

9-30-2011

10th Annual Conference on Recent Developments in Intellectual Property Law & Policy

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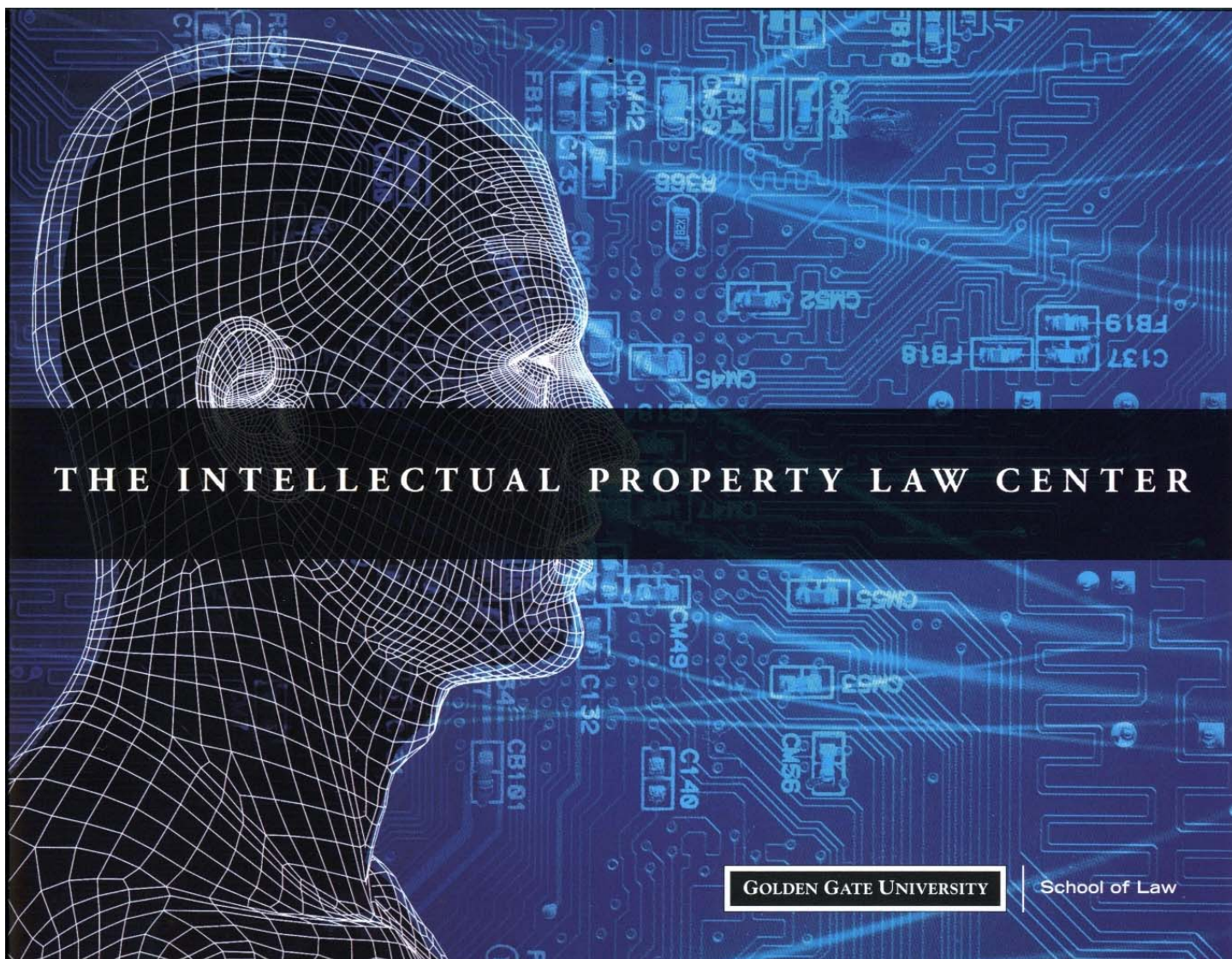
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Presents the 10th Annual Conference on Recent Developments in Intellectual Property Law & Policy

September 30, 2011

Program Supplement

TO: IP Law Conference Participants
FROM: GGU IP Law Center and IP Law Faculty
DATE: September 30, 2011
RE: Welcome!

Welcome to the 10th Annual Conference on Recent Developments in Intellectual Property Law and Policy, presented by the Intellectual Property Law Center of Golden Gate University School of Law. This annual tradition, begun in late September 2001, was one of the first events developed as part of the foundation of our new IP Law Program. Over the years we have hosted presentations by leading thinkers in the area of IP Law, including Professor Mark Lemley, New Yorker writer Ken Auletta, Professor Dan Burk, and many others.

We are pleased to present another great line-up of speakers and panels in this, our tenth year. Our program leads off with a conference tradition, with Adjunct Professors and leading patent attorneys Robert Morrill and Justin Beck discussing the year in patent law, and reviewing the recently passed significant reform of U.S. Patent law. Loyola University Chicago School of Law Professor Cynthia Ho continues our patent law emphasis with her presentation discussing Patents versus Public Health and the Global Economy.

We then shift focus to high technology and copyright law. Veteran IP lawyer Neil Smith reprises his efforts from last year, once again bringing to Golden Gate a panel of expert attorneys who specialize in the fast-paced world of online video games. Following our lunch break, we are especially pleased to present a program by Fordham Law Professor Susan Scafidi, the Director of the first and only Fashion Law Institute, who will shed light on the epic trademark law battle between Louboutin and YSL, and offers her thoughts on the pending bill proposing to add fashion design to the list of matters protected by copyright law.

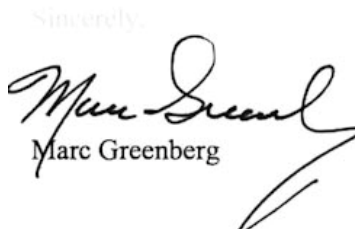
The last two programs of the day focus on key areas of IP law and practice. Sharon Anolik, Adjunct Professor and Chief Privacy Officer at McKesson, and General Counsel John Tomaszewski of TRUSTe, usher us inside the complex world of digital privacy. We end with an interview by Professor Marc Greenberg of Jennifer Lam, a GGU IP Program alumnus who is in-house counsel at Zynga Game Network, creators of social media games like Farmville—the interview will explore the work of an in-house attorney at a fast growing digital gaming company.

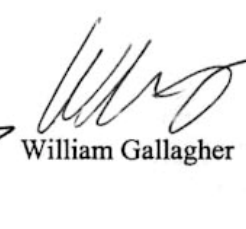
The IP Law Center has continued this year to bring important participants in the IP bar and academy to the University to present their views as part of our Distinguished IP Law Speaker Series. This past April the Center welcomed Ninth Circuit Chief Judge Alex Kozinski as our third Distinguished IP Law Speaker. Judge Kozinski's provocative theme, that the Internet was killing copyright, received widespread media coverage and generated a lively discussion. Plans are in the works for another great speaker this coming spring—with an announcement to be made in the next few weeks.

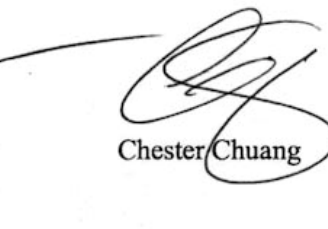
The Center's online presence continues to grow as well. Our highly praised IP Law Book Review has just published the first segment of its second volume, and Professor Greenberg's IP Buzz blog continues to address new issues and cases in IP Law. Bookmark the main site page, www.gguipcl.com to stay abreast of all of the Center's activities and to link to the review and blog.

Lastly, enjoy the conference, and let us know what you think of the program. We are always looking for ways to improve your experience, and thank you for your attendance and support of IP law at Golden Gate.

Sincerely,


Marc Greenberg


William Gallagher


Chester Chuang

10th Annual Recent Developments in IP Law and Policy Conference
Golden Gate University School of Law
Program Schedule
September 30, 2011 Room 2201

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Registration/Check-in 2nd floor lobby	8:30 – 9:00	
Welcoming Remarks	9:00 – 9:15	Co-Directors Marc Greenberg & Bill Gallagher
The Year in Patent Law – Patent “Reform”	9:15 – 10:15	Robert B. Morrill, Sidley Austin LLP; Justin Beck, Beck, Ross, Bismonte, & Finley LLP
Patents versus Public Health in the Global Economy	10:15 – 11:15	Professor Cynthia Ho, Loyola University Chicago School of Law
Morning Break	11:15 – 11:30	
Dealing with the Changing Law in the Video Game Industry	11:30 – 12:30	Neil Smith, Ropers, Majeski, Kohn, Bently PC; Sharon Zezima, Electronic Arts; Shawn Foust, formerly with Booyah
Lunch	12:30 – 2:00	
Seeing Red: Louboutin v. YSL and IP’s Fit with Fashion	2:00 – 3:00	Susan Scafidi, Fordham University School of Law
Privacy and Data Rights	3:00 – 4:00	Sharon A. Anolik, McKesson; John Tomaszewski, TRUSTe
Afternoon Break	4:00 – 4:15	
In-House and Outside Counsel Careers in IP	4:15 – 5:15	Jennifer Lam, Zynga Game Network, in Conversation with Marc Greenberg
Closing Remarks	5:15 – 5:25	Co-Directors Marc Greenberg & Bill Gallagher
Post-conference Reception	5:30 – 7:00	



Marc Greenberg

Marc H. Greenberg is Professor of Law, founding Director, and currently Co-Director of the Intellectual Property Law Center and Program at Golden Gate University of Law. A member of the faculty since 2000, he teaches Intellectual Property Survey, Internet and Software Law, Intellectual Property and New Technology, and Entertainment Law in the IP curriculum. He also teaches Civil Procedure, Business Associations and related courses in the general curriculum. He is the 2010-2011 Chair of the Art Law Section of the American Association of Law Schools, and is a past co-chair of the Copyright Section of the San Francisco Intellectual Property Law Association.

Professor Greenberg received his A.B. degree in English Literature from the University of California, Berkeley; his J.D. from the University of California, Hastings College of the Law, where he served as an articles editor of the *Hastings Constitutional Law Quarterly* and published the first of his scholarly works analyzing the First Amendment cases of the Supreme Court's 1978 term.

Professor Greenberg's scholarship has focused on legal issues pertaining to content on the Internet, obscenity law in online contexts, and copyright issues both in the U.S. and in China. He is presently working on a series of articles focusing on comic books, graphic novels and the law. His articles have been published in the *Berkeley Technology Law Journal*, *The Syracuse Journal of Law and Technology*, *The John Marshall Review of Intellectual Property Law*, and *The Loyola Chicago University Journal of International Law*.

Before joining the GGU faculty, Professor Greenberg practiced IP, entertainment and business law, in both transactional work as well as litigation, in several firms in Northern California. He was of counsel to Chickering and Gregory in San Francisco and was a managing partner in his own firm, Nelsen and Greenberg, also in San Francisco.



William Gallagher

William Gallagher is Associate Professor and Co-Director of the IP Law Center at the Golden Gate University School of Law, where he teaches courses on intellectual property litigation, intellectual property law, torts, and legal ethics. He was a Visiting Scholar at the Center for the Study of Law and Society at the UC Berkeley School of Law from 2009-2011.

Professor Gallagher received his JD from the UCLA School of Law; his Ph.D. from the University of California, Berkeley

School of Law (Jurisprudence and Social Policy Program); his MA from the University of Chicago; and his BA from the University of California, Berkeley.

Professor Gallagher is the author of articles on intellectual property law and professional ethics, which have appeared in the *Santa Clara Law Review*, *Pepperdine Law Review*, *Law and Social Inquiry*, *Center for the Study of Law and Society/Jurisprudence and Social Policy Program Faculty Working Papers* (University of California, Berkeley School of Law), and the *Law and Politics Book Review*. His edited book, *International Essays in Law and Society: Intellectual Property*, was published in 2007 by Ashgate Press. Professor Gallagher is also the founding editor of *The IP Law Book Review*.

Before entering full-time academia, Professor Gallagher was a partner in the San Francisco office of Townsend and Townsend and Crew LLP, where he specialized in patent, copyright, trademark, trade secret, and related intellectual property litigation in both state and federal courts nationwide.



Chester Chuang

Chester Chuang is an associate professor at the Golden Gate University School of Law, where he teaches contracts and patent law. His research focuses on patent law.

Professor Chuang received his J.D. from the New York University School of Law and his B.S. in Pharmacy from the Ohio State University. He is the author of articles which have appeared in the *Employee Rights and Employment Policy Journal (Chicago-Kent College of Law)* and the *New York University Law Review*.

His most recent work examines the role of declaratory judgment actions in patent litigation: *Unjust Patents & Bargaining Breakdown: When is Declaratory Relief Needed?*, will be published by the *S.M.U. Law Review* in late 2011 and *Offensive Venue: The Curious Use of Declaratory Judgment to Forum Shop in Patent Litigation*, will be published by the *George Washington University Law Review* in early 2012.

Prior to entering academia, Professor Chuang was Sr. Corporate Counsel for Electronics For Imaging, Inc., a leader in digital imaging and print management solutions for the commercial printing and enterprise markets. He also worked previously as an associate with O'Melveny & Myers and Perkins Coie, specializing in IP licensing and litigation, and served as a judicial clerk for the Hon. Sandra Brown Armstrong, U.S. District Court, N. D. Cal.



Robert Morrill

Senior Counsel Sidley Austin LLP

Robert Morrill is a senior counsel in Sidley's Palo Alto office, where he specializes in intellectual property and business litigation. He has resolved or tried patent, trade secret, trademark, copyright, unfair competition, wrongful termination, trade secret, license and contract disputes for clients in many industries, including semiconductors, semiconductor manufacturing equipment, computer hardware and software, telecommunications, electronics, medical devices, gaming and pharmaceuticals. His practice includes cases before the United States International Trade Commission, as well as in the Federal and State courts and in arbitration.

Mr. Morrill also has extensive experience as a neutral arbitrator or mediator, including international arbitration in the ICC International Court of Arbitration and the International Center for Dispute Resolution. He has been appointed Special Master by the U.S. District Court for the Northern District of California and the Santa Clara County Superior Court, and he serves as an Early Neutral Evaluator and Mediator for the U.S. District Court.

Before joining Sidley in 2003, Mr. Morrill was a founding partner at the law firm of Skjerven Morrill LLP.



Justin T. Beck

Partner

Beck, Ross, Bismonte & Finley LLP

Justin T. Beck is a partner in the firm of Beck, Ross, Bismonte & Finley LLP in San Jose California, where he specializes in intellectual property litigation. Before the founding of Beck Ross in 2006, Mr. Beck was of counsel to the firm of Mount & Stoelker P.C. and was previously a partner in the Silicon Valley firm of Skjerven Morrill LLP, where he had practiced since 1985. Mr. Beck is a 1965 graduate of Stanford University, and received his J.D. magna cum laude in 1972 from the University of San Francisco. Mr. Beck is an adjunct professor at both Golden Gate University School of Law and the University Of Oregon School Of Law teaching copyright law and patent litigation. He also writes frequently on intellectual property issues.

PATENT REFORM

Justin T. Beck and Robert B. Morrill

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Get ready



It's coming

1

AMERICA INVENTS ACT

- Signed into law on September 16, 2011
- Some changes in current law effective immediately
- Major changes implemented in 12 or 18 months



2

THE THEORY OF PATENT REFORM

- The patent system exists to encourage innovation
- Timely, high quality patents encourage innovation
- Delay, uncertainty, poor quality and inefficient legal processes hinder innovation

3

WHAT'S BROKEN

- Too many "bad" patents
 - About 90% of applications result in issued patents
 - Low examiner quality
 - Dreadfully slow PTO proceedings
- Issued patents too strong
 - Invalidity hard to prove
 - Overbroad claim construction
 - Willfulness often found
 - Out of sight litigation expense
 - Rampant forum shopping
 - Excessive damages

4

PATENT REFORM 2011 – THE FIXES

- Fix patent quality
 - The first to file gets the patent
 - Post-grant review of issued patents by the PTO
 - Proper funding of the PTO
- Fix litigation
 - No more mass suits
 - Speedy *inter partes* review in the PTO
 - Patent specialist judges in the District Courts

5

THREE QUESTIONS

- What will reform accomplish?
- What impact will reform have on patent practice?
- What impact will reform have on lawyers?

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FOR AND AGAINST

- For:
 - Business, especially technology companies
 - Lobbyists
 - USPTO
- Against:
 - Small inventors
 - Patent attorneys
 - Patent aggregators (i.e. trolls)



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THE BIG CHANGES



8

FIRST TO FILE GETS THE PATENT

- Old rule – first to invent
 - Avoided a race to the PTO
 - Complex prior art rules
 - Prolonged interferences to decide who invented first
- New rule - first to file
 - Encourages a race to the PTO
 - Easy to administer
 - Like the rest of the world
 - Favors large corporations?
 - Derivation proceedings to decide who *really* invented

NEW



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CONGRESS SPEAKS

“a system of ‘first inventor to file’ will . . . provide inventors with greater certainty regarding the scope of protection provided by the grant of exclusive rights to their discoveries [and] will improve the United States patent system and promote greater international uniformity and certainty in the procedures used for securing the exclusive rights of inventors to their discoveries.”

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FIRST TO FILE – CHANGES IN § 102

- No patent if, before the effective filing date, the invention was
 - described in a printed publication
 - in public use
 - on sale
 - or otherwise available to the public
- Key date “effective filing date”, not invention date
- One year exception for disclosures by the inventor
- Changes effective in 18 months

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WHO WAS FIRST? DERIVATION PROCEEDINGS

- No more complex interference proceedings
- Now, complex derivation proceedings **NEW**
- Was the claim derived from another inventor who has also filed?
- Bring in the PTO within one year from claim publication
- Bring in the District Court within one year from patent issuance

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THIRD PARTY PTO PROCEEDINGS

- **Third party pre-issue submissions**
- **Post-grant review** **NEW**
- **Inter partes reexamination review** **NEW**
- **Ex parte reexamination** **REVAMPED**

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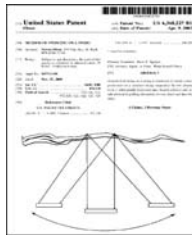
THIRD PARTY PRE-ISSUE SUBMISSIONS

- New PTO procedure
- Third party may submit, during prosecution:
 - Patent application, patent or printed publication
 - Concise statement of relevance
- Must submit by the earlier of
 - The notice of allowance, or
 - Six months after publication

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POST-GRANT REVIEW

- New PTO procedure
- Challenge validity within nine months of issue before Patent Trial and Appeal Board
- Any ground of invalidity
- More likely than not at least one claim unpatentable
- PTO must decide in one year (+ 6 months for good cause)
- Discovery allowed
- Estoppel



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REEXAMINATION – ANOTHER SPECIES OF LITIGATION

- Lower burden of proof
- Inexpensive
- Intervening rights
- But
 - Slow
 - Problem prior art can be “cleansed” by the patentee
 - Third party requestor estopped from using the prior art or any available art later

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REEXAMINATION – A GROWTH INDUSTRY

USPTO Reexamination Stats, FY 2001 to FY 2010

	<i>Inter Partes</i>	<i>Ex Parte</i>
2001	1	296
2002	4	272
2003	21	392
2004	27	441
2005	59	524
2006	70	511
2007	126	643
2008	168	680
2009	258	658
2010	281	780
TOTALS	1015	5197

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REEXAMINATION RESULTS

Inter Partes

- 95% of requests granted
- Of those granted:
 - 44% - all claims rejected
 - 43% - claims amended
 - 13% - all claims confirmed

Ex parte

- 92% of requests granted
- Of those granted:
 - 11% - all claims rejected
 - 66% - claims amended
 - 23% - all claims confirmed

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IMMEDIATE *INTER PARTES* REEXAMINATION CHANGE

- Higher threshold to initiate *inter partes* reexamination
- ~~“Substantial new question of patentability”~~
- **“Reasonable likelihood that requestor will prevail on at least one claim”**

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REEXAMINATION REFORM

- *Inter Partes* Reexam is now *Inter Partes* Review
- Cannot be filed during nine month post-grant review period
- Must be filed within a year after suit by patentee
- Granted if a reasonable likelihood that the requestor will prevail on at least one claim
- Limited rights of patentee to amend claims
- PTO must decide within one year (+ 6 months for good cause)

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PUTTING IT TOGETHER *EX PARTE* PROCEDURES

Preissuance Submissions

- Before allowance and within 6 months after publication
- Patents and printed publications
- Statement of relevance
- Effective for applications filed more than a year after the effective date
- No estoppel
- No action by PTO required

Ex Parte Reexaminations

- Any time after issuance
- Patents and printed publications
- Detailed claim charts and argument
- No estoppel
- PTO examination required if petition raises substantial new question of patentability

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PUTTING IT TOGETHER *INTER PARTES* PROCEDURES

Post Grant Review


- Within 9 months after issuance
- Any grounds for invalidity under §§ 102, 103 and 112
- More likely than not that at least 1 claim is unpatentable
- Strict time limits
- Limited discovery
- Limited rights to amend
- Estoppel extends to any claim that reasonably could have been raised

Inter Partes Review

- After Post Grant Review period expires
- Patents and printed publications
- More likely than not that at least 1 claim is unpatentable
- Strict time limits
- **Very** limited discovery
- Limited rights to amend
- Estoppel extends to any claim that reasonably could have been raised

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SUPPLEMENTAL EXAMINATION

- New PTO procedure for patentee only 
- Request the PTO to consider, reconsider or correct information relevant to the patent
- Concluded in three months
- If a substantial new question of patentability, PTO reexamines the patent
- Insulates the patent against inequitable conduct charges, but
 - Cannot cure existing fraud allegations
 - If the PTO becomes aware of fraud, it may cancel claims and confidentially refer the case to the Attorney General for criminal prosecution

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PTO CHANGES

- Increased PTO fees
- Special “micro entity” fees – 75% off
- “Prioritized application” for \$4,800
- PTO sets its own fees
- Excess PTO revenues retained in PTO trust fund

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LITIGATION ORIENTED CHANGES

- Patent specialist Judges (P.L. 111-349)
- Best mode defense eliminated (but best mode still required)
- *Qui Tam* false marking actions effectively abolished
- Joinder of unrelated infringers barred
- Failure to obtain or present advice of counsel may not be used to prove willfulness or inducement:
- Prior user defense

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PRIOR USER DEFENSE

- Prior User Defense expanded from business method patents to all patents (35 USC § 273)
- Effective immediately
- Defense not available for patents developed with federal funding
- Defense not available for patents developed by nonprofit higher education without private funding to support development

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LOBBYISTS AT WORK

- Tax Strategy Patents abolished
- Special Post Grant Review of Financial Business Method Patents
- Clarification of rules for patent term extensions (ending a \$200 million malpractice suit against Wilmer Hale)
- Special virtual marking rule

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WHAT'S NOT IN THE LAW

- Standards for pleading willfulness
- Restrictions on venue
- Court as damages “gatekeeper” or other limitations on patent damages
- Interlocutory appeal of claim construction

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WINNERS AND LOSERS

WINNERS

Technology
Business generally
USPTO
Patent Firms
Lobbyists

LOSERS

Trolls
Small inventors
Litigators

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CHANGES EFFECTIVE IMMEDIATELY

- False marking claims effectively barred all cases
- No best mode defense in new cases
- Prior user defense for all new patents
- Joinder of unrelated defendants barred new cases
- PTO fee increases
- Micro entity fees and prioritized application
- Higher threshold for *inter partes* reexamination

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CHANGES EFFECTIVE IN ONE YEAR

- Post-grant review
- *Inter partes* review (for all patents)
- Third party pre-issue prior art submissions (for all patents)
- Supplemental examination (for all patents)
- All provisions with timing not otherwise stated

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CHANGES EFFECTIVE IN 18 MONTHS

- Derivation proceedings (for patents filed 18 months from enactment)
- Interferences begin to be phased out

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SUMMARY OF PTO PROCEEDINGS

Proceeding	Showing needed	Prior art	Estoppel
Derivation	Invention derived from another	No	No
Third party pre-issuance submission	None	Patents/printed publications	No
Supplemental Examination	Substantial new question of patentability	Any information	No
Post-grant review	More likely than not unpatentable	Any ground	Raised/could have been raised
<i>Inter partes</i> review	Reasonable likelihood that third party will prevail	Patents/printed publications	Raised/could have been raised
<i>Ex parte</i> reexamination (no changes)	Substantial new question of patentability	Patents/printed publications	No

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Justin T. Beck, Beck, Ross, Bismonte & Finley LLP

Notes

[illegible]



Cynthia Ho

Professor Cynthia Ho is the Director of the Intellectual Property Program at Loyola University of Chicago. She teaches courses in Intellectual Property, Patent Law, Comparative Patent Law, Policy and Health Care, as well as Civil Procedure. Professor Ho has been a faculty member at Loyola since 1997.

Professor Ho strives to foster improved understanding of the law through a variety of means, including traditional publications, as well as providing input to government organizations. She has written articles on various aspects of intellectual property law that have appeared in major law reviews, and been cited in several intellectual property and patent law case books as well as in international reports. She has also authored several interactive lessons in patent law for the Center for Computer Assisted Legal Instruction (CALI), which are available to law students nationwide. She has made particular contributions in the area of international intellectual property, as well as patent issues involving biotechnology or health policy. For example, she has served as a consultant to the United Nations Convention on Biological Diversity (CBD) on an issue at the interface of international patent law and biotechnology and has provided consultation to the National Institutes of Health (NIH). Most recently, she published a book on the impact of patent and related rights on access to medicine in the global arena to help scholars and students from a variety of disciplines, as well as policy makers. The topic of the book, “Access to Medicine in the Global Economy: International Agreements on Patent and Related Rights” (Oxford University Press, 2011), will be the subject of her talk.

Prior to joining the faculty at Loyola, Professor Ho was an associate at Fish & Neave (now the Fish & Neave IP group of Ropes & Gray). She handled a variety of matters including litigating high-technology cases involving patents, trade secrets and unfair competition. In addition, as a member of the Patent Bar, she drafted and prosecuted patent applications involving medical, immunological and mechanical inventions.

Notes

[illegible]

Access to Medicine in the Global Economy

International Agreements on Patents and Related Rights

Cynthia M. Ho, Clifford E. Vickrey Research Professor of Law, and
Director, Intellectual Property Program, Loyola University Chicago School of
Law

Access to medicine is a topic of widespread interest. However, some issues that impact such access are presently inadequately understood. In particular, international laws require most nations to provide patents on drugs, resulting in premium prices that limit access. In *Access to Medicine in the Global Economy*, Professor Cynthia Ho explains such laws and their impact for a diverse group of readers, from scholars and policy makers to students in a variety of disciplines.

Clear explanations and diagrams, frequently asked questions, and case studies make these topics accessible to any reader. The case studies also provide a theory of patent perspectives that helps explain why access to medicine, though a universal goal, remains elusive in practice. The book provides an important first step toward eventual workable solutions by promoting a better understanding of existing and future laws that impact access to medicine.

"An illuminating and accessible understanding of one of the more contentious issues in intellectual property and public health. Very well-researched and clearly written, this terrific book deserves a wide readership."

--Susan K. Sell
George Washington University

Access to Medicine in the Global Economy

INTERNATIONAL AGREEMENTS ON PATENTS
AND RELATED RIGHTS

Cynthia M. Ho



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Neil A. Smith

Partner

Ropers Majeski Kohn & Bentley

Practice Areas

Intellectual Property, Employment
International, Corporate Transactions
Business And Commercial Litigation

Industries

Entertainment, Fashion

Experience

Mr. Smith's practice includes litigation and counseling in patent, trademark, copyright, trade secret and unfair competition matters. Mr. Smith has represented a broad range of high-technology, corporate, software, and traditional brick-and-mortar businesses in technology, publishing, multi-media, video game and consumer product businesses, and is a frequent speaker and author on Internet and intellectual property subjects. In addition to traditional IP issues, he has specialized in Internet, gray market and anti-counterfeiting subjects, including ex parte restraining orders and asset freezes.

He is peer rated AV® by Martindale-Hubbell and has been named multiple times by the *California Super Lawyers*® magazine in the area of Intellectual Property. He was also recognized by the prestigious ranking company Chambers and Partners in its 2010 edition of Chambers USA in Intellectual Property: Copyright & Trade Secret.

Prior to joining Ropers Majeski Kohn & Bentley, Mr. Smith was a partner at both Sheppard Mullin and for more than 25 years at an intellectual property boutique firm, where he specialized in the full range of intellectual property matters in trademark, patent, unfair competition and copyright law. Prior to moving to California, he served as a law clerk to Judge Giles S. Rich, Associate Judge, United States Court of Customs and Patent Appeals in Washington, D.C., 1972-1974 (Predecessor to the Court of Appeals for the Federal Circuit). From 1969-1972 he was a Patent Attorney for the United States Atomic Energy Commission in Washington, D.C.

Education

- J.D., Columbia University School of Law, 1969
Harlan Fiske Stone Scholar
- B.A., Physical Sciences, Columbia College, 1965
- B.S., Mechanical Engineering, Columbia University, 1966
- L.L.M., Patent and Trade Regulation, George Washington University Law School, 1973



Sharon Zezima

Sharon Zezima is Vice President and Deputy General Counsel for Electronic Arts (EA), which is a leading developer and publisher of interactive electronic entertainment headquartered in Redwood City, CA. In her role, Sharon manages the legal portfolio for and is on the executive team of EA Interactive, which creates and publishes casual games for mobile and social platforms such as the iPhone, iPad and Facebook.

Prior to joining EA in 2000, Sharon was a partner at the San-Francisco-based law firm of Schachter, Kristoff, Orenstein & Berkowitz, where she tried cases for and counseled established Bay Area companies.

Sharon grew up in Connecticut, graduated from Smith College and the University of Chicago Law School, and began her legal career with the Orrick law firm in San Francisco.



Shawn Foust

Shawn Foust is the CEO of Illuminous, a startup focusing on the intersection between mobile, social and local. Shawn is focused on building a team possessing a wide range of experience, in particular gaming, to develop engagement and incentive structures capable of driving behavior in the real world. Prior to founding Illuminous, Shawn was the head of business development and general counsel at Booyah, a social and mobile game company that incorporates aspects of reality into their games. Shawn began his career by founding one of the preeminent video game practices in the legal industry, where he spent a significant portion of his time assisting mobile and social start-ups. He currently sits on the board of advisors at a number of early stage companies including 5th Planet Games, Concept Art House, and Hot Shot Media.

7.5 ■ Intellectual Property Content, Law, and Practice

by Stephen Rubin, Esquire

In This Chapter

- Overview
- Categories of IP Protection
- The IP Content of Video Games
- Patents
- Copyrights
- Trademarks
- Transfers of IP Rights
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Overview

To the creative, technological, managerial, and financial layers of video game study add another: the law of intellectual property. Where a player sees seamless on-screen interactive gameplay, and a developer sees original characters, artwork, backgrounds, storylines, dialogue, music, and sounds brought to life by software game engines and tools, a lawyer sees an amalgam of patents, copyrights, publicity rights, moral rights, trademarks, and trade secrets. To an increasing extent, video game development choices, and ultimately what appears on the player's screen, are shaped by the web of rights and remedies the legal system collects under the heading of intellectual property. Intellectual property often is abbreviated IP, and that designation will be used here.

A working definition of intellectual property is the bundle of rights to the intangible creations and inventions of the human intellect.

It is useful to think of IP rights as a bundle because it is possible to subdivide rights based on factors such as use, duration, exclusivity, transferability, and geographic scope. IP rights have complementary parts: the right to exploit and the right to control

exploitation by others. For example, a developer's right to prevent others from reproducing a game is fundamental to the developer's right to be compensated for the assignment of the game IP to a publisher. IP is intangible. IP is not the book or CD, but rather ownership rights to the written expression contained in the book or audiovisual recording on the CD. A book and CD can be physically possessed and have a finite presence. The written expression or audiovisual recording can be perceived through an expanding array of technology, including the Internet. Consequently, they can have virtually limitless presence. This combination of factors, the intangible nature of IP rights and technological advances in IP reproduction and distribution, present the great challenge to the enforcement of IP rights today.

The allocation and enforcement of IP rights is governed by national and sometimes local laws, government agencies, and international treaties that pertain to patents, copyrights, trademarks, and trade secrets. These laws, primarily the IP laws of the United States, are the focus of this chapter. The emphasis will be on video game IP. However, the application of these laws extends far wider, to all manner of scientific, technological, literary, artistic, and commercial creations, discoveries, and inventions.

This chapter is a distillation of what are complex and evolving IP laws and principles. It should be noted that the description of particular laws and principles may be subject to unstated qualifications or omissions. IP laws and principles can and do change and can vary significantly among different jurisdictions. This chapter does not constitute legal advice, which should be obtained through consultation with an attorney in the context of specific facts.

Categories of IP Protection

It will be useful to start with an introduction to the principles that govern the major forms of IP protection and to consider their interrelation.

A patent protects certain novel, useful, and nonobvious inventions having a utilitarian function.

The owner of a United States patent has rights superior to all subsequent inventors, but for a limited term that is currently 20 years. Rights to an invention are not protected from use by others unless a patent is obtained from the United States Patent and Trademark Office (USPTO). In exchange for the monopoly IP rights granted to the patentee during the patent term, the patentee must make a full public disclosure of the invention in the patent. This disclosure may be freely exploited by anyone once the patent expires. Patents permeate the hardware technology on which video games are played. So-called method patents are used to secure a monopoly in particular forms of gameplay or software functionality, although as later discussed such method patents are the subject of increasing criticism and judicial limitation.

Unlike the 20-year term of patents, exclusive IP rights to an invention, discovery, or other confidential and commercially valuable information can be maintained indefinitely as a trade secret. The owner of a trade secret can preclude others from disclosing nonpublic information obtained from the owner. However, unlike a patent holder,

the owner of a trade secret cannot stop independent discovery and use of such information. A patent does not protect ideas, only the functional embodiment or implementation of an idea in a new and useful device or method. A trade secret can be used to protect the idea itself from use by others. The protection accorded trade secrets is a matter of federal and individual state laws, the latter of which often are modeled upon the Uniform Trade Secrets Act.

A copyright protects creative expression in any fixed medium such as books, film, CDs, videotape, records, and computer hard drives. As with patents, copyrights do not protect ideas, only their expression. This limitation applies to so-called *scènes à faire*—stock literary devices like plots, incidents, scenes, and characters. In the field of video games, this concept is captured in the term “genre.” It enables such similar games as *Street Fighter*, *Virtua Fighter*, and *Mortal Kombat* to coexist without copyright infringement. Copyright protects against only actual copying; therefore, another person can claim rights to identical expression so long as it was not copied. Theoretically, two people working without knowledge of each other could paint the same picture, write the same software, or take the same photograph. Each could copyright their creative work. The concept of copyright “expression” does not include individual words, names, or titles. Hence, the title of a video game such as *Halo* cannot be copyrighted. However, it may be trademarked if it serves to identify the source of the game to consumers. The duration of a copyright currently is the life of the author/artist plus seventy years, or a fixed period, as discussed below, for anonymous or corporate authors. It is not necessary to register a copyright, although important enforcement benefits are conferred by doing so. Copyright registration is the statutory responsibility of the United States Library of Congress.

A trademark or mark is any word, symbol or device that serves to identify the source or origin of particular goods or services. INSOMNIAC GAMES, GRAND THEFT AUTO and PLAYSTATION are examples of famous word marks of Insomniac Games, Inc., Take-Two Interactive Software, Inc., and Sony Computer Entertainment Inc., respectively. Sega Corporation’s classic “Sonic the Hedgehog” graphic character design and Nintendo of America Inc.’s equally famous “Mario the Plumber” graphic character design are examples of widely recognized design trademarks. The white and red stylized GAMESTOP lettering is a combined word and design mark of Gamestop, Inc. The nonfunctional trade dress of a product—the product’s “total image”—is also capable of serving as a trademark. An example is the case design of the Microsoft Xbox 360. Unlike a copyright, a trademark can be obtained for a word or title, as long as the word or title signifies the source of the product or service. For example, the words “star wars” and “Harry Potter” cannot be copyrighted as the title of a single book or film, but they can serve as a trademark for a series of books or films and for merchandise related to the book or film that originates from one source. Moreover, the creative content of the *Star Wars* and *Harry Potter* stories, including the text or screenplay and such subcomponents as characters, costumes, dialogue, scenes, and plot, is protectable by copyright. Ownership of a trademark is established by first use.

It is not necessary to register a trademark to secure exclusive rights but, as with a copyright, registration confers significant benefits. The USPTO registers trademarks, as do the individual states. The federal trademark law is known as the Lanham Act. The duration of a trademark potentially is perpetual. It lasts as long as it is in use to identify the source of goods or services. A federally registered trademark is renewable every 10 years as long as the mark continues in use in interstate commerce.

The foregoing IP categories are by no means mutually exclusive. Take, for example, a game controller named the WIGLI with an unusually sculpted design that incorporates a novel motion sensor. WIGLI serves as a trademark identifying the controller creator as the seller. The WIGLI creator also may be able to claim copyright protection in the controller's shape as a sculpture, apply for a design patent to protect the ornamental features of the controller, and apply for a utility patent on the motion sensor invention. Over time, if the public associates the controller's distinctive design with the source of the controller, as the public has come to associate the curved shape of the Coca-Cola glass bottle with cola originating from Coca-Cola Company, then the controller's shape could be claimed separately as a trademark. This IP overlap is well illustrated in the context of video games.

The IP Content of Video Games

The typical video game is protected by an umbrella of patents, copyrights, trademarks, and trade secrets that may be owned by different parties. Because copyright covers creative expression fixed in a tangible medium, it is the most prevalent form of IP protection in video games. Software in the form of game engines and tools, software documentation, artwork, storyline, backgrounds, characters, costumes, weapons, dialogue, text, sound effects, and music are among the forms of copyrightable expression found in games. Copyright ownership originates with the author or creator. This can be the employee who draws the artwork or an independent contractor who scores the music. Under "work-for-hire" principles later discussed, employee contributions normally become the property of the employer by operation of law. Independent contractors generally must assign their rights in a written agreement to the party who commissions the work. Copyrights are subject to transfer by assignment or license. An assignment conveys all rights to the copyrighted IP. A license conveys less than all of such rights; for example, the nonexclusive, nontransferable, perpetual right to sell the copyrighted work throughout North America. Independent developers typically assign rights to those portions of the game that are experienced by a player to the publisher that funds development of the game. They grant an irrevocable and nonexclusive license to the publisher for the software that enables the game to run. The game may be based on a copyright license, such as when a film, book, or comic is made into a video game.

Patents may apply to the technology embodied in the hardware on which the game is played, on the media (diskette, CD, cartridge, hard drive) on which the game is recorded, and on software that enables the game to perform particular functions.

Hardware patents are owned or licensed by the manufacturer, who also may be the publisher, in the case of Sony, Microsoft, and Nintendo, and at times also the developer of the game. Because patents are expensive to acquire and to enforce, they are rarely sought by independent developers.

Video games also provide a fertile environment for trademarks. The publisher and developer of the game, often separate parties, may each trademark their business name as a word mark and may create a design such as fanciful lettering or a graphic as a further source of their identification. The title of the game may be the separate subject of trademark protection. If a particular feature of the game also acts as a designation of the source of the game, it may function as a trademark. As already mentioned, Sega's adoption of Sonic the Hedgehog as its corporate mascot, Nintendo's similar display of Mario the Plumber, and Sony's *de facto* use of Crash Bandicoot as its mascot in connection with the original PlayStation games, have served as widely recognized brands of these companies.

Lastly, confidential aspects of the know-how used to program the game, budgets and financial statements, and the terms of the agreements between the developer and its publisher, its employees, and its independent contractors, may be secured from use by others as trade secrets. Prior to the release of a much anticipated game to the public, the entire contents of the game may be maintained as a trade secret to build interest and thwart simultaneous-release knockoffs.

Dealing with the Changing Law in the Video Game Industry

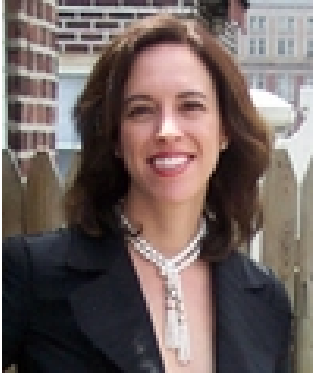
Neil Smith, Ropers, Majeski, Kohn, Bently PC

Sharon Zezima, Electronic Arts

Shawn Foust, formerly of Booyah

Notes

[illegible]



Susan Scafidi

Susan Scafidi is the first U.S. law professor ever to offer a course in Fashion Law, and she is internationally recognized for her leadership in establishing the field. She has testified regarding the proposed extension of legal protection to fashion designs and continues to work actively with members of Congress and the fashion industry on this and other issues. Her

additional areas of expertise encompass property, intellectual property, cultural property, international law, trusts & estates, and legal history.

Professor Scafidi founded and directs the nonprofit Fashion Law Institute, which is located at Fordham Law School and was established with the generous support and advice of the Council of Fashion Designers of America and its president, Diane von Furstenberg. Prior to teaching at Fordham, Professor Scafidi was a tenured member of both the law and history faculties at SMU, and she has taught at a number of other law schools, including Yale, Georgetown, Brooklyn, and Cardozo. After graduating from Duke University and the Yale Law School, she pursued graduate study in legal history at Berkeley and the University of Chicago and clerked for a distinguished legal historian, Judge Morris S. Arnold of the Eighth Circuit Court of Appeals.

Professor Scafidi is the author of *Who Owns Culture? Appropriation and Authenticity in American Law* (2005), as well as numerous articles in the areas of intellectual property, cultural property, and of course fashion law. She also created and maintains the first website on fashion law, *Counterfeit Chic*, which has been recognized as one of the ABA's top 100 legal blogs.

Battle of the saints: YSL accused of stealing Louboutin's sole

By [Susan Scafidì](#) on April 8, 2011

In a Lenten [lawsuit](#) filed yesterday, Christian Louboutin has accused the house of Yves Saint Laurent of tarnishing the late designer's halo by copying Louboutin's trademarked red soles.

But is this a cardinal (red) sin, legally speaking, or another fling with the [aesthetic functionality](#) defense that Counterfeit Chic has [previously surmised](#) may be a loophole protecting other apparent red-on-red ripoffs?



YSL sandal on [Bluefly.com](#).

In several of its styles, YSL created not only red shoes with red outsoles, but also purple with purple soles and black with black soles. Will the company claim that the offending red sole was a non-trademark use chosen simply to match the upper portion of the shoe, thus transubstantiating the otherwise trademarked red sole into a defensible design detail? With two such successful and storied luxury brands battling it out, we may finally learn whether or not this legal doctrine will be hurled from high heel heaven.

Little-used law aside, however, Counterfeit Chic is somewhat surprised that designers for the distinguished house of YSL would walk where angels fear to tread and hopes that Christian isn't thrown to the legal lions.

Available at <http://counterfeitchic.com/2011/04/battle-of-the-saints-ysl-accued-of-copying-louboutins-sole.html>.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
CHRISTIAN LOUBOUTIN S.A. et al., :

Plaintiffs, :

- against - :

YVES SAINT LAURENT AMERICA, INC. :
et al., :

Defendants. :
-----X

VICTOR MARRERO, United States District Judge.

Plaintiffs Christian Louboutin S.A., Christian Louboutin, L.L.C. and Christian Louboutin individually (collectively, "Louboutin") brought this action against Yves Saint Laurent America, Inc., Yves Saint Laurent America Holding, Inc., Yves Saint Laurent S.A.S., Yves Saint Laurent, John and Jane Does A-Z and unidentified XYZ Companies 1-10 (collectively, "YSL"), asserting various claims under the Lanham Act, 15 U.S.C. § 1051 et seq. and New York law. YSL's opposition asserts various counterclaims seeking cancellation of Louboutin's trademark registration and damages. Louboutin now moves under Rule 65 of the Federal Rules of Civil Procedure for a preliminary injunction. For the reasons discussed below, Louboutin's motion is DENIED.

USDC SDNY

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11 Civ. 2381 (VM)

DECISION AND ORDER

ORIGINAL

I. BACKGROUND¹

Sometime around 1992 designer Christian Louboutin had a bright idea. He began coloring glossy vivid red the outsoles of his high fashion women's shoes. Whether inspired by a stroke of original genius or, as competitor YSL retorts, copied from King Louis XIV's red-heeled dancing shoes, or Dorothy's famous ruby slippers in "The Wizard of Oz," or other styles long available in the contemporary market -- including those sold by YSL -- Christian Louboutin deviated from industry custom. In his own words, this diversion was meant to give his line of shoes "energy," a purpose for which he chose a shade of red because he regarded it as "engaging, flirtatious, memorable and the color of passion," as well as "sexy." (Mourot Decl. Ex. C (Docket No. 22-7) ¶ 3; id. (Docket No. 22-12) at 4.) In pursuit of the red sole's virtues, Louboutin invested substantial amounts of capital building a reputation and good will, as well as promoting and

¹ The factual summary below is derived from the following documents: Plaintiff's Amended Memorandum of Law in Support of Application for a Preliminary Injunction, dated June 21, 2011, and any exhibits and declarations attached thereto; Defendants/Counterclaim-Plaintiffs' Memorandum of Law in Opposition to Motion for Preliminary Injunction, dated July 12, 2011, and any exhibits and declarations attached thereto; and Plaintiff's Reply Memorandum of Law in Support of Application for a Preliminary Injunction, dated July 19, 2011, and any exhibits and declarations attached thereto. The Court will make no further citations to these sources unless otherwise specified.

protecting Louboutin's claim to exclusive ownership of the mark as its signature in women's high fashion footwear.

Over the years, the high fashion industry responded. Christian Louboutin's bold divergence from the worn path paid its dividends. Louboutin succeeded to the point where, in the high-stakes commercial markets and social circles in which these things matter a great deal, the red outsole became closely associated with Louboutin. Leading designers have said it, including YSL, however begrudgingly. Film stars and other A-list notables equally pay homage, at prices that for some styles command as much as \$1,000 a pair. And even at that expense, a respectable niche of consumers wears the brand, to the tune of about 240,000 pairs a year sold in the United States, with revenues of approximately \$135 million projected for 2011. When Hollywood starlets cross red carpets and high fashion models strut down runways, and heads turn and eyes drop to the celebrities' feet, lacquered red outsoles on high-heeled, black shoes flaunt a glamorous statement that pops out at once. For those in the know, cognitive bulbs instantly flash to associate: "Louboutin." This recognition is acknowledged, for instance, at least by a

clientele of the well-heeled, in the words of a lyrical stylist of modern times:

Boy, watch me walk it out
. . . Walk this right up out the house
I'm throwin' on my Louboutins . . .²

And as an equally marked sign of Louboutin's success, competitors and black market infringers, while denying any offense, mimic and market its red sole fashion.

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

The law, like the marketplace, applauds innovators. It rewards the trend-setters, the market-makers, the path-finding non-conformists who march to the beat of their own drums. To foster such creativity, statutes and common law rules accord to inspired pioneers various means of recompense and incentives. Through grants of patents and trademark registrations, the law protects ingenuity and penalizes unfair competition. In this case, the United

² Jennifer Lopez, Louboutins (Epic Records 2009).

States Patent and Trademark Office ("PTO"), perhaps swayed in part by the widespread recognition the red sole had already attained, invested Louboutin's brand with legal distinction in 2008 by approving registration of the mark. The issue now before the Court is whether, despite Christian Louboutin's acknowledged innovation and the broad association of the high fashion red outsole with him as its source, trademark protection should not have been granted to that registration.

The PTO awarded a trademark with Registration No. 3,361,597 (the "Red Sole Mark") to Louboutin on January 1, 2008. The certificate of registration includes both a verbal description of the mark and a line drawing intended to show placement of the mark as indicated below:



The verbal description reads:

FOR: WOMEN'S HIGH FASHION DESIGNER FOOTWEAR, IN CLASS 25 (U.S. CLS. 22 AND 39).

FIRST USE 0-0-1992; IN COMMERCE 0-0-1992.

THE COLOR(S) RED IS/ARE CLAIMED AS A FEATURE OF THE MARK.

THE MARK CONSISTS OF A LACQUERED RED SOLE ON FOOTWEAR. THE DOTTED LINES ARE NOT PART OF THE MARK BUT ARE INTENDED ONLY TO SHOW PLACEMENT OF THE MARK.

(Mourot Decl. Ex. A (Docket No. 22-1).)

Louboutin approached YSL in January 2011 to discuss several models of shoes offered by YSL that Louboutin claims use the same or a confusingly similar shade of red as that protected by the Red Sole Mark. YSL, a fashion house founded in 1962, produces seasonal collections that include footwear. According to YSL, red outsoles have appeared occasionally in YSL collections dating back to the 1970s. Louboutin takes issue with four shoes from YSL's Cruise³ 2011 collection: the Tribute, Tribtoo, Palais and Woodstock models. Each of the challenged models bears a bright red outsole as part of a monochromatic design in which the shoe is entirely red (or entirely blue, or entirely yellow, etc.). An all-red version of the Tribute previously appeared in YSL's Cruise 2008 collection.

After YSL refused to withdraw the challenged models from the market, Louboutin filed this action asserting claims under the Lanham Act for (1) trademark infringement

³ "Cruise" in this context refers to the fashion season between winter and spring, which is sold in stores beginning in November of each year. (Vaissié Decl. (Docket No. 34) ¶ 11.)

and counterfeiting, (2) false designation of origin and unfair competition and (3) trademark dilution, as well as state law claims for (4) trademark infringement, (5) trademark dilution, (6) unfair competition and (7) unlawful deceptive acts and practices. In response, YSL asserted counterclaims seeking (1) cancellation of the Red Sole Mark on the grounds that it is (a) not distinctive, (b) ornamental, (c) functional, and (d) was secured by fraud on the PTO, as well as (2) damages for (a) tortious interference with business relations and (b) unfair competition.

Louboutin now seeks a preliminary injunction preventing YSL from marketing during the pendency of this action any shoes that use the same or a confusingly similar shade of red as that protected by the Red Sole Mark. Hence, this case poses a Whitmanesque question. Paraphrased for adaptation to the heuristics of the law, it could be framed like this. A lawyer said *What is the red on the outsole of a woman's shoe?* and fetching it to court with full hands asks the judge to rule it is

[A] gift and remembrancer designedly dropt,
Bearing the owner's name someway in the corners, that we may
see and remark, and say *Whose?*⁴

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

II. DISCUSSION

To obtain a preliminary injunction, Louboutin must establish "(1) irreparable harm and (2) either (a) a likelihood of success on the merits, or (b) sufficiently serious questions going to the merits of its claims to make them fair ground for litigation, plus a balance of the hardships tipping decidedly in [its favor]." Monserate v.

⁴ Walt Whitman, Leaves of Grass 195 (Karen Karbiener ed., 2004). The text from which this passage derives (italics in the original) reads:

A child said *What is the grass?* fetching it to me with full hands
. . . .
. . . I guess it is the handkerchief of the Lord,
A scented gift and remembrancer designedly dropt,
Bearing the owner's name someway in the corners, that we may
see and remark and say *Whose?*

N.Y. State Senate, 599 F.3d 148, 154 (2d Cir. 2010) (emphasis added); Zino Davidoff SA v. CVS Corp., 571 F.3d 238, 242 (2d Cir. 2009).

A. TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION UNDER THE LANHAM ACT

To succeed on its claims for trademark infringement and unfair competition under the Lanham Act, Louboutin must demonstrate that (1) its Red Sole Mark merits protection and (2) YSL's use of the same or a sufficiently similar mark is likely to cause consumer confusion as to the origin or sponsorship of YSL's shoes. See Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 114 (2d Cir. 2009); Louis Vuitton Malletier v. Dooney & Burke, Inc., 454 F.3d 108, 115 (2d Cir. 2006).

The first question, therefore, is whether Louboutin's Red Sole Mark merits protection. The Lanham Act permits the registration of a "trademark," which it defines as

any word, name, symbol, or device, or any combination thereof . . . [,] which a person has a bona fide intention to use in commerce and applies to register . . . , to identify and distinguish his or her goods . . . from those manufactured and sold by others and to indicate the source of the goods.

15 U.S.C. § 1127. Louboutin's certificate of registration of the Red Sole Mark gives rise to a statutory presumption that the mark is valid. See 15 U.S.C. § 1057(b); Lane

Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc., 192 F.3d 337, 345 (2d Cir. 1999). However, that presumption of validity may be rebutted. See Lane Capital Mgmt., 192 F.3d at 345.

Color alone "sometimes" may be protectable as a trademark, "where that color has attained 'secondary meaning' and therefore identifies and distinguishes a particular brand (and thus indicates its 'source')." Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 161, 163 (1995) (emphasis added); Louis Vuitton Malletier, 454 F.3d at 115. Conversely, color may not be protectable where it is "functional," meaning that the color is essential to the use or purpose of the product, or affects the cost or quality of the product. Qualitex, 514 U.S. at 165. In short, color can meet the legal requirements for a trademark if it "act[s] as a symbol that distinguishes a firm's goods and identifies their source, without serving any other significant function." Id. at 166 (emphasis added). As defined in the Restatement (Third) of Unfair Competition, a design is functional if its "aesthetic value" is able to "confe[r] a significant benefit that cannot practically be duplicated by the use of alternative

designs." Id. at 170 (quoting Restatement (Third) of Unfair Competition § 17 cmt. c (1993)).

Applying these principles, courts have approved the use of a single color as a trademark for industrial products. See, e.g., id. at 160 (green-gold for pads used on dry cleaning presses); In re Owens-Corning Fiberglas Corp., 774 F.2d 1116, 1123 (Fed. Cir. 1985) (pink for fibrous glass insulation). In some industrial markets the design, shape and general composition of the goods are relatively uniform, so as to conform to industry-wide standards. Steel bolts, fiber glass wall insulation and cleaning press pads, for example, are what they are regardless of which manufacturer produces them. The application of color to the product can be isolated to a single purpose: to change the article's external appearance so as to distinguish one source from another.

But, whatever commercial purposes may support extending trademark protection to a single color for industrial goods do not easily fit the unique characteristics and needs -- the creativity, aesthetics, taste, and seasonal change -- that define production of articles of fashion. That distinction may be readily visualized through an image of the incongruity presented by

use of color in other industries in contrast to fashion. Can one imagine industrial models sashaying down the runways in displays of the designs and shades of the season's collections of wall insulation? The difference for Lanham Act purposes, as elaborated below, is that in fashion markets color serves not solely to identify sponsorship or source, but is used in designs primarily to advance expressive, ornamental and aesthetic purposes.

In the fashion industry, the Lanham Act has been upheld to permit the registration of the use of color in a trademark, but only in distinct patterns or combinations of shades that manifest a conscious effort to design a uniquely identifiable mark embedded in the goods. See, e.g., Louis Vuitton Malletier, 454 F.3d at 116 ("LV" monogram combined in a pattern of rows with 33 bright colors); Burberry Ltd. v. Euro Moda, Inc., No. 08 Civ. 5781, 2009 WL 1675080, at *5 (S.D.N.Y. June 10, 2009) (registered Burberry check pattern entitled to statutory presumption of validity). In these cases the courts clearly point out that the approved trademark applies to color not as an abstract concept, or to a specific single shade, but to the arrangement of different colors and thus their synergy to create a distinct recognizable image

purposely intended to identify a source while at the same time serving as an expressive, ornamental or decorative concept.

The narrow question presented here is whether the Lanham Act extends protection to a trademark composed of a single color used as an expressive and defining quality of an article of wear produced in the fashion industry. In other words, the Court must decide whether there is something unique about the fashion world that militates against extending trademark protection to a single color, although such registrations have sometimes been upheld in other industries.

To answer this question, and recognizing the fanciful business from which this lawsuit arises, the Court begins with a fanciful hypothetical. Suppose that Monet, having just painted his water lilies, encounters a legal challenge from Picasso, who seeks by injunction to bar display or sale of those works. In his complaint, Picasso alleges that Monet, in depicting the color of water, used a distinctive indigo that Picasso claims was the same or too close to the exquisite shade that Picasso declares is "the color of melancholy," the hallmark of his Blue Period, and is the one Picasso applied in his images of water in

paintings of that collection. By virtue of his longstanding prior use of that unique tinge of blue in context, affirmed by its registration by the trademark office, Picasso asserts exclusive ownership of the specific tone to portray that color of water in canvas painting. Should a court grant Picasso relief?

Putting aside the thousand technicalities lawyers would conjure and quibble about in arguing why the imagined case is inapposite or distinguishable from the real controversy before the Court, the example contains some analytic parallels perhaps helpful in resolving this actual dispute.

Painting and fashion design stem from related creative stock, and thus share many central features. Both find common ground and goals in two vital fields of human endeavor, art and commerce. For the ultimate ends they serve in these spheres, both integrally depend on creativity. Fashion designers and painters both regard themselves, and others regard them, as being engaged in labors for which artistic talent, as well as personal expression as a means to channel it, are vital. Moreover, the items generated by both painters and fashion designers acquire commercial value as they gain recognition.

Louboutin himself would probably feel his sense of *honneur* wounded if he were considered merely a cobbler, rather than an *artiste*. But, as a matter differing only in degrees and order of priority, Louboutin and Picasso both may also be properly labeled as men of commerce, each in his particular market.

The creative energies of painter and fashion designer are devoted to appeal to the same sense in the beholder and wearer: aesthetics. Both strive to please patrons and markets by creating objects that not only serve a commercial purpose but also possess ornamental beauty (subjectively perceived and defined). Quintessentially, both painting and fashion embrace matters of taste. In consequence, they share vicissitudes natural to any matter of palate or palette. They change as the seasons change. Styles, features, whole lines come and go with passing likes and dislikes, to be replaced by new articles with origins from regions where genius charts a different course. Items fall in and out of fashion in all nuances of the word, conveying not only currency but seasonality and transience. Perhaps capturing something of that relative inconstancy, painting and fashion share a vocabulary. They speak in ethereal terms like fanciful, inventive,

eccentric, whimsical, visionary, and, to quote Louboutin again, "engaging, flirtatious" (Mourot Decl. Ex. C (Docket No. 22-7) ¶ 3) -- all words which also have in common an aim to evoke and affect things of the moment.

These creative means also share a dependence on color as an indispensable medium. Color constitutes a critical attribute of the goods each form designs. Alone, in combinations, in harmonious or even incongruous blends, in varying patterns and shapes, the whole spectrum of light serves as a primal ingredient without which neither painting nor fashion design as expressive and ornamental art would flourish. For, color depicts elemental properties. As it projects expression of the artist's mental world, it captures the mutability, the fancy, the moods of the visual world, in both spheres working as a means to execute singular concepts born of imagination for which not just any other shade will do. Hence, color in this context plays a unique role. It is a feature purposely given to an article of art or design to depict the idea as the creator conceived it, and to evoke an effect intended. In ornamenting, it draws attention to itself, and to the object for which its tone forms a distinct expressive feature. From these perspectives,

color in turn elementally performs a creative function; it aims to please or be useful, not to identify and advertise a commercial source.

But, as an offshoot of color, perhaps most crucial among the features painting and fashion design share as commerce and art, are two interrelated qualities that both creative fields depend upon to thrive, and indeed to survive: artistic freedom and fair competition. In both forms, the greatest range for creative outlet exists with its highest, most vibrant and all-encompassing energies where every pigment of the spectrum is freely available for the creator to apply, where every painter and designer in producing artful works enjoys equal freedom to pick and choose color from every streak of the rainbow. The contrary also holds. Placing off limit signs on any given chromatic band by allowing one artist or designer to appropriate an entire shade and hang an ambiguous threatening cloud over a swath of other neighboring hues, thus delimiting zones where other imaginations may not veer or wander, would unduly hinder not just commerce and competition, but art as well.

The thrust and implications of the Court's analogy are clear. No one would argue that a painter should be barred

from employing a color intended to convey a basic concept because another painter, while using that shade as an expressive feature of a similar work, also staked out a claim to it as a trademark in that context. If as a principle this proposition holds as applied to high art, it should extend with equal force to high fashion. The law should not countenance restraints that would interfere with creativity and stifle competition by one designer, while granting another a monopoly invested with the right to exclude use of an ornamental or functional medium necessary for freest and most productive artistic expression by all engaged in the same enterprise.

The question of whether the use of a single color in the fashion industry can constitute a valid mark necessarily raises another one: whether a single color may be "functional" in that context. "The functionality doctrine . . . forbids the use of a product's feature as a trademark where doing so will put a competitor at a significant disadvantage because the feature is "'essential to the use or purpose of the article' or 'affects [its] cost or quality.'" Qualitex, 514 U.S. at 169 (quoting Inwood Labs., Inc. v. Ives, 456 U.S. 844, 850 n.10 (1982)). Use of a single color has been held functional, and

therefore not protectable under the Lanham Act, in other contexts. See, e.g., Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527, 1533 (Fed. Cir. 1994) (black for marine outboard engines held functional because it is "compatib[le] with a wide variety of boat colors and [can] make objects appear smaller"); Deere & Co. v. Farmhand, Inc., 560 F. Supp. 85, 98 (S.D. Iowa 1982) (green for farm equipment held functional because farmers "prefer to match their loaders to their tractor"), aff'd, 721 F.2d 253 (8th Cir. 1983). These cases illustrate the principle that "[a]esthetic appeal can be functional; often we value products for their looks." Eco Mfg. LLC v. Honeywell Int'l Inc., 357 F.3d 649, 653 (7th Cir. 2003) (emphasis in original).

Christian Louboutin himself has acknowledged significant, nontrademark functions for choosing red for his outsoles. As already quoted above, he stated that he chose the color to give his shoe styles "energy" and because it is "engaging." (Mourot Decl. Ex. C (Docket No. 22-7) ¶ 3.) He has also said that red is "sexy" and "attracts men to the women who wear my shoes." (Id.; Mourot Decl. Ex. C (Docket No. 22-12) at 4.) YSL, for its part, has used red to evoke Chinese design elements. For

the Cruise 2011 collection, YSL employed the monochromatic style that it indicates is part of the brand's history, meaning that each of the challenged shoe models is entirely red. The shoes also coordinate with clothing items offered in the same collection. Color serves an additional significant nontrademark function: "to satisfy the 'noble instinct for giving the right touch of beauty to common and necessary things.'" Qualitex, 514 U.S. at 170 (quoting G. Chesterton, Simplicity and Tolstoy 61 (1912)). The outsole of a shoe is, almost literally, a pedestrian thing. Yet, coated in a bright and unexpected color, the outsole becomes decorative, an object of beauty. To attract, to reference, to stand out, to blend in, to beautify, to endow with sex appeal -- all comprise nontrademark functions of color in fashion.

The red outsole also affects the cost of the shoe, although perhaps not in the way Qualitex envisioned. Arguably, adding the red lacquered finish to a plain raw leather sole is more expensive, not less, than producing shoes otherwise identical but without that extra ornamental finish. (See Mourot Decl. Ex. C (Docket No. 22-7) ¶ 3.) Yet, for high fashion designers such as Louboutin and YSL,

the higher cost of production is desirable because it makes the final creation that much more exclusive, and costly.

Because the use of red outsoles serves nontrademark functions other than as a source identifier, and affects the cost and quality of the shoe, the Court must examine whether granting trademark rights for Louboutin's use of the color red as a brand would "significantly hinder competition," that is, "permit one competitor (or a group) to interfere with legitimate (nontrademark-related) competition through actual or potential exclusive use of an important product ingredient." Qualitex, 514 U.S. at 170. Here, Christian Louboutin singularly claimed "the color red" as a feature of the mark, and he registered a "lacquered red sole" for "women's high fashion designer footwear." (Mourot Decl. Ex. A (Docket No. 22-1).) Both components of the mark pose serious legal concerns as well as threats to legitimate competition in the designer shoe market.

Louboutin's claim to "the color red" is, without some limitation, overly broad and inconsistent with the scheme of trademark registration established by the Lanham Act. Awarding one participant in the designer shoe market a monopoly on the color red would impermissibly hinder

competition among other participants. YSL has various reasons for seeking to use red on its outsoles -- for example, to reference traditional Chinese lacquer ware, to create a monochromatic shoe, and to create a cohesive look consisting of color-coordinating shoes and garments. Presumably, if Louboutin were to succeed on its claim of trademark infringement, YSL and other designers would be prohibited from achieving those stylistic goals. In this respect, Louboutin's ownership claim to a red outsole would hinder competition not only in high fashion shoes, but potentially in the markets for other women's wear articles as well. Designers of dresses, coats, bags, hats and gloves who may conceive a red shade for those articles with matching monochromatic shoes would face the shadow or reality of litigation in choosing bands of red to give expression to their ideas.

The effects of this specter -- the uncertainty and apprehension it generates -- are especially acute in the fashion industry because of its grounding on the creative elements discussed above. Fashion is dependent on colors. It is subject to temporal change. It is susceptible to taste, to idiosyncrasies and whims and moods, both of designers and consumers. Thus, at any moment when the

market and the deities of design, by whatever fancy they decide those things, proclaim that "passion" is in for a given season and must be expressed in reds in the year's various collections, Louboutin's claim would cast a red cloud over the whole industry, cramping what other designers could do, while allowing Louboutin to paint with a full palette. Louboutin would thus be able to market a total outfit in his red, while other designers would not. And this impediment would apply not just with respect to Louboutin's registered "the color red," but, on its theory as pressed in this litigation, to a broader band of various other shades of red which would be available to Louboutin but which it could bar others from using.

Louboutin asserts that it is the color depicted in the registration's drawing, and not the verbal reference to the "color red," that controls. In its reply brief, Louboutin identified that color for the first time as Pantone No. 18-1663 TP, or "Chinese Red," part of the PANTONE TEXTILE color system.⁵ Yet that identification raises additional issues. Louboutin cannot amend or augment its PTO registration by representations it makes in this

⁵ The TEXTILE color system assists designers in selecting and specifying color to be used in the manufacture of textiles and apparel. In 2003, the TEXTILE color system was replaced with the FASHION + HOME color system, and the suffix of each color was changed from "TP" to "TPX."

litigation. Accordingly, the color that governs here remains, as Louboutin points out, the shade of red depicted in the registration's drawing. As Louboutin concedes, however, because of varying absorption and reflection qualities of the material to which it is applied, a color as it manifests on paper would appear quite different -- some lighter, some darker hues -- on other mediums such as leather and cloth. A competitor examining the Louboutin registration drawing for guidance as to what color it applies to may therefore remain unable to determine precisely which shade or shades it encompasses and which others are available for it to safely use.

Moreover, YSL has represented to the Court that the precise color of the styles Louboutin challenges is not Chinese Red, and that YSL has never used Pantone No. 18-1663 TP on its outsoles. Undaunted, Louboutin insists that YSL has nonetheless infringed the Red Sole Mark because its challenged shoe models use a shade confusingly too close to Chinese Red. Yet Louboutin cannot provide a satisfactory explanation as to why those models -- but not others previously made by YSL that also bear a red outsole -- are confusingly similar to its claimed mark. The larger question this conflict poses is how close to a protected

single color used in an item of fashion can the next competitor approach without encountering legal challenge from the first claimant of a shade as a trademark.

In response to this legal dilemma, Louboutin proposes that the Court simply draw a designated range both above and below the borderlines of Pantone No. 18-1663 TP, and declare all other stripes of red within that zone forbidden to competitors. Its suggested metric references Olay Co., Inc. v. Cococare Prods., Inc. See 218 U.S.P.Q. 1028, 1045 (S.D.N.Y. 1983) (issuing injunction requiring infringer to use "a discernibly different pink, at least 40% different in terms of [Pantone Matching System] tones" from that used by registrant). Louboutin's proposal would have the effect of appropriating more than a dozen shades of red -- and perhaps other colors as well⁶ -- and goes far beyond the injunction upon which Louboutin relies. In Olay, the protectable interest was not "in the color pink alone," but

⁶ Louboutin's suggestion that the Court require other designers to stay some percentage away from Chinese Red raises the question: some percentage of what? Chinese Red, like any color, is made up of a certain combination of other colors. Based on the Court's research, this combination can be expressed in various metrics, such as a combination of RGB (red, green, blue) or CMYK (cyan, magenta, yellow, black), or HSB (hue, saturation, brightness). See Mark Galer & Les Horvat, Digital Imaging: Essential Skills 3-5, 7 (3d ed. 2005). In Adobe Color Picker, see id. at 6, a variance of just 10 percent in any of these inputs, in either direction, yields more than a dozen shades visibly different from Chinese Red, in some cases so different as to appear to the casual observer pink on one side of Chinese Red or orange on the other.

rather in the color in combination with graphics and packaging. See id. Here, Louboutin's claimed mark is, in essence, the color red alone when used on the soles of "high fashion" footwear. (Mourot Decl. Ex. A (Docket No. 22-1).) Moreover, although Louboutin attempts in these proceedings to limit the scope of the mark to high-heeled footwear, no such limitation appears on the face of the registration. (See id.)

The other options Louboutin's claim would leave other competitors are no more practical or palatable. As YSL endeavored to do during a deposition of Christian Louboutin in connection with this action, other designers could seek advance clearance from Christian Louboutin himself, spreading the fan of shades before him to see at what tint his red light changes to amber.⁷ Or they could go to court and ask for declaratory relief holding that a proposed red sole is not close enough to Chinese Red to infringe Louboutin's mark, thereby turning the judge into an arbiter of fashion design. Though Qualitex points out that in trademark disputes courts routinely are called upon to

⁷ In response to YSL's inquiry as to whether a particular YSL shoe infringes the Red Sole Mark, Christian Louboutin responded at his deposition that he "will think about it." (Hamid Decl. Ex. A (Docket No. 32-1) at 60:11-14.) In response to YSL's inquiry as to whether Christian Louboutin would "object to any shade of red on a sole," counsel for Christian Louboutin instructed him not to answer. (Id. at 46:4-18 (emphasis added).)

decide difficult questions involving shades of differences in words or phrases or symbols, the commercial contexts in which the application of those judgments generally has arisen has not entailed use of a single color in the fashion industry, where distinctions in designs and ideas conveyed by single colors represent not just matters of degree but much finer qualitative and aesthetic calls.

Because Louboutin's registration specifies that it covers women's high fashion "designer footwear," the description is broad enough to encompass all styles of shoes, not just the high-heeled model illustrated in the PTO registration. Louboutin's argument that it would not pursue a claim of infringement based upon red outsoles on, for example, flat shoes, wedges or kitten heels, is cold comfort to competing designers. In fact, in one case in Paris, Louboutin sought to enforce its French trademark for a "shoe sole in the color red" against the company Zara France, S.A.R.L., which is not a high-end retailer. (See Hamid Decl. Ex. G (Docket No. 32-2).)

Another dimension of uncertainty the Red Sole Mark creates pertains to its coating. Louboutin's claim extends not just to the base of "the color red," but also to its gloss. In the registration, it is described more

specifically as "lacquered" red. Thus, it is not clear, for example, whether the protection of Louboutin's trademark would apply to a "Chinese Red" outsole that was not shiny, but entirely flat. In fact, that issue has surfaced in this case. YSL asserts that the color tone of some of the shoes Louboutin challenges is not lacquered at all but a flat red. By bringing this litigation, Louboutin is of course calling upon the Court to pass judgment as well on the degree of buffing that a competitor may give to a Chinese Red outsole before it begins to infringe on Louboutin's rights.

Finally, conferring legal recognition on Louboutin's claim raises the specter of fashion wars. If Louboutin owns Chinese Red for the outsole of high fashion women's shoes, another designer can just as well stake out a claim for exclusive use of another shade of red, or indeed even Louboutin's color, for the insole, while yet another could, like the world colonizers of eras past dividing conquered territories and markets, plant its flag on the entire heel for its Chinese Red. And who is to stop YSL, which declares it pioneered the monochrome shoe design, from trumping the whole footwear design industry by asserting rights to the single color shoe concept in all shades? And

these imperial color wars in women's high fashion footwear would represent only the opening forays. What about hostile color grabs in the markets for low-fashion shoes? Or for sports shoes? Or expanding beyond footwear, what about inner linings, collars, or buttons on coats, jackets, or dresses in both women's and men's apparel?

In sum, the Court cannot conceive that the Lanham Act could serve as the source of the broad spectrum of absurdities that would follow recognition of a trademark for the use of a single color for fashion items. Because the Court has serious doubts that Louboutin possesses a protectable mark, the Court finds that Louboutin cannot establish a likelihood that it will succeed on its claims for trademark infringement and unfair competition under the Lanham Act. Thus there is no warrant to grant injunctive relief on those claims.

B. OTHER CLAIMS

Louboutin also seeks preliminary injunctive relief on its claims for (1) trademark infringement under state law; (2) trademark dilution under federal and state law; and (3) unfair competition under state law. None of these claims can succeed absent a protectable mark. See Pirone v. MacMillan, Inc., 894 F.3d 579, 581-82 (2d Cir. 1990)

(trademark infringement under state law); Maharishi Hardy Blechman Ltd. v. Abercrombie & Fitch Co., 292 F. Supp. 2d 535, 552 (S.D.N.Y. 2003) (trademark dilution under federal and state law); Alzheimer's Found. of Am., Inc. v. Alzheimer's Disease & Related Disorders Ass'n, Inc., --- F. Supp. 2d ---, Nos. 10 Civ. 3314, 10 Civ. 5013, 2011 WL 2078227, at *3 (S.D.N.Y. May 25, 2011) (unfair competition under state law).⁸ Because Louboutin cannot demonstrate a sufficient likelihood that its Red Sole Mark merits protection, the Court need not consider whether YSL's allegedly infringing shoes are likely to cause consumer confusion, nor whether Louboutin is likely to suffer irreparable harm absent an injunction.

C. COUNTERCLAIMS

YSL has asserted counterclaims for cancellation of the Red Sole Mark and for damages. If a motion for summary judgment were brought, the Court's conclusion that the Red Sole Mark is ornamental and functional in its fashion industry market would compel it to grant partial summary

⁸ The Court notes that Louboutin's claim for unlawful deceptive acts and practices, although not a basis for its motion for a preliminary injunction, similarly would fail in this context. See R.D. Corp. v. Jewalex New York Ltd., --- F. Supp. 2d ---, No. 07 Civ. 13, 2011 WL 1742111, at *5 (S.D.N.Y. May 4, 2011) (dismissing claim for unlawful deceptive acts and practices under New York General Business Law § 349 because it arose out of a dispute between competitors involving trademark infringement).

judgment in favor of YSL on YSL's counterclaims seeking cancellation of Louboutin's mark. However, no motion for summary judgment is before the Court, and discovery has not formally closed. Consequently, Louboutin is entitled to certain "procedural safeguards" before the Court may sua sponte dispose of its claims. See First Fin. Ins. Co. v. Allstate Interior Demolition Corp., 193 F.3d 109, 115 (2d Cir. 1999). While, in the Court's view, the ample record developed in connection with the preliminary injunction briefing obviates the need for further discovery, the parties must be provided notice and a reasonable time to respond before the Court may consider whether judgment as a matter of law is warranted. See Fed. R. Civ. P. 56(f).

Summary judgment as to YSL's counterclaims for cancellation of the mark would not dispose of the entire case, because YSL's counterclaims for tortious interference with business relations and unfair competition would remain. Nevertheless, the Court recognizes that the validity of Louboutin's Red Sole Mark is the heart of this litigation, and following the final resolution of that issue in this forum would be the most appropriate time for Louboutin to take an appeal to the United States Court of Appeals for the Second Circuit. See Fed. R. Civ. P. 54(b);

see, e.g., Mech. Plastics v. Titan Techs., Inc., 823 F. Supp. 1137, 1151 (S.D.N.Y. 1993).

III. ORDER

For the reasons stated above, it is hereby

ORDERED that the motion (Docket No. 17) of plaintiffs Christian Louboutin S.A., Christian Louboutin, L.L.C. and Christian Louboutin individually (collectively, "Louboutin") for a preliminary injunction is DENIED; and it is further

ORDERED that counsel for all parties are directed to appear for a case management conference on August 17, 2011 at 2:00 p.m., at which Louboutin shall show cause why the record of this action as it now exists should not be converted into a motion for partial summary judgment cancelling Louboutin's trademark at issue here for the reasons stated in the Court's decision above.

SO ORDERED.

Dated: New York, New York
10 August 2011

A handwritten signature in black ink, appearing to read 'Victor Marrero', written over a horizontal line.

VICTOR MARRERO
U.S.D.J.

08/15/2011 06:20:00 PM EST

Louboutin Blue over Red Sole Decision Favoring YSL

By [Susan Scafidi](#)

Christian Louboutin has just suffered a slip in his previously surefooted journey to protect his trademarked red soles, in this case against the house of Yves Saint Laurent.

In an effort to stanch the flow of red dye onto the soles of competing YSL shoes, Louboutin not only [filed a lawsuit](#) back in April but also asked the court for a preliminary injunction against unauthorized use of his trademarked red soles. YSL fought back with references to red soles from Louis XIV's heels to Dorothy's ruby slippers to examples from its own archives, claiming that no cobbler can corner the market on red -- and that the Louboutin trademark is thus invalid.

[Last week's decision](#) from Judge Victor Marrero, while merely the denial of a preliminary injunction, fell decidedly on the side of YSL -- though the ultimate outcome of the case remains uncertain. And even were Louboutin's trademark to be canceled in the U.S., the red soles were declared "distinctive" and thus eligible for protection in Europe just two months ago.

More significant from the perspective of fashion and intellectual property law is the analogy that guided the court's decision. Fashion designers often rely on trademark law for what little legal protection they have in the U.S., as patents are typically unattainable or impractical and copyright law specifically excludes fashion designs. Useful articles are categorically excluded from copyright protection, and the Copyright Office has consistently taken the position that articles of apparel are useful.

Judge Marrero, however, hung his order on the hypothetical example of Picasso attempting to prevent Monet from using the color blue in the Water Lilies series because the color had been Picasso's hallmark during his Blue Period. Unthinkable from an art history perspective, of course. The court acknowledges that no analogy is perfect -- but then goes on to claim that both painting and fashion design exist in the overlapping spheres of art and commerce, and that neither is well served by individual monopolies on color.



Picasso, The Old Guitarist; Monet, Water Lilies

Setting aside the troubling conflation of use of a red sole as a trademark versus use as a design element, the separation of which is the true challenge in this case, the court's analogy raises an essential question: *Why are paintings characterized as "art" and entitled to full copyright protection while fashion receives almost none?*

This question captured my attention back when I was a law student, has informed a decade and a half of thought and research -- and will [hopefully](#) one day no longer be necessary. But in the meantime, Gucci should shelter its trademarked green-red-green stripes, and Tiffany had better watch its little blue boxes' backs.

Available at <http://www.lexisnexis.com/community/copyright-trademarklaw/blogs/fashionindustrylaw/archive/2011/08/15/louboutin-blue-over-red-sole-decision-favoring-ysl.aspx>.

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Sharon A. Anolik, Esq., CIPP

Sharon A. Anolik is the Global Privacy Risk and Strategy Leader for McKesson Corporation. Currently ranked 14th on the FORTUNE 500, McKesson is a leading healthcare services and information technology company dedicated to helping its customers deliver high-quality healthcare.

Prior to joining McKesson, she served as chief privacy official and director of Corporate Compliance & Ethics for Blue Shield of California. There, Sharon was responsible for overseeing privacy, corporate compliance and ethics, records management and legislative compliance administration programs. Sharon directed all ongoing activities related to Blue Shield's Code of Business Conduct and privacy policies, oversaw compliance and privacy investigations, and was responsible for ensuring that its 4500+ person workforce was trained in privacy and compliance. Blue Shield's privacy and corporate compliance and ethics programs received external recognition and awards for innovation and effectiveness under Sharon's leadership.

Previously, Sharon was a privacy specialist in the enterprise risk management practice at Deloitte & Touche LLP, where she advised global companies on privacy issues; provided recommendations regarding compliance with state, federal and international privacy regulations; and enhanced privacy and security processes.

Sharon has also served as associate general counsel and chief privacy officer for Ask Jeeves, one of the leading providers of Web-wide search technologies of its time. As chief privacy officer, Sharon spearheaded Ask Jeeves' practice and policy-making in the areas of privacy and legislative compliance worldwide.

Prior to Ask Jeeves, Sharon served as deputy city attorney for the city and county of San Francisco, and in-house counsel for several technology companies. Sharon also served as a judicial clerk to the California Supreme Court and as an associate in private practice, where she represented numerous corporate and high-tech clients.

A published author, frequent industry speaker and certified information privacy professional, Sharon sits on the privacy advisory boards of several companies. Sharon is also an adjunct professor, teaching cyberlaw and privacy in Golden Gate University School of Law's Intellectual Property Law program.



John P. Tomaszewski

General Counsel & Corporate Secretary

TRUSTe

As TRUSTe's General Counsel and Corporate Secretary, John is responsible for all of TRUSTe's legal affairs and for providing legal and business counsel to the Chief Executive Officer and the Board of Directors. He also ensures that enforcement and compliance efforts are thorough, transparent and defensible. Prior to joining TRUSTe, John served as Chief Privacy Officer of CheckFree Corporation, the leader in electronic billing and payment. In this role as CPO, John was responsible for developing, implementing and maintaining CheckFree's privacy program.

In addition to this, John is an attorney who has focused on the development of trust models within business systems since 1999. He has prepared privacy statements, fair information practice standards, PKI policies, certification practice statements, certificate policies, end-user agreements, non-disclosure agreements, and other documents for clients in the U.S., Europe, and Asia. He has also advised client legal counsel to develop their understanding of the trust models associated with e-commerce.

John has participated in the drafting of several information security publications, including the *Digital Signature Guidelines* and the *PKI Accreditation Guidelines*, which was developed by the Information Security Committee of the American Bar Association. John has also provided input to the drafting of the Uniform Electronic Transactions Act, promulgated by the National Convention of Commissioners for Uniform State Law, and has worked with the Office of the Legal Advisor of the US Department of State regarding the UN Model Law on Electronic Commerce. He has been published several times in academic legal journals on the subject of information security, e-commerce, and the law.

Prior to his CheckFree position, John was a PKI consultant with Baltimore Technologies, and was previously engaged in the private practice of law, focusing on e-commerce and corporate matters. John graduated from St. Mary's University School of Law in San Antonio, Texas, where he held the position of Solicitations Editor of the Law Journal. He completed his undergraduate work at the University of Texas, Austin.

John Tomaszewski, TRUSTe

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Jennifer Lam

Jennifer Lam is Corporate Counsel of San Francisco-based, Zynga, Inc. (www.zynga.com), a developer and publisher of social games. Jennifer focuses on intellectual property and counsels on various matters including game development, copyright and trademark portfolio management, and intellectual property infringement.

Prior to joining Zynga, she was an associate at a small firm where she represented clients in multi-million dollar cases involving construction defects in residential property.

Jennifer is a 2008 graduate of Golden Gate University School of Law. During law school, Jennifer completed intellectual property-focused internships with Yahoo! and deCarta. She also completed internships with the San Francisco District Attorney's Office and worked as a public policy intern at the Office of the Mayor of San Francisco.

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