¹²² *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 13, quoting *Louboutin*, 778 F.Supp.2d at 447–48, overruled by *Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc.*, No. 11-3303-cv, 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

¹²³ *Louboutin*, No. 11-3303-cv, 2012 WL 3832285 at 14.

¹²⁴ *Id.*

¹²⁵ See generally Hannah Elliot, *Both Sides Claim Victory in YSL v. Louboutin Shoe Case*, FORBES (Sept. 5, 2012, 5:31 PM), <http://www.forbes.com/sites/hannahelliott/2012/09/05/both-sides-claim-victory-in-ysl-v-louboutin-shoe-case/>.

¹²⁶ Notice of Motion to Dismiss Defendants/Counterclaim-Plaintiffs' Counterclaims Voluntarily, *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F.Supp.2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv). "YSL believes it appropriate to dismiss its counterclaims voluntarily, thus resolving what remains of this litigation and allowing the parties to close the book on this litigation and refocus their attention on their respective fashion creations." Memorandum of Law of Defendants/Counterclaim-Plaintiffs In Support of Motion to Dismiss Their Counterclaims Voluntarily, *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F.Supp.2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv).

torney David Jacoby argues that brand owners should think carefully about the possible consequences before initiating litigation.¹²⁷

Louboutin suggests that the nature and subjectivity of such disputes often make them incompatible with litigation. Because of all the requirements and particularities of the law, it may be difficult for plaintiffs to prove their cases in court, which could lead to undesirable outcomes.

Under the Lanham Act, the standard used in trademark infringement disputes involves a question of “likelihood of confusion.”¹²⁸ Issues requiring resolution include:

the degree of distinctiveness obtained by the plaintiff’s mark or trade dress; actual or likely confusion by consumers; similarity of the opponents’ products or product categories; similarity of the marks or trade dress; sophistication of the relevant potential buyers and of the marketing channels used by the parties; and the defendant’s intent in choosing his mark or trade dress.¹²⁹

Because the requirements analyzed in determining the “likelihood of confusion” standard are generally considered questions of fact to be decided by a jury, the cost of discovery can be exorbitant.¹³⁰ The use of consumer perception, market data, expert witnesses, and surveys can also increase the cost of discovery and litigation significantly.¹³¹ Moreover, litigation is extremely detrimental to small designers and start-ups, who can be easily decimated financially by a lawsuit.¹³²

Another drawback of litigating such disputes relates to the fast-paced nature of the fashion industry, in which product stocks are constantly refreshed. What some experts term a “fast fashion system,” the fashion industry combines quick response production with enhanced product design capabilities to create “hot” products that capture the latest consumer trends and exploit minimal pro-

¹²⁷ “If you look at it from where things were on day one, Louboutin wanted to stop YSL from putting out the monochromatic shoe. They have failed in that attempt. They also came within a hair’s breadth of losing their trade mark.” Pyrah, *supra* note 121.

¹²⁸ See 15 U.S.C. § 1125 (2006).

¹²⁹ Scott H. Blackman & Rebecca M. McNeill, *Alternative Dispute Resolution in Commercial Intellectual Property Disputes*, 47 AM. U. L. REV. 1709, 1726 (1998); see also *Polaroid Corp. v. Polarad Elect. Corp.*, 287 F.2d 492 (2d Cir. 1961).

¹³⁰ Lemley, *supra* note 95, at 311 (explaining how, in intellectual property cases, the courts place a strong emphasis on evidentiary procedure and witness credibility, which can greatly delay the case and drive up the costs of trial).

¹³¹ See Paul W. Reidl, *Understanding Basic Trademark Law: A Primer on Global Trademark Protection*, 839 PLI/Pat 175, 208 (2005) (claiming that some surveys can cost \$40,000 or more).

¹³² See Raustiala & Sprigman, *supra* note 22.

duction times.¹³³ The goal is to produce short-cycle fashion products as quickly as possible in relatively small quantities.¹³⁴ The critical component of fast fashion is the ability to identify and trace apparel trends quickly and marry this knowledge to the supply chain, producing new products in an abbreviated time frame.¹³⁵ Zara, a fast fashion retailer from Spain, for example, houses its headquarters, factories, and distribution center all in one space, making it easier to respond to consumer demand immediately and turn over its inventory in a matter of weeks rather than months.¹³⁶

The fashion industry today may be fast-paced; yet, the court system runs at a much slower rate. Since litigating such disputes can last months, if not years, the design in dispute is usually no longer in style at the time of resolution. Because of ever-changing trends, a court's decision may only have a minimal impact on the industry by the time the issue is actually litigated and decided.

Litigating trademark disputes can also disrupt business relationships in the industry. The fashion industry has become fairly fluid, with talent, ideas, individuals and aesthetics constantly re-circulating within a relatively limited sphere.¹³⁷ Sinnreich and Gluck argue that fashion works in a globalized creative community, which thrives on "the continual circulation of ideas and mining of the creative commons."¹³⁸ Louboutin, for example, recently expressed disappointment in having to take YSL to court, especially since he knew the CEO of PPR Group very well, and that YSL himself was someone he had worked with and had "great admiration for."¹³⁹ Moreover, in 2002, Louboutin created a shoe for YSL's farewell haute-couture show, which contained the Red Sole Mark as well as YSL's and Louboutin's house marks.¹⁴⁰ Louboutin's statements and past partnerships seem to suggest that designers seek and encourage camaraderie and respect for one another.

Alternative dispute resolution processes, discussed in more detail in Part IV, which tend to be resolved faster than litigation,

¹³³ Gérard P. Cachon & Robert Swinney, *The Value of Fast Fashion: Quick Response, Enhanced Design, and Strategic Consumer Behavior*, 57(4) MANAGEMENT SCIENCE 778, 778 (2011).

¹³⁴ Sinnreich & Gluck, *supra* note 6, at 32.

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.* at 15.

¹³⁸ *Id.*

¹³⁹ Alexander, *supra* note 107.

¹⁴⁰ Plaintiff's Reply Memorandum of Law in Support of Application for a Preliminary Injunction at 7, n.10, *Christian Louboutin, S.A. v. Yves Saint Laurent Am., Inc.*, 778 F.Supp.2d 445 (S.D.N.Y. 2011) (No. 11-3303-cv).

may cut the amount of time spent in dispute and have a more positive impact on the industry in general.¹⁴¹

IV. ALTERNATIVE DISPUTE RESOLUTION

The uncertainty surrounding trademark disputes in the fashion industry paves the way for alternative dispute resolution (“ADR”) in trademark infringement and trademark cancellation cases. For Louboutin, ADR could have provided the designer with many more possibilities, allowing him to set his own terms against YSL, and not be subject to the court’s ruling essentially limiting his trademark. ADR offers boundless possibilities, whereby the parties can design their own solution and continue to grow and work together indefinitely. Because ADR tends to be a less confrontational, more constructive form of resolution, the process is much more appealing. This solution is immensely crucial to fashion designers and the industry as a whole.

A. Forms of ADR

In recent years, ADR methods have emerged as viable substitutes to litigation.¹⁴² ADR does not describe a single approach or method, but comprises many practices for settling disputes between parties.¹⁴³ Although generally the different forms of ADR can be categorized into two categories, binding and non-binding, the combinations and permutations are virtually unlimited.¹⁴⁴ Each method is distinct, and has its own benefits and shortcomings.¹⁴⁵

The most common and least adjudicative form of ADR is settlement negotiations. “Settlement is the process of establishing a

¹⁴¹ See *infra* IV.

¹⁴² See generally *Dispute Resolution for the 21st Century*, WIPO ARBITRATION AND MEDIATION CENTER, <http://www.wipo.int/amc> (last visited Aug. 23, 2012).

¹⁴³ Blackman & McNeill, *supra* note 129, at 1711; see also Charles P. Lickson, *The Use of Alternative Dispute Resolution in Intellectual Property, Technology-Related or Innovation-Based Disputes*, 55 AM. JUR. TRIALS 483, §§ 1–2 (1995) (“ADR” refers to various methods of dispute resolution in which the parties choose a process other than traditional litigation, including mediation, negotiation, and arbitration.).

¹⁴⁴ See Leslie J. Lott, *Litigation Strategy Effective Use of ADR in Intellectual Property Disputes*, 579 PLI/Pat 395, 398 (1999).

¹⁴⁵ See generally Blackman & McNeill, *supra* note 129.

range of compromise options until the parties involved in a dispute reach an agreement.”¹⁴⁶ It is used almost universally in pre-litigation dispute resolution.¹⁴⁷

Arbitration serves as one of the most popular and well-known forms of ADR.¹⁴⁸ Although it is the most comprehensive form of ADR, it is also ordinarily the most restrictive, as the outcome and remedy are determined by a third party and are usually binding and final.¹⁴⁹ There is usually no appeal or judicial review,¹⁵⁰ except when alleging an abuse or impropriety of the arbitrator(s).¹⁵¹

In arbitration, the parties may select one private arbitrator or a panel of three private arbitrators, who often possess a particular expertise in the area of the conflict.¹⁵² By choosing the arbitrator, the parties can retain far greater control of the outcome than they would by surrendering their fate to a judge or jury. Arbitration is often confidential, and awards are not published unless the parties agree otherwise.¹⁵³ In sum, arbitration offers parties a cheap and fast alternative to courtroom litigation, allowing them to adjudicate in front of a neutral party according to rules and regulations they set in place.

Mediation, as opposed to arbitration, provides a neutral third party who assists the conflicting parties in crafting a settlement, but does not decide the outcome.¹⁵⁴ Instead, a mediator merely facilitates resolution between the parties, while the parties themselves try to create a solution that will work.¹⁵⁵ As such, mediation can help the parties fashion a creative solution that will benefit both sides. In particular, it focuses on creating a dialogue between the parties and is more likely to result in an agreement that “will be more acceptable in the long run than one imposed by a court.”¹⁵⁶

¹⁴⁶ Michael H. Diamant & Elizabeth M. Zoller, *Strategies for Mediation, Arbitration, and Other Forms of Alternative Dispute Resolution*, SJ055 ALI-ABA 131, 133 (2004).

¹⁴⁷ Lott, *supra* note 144, at 399.

¹⁴⁸ Blackman & McNeill, *supra* note 129, at 1712; *see also* Lickson, *supra* note 143, at § 16.

¹⁴⁹ *See* Blackman & McNeill, *supra* note 129, at 1712–13.

¹⁵⁰ *See* Lickson, *supra* note 143, at § 16 (Where an arbitrator’s decision is binding, it is generally final and cannot be appealed.).

¹⁵¹ *See* Diamant & Zoller, *supra* note 146, at 142.

¹⁵² Blackman & McNeill, *supra* note 129, at 1713.

¹⁵³ *See* Kyle-Beth Hilfer, *A Practical Guide to Arbitrating IP Disputes*, 10 THE INTELLECTUAL PROPERTY STRATEGIST, 8 (May 2004) (arguing that confidentiality is especially important for protecting underlying intellectual property, such as trade secrets).

¹⁵⁴ Blackman & McNeill, *supra* note 129, at 1714.

¹⁵⁵ *Id.*

¹⁵⁶ Peter K. Yu, *Toward a Nonzero-Sum Approach to Resolving Intellectual Property Disputes: What We Can Learn From Mediators, Business Strategists, and International Relations Theorists*, 70 U. CIN. L. REV. 569, 593 (2002) (quoting JAY FOLBERG & ALISON TAYLOR,

This process is particularly effective for parties who have an important business relationship with each other since it provides for a less adversarial solution than arbitration.¹⁵⁷

Throughout the ADR process, parties may manipulate the methods to create a unique approach that works in everyone's best interests. Such a result may lead to a combination of different types of ADR methods, such as Med-Arb¹⁵⁸ or Co-Med Arb.¹⁵⁹

B. *Benefits of ADR in Fashion Trademark Disputes*

Given the unique characteristics of fashion trademark disputes, ADR offers substantial advantages to the resolution of these disputes, and provides companies and designers opportunities that cannot be realized through litigation. In addition, the risks of using a traditional, court-centric litigation strategy are far greater than any risks or shortcomings associated with ADR.

As a cost-containment, flexible procedure that allows the parties and the neutral to mold their own form of relief, ADR can limit the scope of discovery, thereby keeping costs down.¹⁶⁰ As argued in Part III.B., the cost of discovery in determining the "likelihood of confusion" standard can be significant. Because trademarks are so vital to the fashion industry, a plaintiff seeking to prove that a defendant's mark is confusingly similar to its own is likely to spend a substantial amount of money on survey evidence and market data in an effort to protect its trademark (i.e., its sole form of legal protection). ADR can limit the amount, scope, or cost of discovery allowed.¹⁶¹

MEDIATION: A COMPREHENSIVE GUIDE TO RESOLVING CONFLICTS WITHOUT LITIGATION 10 (1984).

¹⁵⁷ See Blackman & McNeill, *supra* note 129, at 1714.

¹⁵⁸ See Lott, *supra* note 144, at 401 ("Med-Arb is a proceeding in which the parties have agreed to participate in mediation, and to submit to arbitration in any aspect of the dispute which has not been resolved by mediation.").

¹⁵⁹ See *id.* at 401-02 (Although virtually the same as Med-Arb, Co-Med Arb allows different people to oversee the mediation and arbitration portions of the process, allowing the parties to select the right person for each segment of the proceeding.)

¹⁶⁰ See Stephen Anway, *Mediation in Copyright Disputes: From Compromise Created Incentives to Incentive Created Compromises*, 18 OHIO ST. J. ON DISP. RESOL. 439, 450 (2003); see also Sheppard Mullin Richter & Hampton LLP, *Comprennez-vous International Arbitration?*, FASHION & APPAREL LAW BLOG (June 7, 2011), <http://www.fashionapparellawblog.com/2011/06/articles/miscellaneous/comprennez-vous-international-arbitration/> (arguing that arbitration provides a fast and cheaper dispute resolution than traditional litigation).

¹⁶¹ See Blackman & McNeill, *supra* note 129, at 1717.

Second, as legal protections do not currently cover all types of apparel or design,¹⁶² it is important to find individuals familiar with the substantive law to adjudicate the proceeding. ADR allows for this discretion.¹⁶³ Parties will generally feel more comfortable with the ability to choose at least one arbiter or mediator with the background and knowledge that will allow him to understand the issues involved.¹⁶⁴

Third, lengthy trials and likely appeals amount to a long time before a court may reach a final verdict, which can have adverse effects on a company's business in a fast-paced industry.¹⁶⁵ Most methods of ADR, however, unlike litigation, can produce a solution in less than a year.¹⁶⁶ This timesaving benefit is especially important in trademark disputes, as early settlement of the dispute would "enable parties to promptly make modifications in their mark or the territories in which they use it."¹⁶⁷ Because trademarks are typically used in advertising, fast resolution is necessary to prevent parties from experiencing loss of business and suffering financial setbacks.¹⁶⁸ If a company is prevented from using a particular mark, it may lose revenue through lost customers. Thus, the speedy resolution of trademark disputes through ADR, as opposed to awaiting a long trial, seems like a much better alternative for a company that depends on a good mark.

As argued in Parts II.C. and III, fashion trademarks provide a company with the best possibility among intellectual property rights for long-term protection. If a company were enjoined from using its trademark pending litigation, its sole source of identification and protection could be seriously jeopardized. If such a scenario happened to Louboutin, for example, his entire business could

¹⁶² See *supra* II.

¹⁶³ Because the parties can select their neutral arbitrator and draft the requirements for their neutral arbitrator's qualifications, they can guarantee that their fact-finder will be knowledgeable about their industries and intellectual properties. The arbitrator will be more likely to understand technical information presented from experts. The result is more efficient hearings with fair results. Hilfer, *supra* note 153.

¹⁶⁴ Blackman & McNeill, *supra* note 129, at 1716.

¹⁶⁵ See Carmen Collar Fernandez & Jerry Spolter, *International Intellectual Property Dispute Resolution: Is Mediation a Sleeping Giant?*, 53-AUG DISP. RESOL. J. 62, 62 (1998) (arguing that gigantic corporations "simply cannot afford the . . . resources to sit around . . . waiting years and spending millions to resolve disputes pertaining to trademarks, copyrights, patents, and trade secrets.").

¹⁶⁶ Hilfer, *supra* note 153.

¹⁶⁷ Blackman & McNeill, *supra* note 129, at 1727.

¹⁶⁸ See *Why Mediation?*, INTERNATIONAL TRADEMARK ASSOCIATION (INTA), http://www.inta.org/index.php?option=com_content&task=view&id=683&Itemid=222&getcontent=4 (last visited Aug. 23, 2012).

have been halted pending litigation, as his company's success and recognition relies on his signature mark.

In addition, with the fast-paced nature of the fashion industry, in which new trends are constantly being created and old ones disappearing, it may be hard for the public to associate an article with the designer in order to establish secondary meaning if that designer or company were enjoined from using its mark. Thus, the faster a forum resolves the issue, the earlier a designer will be able to use these source-identifying marks.

Another important advantage of ADR in fashion trademark disputes addresses the actual parties themselves. Not including counterfeiting cases, in which the innocent party is unlikely to negotiate a settlement with an infringing party, disputes in the fashion industry can arise between amicable parties. ADR works to maintain these business relationships between parties who already have an ongoing association.¹⁶⁹ In such situations, there is a substantial benefit to avoiding outright litigation, saving not only time and expense, but also preventing the dispute from escalating into a purely aggressive approach, which could destroy any potential for future collaboration.¹⁷⁰ ADR serves as a less confrontational, more constructive form of dispute resolution, and offers flexibility to make a relationship work in the future.¹⁷¹ These practices, which tend to create a dialogue between the parties, are more likely to result in a more acceptable agreement for the future, as opposed to one imposed by the court.¹⁷²

V. WHY THE COUNCIL OF FASHION DESIGNERS OF AMERICA, INC. SHOULD ADOPT AN ADR PROGRAM

The Council of Fashion Designers of America, Inc. ("CFDA") has become an increasingly successful champion of stronger intellectual property protection in fashion designs. Nonetheless, it has

¹⁶⁹ See generally Sheppard Mullin Richter & Hampton LLP, *supra* note 160 (arguing that international arbitration is becoming the preferred method of resolving disputes in the fashion industry because it typically provides a private resolution so that the parties can still continue their business relationship).

¹⁷⁰ Blackman & McNeill, *supra* note 129, at 1726.

¹⁷¹ See Erik Schafer, *The Use of Arbitration and Mediation for Protecting Intellectual Property Rights: A German Perspective*, 94 TRADEMARK REP. 695, 701 (2004) ("[Mediation is] especially suited to situations in which the parties must collaborate permanently or over a long period of time.").

¹⁷² See Yu, *supra* note 156.

yet to form an opinion on alternative methods of conflict resolution in trademark infringement disputes. Using the programs explained below, the CFDA could seek to gain something from creating its own ADR program to resolve disputes.

A. *Previous Successful Uses of ADR*

ADR has been used increasingly throughout the field of trademark law, with many positive results. One example includes the World Intellectual Property Organization's ("WIPO") Arbitration and Mediation Center, which was established in 1994 to offer alternative dispute resolution options for the resolution of international commercial disputes between private parties in technology, entertainment, and other disputes involving intellectual property.¹⁷³

A second example is the CPR Institute for Dispute Resolution and the International Trademark Association's ("INTA") ADR Program, developed in 1994 to provide an alternative to litigation for the resolution of disputes, and composed of experienced, senior trademark practitioners.¹⁷⁴ A CPR/INTA Neutral notes that "the biggest argument in favor of mediation is the ability of the participants to negotiate ALL of the terms of a settlement, whereas in court, the decision is black and white with no consideration or opportunity to shape the smaller but very important details."¹⁷⁵ The program provides flexibility and allows the parties to fashion the kind of resolution that works best for them, allowing the parties to arrive at a creative, cost-effective resolution of the dispute.

Finally, one of the most famous examples has been in the area of Internet domain name disputes. In 1999, the Internet Corporation for Assigned Names and Numbers ("ICANN") created the Uniform Domain Name Dispute Resolution Policy ("UDRP"). This program creates a mandatory, nonbinding arbitration system to resolve trademark disputes in domain name cases,¹⁷⁶ and has

¹⁷³ *WIPO Arbitration and Mediation Center*, WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/amc/en/center/background.html> (last visited Aug. 23, 2012).

¹⁷⁴ Susan O'Neill, *The CPR/INTA ADR Program—A Proven Success*, INTERNATIONAL TRADEMARK ASSOCIATION (Oct. 1, 2000), <http://www.inta.org/INTABulletin/Pages/TheCPRINTAADRProgram—AProvenSuccess.aspx>.

¹⁷⁵ *Id.*

¹⁷⁶ Kyle-Beth Hilfer, *Arbitration Gains Acceptance as a Means of Resolving IP Disputes*, THE INTELLECTUAL PROPERTY STRATEGIST (Apr. 2004), http://www.lawjournalnewsletters.com/issues/ljn_intproperty/10_7/news/142296-1.html?twitter=1.

been a successful innovation providing parties with a set of guidelines.¹⁷⁷

These programs show a more economical and practical method of resolving trademark disputes without having to resort to lengthy and expensive court proceedings.

B. *Application to CFDA*

The CFDA is a not-for-profit trade association that leads industry-wide initiatives and whose membership consists of more than 400 of America's leading womenswear, menswear, jewelry, and accessory designers.¹⁷⁸ The CFDA seeks to advance its artistic and professional standards, and to establish and maintain a code of ethics and practices of mutual benefit in professional, public and trade relations.¹⁷⁹ Through leadership initiatives, the foundation works to further the position of fashion design in American culture, and promote and improve public understanding and appreciation of the fashion arts.¹⁸⁰

Although members share common goals, the organization arguably faces conflict, and would likely benefit by designing a conflict management system. Such a program would handle both internal and external disputes in a productive way, and in a way that preserves, rather than destroys, relationships, encourages cooperation, and fosters innovation and design among members. It is these goals, in essence, that intellectual property law in the United States seeks to protect. Article 1, Section 8, Clause 8 of the United States Constitution, commonly referred to as the Intellectual Property Clause, states that "Congress shall have Power . . . [t]o promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Investors the exclusive Right to their respective Writings and Discoveries."¹⁸¹ By promoting the "Progress of Science and the useful Arts," intellectual property law encourages creativity, economic, and social development, all goals arguably shared by the CFDA and its members.

¹⁷⁷ See Karen Webb, Comment, *The Appeal of the Internet – Looking at the Uniform Dispute Resolution Policy and How It is Newly Influenced by the Anticybersquatting Consumer Protection Act*, 43 SANTA CLARA L. REV. 1431, 1439–42 (2003).

¹⁷⁸ COUNCIL OF FASHION DESIGNERS OF AMERICA – MISSION STATEMENT, <http://cfda.com/about/mission-statement> (last visited Sep. 4, 2012).

¹⁷⁹ *Id.*

¹⁸⁰ *Id.*

¹⁸¹ U.S. CONST. art. I, § 8, cl. 8.

Louboutin proves that litigation is a risky endeavor and can pit fellow designers against one another. Instead of resorting to litigation, disputants can use dispute resolution processes that will resolve their conflict efficiently and effectively, while also improving communication and preserving relationships among CFDA members. CFDA members hold similar goals, and bitter conflicts between them can only harm rapport within the organization.

Self-regulation within organizations provides various public and private benefits. First, self-regulatory groups may deter conduct that would be universally considered undesirable.¹⁸² One blogger notes, for example, that this “red-hot case has divided fashionistas and legal academics alike.”¹⁸³ Settling the dispute between Louboutin and YSL out of court under the supervision of the CFDA could have provided a better outcome for both designers, who occupy overlapping markets, often selling in the same stores and found side-by-side in many of the same closets.¹⁸⁴

Second, self-regulation is often more prompt, flexible, and effective than government regulation, and can better resolve issues that are sometimes difficult to define with bright line rules.¹⁸⁵ Creating a program within the CFDA, an organization devoted to fashion education and development, would ensure that issues and questions are resolved in a way beneficial to the fashion industry in general, as opposed to at its expense. Having mediators and arbitrators knowledgeable about legal issues in fashion, educated under the supervision of the CFDA, allows the parties to address more detailed questions specific to the industry. These mediators can then decide cases in ways more beneficial for all parties involved.

Although parties in YSL’s position, who may benefit from weaker intellectual property protection of fashion, may be against such a program, a regulating body within the CFDA would be ben-

¹⁸² Robert Pitofsky, Chairman, Fed. Trade Comm’n, Remarks at the D.C. Bar Ass’n Symposium: *Self-Regulation and Antitrust* (Feb. 18, 1998), available at <http://www.ftc.gov/speeches/pitofsky/self4.shtm>.

¹⁸³ *Christian Louboutin v. Yves Saint Laurent: High Fashion, High-Heels*, FORUM ON LAW, CULTURE & SOCIETY, <http://www.forumonlawcultureandsociety.org/blog/2012/01/26/christian-louboutin-v-yves-saint-laurent-high-fashion-high-heels/> (last visited Sep. 4, 2012); see also Dhani Mau, *Diane von Furstenberg Sides With Christian Louboutin at Louboutin vs. YSL Court Hearing*, FASHIONISTA (Jan. 25, 2012), <http://fashionista.com/2012/01/diane-von-furstenberg-sides-with-christian-louboutin-at-louboutin-vs-ysl-court-hearing/> (stating that Louboutin supporters in attendance included Fordham Law School professor and fashion law scholar Susan Scafidi and CFDA president and fellow designer Diane von Furstenberg).

¹⁸⁴ *Christian Louboutin v. Yves Saint Laurent: High Fashion, High-Heels*, *supra* note 183.

¹⁸⁵ Pitofsky, *supra* note 182.

eficial for both sides. Because CFDA members aim to support one another, some may have to forfeit stricter protection in order to achieve beneficial results in the long run.

VI. CONCLUSION

The United States fashion industry has been growing exponentially in recent years; yet, the law is slowly fighting to keep up. Copyright and patent law have proven only minimally effective in fashion, forcing designers and fashion companies to rely on their trademarks to protect their work. Litigating trademark disputes in the fashion industry presents a host of problems, outlined in *Christian Louboutin, S.A. v. Yves Saint Laurent America, Inc.* ADR methods, however, are increasingly emerging as substitutes to litigation. Using these methods, the CFDA should sincerely consider a self-regulating program in which its members, both fashion designers and corporations alike, can resolve disputes in a manner mutually beneficial to all parties in order to preserve the industry's growth, solidarity, and esteem.

