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Trade Dress, Trademark Distinction Meaningful Again?

Trademark law recognizes that many things can function as a “symbol of source” and may be protected as a trademark: a word, a design, a package, a product feature.

In recent years, Congress and the Supreme Court have made it more difficult to protect a subset of these symbols—called “trade dress”—by enacting additional legal hurdles that are not required for “trademarks” in general.

Not surprisingly, some litigants have tried to get around these new hurdles by claiming that what they are trying to protect is merely a “trademark” and not “trade dress.”

We examine here how the Patent and Trademark Office and the courts have dealt with the issue of drawing the line between the two—a line which can mean the difference between having to face difficult legal obstacles or not.

Historical Background

Traditionally, trademarks and trade dress were considered different rights with different rules. Trademarks were discrete symbols of source; trade dress referenced the overall look of a product’s packaging, later extended to the overall look of product design. Gradually, the distinction between the two began to fade and became of less importance.

The Supreme Court’s reading of the Lanham Act confirms that, under the Lanham Act, “trade dress” is merely one type of “trademark.” In *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 US 205, 209-10 (2000), the Court noted that a trademark is



defined very broadly to include “any word, name, symbol or device, or any combination thereof [used or intended to be used by a person] to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to

For “product design” trade dress, the ‘Wal-Mart’ Court required a showing that the design has acquired a “secondary meaning” in the marketplace, i.e., the public associates it with a single source.

indicate the source of the goods, even if that source is unknown.” 15 USC §1127. This very broad definition lead courts to assume that the Lanham Act protects trade dress—both under §2, 15 USC §1052 if registered and, even if not registered, under §43(a), 15 USC §1125(a).

Legal Distinctions Are Being Revived

• **Two Hurdles: Secondary Meaning and Functionality.** In 1999, Congress

amended §43(a) specifically with respect to trade dress actions, providing that in a case involving unregistered trade dress “the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.” 15 USC §1125(a)(3).

In *Wal-Mart*, the Supreme Court created another legal hurdle: for some types of trade dress, called “product design” trade dress, the Court required a showing that the design has acquired distinctiveness or “secondary meaning” in the marketplace, i.e., the relevant public associates the design with a single source. *Wal-Mart*, 529 US at 216. In contrast, trademarks (as well as “packaging” trade dress) can still be shown to be “inherently” distinctive, i.e., so distinctive by their very design relative to the goods or services at issue that they are always distinctive and protectable even before they have been promoted and achieved consumer recognition.

Thus, a plaintiff asserting unregistered¹ “trade dress” faces two additional legal hurdles that a “trademark” plaintiff may not.

• **Policy Reasons.** These additional legal hurdles serve several important policy functions.

First, in *Wal-Mart* the Supreme Court explained that there is a difference as to the natural consumer perception between word marks and product packaging on the one hand and product design on the other. As to the former, the Court said that “[c]onsumers are...predisposed to regard those symbols as indication of the producer, which is why such symbols ‘almost automatically tell a customer that they refer to a brand,’ and ‘immediately...signal a brand or a product source.’” As to the latter, however, “consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs—such

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as a cocktail shaker shaped like a penguin—is intended not to identify the source, but to render the product itself more useful or more appealing.” *Wal-Mart*, 529 US at 212-13 (citations omitted).

Second, these legal hurdles ensure that there is a free competition in the marketplace unhindered by easy threats of trade dress suits. See *Wal-Mart*, 529 US at 213.

Third and related to the second, courts are concerned that extending trade dress rights to product design may turn into a back door to obtaining patent-like (or copyright-like) protection, when the owner of the design has not shown any entitlement to a patent or copyright.

Distinguishing Trademarks, Trade Dress

It will usually be easy to determine into which category to fit the claimed rights. A word mark used on a label affixed to the goods will obviously be considered a “trademark.” Conversely, a design of a complete product marketed as such to the public is clearly trade dress and requires the showings of secondary meaning and non-functionality. But there can be borderline cases where the determination is not at all obvious.

• **TTAB Approach—Consumer Perception.** *In re Slokevage*, No. 75602873 (TTAB Nov. 10, 2004), dealt with a producer of clothing which bore the claimed mark of a combination of words and design. The application describes that proposed mark as “[a] configuration located on the rear hips comprised of: A label in the center with the words “FLASH DARE!” on a V-shaped background; and on each of the two sides of it there is a clothing feature (a cut-out area, or ‘hole’, and flap affixed to seat area with a closure device); the top borders of the ‘holes’ also forming and continuing the “vee” shape.” The claimed mark appeared as in Figure 1.

Figure 1



The Trademark Trial & Appeal Board (TTAB) rejected the application under *Wal-Mart* for failure to show secondary meaning. It held, among other things, that the “holes

and flaps portion” of the proposed mark constituted “product design” under *Wal-Mart* because consumers would not ordinarily view that as an indication of source.

Slokevage is significant because the claimed mark was only small portion of the overall design of the product, yet was held to be “product design trade dress” under *Wal-Mart*. What was determinative was not how much of the product design the mark covered but rather consumer perception of the feature as something not generally used to signify source.

Further support for this view can be found in *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 US 23 (2001), which held that a patented design for outdoor sign stands was a “functional” trade dress and hence unprotectible. The patented feature was the use of dual-springs at the bottom of the sign stand, which keep the road signs standing up despite adverse weather conditions.

The Supreme Court held that the prior utility patents were insurmountable evidence that this design had a utilitarian advantage, and hence was not protectible as “trade dress.” See *id.* at 29-35. The claimed trade dress, dual springs, was likewise only a small part of the design, as can be seen in Figures 2 and 3.

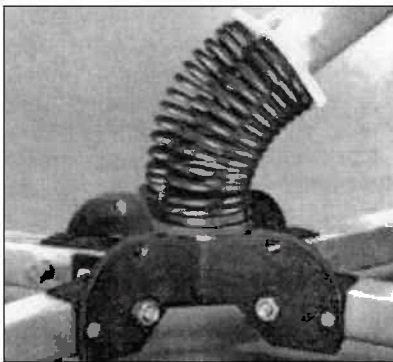


Figure 2

Yet the Supreme Court had no trouble in labeling the claimed feature as a “trade dress,” requiring a showing of nonfunctionality.

• **Courts of Appeals Take a “Definitional” Approach.** In recent opinions, two U.S. Courts of Appeals have taken a different approach.

1. **Second Circuit.** In *Louis Vuitton Malletier v. Dooney & Burke, Inc.*, 454 F3d 108 (2d Cir. 2006), the Second Circuit considered a claim of trademark rights in a handbag design (shown in Figure 4). Famous handbag manufacturer Louis Vuitton, claimed a composite trademark, explained

thus by the Second Circuit:

Vuitton, a French design firm, began selling trunks and accessories in the United States in 1893. In 1896 it 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 trademarks in this design pattern as well as the individual unique shapes with the United States Patent and Trademark Office...



Figure 3

In October 2002 plaintiff launched a series of handbags featuring “new signature designs” created by Marc Jacobs and Japanese artist Takashi Murakami. The new bags (Murakami handbags) incorporated an update on the fashion house’s famous Toile marks. The fresh design-coined the Louis Vuitton Monogram Multicolore pattern (Multicolore mark)-was a modified version of the Toile marks, printed in 33 bright colors (Murakami colors) on a white or black background. *Id.* at 112.

Vuitton’s “mark” thus consisted in a combination of shapes and letters with particular colors on a particular background—a composite color pattern or design. The Second Circuit further held that the claimed mark could be “inherently distinctive.”

Vuitton does not seek to protect the overall look of its handbags, that is,

its trade dress, but rather the narrower trademark it has established in its colored pattern. We have defined trade dress as “the total image of a good as defined by its overall composition and design, including size, shape, color, texture, and graphics.” *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F2d 162, 168 (2d Cir.1991). By way of distinction the Lanham Act defines a trademark as “any word, name, symbol, or device, or any combination thereof” which is used or intended to be used by a person “in commerce...to identify and distinguish his or her goods ...from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 USC §1127 [other citations omitted] Although trade dress and trademarks are both protected by §43 of the Lanham Act, 15 USC §1125(a), the fact that Vuitton seeks only protection of a trademark and not trade dress informs our understanding of the precision of its mark. *Id.* at 115-16.

The Second Circuit went on to hold that the mark was protectible both because it was “inherently distinctive” and because it was a strong mark which had acquired secondary meaning.

The Second Circuit’s definitional treatment of when a claimed mark is a “trademark” or “trade dress” is problematic. The very definition of a trademark it cited from the Lanham Act was cited by the Supreme Court in *Wal-Mart* as the statutory basis for protecting trade dress. If, as the Second Circuit would have it, “trade dress” actually has a definition distinct from the statutory definition of “trademark,” then what is the justification for protecting trade dress as a kind of “trademark” under the statute?

Second, while it is true that “trade dress” has been defined as the “total image” of the good, does that really mean that anything less than the totality of a design is not trade dress but merely a trademark? Vuitton developed, through the help of an artist and a designer, what it believed was a pleasing and eye-catching color pattern to be used on its handbags. As shown Figure 4, the pattern covered most of the area of the handbag. True, there were other design elements - for example, the Murakami bags were made in a variety of shapes and sizes, not claimed as part of the mark. A simple reading of *Wal-Mart* would indicate

that what Vuitton sought to protect was indeed “product design”—to be sure, not the whole of the design, but a prominent part thereof.

Third, the Second Circuit’s approach avoids the “consumer disposition” reasoning quoted from the Supreme Court’s *Wal-Mart* decision above. The *Wal-Mart* rationale is difficult to square with the notion that a product design, merely because it is only a portion of the total design, does not require a showing of secondary meaning. Query whether the combination mark of designs and color scheme is perceived by consumers to be indicative of source.

Similarly, to the extent part of the reason for requiring secondary meaning is a concern for the preservation of free competition in aesthetic features, one might query whether public policy supports granting one manufacturer a monopoly on a color scheme.

2. Sixth Circuit. A similar approach similar was taken by the Sixth Circuit in *Gibson Guitar Corp. v. Paul Reed Smith Guitars, L.P.*, 423 F3d 539 (6th Cir. 2005). There the plaintiff had a registration for the design of a guitar. The parties disputed what, precisely, the registration covered. The defendant asserted that the registration covered only the two-dimensional outside shape or silhouette of the guitar shape, as shown in the registration drawing. The plaintiff claimed that the mark included the overall three-dimensional shape plus other product features shown in a photograph accompanying the

Figure 4



registration application.

In its opinion resolving this question, the Sixth Circuit distinguished trademark from trade dress rights, citing the same definitional difference as the Second

Circuit did in *Vuitton*. 423 F3d at 546-47. Using this distinction, it concluded that the mark protected by the registration was therefore only the two-dimensional drawing of the overall shape and did not include the guitar’s other features; based on that limitation, it concluded that there was no likelihood of confusion. *Id.* at 548-52.

The Sixth Circuit’s attempt to distinguish trademark and trade dress rights appears misplaced. Whether something is labeled “trade dress” or a “trademark,” it is still registrable in the Trademark Office. The issue, therefore, was the scope of the plaintiff’s registration, not whether it was a registration for “trade dress” or “trademark.” That issue should have been resolved by looking to the registration and application papers.

Conclusion

Although trade dress, conceptually and legally, is a subset of trademark law, both Congress and the Supreme Court have created legal hurdles for that subset which are not in place for all trademarks. As litigants in marginal cases seek to avoid these hurdles, we believe that the defining line between the two will be an issue that will continue to exercise the federal courts.



1. Once registered, a trade dress enjoys a presumption of validity. 15 USC §1057(b). The owner of a registered trade dress would not have to shoulder the burden to prove secondary meaning or non-functionality. See *Goscicki v. Custom Brass & Copper Specialties, Inc.*, 229 FSupp2d 743 (E.D.Mich. 2002) (“Registered marks are presumed to be distinctive and non-functional.”)