



Dress to impress

Gaston & Gaston's **Matthew J Faust** explores how brand owners can use trade dress to protect IP



You are meeting a client who sits on the board of directors for a small manufacturing company. She describes a segment she heard on the radio regarding something called trade dress, and asks you for your thoughts on the matter. You recall only that trade dress involves intellectual property law. How do you advise her? Naturally, you promise to look into the matter and follow up. Where do you look? More importantly, what is trade dress?

Trade dress is invoked to protect the distinctive aspects of a product's packaging, although even that simple statement carries some of its own exceptions and provisos. Not surprisingly, even the most experienced practitioner may need a map when protecting a product's packaging or even aspects of the product's design. This article provides that map.

What is trade dress?

Trademark law is rooted in the idea of promoting fair competition¹. At its inception, trademark law was meant to address "palming off", or the use of others' trademarks by unscrupulous merchants to defraud the public regarding the source of their own goods². Additionally, trademarks assist consumers by reducing the time and effort needed to seek out a desired product³. This fosters the development of corporate goodwill by ensuring higher quality and reasonable prices⁴.

Under the Lanham Act⁵, a trademark is defined as "any word, name, symbol, or device, or any combination thereof" used by a rightsholder "to identify and distinguish his or her goods⁶...". The term "trade dress" refers to a subset of trademarks "that originally included only the packaging, or 'dressing', of a product, but in recent years has been expanded... to encompass the design of a product⁷". It is not uncommon for clients and practitioners alike to confuse the realm of trademarks

with copyrights and patents, especially given the overlap between these doctrines⁸. The key distinction between copyrights and patents, on the one hand, and trade dress, on the other, may be over-simplified as the difference between protecting the product and protecting the packaging⁹.

Obtaining trade dress protection

Trade dress protection is extended to a rightsholder upon a showing of: a right to a protectable trade dress; the defendant's use of the trade dress in commerce; and the defendant's use was likely to confuse customers¹⁰. Demonstrating the right to enforce the trade dress requires a showing that the mark is "distinctive¹¹". Distinctiveness can be either "inherent" or "acquired¹²". A rightsholder can register her trade dress with the United States Patent and Trademark Office (USPTO)¹³; and doing so will provide her with a presumption at trial that she

possesses a protectable interest in a distinctive trademark¹⁴. If the rightsholder complies with certain filing requirements at the five-year anniversary of the registration of her trade dress, the presumption becomes conclusive¹⁵. Additionally, trade dress cannot be extended to any mark that is "functional¹⁶".

Arbitrary is good: inherently distinctive marks

A trademark's distinctiveness is evaluated on a four-tier system: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary¹⁷. The strongest trademarks are those in the "arbitrary/fanciful" class. These are the strongest trademarks because the mark bears no relation to the good it is affixed to, which is understood to result in the strong association between consumers and the marked product¹⁸. A commonly-cited example of an arbitrary trademark is "Kodak", a mark that bears no relation to the product it is associated with¹⁹. The next strongest are "suggestive" marks, which refer

to, or suggest, an aspect of the product but go beyond merely describing it²⁰. An example of a suggestive mark is the term "Coppertone" for sun tanning products²¹. Arbitrary and suggestive trademarks are determined to be "inherently distinctive" because "the primary significance of the term in the minds of the consuming public is not the product but the producer²²".

Descriptive trademarks are those trademarks that merely describe the product or its properties²³. Descriptive trademarks are not "inherently distinctive" and are not entitled to protection without a showing of "secondary meaning²⁴". Generic marks are those marks which are "commonly used to depict a genus or type of product, rather than a particular product²⁵". Generic marks are not entitled to protection under trademark law because they do not possess, or have subsequently lost, the ability to uniquely designate the source of the goods²⁶. For instance, the common terms "aspirin²⁷", "thermos²⁸", and "shredded wheat²⁹" were all once trademarks that were cancelled because each became generic.

The popularity contest: secondary meaning

Descriptive trademarks are only entitled to protection upon a showing of secondary meaning. If the USPTO determines the mark to be merely descriptive during the registration process, it will require a showing of secondary meaning before registering the trademark or trade dress³⁰. For unregistered marks, this showing is an essential aspect of the plaintiff's burden at trial³¹. Demonstrating secondary meaning requires a showing that the consuming public has identified the source of the marked product with the holder of the trademark, even if the producer is itself anonymous³². Secondary meaning can be demonstrated in a number of methods, including advertising, sales, duration of the use, direct customer testimony and surveys of consumers³³.

Product packaging and product design

Trade dress originally applied to the packaging of the product³⁴, but has been expanded to include certain aspects of a product's design as well³⁵. Trade dress for product design, however, requires a showing of secondary meaning before protection will issue³⁶. Additionally, trade dress protection is limited to non-functional aspects in both product packaging and product design cases³⁷. Although evolution of the functionality doctrine is a

bit convoluted³⁸, the fundamental goal is to protect fair competition³⁹. If the feature is essential to the workings of the product, it is more likely to be deemed functional, especially if it is subject to a patent⁴⁰. But if the feature is more likely to indicate the source of the product, the feature is not functional⁴¹.

Common defences

Trade dress claims are subject to the same defences as other equitable claims, but a few are worth noting here. The following is not an exhaustive list of defences in a trade dress case, but includes unique defences in a trademark setting.

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Abandonment

A trademark is abandoned if its use has been discontinued without intent to resume use or if the rightsholder has caused the mark to become generic⁴².

Invalid licences

A rightsholder may license the exclusive right to use the trade dress to others, but failing to ensure that the licensee is maintaining the quality of the goods associated with the trade dress, will result in a "involuntary forfeiture of trademark rights⁴³".

Fair use

Although commonly associated with copyright claims⁴⁴, the fair use defence can also apply in a trademark setting⁴⁵. Trademark fair use occurs when the mark is used to describe the product and not to designate the product's source⁴⁶.

Cancellation

Accused infringers commonly attempt to rebut the plaintiff's *prima facie* showing of infringement. This also can come in the form of a cross-complaint to cancel the

plaintiff's trademark registration for failing to meet the requirement of distinctiveness as discussed previously⁴⁷.

Remedies

The primary remedy in an infringement case is an injunction to prevent further infringement⁴⁸ and an order to destroy the infringing goods⁴⁹. Additionally, the rightsholder can seek monetary damages in the form of lost profits⁵⁰, actual damages⁵¹, treble damages⁵², and in "exceptional cases", attorney's fees⁵³.

Dress to impress

Returning to your hypothetical client, what do you tell her? Recall that trade dress is primarily focused on protecting fair competition in the market place and that trade dress is a subset of trademark protection. Thus, taking a few proactive steps now can mean the difference between victory and defeat later.

Be arbitrary and strong

The most counter-intuitive aspect of trademark law is the concept of using an arbitrary mark. Most entrepreneurs we work with wish to use their trademark to advertise. From a purely marketing perspective this may make sense. However, doing this may render the mark descriptive or generic. Thus, they should ensure their trade dress is arbitrary and bears little relation to the underlying products or services sold.

Plant your flag

This is best accomplished through registration with the USPTO. Because priority matters⁵⁴, registration should be done as soon as possible. Additionally, your client should use the "TM" symbol to put the world on notice of what they are as a part of her trade dress. Further, in addition to keeping records of the company's advertising, marketing, and sales, she should also keep track of any promotions her brand participates in. While donating a box of products to a local festival may seem minimal, many years of such goodwill can help support a finding of secondary meaning.

The belt and suspenders approach

Some aspects of your client's trade dress may also qualify for protection under copyright and/or patent law. Copyright registration is relatively inexpensive and easy to obtain. Typically, these registrations will never see the inside of a courtroom, but even in an infringement lawsuit, you will not need to

choose one form of protection over the other until the entry of judgment.

Use it or lose it

If your client does not protect her mark, you cannot help her enforce it. This means that any assignments of the right to use the mark must be patrolled. Additionally, the doctrines of laches and acquiescence apply to trademark infringement claims. Thus, the trademark holder is not permitted to sit on her laurels while others use her mark; she must be proactive. But this does not always result in lawsuits. Many cases have resolved when one party purchased or licensed the other party's trade dress; others with a complete sale of the business.

Be fair or be square

At its core, trademark is still closely related to unfair competition claims (indeed, the Lanham Act is the legal basis for both sorts of federal claims). Additionally, courts will look to protect fair competition. Thus, the legal doctrine of unclean hands comes into play. Many trade dress holders are protective of their marks, and have made rash decisions when the inevitable dispute breaks out. Sometimes these decisions are inconsequential (eg, parking their truck outside the competitor's store to prevent customers from seeing advertisements). Other times, they create liability (eg, sending defamatory emails to all of a competitor's customers using an improperly obtained client list). Thus, it is important to ensure that your client does not engage in any acts that will undermine an otherwise enforceable (or defensible) claim.

Footnotes

1. See, eg, *Abdul-Jabbar v General Motors Corp*, 85 F3d 407, 410 (1996) ("An express purpose of the Lanham Act is to protect commercial parties against unfair competition."); Frank I Schechter, *Rational Basis of Trademark Protection*, 40 Harv L Rev 813, 819 (1927) (citing *Millington v Fox*, 3 Myl & C 338 (1838)).
2. *Id.*
3. Mark A Lemley, Symposium, The Modern Lanham Act and the Death of Common Sense, 108 YALE LJ 1687, 1690 (1999).
4. See also *Two Pesos, Inc v Taco Cabana, Inc*, 505 US 763, 774 (1992) (Stevens, J, concurring) [hereinafter "*Two Pesos*"].
5. Modern US trademark law is derived at the federal level from the Lanham Act, also known as the Trademark Act of 1946. 60 Stat 427 (1946) codified at 15 USC § 1051, et seq. Although the Lanham Act does preempt state trademark regimes, it has not replaced them. *Mister Donut of America, Inc v Mr Donut, Inc*, 418 F2d 838, 844-45 (1969).
6. 15 USC § 1127.
7. *Wal-Mart Stores, Inc v Samara Bros, Inc*, 529 US 205, 209 (2000) [hereinafter "*Wal-Mart*"].
8. Overlap is generally regarded as an accident in the intellectual property regime that has arisen as the rights associated with each form of intellectual property have slowly expanded. Viva Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. LJ 1473, 1530 (2004). See also, *Dastar Corp v Twentieth Century Fox Film Corp*, 539 US 23 (2003) (copyright/trademark), *Traffix Devices, Inc v Mktg Displays, Inc*, 532 US 23 (2001) (patent/trade dress) [hereinafter "*Traffix*"].
9. The Author concedes that the analogy is a rough one, especially in regards to product design protection as described below. Justice Scalia has noted the esoteric paradox that occurs when the packaging become the product: "There will indeed be some hard cases at the margin: a classic glass Coca-Cola bottle, for instance, may constitute packaging for those consumers who drink the Coke and then discard the bottle, but may constitute the product itself for those consumers who are bottle collectors..." *Wal-Mart*, 529 US at 215-16.
10. *KEMA, Inc, v Koperwhats*, 2010 US Dist LEXIS 90803, 5-6 (ND Cal).
11. *Zatarains, Inc v Oak Grove Smokehouse, Inc*, 698 F2d 786, 790-91 (5th Cir 1983) [hereinafter "*Zatarains*"].
12. *Abercrombie & Fitch Co v Hunting World Inc*, 537 F2d 4 (2d Cir. 1976) (Friendly, J) [hereinafter "*Abercrombie*"].
13. 15 USC § 1051.
14. 15 USC § 1057. Of course, despite out-dated case law to the contrary, it is now well settled that trade dress need not be registered before the plaintiff commences suit. *Traffix*, 532 US at 28-29, citing 15 USC § 1125(A)(3).
15. 15 USC § 1065; *Park 'n Fly v Dollar Park 'n Fly*, 469 US 189, 193-194 (1985).
16. See generally, *Traffix*, 532 US 23.
17. *Abercrombie*, 537 F.2d at 9.
18. *Zatarains*, 698 F2d at 790-91.
19. *Eastman Kodak Co v Weil*, 243 NYS 319 (1930)
20. *Zatarains*, 698 F2d at 790-91
21. *Douglas Laboratories, Inc v Copper Tan, Inc*, 210 F2d 453 (2d Cir 1954).
22. *Kellogg Co v Nat'l Biscuit Co*, 305 US 111, 118-19 (1938) [hereinafter "*Kellogg*"].
23. *Zatarains*, 698 F2d at 790-91.
24. *Id.*
25. *The Murphy Door Bed Co, Inc v Interior Sleep Systems, Inc*, 874 F.2d 95 (2d Cir. 1989) [hereinafter "*Murphy Bed*"].
26. *Abercrombie*, 537 F2d at 9.
27. *Bayer Co v United Drug Co*, 272 F. 505 (SDNY 1921).
28. *King-Seeley Thermos Co v Aladdin Indus, Inc*, 321 F2d 577 (2d Cir 1963).
29. *Kellogg*, 305 US 111 (1938).
30. United States Patent and Trademark Office, Trademark Manual of Examining Procedure [hereinafter TMEP] § 1212 (8th Ed 2011).
31. 15 USC § 1127.
32. *Union Carbide Corp v Ever-Ready, Inc*, 531 F.2d 366, 380 (1976).
33. *Id.*
34. *Wal-Mart*, 529 US at 209-10.
35. *Traffix*, 532 US at 28.
36. *Wal-Mart*, 529 US at 212 (2000) ("It seems to us that design, like colour, is not inherently distinctive.")
37. See generally, *Traffix*, 532 US 23. In the registration process, the examining attorney must demonstrate the functionality of trade dress before refusing registration. TMEP § 1202.02(a)(iv). For unregistered marks the plaintiff bears the burden of proof at trial in proving that the mark is not functional. 15 USC 1052(f).
38. TMEP § 1202.02(a)(iii)(B).
39. *Traffix*, 532 US at 32-33.
40. *Qualitex Co v Jacobson Prods Co*, 514 US 159,164-65 (1995) ("It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time...") [hereinafter "*Qualitex*"].
41. *Id.* at 165-66.
42. 15 USC § 1127. Further, intent to discontinue may be inferred from the circumstances and three consecutive years of nonuse is treated as a prima facie showing of abandonment.
43. *Barcamerica Int'l USA Trust v Tyfield Imps, Inc*, 289 F3d 589, 595-96 (2002).
44. 17 USC § 107.
45. 15 USC § 1115(b)(4).
46. *Zatarains*, 698 F2d at 791.
47. 15 USC § 1119; *American Heritage Life Ins Co v Heritage Life Ins Co*, 494 F2d 3 (5th Cir 1974).
48. 15 USC § 1116.
49. 15 USC § 1118.
50. 15 USC § 1117.
51. *Id.*
52. *Id.*
53. *Id.*
54. *Cal Cedar Prods Co v Pine Mountain Corp*, 724 F2d 827 (1984).

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