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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 CHRISTIAN LOUBOUTIN,

4 Plaintiff,

5 v.

11 CV 2381 (VM)

6 YVES SAINT LAURENT,

7 Defendant.

8  
9 July 27, 2011  
10 11:00 a.m.

11 Before:

12 HON. VICTOR MARRERO,

13 District Judge

14 APPEARANCES (Via telephone)

15 MCCARTER & ENGLISH  
16 Attorneys for Plaintiff  
17 BY: HARLEY LEWIN  
18 LEE BROMBERG

19 DEBEVOISE & PLIMPTON  
20 Attorneys for Defendant  
21 BY: DAVID BERNSTEIN  
22 JILL VAN BERG  
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1 THE COURT: Good morning, this is Judge Marrero.

2 MR. LEWIN: Good morning, your Honor, this is Harley  
3 Lewin, and I have Lee Bromberg on the phone with me for  
4 plaintiffs.

5 MR. BERNSTEIN: Your Honor, it's David Bernstein at  
6 Debevoise & Plimpton. I'm with Jill Van Berg, and of course we  
7 represent Yves Saint Laurent.

8 THE COURT: All right, thank you for responding on  
9 short notice by this means.

10 I scheduled a conference, in part, in response to  
11 Mr. Lewin's letter of July 25, asking whether there would be  
12 any interest on the part of the Court for the parties to  
13 address some of the questions that came up at the hearing last  
14 week.

15 Mr. Bernstein, did you receive this letter?

16 MR. BERNSTEIN: We did, and we're prepared to address  
17 those same points as well, your Honor.

18 THE COURT: All right. Now before we get there, I had  
19 a couple of questions that I wanted to pose that did not come  
20 out clearly at the conference.

21 Mr. Lewin, the plaintiff's allegations here are that  
22 Louboutin has been using the red sole on these women's shoes  
23 since roughly 1992, and it registered the mark in the United  
24 States in 2007. One question is, when the use of this red sole  
25 mark commenced in 1992, was it the same shade of red that was

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1 involved in the case that went to the European Court; has  
2 Louboutin, in other words, used that same exact shade uniformly  
3 and consistently throughout its entire claim to that particular  
4 mark?

5 MR. LEWIN: The answer to that is yes, your Honor.

6 MR. BERNSTEIN: Although, your Honor, if I may,  
7 there's a very interesting anomaly that only came to our  
8 attention when Mr. Lewin focused us on the trademark  
9 registration through his letter. And that is that Louboutin  
10 has two trademark registrations. The one that Mr. Lewin showed  
11 you on the big board in court is a U.S. registration 3361597,  
12 and you saw that that had the dotted line of a high heel shoe  
13 with a particular red sole.

14 But in preparing for this morning's call, and after  
15 reading Mr. Lewin's letter, we went and we looked at the second  
16 trademark registration that Louboutin has in the United States,  
17 and it's based on the French registration that was at issue in  
18 the Paciotti case, and the U.S. registration is 3376197. And  
19 that's based on their international registration, which is  
20 number 0902955.

21 What was very interesting to me when I looked at that  
22 is that it's a different shade of red, your Honor.

23 THE COURT: Well, Mr. Bernstein, you have anticipated  
24 the question that I had, which is exactly where you're driving.

25 My question was what was the registration, the color

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1 shade of the registration that Louboutin obtained in the United  
2 States in 2008? Is it exactly the same as the other color that  
3 it has been using since 1992, and which was the subject of the  
4 French or the European application, and whether Louboutin has  
5 been using that color consistently in all of its products as  
6 sold in the United States, or has there ever been any variation  
7 of the color to some other shade of red during the course of  
8 its claim to that mark?

9 MR. LEWIN: Your Honor --

10 THE COURT: Yes.

11 MR. LEWIN -- this is Mr. Lewin again. I think there  
12 is a little bit of a misdirection here, but let me answer your  
13 question directly.

14 Mr. Louboutin was asked and answered a question in his  
15 deposition and I have -- I can tell you that I've confirmed it,  
16 that the shade of red he used on the shoes since 1992 has not  
17 varied from the red selected by Mr. Louboutin when he first  
18 printed the shoe -- red nail polish. That red has been  
19 consistently used by Mr. Louboutin on virtually every single  
20 shoe that's been produced, period.

21 THE COURT: Both here and in Europe?

22 MR. LEWIN: Yes, sir.

23 THE COURT: All right. And is that shade the same  
24 shade that is the subject of the U.S. application? And now  
25 this is another variation, Mr. Lewin. You recall that when we

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1 discussed the matter at the hearing, you, yourself,  
2 acknowledged that sometimes shades on paper don't come out  
3 exactly the way they should because it depends on absorption by  
4 the fabric and all kinds of other factors, so that what's on  
5 paper may not necessarily be the same shade that you may find  
6 on a shoe. And to that extent, the question is, how does a  
7 follow-up competitor be able to determine which red it is,  
8 since the paper itself is not the indicator of what the mark  
9 is?

10 MR. LEWIN: Well, let me answer that as well. In the  
11 first, in the first instance, of course, you're right, your  
12 Honor. I think both sides I think acknowledge that regardless  
13 of whether a particular shade one may select, may indeed print  
14 differently on paper versus leather versus cloth.

15 The TMEP, and when you apply for a color mark,  
16 specifically requires that the digital image that is submitted  
17 as the drawing in connection with a color, has to be an  
18 accurate representation of the mark as applied for, meaning  
19 that the mark that's used on footwear. So while there is  
20 perhaps some difference between the mark that may appear on the  
21 footwear and the mark that's registered, the fact in terms of  
22 infringement or the judgment of the infringement is the mark  
23 that's registered governs. There is very very specific  
24 language. In fact, your Honor, in the TMEP that specifically  
25 says under Section 807.07C, when the color is shown on a

1 drawing page and paper or digitized image is inconsistent with  
2 the color claimed in a written application, the drawing  
3 controls, meaning that the drawing is what is supposed to give  
4 notice of your color to a second color that is being registered  
5 or in fact has been registered.

6 In terms of the second part of your question, your  
7 Honor, which is, how does a second comer know what to do. The  
8 second comer is I think held to the standard that -- the same  
9 standard that Judge Sweet enunciated in the Olay case in 1983  
10 which is, essentially, a judgment that is made to stay far  
11 enough away from that particular color. If somebody applies,  
12 for example, a red to the outsole of a shoe, the issue becomes  
13 that whether that red infringes upon the red that's registered,  
14 which is a legal judgment of likelihood of confusion. If  
15 somebody in an industrial format, such as the designer Russo or  
16 others in the design group of YSL were to select a red, they  
17 know well enough to know that the way you avoid the problem is  
18 to stay far enough away.

19 That question, your Honor, is one that we did address  
20 a little bit. And I used an example of a ward mark that -- or  
21 the point is that the obligation is not on us to tell them nor  
22 is it upon a court necessarily. The obligation is on the  
23 second comer to avoid the confusion. And that -- even if the  
24 Olay case, where it was the so-called Ryan extension, Judge  
25 Sweet held the second comer not to be able to use the

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1 particular color scheme that was used in that case by the first  
2 registrant. So it's a judgment call. There's no bright line.

3 THE COURT: All right, thank you. And I acknowledge  
4 that you did address -- you did address at least the latter  
5 portion of this discussion at the hearing last week.

6 All right, Mr. Bernstein.

7 MR. BERNSTEIN: Thank you, your Honor. I would make  
8 two points in response to what Mr. Lewin just mentioned. The  
9 first is that, again, if you look at the two trademark  
10 registrations, they are two different shades. And so it may  
11 very well be, as Mr. Lewin has stated, that Mr. Louboutin had  
12 used the same color throughout. I don't, I don't doubt that.  
13 You know, we don't know, we haven't taken historical discovery,  
14 but I'll accept that.

15 But from the perspective of what is a competitor  
16 supposed to do, it's actually quite interesting to look at  
17 these two different trade registrations, which clearly are  
18 different shades of red, and that's -- that is unexplained.  
19 Now --

20 THE COURT: All right, let me -- Mr. Bernstein, are  
21 you suggesting, based on this line of argument, that in fact  
22 Louboutin has now registered two entirely different shades of  
23 red for its hue here?

24 MR. BERNSTEIN: Yes, your Honor, that is the case.  
25 The two numbers I gave you -- and your Clerk could look this up

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1 on USPTO website or we could send you printouts of the two  
2 trademark registrations -- are clearly different shades of red.  
3 The one that Mr. Lewin showed in court I would say is a  
4 brighter red, and the second registration, which was -- which  
5 was filed in August 2006, and it was registered in  
6 January 2008, is a different shade. But the significance of  
7 that is that it really goes to --

8 THE COURT: Let me -- sorry to interrupt, but I want  
9 to make sure we get the whole thing on the record.

10 We have a Reporter, by the way, taking a transcript.

11 Mr. Bernstein, what is your view as to these two U.S.  
12 registrations in relation to the French pantone that ends in  
13 663 that was the subject of the European application; is that a  
14 different shade of red or is it the same as one of the two U.S.  
15 registrations?

16 MR. BERNSTEIN: Because the two U.S. registrations  
17 don't indicate what their pantone is, I just don't know the  
18 answer to that.

19 THE COURT: Is it conceivable, then, that could be  
20 three shades of red?

21 MR. LEWIN: I'm sorry, this is Mr. Lewin. I can  
22 answer that question for you.

23 THE COURT: Yes.

24 MR. LEWIN: It is the second, the one you saw in the  
25 courtroom with the large dotted line high heeled shoe is in



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1 fact the same rendition that was used in the color -- in the  
2 application that has now been approved by EU.

3 THE COURT: Except that the EU, essentially, if I may  
4 say, it adjusted the application at the stage of those  
5 proceedings in order to give a number to the shade. There was  
6 no shade when the proceedings began, is that correct?

7 MR. LEWIN: May I respond to that, your Honor?

8 THE COURT: Yes.

9 MR. LEWIN: Your Honor, again, the TMEP specifically  
10 requires that a generic word be used, and the option in its  
11 latest variation, that is to say version seven of the TMEP, the  
12 brand new one, that you can use -- where it says very  
13 specifically, it says under 807078i, if the color is ambiguous,  
14 you got to -- examiner has to require clarification.  
15 Apparently, this did not occur. And it goes on to say the  
16 following, sir. It says, the color claim must include the  
17 generic name and the color claimed. The color claimed may also  
18 include a reference to a commercial identification system. The  
19 USPTO does not endorse or recommend any one commercial color  
20 identification system. And then it goes on to say, sir, it is  
21 usually not necessary to indicate shades of a color, but the  
22 examining attorney has the discretion to require that the  
23 applicant indicate shades of a color, if necessary, to  
24 accurately describe the mark. In simple terms, the reason the  
25 United States -- the reason the European Union uses a pantone

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1 system or pantone number -- and so a number of the individual  
2 countries of the Union -- is that that's their law.

3 In our case what guides the second comer or what  
4 guides anybody is a comparison between the color as registered,  
5 right, and the color used on the outside of a shoe that they  
6 intend to market, and then the judgment then becomes one of  
7 likelihood of confusion.

8 THE COURT: All right.

9 MR. LEWIN: And we ought not lose sight of that.

10 MR. BERNSTEIN: And the point I wanted to make with  
11 respect to Mr. Lewin's last point, your Honor, is the  
12 following: When we're dealing with word in trademarks, and  
13 everybody knows it's a trademark; you know, Exxon, we all know  
14 Exxon or Esson is meant to be a trademark that indicates the  
15 brand of the gas station that you're going to, for example.  
16 And so it does make sense for courts in that circumstance to  
17 look at the trademark Exxon and say, has a second comer come  
18 too close, because the second comer is also using it as a  
19 trademark for their own.

20 But the situation is very different here, your Honor.  
21 Because when Yves Saint Laurent sells shoes, the trademark that  
22 they put on it very very prominently is there YSL signature  
23 trademark.

24 When they choose the color of the shoe, they don't  
25 think of that in any way as a trademark. All they think

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1 they're doing at that point is designing a color to coordinate  
2 with the rest of the clothing collection of the season. And  
3 they're making those color choices not to indicate source or  
4 brand; not to say we're going to choose a particular shade of  
5 red or blue or green because we want people to know it comes  
6 from Yves Saint Laurent. They're choosing that shade of color  
7 because it's an ornamental element of the product of the shoe.

8           And so I don't disagree with Mr. Lewin about how  
9 courts normally go about thinking of infringement when we're  
10 thinking of traditional trademarks, that people understand  
11 they're meant to be trademarks. But in this circumstance when  
12 there's two registrations that have different shades, when we  
13 showed Mr. Louboutin and Mr. Mourot, who is the CEO of his  
14 company, the pantone books and said, you know, which shades are  
15 we allowed to do. And they said, I don't know, you'd have to  
16 show it to me on a sole. When we showed them some of the  
17 shoes, like the shoe Mr. Lewin showed you in court, which ended  
18 up on your desk, your Honor, the Granad, very high pump, and  
19 Mr. Louboutin specifically said, you know, I don't know, I  
20 would need to go back to my office and think about it. I think  
21 I mistakenly referred to the Gypsy shoe in court when I read  
22 that part of the transcript. All of this shows that it's  
23 highly indefinite, and that this trademark, whether it's  
24 limited to one color, one particular shade reference or whether  
25 it's just more generally red, which is the position that the

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1 plaintiffs have taken in this case up until the point of their  
2 reply, it shows you how indefinite it is and how very difficult  
3 it is for any competitor to do what Mr. Lewin just said, which  
4 is stay far enough away. If stay far enough away means that we  
5 can use a whole bunch of different shades of red in designing  
6 our shoes, that is exactly the very anti-competitive concerns  
7 that we would have about trademark that's being enforced in  
8 this case.

9 THE COURT: All right, let me then come back --

10 MR. LEWIN: Your Honor, may I reply to that, since  
11 Mr. Bernstein has somewhat side stepped what you were just  
12 talking about. If you don't mind?

13 THE COURT: Just briefly.

14 MR. LEWIN: It is not germane, it's simply irrelevant.  
15 In fact, I think the second thing is whether or not their use  
16 ultimately serves as a source indicator in a post sale context,  
17 the answer to that is yes. Regardless of what Mr. Bernstein  
18 says their intent is, the intent ultimately is not relevant.  
19 It's the fact of use, and you can't get around it if you have a  
20 second comer under the law.

21 The second -- the third thing is I think the idea that  
22 pantone number is a red herring, your Honor. Because even if  
23 you looked up a pantone number on a piece of paper and you  
24 said, which neither Mr. Louboutin as a designer who  
25 specifically said he doesn't use it, he said magic markers --

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1 he doesn't use it when he talks to factories, and Mr. Mourot  
2 doesn't know, who is a managing party, they don't do business  
3 in pantone colors. So I think we're listening to bit of a red  
4 herring there.

5 But the fact of the matter is even if you have the  
6 pantone color, what somebody would do is open it up in the  
7 book, look at the pantone color, look at the shades that might  
8 be covered on either side of that pantone cover, and make this  
9 very same business judgment that everybody does day in and day  
10 out, what would avoid confusion. That's their duty.

11 THE COURT: All right. Mr. Lewin, your position, your  
12 client's position is that we should follow Judge Sweet's edict  
13 and say draw a swath 40 percent above and 40 percent below the  
14 663 pantone, and that's what Yves Saint Laurent should then  
15 abide by?

16 MR. LEWIN: I can't say the answer to that, your  
17 Honor, without, without at the end of the day -- it's certainly  
18 the prerogative of the Court to issue an injunction that it's  
19 comfortable with that would guide the actions of YSL. I think  
20 that there's a -- Judge Sweet was under somewhat different  
21 constraints when he came up with that remedy, because the  
22 particular colors that they were dealing with were not clearly  
23 defined as they are in this case. It was, that was a trade  
24 dress matter, and because of that there was no registration to  
25 guide him, so I think he got a bit clever.

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1 But if the Court were to do that then, you know,  
2 whether we were satisfied or not, we'd have to live with it.  
3 It's not necessarily my position, no, sir.

4 My position is that there are a whole lot of reds that  
5 have been used just like the one that was put up on your desk  
6 in that -- and we said pointedly that would not bother us.  
7 Pink wouldn't bother us, red orange wouldn't bother us. What  
8 we are concerned about is a very simple measurement, is the  
9 likelihood of confusion between use of the red sole on a  
10 competitor shoe that's a high profile competitor in a luxury  
11 footwear business, that in the post sale context jumps out just  
12 the same way Louboutin sole does. If it's far enough away from  
13 that, however it's defined, we'd live with it.

14 MR. BERNSTEIN: And I just have to -- I just make one  
15 point. The very shoe that Mr. Lewin showed you in court and  
16 handed to you, your Honor, that ended up on your desk that  
17 Mr. Lewin now tells you they're fine with, that exact sole we  
18 showed to Mr. Louboutin at page 60 of the transcript. And he  
19 said he didn't know whether he objects to it; he'd have to  
20 think about it back at the office.

21 THE COURT: All right.

22 MR. BERNSTEIN: And that's the exact same sole that  
23 Mr. Lewin is now telling you is fine. This shows you the  
24 shifting target nature of the trademark.

25 THE COURT: All right, let's bring this to a close and

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1 come back to where we started, which is Mr. Lewin's letter of  
2 July 25 and his proposal for the parties to address some of  
3 these issues further. The question is by when and by how much.  
4 I don't need to have any extensive memoranda of law here. What  
5 I suggest you do is to summarize whatever additional positions  
6 you think we should take into account in brief letters of three  
7 to four pages at most, and we'll take them into consideration.

8 Question --

9 MR. LEWIN: Thank you, your Honor. That's perfect  
10 with us.

11 THE COURT: By when would you need to have that?

12 MR. LEWIN: We can have it to you on the close of  
13 business Friday, sir, if that's sufficiently fast.

14 THE COURT: All right. Mr. Bernstein?

15 MR. BERNSTEIN: Your Honor, I'm in court with a  
16 mediation next week, and then have to go to Washington for a  
17 meeting at the MTC. Would the Court allow us till the end of  
18 next week to reply?

19 MR. LEWIN: Your Honor, we think it ought to come in  
20 simultaneously. I don't think there should be a reply. If we  
21 get it in fast, so can they.

22 THE COURT: All right, I agree. I don't need to have  
23 replies. Just submit your respective positions by the end of  
24 the week. And, Mr. Bernstein, if you need an additional day,  
25 you could submit it on Monday.

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1 MR. BERNSTEIN: I appreciate that, your Honor.

2 THE COURT: All right.

3 MR. LEWIN: Yes, sir.

4 THE COURT: All right, thank you.

5 MR. BERNSTEIN: Thank you, your Honor.

6 MR. LEWIN: Thank you for your time, your Honor.

7 THE COURT: All right, you're very welcome.

8 (Adjourned)

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