

Trademark Law

Case 17:
Battle of
the Bags

CASE: 17

Malletier v. Dooney & Bourke, Inc.

Trademark Infringement

OBJECTIVE

To understand the basics of trademark infringement and the concept of injunctions.

TOPICS COVERED

- Trademark
- Trademark Infringement
- Injunction

Malletier v. Dooney & Bourke, Inc.

Trademark Infringement

BACKGROUND

- Louis Vuitton Malletier (Louis Vuitton) is an old, well-established French design company. It is the maker of a famous, very expensive handbag with its trademark “toile” monogram covering the bag. The handbag in question had a multicolored “toile” mark and was part of its signature design series.
- Dooney & Bourke, a relatively new company, created a new teen-based handbag called the “It Bag” which also had a multicolored trademark “DB” monogram. The Dooney & Bourke bags were sold at a much lower price.
- Louis Vuitton asked the court for an injunction to restrain Dooney & Bourke from producing its handbag and claimed trademark infringement. Louis Vuitton argued that Dooney & Bourke was trying to capitalize on its well-known brand and its multimillion-dollar advertising campaign to confuse potential consumers with similar less expensive products.

BEFORE YOU BEGIN

What is a trademark?

A trademark is a unique word, phrase, or symbol that distinguishes a company. The essential function of a trademark is to exclusively identify the commercial source or origin of products—in other words, the manufacturer—like the Nike “swoosh” symbol.

What is trademark infringement?

Trademark infringement occurs when a party uses another’s trademark without the authorization of the owner. If the respective marks or products are not identical, the courts will assess the similarity based upon the “likelihood of confusion” by consumers as to the origination (owner) of the products or services.

What is an injunction?

An injunction is a court order that requires a party to do or refrain from doing a certain act or acts.

ISSUE BEFORE THE COURT

Whether Dooney & Bourke's use of the "It Bag" is likely to cause consumer confusion with the Louis Vuitton multi-colored toile handbag so that customers will purchase the much lower priced Dooney & Bourke handbag instead of the very expensive Louis Vuitton handbag.

THE FACTS

Louis Vuitton, a French design firm, began selling trunks and accessories in the United States in 1893. In 1896, the company created the "toile monogram," featuring entwined LV initials with three motifs: a curved diamond with a four-point star inset, its negative, and a circle with a four-leafed flower inset. Vuitton registered these trademarks with the United States Patent and Trademark Office. Having been used exclusively and continuously since 1896, these trademarks are now solely owned by Louis Vuitton.

In October 2002, Louis Vuitton launched a series of handbags featuring "new signature toile designs" created by fashion designer Marc Jacobs and Japanese artist Takashi Murakami. The new bags (Murakami handbags) updated the fashion house's famous toile marks. The fresh design—coined the Louis Vuitton monogram multi-color pattern (multicolor mark)—was a modified version of the "toile marks" printed in 33 bright colors (Murakami colors) on a white or black background.

In 2003-2004, Louis Vuitton spent over \$4 million in advertising and promoting the multicolor mark and associated handbags. In addition, the new design garnered significant media attention. CBS's *The Early Show* and publications ranging from *USA Today* and *The New York Times* to *People*, *Women's Wear Daily*, *Marie Claire*, and *Vogue* all featured the Murakami handbags. Many celebrities, including Jennifer Lopez, Reese Witherspoon, and Madonna, were photographed with the bags in tow.

As of late 2006, Louis Vitton had sold nearly 186,600 products and accessories with the multicolor mark design in the United States priced at \$150 to more than \$4,000 each, amounting to over \$186 million in sales.

The Plaintiff in a trademark case has the burden of proving that the Defendant's use of a mark has created the likelihood of confusion.

Defendant Dooney & Bourke, an American handbag designer and manufacturer, was founded in 1975. Since 2001, as part of Dooney & Bourke's "Signature" and "Mini Signature" lines, the company sold bags featuring the DB monogram of interlocking initials, a registered trademark, in a repeated pattern. The "It Bag" products sold from \$50 to \$400. As of late 2006, more than 1.76 million products had sold with sales figures over \$100 million.

In the Fall of 2002, Peter Dooney, president and chief designer of Dooney & Bourke, began collaborating with *Teen Vogue* magazine on a joint promotional project. The magazine selected a group of teenage girls to travel with Dooney to Italy in March 2003 to help develop Dooney & Bourke handbags appealing to teenagers. The group, dubbed the "It Team," was photographed looking into Vuitton's store window display featuring handbags with the multicolor marks on a white background. Another photograph taken during the trip showed the group in a factory viewing a swatch of fabric with LouisVuitton's multicolor mark on a black background.

A year later, in late July 2003, Dooney & Bourke introduced the "It Bag" collection featuring the DB monogram in an array of bright colors set against a white background. The intertwined initials, with the "D" and the "B" displayed in contrasting colors, were printed forward and backward in repeating diagonal rows. The handbags also sported a multicolor zipper, with fabric similar to that used by Vuitton, and a small pink enamel heart bearing the legend "Dooney & Bourke" on a tag hanging from the handle. In October 2003, Dooney & Bourke began selling the handbags with a black background. The "It Bag" collection now included a variety of colored backgrounds (periwinkle, bubble gum, and grape) in addition to black and white.

Louis Vuitton asked the court to stop Dooney & Bourke's sale of its new bags arguing that the bags were so similar that they were likely to cause "consumer confusion" with potential purchasers of its handbags.

The United States Patent and Trademark Office (USPTO) is the Federal agency for granting U.S. patents and registering trademarks.

Intellectual property refers to the creations of the mind: inventions, symbols, names, images, and designs used in commerce. There are three types of intellectual property: trademarks, patents, and copyrights.

Sources

The case briefing above contains excerpts and direct extractions from the sources noted below that have been combined with the author's own expert legal input. The case has been condensed and formatted from its original content for purposes of this workbook.

Malletier v. Dooney & Bourke, Inc., 525 F.Supp.2d 558 (S.D.N.Y. 2007).

United States District Court, Southern District of New York

December 13, 2007. Opinion written by the Honorable Justice Shira A. Scheindlin.

NAME _____

DATE _____

Review the Case

After reading Malletier v. Dooney & Bourke, Inc., answer the following:

1. Identify the Plaintiff(s) in the case.

2. Identify the Defendant(s) in the case.

3. Is the Plaintiff seeking money damages in this case? If not, what is Louis Vuitton asking the court to do?

4. What year did Louis Vuitton begin doing business in the United States?

5. What is the “toile” mark?

6. What year did Louis Vuitton create an updated version of the “toile” mark? How was it modified and by whom?

7. How much did Louis Vuitton spend to advertise the new multicolor design?

8. How much did Louis Vuitton earn from the sale of the new multicolor handbags and accessories?

9. In 2002, the president of Dooney & Bourke collaborated with *Teen Vogue*, a fashion magazine for teenagers. What was the purpose of the collaboration?

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Review the Case (continued)

10. *Teen Vogue* selected a group of teenage girls to travel with Dooney to Italy.

a. What was the name of the team?

b. What was the month and year they traveled?

c. Where was the "It Team" photographed?

11. What was the name of the new Dooney & Bourke handbag?

12. When was the "It Bag" collection introduced?

13. Describe the features of the Dooney & Bourke "It Bag."

14. What was the price range of the Dooney & Bourke "It Bag" and its products?

15. How much did Dooney & Bourke earn from the sale of its "It Bag" and related products?

NAME _____

DATE _____

Make the Argument

In order for the judge or jury to render a decision, the following are some of the questions that must be considered:

1. Is the Louis Vuitton multicolored toile bag unique and inherently distinctive to its company? Explain.

2. Is there a likelihood that the general public would be confused between the Louis Vuitton multicolored bags and the Dooney & Bourke "It-Bag" so as to confuse which companies own each bag? Explain.

3. Are the two trademarks sufficiently distinct from each other so that consumers understand the difference and can distinguish between the two trademarks and therefore the two companies? Explain.

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