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TRADEMARK LAW AND LITIGATION: A BRIEF SURVEY OF INHERENTLY DISTINCTIVE TRADE DRESS

Master of Intellectual Property Thesis

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Trademark Law and Litigation: A Brief Survey of Inherently Distinctive Trade Dress

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Trademark Law and Litigation: A Brief Survey of Inherently Distinctive Trade Dress

I. INTRODUCTION

Trade dress in a modern intellectual property sense, describes the colors, designs, and symbols, used by merchants to distinguish their product or service in the eyes of the "beholding" consumer. In addition, trade dress may also constitute the appearance of the product itself. The impression the colors, designs, and symbols make, must go beyond simple decoration. These visual effects must in some way distinguish one product or service from another.

Trade dress litigation has raised many fundamental questions as to when trade dress is protectable under trademark principles. Section 43(a) of the Lanham Act,n.1 "affords a civil action for a party injured by a competitor's 'false designation of origin' on its product. The injured party may sue if it believes it has or will suffer damages because the competitor's product or packaging is so similar as to confuse purchasers of the products source."n.2 For trade dress to protectable under the Lanham Act, "the product must have an image or look, referred to as 'trade dress,' that is so distinctive as to become an unregistered trademark eligible for protection under the Lanham Act." n.3 A problem arises when courts must determine when a particular trade dress is inherently distinctive.

II. PRE-TACO CABANA FACTORS IN TRADE DRESS LITIGATION

There are several determinations a court must make to determine distinctiveness and ultimately trade dress protection. Under trade dress, "a trade dress infringement action brought by a manufacturer, must establish either that its trade dress has acquired a 'secondary meaning' or that its trade dress is a 'distinctive identifying mark.' The manufacturer must also establish that consumers will be 'likely confused' as to the source of the product because of the similarity of the products appearance...even if all the elements previously stated are present, a plaintiff cannot prevail if the trade dress is found to be functional...," n.4

III. FUNCTIONALITY IN TRADE DRESS: A JURY QUESTION

One of the first issues prospective plaintiffs must face is the question of functionality. "A product feature is functional if it is essential to the product's use or if affects the cost and quality of the article." n.5 In Re Morton-Norwich Products, Inc., n.6 set forth the relationship between 'functionality' and distinctiveness..."the unexpressed thought may have been that if something is not inherently distinctive, perhaps even austere, then, since it does not at a particular time function as a legally recognized indication of source... And since it is so plain that one may believe it is not, and will never be a trademark, it will be perceived --not that the design is not inherently distinctive--but that it is 'functional..."n.7

When a jury determines the issues of functionality at the district court level, those jury determinations are usually upheld. The Supreme Court continues to evade the functionality question, leaving the appeals courts hard pressed to overturn a district court jury finding on the question of trademark functionality.

IV. THE SECONDARY MEANING DETERMINATION

Before the Supreme Court decided Two Pesos, Inc., v. Taco Cabana, Inc., n.8 the Federal Circuits were not uniform in determining whether inherently distinctive trade dress must also have a showing of secondary meaning to be protectable. In most cases, a plaintiff had to first established that their overall trade dress was a non-functional aspect of the product or service, the plaintiff then had to address the next phase of the trade dress analysis; had the trade dress in question generated distinctiveness through secondary meaning, or was the trade dress inherently distinctive. And if the trade dress was inherently distinctive, was a showing of secondary meaning required for the trade dress to be protectable.

Secondary meaning doctrine holds that "a descriptive or geographical mark receives protection against copying only if consumers have come to associate it with a particular manufacturer or source. When this association is established and the mark has thus acquired secondary meaning, a second

comer is barred from using it because such use is virtually certain to create confusion in the public mind as to the source of the product."n.9 In Perfect Fit, the New York court put less emphasis on secondary meaning, and concentrated more on the public's likelihood of confusion..."the district court found...and we affirm...the Perfect Fit's trade dress was distinctive and memorable, and that the Bedsack had become very popular. Acme clearly sought to nullify Perfect Fit's advantage by copying its trade dress. The finding that Perfect Fit failed to show that its dress had acquired secondary meaning, therefore, should not have foreclosed inequity into whether the public was likely to be confused by the similarity of the tradedresses."n.10 It was then reasoned that if a product was inherently distinctive, a second comer displaying a similar distinction of its product will cause consumer confusion, irrespective of source identification.

The rationale of the New York district court was again followed in the United States Court of Appeals for the Second Circuit. In the case of 20th Century Wear, Inc., V. Sanmark-Stardust Inc., n.11 the court held that..."In respect to Perfect Fit...that proof of secondary meaning is not necessary under New York law in order to obtain relief from an infringing trade dress...New York law focuses on whether the public is likely to be confused by similar trade dress.n.12

One of the first cases to dispose of the secondary meaning requirement was Chevron Chemical Co. v. Voluntary Purchasing, Inc.n.13, the court..."persuasively argued that since trademark law only calls for a demonstration of secondary meaning when the claimed trademark is itself distinctive (such through the utilization of a geographic or descriptive name), trade dress law should require no more of a demonstration. Thus if the feature sought to be protected serve no descriptive function or do not assist in packaging, they are protectable."n.14 Ultimately, it was the holding in Chevron and other precedents set in the Fifth Circuit, that was used by the Supreme Court in settling the issue of protecting inherently distinctive trade dress without secondary meaning.

Yet until Taco Cabana, the courts were still not uniform on the issue of secondary meaning and distinctiveness. "Although other circuits have clearly stated that an inherently distinctive trade dress may be protected without proof of secondary meaning, the Ninth Circuit has refused to take such a step. In Fuddruckers the court left the question open and noted that if consumers do not associate plaintiff's trade dress with plaintiff then it would be difficult to see how the trade dress distinguishes plaintiff's product from any other product."n.15

V. FACTORS USE TO DETERMINE INHERENT DISTINCTIVENESS

The Federal Circuits have used a several factors to determine the inherently distinctive nature of a product, and if secondary meaning was required. One of the earlier New York cases to make this distinction was Dallas Cowboy Cheerleaders Inc., v. Pussycat Cinema, Ltd.,n.16 where under New York law..."no secondary meaning needs to be shown. Once plaintiff shows that its trade dress is distinctive, an injunction may issue upon showing likelihood of confusion alone..."n.17

The case of Roulo v. Berrie & Co.,n.18 puts the distinction in perspective. The case deals with the issue of similar greeting cards, and any inherent distinctiveness these individual cards may possess. "When a trademark or trade dress is inherently distinctive or fanciful, it is unnecessary to make the further showing that the mark or dress has become associated with a single producer. If the mark is not distinctive such that showing of secondary meaning is required, it is not necessary that the public be aware of the identity of the producer, but simply that the public associate the mark or dress with a single source."n.19

The Roulo case centers on the claimed distinctive nature of the plaintiff's greeting cards: "...here Berrie asserts that Roulo has failed to demonstrate that the elements of her trade dress are distinctive...Berrie contends that Roulo's

cards incorporated several common features such as stripes, dots, handwriting and other common design elements which are indigenous to all greeting cards and do not represent a trade dress element capable of protection.To establish her claim of distinctiveness, Roulo introduced testimony of a card curator...she was unable to find any cards in their collection from this century containing the same combination of elements as used in the 'Roulo' line." n.20

Several more recent cases cite directly to Roulo, when making the secondary meaning and inherent distinctiveness distinction. In Merchant & Evens, Inc. V. Roosevelt Building Products Co., n.21 the court stated that..."Where a trade dress is distinctive and nonfunctional, it is unnecessary to show more than that the trade dress has been associated with a single producer for a significant period...Roulo..."n.22

Roulo has to some degree, taken over where Fuddruckers left off. The Fuddruckers court made a distinction between secondary meaning and inherently distinctive trade dress, but did not apply that approach to the dispute. In the recent case of Storck USA, v. Farley Candy Company Inc., n.23 the court cites to the language in Roulo and applies a Fuddruckers type analysis. In Storck, the plaintiff sells Werther's Original candy in what is claimed to be inherently distinctive packaging. Defendant Farley claimed that their candy packaging was different from that of Storck...and not

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likely to confuse. The court applied this analysis..." the elements of trade dress should not be examined separately but in total...the court believes that the pouring pitchers scenes of the oval shaped designs, with similarly colored green and blue background images are images which immediately capture the attention of a consumer..."n.24

The Storck court concluded that..."None...(nothing)... undermines in any way the distinctiveness of the pouring pitchers image on the Storck...package. The court holds that the village design, including the pouring pitchers image, is inherently distinctive, see Roulo...(secondary meaning is not necessary where the trade dress is distinctive), and serves no functional purpose."n.25

IV. TACO CABANA: CHANGES IN THE SECONDARY MEANING REQUIREMENT

The Federal Circuits had been moving towards the policy protecting inherently distinctive trade dress that lacked secondary meaning. The Supreme Court unified the Federal Circuits in this regard with the case of Two Pesos, Inc., v. Taco Cabana, Inc. n.26

In Taco Cabana, the Stehling brothers started a chain of Mexican restaurants in 1978, having acquired 6 restaurants in the San Antonio, Texas area by 1985. The Taco Cabana restaurant trade dress motif is a Mexican fast-food interior, with a festive eating atmosphere. The dining and patio areas contain artifacts, bright colors, paintings and murals. The

patio includes interior and exterior areas with the inside of the patio capable of being sealed off from the outside patio by overhead garage doors. The outside of the building is a festive and bright color scheme using top boarder paint and neon stripes. In addition the exterior of the building includes bright colored awnings and umbrellas to add to the Mexican motif.

In 1985, Marno McDermott and Jim Blacketer open a Mexican restaurant in the Houston area called Two Pesos. Two Pesos has a Mexican motif consistent with that of the Taco Cabana restaurant. Unlike Taco Cabana however, the Two Pesos chain expanded rapidly opening 29 stores in Houston and other markets in and out of Texas. In 1987, the owners of Taco Cabana sued the owners of Two Pesos for trade dress infringement under section 43(a) of the Lanham Act, along with ancillary trade secret claims that are not wholly relevant to this document's trade dress analysis.

There is little dispute that the trade dress of the two restaurants was very similar. On appeal, Phil Romano, the restauranteur who developed the now famous "Fuddruckers" chain testified that the motifs were "...shaped the same. they looked the same. When you're inside they feel the same. They have the same product." The fundamental issue in Taco Cabana is was the unregistered trade dress in the original six Taco Cabana restaurants inherently distinctive, and if the trade dress in found to be inherently distinctive, does

secondary meaning also needed to found in Houston for the Taco Cabana trade dress to be protectable.

On jury on the district court level found that: "(1) Taco Cabana has trade dress (2) Taco Cabana's trade dress, taken as a whole, is non-functional; (3) the trade dress is inherently distinctive; (4) the trade dress has not acquired secondary meaning in the (Houston) Texas market; (5) customers might be likely to associate or confuse a Taco Cabana restaurant with a Two Pesos restaurant; (6) Taco Cabana exercises adequate control over her sister chain TaCasita, to ensure that the quality of TaCasita's goods and services are not inferior to Taco Cabana's; and (7) Taco Cabana was damaged by the trade dress infringement. The jury awarded $306,000 for lost profits, $628,300 for lost income, and $ 0 for lost good will (the Fifth Circuit made no distinction between lost profits and lost income yet awarded both). The district court doubled the damages for trade dress infringement (bringing the total to $1,868,600), awarded attorneys fees of $937,550, and ordered Two Pesos to make several changes in restaurant design." n.27

The critical aspect of the district court finding was the instructions given to the jury. The district court judge used the language of the Fifth Circuit case Blue Bell Bio-Medical v. Cin-Bad, Inc., n.28 finding trade dress as a products total image and overall appearance, and instructed the jury that: "'trade dress' is the total image of the

business. Taco Cabana's trade dress may include the shape and general appearance of the exterior of the restaurant, the identifying sign, the exterior kitchen floor plan, the decor, the menu, the equipment used to serve food, the servers' uniform and other features reflecting the total image of the restaurant." n.29

Two Pesos wanted the court to use of much narrower view of trade dress than the total image of the business view. Two Pesos argued that the jury instructions gave the jury the impression that the Mexican theme in the Taco Cabana restaurant precluded any other competing restaurant from using a Mexican motif for a Mexican restaurant. The district court did not find this argument compelling. The Fifth circuit agreed that although "Taco Cabana cannot preclude Two Pesos or anyone from entering the upscale Mexican fast-food market. But the jury was not misled into protecting such an abstract level of Taco Cabana's trade dress." n.30

The Fifth Circuit also used the rationale from Fuddruckers to determine how much of a plaintiff's trade dress a competitor can use without infringing the plaintiff's trade dress: "A competitor can use elements of Taco Cabana's trade dress, but Taco Cabana 'can protect a combination of visual elements' that, taken together,...may create a distinctive visual impression.' Two Pesos may enter the upscale Mexican fast food market, but it may not copy Taco Cabana's distinctive combination of layout and design

features. Two Pesos' limitation reflects not merely components of Taco Cabana's trade dress, but its distinctive integration of components. The instructions properly cautioned the jury not to focus on isolated components in determining the protectability of Taco Cabana's trade dress, but rather to consider the overall combination of the elements." n.31

The Fifth Circuit also addressed the issue of trade dress functionality in the Taco Cabana trade dress. Two Pesos claimed that the Taco Cabana trade dress was functional thus not meriting protection. Two Pesos wrongly argued that Taco Cabana was seeking protection for individual elements of their trade dress such as the garage door, the Mexican artifacts and the patio areas, and not for the overall combination of these and other elements. The district court and the Fifth Circuit both agreed that Taco Cabana's trade dress may consist of some functional elements (in the spirit of Fuddruckers), yet the arbitrary combination of these functional features when put together are not functional, thus meriting protection.

Then Fifth Circuit then moved to the issue that has come to symbolize the Taco Cabana case; the issue of inherent distinctiveness protection without a showing of secondary meaning. This policy of inherently distinctive trade dress protection without secondary meaning was by no means a revolutionary finding. It was however an issue that separated

the Circuits to some degree, and needed to be resolved by the Supreme Court. The jury found the Taco Cabana trade dress to be inherently distinctive without finding secondary meaning. Two Pesos argued that for something to be inherently distinctive it must have a secondary meaning to the consumer in Houston, and that the jury's finding of inherently distinctiveness protection without secondary meaning "contradicts its finding of no secondary meaning in the (Houston) Texas market--and ignores the law of the circuit." n.32

The jury was instructed that "distinctiveness is a term used to indicate that a trade dress serves as a symbol of origin. If it is shown, by a preponderance of the evidence, that Taco cabana's trade dress distinguishes its products and services from those of other restaurants and is not descriptive and not functional, then you should find that Taco Cabana's trade dress is inherently distinctive."n.33

The Fifth Circuit upheld the district court's proper application of trademark law, and the jury instructions. The Fifth Circuit found that although the Taco Cabana was not the strongest mark ever used to distinguish a Mexican restaurant, it was still inherently distinctive, and merited protection without secondary meaning: "As no one contends that Taco Cabana's trade dress is generic, the jury finding that the trade dress is not merely descriptive means that the dress is arbitrary, fanciful, or suggestive. We need not determine

which of these three categories properly categorizes the trade dress, because all three entitle Taco Cabana to protection without proof of secondary meaning."n.34 The court made the assumption that Taco Cabana's trade dress fell into one of the categories of arbitrary, fanciful, or suggestive. Assuming this, the court considered categorization an unnecessary and irrelevant step in the trade dress analysis.

Two Pesos sought certiorari before the Supreme Court on various trade secret, improper licensing, and trade dress issues, including whether an unregistered mark that does not have secondary meaning, can be protected for its inherent distinctiveness. The Supreme Court only granted certiorari on the trade dress question, Justice White delivered the opinion. The court held that trade dress which is inherently distinctive is protectable under the Lanham Act without showing that it has acquired secondary meaning.

In a unanimous opinion, the Supreme Court held that trade dress which is inherently distinctive is protectable under 43(a) without the secondary meaning requirement; "Trade dress which is inherently distinctive is protectable under section 43(a) without a showing that it has acquired secondary meaning, since such trade dress itself is capable of identifying products or services as coming from a specific source."n.35

Certiorari was granted by the Supreme Court,in an attempt to finally decide the issue of secondary meaning, and

to end the conflict among the Courts of Appeals. Two Pesos was not heard on their claim that Taco Cabana's trade dress was functional. Both the district court and the Fifth Circuit agreed that although there were several functional aspects included in Taco Cabana's trade dress, those aspects taken as a whole are not functional in their combined effect.

The Supreme court tied in the Restatement (Third) of Unfair Competition and section 43(a) as a means of preventing deception and unfair competition. Considering the textual basis of both, the court held that:

> "There is not textual basis to apply a different analysis between the two. Section 43(a) mentions neither and does not contain the concept of secondary meaning, and that concept, where it does appear in the Lanham Act, is a requirement that applies only to merely descriptive marks and not to inherently distinctive ones. Engrafting a secondary meaning requirement onto section 43(a) also would make more difficult the identification of a producer with its product and thereby undermine the Lanham Acts purposes of securing to a mark's owner the goodwill of his business and protecting consumer's ability to distinguish among competing products."n.36

The Court applied the general rule from the Restatement (Third) of Unfair Competition which regard distinctiveness as: "an identifying mark is distinctive and capable of being protected if it is either (1) inherently distinctive or (2) has acquired distinctiveness through secondary meaning."n.37 In the general rule background, the Supreme Court also noted the functionality rule for trade dress, as well as the likelihood of confusion requirement for liability under 43(a).

At the center of the Two Pesos argument was the jury's conclusion that the trade dress had not acquired secondary meaning proved that the trade dress is therefore not inherently distinctive. Two Pesos argued that the jury finding is in sharp contrast precedents set in the Federal Circuits. In the Petitioner's Opening Brief, Two Pesos used language from the Ninth Circuit and claimed: "Fuddruckers, moreover, has not offered this court a definition of what 'inherently distinctive' in the trademark sense might mean in the absence of secondary meaning. If purchasers do not, in fact associate Fuddrucker's trade dress with a source of restaurant services, then it is difficult to see how the trade dress distinguishes Fuddruckers' service from the service of others...In Fuddruckers the Ninth Circuit suggests the nonsensicality of a finding of inherent distinctiveness in the absence of secondary meaning...Not only is the lack of secondary meaning inconsistent with a finding of inherent distinctiveness, it is fatal to Taco Cabana's trade dress claim. Many courts require that trade dress have secondary meaning before it is protectable." n.37

The Supreme Court dismissed the secondary meaning requirement argument by Two Pesos and concluded that the disposition of the Fifth Circuit Court of Appeals was sound: "While the necessarily imperfect (and often prohibitively difficult) methods for assessing secondary meaning address the empirical question of current consumer association, the

legal recognition of inherently distinctive trademark or trade dress acknowledges the owner's legitimate proprietary interest in its unique and valuable informational device, regardless of whether substantial consumer association yet bestows the additional empirical protection of secondary meaning" n.38

A fundamental part of the Supreme Court decision in Taco Cabana followed case law that had evolved in the Fifth Circuit. The Chevron and Abercrombie language was consistent with the view the Justices held in Taco Cabana: "The Fifth Circuit was quite right in Chevron, and in Taco Cabana, to follow the Abercrombie classifications consistently and inquire whether trade dress for which protection is claimed under 43(a) is inherently distinctive. If it is, it is capable of identifying products or services as coming from a specific source and secondary meaning is not required. This is the rule generally applicable to trademark, and the protection of trademarks and trade dress under 43(a) serves the same statutory purpose of preventing deception and unfair competition. There is no persuasive reason to apply different analysis to the two...The proposition that secondary meaning must be shown even if trade dress is a distinctive, identifying mark, [is] wrong, for the reasons explained by Judge Rubin for the Fifth Circuit in Chevron...and the Ninth Circuit appears to think that proof of secondary meaning is superfluous if a trade dress is inherently distinctive."n.39

A great deal of weight was placed on the Supreme Court's interpretation of the Lanham Act, and the purpose of the Lanham Act as a means of securing goodwill. "Engrafting onto section 43(a) a requirement of secondary meaning for inherently distinctive trade dress also would undermine the purposes of the Lanham Act. Protection of trade dress, no less than trademarks, serves the Act's purpose to "secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers. National protection of trademarks (including Houston) is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation...By making more difficult the identification of a producer with its product, a secondary meaning requirement for a nondescriptive trade dress would hinder improving and maintaining the producer's competitive position." n.40

The Court included a policy based argument on why secondary meaning should not be required upon showing a mark was inherently distinctive. At the center of this argument was anticompetitive concerns: "There could be an anticompetitive effect if 43(a) requires a showing of secondary meaning (secondary meaning in the making)...by creating burdens on the start-up of small business. Petitioner's suggestion that such businesses be protected by briefly dispensing with the secondary meaning requirement at

the outset of the trade dress use is rejected, since there is no basis for such requirement in section 43(a)." n.41

In his concurring opinion, Justice Thomas used a common law interpretation of 43(a) without "moving back and forth among the different sections of the Lanham Act or adopting what may or may not be a misconstruction of the statute for the reasons akin to stare decisis."

Extrapolating from an early 1900's common law case, Thomas concluded that: "at common law, words and symbols were arbitrary, fanciful, or suggestive (called 'inherently distinctive" words or symbols, or trademarks') were presumed to represent the source of the product, and the first user of trademark could sue to protect it without having to show that the word or symbol represented the product's source in fact...that presumption did not attach to personal or geographic names or to words or symbols that only described a product (called 'trade names'), and the user of a personal or geographic name or of a descriptive word or symbol could obtain relief only if he showed that his trade name did in fact represent not just the product, but a producer (that good or service had developed "secondary meaning." n.42

Justice Thomas followed this common law reasoning to show how over time trade dress, once unable to merit protection as inherently distinctive without secondary meaning, evolved into a singularly protectable source of product recognition..."Trade dress consists not of words or

symbols, but of a products packaging (or 'image,' more broadly), seems at common law to have been thought incapable ever of being inherently distinctive, perhaps on the theory that the number of ways to package a product is finite. Thus, a user of trade dress would always have to show secondary meaning in order to obtain protection." n.43

Justice Thomas came to the conclusion that over a period of time, judges viewed product packaging as they would arbitrary, fanciful and suggestive words, as limited only by the human imagination, thus opening the way for the protection of distinctive product packaging. Consistent with this view, Thomas concluded that: "A particular trade dress, then, is now considered as fully capable as a particular trademark of serving as a 'representation or designation' of source under section 43(a). As a result, the first user of an arbitrary package, like the first user of an arbitrary word, should be entitled to the presumption that his package

represents him without having to show that it does so in fact. "This rule follows, in my view, from the language of section 43(a), and this rule applies under that section without regard to the rules that apply under the sections of the Lanham Act that deal with registration. Because the Court reaches the same conclusion for different reasons, I join its judgment."n.44

VII. TRADE DRESS ANALYSIS: TACO CABANA DECISION RAISES SOME FUNDAMENTAL QUESTIONS ABOUT TRADE DRESS PROTECTION

With inherently distinctive trade dress no longer requiring secondary meaning to merit trade dress protection under the Lanham Act, several fundamental questions about the future of trade dress protection are raised. Justice White made reference to Section 2 of the Lanham Act when he characterized descriptive marks: "Marks which are merely descriptive of a product are not inherently distinctive. When used to describe a product, they do not inherently identify a particular source, and hence cannot be protected. However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the Act. Section 2 of the Lanham Act provides that a descriptive mark that otherwise could not registered under the Act may be registered if it 'has become distinctive of the applicant's goods in commerce."n.45

Justice White's view of Section 2 could be problematic for a user of trade dress that is descriptive, and lacks the ability to protect the use of the descriptive dress, thus preventing the trade dress from gaining distinctiveness. This is understandable to some degree. Protecting descriptive trade dress that has not yet acquired secondary meaning does potentially limit the public supply of accurate descriptions of a product. The question is whether the intentional or unintentional copying of descriptive trade dress will prevent

that descriptive trade dress from ever acquiring secondary meaning, as trade dress develops secondary meaning in the making.

Taking this analysis one step further, the question then becomes to what extent can one separate the inherently distinctive trade dress from the copying by a defendant. What creates the distinctiveness then; is it the trade dress of a plaintiff taken as a whole minus the actions of the defendant? If that is the case, one of the only measuring sticks for infringement will be the likelihood of confusion between the plaintiff's and the defendant's marks. It would appear that the act of copying by the defendant creates a likelihood of confusion presumption, which then creates the protectable subject matter. A question still remains about the logic is this presumption.

If trade dress infringement cases take on this "copying presumption", will trade dress protection evolve into something similar to the infringement principle of substantially similar works of authorship, in the law of copyrights. Now that the Supreme Court has cut out secondary meaning as a requirement for inherently distinctive trade dress, are we now dealing with a copyright approach to trade dress? Under the law of copyrights, copying can be shown in the following ways: (1) by direct evidence; (2) by circumstantial evidence that the defendant had access to the work and that the defendant's work is similar to plaintiff's;

(3) circumstantial evidence that the defendant's work is strikingly similar to the plaintiff's work, whether the copying was intentional or unintentional.n.46

Could this copying standard translate to the law of trademarks? One of fundamental aspects of trademark law is the concept of secondary meaning. Likelihood of confusion in trade dress cases is the controlling factor. Trade dress that is not registered, is now protected if it is distinctive, and it is distinctive provided it is not descriptive. Any trade dress that is substantially similar to an already existing trade dress can be infringing that existing trade dress, provided it is likely to confuse.

Copyright "type" treatment of trade dress leaves many uncertainties in the future of trade dress. Legal scholars have speculated about the end of the secondary meaning requirement in package trade dress that is inherently distinctive nearly ten years before the Taco Cabana holding.n.47 Various articles point out that product package design and not product design, should be tested for inherent distinctiveness. A test consists of the uniqueness of the overall aspects of the trade dress, and is only applied to the package. The product design has aesthetic functionality, and should not therefore be protected as inherently distinctive.

One article deals directly with the product design-package design distinction: "The Lanham Act provides

protection for trade dress, which includes product design and package design. A distinction must be drawn between these two categories. The inherent distinctiveness test should not be applied to determine whether a trade dress that consists of product design should be protected from infringement.
In a restaurant situation, product design could be considered the services the restaurant renders. Secondary meaning is the only appropriate test in that case because application of the inherent distinctive test improperly expands trade dress protection into areas reserved for copyrights and patents...The inherent distinctive test is proper for trade dress consisting of package and display design. Because of the numerous possibilities for package and display design, application of the inherent distinctive test to this type of trade dress does not restrict competition." n.48

VIII. AESTHETIC FUNCTIONALITY AND THE PRODUCT DESIGN PACKAGE DESIGN INTERFACE

Inherently distinctive trade dress protection, without the requirement of secondary meaning raises important aesthetic functionality questions. "The aesthetic appeal of a product has become increasingly important to its marketing potential by aiding in the differentiation and identification of the product. Consequently, obtaining trademark protection for the aesthetic components of a product is quite beneficial."n.49

The basis of Justice Thomas' Taco Cabana concurring opinion is rooted in the common law tradition that evolved to the present scope of trade dress and functionality: "The early common law distinguished between 'technical' trademarks, which were inherently distinctive identifying symbols protected under a body of law known as trademark infringement, and marks that were not inherently distinctive and protected only under unfair competition law upon a showing of secondary
meaning." n.50

Cases such as International Order of Job's Daughter v. Lindeburg & Co.,n.51 put the interpretation of the term "technical" from the common law, and modern aesthetic functionality into perspective. Job's daughter sued Lindeburg for trademark infringement arising out of Lindburg's manufacture and sale of jewelry bearing the Job's Daughter insignia. After the district court found for Job's, the Ninth Circuit reversed on the basis that the name and emblem were functionally aesthetic components of the product, not trademarks. Some critics have gone as far to say the outcome in Job's Daughter as a form of uncontrolled licensing.

The question of a restaurant's Mexican motif and aesthetic functionality, brings this analysis to an interface between trademark law, and the laws that protect design patents. There is a strong basis for a preemption

argument, or conceivably dual protection under the Lanham Act and a design patent. These arguments are to say the least speculative. Ultimately though, the question of limitations under the Lanham Act are of central concern. "It has been argued that trademark protection should not be accorded product features for which protection under the design patent and copyright laws has expired or been denied. Because patent and copyright protection originate from the Constitution, which requires that those protections limited in duration, the granting of potentially indefinite trademark rights, which originate at common law, would extend the rights in a design for which protection has expired beyond the constitutionally prescribed period."n.52

The protection limitations placed on designs in patent law, raises fundamental questions about trademark law, and the seemingly indefinite rights trademark law can generate. Now that secondary meaning is not required in the protection of inherently distinctive trade dress, questions are raised about the characteristics of a products packaging appearance and a product's design. "The problem is illustrated by Animal Fair, Inc. v. Amfesco Industries, Inc., which involved novelty slippers in the shape of bear claws. In Animal Fair, the plaintiff sought to enjoin the manufacture and promotion of a similar slipper by a competitor and brought an action for violations of copyright and unfair competition laws. The court held that there was a likelihood of success on the

merits in both copyright and the 43(a) claim." n.53

The plaintiff's success on the copyright claim gave him the right to manufacture the slippers for the life of the author, plus fifty years. Also, under the trademark law, the plaintiff could exclusively produce the bear claw slippers indefinitely. What could be considered an illogical conclusion, the court found an aesthetically functional design to be inherently distinctive: "This essentially gives the product design protection beyond that intended by trademark law. Providing protection for a product design because its originality matches the basis purposes of patent and copyright law more exactly than that of trademark law, which is concerned with protecting the identity of sources of goods."n.54

The protection of a restaurants interior and exterior can potentially limit a competitor's access to fair competition, certainly if the essential characteristics of the trade dress encompass functional elements of product design. The Taco Cabana Mexican restaurant motif can be considered an original product design, rather than the traditional packaging design: "Originality is an essential element for copyright and design patent protections, and a distinctive product design should be evaluated under those laws rather than under the inherent distinctiveness standard applicable to trade dress. Applying the inherent distinctiveness test under trademark law to protect product

design results not only in the prevention of unfair competition but also in the prevention of any competition at all in a product deemed inherently distinctive." n.55

Both the Fifth Circuit refused to take the position that Taco Cabana's Mexican motif was a functional product design. The Supreme Court ignored the question of functional product design all together. The interface between a product design and a product package was not explored in the Supreme Court holding. Justice White merely restated the law of the Fifth Circuit: "Suggestions that under the Fifth Circuit's law, the initial user of any shape or design would cut off competition from products of like design or shape are not persuasive. Only nonfunctional, distinctive trade dress is protected under section 43(a). The Fifth Circuit holds that a design is legally functional, and thus unprotectable, if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trademark protection."n.56

IX. CHARACTERIZING TRADE DRESS DISTINCTIVENESS: PERSPECTIVES ON TRADE DRESS LITIGATION

The Supreme Court did not disclose any standard formula for determining inherent distinctiveness in Taco Cabana. The case law before and after Taco Cabana does not set forth a concrete standard for determining if certain trade dress is inherently distinctive, yet the case law

characterizes many of the overall aspect of the trade dress used to determine the uniqueness and distinctiveness of the trade dress.

The jury instructions at the district court level give some direction as to requirements for trade dress protection. Both the functionality and distinctiveness instructions were upheld be the Supreme Court, and are to some degree model instructions that may now be used in many jurisdictions. The jury was instructed on functionality as well as distinctiveness. The functionality jury instructions were as follows: "The law allows the copying of functional features in the public interest of enhancing competition...Even if the trade dress is made up of individual elements, some of which serve a functional purpose, the trade dress may be protectable so long as the combination of these elements which define Taco Cabana's trade dress taken is arbitrary. On the other hand, if you find that Taco Cabana's trade dress taken as a whole must be used by others in order to compete in the Mexican fast-food restaurant business, then you should find that Plaintiff's trade dress is functional and not rotectable."n.57

The jury was also given instruction on how to determine the distinctiveness of a trade dress: "Distinctiveness is a term used to indicate that a trade dress serves as a symbol of origin. If it is shown, by a preponderance of the evidence, that Taco Cabana's trade dress distinguishes its

products and services from those of other restaurants and is not descriptive and not functional, then you should find that Taco Cabana's trade dress is inherently distinctive."n.58

A. Protecting Inherently Distinctive Trade Dress: A Plaintiff's Perspective

When a plaintiff brings an action for trade dress infringement against a defendant, the plaintiff has the burden of showing their trade dress is inherently distinctive, nonfunctional, and likely to be confused with the defendant's dress. A plaintiff may also argue that if the trade dress is found not to be inherently distinctive, through its use in commerce, it has acquired secondary meaning, and thus protectable.

The plaintiff's claim that a trade dress is inherently distinctive will center on a totality of the elements in the eye of the beholder test. The plaintiff must show that taken as a whole, the elements of his trade dress are inherently distinctive. The Oxford Universal Dictionary (3d ed.,Rev. 1963) defines "inherent" to mean existing is something as a permanent attribute or quality. "Distinctive" is defined as having the ability to distinguish, differentiate or discriminate. When used together, the commonly held term "inherently distinctive" trade dress distinguishes a single source of origin for goods or services from all other sources of origin.

The trade dress when in the eye of the beholder, the consumer for example, it is likely to be confused with an

infringer. Thus the beholder being confused between the sources of the products, cannot rely on the earned good will from previous purchases of the plaintiff's products. There are numerous trade dress infringement cases that describe the components in the test for the totality of elements in the eye of the beholder.

The key component in the "totality test" many courts focus on is the likelihood of confusion component. Likelihood of confusion presumption may be made if a second comer's trade dress is likely to confuse beholding consumer with the trade dress of the first comer. Courts traditionally view the elements of trade dresses not separately, but on a comparative basis.

Some of the most direct language concerning the standard (see Roulo infra) for distinctiveness comes from Accurate Leather & Novelty Co. Inc., v. LTD Commodities, Inc.,n.59 where..."the court finds that the trade dress is distinctive. The overall test for distinctiveness is the overall appearance of the product including its size, color combinations, texture, graphics, packaging or other features...the fact that common indistinct elements are combined does not undermine the fact that the combination of these items is distinctive. The court finds that although Accurate purse has features common to other purses, the trade dress taken as a whole is distinctive."n.60

Inherent distinctiveness can be somewhat defined from the language of Grey v. Campbell Soup Co.,n.61 "the strength of a mark loosely refers to its inherent distinctiveness relative to the other marks in the field and to the level of recognition which is caused by that distinctiveness. A variety of factors go into the strength of a trademark including its inherent distinctiveness, duration of produce use, volume of product sold and amount of advertising."n.62

The most typical cases in trade dress disputes appear to follow a totality of elements in determining trade dress distinctiveness. In Soft Sheen Products, Inc., v. Revlon, Inc.,n.63 the court analyzed the totality of the trade dress elements under the Illinois antidilution statute. n.64 Soft Sheen has shown that its bright yellow and red trade dress is distinctive, and that Revlon's use of its Creme of Nature container dilutes that distinctiveness."n.65

In CPC International, Inc., v. Caribe Food Dist.,n.66 plaintiff CPC totality of trade dress was found distinctive, "CPC claims the Mazola corn oil label and trade dress are 'distinctive' and consist of the following elements; (a) A yellow jug-shaped bottle; (b) a green screw-on cap; (c) A label, consisting of a yellow, white, green and red color scheme..."n.67

The determination of a trade dresses inherent distinctiveness is made on a court by court basis, and may not always be uniform in the trade dress decisions. Some

courts are unable to separate the visual effect of the trade dress from the advertising associated with promoting the product. In Olay Company, Inc. v. Cococare Products, Inc.,n.68 the court characterized the trade dress as "....a pink background and a black tombstone design cartouche in the center of the front display panel. However, it is impossible to separate the strength of Olay's trade dress from the impact of its advertising, which the evidence shows has had the effect of making the trade dress distinctive and memorable in the mine of the public. Olay's trade dress has, therefore, through this massive advertising, acquired secondary meaning in'that the public has come to associate it with a particular source."n.69

B. Protecting Inherently Distinctive Trade Dress
A Defendant's Perspective

The majority of arguments opposing a plaintiff's assertion that a trade dress is inherently distinctive, and that a defendant is infringing, will center on several themes. A defendant will often claim the trade dress is not inherently distinctive but is functional, and therefore not protected under the Lanham Act. A defendant may argue that a plaintiff's trade dress protection is overreaching, functional, and excludes fair competition; and a defendant will usually claim that there is no substantial likelihood of confusion between their trade dress, and that of the plaintiff.

The basis of the Appellants argument before the Supreme Court in Taco Cabana was that the Lanham Act protects trade dress, not restaurant concepts, and should not be used to hinder legitimate competition. Further, the counsel for Two Pesos argued that Taco Cabana's "trade dress" is not inherently distinctive, but functional. Two Pesos argued: "...T[t]here is a world of difference between the concept of a fast food Mexican restaurant using Mexican decor and a protectable trade dress, inherently distinctive and associated in consumers' minds with a particular source. A concept cannot be effectively monopolized under the Lanham Act; a trade dress can. As the trial unfolded in the present case, the evidence revealed that Taco Cabana was attempting to protect merely the concept of a fast food Mexican restaurant using Mexican decor, not a trade dress."n.70 Although this is the prevailing defense argument, in Taco Cabana, the Supreme Court upheld the jury instructions as proper, and therefore upheld the jury's findings.

VII. CONCLUSION

Trade dress describes the colors, designs, and symbols, used by merchants to distinguish their product or service in the eyes of the consumer. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (1982), "affords a civil action for a party injured by a competitor's 'false designation of origin' on its product.

For trade dress to be protectable it must be non-

functional, be inherently distinctive or have secondary meaning. Prior to Taco Cabana, the Circuits were not uniform on the dual requirement of distinctiveness and secondary meaning. After Taco Cabana, if trade dress is inherently distinctive, it need not have secondary meaning.

Trade dress distinctiveness appears to be decided by a "totality of elements in the eye of the beholder test." The case law applies the overall aspect of the trade dress and determines the uniqueness of the trade dress. When a plaintiff brings an action for trade dress infringement against a defendant, the plaintiff has the burden of showing their trade dress to be inherently distinctive, nonfunctional, and likely to be confused with the defendants dress.

A defendant will often claim the trade dress is not inherently distinctive but is functional, and therefore not protected under the Lanham Act. A defendant may argue that a plaintiff's trade dress protection is over reaching, and excludes fair competition; and a defendant will usually claim that there is no substantial likelihood of confusion between their trade dress, and that of the plaintiff.

The determination of a trade dresses' inherent distinctiveness is still not uniformly defined. Application of a "totality of elements in the eye of the beholder test," on a case by case basis, will be the method many jurisdictions will use in determining inherently distinctive trade dress.

Documentation

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n.4 Accurate Leather & Novelty Co. INC. v. LTD Commodities, INC., 1990 U.S. Dist. LEXIS 16706; 18 U.S.P.Q. 2d (BNA) 1327 (1990).

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n.34 Id. at 1120.

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