

## Intellectual Property – “Trade Dress”

Trade dress is a form of intellectual property that refers to the visual appearance and/or characteristics of a product or its packaging that promotes the product and signifies the source of the product to consumers. Basically, it creates a visual impression which functions like a word trademark. Coca-cola’s bottling, the overall look of a greeting card line, McDonald’s golden arches, and the overall design of an automobile and even the shapes of buildings have been protected as trade dress. Though trade dress is difficult to define, in recent years significant decisions made by the Supreme Court have assisted in molding the legal issues surrounding trade dress. Specifically, in *Grey et al vs. Meijer, Inc.*, the Court stated the general rule regarding protection of trade dress, as follows:

“The Lanham Act’s protection of registered trademarks also extends to unregistered trade dress. To recover for trade dress infringement under § 43(a) of the Lanham Act, 15, U.S.C. §1125(a), a plaintiff must prove by a preponderance of the evidence:

1. that its trade dress has obtained “secondary meaning” in the marketplace;
2. that the trade dress of the two competing products is confusingly similar; and
3. that the appropriate features of the trade dress are primarily nonfunctional.”

The Court identified eight factors that a court might use to determine whether there is a likelihood of confusion in the trade dress of two competing products:

1. strength of the plaintiff’s mark;
2. relatedness of the goods;
3. similarity of the mark;
4. evidence of actual confusion;
5. marketing channels used;
6. likely degree of purchaser care;
7. defendant’s intent in selecting the mark; and
8. likelihood of expansion of the product lines.

The Court went on to state “the strength of a mark is a determination of the mark’s distinctiveness in the marketplace. A mark is strong if it is highly distinctive, i.e. if the public readily accepts it as the hall mark of a particular source; it can become so because it is unique, because it has been the subject of wide and intensive advertisement, or because of a combination of both. The stronger the mark, all else equal, the greater the likelihood of confusion...”

“Strength of a plaintiff’s trade dress depends upon the interplay of two elements: 1) the uniqueness of the trade dress and 2) the investment in imbuing a trade dress with secondary meaning.” Thus, the most mundane packaging may be infused with meaning by advertising and other promotional tools, rendering a strong trade dress.

Therefore, trade dress may be protectable under federal and state unfair competition laws if the proper requirements are met.

In *Taco Cabana International, Inc. v. Two Pacos, Inc.*, the Court determined not only that restaurant décor may be protected as trade dress, but also that trade dress may be inherently distinctive and protectable from the moment of adoption.

In *Wal-Mart Stores, Inc. v. Samara Brothers* in a unanimous decision by Justice Scalia, the Supreme Court held that, “in an action for infringement of unregistered trade dress under §43(a) of the

Lanham Act, a product's design is distinctive, and therefore protectable, *only upon a showing of secondary meaning.*" In this decision, the Court made a distinction between product design and product packaging, requiring proof of secondary meaning only for protection of the former. The Court perceived that design, unlike packaging, did not normally perform the source-identifying function of a mark.

"...where it is not reasonable to assume consumer predisposition to take an affixed word or packaging as indication of source...inherent distinctiveness will not be found. The result of this decision is that litigants could challenge the application of the inherent distinctiveness rule to types of product packaging or word marks where it is not clear they perform a branding function.

In *TrafFix Devices, Inc. v. Marketing Displays, Inc.* the Court's decision posed an important constitutional question. Did the patent clause in Article 1, Section 8, Clause 8 of the Constitution, grant to Congress the power to grant to Authors and Inventors exclusive rights for "limited times," operate as both a *grant* and a *limitation*? They reasoned that trade dress law and patent law serve different purposes, that it is common for different intellectual property interests to inhere in the same subject matter, that no constitutional grant is absolute, and that the policies of the Patent Act would not be unduly imposed because trade dress claimants must still meet significant proofs to assert trade dress rights. In this decision the Court describes trademark functionality as any design feature that performs a function (whether or not better than alternatives) or that has an effect on cost or quality. This decision is important because it states that any "effect on cost or quality" is enough to make a design functional in the trademark sense, regardless of whether it is important to competition that the design be available to others. It did not matter that others might have developed equally effective or superior designs. Because it was functional in a trademark sense, it was not eligible for trade dress protection.

It is evident that the Supreme Court's jurisprudence has resulted in confusion surrounding trade dress and that further litigation will be necessary to make such issues more clear.