

TREND FORECAST: IMITATION IS A LEGAL FORM OF FLATTERY—*LOUIS VUITTON MALLETIER V. DOONEY & BOURKE, INC.*

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I. INTRODUCTION: EN VOGUE—KNOCKOFFS

In a culture of constant sampling and remixing, imitation of all kinds appears inevitable.¹ Certain industries actually thrive on the imitation of ideas—particularly, the realm of fashion,² where, unlike other artistic fields,³ wholesale copying is not unthinkable.⁴ In the fashion industry, where image is everything, there is nothing new about the production and sale of imitation and copycat goods. Indeed, it was once welcome. As product ideas trickled down from the high-end runways to the mass markets, designers previously took pride in their work being copied.⁵ However, now that knockoffs, specifically counterfeits, have become a multi-billion

¹ Rob Walker, *The Acceptable Knockoff*, N.Y. TIMES MAGAZINE, Dec. 12, 2004, at 46.

² See Josh Patner, *Fashion—The Language of Style*, *Fashion Week FAQ: Your Nagging Questions Answered*, SLATE, Feb. 7, 2005, <http://www.slate.msn.com>.

³ Unlike fashion copycats, forgers of visual arts and pirates of sound recordings and motion pictures receive both criminal and civil penalties for their endeavors. See David Bollier & Laurie Racine, *Control of Creativity? Fashion's Secret*, CHRISTIAN SCI. MONITOR, Sept. 9, 2003, <http://www.csmonitor.com/2003/0909/p09s01-coop.html>.

⁴ See Samantha L. Hetherington, *Fashion Runways Are No Longer the Public Domain: Applying the Common Law Right of Publicity to Haute Couture Fashion Designs*, 24 HASTINGS COMM. & ENT. L.J. 43, 45 (2001).

A major problem in the fashion industry is that free-riders often appropriate the time and creativity a designer invests in a new creation, subsequently flooding the market with cheaper copies of lower quality. See *id.* Sometimes, the imitations make it to market before the original designs. For example, Allen B. Schwartz, head of ABS Clothing, is known for “openly and notoriously . . . copying the haute couture creations of major designers and rushing cheap imitations to market literally overnight.” *Id.* More specifically, Mr. Schwartz has admitted to “sketch[ing] the dresses that stars parade down the red carpet [at events such as the Academy Awards]” and deciding the next day which to “[adapt]” or “[interpret]”—often naming his knockoffs for the celebrity who was wearing the original. *Id.*; see also Cynthia Robbins, *Star Powered*, S.F. CHRON., Mar. 13, 2000, at E7; Claire Bickley, *Knock-Off the Oscar Rack*, TORONTO SUN, Mar. 26, 2001, at O6 (noting that for example, the pink spaghetti strap Ralph Lauren worn by Gwyneth Paltrow when she accepted her Academy Award for Best Actress in 1999 was ‘reincarnated’ by Schwartz as “Gwyneth.” ABS sold 10,000 “Gwyneth” gowns for approximately \$250—a small fraction of the original’s price—at department stores nationwide). See generally ABS By Allen Schwartz, <http://www.ABSStyle.com> (last visited Feb. 17, 2005). Cf. Meaghan E. Goodwin, Note, *Pricey Purchases and Classy Customers: Why Sophisticated Consumers Do Not Need The Protection of Trademark Laws*, 12 J. INTELL. PROP. L. 255 (2004) ((citing *Hermes Int’l v. Steven Stolman, Ltd.*, No. 03 Civ. 3722 (E.D.N.Y. July 21, 2003)) (where Hermes International, a fashion house with a reputation for utmost quality, luxury, and exclusivity, sued Stolman, who imported, distributed, marketed and sold the popular ‘Jelly Kelly’ purse, a synthetic copy—priced at \$150—of Hermes’ renowned Birkin bag. The Birkin bag sustains a starting price of \$5,000 and accounts for upwards of eighteen hours of craftsmanship. The waiting list to purchase this bag, depending on the color and material selected by the customer, may be anywhere from one to five years.)).

⁵ See Kate Betts, *The Purse-Party Blues*, TIME, Aug. 2, 2004, at 68 (quoting Marc-Antoine Jamet, President of France’s anti-counterfeiting lobby group, Union des Fabricants & Secretary General of LVMH: “Ten years ago, we said [the counterfeit goods industry] wasn’t a problem, that it was even proof of our success . . . [n]obody says that now. We see it as an economic and even a social danger.”); see also Chris Bushnell, *Fashion Felonies: When You Attend a ‘Purse Party,’ You’re Really Helping Al Qaeda*, THE WAVE MAGAZINE, <http://www.thewavemag.com> (last visited Aug. 22, 2004) (quoting Kate Spade in a 2003 CNN Interview: “when [counterfeiting of my bags] first happened, I said ‘I’ve made it,’ . . . [b]ut it was really shocking because you suddenly realize how much it affects our business.”).

dollar, multi-national business⁶—in which luxury goods, though a small fraction of the industry,⁷ are relentlessly produced and sold across the world—designers and manufacturers recognize imitation as a “mortal threat.”⁸

Particularly prevalent with respect to high-quality “status goods,”⁹ counterfeiting is the act of producing and/or selling “a product with a sham trademark that is an intentional and calculated reproduction of a genuine trademark.”¹⁰ Strictly defined, a counterfeit is anything that is forged, copied, or imitated without the perpetrator having the right to do it and with the purpose of deceiving or defrauding.¹¹ Such rights are generally

⁶ The International Chamber of Commerce, estimates that “seven percent of the world trade is in counterfeit goods and that the counterfeit market is worth \$350 billion.” International AntiCounterfeiting Coalition, *Facts on Fakes*, <http://www.iacc.org/factsupdated.pdf> (last visited September 12, 2005).

⁷ See Betts, *supra* note 5, at 68. (“Worldwide production of counterfeit goods—everything from DVDs to pharmaceuticals to brake pads—has jumped 1,700% since 1993, according to the Italian Anti-Counterfeit Coalition Indicam.”). See generally Diane O’Brien, *When Imposters Knock Off Profits*, Dec. 1, 2003, <http://www.brandchannel.com> (last visited Aug. 22, 2004) (“Fashion isn’t the only type of brand susceptible to copycats. Pharmaceuticals, beverages, toys, furniture, software, electronics—you name a brand niche, and it has most likely fallen victim to counterfeiting.”); see also *Imitating Property is Theft*, THE ECONOMIST, May 15, 2003, available at <http://www.economist.com> (“[C]ounterfeiters are copying an ever widening range of products . . . imitation designer fashion, software and CDs . . . medicines, mobile phones, food and drink, car parts and even tobacco.”).

⁸ Betts, *supra* note 5, at 68. Luxury goods companies are now spending millions of dollars a year on legal teams and private investigators, who work with international customs officials to bust rings of organized counterfeiters. *Id.*; see also *infra* notes 68-70 (describing Vuitton’s anti-counterfeit tactics).

⁹ See O’Brien, *supra* note 7. Counterfeiting is a worldwide phenomenon that is by no means confined to luxury products. See also *infra* note 69. The World Intellectual Property Organization has observed:

The pirating of trademarked products through commercial counterfeiting has reached epidemic proportions in recent years. The practice occurs where an unauthorized representation of a legally registered trademark is carried on goods which are similar to the product for which the trademark is registered. The object of the counterfeiter is to deceive the purchaser into believing that he or she is buying a legitimately branded product. Commercial counterfeiting may thus involve patent and copyright infringements and passing off, as well as infringements of registered trademarks.

³ J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25.01[5][a] at 25-15 (3d. ed. 1996) (quoting WIPO, Background Reading Material on Intellectual Property 176 (1988)).

¹⁰ *Id.* at 25-13. Black’s Law Dictionary provides the following definition of “counterfeit:”

To unlawfully forge, copy, or imitate an item, esp. money or a negotiable instrument (such as a security or promissory note) or other officially issued item of value (such as a postage stamp or a food stamp), or to possess such an item without authorization and with the intent to deceive or defraud by presenting the item as genuine.

BLACK’S LAW DICTIONARY (Bryan A. Garner ed., 8th ed. 2004). McCarthy further provides: “A ‘counterfeit mark’ is a false mark that is identical with, or substantially indistinguishable from, the genuine mark.” MCCARTHY, *supra* note 9, at 25-13.

¹¹ See also *Imitating Property is Theft*, *supra* note 7 (Mark Turnage, a co-author of

protected by, and legally enshrined within, the intellectual property trinity:¹² patents,¹³ copyrights,¹⁴ and trademarks.¹⁵

While the production and/or sale of counterfeit knockoffs is clearly illegal,¹⁶ the practice among fashion designers of

Counterfeiting Exposed: Protect Your Brand & Customers, groups counterfeits into four broad categories, according to the quality of the product and the level deception: "They range from the cheap look-alike Rolex, bought knowingly by a happy customer, to the counterfeit, sub-standard brakes on an unsuspecting driver's car.").

¹² The fundamental distinctions between patents, copyrights and trademarks are often misunderstood, as "there appears to be a tremendous amount of confusion in the mind of the public and even the practicing bar." See 1 MCCARTHY, *supra* note 9, § 6.01[1] at 6-2-6-3. While the trio collectively shares attributes of personal property and are often referred to en masse as "intellectual property" or "propriety rights," their distinctions are equally important in understanding each right's function as they individually serve as a unique and specific answer to the legal issues presented by affirmative contributions to a highly developed culture. See *id.* § 6.01[4] at 6-6.

¹³ Patent law deals with the concept of functional and design inventions by protecting them from being manufactured, used, or sold without authorization, in order to encourage scientific progress and investment in new technology. See *id.* §§ 6.01, 6.03; see also WILLIAM M. BOCHARD, TRADEMARKS AND THE ARTS 7 (1989). The United States Patent and Trademark Office ("PTO") grants two primary types of patents: (1) Functional Patents, also known as Utility Patents, which protect the functional features of a manufacturing process, machine, manufactured item, or composition of matter; and (2) Design Patents, which protect the ornamental, non-functional configuration of an article of manufacture. See MCCARTHY *supra* note 9, § 6.03; see also BOCHARD, *supra*. Unlike copyrights or trademarks, patents are *only* granted by the federal government via the PTO. See MCCARTHY, *supra* note 9, § 6.02 at 6-10, Fig. 6.02A "Chart of Relationships Between Patents, Trademarks, and Copyrights." Moreover, all federal patents, like copyrights, are limited in duration by statute. See 35 U.S.C. § 173; see also BOCHARD *supra*. ("A utility patent generally exists for 17 years after being granted, but duration may be longer or shorter in some situations. A design patent exists for 14 years after being granted."). In contrast, rights in trademarks continue for as long as the mark is used to identify and distinguish.

¹⁴ Under the Copyright Act of 1976, federal copyright protection exists from the moment of creation, for a limited though relatively long period, in "original works of authorship [including: literary works; musical works; dramatic works; choreographic works; pictorial, graphic, and sculptural works; and sound recordings] fixed in any tangible medium of expression," regardless of whether or not the work has been made public. See 17 U.S.C. § 102 (2005); see generally NIMMER ON COPYRIGHT (4 vols.); GOLDSTEIN, COPYRIGHT (3 vols.). Unlike trademark rights, which may arise under state law with additional remedies provided by the federal trademark statute, copyright protection stems exclusively from federal copyright law. See 1 MCCARTHY, *supra* note 9, at §§ 6.02 at 6-10, Fig. 6.02A "Chart of Relationships Between Patents, Trademarks, and Copyrights."

¹⁵ For discussion of Trademark, the area of intellectual property with which this paper is concerned, see *infra* Part I.

¹⁶ It is worth noting that while the legal system prohibits the production and sale of counterfeit products, the practice—to some degree—remains socially acceptable, arguably due to inexcusable ignorance, indifference, and/or misguided beliefs that counterfeiting is a victimless crime. Consider, the following two examples:

(1) A reader of The New York Times Magazine sent the following query to "The Ethicist," Randy Cohen:

At our local private school's holiday fair, a vendor sold bags labeled Prada and Coach that were clearly counterfeit. I told the principal and the head of the PTA that this was illegal . . . They said *it must be legal* since so many people sell fakes.

Randy Cohen, *The Ethicist—Take the Oath*, THE NEW YORK TIMES MAGAZINE, Feb. 6, 2005, at 22 (emphasis added) (Cohen responded: "To sell counterfeit products offends both law and ethics, deceiving buyers of the fakes and

“borrowing” styles and/or ideas from their contemporaries as well as from the past¹⁷—often reinterpreting in an updated and modern context—presents a series of legal issues demanding both exploration and clarification. These legal issues are best understood in light of the current economic and cultural context. Within an increasingly label conscious society, consumer obsession with fashion and trends¹⁸ is creating an insatiable materialism that guiltlessly settles for an imitation when the original is beyond reach.¹⁹ In light of such impulses, when might participation in a trend veer into trademark infringement?

In October 2002, at the debut of the company’s Spring 2003 collection in Paris,²⁰ Louis Vuitton introduced “a fresh, exciting concept—printing its famous ‘LV’ and geometric shapes [i.e., the ‘legendary’ ‘Toile Monogram’] in array of bright, crisp colors on

exploiting the creators of the originals. The plight of Prada and Coach may not bring a tear to anyone’s eye, but ethics compel us to act honorably.”).

(2) In January 2004, The Wall Street Journal reported, “The counterfeit-purse trade, once limited to urban hubs such as New York’s Canal Street, has migrated to the suburbs; at suburban ‘purse parties,’ a cross-section of enthusiasts purchase knockoff goods from dealers known as ‘bag ladies.’” Caitlin Ingrassia, *Knockoffs Go Suburban*, WALL ST. J., Jan. 16, 2004, at A7; see also Betts, *supra* note 5, at 68 (“Among the ladies-who-lunch crowd, purse parties, where guests buy inexpensive fakes in private homes while they sip champagne, are the latest trend.”).

Cf. *Beijing Closes ‘Silk Alley’ and the Fake-Label Center Knocks Off the Knockoffs*, THE NEW YORK TIMES, Jan. 23, 2005, at TR2.

In the world of counterfeit goods, a world in which China is the undisputed capital, there is no place like the Silk Alley in Beijing, [where] [f]or years vendors . . . sold all manner of pirated products, [often resembling the real thing in everything but price . . . [Known locally as Xiushui Street,] Silk Alley . . . appeared in every major guidebook and competed with the Great Wall [of China] as a tourist attraction.

Id. Earlier this year, the Chinese government, responding to international pressure to stop “the most visible violations of foreign intellectual property rights,” shut down the Silk Alley, “clearing the way for a government-built glass-enclosed shopping mall next door,” which will sell only genuine brand-name goods. *Id.* Nonetheless, while Beijing may still be the world-capital of fakes, “the closing marks the passing of an area . . . [as] it shut down the knockoff Fifth Avenue,” a major concession to the global community that should not be underrated. *Id.*

¹⁷ Musicians and visual artists also engage in similar responsive creativity.

¹⁸ Consumer knowledge of high end fashion—easily gained through magazines, (a sampling of which may include Vogue, W, Harper’s Bazaar, and Elle), cable stations, (for example, the Style Channel), entertainment shows, like Entertainment Tonight and Award Shows, and the Internet—spurs the demand for designer products, which consequently encourages knockoffs. By copying an original design, copycats can, with minimal energy and expense, capitalize on a high end style and bring it to the masses. See Safia A. Nurbhai, Notes & Comments, *Style Piracy Revisited*, 10 J.L. & POL’Y 489, 489 (2002).

¹⁹ See Goodwin, *supra* note 4, at 255 (discussing the failure of traditional trademark law “in unique situations where the goods at issue are very expensive and rare,” such as in the case of *Hermes Int’l v. Steven Stolman, Ltd.*, No. 03 Civ. 3722 (E.D.N.Y. July 31, 2003) (granting permanent injunction against Stolman)).

²⁰ See *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d 415, 426 (S.D.N.Y. Aug. 27, 2004). See generally LVMH Group, Moët Hennessy Louis Vuitton <http://www.lvmh.com> (last visited Sept. 12, 2005).

white and black handbags.”²¹ A reinterpretation of Vuitton’s traditional monogram, in celebration of the new millennium,²² the “Monogram Multicolore” is the collaborative product of Marc Jacobs, Vuitton’s Artistic Director,²³ and Takashi Murakami, famed Japanese artist²⁴ who selected “thirty-three ‘very specific’ colors . . . from his palette [for the design].”²⁵ Immediately, fashion savvy consumers began placing advanced orders for the Murakami handbags and accessories. As waiting lists formed in anticipation of their arrival,²⁶ the fashion and media industries proclaimed the handbag, “a fashionista’s ‘must-have,’”²⁷ the “it” item of the season.²⁸ Initially available with a white background,

²¹ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 420; *See generally* LVMH Group, Moët Hennessy Louis Vuitton, *supra* note 20.

²² *See Louis Vuitton Malletier*, 340 F. Supp. 2d at 425; *see also* LVMH Group, Moët Hennessy Louis Vuitton, *supra* note 20.

²³ Since 1997, Jacobs has overseen Vuitton’s fashion appeal and accessory design lines as well as his own signature and eponymous lines. During the preliminary injunction hearing, Jacobs testified, “[B]y collaborating with Murakami, the intention was to create a ‘lasting thing’ . . . [a] monogram for the next millennium.” *Louis Vuitton Malletier*, F. Supp. 2d at 425 n.15. Additionally, Ms. Nathalie Moule-Berteaux, Vuitton’s Intellectual Property Director, similarly asserted that the purpose of the Jacobs-Murakami collaboration was to reinterpret the company’s main trademarks and *not* to create a limited edition product. *Id.* *See generally* LVMH Group, Moët Hennessy, Louis Vuitton *supra* note 20.

²⁴ Known for his synthesis of oppositions—East and West, past and present, high art and low culture—Murakami’s international acclaim stems from Mr. DOB, his animated and sculptural cartoon character with its own copyright and products line. *See* Cheryl Brutvan, *Takashi Murakami: Made in Japan*, Museum of Fine Arts Boston, Exhibition 2001 <http://www.mfa.org/exhibitions/takashi.html>, Oct. 4, 2004. *See generally* LVMH Group, Moët Hennessy Louis Vuitton, *supra* note 20.

²⁵ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 425. *See generally* LVMH Group, Moët Hennessy Louis Vuitton, *supra* note 20.

Premised on the Toile Monogram marks, the Jacobs-Murakami collaboration resulted in the creation of four handbag and accessory collections: (1) the Monogram Cherry Blossom, featuring a pattern of the Louis Vuitton Toile Monogram with cherry blossoms; (2) the Eye Love Monogram, featuring a colorful pattern of the Toile Monogram with a Murakami eye symbol; (3) the Monogram Multicolore, “offering a visionary and avant-garde version of the [Toile Monogram] in thirty-three colors; and (4) a collection of Murakami characters featured on the Louis Vuitton Toile Monogram pattern. *Id.* at 8. The marks at issue in *Vuitton v. Dooney & Bourke* are the “Monogram Multicolore” and “Eye Love Monogram.” *Id.* at 10; *see generally* LVMH Group, Moët Hennessy Louis Vuitton, *supra* note 20.

²⁶ In his twenty plus years of experience in the fashion industry, Jacobs noted that the response to the Murakami collections was “unprecedented.” Jacobs testified, “[I]n my experience, the reaction was really amazing . . . [This bag] made an impact even outside of fashion, which, you know, I can’t say that about any other bag I have ever had anything to do with.” *Louis Vuitton Malletier*, 340 F. Supp. 2d at 426 n.24. In addition to recognizing the “incredible” press response to the Murakami Collection, Emmanuel Barbault, Vuitton’s Director of Anticounterfeiting for the Americas, asserted, “That product was famous a day after the show. A day after the show everybody wanted to copy them, and we had counterfeit industry before we launched them,” resulting in unprecedented counterfeit activity. *Id.*

²⁷ CBS News Online, *From The Runways of The World* (2003), <http://www.cbsnews.com/stories/2002/12/30/earlyshow/living/beauty/main534721.shtml> (last visited Oct. 5, 2004).

²⁸ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 426.

the Murakami collection arrived in prestigious retail outlets worldwide in March 2003, ranging in price from an estimated \$360 to \$3,950.²⁹

The instant and wild popularity, combined with the commercial success of Vuitton's multicolored monogram "look," sparked a trend, leading many handbag manufacturers to launch similar lines. Many handbag manufacturers launched similar lines. Among them was Dooney & Bourke ("Dooney"). In conjunction with Teen Vogue in summer 2003, Dooney introduced the It Bag Collection,³⁰ a similar, "inspired," multicolored array accessories line.³¹

Vuitton was not flattered. Nine months after Dooney released the It Bag Collection, Vuitton filed a suit for trademark infringement, unfair competition and dilution, in an attempt to "preclude others [namely Dooney & Bourke] from following its lead . . . [and profiting from its] new look."³² Vuitton's motion for a preliminary injunction was denied in August 2004 by Judge Shira A. Scheindlin of the Southern District of New York. The matter remains pending on appeal.

As this Note will discuss, the facts and issues presented in *Louis Vuitton Malletier v. Dooney & Bourke, Inc.* demonstrate the difficulty of applying traditional trademark concepts to the fashion industry.³³ Moreover, the case highlights the tensions and nuances

Madonna, Sarah Jessica Parker, Reese Witherspoon, Janet Jackson and Elton John are among the celebrities who expressed interest in purchasing pieces from the Murakami collection and have been subsequently photographed toting the handbags and accessories. *Id.*

Jennifer Lopez appeared in Vuitton's Murakami ad campaign, which currently features Uma Thurman. See, e.g., www.lvmh.com (for photography featuring Uma Thurman, click on "The Group", then "LVMH Companies and Brands, then "Fashion and Leather Goods"); Suzy Menkes, *Louis Vuitton Celebrates 150 Years of Luxury*, INT'L HERALD TRIB. (Feb. 3, 2004), available at http://www.ihf.com/articles/2004/02/03/fvuit_ed3_.php ("J-Lo").

²⁹ See *Louis Vuitton Malletier*, 340 F. Supp. 2d at 426; see also Walker, *supra* note 1, at 46; Eric Wilson, *This Month in Fashion: LVMH v. Everyone*, W MAGAZINE, Nov. 2004, at 68.

³⁰ See *infra* Part III.

³¹ See *Louis Vuitton Malletier*, 340 F. Supp. 2d at 426; see also *infra* note 57.

³² *Louis Vuitton Malletier*, 340 F. Supp. 2d at 420.

³³ See *infra* Part II. Like trademark, the principles of both copyright and patent do not easily apply to expressions in the fashion industry. Citing its "useful" nature—namely its function to both protect individuals from the elements as well as signal one's station within society—as a barrier to copyright protection, Congress, as well as the courts, have refused to extend copyright protection to fashion, fearing monopolies in the apparel market. See Copyright Act, 17 U.S.C. § 101 (2004) (defining useful article as "having intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information."); see also Hetherington, *supra* note 4, at 47-51.

For the first modern challenges to the inadequacy of copyright protection for fashion design, see, for example, *Mazer v. Stein*, 347 U.S. 201 (1954) (holding—where plaintiff manufactured lamps, whose base consisted of a copyrighted Balinese dancer, which were subsequently copied by defendant—that where a work of art had been incorporated into

between infringement and acceptable knockoffs, and illustrates the predicament of being a trendsetter as one without legal protection. Part II defines the legal principles of trademark, trade dress, unfair competition, infringement, and dilution under federal as well as New York statutory and case law as relevant to the discussion herein. Part III sets forth the facts surrounding *Louis Vuitton Malletier*, while Part IV evaluates the issues and merits. Finally, while discussing the conflicting policies between promoting healthy competition and preventing industry monopolies as well as the complexities of affording “trend protection,” Part V illustrates why designers should not be able to claim ownership and subsequent protection for a trend.

II: TRADEMARK, TRADE DRESS, UNFAIR COMPETITION AND DILUTION

A. Federal Law

1. Trademark

The Trademark Act of 1946, commonly referred to as the Lanham Act, defines a trademark as “any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”³⁴ Linked to a

the design of a useful article it could indeed be copyrighted and that such a work does not lose copyright protection upon being embodied in the useful article.); *Cheney Brothers v. Doris Silk Corp.*, 35 F.2d 279 (2d. Cir. 1929), *cert. denied*, 281 U.S. 728 (1930) (Hand, J.) (finding—where creator of hand-painted silk fabric brought suit for unfair competition, seeking protection for his designs only during the “season” of his silk’s popularity from a competitor, who was copying creator’s best-selling designs and undercutting his price on the market—that, in absence of explicit statutory or common law protection, only Congress could grant protection against the imitation of an object, as “a man’s property is limited to the chattels which embody his invention . . . [o]thers may imitate these at their pleasure . . .”). See generally Priya Bharathi, Note, *There Is More Than One Way to Skin a Copycat: The Emergence of Trade Dress to Combat Design Piracy of Fashion Works*, 27 TEX. TECH. L. REV. 1667, 1678 (1996) (discussing copyright’s current approach to fashion—as set forth by Judge Hand in *Cheney Brothers*—only fashion designs that can be identified separately from the fashion work itself can receive a copyright, as the overall configuration of a utilitarian object is not protected.).

Similarly, while design patent law (whose purpose is to protect elements that give a “distinctive appearance” to articles of manufacture), which grants protection to “new original and ornamental designs,” fashion works fail to meet the test of invention’s additional requirements of utility, novelty, non-obviousness, and originality. Moreover, the lengthy time table and process for protection imposed by the patent system would make it nearly impossible for a fashion work to qualify—if at all—at a point of utility to the creator. See 35 U.S.C. § 101 (2004); see also Hetherington, *supra* note 4 at 55-56 (“[S]ince a fashion work’s fashionability life span is usually only three months long, protection for it via design patent would come too late, if ever.”).

³⁴ Lanham Act § 45, 15 U.S.C. § 1127 (‘Trademark’).

As a symbol adopted and utilized by an individual or company to identify and distinguish the source of goods, “[a] trademark can consist of: letters, words, symbols,

company's greatest assets, its goodwill and the identification of its goods,³⁵ trademarks perform four functions which merit legal protection:

- (1) To identify one seller's goods and distinguish them from goods sold by others;
- (2) To signify that all goods bearing that trademark come from or are controlled by a single albeit anonymous source;
- (3) To signify that all goods bearing the trademark are of equal level of quality; and
- (4) As a prime instrument in advertising and selling the goods.³⁶

Accordingly, trademark rights, which are "not doctrinally intended to provide any right of exclusivity" with respect to the product established by the mark, serve to "protect consumers from being confused, mistaken, or deceived in their purchasing decisions."³⁷ Moreover, the Supreme Court, in *Qualitex Co. v. Jacobson Prods. Co., Inc.*,³⁸ explained that trademark law "seeks to promote competition by protecting a firm's reputation" but does not allow legitimate competition to be inhibited by "allowing a producer to control a useful product feature."³⁹

2. Trade Dress

A subset of trademark law, trade dress is the totality of elements in which a product or service is packaged or presented. Combined, these elements create the whole visual image for customers, and are therefore capable of acquiring exclusive legal

acronyms, monograms, phrases, numerals, abbreviations, slogans, titles, logos, character or personality images, pictures, labels, shapes, packages, and configurations of goods or combination thereof which identify goods and distinguish them from those manufactured and sold by others." CARYN R. LELAND, *LICENSING ART & DESIGN* 20 (Allworth Press 1990).

Additionally, the term 'Trademark' is also used to refer to any word or symbol used to identify services, specifically known as "Service Marks." The Lanham Act defines 'Service Mark' as: "a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others." Lanham Act § 45, *supra* ("Service Mark"). While a discussion of "Service Marks" is beyond the scope of this Note, the legal requirements for both trademarks and service marks are usually the same. For more information on "Service Marks," see MCCARTHY *supra* note 9, § 9.05.

³⁵ See Scott Harvison, Comment, *Two Wrongs Making a Right: Using the Third and Ninth Circuits for a Uniform Standard of Fame in Federal Dilution Law*, 25 SEATTLE U. L. REV. 867, 869 (2002).

³⁶ 1 MCCARTHY, *supra* note 9, § 3.01[1] at 3-2.

³⁷ Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 725-30 (2004); *see also* Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 375 (2d. Cir. 1997) (stating that the "underlying purpose of the Lanham Act . . . is protecting consumers and manufacturers from deceptive representations of affiliation and origin.").

³⁸ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995).

³⁹ *Id.*

rights as a type of identifier, a symbol's source of origin.⁴⁰ Trade dress may be protected by the Lanham Act, requires

- (1) [that the trade dress] either (a) [be] inherently distinctive, or (b) has acquired distinctiveness through secondary meaning;
- (2) a likelihood of confusion [to] exist[] between the trade dress of the original product and that of the knockoff product;
- and (3) the trade dress employed serves no utilitarian or aesthetic functionality.⁴¹

Like trademark, the elements comprising the proposed trade dress must have been used in such a manner as to denote product source.⁴² However, unlike trademark, where the comparative focus is only on the symbol characterized as a "trademark," a court evaluating an alleged occurrence of trade dress infringement must consider the plaintiff's complete product, package and advertising, and the corresponding image or impression of defendant's product.⁴³

3. Unfair Competition

Unlike trademark infringement, which rests on a relatively narrow principle—namely whether or not its owner has the exclusive right to use the selected symbol to distinguish his products, unfair competition considers the total physical image given by its product and name together.⁴⁴ However, despite the narrow principle upon which it rests, "unfair competition" is not easily defined in the abstract, "[as] the very term used . . . reveals

⁴⁰ See 1 MCCARTHY, *supra* note 9, § 8.01[1] at 8-2; see also *Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 999 (2d. Cir. 1997) (holding that trade dress "encompasses the design and appearance of the product together with all the elements making up the overall image that serves to identify the product presented to the consumer."); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983) ("[Trade dress] involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.").

⁴¹ Erin Dufek, Comment, *The Same Uniform, A Different Team: Copycats Suit up for Competition*, 60 ALB. L. REV. 1317, 1321 (1997).

⁴² See 1 MCCARTHY, *supra* note 9, § 8.01[1] at 8-2.

⁴³ See *id.*; see also *Bristol-Myers Squibb Co. v. McNeil-P.P.C. Inc.*, 973 F.2d 1033 (2d Cir. 1992) ("In examining trade dress the focus is on the entire look of the product or packaging. Individual aspects of a trade dress may be eligible for trademark protection in their own right, but in an action for trade dress infringement each aspect should be viewed in relation to the entire trade dress."). Additionally note that in 2001, the United States Supreme Court, recognizing the importance of limiting trade dress protection so as not to chill competition, stated, "Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as patent or copyright protects an item, it will be subject to copying . . ." *TraFFix Devices Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 28 (2001).

⁴⁴ See 1 MCCARTHY, *supra* note 9, § 8.01[1] at 8-3; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 (1995).

an absence of any overall definite standard.”⁴⁵ Where the total impression of the package, size, shape, color, design and name of a product leads the consumer to confuse its origin, unfair competition is likely to exist.

4. Claims of Infringement and Unfair Competition

Section 43 (a) of the Lanham Act, which creates a cause of action for the unauthorized use of either a registered or unregistered trademark and trade dress, establishes liability for any person who:

in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any . . . false or misleading description of fact, of false or misleading representation of fact, which . . . is likely to cause confusion . . . 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 person⁴⁶

Accordingly, the Act imposes liability for: (1) unauthorized use of a trademark or any other false designation of origin that is likely to

⁴⁵ 1 MCCARTHY, *supra* note 9, § 1.03 at 1-16 (referencing Mellinkoff, *The Language of Law* 11 (1963)) (“Courts have little success in defining unfair competition in the abstract, and often resort to such statements such as ‘The controlling question . . . is whether the acts complained of are fair or unfair.’ . . . [Unfair competition] is merely an intellectual concept convenient to describe a process which goes on in courts of law.”); *see also* 1 MCCARTHY, § 1.05 at 1-23–1-24.1 (listing a series of concrete examples where conduct has been labeled unfair competition by the courts).

⁴⁶ 15 U.S.C. § 1125(a) (1) (A).

Congress amended the Federal Trademark Act of 1946 in 1962, liberalizing the test for likelihood of confusion. In setting appropriate trademark protection, Congress specified “a clear purpose to outlaw the use of trademarks which are likely to cause confusion, mistake or deception of any kind, not merely of purchasers nor simply as to source of origin.” S. Rep. No. 21-7, 87th Cong. 2d Sess. (1962) *as reprinted in* 1962 U.S.C.C.A.N. 2874, 2850-51. Accordingly, there are several variations of actionable consumer confusion under the Lanham Act: (1) initial interest, whereby confusion occurs when “potential customers initially are attracted to the junior user’s trademark by virtue of its similarity to the senior user’s mark, even though these consumers are not actually confused at the time of purchase,” *Jordache Enters. v. Levis Strauss & Co.*, 841 F. Supp. 506, 514-15 (S.D.N.Y. 1993); (2) point-of-sale, which occurs after a product has been purchased and “a manufacturer of knockoff goods offers consumers a cheap knockoff copy of the original manufacturer’s more expensive product, thus allowing a buyer to acquire the prestige of owning what appears to be the more expensive product,” *Hermes Int’l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 108 (2d Cir. 2000); (3) post-sale; (4) “forward,” the traditional form of confusion where “the junior user uses the mark to sell goods or services based on the misrepresentation that they originate with the senior user,” *Brockmeyer v. Hearst Corp.*, 2002 U.S. Dist. LEXIS 11725, No. 01 Civ. 7746, 2002 WL 1402320, at *7 (S.D.N.Y. June 27, 2002); (5) “reverse,” which exists “when a subsequent user selects a trademark that is likely to cause consumers to believe, erroneously, that the goods marketed by the prior user are produced by the subsequent user,” *Id.* *See generally* RICHARD L. KIRKPATRICK, *LIKELIHOOD OF CONFUSION IN TRADEMARK LAW* 1-13 to 1-20 (1995).

cause confusion among relevant consumers; (2) false advertising that causes commercial competitive injury; (3) dilution of famous marks.⁴⁷ Thus, to succeed on a claim of trade dress infringement or unfair competition under section 43(a) of the Lanham Act, which deals with unregistered marks,⁴⁸ a plaintiff must, by a preponderance of the evidence, prove each of the following three elements: (1) a likelihood of confusion,⁴⁹ (2) the aesthetic and nonfunctional nature of “the appropriated features,”⁵⁰ and (3) distinctive character.

5. The Federal Trademark Dilution Act

The Federal Trademark Dilution Act (“FTDA”)⁵¹ provides, in relevant part, that: “[t]he owner of a famous mark shall be entitled to an injunction against another person’s commercial use . . . 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”⁵² To prevail under the FTDA, a mark’s owner must show that:

- (1) the senior mark . . . [is] famous; [and] (2) . . . distinctive;
- (3) the junior use . . . [is] a commercial use in commerce; (4) [such use began] . . . after the senior mark has become famous;
- (5) . . . [such use] cause[s] dilution of the distinctive quality of the senior mark.⁵³

Unlike claims of infringement and unfair competition, the owner of a famous mark may be protected under the FTDA without a showing of confusion. Accordingly, the senior owner, the plaintiff, must show that the mark is inherently distinctive and has not merely acquired secondary meaning.⁵⁴ Moreover, and in

⁴⁷ The Lanham Act also imposes liability if someone acting in bad faith registers, traffics, or uses an Internet domain that is identical or similar to a trademark.

⁴⁸ Similar provisions for registered trademarks appear in section 32 of the Lanham Act.

⁴⁹ A “likelihood of confusion” is an element of pleading and proof that is also required in civil actions for infringement of federally registered marks under 15 U.S.C. § 1114, also known as § 32 of the Lanham Act, and for criminal actions regarding the counterfeit of federally registered marks as provided under 18 U.S.C. § 2320. *See* KIRKPATRICK, *supra* note 46, § 1.1 (1995).

⁵⁰ *Traffix Devices*, 532 U.S. at 34.

⁵¹ Representative Smith of Texas introduced a bill to amend the Trademark Act of 1946 with respect to dilution by blurring or tarnishment. This bill is currently in the House of Representatives. *See* H.R. REP. 109-683 (1st Sess. 2005).

⁵² 15 U.S.C. § 1125(c)(1) (2005).

⁵³ *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 215 (2d Cir. 1999).

⁵⁴ *See* *Empresa Cubana del Tabaco v. Culbro Corp.*, No. 97 Civ. 8399, 2004 WL 602295, at *33 (S.D.N.Y. Mar. 26, 2004) (“[T]he standard for fame and distinctiveness required to obtain anti-dilution protection is more rigorous than that required to seek infringement protection.”); *New York Stock Exch., Inc. v. New York, New York Hotel L.L.C.*, 293 F.3d 550, 556-7 (2d Cir. 2002).

contrast to other claims pursuant to the Lanham Act, the plaintiff must demonstrate the existence of actual dilution.⁵⁵

While the purpose of actions for infringement “serve the interests of consumers, as well as sellers, in having trademarks function as source-identifiers,” dilution claims—pursuant to federal and state statutes—exist “solely for the benefit of sellers . . . to protect the owners of famous marks from the kind of dilution that is permitted by the trademark laws when a junior user uses the same mark in a non-confusing way in an unrelated area of commerce.”⁵⁶ While the FTDA is facially capable of application to a variety of competitive situations, dilution typically applies where the parties do not operate in competitive or closely related product or service lines.⁵⁷

B. *New York State Law: Trademark, Unfair Competition and Dilution*

The elements necessary to prevail on a common law cause of action for trademark infringement and unfair competition mirror those in claims pursuant to the Lanham Act.⁵⁸ Additionally, a successful common law claim will require the plaintiff “[to] couple its evidence supporting liability under the Lanham Act with additional evidence demonstrating bad faith” on the part of the

⁵⁵ In *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003) the Supreme Court stated:

[W]here the marks at issue are not identical, the mere fact that consumers mentally associate the junior user’s mark with a famous mark is not sufficient to establish actionable dilution . . . [S]uch mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner . . .

Id. at 433. Subsequent courts have interpreted this statement to have created “a much higher hurdle of demonstrating actual dilution [in order for dilution claims to succeed].” See *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 804 (6th Cir. 2004).

⁵⁶ See *TCPIP Holding Co. v. Haar Communications, Inc.*, 244 F.3d 88, 95 (2d Cir. 2001); *New York Stock Exch.*, 293 F.3d at 557 (2d Cir. 2002) (The [FTDA] offers no benefit to the consumer public—only to the owner).

⁵⁷ See 4 MCCARTHY, *supra* note 9, at § 324:72, at 24-136 (Supp. 06/2004) (“It is difficult to understand why an anti-dilution law is invoked when the parties operate in competitive or closely related product or service lines. The legal theory of anti-dilution was conceived to protect strong marks against a diluting use by junior uses in a product or service line far removed from that in which the famous marks appear. Thus, using the anti-dilution law when the parties are competitors in the same mark sounds a dissonant false note. Why the need to invoke the ‘super weapon’ of anti-dilution law to resolve what appears to be a garden variety infringement case.”); *Cf. Nabisco*, 191 F.3d at 219 (“[w]hile the [anti-dilution] statutes aim at a different harm than the infringement statutes and dilution undoubtedly can occur among non-competitive products, we see no reason why dilution cannot occur as well where products are competing.”).

⁵⁸ See *TCPIP Holding Co.*, 244 F.3d 88, 95 n.5 (S.D.N.Y. July 19, 2004); see also *Standard & Poor’s Corp. v. Commodity Exchange, Inc.*, 683 F.2d 704, 708 (2d Cir. 1982) (“The heart of a successful claim based upon . . . the Lanham Act . . . and common law trademark infringement is the showing of likelihood of confusion as to the source or sponsorship of defendant’s products.”).

defendant.⁵⁹

Providing broader protection than trademark and unfair competition laws,⁶⁰ New York's General Business Law provides in relevant part:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.⁶¹

Furthermore, successful claims under New York's anti-dilution statute require: (1) the possession of a distinctive trademark and (2) the likelihood of dilution.⁶² Unlike the FDTA, New York law:

- (1) [A]ccords protection against dilution to marks that are distinctive as a result of acquired secondary meaning as well as those that are inherently distinctive;⁶³
- (2) [R]equires only a showing by Plaintiff of a likelihood [but not actual] of dilution;⁶⁴ and
- (3) [I]ncludes either blurring or tarnishment.⁶⁵

⁵⁹ Philip Morris USA Inc. v. Felizardo, No. 03 Civ. 5891, 2004 WL 1375277, at *6 (S.D.N.Y. June 18, 2004).

⁶⁰ See *Katz v. Modiri*, 283 F. Supp.2d 883, 900 (S.D.N.Y. 2003) ("It is designed to prevent . . . the gradual whittling away of a firm's distinctive trade-mark or name.").

⁶¹ N.Y. CSL. GEN. BUS. LAW § 360-1 (McKinney Supp. 2004).

The intent of this Act, titled "Injury to Reputation, Dilution" of New York's General Business Law on Trademarks, is to provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946, as amended. See *id.* at § 1. Further, the Act provided "to that end, the construction given the federal act should be examined as persuasive authority for interpreting and construing this act." *Id.* at § 1. See generally MODEL STATE TRADEMARK BILL § 12 (1964), reprinted in STATE TRADEMARK AND UNFAIR COMPETITION LAW (1994).

⁶² See *Scholastic, Inc. v. Stouffer*, 124 F. Supp.2d 836, 848 (S.D.N.Y. 2000).

⁶³ *New York Stock Exch., Inc. v. New York, New York Hotel, LLC*, 293 F.3d 550, 557 (2d Cir. 2002).

⁶⁴ See *Pfizer, Inc. v. Y2K Shipping & Trading, Inc.*, No. 00 Civ. 5304 (SJ), 2004 WL 896952, at *8 n.8 (E.D.N.Y. Mar. 26, 2004) ("[T]he majority of New York federal district courts reviewing N.Y. Gen. Bus. Law § 360-1 have ruled that . . . the prevailing state test for dilution . . . focuses on the 'likelihood' of dilution rather than 'actual' dilution.").

⁶⁵ See *GTFM, Inc. v. Solid Clothing, Inc.*, 215 F. Supp.2d 273, 301 (S.D.N.Y. 2002); see also *New York Stock Exch.*, 293 F.3d at 557. According the Southern District of New York and subsequently held in the Second Circuit, blurring occurs "where the defendant uses or modifies . . . [a] plaintiffs' trademark to identify the defendant's goods and services, raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiffs' product." *GTFM*, 215 F. Supp.2d at 301; accord *Federal Express Corp. v. Federal Espresso, Inc.*, 201 F.3d 168, 174 (2d Cir. 2000). New York's courts rely on six factors to determine the likelihood of blurring. See *New York Stock Exch.*, 293 F.3d at 558. These factors are: "(i) the similarity of the marks; (ii) the similarity of the products covered; (iii) the sophistication of the consumers; (iv) the existence of predatory intent; (v) the renown of the senior mark; [and] (vi) the renown of the junior mark." *GTFM*, 215 F. Supp.2d. at

III. LUXURY SUITS: THE FACTS AND ISSUES OF *LOUIS VUITTON MALLETTIER V. DOONEY & BOURKE, INC.*

As one of the most frequently imitated designs in the world, Louis Vuitton ("Vuitton"), the French luxury goods manufacturer, is known within the fashion industry and legal system for its proactive⁶⁶ and aggressive pursuit of counterfeits⁶⁷—knockoffs, "typically small, sometimes shady, operations that try to pass off

301. Alternatively, "tarnishment occurs where a trademark is 'linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context, with the result that the public will associate the lack of quality or lack of prestige in the defendant's goods with the plaintiffs' unrelated goods.'" *Id.*

⁶⁶ In its namesake magazine available on its official website, Vuitton posted a brief article detailing its renewed commitment to combating counterfeit goods in 2005:

Louis Vuitton is firmly committed to the fight against counterfeiting. A team of specialists has been established in Paris, with offices abroad, to counter this menace. In order to raise consumer awareness of the risks inherent in purchasing counterfeit goods, Louis Vuitton has joined forces with various French and international professional associations. Over 8,200 anti-counterfeiting complaints were filed and 4,200 raids took place last year [2004], leading to the arrest of nearly 1,000 counterfeiters."

LVMH Group, Moët Hennessy Louis Vuitton, <http://www.vuitton.com> (click on "Magazine" link) (last visited Jan. 18, 2005). In an attempt to protect their brand and products, the article further advises and directs customers: "Authentic Louis Vuitton products are sold exclusively at Louis Vuitton stores . . . and through the website www.eluxury.com [to U.S. residents]." *Id.*

⁶⁷ See Betts, *supra* note 5, at 68 ("Louis Vuitton is one of the most aggressive manufacturers; [their bags are perhaps one of the most flagrantly ripped off in the world]."); see also Wilson, *supra* note 29, at 68 (characterizing Vuitton's exceptionally litigious Summer 2004 as just the beginning: "In August Louis Vuitton president Yves Carcelle told Japanese press that the company plans to spend roughly \$18 million a year to protect its trademarks."); Roger Tredre, *As Fakes Flourish, Battle Heats Up to Save Profits and Name*, INTERNATIONAL HERALD TRIBUNE, October 16, 1997, at 19 ("The Colbert Committee estimates that 70 percent of counterfeit luxury good brands worldwide are French. Louis Vuitton alone is involved in 1,000 actions a year worldwide, with up to 350,000 fake products seized.").

A sample of the recent suits Louis Vuitton has filed and successfully defended against counterfeits, include: *Louis Vuitton S.A. v. After Dark Boutique*, 680 F. Supp. 1507 (N.D. Fla. 1988) (finding in favor of Vuitton and ordering injunctive relief, treble damages, reasonable attorneys' and investigatory fees for boutique/seller's offer for sale and sale of counterfeit goods constituting trademark infringement and false designation of the source of origin of the merchandise, which constituted unfair competition); *Louis Vuitton v. Golden Luggage Import Co.*, 706 F. Supp. 839 (S.D. Fla. 1988) (holding that the designer merchandiser was statutorily entitled to an amount representing three times the counterfeit merchandiser's illicit income and the recovery of reasonable attorneys' fees, and that the counterfeit merchandiser's sale of counterfeit designer merchandise constituted trademark infringement, a false designation of origin, and unfair competition); *Louis Vuitton v. White*, 945 F.2d 569 (3d Cir. 1991) (reversing the district court's decision denying plaintiff manufacturer of designer luggage and handbag's application for an ex parte seizure order); *Louis Vuitton v. Wright*, 1992 WL 448394 (N.D. Ga. Jul 24, 1992) (granting judgment in default to Vuitton in its trademark infringement action against storeowner, who admitted in deposition to purchasing and selling counterfeit products but failed to appear for trial, which included an award of triple the amount of illicit profits, treble damages and sixty percent attorneys' fees). Further, Vuitton "scored its biggest victory . . . with a federal ruling against 29 retailers in New York's Chinatown." Wilson, *supra* note 29, at 68. While each vendor was ordered to pay \$16 million in statutory damages, "the neighborhood's notoriously fast-turning luxury-knockoff market" combined with "the fact that the suit never actually identified the retailers

designer fakes as the real thing.”⁶⁸ Accordingly, Dooney & Bourke (“Dooney”), an upscale handbag and accessories manufacturer and retailer, would typically find itself on the same side of the courtroom as Vuitton, working collectively to police counterfeits.⁶⁹ Instead, Vuitton has accused Dooney of “infringing trademarks for one of Vuitton’s most popular designs”—the Murakami.⁷⁰

Founded in 1854, Vuitton, which maintains its principal place of business in Paris, France, is a luxury brand internationally renowned for its “wide variety of luggage, ladies’ handbags, steamer trunks, garment bags, eyeglass cases, belts, wallets, jewelry cases and various other similar items”⁷¹ available exclusively in upscale retail establishments. The company logo, also known as the Vuitton “legend,”⁷² is embodied in the “Toile Monogram,” which features “entwined LV initials with three motifs—a curved diamond with a four-point star inset, its negative, and a circle with a four-leafed flower inset.”⁷³ The “LV” initials and each of the three individual elements of Vuitton’s “celebrated” Toile Monogram is protected by trademark,⁷⁴ as are their use on

responsible for the copies” makes it unlikely that Vuitton will ever be able to collect its \$464 million judgment. *Id.*

⁶⁸ Suzanne Kapner, *Huge Faux No-No—LVMH Targets Dooney & Bourke “Copycat” Bag*, N.Y. POST, June 3, 2004, at 39.

Acknowledging how “fake luxury handbags have never been better—or more tempting,” Betts surveys the several stops along the counterfeiters route—from southern China through Dubai, a major free-trade zone between East and West to the European markets, New York City’s Canal Street and beyond—and explained how “the crackdown has begun.” Betts, *supra* note 5, at 68.

More specifically, and much to the chagrin of manufacturers, fake luxury handbags and accessories are everywhere and pose “an economic and even a social danger.” *Id.* In response to the availability, accessibility, and visual verisimilitude of knockoffs, luxury goods manufacturers are fighting back, “spending millions of dollars a year on legal teams and private investigators, who work with international customs officials to bust rings of organized counterfeiters.” *Id.* at 69. As Betts notes, Vuitton “employs forty full-time lawyers and 250 freelance investigators around the world, and last year its operatives were involved in 4,200 raids on counterfeiting rings and 8,200 legal actions.” *Id.*

⁶⁹ Kapner, *supra* note 68. As Thomas McAndrew, counsel to Dooney & Bourke, stated, “[W]e are normally on the same side of the ledger as Louis Vuitton.” *Id.* Further, Dooney & Bourke counsel maintains Vuitton has confused the notion of trademark protection for competition—as trademark law was not created to give a manufacturer a monopoly on a trend. *See id.*

⁷⁰ *Id.*

⁷¹ *Louis Vuitton, S.A.*, 680 F. Supp. at 1508; *see also* *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 04 Civ. 2990, 340 F. Supp. 2d 415, 424 (S.D.N.Y. Aug. 27, 2004) (“Louis Vuitton . . . manufactures, imports, sells and distributes high fashion apparel, designer luggage, handbags, and leather accessories throughout the world.”). *See generally* LVMH Group, *supra* note 66.

⁷² *Id.*

⁷³ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 424. *See generally* LVMH Group, *supra* note 66.

⁷⁴ *See* U.S. Registration No. 2,177,828 (Aug. 4, 1998) (curved diamond with four-point star inset); *see* U.S. Registration No. 2,181,753 (registration date of Aug. 18, 1998) (circle with four-leafed flower inset); U.S. Registration No. 2,773,107 (Oct. 14, 2003) (negative of

handbags⁷⁵ and in connection with other items.⁷⁶ Since its inception in 1896, the “Toile Monogram,” traditionally printed in gold against a dark chestnut background,⁷⁷ has enjoyed unrivalled success and continues to “[play] a starring role in the development

curved diamond with four-point star inset); *see also* *Louis Vuitton Malletier*, 340 F. Supp. 2d at 424 n.10.

As early as 1932, Vuitton began registering its trademarks with the United States Patent and Trademark Office. Vuitton’s registered trademarks currently include, *inter alia*: LV (Interlocked Letters) in a Circle Design (U.S. Reg. No. 286345), LV (Interlocked Letters) and Monogram Canvas Design (U.S. Reg. No. 297594), LOUIS VUITTON (U.S. Reg. No. 1045932), LV (Interlocked Letters) Design (U.S. Reg. No. 1519828), L’ANE DU VOYAGE (U.S. Reg. No. 1574197), LOUIS VUITTON MALLETIER A PARIS in Rectangle Design (U.S. Reg. No. 1615681), Noe Style Handbag Design with LV (Interlocked Letters) and Monogram Canvas Design (U.S. Reg. No. 1643625), LV (Interlocked Letters) on Half Epi Leather Design (U.S. Reg. No. 1646847), LV (Interlocked Letters) LOUIS VUITTON Brass Lock Design (U.S. Reg. No. 1650162), LV (Interlocked Letters) on Criss-Cross Background Design (U.S. Reg. No. 1653662), Keepall Style Duffel Bag Design with LV (Interlocked Letters) and Monogram Canvas Design (U.S. Reg. No. 1653663), LV (Interlocked Letters) on Epi Leather Design (U.S. Reg. No. 1655564), Monogram Canvas Design (U.S. Reg. No. 1841850), LV (Interlocked Letters) CUP with Flag Design (U.S. Reg. No. 1902728), TAIGA (U.S. Reg. No. 1923652), Epi Leather Design (U.S. Reg. No. 1931144), LOUIS VUITTON Design (U.S. Reg. No. 1990760), Epi Leather Design (U.S. Reg. No. 2058732), Epi Leather Design (U.S. Reg. No. 2071273), Epi Leather Design (U.S. Reg. No. 2075141), Epi Leather Design (U.S. Reg. No. 2098630), Epi Leather Design (U.S. Reg. No. 2147003), Epi Leather Design (U.S. Reg. No. 2159848), “Fleur” Design (U.S. Reg. No. 2177828), “Fleur” in Circle Design (U.S. Reg. No. 2181753), and Epi Leather Design (U.S. Reg. No. 2263903); *see* *Louis Vuitton Malletier & Oakley, Inc. v. Veit*, 211 F. Supp.2d 567, 572 (E.D. Pa. 2002).

Furthermore, these marks have been and continue to be associated with: trunks, valises, traveling bags, hat boxes, shoe boxes used for luggage, hand bags, pocketbooks, traveling bags, satchels, shopping bags and beach bags in the nature of luggage, briefcases, briefcase-type portfolios, wallets, billfolds, passport cases, key cases, credit card cases, business card cases, change purses, umbrellas and walking-stick seats, paper and cardboard goods, namely posters, product catalogs and brochures, product picture albums, product magazines and notepads, calendars, indexes, notebooks, envelopes, labels, writing paper, boxes of cardboard or paper, packing paper, bags of paper or plastic for packaging, photographs, pencils, pencil holders, fountain pens, ballpoint pens, inkstands, nibs of gold and playing cards. *See* *Louis Vuitton Malletier & Oakley, Inc. v. Veit*, 211 F. Supp.2d at 572; *see generally* LVMH Group, *supra* note 66.

⁷⁵ *See* U.S. Registration No. 0297594 (Sept. 20, 1932) (luggage, pocketbooks, satchels, and hat/shoe boxes); *see also* U.S. Registration No.1643625 (May 7, 1991) (leather and imitation leather products, including traveling, hand, and shoulder bags used for luggage); U.S. Registration No.1653663 (Aug. 13, 1991) (same as No. 1643625); *Louis Vuitton Malletier*, 340 F. Supp. 2d at 424 n.10.

⁷⁶ *See* U.S. Registration No. 1770131 (May 11, 1993) (clothing for men and women, including: footwear, shawls, sashes, scarves; headgear); U.S. Registration No. 2399161 (Oct. 31, 2000) (clothing, underwear, neckties, boots and sandals, hats, caps, etc.); *see also* *Louis Vuitton Malletier*, 340 F. Supp. 2d at 424 n.10. *See generally* LVMH Group, *supra* note 66.

⁷⁷ The yellowish gold color used for the floral and initialed design as well as the chestnut brown that forms the ground upon which these letters and flowers appear are both “claimed” as features of Vuitton’s trademark regarding use of the Toile Monogram on handbags. *See* U.S. Registration No. 1653663 (Aug. 13, 1991) (leather and imitation leather products, including: traveling bags, hand bags, shoulder bags used for luggage, shopping and beach bags used in the “nature” of luggage); *see also* U.S. Registration No. 0297594 (Sept. 20, 1932) (trunks, traveling bags, hat and shoe boxes used for luggage, satchels, pocketbooks, handbags); *Louis Vuitton Malletier*, 340 F. Supp. 2d at 424 n.13. *See generally* LVMH Group, *supra* note 66.

of modern luxury.”⁷⁸

Founded in 1975 by H. Peter Dooney and Frederick Bourke, Dooney & Bourke, which maintains its corporate headquarters in Norwalk, Connecticut, has been manufacturing and selling handbags for over a quarter of a century.⁷⁹ Having initially built its reputation on the development of an All-Weather Leather, Dooney is characterized by its fusion of durability, functionality, and classic styles.⁸⁰ In 2001, Dooney launched its “Signature” and “Mini Signature” lines, which feature a repeated pattern of its interlocking initials, “DB,” which, like the “LV” logo, is a registered trademark. However, unlike the “LV” logo, the “DB” logo is not limited to a particular color.⁸¹

According to Peter Dooney, the company’s President and Chief Designer, Dooney considered collaborating with Teen Vogue in the Fall of 2002—around the same time Vuitton debuted its Murakami bags—to create a collection of handbags for a younger customer.⁸² In early 2003, Teen Vogue selected four of their “It” girls to join a group of senior accessory design students from New York City’s Fashion Institute of Technology to form the Dooney & Bourke “It” Team.⁸³ The team, along with Dooney, traveled to Milan for inspiration, where the group visited handbag trade shows, leather factories, and design meetings.⁸⁴ During its trip, the “It” Team was photographed “peering into a store window featuring a [Vuitton] Monogram Multicolore display in white, and viewing a black [Vuitton] Monogram Multicolore swatch in a factory.”⁸⁵ Furthermore, Dooney testified “that seeing [Vuitton’s] Monogram Multicolore served to ‘reinforce’ his ‘thinking’ that ‘white and these happy colors, confetti looks and so forth were . . . moving forward and people liked them.’”⁸⁶ Launched in late July 2003, the Milan trip ultimately culminated in the “It Bag”

⁷⁸ *Id.*

⁷⁹ See Nordstrom.com Boutique—Dooney & Bourke—About Dooney & Bourke, http://store.nordstrom.com/category/cat_boutique-medium.asp?category=2376779~2376804~2376401~2378889&boutique=dooney_n_bourke (last visited Oct. 1, 2005).

⁸⁰ *See id.*

⁸¹ *See Louis Vuitton Malletier*, 340 F. Supp. 2d at 424-25 nn.13-14.

⁸² *See id.* at 426-27.

⁸³ *See It Handbags*, <http://www.yenra.com/handbags/> (last visited Oct. 1, 2005).

⁸⁴ *See id.*

⁸⁵ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 424-25 nn.13-14.

⁸⁶ *Id.* at 427. In her opinion and order denying Vuitton’s Motion for a Preliminary Injunction, Judge Scheindlin highlights the inconsistencies between Peter Dooney’s deposition on June 22, 2004 and testimony at the mid-summer hearing on Vuitton’s Motion. At first, Dooney stated that he “‘was not present at the time’ . . . the black Monogram Multicolore canvas was exhibited to the It Team ‘I may have gone to the bathroom.’” *Id.* at 427 n.32. Dooney also testified that he was “unaware of Louis Vuitton’s Monogram Multicolore marks until Spring 2003, when he saw the store window.” *Id.*

Collection, a line comprised of six new styles that featured the “DB” monogram (used in the company’s “Signature” and “Mini Signature” lines) in bright colors.⁸⁷ As of August 2004, the It Bag Collection is Dooney & Bourke’s largest source of revenue, encompassing nearly half of its total sales.⁸⁸

Upon learning about Dooney’s intention to launch its It Bag Collection, Vuitton, according to Emmanuel Barbault (Vuitton’s Director of Anticounterfeiting for the Americas), contacted counsel. Subsequently, Vuitton hired an expert to test for consumer confusion once it obtained one of the handbags for inspection several months after they were first offered for sale.⁸⁹ On April 16, 2004, almost nine months after the It Bag debut,⁹⁰ Vuitton sent a cease and desist letter to Dooney. Three days later, Vuitton initiated the pending action in the Second Circuit seeking to prevent Dooney & Bourke from trespassing onto Vuitton’s “fashion territory.”⁹¹ When Vuitton filed its suit, nearly 70,000 Monogram Multicolore handbags and accessories—worth over \$40 million—had been sold in the United States. As of December 2004, press reports suggested the collection “racked up \$300 million or more in sales [worldwide].”⁹² In its complaint, Vuitton alleges trademark infringement, trademark dilution, and unfair competition pursuant to the Lanham Act,⁹³ 15 U.S.C. § 1051, and New York law.⁹⁴

Thereafter, however, Dooney admitted that, “[b]y the time . . . [he] went to Italy [March 2003] . . . [he] . . . absolutely had seen their [Vuitton’s] bags.” *Id.*

⁸⁷ Beginning in the Fall of 2003, the “It Bag” Collection was available at all freestanding Dooney & Bourke boutiques as well as department stores such as Macy’s, Bloomingdale’s and Nordstrom. The company supported the collection’s launch with a print ad campaign featuring the then up-and-coming actress Mischa Barton of Fox’s “The O.C.” that launched in Teen Vogue’s 2003 August/September issue and appeared for the duration of the year. *See supra* note 83. Teen pop-star Lindsay Lohan is also currently featured in the It Collection ad campaign, appearing on billboards and in magazines. *See, e.g.*, Dooney & Bourke Inc. Company Profile, at <http://biz.yahoo.com/ic/102/102488.html>.

⁸⁸ *See Louis Vuitton Malletier*, 340 F. Supp. 2d at 427. As of April 2004, the percentage of It Bag Collection Revenues by color were as follows: revenue for white (43.0%), black (23.4%), bubblegum (19.1%), and the remaining colors (14.5%). *Id.* at 427 n.38. Moreover, “[r]evenues from the white or black It Bags alone account for 30% of Dooney & Bourke’s total revenues . . .). *Id.* at 427 n.39.

⁸⁹ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 428.

⁹⁰ *Id.*

⁹¹ *Id.* It is worth noting that Vuitton, according to Barbault’s testimony at the Preliminary Injunction Hearing, has sued approximately twenty companies since summer 2003 claiming alleged infringement of its Monogram Multicolore Design and Murakami Collection. *See id.* n.2.

⁹² Walker, *supra* note 1, at 46; *see also Louis Vuitton Malletier*, 340 F. Supp. 2d at 426.

⁹³ Under federal law, Vuitton claims (1) trademark infringement under section 32 of the Lanham Act; (2) unfair competition and false designation of origin under section 43(a) of the Lanham Act; and (3) trademark dilution under the Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c). *Id.* at 419 n.1.

⁹⁴ Under New York state law, Vuitton claims (1) trademark infringement and unfair

Vuitton immediately moved for a preliminary injunction to enjoin Dooney from “using in any way any of the Louis Vuitton Trademarks . . . [or] any designation or design so similar as to be likely to cause confusion, mistake or deception with, or to dilute in any way, the Louis Vuitton Trademarks.”⁹⁵ In the trademark infringement and dilution context, a preliminary injunction, “one of the most drastic tools in the arsenal of judicial remedies,”⁹⁶ requires the court to evaluate “(1) whether the plaintiff has a valid mark entitled to protection and (2) whether the defendant’s alleged infringement is likely to cause confusion among consumers.”⁹⁷ After receiving briefs from both parties, collectively amounting to nearly 20,000 pages of material,⁹⁸ and conducting a seven-day hearing on the motion,⁹⁹ Judge Shira A. Scheindlin of the Southern District of New York denied Vuitton’s motion in its entirety on the grounds that “[t]o hold otherwise would not only contravene settled law, it would [achieve an unwarranted anti-competitive result and] grant Louis Vuitton monopoly rights over a ‘look.’”¹⁰⁰

IV. STOP—THAT’S MY PURSE! . . . OR NOT? INFRINGEMENT & DILUTION IN *LOUIS VUITTON MALLETIER V. DOONEY & BOURKE, INC.*

Although its motion for a preliminary injunction is still on appeal, Vuitton, to succeed on its claim of trademark infringement under the Lanham Act, must prove (A) the validity of its mark(s) and (B) a likelihood of confusion between its marks, as the “senior” markholder, and those of Dooney, as the “junior” markholder.

A. *Validity of Marks*

In *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, the Second Circuit asserted that in order “to be valid and protectible, a mark must be capable of distinguishing the products it marks from

competition under New York common law; and (2) trademark dilution and injury to business reputation under 360-1 of New York General Business Law. *Id.*

⁹⁵ *Id.*

⁹⁶ *Hanson Trust PLC v. SCM Corp.*, 774 F.2d 47, 60 (2d Cir. 1985).

⁹⁷ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 428; *see also* *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 146 (2d Cir. 2003); *see also* *Federal Express Corp. v. Federal Espresso, Inc.*, 201 F.3d 168, 174 (2d Cir. 2000).

⁹⁸ *See Louis Vuitton Malletier*, 340 F. Supp. 2d at 421.

⁹⁹ *Id.* at 453.

¹⁰⁰ *Id.* at 420-21.

those of others.”¹⁰¹ The Second Circuit further elucidated that, for the purposes of trademark protection, marks are to be classified in five categories:

- (1) Generic, where a mark is “a common description of product and refers to the genus of which the particular product is a species;”
- (2) Descriptive, where the mark “describes the product’s features, qualities, or ingredients in ordinary language or describes the use to which the product is put;”
- (3) Suggestive, if the mark “merely suggests the features of the product, requiring the purchaser to use imagination, thought, and perception to reach a conclusion as to the nature of the goods;”
- (4) Arbitrary, where a mark “applies a common word in an unfamiliar way;”
- (5) Fanciful, where the mark is the advent of its owner and “is not a read word at all . . . invented for its use as a mark.”¹⁰²

To qualify for protection, a mark must be “inherently distinctive”¹⁰³—albeit “Suggestive,” “Arbitrary,” or “Fanciful.”¹⁰⁴ However, a “merely descriptive” mark can qualify for protection where it has acquired “secondary meaning.”¹⁰⁵ The Supreme Court, in *Wal-Mart Stores v. Samara Brothers*,¹⁰⁶ explained “secondary meaning” as referring to the “acquired, source-identifying meaning of a non-word mark”¹⁰⁷ to distinguish the context of a word mark from its “ordinary” and “primary” meaning.

Dooney attempted to claim that the trademark at issue could not be precisely identified. However, Vuitton identified the mark at issue, which included: “(1) the interlocking initials interspersed in a repeating pattern with . . . geometric shapes [known as the Toile Monogram], (2) used in a combination with the thirty-three special Murakami colors, (3) set against a white or black

¹⁰¹ *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir. 1999).

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 430.

¹⁰⁵ *Id.* Unlike the exception it offers with respect to descriptive terms that have acquired secondary meaning, the Lanham Act fails to provide such an exception for generic marks. Further, the Act allows for the cancellation of a registered mark if it becomes, at any time, the common descriptive name of an article or substance. Accordingly, even with evidence of secondary meaning, a generic term cannot be registered as a trademark. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10 (2d Cir. 1976). See generally Lanham Act 15 U.S.C. § 1064 (3).

¹⁰⁶ *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000).

¹⁰⁷ *Id.* at 211 (2000).

background.”¹⁰⁸ In addition, like the traditional gold and chestnut colors in which they have been printed for over a century, each of the three motifs incorporated in Vuitton’s Toile Monogram were registered trademarks.¹⁰⁹ Further, the trademark registrations of these elements, Vuitton argued, lacked reference to color, “indicating that whenever these patterns are used in *any* color, the resulting Toile Monogram mark might be infringed.”¹¹⁰ Given these facts and arguments, Judge Scheindlin agreed with Vuitton on this point.

According to Judge Scheindlin, the unregistered Monogram Multicolore marks qualified for legal protection due to their “inherently distinctive”¹¹¹ nature and established secondary meaning. Not only has Vuitton’s logo incorporated the Toile Monogram marks since the company’s inception in 1896, but also consumers have associated the marks with the company ever since.¹¹² Further, the Monogram Multicolore, based on the Toile Monogram and designed as a “reinterpretation” of the Vuitton logo for “the millennium,”¹¹³ “were created as source-identifying marks—new marks based on the original registration.”¹¹⁴ As such, the Monogram Multicolore, specifically registered or not, qualify

¹⁰⁸ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 438.

¹⁰⁹ See *supra* notes 74-76.

¹¹⁰ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 438. As evident from Vuitton’s ability to register the gold and chestnut feature of its logo, colors may be registered for trademark protection where they function as components of design marks. However, where the color of a product itself qualifies for registration and protection, a showing of secondary meaning will *always* be required. See *Wal-Mart Stores, Inc.*, 529 U.S. 205 (2000) (holding that where a party seeking trade dress protection for the design or configuration of a product itself, such as a line of children’s clothing with unique decorative features, secondary meaning must be shown as a prerequisite for protection); *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159 (1995) (holding that a color may be the subject of trademark protection provided that it has acquired secondary meaning).

¹¹¹ *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir. 1999).

¹¹² See *Louis Vuitton Malletier & Oakley Inc. v. Veit*, 211 F. Supp. 2d 567, 573 (E.D. Pa. 2002). In a matter involving the Internet sale of counterfeit luxury products, a district court in Pennsylvania found as a matter of law:

1. The Louis Vuitton Registered Trademarks and the goodwill of Louis Vuitton’s business in connection with which its trademarks are and have been used and have never been abandoned.
2. The Louis Vuitton Registered Trademarks have become exclusively associated by the public and the trade with Louis Vuitton.
3. [Louis Vuitton’s] Registered Trademarks are inherently distinctive.
4. [Louis Vuitton’s] Registered Trademarks are world famous and distinctive.

Id. at 573-74. Further, according to Judge Scheindlin’s opinion, “neither party dispute[d] the strength of Louis Vuitton’s Toile Monogram.” *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d at 440.

¹¹³ See *supra* Part III.

¹¹⁴ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 438.

for protection under the Lanham Act and should be considered strong marks.

Though Vuitton does not claim trademark protection for the Murakami color scheme of the Monogram Multicolore *alone*, Vuitton would be required to overcome considerable legal difficulty and policy forces to qualify for such protection. In *Wal-Mart Stores v. Samara Brothers*, the Supreme Court stated, “With respect to at least one category of mark—colors—we have held that no mark can ever be inherently distinctive . . . [A] color [can] be protected as a trademark, but only upon a showing of secondary meaning.”¹¹⁵ Therefore, while legal protection may be available for colors with secondary meaning, the notion that color on *its own* can ever be inherently distinctive has been clearly barred by the holding in *Wal-Mart*. Thus, in order to claim protection for the Murakami colors, Vuitton would have to present evidence “that consumers . . . identify the use of multiple bright colors against a black or white background in connection with *any* design, with the Vuitton brand.”¹¹⁶ Note that Vuitton is not barred from claiming infringement of its Toile Monogram when presented in “multiple bright colors against a black or white background.” Rather, Vuitton is barred from legal protection for its design of a multicolor monogram pattern. To allow such protection¹¹⁷ would effectively grant Vuitton “a monopoly over all multicolored repeating monograms set against a black or white background,” which would consequently hinder marketplace competition and thereby undermine a fundamental precept of trademark law.¹¹⁸

B. *Likelihood of Confusion: Polaroid Corp. v. Polarad Electronics Corp. and Upscale Handbags*

After establishing the threshold element of having a valid mark, a plaintiff proceeds to the second component of a trademark infringement claim under the Lanham Act—the likelihood of confusion. A Second Circuit decision from 1961, *Polaroid Corp. v. Polarad Electronics Corp.*,¹¹⁹ sets forth a multi-factor test for determining whether there is a likelihood of confusion between the senior and junior marks, “the keystone of trademark

¹¹⁵ *Walmart Stores v. Samara Bros.*, 529 U.S. 205, 211-12 (2000).

¹¹⁶ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 439.

¹¹⁷ Additionally, as a practical matter, Vuitton would have to provide a precise definition of each and every color combination in order to qualify for a trademark on its use of a color scheme alone.

¹¹⁸ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 439; *see also* *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. at 164.

¹¹⁹ *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961).

infringement.”¹²⁰ While the Court is free to consider other factors, the *Polaroid* factors, although none are dispositive,¹²¹ include: (1) the strength of plaintiff’s marks; (2) the similarities between the plaintiff’s and defendant’s marks; (3) the proximity of both party’s products; (4) the likelihood that plaintiff will “bridge the gap;” (5) the existence of actual confusion; (6) sophistication of consumers; (7) bad faith; and (8) the quality of defendant’s products.¹²²

1. Polaroid Factor (1): Strength of Plaintiff’s Marks

The scope of protection afforded to trademarks is directly related to a mark’s strength. Thus, in order to determine the strength of a trademark, “an enumerated factor in almost all the courts’ multi-factor tests,”¹²³ the Court should evaluate the mark’s “inherent distinctiveness” and its “[acquired distinctiveness or] fame, or the extent to which [the] prominent use of the mark in commerce has resulted in a high degree of consumer recognition.”¹²⁴

The first measure, “inherent distinctiveness,” requires the trier of fact to determine the nature of the disputed mark by distinguishing between “those that are arbitrary or fanciful in relation to the products . . . on which they are used,” the inherently

¹²⁰ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 430-31. The generally accepted method of analyzing the likelihood of confusion involves the application of a variety of factors to the facts of the matter at bar. Though not embodied in any statute, every appellate court has “a fountainhead case and progeny setting forth one variation or another of the multi-factor test,” as introduced by the Second Circuit Court of Appeals in *Polaroid*. KIRKPATRICK, *supra* note 46, at § 2.4, *The Multiple Factor Method*, at 2-9. The basic factors include: the strength of the senior mark; the similarity of the marks; the relatedness of the products and marketing channels; the consumers and their degree of care; actual confusion; and the junior user’s intent. *Id.* at 2-13 to 2-14.

¹²¹ The *Polaroid* factors and the factors of other Circuit’s tests merely focus attention and organize a Court’s analysis of the relevant facts drawn from the totality of circumstances; however, they are neither necessary nor sufficient conditions of infringement. Many courts will analyze each factor and find a balance either in favor of, or against, a likelihood of confusion and infringement, based on a single strong factor or a series of factors. *Id.* at 2-14 (“The test is a ‘useful guide’ through the quagmire; a path through the thicket; ‘an analytical framework designed to add structure to this nebulous inquiry’ . . . [designed to ensure] ‘a broad examination of the central issue of whether consumer confusion is likely.’” *Id.* at 2-14 to 2-15 (quoting *Lois Sportswear U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872 (2d Cir. 1986) (quagmire)); *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1225 (2d Cir. 1987) (thicket); *Yankee Publishing, Inc. v. News America Publishing, Inc.* 809 F.Supp. 267, 273 (S.D.N.Y. 1992) (broad examination)); see also *Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 48 (2d Cir. 2000) (holding that any one *Polaroid* factor may prove to be dispositive).

¹²² See *Polaroid*, 287 F.2d at 495. “The problem of determining how far a valid trademark shall be protected with respect to goods . . . has long been vexing and does not become easier of a solution . . . chance of success is a function of many variables.” *Id.* See generally *Brennan’s, Inc., v. Brennan’s Restaurant, L.L.C.*, 360 F.3d 125 (2d Cir. 2004).

¹²³ RICHARD L. KIRKPATRICK, *supra* note 46, at § 3.1, *Strength and the Degree of Protection*, at 3-1.

¹²⁴ *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 147 (2d Cir. 2003).

distinct marks, and the merely generic, descriptive, or suggestive marks.¹²⁵ By definition, a mark is distinctive because it functions as an indicator of the goods' source or origin by identifying and distinguishing the goods from those of others.¹²⁶ A mark's validity, however, does not qualify its strength, which serves to determine the scope of protection a mark receives.¹²⁷

The second measure, "acquired strength," often referred to as "secondary meaning," requires a foray into the marketplace. Unlike the evaluation of "inherent distinctiveness," "acquired strength" focuses on "the actual power of identification, namely its degree of distinctiveness and/or origin-indicating power in the mind of the relevant public,"¹²⁸ that the term has commercial significance at the time the mark is asserted in litigation.¹²⁹

¹²⁵ *Id.*

¹²⁶ See *Lever Bros. Co. v. American Bakeries Co.*, 693 F.2d 251, 256, (2d Cir. 1982) ("Strength" refers to the 'distinctiveness' of the mark, that is, its tendency to identify the goods sold under the mark as emanated from a particular . . . source."); RESTATEMENT (THIRD) OF UNFAIR COMPETITION: DEFINITIONS OF TRADEMARK AND SERVICE MARK, § 9 (1995); see generally KIRKPATRICK, *supra* note 46, at ch. 3, *Strength of the Senior Mark*.

¹²⁷ The Second Circuit, like many courts, divides the spectrum of protection and strength for marks into five categories: generic; descriptive; suggestive; arbitrary; and fanciful. See *infra* Part III (A); see also *Virgin Enters.*, 335 F.3d at 147; *Time, Inc. v. Petersen Publ'g Co.*, 173 F.3d 113, 117 (2d Cir. 1999) ("In somewhat circular fashion, consideration of this factor includes an evaluation of the same characteristics that initially determined a mark's validity: inherent distinctiveness, descriptiveness, and secondary meaning."). "Arbitrary and fanciful marks are, by their nature, stronger marks because they are identified solely with a particular product or service." *Jordache Enters., Inc. v. Levi Strauss & Co.*, 841 F. Supp. 506, 515 (S.D.N.Y. 1993), citing *McDonald's Corp. v. McBagel's, Inc.*, 649 F. Supp. 1268, 1274 (S.D.N.Y. 1986). See generally KIRKPATRICK, *supra* note 46, at ch. 3, *Strength of the Senior Mark*.

¹²⁸ See KIRKPATRICK, *supra* note 46, at § 3.4.B, *Acquired Strength* at 3-21. See also *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 147 (2d Cir. 2003) (qualifying the assessment of 'acquired strength' by "the extent to which prominent use of the mark in commerce has resulted in a high degree of consumer recognition.").

¹²⁹ See *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1226 (2d Cir. 1987) (finding that the "strength [of a mark] should be examined in its commercial context."); see generally KIRKPATRICK, *supra* note 46, at § 3.4.B, *Acquired Strength*, at 3-20 to 3-33.

The Restatement (Third) of Unfair Competition specifies that "[s]econdary meaning may be established by either direct or circumstantial evidence." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. e. p.109 (1995). Direct evidence may include testimony from individual consumers, persons experienced or expert in the trade or industry on name recognition. See KIRKPATRICK, *supra* note 46, at § 3.5.A, *Direct Evidence*, at 3-24; see also 5 MCCARTHY, *supra* note 9, § 32:184, at 32-308 (Supp. 06/2004) ("Direct evidence of actual confusion can come only from such sources as misdirected phone calls or letters or even from that rarest of evidence, the testimony of someone willing to testify that they were once a confused customer."). Unlike direct evidence, which is limited to relevant and representative testimony, circumstantial evidence includes a range of potentially relevant evidentiary factors for determining the "acquired strength" of a mark. See KIRKPATRICK, *supra* note 46, at § 3.5.A, *Direct Evidence*, at 3-25. According to the Restatement, "secondary meaning may be inferred . . . from evidence relating to the nature and extent of the public exposure achieved by the designation;" extent of sales and advertising in connection with a mark usually serve as the primary bases for estimating a mark's strength for infringement purposes. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. e, at 109-10 (1995).

Accordingly, the “acquired strength” correlates to “the fame of a mark that has been prominently used in connection with a particular area of commerce for a long time.”¹³⁰ The greater a mark’s distinctiveness, the stronger its impact on public consciousness and recognition.¹³¹

Vuitton’s Monogram Multicolore, despite their unregistered status, qualify for legal protection due to their “inherent distinctiveness” as *both* fanciful or arbitrary marks *and* attained “secondary meaning” and fame.¹³² Not only has Vuitton’s logo incorporated the Toile Monogram marks since the company’s inception in 1896, but consumers moreover have associated the marks with the company ever since.¹³³ Additionally, the Monogram Multicolore, based on the Toile Monogram and designed as a representation of the Vuitton logo in honor of the millennium, “[were] created as source identifying marks—new marks based on the original registrations.”¹³⁴ Thus, in addition to establishing their validity, said evidence, combined with the unsolicited promotion and buzz over the products,¹³⁵ reaffirms the undisputed strength of Vuitton’s Toile Monogram and qualifies the new Monogram Multicolore as strong marks.¹³⁶

2. Polaroid Factor (2): Similarity of Marks

When evaluating the similarity between marks, all Courts, due to the tandem function of degree of similarity and consequential confusion, must consider the overall impression created by the marks.¹³⁷ More specifically, “it is appropriate to consider all factors

Like the multi-factor test for likelihood of confusion, courts apply different, though comparable, lists of evidentiary factors. The Second Circuit, as explicated in *Centuar Communications, Ltd. v. A/S/M Communications, Inc.*, applies the following factors: “(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.” *Centuar Communications, Ltd., v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1222 (2d Cir. 1987).

¹³⁰ *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d at 431-32.

¹³¹ *KIRKPATRICK*, *supra* note 46, at § 3.2, *Strong or Famous Marks*, at 3-4 to 3-5.

¹³² *See supra* Part IV(A).

¹³³ *See Louis Vuitton Malletier & Oakley, Inc. v. Veit*, 211 F.Supp.2d. 567, 573-74 (E.D.Pa. 2002) (finding Louis Vuitton’s registered trademarks world famous).

¹³⁴ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 438.

¹³⁵ *See supra* Introduction.

¹³⁶ *See Louis Vuitton Malletier*, 340 F. Supp. 2d at 440.

¹³⁷ *See Brennan’s, Inc., v. Brennan’s Restaurant, L.L.C.*, 360 F.3d 125, 133 (2d Cir. 2004). The registration statute, 15 U.S.C. § 1052(d), embodies the similarity factor, as it bars the registration of any mark “which so resembles” another name or mark “as to be likely . . . to cause confusion.” 15 U.S.C. § 1052 (d). The statute governing the infringement of registered marks, 15 U.S.C. § 1114, prohibits the use of “any reproduction, counterfeit, copy, or colorable imitation” which is likely to cause confusion. 15 U.S.C. § 1114 (1)(a). The unregistered mark infringement statute, 15 U.S.C. § 1125, also

bearing on the likelihood of confusion.”¹³⁸ The mere fact that two marks appear similar is neither dispositive nor conclusory to the determination of confusion; “the question is whether such similarity is more likely than not to cause consumer confusion.”¹³⁹

A visual comparison between the Vuitton Murakami Collection and the Dooney & Bourke “It Bags” reveals obvious similarities between both handbags. “Both handbags feature multicolored monograms against a solid white or black background.”¹⁴⁰ Moreover, like Vuitton and its Monogram Multicolore, Dooney first produced the “It Bag” collection against a white background and then, several months later—in October 2003—against a black background.¹⁴¹ The Murakami handbags and the “It Bags” have “leather straps or handles and/or single-colored leather borders and shiny gold metal hardware.”¹⁴²

Such similarities, however, do not necessarily render the marks confusing.¹⁴³ A series of equally inherent differences between the Murakami and It Bag collections, evident with simple visual inspection, render the marks distinctive and, therefore, unlikely to lead to consumer confusion. The most obvious distinction is Vuitton’s use of its trademarked initials “LV” and Dooney & Bourke’s use of its trademarked “DB” logo. While Vuitton prints each component of its “LV” logo in corresponding colors with geometric shapes interspersed with the monogram, the “D” and “B” of each Dooney & Bourke monogram is not only printed in different colors, but also in “a forward and reverse pattern in an appreciably smaller font size.”¹⁴⁴ Although both handbags incorporate corresponding components of the same material, only the Vuitton handbags include metal studs and gold toned zippers.¹⁴⁵ In contrast, the Dooney & Bourke bags exclusively feature multicolored zippers; a variety of multicolored backgrounds, namely periwinkle, grape, and bubble gum in addition to black and white; and, a prominently placed hanging

incorporates the similarity factor, though more generally than the other statutes because it limits the use of “any word, term, name, symbol, or device or any combination thereof,” which is likely to cause confusion. 15 U.S.C. § 1125(a)(1).

¹³⁸ *McGregor-Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1132 (2d Cir. 1979).

¹³⁹ *Brennan’s, Inc., v. Brennan’s Restaurant*, 360 F.3d at 133 (a court should evaluate “all factors that could reasonably be expected to be perceived by and remembered by potential purchasers.”).

¹⁴⁰ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 440.

¹⁴¹ *Id.* at 427.

¹⁴² *Id.*

¹⁴³ See *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, No. 04 Civ. 2644, 2004 U.S. Dist. LEXIS 9387, at *8 (S.D.N.Y. May 24, 2004).

¹⁴⁴ *Louis Vuitton Malletier*, 340 F. Supp. 2d at 427, 440.

¹⁴⁵ *Id.*

pink enamel heart with “Dooney & Bourke” written in gold script.¹⁴⁶

Thus, having elaborated on the visual distinctions of Vuitton’s Murakami Collection and Dooney & Bourke’s It Bag Collection, the only similarity remaining to consider between the marks is “choice of color scheme.”¹⁴⁷ In a “brief aesthetic flight,”¹⁴⁸ Judge Scheindlin noted, “the colors used on the Dooney & Bourke bags . . . are noticeably toned down, and consequently fail to evoke the characteristic ‘friction’ sparked by the Murakami’s bright, clashing colors.”¹⁴⁹ Moreover, since Vuitton’s trademarks do not include *all* uses of a multicolored logo against a white or black background, the use of multiple colors must independently possess secondary meaning to qualify for protection.¹⁵⁰ “Divorced from the geometric shapes and ‘LV’ monogram,”¹⁵¹ Vuitton’s use of multiple colors, despite having been specifically selected from Murakami’s palette, lack secondary meaning and therefore do not “demonstrate that the similarity between the overall impression generated by the two marks is likely to lead to consumer confusion.”¹⁵² Accordingly and based primarily, though not exclusively, on the obvious distinctions between an “LV” and a “DB” logo, the second *Polaroid* factor—Similarity of Marks—favors defendant Dooney & Bourke.

3. Polaroid Factor (3): Proximity of Product

Essentially an analysis of product relatedness is present in virtually every Court’s evaluation, the proximity of the products inquiry correlates to the competitive distance between the particular products¹⁵³ in question. More specifically, the primary issue is “whether the products are related in some manner likely to lead the public mistakenly to believe that one trademark user’s product emanates from or is sponsored by another.”¹⁵⁴ In *Virgin*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* at 440.

¹⁴⁸ Walker, *supra* note 1, at 46.

¹⁴⁹ *Id.*; *Louis Vuitton Malletier*, 340 F. Supp. 2d at 440.

¹⁵⁰ *See id.*

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ *See* KIRKPATRICK, *supra* note 46, at § 5.1; *see also* Emerson Elec. Mfg. Co. v. Emerson Radio & Phonograph Corp., 105 F.2d 908, 910 (2d. Cir. 1939) (“There can be no rule for all cases, and . . . the conflicting interests [namely product extension] must always be weighed.”).

¹⁵⁴ KIRKPATRICK, *supra* note 46, at § 5.1; *see also* *In re Hal Leonard Publ’g Corp.*, 1990 T.T.A.B. LEXIS 23 at *2 (May 14, 1990) (“It is sufficient that the respective goods are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods are such that they would or could be encountered by the same

Enterprises Ltd. v. Nawab,¹⁵⁵ the Second Circuit found that “the closer the secondary user’s goods are to those the consumer has seen marketed under the prior user’s brand, the more likely that the consumer will mistakenly assume a common source.”¹⁵⁶

Evaluating proximity requires the court to examine all aspects of the products in question, “including price, style, intended uses, target clientele [and] typical distribution channels,”¹⁵⁷ as well as the “extent [to which] the two products compete with each other—[commercially (whether the products are in the same or related markets) and geographically (defining the geographic separation of the products and markets)].”¹⁵⁸

Though often considered in connection with consumer sophistication, the comparative pricing of two products highlights the consumer’s perception of the products’ proximity. While similarities in the price between products may increase the likelihood that consumers will attribute both products to the same source, “a substantial price difference, like a quality difference, may alert the consumer and reduce likelihood of confusion¹⁵⁹ . . . [though may] not by itself necessarily avoid likelihood of confusion.”¹⁶⁰ Here, the price differential presents a noteworthy distinction between the handbags in this context. The prices of products from Vuitton’s Murakami collection ranged from \$360, for a miniature tote and/or accessory pouch, to \$3,950, for a large overnight bag, with the average price of a mid-size purse at approximately \$1,800 to 2,000.¹⁶¹ The It Bag Collection, however, is priced under \$250.

The “target clientele” and “typical distribution channels” aspects of the respective products concern how and to whom the goods are sold and distributed, thereby “illuminating what actually happens in the marketplace . . . where other factors are not

persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from the same producer.”).

¹⁵⁵ 335 F.3d 141 (2d Cir. 2003).

¹⁵⁶ *Id.* at 150.

¹⁵⁷ *Brockmeyer v. Hearst Corp.*, 248 F. Supp. 2d 281, 297 (S.D.N.Y.2003).

¹⁵⁸ *Brennan’s, Inc., v. Brennan’s Restaurant, L.L.C.*, 360 F.3d 125, 134 (2d Cir. 2004).

¹⁵⁹ *KIRKPATRICK*, *supra* note 46, at 5.9. Noteworthy, however, is where a junior user’s comparatively low pricing (often the proximate cause of litigation) may simply mislead consumers into thinking that its products are inexpensive versions originating with or sponsored by the senior user. *Id.*; *see, e.g.*, *Bausch & Lomb, Inc. v. Nevitt Sales Corp.*, 810 F. Supp. 466 (W.D.N.Y. 1993).

¹⁶⁰ *KIRKPATRICK*, *supra* note 46, at § 5.9; *see also* *Essence Commc’ns, Inc. v. Singh Indus., Inc.*, 703 F. Supp. 261, 268 (S.D.N.Y. 1988) (“The existence of a price difference is not, in itself, enough to eliminate the possibility of competition.”).

¹⁶¹ *See supra* Part III.

particularly probative.”¹⁶² Both parties’ handbags are sold in the same, similar and/or competing high-end retail outlets, typically located in close geographic proximity.¹⁶³ The fact that some stores do not carry both products may enhance confusion since customers would have to rely on memory to distinguish the marks and their products, as a point of sale comparison is inconceivable. However, when sold in the same stores, competing products with similar trade dress may easily be confused if proximately located or actually intermixed; the consumer may not even realize the opportunity for comparison and differentiation.

4. Polaroid Factor (4): Likelihood Plaintiff Will “Bridge The Gap”

“Bridging the gap,” also referred to as the “likelihood of expansion,” involves a determination of the likelihood that either the senior user or junior user will expand its business to compete with the other, or “of the average customer’s perception that the plaintiff would enter the [defendant’s] market.”¹⁶⁴ However, “where the goods at issue in the case already compete, the factor is moot except to indicate greater likelihood of confusion.”¹⁶⁵ Though both Vuitton and Dooney are in the business of selling high-end handbags and thus already compete in the same market, the companies operate in distinct realms of their market—luxury

¹⁶² *Homeowners Group, Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1110 (6th Cir. 1991).

¹⁶³ Both Louis Vuitton and Dooney & Bourke products are available at free-standing boutiques and selected retailers and department stores worldwide. More specifically, Vuitton operates multiple stores in each of the following regions: Asia, Australia, the Caribbean, Europe, Japan, the Middle East, New Zealand, South Africa, South America and the United States. Vuitton products are also available at company managed and maintained boutiques within high-end department stores such as Bloomingdale’s, Harrods, Saks Fifth Avenue, Selfridges, as well as on the Internet at eluxury (www.eluxury.com). Louis Vuitton, <http://www.vuitton.com/> (click link to “Store Locations”) (last visited Oct. 2, 2005). In contrast, there are only nine Dooney & Bourke stores—seven in the United States (at least two of which are located in the same shopping complex or merely several blocks from a Vuitton boutique) one in Puerto Rico, and another in Japan. Dooney & Bourke products are also sold at counters in department stores, including Bloomingdale’s, Lord & Taylor, Macy’s and Nordstrom’s, as well as through the official Web site, www.dooney.com. Dooney & Bourke, <http://store.dooney.com/> (click link to “Store Locator”) (last visited Oct. 2, 2005).

¹⁶⁴ *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F.Supp.2d 415, 432 (S.D.N.Y. 2004) (quoting *Brockmeyer v. Hearst Corp.*, 248 F. Supp. 2d 281, 297 (S.D.N.Y. 2003)); *see also Charles of the Ritz Group, Ltd. v. Quality King Distrib., Inc.*, 832 F.2d 1317, 1322 (2d Cir. 1987) (issue on bridging the gap “is whether the two companies are likely to compete directly in the same market”); *Centaur Communications, Ltd. v. A/S/M Commc’ns, Inc.*, 830 F.2d 1217, 1227 (2d Cir. 1987).

¹⁶⁵ *KIRKPATRICK, supra* note 46, at § 5.10; *see also Romm Art Creations, Ltd. v. Simcha Int’l, Inc.*, 786 F. Supp. 1126, 1138 (E.D.N.Y. 1992); *Banff, Ltd. v. Federated Department Stores, Inc.*, 841 F.2d 486, 492 (2d Cir. 1988).

and mass respectively.¹⁶⁶ Nonetheless, in the market of accessories, such as handbags and shoes, there exists a large pool of consumers who could and often do purchase either the high-end designer items or the design knockoffs. Ultimately, however, since both parties operate in the same commercial realm—producing and selling accessories—this factor is moot and thus favors neither plaintiff nor defendant.

5. Polaroid Factor (5): Existence of Actual Confusion

While the existence of actual confusion indicates a likelihood of consumer confusion, a plaintiff need only present evidence of a likelihood of confusion as to source to prevail under the Lanham Act.¹⁶⁷ Creating a merely experimental environment for substantiated inferences, parties typically rely on surveys to demonstrate the existence and/or likelihood of consumer confusion.¹⁶⁸ Both Louis Vuitton and Dooney & Bourke presented such surveys evaluating the existence of a likelihood confusion,¹⁶⁹ which, not surprisingly, reached opposing results, leading Judge Scheindlin effectively to disregard them.¹⁷⁰

6. Polaroid Factor (6) Sophistication of Consumers

The more sophisticated the potential purchasers and the more costly the goods or services, the more careful and

¹⁶⁶ Cf. *Charles of the Ritz Group, Ltd. v. Quality of King Distrib., Inc.*, 832 F.2d 1317, 1322 (2d Cir. 1987) (“It should be noted that some question remains whether two distinct fragrance markets [i.e., the ‘mass’ and the ‘luxury’ markets] actually exist.”); see *supra* note 4 (“Upper middle-class consumers who could afford either an ABS gown or could stretch for [the designer original] for a truly special occasion could make a difference.” Hetherington, *supra* note 4, at 66 n.165).

¹⁶⁷ *Virgin Enters. Ltd. V. Nawab* 335 F.3d 141, 151 (2d Cir. 2003); *Lois Sportswear v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986) (“[A]ctual confusion is very difficult to prove.”); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 23 cmt. b (1995) (explaining that where the test is likelihood of confusion, proof of actual confusion is unnecessary to establish infringement, which would, if required, lead trademark owners to suffer irreparable harm before protection could be properly obtained and asserted.). 5 MCCARTHY, *supra* note 9, at § 32:158.

¹⁶⁸ *Id.* (Surveys are commonly used in trademark cases to show that a mark has either attained secondary meaning or been actually diluted, and although survey evidence is not direct evidence of actual confusion, it is nonetheless routinely categorized under the heading of “actual confusion.”).

¹⁶⁹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 23 cmt. c (1995) (downplaying the significance of surveys as proof of likelihood of confusion and describing them as “useful but not indispensable.”); see also Graeme W. Austin, *Trademarks and the Burdened Imagination*, 69 BROOK. L. REV. 827, 867 (2004) (“A [recent] study of reported trademark infringement cases that went to final judgment, including applications for interim injunctions, during the last ten years reveals that survey evidence . . . [appears] before the court around 57.4 percent of the time. Of that 57.4 percent, however, survey evidence is discounted or accorded little weight in around 22.2 percent of cases.”).

¹⁷⁰ *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d 415, 441-42 (S.D.N.Y. 2004).

discriminating the purchasers will be and the less likely they will be misled or confused. A circumstance which has increased the degree of care and reduced the likelihood of confusion includes a consumer's estimation of the mark as a fashion or status symbol.¹⁷¹

Often, the most important determinant is price; the greater the price of a product the more careful the typical potential purchaser is expected to be, thus decreasing the likelihood of confusion.¹⁷² More specifically, the higher the price, the more likely the prospective buyer will carefully examine a product and research/investigate its brand, mark, and source.¹⁷³ Nonetheless, "the likelihood of confusion is not precluded where the price of both or either of the products is high and the purchasers are careful."¹⁷⁴

With respect to accessories priced as high as approximately \$4000,¹⁷⁵ prospective purchasers of a Vuitton Monogram Multicolore Murakami handbag should be deemed extremely sophisticated in contrast to customers of Dooney & Bourke, who cap the prices to products in their "It Collection" to a few hundred dollars. The standard for consumer sophistication must, therefore, account for the particular market context in which the mark is encountered, and the nature of the prospective consumers must be considered in determining the care exercised by a reasonable purchaser.¹⁷⁶ Vuitton goods are so high in price and prestige that they are unlike most goods; Vuitton purchasers are therefore

¹⁷¹ See KIRKPATRICK, *supra* note 46, at § 6.5; see also *E.S. Originals, Inc. v. Stride Rite Corp.*, 656 F. Supp. 484, 492 (S.D.N.Y. 1987) (athletic shoes); *Bachelierie v. Z. Cavaricci, Inc.*, 762 F. Supp. 1070 (S.D.N.Y. 1991) (jeans).

¹⁷² KIRKPATRICK, *supra* note 46, at § 6.5; see *Weiss Assoc., Inc. v. HRL Assoc., Inc.*, 902 F.2d 1546, 1548 (Fed. Cir. 1990) (in making purchasing decisions regarding expensive goods, "the reasonably prudent person standard is elevated to the standard of the 'discriminating purchaser.'"); *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 2003 WL 21056809, at *11 (S.D.N.Y. May 8, 2003) (implying that where the relevant class of purchasers are sophisticated people making an expensive purchase—in the present matter intending to buy an exclusive and high-priced watch—a finding of likelihood of confusion is diminished); *Arrow Fastner Co. v. Stanley Works*, 59 F.3d 384, 398-99 (2d. Cir. 1995) ("A consumer who must possess this high level of knowledge [about the various features of the defendant's staple gun], and who is always paying a substantial amount of money for the product, is not likely to be confused"); see also Goodwin, *supra* note 19, at 274 (suggesting that the factors surrounding the purchase of an authentic Hermès Birkin or Kelly bag, including the waiting list, the limited stores where one can be purchased, and the time taken to make each bag under Hermès' intricate process, presuppose utmost consumer sophistication).

¹⁷³ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21 cmt. h (1995) ("Most purchasers exercise greater care when buying expensive items.")

¹⁷⁴ See KIRKPATRICK, *supra* note 46, at § 6.5 (price does not necessarily entail customer sophistication, which does not automatically decrease a likelihood of confusion.)

¹⁷⁵ See *supra* Part IV(B)(3).

¹⁷⁶ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21 cmt. (h) (1995).

unlike most, if not all, consumers.¹⁷⁷

7. Polaroid Factor (7): Bad Faith and *Polaroid* Factor (8):
Quality of Defendant's Products

Under prior case law, the Second Circuit has minimized the importance of the remaining two *Polaroid* factors to analysis of likelihood of confusion. "The remaining two *Polaroid* factors, defendants' good or bad faith and the quality of defendants' products, are more pertinent to issues other than likelihood of confusion, such as harm to plaintiff's reputation and choice of remedy."¹⁷⁸ On the other hand, though not of significant relevance to the determination of likelihood of confusion,¹⁷⁹ "[a] finding that a party acted in bad faith can affect the court's choice of remedy or can tip the balance where questions are close."¹⁸⁰

¹⁷⁷ In her Note, *Pricey Purchases and Classy Customers: Why Sophisticated Consumers Do Not Need the Protection of Trademark Laws*, Meaghan E. Goodwin presents an obvious counterargument to the sophistication analysis espoused by the Restatement (Third) of Unfair Competition: "A person willing to pay [upwards of a thousand dollars] for a handbag is especially unsophisticated." Goodwin, however, also provides the following caveat: "[W]hile it may seem extremely impractical to buy such a high-end luxury item, given the price, prestige, and market situation surrounding [such products,] the practical and realistic approach is to deem [such purchases] extremely sophisticated." 12 J. INTELL. PROP. L. 255, 273-74 n.147 (2004).

¹⁷⁸ *Virgin Enters. Ltd. V. Nawab*, 335 F.3d 141, 147 (2d Cir. 2003); see also KIRKPATRICK, *supra* note 46, at § 8.1 ("The intent factor is theoretically somewhat different from the other analytical factors because defendant's subjective intent is unknown to prospective purchasers and does not itself affect their perceptions."); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986) ("[I]ntent is largely irrelevant in determining if consumers likely will be confused as to source . . . consumer reactions usually are unrelated to manufacturer intentions."), cited in *Girl Scouts of the U.S. v. Bantam Doubleday Dell Publ'g Group, Inc.*, 808 F. Supp. 1112, 1128 (S.D.N.Y. 1992) ("Several decisions have minimized the weight to be given this *Polaroid* factor.").

¹⁷⁹ See *Lois Sportswear, U.S.A., Inc.*, 799 F.2d at 875 ("[I]ntent is largely irrelevant in determining if consumers likely will be confused as to source . . . consumer reactions usually are unrelated to manufacturer intentions."), cited in *Girl Scouts of the U.S. v. Bantam Doubleday Dell Publ'g Group, Inc.*, 808 F. Supp. 1112, 1128 (S.D.N.Y. 1992) ("Several decisions have minimized the weight to be given this *Polaroid* factor."); see also *Little Caesar Enters., Inc. v. Pizza Caesar, Inc.*, 834 F.2d 568, 572 (6th Cir. 1987) ("Proof of intent to appropriate another's property may be comparable to an expression of opinion by an expert witness; a defendant who purposely chooses a particular mark because it is similar to that of a senior user is saying, in effect, that he thinks there is a possibility that he can divert some business from the senior user—and the defendant ought to know at least as much about the likelihood of confusion as the trier of fact.").

¹⁸⁰ *Virgin Enters. Ltd. V. Nawab* 335 F.3d 141, 151 (2d Cir. 2003); see also *TCPIP Holding Co. v. Haar Communications*, 244 F.3d 88, 102 (2d Cir. 2001) ("Bad faith on the part of a party can influence the court in at least two ways. First, where a substantive issue such as irreparable harm or likelihood of confusion is a close question that could reasonably be called either way, a party's bad faith could cause it to lose the benefit of the doubt. Second, if prospective entitlement to relief has been established, the good or bad faith with which the parties had conducted themselves could influence the court in the fashioning of appropriate equitable relief, or even cause it to deny equitable relief to a party that had conducted itself without clean hands."). Usually, however, when the goods are not directly competitive, the court will weigh the equities of each party's use. If the defendant did not intentionally copy to "cash in" on the plaintiff's good will and has

The Second Circuit, in determining whether or not there is evidence of bad faith, evaluates whether the defendants “adopted [their] mark with the intention of capitalizing on plaintiff’s reputation and goodwill and any confusion between [their] and [plaintiff’s] products.”¹⁸¹ The facts illustrate that the Dooney & Bourke It Team was not only aware of Vuitton’s Murakami during their design process but were clearly inspired by the Monogram Multicolore, as evidenced through the imitation and integration of certain aspects.¹⁸² Most specifically however, the timing of Dooney’s It Collection, just several months after the Murakami collection reached stores, is more than fortuitous.

Regardless, there is a distinction between intent to compete by imitating the successful features of another’s product (here, the multicolored monogram against a white or black background), and intent to deceive purchasers as to the source of the product.¹⁸³ Accordingly, as there is no evidence that Dooney & Bourke, whose collection depicted *their* trademarked logo, attempted to deceive customers as to the source of origin, this factor favors Dooney & Bourke.

The quality of the defendant’s products factor is primarily concerned with whether the inferior quality of a junior user’s goods could jeopardize the senior user’s reputation, or arguably, whether products of equal quality may create confusion.¹⁸⁴ As illustrated by the great discrepancy between their respective prices,¹⁸⁵ Louis Vuitton’s products are of higher quality than those of Dooney & Bourke, which are not, however, “notably inferior.”¹⁸⁶

expended significant amounts of money in promoting its trademarked product, a court will be more hesitant to provide relief to plaintiff.

¹⁸¹ *Streetwise Maps, Inc. v. Van Dam, Inc.*, 159 F. 3d 739, 745 (2d Cir. 1998).

¹⁸² *See supra*, Part III. “No amount of expert opinion, legal analysis, or demonstrative evidence can overcome the clarity [of inspiration and imitation] that comes from direct observation.” *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F.Supp. 2d 415, 421 (S.D.N.Y. 2004). For images of the competing products, specifically for a comparison of the colored patterns used on a solid background, see *id.* at 4-6 n.7 (depicting: (1) Louis Vuitton’s Alma Bag (white), Defendant’s Exhibit (“Def. Ex.”) 807, and Dooney & Bourke’s Small Doctor’s Satchel (white), Def. Ex. 1268, and (2) Louis Vuitton’s Multicolore Pochette (black), Plaintiff’s Exhibit (“Pl. Ex.”) 11, and Dooney & Bourke’s Medium Bucket Satchel (black), Def. Ex. 1266.).

¹⁸³ *Streetwise Maps*, 159 F.3d at 745; *see also Louis Vuitton Malletier*, 159 F.3d at 745 (“[I]t could reasonably be inferred that Dooney intentionally copied the Louis Vuitton multicolored ‘look’ and that he intended to ‘ride on the coattails’ of Louis Vuitton.”). *But see*, the complaint of Louis Vuitton’s Artistic Director Marc Jacobs: “to allow someone to simply copy and profit from our creativity is frustrating and can discourage this kind of innovation in others.” *See Wilson, supra* note 29, at 68.

¹⁸⁴ *See Savin Corp. v. Savin Group*, 2003 WL22451731, at *11 (S.D.N.Y. Oct. 24, 2003); *Morningside Group Ltd. v. Morningside Capital Group, L.L.C.*, 182 F.3d 133, 142 (2d Cir. 1999).

¹⁸⁵ *See supra* Part IV(B)(3).

¹⁸⁶ *Louis Vuitton Malletier*, 340 F.Supp. 2d at 447; *see also supra* Part III.

Thus, the final *Polaroid* factor favors neither party.

V. FASHION FOR THE MASSES

Trademark law is intended “to protect the public from deception and promote free and fair competition.”¹⁸⁷ The Lanham Act serves as a consumer protection statute aimed at securing the public’s right to buy products knowledgably without unwarranted confusion and does not protect the first creator of a trademark or trade dress as a reward for his originality.¹⁸⁸ Accordingly, in a competitive economy, “one can [legally] capitalize on a market or fad created by another” and try to capture as much of it as possible, provided that it is not accomplished by confusing the public.”¹⁸⁹ In the name of market preservation, copying is not always discouraged or disfavored,¹⁹⁰ for after all, “imitation is the life blood of competition”¹⁹¹—especially in the fashion world. Thus, having distinguished between intent to capitalize and intent to profit via consumer confusion,¹⁹² to grant Vuitton a monopoly over all multi-colored repeating monograms set against a black or white background would ultimately hinder the marketplace competition and the consumer, which trademark law seeks both to promote and protect, respectively.¹⁹³

An anomaly among creative sectors, the fashion world—as an industry—functions on collaboration, derivation, recombination, imitation, the revival of old styles and—even—outright knockoffs.¹⁹⁴ While the industry aggressively protects its brand

¹⁸⁷ KIRKPATRICK, *supra* note 46, at § 8.4.

¹⁸⁸ *Id.*; see also *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379 (2d Cir. 1997) (“The Lanham Act must be construed in the light of a strong federal policy in favor of vigorously competitive markets”).

¹⁸⁹ *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 662 (2d Cir. 1979); see *Universal City Studios, Inc. v. T-Shirt Gallery Ltd.*, 634 F. Supp. 1468, 1479 (S.D.N.Y. 1986); *Girl Scouts of the U.S. v. Bantam Doubleday Dell Publ’g. Group, Inc.*, 808 F. Supp. 1112, 1129 (S.D.N.Y. 1992) (“[Plaintiff’s good reputation] does not prohibit Defendants from capitalizing on Plaintiff’s mystique, so long as Defendants’ effort does not unduly confuse the public as to the source.”), *aff’d*, 996 F.2d 1477 (2d Cir. 1993).

¹⁹⁰ *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 28 (2001).

¹⁹¹ KIRKPATRICK, *supra* note 46, at § 8.4 (quoting *American Safety Table Co. v. Schreiber*, 269 F.2d 255, 272 (2d Cir. 1959); *North Shore Labs. Corp. v. Cohen*, 721 F.2d 514, 522 (5th Cir. 1983) quoting *Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969) (“the public has a vested interest ‘in permitting full and free competition in the use of ideas which are in reality part of the public domain.’”).

¹⁹² *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 791 n.2 (9th Cir. 1981).

¹⁹³ *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F.Supp. 2d at 421 (referring to *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164); see generally 1 MCCARTHY *supra* note 9, at § 1.1 (discussing the basic principles of unfair competition).

¹⁹⁴ David Bollier & Laurie Racine, *Control of Creativity? Fashion’s Secret*, *Christian Sci. Monitor*, Sept. 9, 2003, available at <http://www.csmonitor.com/2003/0909/p09s01-coop>.

names and logos, utilizing trademarks and licensing agreements, the actual creative design of a product—garment or accessory—is typically not owned by anyone. Instead, through design and marketing prowess, the focus in fashion is to stay ahead of the competition.

Though designers and knockoff artists compete in the same market of design and creativity, for “when someone does one thing, others tend to follow, or do their own rendition,”¹⁹⁵ the industry has long accepted that “creativity is too large and fugitive an essence to be owned outright as property [and fashion] thrives in a competitive global environment.”¹⁹⁶ Moreover, this tension between creativity and competition is precisely why the success of knockoff artists is not predicated on the notion that their creations possess a unique artistic vision. Those who covet the original, perhaps an expensive and therefore beyond-reach Murakami, may instead “consume” the knock-off, and thereby the trend. Indeed, the consumer, and by extension the marketplace, demands that knockoffs must exist.¹⁹⁷

One must stress the distinction between counterfeit products and knockoff designs. Whereas the former is explicitly illegal, typically because it appropriates a famous-name trademark, the latter, which copies the design and style of a product, is “perfectly legal.”¹⁹⁸ Thus, in a culture defined by a growing fascination with fashion, which subsequently requires one to either “get on that wave of the trend or the style . . . or miss it,”¹⁹⁹ imitations are not only lawfully acceptable, they become inevitable.

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html (last visited Oct. 2, 2005). For example, “Long lineages of couturiers from Balenciaga to Ungaro, Chanel to Lagerfeld, and Gucci to Tom Ford have shown that designers necessarily must learn, adopt, and adapt from those who have blazed previous trails.”

¹⁹⁵ Walker, *supra* note 1, at 46.

¹⁹⁶ David Bollier & Laurie Racine, *Control of Creativity? Fashion's Secret*, Christian Sci. Monitor, Sept. 9, 2003, available at <http://www.csmonitor.com/2003/0909/p09s01-coop.html> (last visited Oct. 2, 2005).

¹⁹⁷ Samantha L. Hetherington, *supra* note 4, at 45; see also *supra* section discussing LV/DB customers; see also *supra* note 4.

¹⁹⁸ *State of New York v. Rosenthal*; *State of New York v. Ndiouck*, 2003 N.Y. Slip. Op. 51738U, 2003 N.Y. Misc. LEXIS 1975 at *1 (Crim. Ct. of the City of N.Y. 2003).

¹⁹⁹ Walker, *supra* note 1, at 46.

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