PROTECTING AND ENFORCING TRADE DRESS

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I. INTRODUCTION

Generally speaking, “trade dress” means the overall appearance or image of something in commerce – how it is “dressed” for sale. When such trade dress denotes the source of the product or service and is sufficiently distinctive to distinguish it from those sold by others, the trade dress functions like more traditional trademarks, such as names and slogans, and enjoys similar protection. Originally applied to labels and packaging, the trade dress laws have expanded to encompass the design and configuration of products themselves, sometimes called “product configuration” trade dress, and certain other items. For example, trade dress rights have been recognized for:

- product packaging, labels and containers, including such features as size, shape, color, texture, graphics, designs, as well as the words and/or designs that appear on the package or label. See, e.g., U.S. Trademark Reg. No. 696,147 (Apr. 12, 1960) (Registration of the shape and design of Coca-Cola® soft drink bottle); Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 115 S. Ct. 1300, 24 U.S.P.Q.2d (BNA) 1161 (1995) (shape of a Coca-Cola® bottle is trademark protected).

![Coca-Cola bottle](image-url)


• color used to denote the source of a product or service. See, e.g., Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159; 115 S. Ct. 1300, 24 U.S.P.Q.2d (BNA) 1161 (1995) (even a single color can be registered as a trademark);


As these examples illustrate a wide range of elements in the appearance of a product, its packaging and/or its presentation can, taken together and sometimes separately, constitute protectable “trade dress.” Protection even has been granted to the appearance of a particular hole on a golf course. See, e.g., Pebble Beach Co. Tour 18 I, Ltd., 936 F. Supp. 1299 (S.D. Tex. 1996), aff’d, 155 F.3d 526 (5th Cir. 1998) (finding Harbour Town’s signature “lighthouse hole” to be inherently distinctive). Visual attributes are not the only characteristics that can qualify as trade dress. The trademark laws have been extended in some cases to protect non-visual attributes, such as sounds and smells. See, e.g., In Re General Elec. Broad. Co., 199 U.S.P.Q. (BNA) 560 (T.T.A.B. 1978) (listing examples of registered “sound” marks, such as the NBC Musical Chimes); In re Clarke, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990) (registration allowed for “a high impact, fresh, floral fragrance reminiscent of plumeria blossoms” for sewing thread and embroidery yarns).

The law regarding trade dress protection has undergone substantial changes in the last twenty years, first expanding in the early 1990s to encompass non-traditional source identifiers, such as restaurant interiors and single colors, and then contracting again in the later 1990s and early 2000s. For example, as discussed in more detail below, recent United States Supreme Court precedent requires “secondary meaning” for protection of product design/configuration trade dress and trade dress consisting of the use of a single color. Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205, 120 S. Ct. 1839 (2000). The history and continuing evolution of trade dress law makes for interesting reading. See, e.g., Mitchell, Wadyka, Jacobs and Lee, U.S. Trade Dress Law, A Primer for the New Millennium, (INTA, 2002). However, this paper focuses primarily on the current state of trade dress law, explaining the requirements and procedures for protecting trade dress and enforcing trade dress rights, and exploring some ways in which trade dress law can impact a franchise system.
II. SOURCES OF TRADE DRESS RIGHTS AND REQUISITES FOR PROTECTION

A. Early Origins

Early trade dress cases recognized the importance of protecting the public from the confusion and deception arising from attempts to “palm off” products as those of another, and the right of a product seller to protect himself against those who would engage in such tactics. For example, in *Charles E. Hires Co. v. Consumers’ Co.*, 100 F. 809 (7th Cir. 1900), the court found that a root beer maker copied the bottle and label of another brewer and held that “[t]he obvious purpose and the manifest result of this piracy were to enable retail dealers to palm off upon the public the goods of the defendant as the goods of the complainant.” *Id.* at 812. The court enjoined the copycat from using not only the label, but the bottle’s shape as well. *Id.* at 812-13. See also *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299 (2d Cir. 1917) (expressing concern that a trade dress imitator will cause the consuming public to buy the imitator’s goods due to the “deception” that they are manufactured by the trade dress owner). In this way, the concept of trade dress – and the rationale for protecting it – arose as part of the law regarding “unfair competition.” See, e.g., *McCarthy*, supra, §§ 7:62, 8:5 (“[T]he field of law once referred to as unfair competition by ‘product simulation’ has now been folded into that corner of trademark and unfair competition law called ‘trade dress.’”).

B. The Lanham Act

The United States Trademark Act of 1946, commonly known as “the Lanham Act,” is the primary law underlying most trade dress claims. Section 43(a) of the Lanham Act protects “any word, term, name, symbol, device, or any combination thereof” – whether registered or unregistered – and is the most common vehicle for protecting trade dress. 15 U.S.C. §1125(a); see also *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 209, 120 S. Ct. 1339, 1342, 54 U.S.P.Q. 2d 1065, 1067 (2000). Section 43(a) prohibits, among other things, the use of any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description or representation of fact that is likely to cause confusion, deception, or mistake as to the origin or sponsorship of products or services or as to the affiliation or association of one person with another. 15 U.S.C. § 1125(a). Remedies include damages, injunction, and seizure of counterfeit products. 15 U.S.C. §§ 1116, 1117.

Trade dress may also be registered with the United States Patent & Trademark Office (“PTO”) under Section 2 of the Lanham Act, if it distinguishes the owner’s products from the products of others. 15 U.S.C. § 1052. Distinctiveness such as would support a registration can be either inherent or acquired. The Supreme Court has clarified that product configuration and single color trade dress can never be “inherently distinctive” and therefore will require secondary meaning, discussed below, to be registered on the Principal Register. *Wal-Mart*, 529 U.S. at 212-13, 120 S. Ct. at 1344. Section 23 of the Lanham Act allows for registration on the Supplemental Register of any “symbol, label, package, configuration of goods, . . . device, or any combination of the foregoing” so long as the trade dress is “capable of distinguishing the applicant’s goods or services.” 15 U.S.C. § 1091(c). Once a trade dress is distinctive, either through inherent distinctiveness or through the development of secondary meaning, it may be registered on the Principal Register. *Aromatic, Inc. v. Gold Seal*, 28 F.3d 863, 31 U.S.P.Q.2d 1481, 1483 (8th Cir. 1994) (“The difference between trade dress and trademark is no longer of importance in determining whether trade dress is protectable by federal law. Trade dress, regardless of whether it is registered, is protectable under Section 43(a) of the Lanham Act....Indeed, trade dress may now be registered on the Principal Register of the PTO.”); *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 29 U.S.P.Q.2d 1241 (7th Cir. 1993) (while early decisions held...
that a product or container shape was not a registerable “trademark,” later decisions now interpret the Lanham Act to permit the registration of such trade dress). See, e.g., McCarthy, supra, §§ 7:94, 7:95; K. Feisthamel, A. Kelly & J. Sistek, Trade Dress 101: Best Practices for the Registration of Product Configuration Trade Dress with the U.S.P.T.O., 95 Trademark Rptr. 1374 (2005).

C. State Law

Although many states have trademark statutes allowing for state registration of trademarks and trade dress,\(^1\) such statutes are used much less frequently than the Lanham Act for protecting trademark and trade dress rights. Because both federal and state courts have concurrent jurisdiction under the Lanham Act under 28 U.S.C. § 1338, even suits brought in state courts can invoke the protections of that statute. And, because the Lanham Act contains provisions for both registered and unregistered marks, the state statutes generally add few substantive rights or remedies to the Federal protections.

Many states also have enacted statutes prohibiting unfair and deceptive trade practices and consumer fraud.\(^2\) Claims under these statutes often are included in trade dress complaints together with a Lanham Act claim.

D. Trade Dress Distinguished From Other Intellectual Property – Other Means of Protecting Product Appearance

1. Trade Dress Rights vs. Trademark Rights

Historically, trade dress was generally understood to refer to the overall appearance or image of a product, service or business, while the term “trademark” usually referred to the particular words (e.g., a name or slogan) or logo or design used in connection with a product. However, there are more similarities and commonalities between the two concepts than differences, and the line of distinction is not a solid one.

The federal statutory framework for protection of trade dress and trademarks – the Lanham Act, 15 U.S.C. § 1051 et seq. – is the same. Trade dress may be registered with the PTO under Sections 2 (products) and 3 (services) of the Lanham Act, in the same way that word and logo marks can be registered. Id., §§ 1052, 1053. Unregistered trade dress is protected under Section 43(a) of the Lanham Act in much the same way that unregistered marks are. Publications Int’l Ltd. v. Landoll, Inc., 164 F.3d 337, 49 U.S.P.Q.2d (BNA) 1139 (7th Cir. 1998) (“Trade dress thus serves the same function as trademark and is treated the same way by the Lanham Act and the cases interpreting it.”) Moreover, the fundamental requirement for both trademarks and trade dress is the same: a trade dress, like a trademark, must act as a source identifier. See Duraco Prods. v. Joy Plastic Enters., 40 F.3d 1431, 1450, 32 U.S.P.Q. 2d (BNA) 1724, 1731 (3d Cir. 1994).

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\(^1\) For example, see Arizona Revised Statutes § 44-1442; California Business and Professionals Code § 14205; 6 Delaware Code § 3303; § 765 Illinois Compiled Statutes 1036/10; Indiana Code § 24-2-1-4; Michigan Compiled Laws § 429.33; New York General Business Law Article 24, § 360-a.

\(^2\) For example, see Arizona Revised Statutes § 44-1451; California Business and Professionals Code § 14245; 6 Delaware Code § 3312; § 765 Illinois Compiled Statutes 1036/60; Indiana Code § 24-2-1-13; Michigan Compiled Laws § 429.42; New York General Business Law Article 24, § 360-k.
The main difference between trademark and trade dress law is that the latter offers potential protection to a broader range of elements. While trademark law looks to a particular word, symbol, or logo, a trade dress analysis considers the total physical image or impression of the product at issue, including size, shape, color, design, and associated words and slogans. Thus, certain elements of a product’s appearance or image might be protectable as both a trademark and a trade dress, and a particular word or logo trademark might be part of an overall trade dress.

2. Trade Dress Rights vs. Design Patent Rights

A design patent might protect some elements of a particular trade dress. Under federal law, a design patent may issue for a non-functional “ornamental design for an article of manufacture.” 35 U.S.C. § 171. The main requirements for a design patent are non-functionality and originality (“non-obviousness” in light of past and existing designs, which are collectively referred to as the “prior art”). See, e.g., Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 109 S. Ct. 971, 103 L. Ed. 2d 118 (1989). These requirements are very similar to those for trade dress protection, which, as discussed below, include distinctiveness and non-functionality. The tests for infringement of design patents and trade dress rights are also similar; both involve comparing the infringing design to the patent or trade dress being asserted. A trade dress plaintiff must show a likelihood of confusion in the minds of consumers, and design patent plaintiff must show that the accused design is “substantially the same as the claimed design.” 35 U.S.C. § 289.

The main difference between the two types of protection is the longevity of trade dress protection (theoretically unlimited) compared with the limited duration of a design patent (fourteen years from the date of issue). 35 U.S.C. § 173. Significant differences also exist at the front end of the process. An applicant for a design patent must get the application on file within one year from the date of its first public disclosure, use, or offer for sale, 35 U.S.C. § 102(b). Also, patent applications generally involve higher costs than trade dress applications.

A trade dress owner need not always choose between these two avenues of protection, as a design patent and trade dress registration can be granted as to the same material or item, and rights under each can exist concurrently. Kohler Co. v. Moen Inc., supra, 12 F.3d at 644, 29 U.S.P.Q.2d (BNA) at 1251 (“a product’s different qualities can be protected simultaneously, or successively, by more than one of the statutory means for protection of intellectual property”). Indeed, a trade dress owner might benefit from acquiring a design patent for a new trade dress upon its introduction so that it is protected during the early years of usage while the trade dress acquires “secondary meaning” -- an association in the minds of consumers with its source – which generally makes trade dress more easily protectable. See Wal-Mart, supra, 529 U.S. at 214.

\footnote{Note that while a design patent normally would not pose a bar to trade dress protection, a current or expired utility patent could pose a hurdle to trade dress protection. In TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 121 S. Ct. 1255 (2001), the Supreme Court stated that a plaintiff claiming trade dress rights in a feature claimed in a utility patent – even when that patent has expired – has a “heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental or arbitrary aspect of the device.”}
3. **Trade Dress Rights vs. Copyrights**

The U.S. Copyright Act of 1976 applies to "original works of authorship," including "pictorial, graphic and sculptural works." 17 U.S.C. §§ 101, 102. Because it covers "pictorial, graphic and sculptural works," this statute often applies to the types of labels and graphic designs associated with trade dress. However, copyright protection is more limited than that afforded under the trade dress laws.

The most serious limitation of copyright law is that it does not apply to "useful" articles unless the design sought to be protected is conceptually separable from the product. See *Kieselstein Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1988). While the "useful" item exclusion may not pose as big a challenge for labels, logos and other graphic designs as it would for product configurations and product designs, this "useful item" exclusion must be borne in mind when determining what types of protection might be available to trade dress.

The tests for infringement of copyrights and trade dress differ as well. As discussed in more detail in Section III.B.1 below, a trade dress plaintiff must show that the trade dress has been used as a source identifier, that it has the requisite degree of distinctiveness (and in the case of product designs and configurations has acquired "secondary meaning"), and that the infringer's product poses a "likelihood of confusion" as to source or sponsorship of the accused product. In contrast, a copyright owner need only show copying, which is done by showing access to the copyrighted work and "substantial similarity" between it and the accused work.

**III. PROTECTION AND ENFORCEMENT OF TRADE DRESS**

**A. Requirements for Trade Dress Protection**

To be protectable, trade dress must be: (1) either inherently distinctive or have acquired "secondary meaning" among the consuming public as identifying the source and origin of products or services; and (2) non-functional.

1. **Inherent Distinctiveness**

The law regarding the distinctiveness required for trade dress protection has been in flux for several decades. For many years, the rule in most jurisdictions was that trade dress would merit protection if it was either "inherently distinctive" or had acquired "secondary meaning." See, e.g., *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 212

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4 As discussed in more detail below, product configurations and designs also face increased challenges in meeting the criteria for trade dress protection in the wake of the Supreme Court’s decision in *Wal-Mart, supra*, which held that product designs and configurations must have acquired "secondary meaning" in order to qualify for trade dress protection. One of the rationales given in the *Wal-Mart* opinion for its result is the availability of the copyright laws as an alternative means of protecting trade dress. 529 U.S. at 214; 120 S. Ct. at 1345, 54 U.S.P.Q.2d (BNA) at 1069. However, the copyright law’s inapplicability to "useful articles" will render such protection unavailable to many, if not most, product configurations and designs.

5 There may be a difference in the longevity of protection afforded under the trade dress and copyright laws. While trade dress rights are theoretically unlimited in time, so long as the trade dress continues to meet the requisites for protection, copyrights have a finite, statutorily defined – although lengthy – lifespan. For example, the copyright for a work created by a single author after January 1, 1978 lasts for the author’s life plus 75 years. 17 U.S.C. § 302(a).
U.S.P.Q. 904 (5th Cir. 1981), cert. denied, 457 U.S. 1126, 73 L. Ed. 2d 1342, 1023 S. Ct. 2947 (1982), which was followed in the 7th, 9th and 11th Circuits. *McCarthy, supra* at § 8:10. The Second Circuit went another way, and prohibited protection of trade dress that had not acquired secondary meaning. *See Stormy Clime, Ltd. v. Progroup Inc.*, 809 F.2d 971, 974, 1 U.S.P.Q.2d 2026, 2028 (2d Cir. 1987). Even among the jurisdictions allowing trade dress protection based upon “inherent distinctiveness,” however, different approaches emerged. Some courts drew a distinction between product design and configuration trade dress, on the one hand, and product packaging and labelling on the other hand, and either limited or prohibited trade dress protection based on “inherent distinctiveness” for product designs and configurations. *See, e.g.*, *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, n. 7 (5th Cir. 1984) (while product configuration may become associated with the source in the minds of consumers over time, product packaging “usually is designed to act immediately as an identifier of source”). And those courts allowing protection for “inherent distinctiveness” had different tests for determining its existence, leaving the state of the law in total disarray.  

Some semblance of order should have been imposed by the U.S. Supreme Court’s decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 705, 112 S. Ct. 2753, 2766, 23 U.S.P.Q.2d 1081, 1091 (1992), which held that a restaurant’s décor, layout and overall appearance merited trade dress protection as “inherently distinctive,” without a showing of secondary meaning. *Two Pesos* did not mandate that a particular test for inherent distinctiveness should be used, but it did approve the lower court’s use of the traditional “distinctiveness spectrum” analysis. The traditional analysis asks whether the asserted mark is fanciful, arbitrary, suggestive, descriptive, suggestive, or merely generic. Unfortunately, the trademark distinctiveness spectrum does not apply quite as well to trade dress as it does to more traditional trademarks, and is particularly difficult to apply to product configurations. Perhaps for this reason, *Two Pesos* was not interpreted or applied uniformly among the federal district or appellate courts – particularly with regard to product configuration trade dress – and the law in this area remained fractured. *Compare Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.*, 40 F.3d 1431, 1446 (3d Cir. 1994) (product configuration trade dress may be found “inherently distinctive” only in limited circumstances) and *Foamation, Inc. v. Wedeward Enterprises*, Inc. 970 F. Supp. 676, 686 (E.D. Wis. 1997) (product shape can never be inherently distinctive) *with Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577, 585, 27 U.S.P.Q.2d (BNA) 1189 (2d Cir. 1993) (applying the traditional trademark “spectrum of distinctiveness” to assess whether trade dress is inherently distinctive); *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 787, 34 U.S.P.Q.2d (BNA) 1428, 1432-33 (8th Cir. 1995) (rejecting Duraco and declining to draw a distinction between product packaging and configuration); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 40, 49 U.S.P.Q.2d 1225, 1233 (1st Cir. 1998) (product design is capable of being inherently distinctive).

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6 Borrowing from the test applied to word marks, some courts had analyzed whether the trade dress was fanciful, arbitrary, suggestive, descriptive or generic, with those tending toward the fanciful end of the scale deemed “inherently distinctive” and requiring no showing of secondary meaning, and those tending toward the generic end of the scale lacking in distinctiveness and therefore requiring secondary meaning. *See, e.g.*, *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 212 U.S.P.Q. (BNA) 904 (5th Cir. 1981), cert. denied, 457 U.S. 1126, 102 S. Ct. 2947, 73 L. Ed. 2d 1342 (1982). Other courts had applied a range of factors, including whether the trade dress was “unique or unusual in a particular field.” *Permatex Co. v. California Tube Products, Inc.*, 175 U.S.P.Q. (BNA) 764 (T.T.A.B. 1972); *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 196 U.S.P.Q. (BNA) 289 (C.C.P.A. 1977).
In 2000, the U.S. Supreme Court revisited the issue of inherent distinctiveness in trade dress and laid down the bright line rule that product design and configuration can never merit trade dress protection on grounds of “inherent distinctiveness” alone and must always have acquired “secondary meaning.” *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 120 S. Ct. 1339, 146 L. Ed. 2d 182 (2000). In cases where it is difficult to categorize a particular trade dress as either packaging or product configuration, *Wal-Mart* directs that it be treated as the latter, for which secondary meaning must be shown. Interestingly, the Court distinguished its prior ruling in *Two Pesos* by stating that restaurant décor is more like product packaging than product configuration and therefore is capable of being “inherently distinctive” and protectable without a showing of secondary meaning. *Wal-mart*, 529 U.S. at 210; 120 S. Ct. at 1343.

The *Wal-Mart* opinion has rendered it difficult for product configuration to be protected as trade dress. For example, as a practical matter, a successful product configuration trade dress is likely to be copied before it has acquired secondary meaning or at a time when it is difficult to prove a secondary meaning.

*Wal-Mart* provided no bright line rule with respect to product packaging trade dress (as opposed to product configuration) and did not mandate any particular test for determining “inherent distinctiveness” in such cases. While *Wal-Mart* clarified that product packaging can qualify for trade dress protection if it is either “inherently distinctive” or possessed of “secondary meaning,” it did not specify which test should be used to determine inherent distinctiveness. The courts of each jurisdiction, then, have been left to decipher and apply whatever standard is mandated by local precedent.

Accordingly, after the *Wal-Mart* decision, courts have continued to apply two primary tests for determining inherent distinctiveness of trade dress; the *Seabrook* test and the *Abercrombie* test. As created in *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, the *Seabrook* test is a three-part test that asks whether: (1) the design or shape was a common, basic shape or design; (2) design or shape was a unique or unusual in a particular field; and (3) the design or shape was a “mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods.” 568 F.2d 1342, 1344 (C.C.P.A. 1977); see McCarthy, supra at § 8:13. The so-called *Abercrombie* test, as enunciated in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, has also been applied by a few courts. 537 F.2d 4 (2d. Cir. 1976); see McCarthy, supra at § 8:13. While less formal than the *Seabrook* test, the *Abercrombie* test attempts to place a trade dress into a spectrum ranging from categories such as “generic” to “suggestive” and “arbitrary,” and if a trade dress is sufficiently “suggestive” or “arbitrary” then it is deemed “inherently distinctive”. See McCarthy, supra at § 8:13. Of the two tests, the *Seabrook* test is the more commonly applied test in the trade dress/product packaging case, but some courts continue to apply some form of the *Abercrombie* test. See McCarthy, supra at § 8:13; see also *In re Pacer Technology*, 338 F.3d 1358 (Fed. Cir. 2003) (applying *Seabrook* test to determine that cap for a container was not inherently distinctive); *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 41-42 (1st Cir. 2001) (applying the *Abercrombie* test but also supplementing its analysis with the *Seabrook* test); *Nora Beverages, Inc. v. Perrier Group of America, Inc.*, 164 F.3d 736 (2d Cir. 1998) later proceedings at 269 F.3d 114 (2d. Cir. 2001) (holding that analysis under the *Abercrombie* test was appropriate).
2. Secondary Meaning

If a product’s trade dress is not inherently distinctive, the trade dress may acquire distinctiveness through “secondary meaning.” Secondary meaning arises when, in the consumer’s mind, the trade dress identifies the source of the product, rather than merely the product itself. Inwood Labs, Inc. v. Ives Labs, Inc., 456 U.S. 844, 851 n.11 (1982). The meaning is “secondary” because it is the second meaning attached to the trade dress by the consumer, over time. McCarthy, supra at § 15:1. Consumers need not identify the trade dress with the particular source of the product, but must associate the trade dress with a particular source, even if they cannot name it. See id. For example, the Sixth Circuit held that the trade dress elements of the Hummer® vehicle design, including its distinctive “grille, slanted and raised hood, split windshield, rectangular doors, and squared edges,” have acquired distinctiveness through secondary meaning, because consumers came to identify those design elements with Hummer®, General Motors, or other related concepts, or at least recognized the vehicle as a particular make of a specific manufacturer, even if they could not name it. General Motors Corp. v. Lanard Toys, Inc., 468 F.3d 405, 416, 418 (6th Cir. 2006).

Courts may consider various factors to determine whether secondary meaning exists, such as: (1) direct consumer testimony; (2) consumer surveys; (3) exclusivity, length, and manner of use; (4) amount and manner of advertising; (5) amount of sales and number of customers; (6) established place in the market; and (7) proof of intentional copying. See, e.g., General Motors Corp., 468 F.3d at 418. No single factor is determinative, but some jurisdictions consider proof of intentional copying particularly probative evidence, and in a minority of jurisdictions, it creates a presumption of secondary meaning. 55 Am. Jur. 3d Proof of Facts §§ 9-10 (2008) (probative for the 7th Circuit, but presumptive in the 9th and 4th Circuits).

3. Non-Functionality

A product or packaging attribute may not be protected as trade dress if it serves a functional purpose. This requirement was first incorporated into various provisions of the Lanham Act in 1998, and in 1999 the Act was amended to require plaintiffs seeking to assert a claim based on an unregistered trade dress to prove nonfunctionality. 15 U.S.C. § 1125(a)(3); McCarthy, supra, §§7:63, 7:72; TrafFix Devices, Inc. v. Marketing Displays, Inc. 532 U.S. 23, 29, 121 S. Ct. 1255, 1260, 149 L.E. 2d 164, 58 U.S.P.Q.2d 1001 (2001). If the asserted trade dress is federally registered, the burden is on the defendant to prove functionality. Vuitton et Fils S.A. v. J. Young Enterprises, Inc., 644 F.2d 769, (9th Cir. 1981). The primary policy underlying the rule of non-functionality is the desire to ensure that functional characteristics and improvements are available to all competitors in the market, and to administer all exceptions to that precept through the patent laws. McCarthy, supra at § 7:64.

What is a “functional” trade dress? Any attribute that makes the product more useful, or more easily used, or that contributes to the ease or economy of manufacture or distribution is likely to be deemed “functional.” This is not to say that functional elements can never be part of a protectable trade dress -- because trade dress is the overall image or appearance of the product or item, a particular functional attribute might still constitute one component of a protectable trade dress. See, e.g., AmBrit, Inc. v. Kraft, Inc., 805 F.2d 974, 1 U.S.P.Q.2d (BNA) 1161 (11th Cir. 1986), op. superseded, 812 F.2d 1531 (11th Cir. 1986), cert. denied, 481 U.S. 1041, 95 L. Ed. 2d 822, 107 S. Ct. 1983 (1987).

There is no bright line rule to distinguish the functional from the non-functional; however, two tests have emerged for making this determination. The first test is commonly called the
traditional test and defines a product feature to be functional “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” *TrafFix*, supra, 532 U.S. at 32, 121 S. Ct. at 1261 (quoting *Qualitex*, supra, 514 U.S. at 165, 115 S. Ct. at 1304). The second test, or “competitive necessity test,” defines a functional feature to be “one the ‘exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.’” *Id.* (quoting *Qualitex*, 514 U.S. at 165, 115 S. Ct. at 1304). Where the design is functional under the traditional test, “there is no need to proceed further to consider if there is a competitive necessity for the feature.” *Id.; see Dippin’ Dots, Inc. v. Frosty Bites Distrib., LLC*, 369 F.3d 1197, 1203 (11th Cir. 2004). While courts vary their application of these tests, most circuits utilize either one or a combination both tests to determine non-functionality. 7 See *McCarthy* § 7:69 (discussing varying circuit interpretations of non-functionality).

**B. Trade Dress Infringement Claims**

A federal claim for trade dress infringement may be brought under Section 43(a) of the Lanham Act, which provides, in relevant part, that:

Any person who, on or in connection with any goods or services, . . .
uses in commerce any word, term, name, symbol, or device, or combination thereof, or any false designation of origin, . . ., which –

(A) is likely to cause confusion or to cause mistake, or to deceive as to the affiliation, connection or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1); see *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983) (“§ 43(a) creates a federal cause of action for trade dress infringement.”) (citations omitted). If a trade dress is federally registered, then a plaintiff can also assert a claim for infringement of a registered mark/trade dress under Section 32 of the Lanham Act, which prohibits use in commerce of “any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or to cause mistake, or to deceive . . . .” 15 U.S.C. § 1114.

Trade dress infringement claims can also be asserted under state law, as a species of unfair competition or of unfair and deceptive trade practices. *McCarthy*, supra, § 7:53.

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7 Color is an example of an attribute that is often, but not always, functional. Where the color is not functional, and has come to be associated in the minds of the consuming public with the source of the product, it can be protected as trade dress. See, e.g., *Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 227 U.S.P.Q. (BNA) 417 (Fed. Cir. 1985). However, where color serves a functional purpose, it will not constitute protectable trade dress. See, e.g., *Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 70 U.S.P.Q.2d 1707, (11th Cir. 2004), cert. denied, 543 U.S. 1054, 125 S. Ct. 911, 160 L.Ed. 2d 777 (2005) (the color brown serves function of indicating chocolate flavor). Color-coding often is used to distinguish one type or size of product from another, and such uses of color are functional and not protectable alone as trade dress. See, e.g., *Kasco Corp. v. Southern Saw Serv., Inc.*, 27 U.S.P.Q.2d (BNA) 1501 (T.T.A.B. 1993) (color coding for types and sizes of saw blades).
1. **Elements of a Trade Dress Infringement Claim**

To establish a claim of trade dress infringement, a plaintiff must prove: (1) that it owns protectable rights in and to the trade dress, including that the trade dress (a) is inherently distinctive or has acquired secondary meaning\(^8\) and (b) is not functional; (2) that it began use of its trade dress prior to the defendant's use of its similar trade dress (or, if the trade dress is not inherently distinctive, that its trade dress acquired secondary meaning before defendant's trade dress did); and (3) that the defendant's use of its trade dress is likely to cause confusion of the consuming public as to the source and origin of goods or services or as to affiliation or sponsorship of a party or its goods or services. *Yankee Candle Co. v. The Bridgewater Candle Co.*, 259 F.3d 25 (1st Cir. 2001); *Epic Metals Corp. v. Souliere*, 99 F. 3d 1034 (11th Cir. 1996).

Likelihood of confusion is evaluated by considering the total image, appearance and impression created by a defendant's trade dress in the eyes and mind of an ordinary purchaser. *Wal-Mart supra*, 529 U.S. at 209-10, 120 S. Ct. at 1342-43. In determining likelihood of confusion, courts consider and balance a non-inclusive list of factors such as the following:

1. the strength of the trade dress (the more unique or well-known the trade dress is, the broader the scope of protection);
2. the similarity of the parties' trade dress;
3. the similarity of the goods or services sold under the trade dress;
4. the similarity of the distribution channels and customers for the products or services at issue;
5. the sophistication of purchasers and the expense of the product or service at issue (sophisticated purchasers may be less likely to confuse trade dress, and more care is likely to be exercised in the purchase of expensive products);
6. the similarity of means and methods of advertising and promoting the products or services at issue;
7. the defendant's intent in adopting its trade dress (i.e., did it do so in good faith or with the intent to imitate the plaintiff's trade dress); and
8. whether there is evidence of actual confusion of consumers or other relevant groups (is not necessary for a likelihood of confusion, but is strong evidence of likely confusion).\(^9\)

No single factor is considered dispositive and the weight given to each factor can vary on a case to case basis. *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633, 636

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\(^8\) *Wal-Mart, supra*, 529 U.S. at 212-13, 120 S. Ct. at 1344-45 (in an infringement action for product configuration or product design trade dress, a plaintiff must show that its trade dress has acquired secondary meaning).

\(^9\) See *Frosty Treats, Inc. v. Sony Computer Entm't Am., Inc.*, 426 F.3d 1001, 1008 (8th Cir. 2005); *Dippin' Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197 (11th Cir. 2004); *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633, 636 (7th Cir. 1999); *McCarthy, supra*, § 30:97.
(7th Cir. 1999). When considering these factors, courts should compare the trade dresses “in light of what happens in the marketplace, not merely by looking at the two…side-by-side.” Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 296 (7th Cir. 1998).

2. Defenses

Among the defenses that may be raised to a trade dress infringement claim are the following:

a. Non-distinctiveness of trade dress/lack of secondary meaning

A defendant may argue that the asserted trade dress is commonplace and not inherently distinctive; or, for product design or other trade dress that cannot be inherently distinctive, that the trade dress has not acquired secondary meaning among the consuming public as identifying the source and origin of the plaintiffs’ goods or services. 15 U.S.C. §1057(b); see Wal-Mart, supra, 529 U.S. at 215, 120 S. Ct. at 1345-46. Federal registration of the trade dress serves as prima facie evidence that the trade dress is either inherently distinctive or has acquired secondary meaning. 15 U.S.C. § 1057(b).

b. Functionality

As discussed above, a product or packaging attribute is not protectable as trade dress if it serves a functional purpose. See supra Part II.A.3; see also Talking Rain Beverage Co. Inc. v. South Beach Beverage Co., 349 F.3d 601 (9th Cir. 2003) (holding that water bottle with grips and shaped to fit into bicycle bottle holder was functional).

c. Laches or Acquiescence

The “laches” defense protects a defendant that has used its trade dress for a significant time before the plaintiff sues for infringement. Courts are often unsympathetic to a plaintiff who waits several years, while a defendant is spending time and money promoting and developing goodwill for its trade dress, before challenging the use of the trade dress. Such delay may stop a plaintiff from challenging a defendant’s trade dress without a good excuse for the delay. To assert a defense of laches, a defendant must demonstrate three elements: 1) a delay in asserting a right or a claim; 2) that the delay was not excusable; and 3) that there was undue prejudice to the party against whom the claim is asserted.11

The defense of “acquiescence” arises when a plaintiff previously consented to a defendant’s use of its trade dress. A defendant asserting an acquiescence defense must prove

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10 I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27 (1st Cir. 1998) (holding that faucet design was not inherently distinctive).

11 Kason Indus. v. Component Hardware Group, 120 F.3d 1199, 1206 (11th Cir. 1997) (holding that possible delay of more than four years in asserting claim may constitute laches); Tandy Corp. v. Malone & Hyde, Inc., 769 F.2d 362, 366 (6th Cir.1985) (holding that a delay of less than three years in asserting trademark infringement claim was not unreasonable). Because the Lanham Act does not contain a statute of limitations, courts will often look to the statute of limitations from analogous state statutes for guidance on what amount of time constitutes “unreasonable delay.” Kason Indus., 120 F.3d at 1206.
three elements: 1) the senior user actively represented that it would not assert a right or claim; 2) the delay between the active representation and assertion of the right or claim was not excusable; and 3) the delay caused the defendant undue prejudice. 12 “Although the doctrines of acquiescence and laches, in the context of trademark law, both connote consent by the owner to an infringing use of his mark, acquiescence implies active consent, while laches implies a merely passive consent.” Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455, 462 (4th Cir. 1996).

A showing of “inevitable confusion” (a showing that confusion is not only likely, but “inevitable”) can override a laches or acquiescence defense and revive a plaintiff’s claim for injunctive relief (but not for damages), in order to protect the public against confusion. Sun America Corp., 77 F.3d at 1334-35.

d.  **Fair Use Defense**

There are two types of non-infringing uses of another’s mark (or trade dress) that are known under the label of “fair use.” A “classic fair use” involves a junior user who uses a name, term or device, not in a trademark sense to identify the source or origin of its goods or services, but in a descriptive manner to describe its own goods or services. 15 U.S.C. § 1115(b)(4); see Playboy Enterprises, Inc. v. Welles, 279 F.3d 796, 800-01 (9th Cir. 2002) (fair use for Terri Welles to use the marks “Playboy” and “Playmate” on her website to accurately describe herself as a former Playboy Playmate of the Year). Some courts have extended the fair use defense beyond words to the descriptive use of shapes. 13

The other type of fair use is “nominative fair use,” in which a defendant uses a plaintiff’s mark (or trade dress) in a non-confusing way to identify the plaintiff or the plaintiff’s goods or services. See, e.g., New Kids on the Block v. News America Pub., Inc., 971 F.2d 302 (9th Cir. 1992) (newspaper’s use of name of pop music group as part of a survey of readers about the group was a nominative fair use of the group’s name). For example, a comparative advertisement can use another’s trademark or trade dress to identify the product being compared, id.; and an independent repair shop can advertise that it repairs Volkswagen cars as long as it does not imply that it is an authorized Volkswagen dealer. Volkswagenwerk Aktiengesellschaft v. Church, 411 F.2d 350 (9th Cir. 1969), opinion supplemented 413 F.2d 1126 (9th Cir. 1969).

e.  **“Brand Name” Defense**

A defendant may argue that prominent placement of its brand name on similar trade dress will serve to prevent a likelihood of confusion. Many cases hold that labelling an otherwise infringing product trade dress with a clear indication of source (e.g., the

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12 Kellogg Co. v. Exxon Corp., 209 F.3d 562, 570-569 (6th Cir. 2000) (overruled on other grounds); SunAmerica Corp. v. Sun Life Assurance Co. of Can., 77 F.3d 1325, 1334 (11th Cir. 1996). Mr. VanderBroek and his law firm, Troutman Sanders LLP, represented Sun America Corp. in the appeal of this case.

13 See, e.g., Car-Freshener Corp. v. S.C. Johnson & Son, Inc., 70 F.3d 267 (2nd Cir. 1995) (pine tree shape of plug-in air freshener was a fair use because it described the pine scent of the air freshener and was symbolic of the Christmas holiday season); International Startup Art, Inc. v. U.S. Postal Service, 456 F.3d 1270 (11th Cir. 2006) (fair use for Postal Service to sell greeting cards reproducing U.S. stamps which depicted the perforated border of the original stamps).
manufacturer’s “brand name”) still does not prevent infringement. See Ferrari S.p.A. Esercizio Fabbriche Automobili E Corse v. Roberts, 944 F.2d 1235 (6th Cir. 1991); McNeil-PPC v. Guardian Drug Co., 884 F. Supp. 1066 (E.D. Mich. 1997). However, other cases have found, in particular factual settings that the presence of a prominently displayed brand name on the package or label can make clear the true origin of a product and counter any possible consumer confusion that may occur due to similar trade dress. Courts take a case-by-case approach to determining whether brand name is displayed in a manner sufficient to pose an effective defense. See Conopco, Inc. v. May Dep't Stores Co., 46 F.3d 1556, 1568-1570 (Fed. Cir. 1994) (discussing various decisions addressing the “brand name” defense).

3. Available Remedies

The Lanham Act provides for several possible remedies in a trade dress infringement action, including an injunction, damages, disgorgement of defendant’s profits, costs, and attorney’s fees.

a. Injunction

Generally, the most important remedy in a trade dress infringement case is an injunction prohibiting (or limiting) use of an infringing trade dress. The Lanham Act empowers a court to issue injunctive relief in accordance with the principles of equity and upon such terms as the court may deem reasonable. 15 U.S.C. § 1116. An injunction in a trade dress case must adequately specify the acts or appearances to be enjoined. See John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 985 (11th Cir. 1983).

b. Monetary Relief

A plaintiff also may be entitled to monetary relief, "subject to the principles of equity," in the form of: (a) actual damages sustained by the plaintiff due to the infringement; and/or (b) an accounting and recovery of the defendant's profits resulting from the infringement. 15 U.S.C. § 1117(a). Trademark law grants courts substantial discretion in determining the amount of monetary relief to be awarded, if any, and allows courts to impose up to treble damages. Id.; see McCarthy, supra, § 30:90. A plaintiff's actual damages may include lost profits, injury to plaintiff's goodwill or business reputation, and expenses incurred in trying to prevent consumer confusion.

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14 See, e.g., Braun, Inc. v. Dynamics Corp. of America, 975 F.2d 815, 828 (Fed. Cir. 1992) (holding that a defendant’s “prominent labeling of the carton with its brand name and trademark logo is probative evidence that the cartons are not confusingly similar.”); Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1044 (2d Cir. 1992) (holding that Excedrin’s trade dress did not infringe upon TYLENOL PM’s trade dress due to the prominent display of the EXCEDRIN PM brand name on the Excedrin trade dress).

15 Courts have generally held that proof of trademark or trade dress infringement creates a presumption of irreparable harm such that an injunction should issue. However, in eBay, Inc. v. MercExchange, LLC, 547 U.S. 388 (2006), the Supreme Court overturned the Federal Circuit’s blanket rule that a permanent injunction should issue in a case of patent infringement, in favor of application of the traditional four factor test for equitable relief that considers irreparable harm as one factor. Since eBay, some courts have questioned, without deciding, whether the presumption of irreparable harm in trademark or trade dress cases remains valid. See North American Medical Corp. v. Axiom Worldwide, Inc., 522 F.3d 1211, 1228 (11th Cir. 2008). Other courts have continued to apply the presumption. See Canfield v. Health Communications, Inc., 2008 U.S. Dist. LEXIS 28662, at *5-6 (C.D. Cal., Apr. 1, 2008). Because the injury from trademark and trade dress infringement necessarily includes intangible harm to the goodwill represented by the mark or trade dress that is difficult to measure, a presumption of irreparable harm makes sense in trademark and trade dress cases.
confusion. See *McCarthy, supra*, §§ 30:72-30:87. Some courts require proof that consumers were actually confused or deceived as a prerequisite to a plaintiff receiving a damages award. *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 525-26 (10th Cir. 1987) (must show actual confusion or deception to recover damages); *but see Taco Cabana*, 932 F.2d 1113, 1126 (5th Cir. 1991), aff'd 505 U.S. 763 (1992) (an award of plaintiff’s damages does not require evidence of actual confusion.). To recover a defendant's profits, some courts require a plaintiff to demonstrate that a defendant “wilfully” infringed on a plaintiff’s trade dress.16 Other courts do not require a showing of wilfulness.17

c. **Attorneys’ Fees**

A prevailing party may be entitled to attorneys’ fees in “exceptional cases.” 15 U.S.C. § 1117(a). An “exceptional case” is one in which “the defendant's conduct was malicious, fraudulent, wilful or deliberate in nature.” *Retail Servs. v. Freebies Publ’g*, 364 F.3d 535, 550 (4th Cir. 2004) (noting varying circuit determinations of “exceptional cases” definition).18

4. **Trade Dress Dilution Litigation**

In addition to a claim of trade dress infringement, in limited situations a plaintiff might be able to assert a claim for trade dress dilution pursuant to Section 43(c) of the Lanham Act. 15 U.S.C. § 1125(c). Dilution protects against the “weakening or reduction in the ability of a mark to clearly distinguish only one source.”  *McCarthy, supra*, § 24.67. Dilution can be by “tarnishment,” i.e. degrading the reputation of the mark through negative associations (e.g., pornography or unwholesome activities) or by “blurring,” i.e., impairing the distinctiveness of the mark. *Id.*

The Lanham Act provides that:

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

15 U.S.C. § 1125(c)(1). A prima facie case for dilution of trade dress requires a showing that 1) the plaintiff’s trade dress is not functional and is both distinctive and famous; 2) the defendant is using the trade dress in interstate commerce; 3) the defendant’s use occurred after the plaintiff’s trade dress became famous, and 4) defendant’s use is likely to cause dilution by blurring or dilution by tarnishment of the plaintiff’s famous trade dress. 15 U.S.C. § 1125(c)(1) and (4).

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16 See, e.g., *Bishop v. Equinox Int'l Corp*, 154 F.3d 1220, 1223 (10th Cir. 1998); *Banff, Ltd. v. Clberts, Inc.*, 996 F.2d 33, 35 (2d Cir. 1993).


18 See also, *Horphag Research Ltd. v. Pellegrini*, 337 F.3d 1036, 1042 (9th Cir. 2003) (citations omitted); *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 370 (4th Cir. 2001) (citations omitted).
Dilution differs from infringement in that it does not require proof of likelihood of confusion. For this reason, a federal dilution claim is only granted to “famous” marks or trade dress. A mark or trade dress is famous “if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s [or trade dress’] owner.” 15 U.S.C. § 1125(c)(2)(H). Most trade dress will not be so widely recognized to be “famous” under that standard. However, some state trademark dilution statutes do not require that the plaintiff’s mark or trade dress be famous. See McCarthy, supra, § 24.78.

The Second Circuit has affirmed a finding that the fish shape of Pepperidge Farm’s GOLDFISH® brand crackers is famous and was diluted by Nabisco’s imitative fish-shaped crackers. Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208 (2d Cir. 1999). However, Hershey did not fare as well in asserting that its abbreviated Reese’s® trade dress, which consisted of a classic orange background, brown sawtooth peanut butter cup, and yellow writing, was diluted by Mars’ Peanut Butter M&M® trade dress using the same orange colored background. Hershey Foods Corp. v. Mars, Inc., 998 F. Supp. 500, 513 (M.D. Pa. 1998). Hershey claimed that the arrangement and proportion of the Reese’s® colors were unique and famous absent any trade name or logo. Id. at 513-14. While the court held that the trade dress was protectable, it denied Hershey’s dilution claim on the grounds that the trade dress was not famous or distinctive just based on its color and that the Peanut Butter M&Ms® trade dress did not dilute Hershey’s trade dress. Id.

IV. TRADE DRESS ISSUES IN A FRANCHISING CONTEXT

Many franchise businesses have potentially protectable trade dress. A restaurant franchise or a franchise providing goods or services through retail stores may have protectable trade dress in the unique overall appearance, layout, design, décor, and look and feel of its restaurants or stores, or components thereof. Businesses selling vehicles or other products through franchises or dealerships may have protectable trade dress in a unique product design, shape or configuration. A franchise business’ packaging or labeling might qualify for trade dress protection. Even a unique method of arranging or displaying products might qualify as trade dress. Discussed below are examples of cases discussing trade dress rights which, while not always arising in a franchising or distribution context, illustrate the types of trade dress that may arise in a franchise business.

A. Layout, Appearance, Look and Feel of a Restaurant or Retail Store

As discussed earlier, one of the more notable cases involving restaurant trade dress is Two Pesos, Inc. v. Taco Cabana, Inc. 505 U.S. 763, 112 S. Ct. 2753 (1992). In that case, the Supreme Court upheld a jury’s finding that Taco Cabana’s “Mexican décor” was inherently distinctive. The plaintiff's trade dress was described as:

...a festive eating atmosphere having interior dining and patio areas decorated with artefacts, bright colors, paintings and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme using top border paint and neon stripes. Bright awnings and umbrellas continue the theme.
Id. at 765 (quoting 932 F.2d 1113, 1117 (5th Cir. 1991)). While the issue of the jury’s infringement decision was not specifically before the Supreme Court, the Court of Appeals affirmed the jury’s verdict that the décor of defendant’s stores infringed plaintiff's trade dress rights. Id. at 770.

In *Freddie Fuddruckers, Inc. v. Ridgeline, Inc.*, a district court held that the distinctive layout of Fuddruckers® restaurants with white tiles, open food preparation areas, visible ingredients, and other design features had taken on a secondary meaning and become identified in the mind of the public with Fuddruckers. 589 F. Supp. 72, 75 (N.D. Tex. 1984). In granting plaintiff’s motion for preliminary injunction on its trade dress infringement claim, the court noted that while many of these layout characteristics were functional, the combination of the elements into an overall design was arbitrary and non-functional and thus allowed trade dress protection. *Id.* Similarly, a court found the layout of Planet Hollywood restaurants emphasizing Hollywood memorabilia, themed rooms, celebrity handprints, and art deco created a collective distinctive image associated with those restaurants; however, the court noted that Planet Hollywood could not claim rights in a more broadly described “Hollywood-themed” trade dress. *Planet Hollywood (Region IV), Inc. v. Hollywood Casino Corp.*, 80 F. Supp. 2d 815, 890 (N.D. Ill. 1999).

In other cases, courts have found that the overall layout and décor of a restaurant or store was not distinctive or identifiable in the public’s mind. In *T.G.I. Friday's, Inc. v. Int'l Restaurant Group, Inc.*, a court found that the layout and design of T.G.I. Friday’s® restaurants was not sufficiently associated in the mind of the public to warrant trade dress protection. 405 F. Supp. 698, 709 (M.D. La. 1975). In dismissing an infringement claim against a competing and similarly designed restaurant named “Ever Lovin’ Saturdays”, the Court held that T.G.I. Friday’s older “turn-of-the-century” motif was not uniquely associated with its restaurant as T.G.I. Friday’s restaurants were neither the only restaurant known for that type of motif nor was the motif uniquely associated in the mind of consumers with T.G.I. Friday’s. *Id.* (holding that T.G.I Friday’s motif did not convey a secondary meaning and was not unique and noting that Hoolihan’s restaurant and several other restaurants had similar motifs to T.G.I. Friday’s).

There is no trade dress protection when the look or appearance of a restaurant or retail store is “generic,” or is inconsistent throughout a chain of stores. In a case involving two similar ale houses, a court held that the plaintiff was not entitled to trade dress protection for its rectangular wooden bar layout with television monitors and pool tables because this was not unique. *Ale House Mgmt. v. Raleigh Ale House*, 205 F.3d 137, 142 (4th Cir. 2000). In addition, the court noted that plaintiff’s “own configurations differ from facility to facility, denying it a single model from which to distinguish the numerous similar configurations used by other food-and-beer establishments.” *Id.*

In a case involving Hooters® restaurants, Hooters sued a competitor who it asserted had infringed its trade dress consisting of the appearance and layout of its restaurants and its Hooter Girl concept and uniform consisting of running shorts and tank tops. *HI Ltd. P’ship v. Winghouse of Fla., Inc.*, 347 F. Supp. 2d 1256, 1258-59 (M.D. Fla. 2004). The court held that the appearance and layout of the Hooters restaurant was neither unique nor distinctive, and that the Hooters Girl concept was not protectable because it is functional. *Id.* As stated by the court,

Hooters has admitted that the Hooters Girl's predominant function is to provide vicarious sexual recreation, to titillate, entice, and arouse male customers' fantasies. She is the
very essence of Hooters' business. This essential functionality disqualifies the Hooters Girl from trade dress protection.

Id. at 1259. In addition, the court noted that the distinctiveness of the Hooter Girl uniform derived from the orange and white color of the uniform and not merely because the uniform consisted of running shorts and tanktops. Accordingly, because the waitresses at defendant’s restaurant wore black tanktops and running shorts, the court held that there was no trade dress infringement. Id.

B. Product Packaging and Labeling

The most common type of trade dress involves product packaging and/or labeling. The packaging for an ice cream bar has been found to be inherently distinctive and entitled to trade dress protection. In that case, the court noted that “the Klondike wrapper with its square size, bright coloring, pebbled texture, polar bear and sunburst images, and distinctive style of printing is ‘a complex composite of size, color, texture and graphics. . . . [creating] a distinctive visual impression.’” AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1536 (11th Cir. 1986). As a result, the court held that defendant’s use of a polar bear and confusingly similar silver and royal blue wrapper on its ice cream bar infringed on the Klondike® trade dress. Id. at 1547-49 (holding that defendant’s wrapper infringed but remanding to district court for more narrowly defined injunction).

In another case, a court held that the packaging displaying “The Club” automobile anti-theft device was both arbitrary and distinctive and thus entitled to trade dress protection. In finding the packaging to be distinctive, the court noted that the trademark was located in several places on the package, the unique shape of the device, the white sunburst with police endorsement, and the gold cardboard backing. Winner Intern, LLC v. Omori Enterprises, Inc., 60 F. Supp. 2d 62 (E.D.N.Y. 1999). While the court found the packaging to be distinctive, the court denied plaintiff’s motion for preliminary injunction on the infringement claim based on its finding that the plaintiff’s and defendant’s respective products were not likely to confuse consumers. Id. at 70 (noting the prominent placement of the products’ brand names as one reason for less consumer confusion).

Courts have also found labels to be sufficiently distinctive to warrant trade dress protection. A court found that the No. 12 Ouzo bottle with its unique label was inherently distinctive and entitled to trade dress protection. Paddington Corp. v. Attiki Importers & Distribs., Inc., 996 F.2d 577, 584 (2d Cir. 1993). While noting that the actual bottle shape and design was neither unique nor distinctive by itself, the court held that “the tone and layout of the colors, the style and size of the lettering, and, most important, the overall appearance of the bottle’s labelling, are undeniably arbitrary.” Id. Other courts have found a distinctive bottle shape when considered with its label to be protectable trade dress. Innovation Ventures, LLC v. N2G Distrib., 2008 U.S. Dist. LEXIS 30047, at *16-17 (E.D. Mich. Apr. 14, 2008) (holding that overall bottle shape and label was distinctive and noting that bottle alone is generally functional and non-distinctive); cf. U.S. Trademark Reg. No. 696,147 (Apr. 12, 1960) (Registration of the shape and design of Coca-Cola® soft drink bottle).

C. Product Design

The unique appearance, configuration, design, and/or shape of a product may also be entitled to trade dress protection, if it is not functional and has acquired secondary meaning.
In a case involving Dippin’ Dots® ice cream, plaintiff asserted trade dress protection for the shape, size, and color of its ice cream. The ice cream was not served in a solid scoop-able form but rather formed through flash freezing into tiny spherical balls of ice cream and could be served in this “dot” form. Plaintiff advertised its ice cream as being the “Ice Cream of the Future.” A court held that the dot size, color, and shape of the ice cream were functional and not unique because any ice cream prepared in the same flash-frozen manner would have the same qualities. *Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197 (11th Cir. 2004). In addition, the court noted that plaintiff’s claim focused more on the process of flash freezing and patent law rather than trade dress law would apply. *Id.* at 1207. Thus, the court held that the ice cream was not entitled to trade dress protection because it was neither unique nor non-functional. 19 *Id.*

However, when there is a distinctive design aspect included with a functional design, courts have held that trade dress protection of the design aspect is proper. In a case involving stacking chairs, a court held that the design of the seat, back, and connecting rods went beyond functionality and created a distinctive look that served as a source identifier. *Krueger Intern., Inc. v. Nightingale Inc.*, 915 F. Supp. 595 (S.D.N.Y. 1996).

In several cases involving car designs, courts have found that certain vehicles are entitled to trade dress protection. A court held that the overall design of a Ferrari® sports car was protectable trade dress due to the unique exterior design and shape; moreover, the court stated that this shape and design uniquely distinguished the vehicle as not just being a well designed car but being a Ferrari. *Ferrari S.p.A. Esercizio Fabbriche Automobili e Corse v. McBurnie*, No. 86-1812-B(IEG),1989 U.S. Dist. LEXIS 13442 (S.D. Cal. June 1, 1989). Similarly, the Sixth Circuit found that a model toy car infringed on the trade dress of the Hummer/Humvee vehicle, which the court found to have a distinctive grill and square body design. *GMC v. Lanard Toys, Inc.*, 468 F.3d 405, 416 (6th Cir. Mich. 2006). Additionally, Porsche has federally registered the shape of its 911 car. U.S. Trademark Reg. No. 2,655,378 (Dec. 3, 2002). 20

Uniquely designed dolls may qualify for trade dress protection. In a case involving the popular “Bratz” dolls designed by the former Barbie creator, a jury awarded Mattel $100 million verdict for a variety of claims including trade dress infringement. *Bryant v. Mattel, Inc.*, 2008 U.S. Dist. LEXIS 107208 (C.D. Cal. Dec. 3, 2008).

19 See also *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063 (2d Cir. 1995) (holding that black compact makeup cases could not be inherently distinctive trade dress because other cosmetics distributors used identical cases).

20 Trademark Registration Drawing for Porsche 911.
D. Other

A retail stores' unique way of displaying and categorizing products can be entitled to trade dress protection. In *Best Cellars, Inc. v. Grape Finds at Dupont, Inc.*, a court found that the unique layout of a “wall of wine” was distinctive and non-functional. 90 F. Supp. 2d 431, 452 (S.D.N.Y. 2000). The court noted that the “wall of wines” was distinctive due to its “color-coded, iconographic wall signs identifying eight taste categories above single display bottles on stainless-steel wire pedestals which run along the store perimeter, above identical color-coded textually formatted square shelf-talkers, above vertical arrays of nine glowing bottles stacked horizontally, above a strip of cabinets or drawers which extend to the floor.” *Id.* The court determined that this “wall of wines” contained a sufficient number of non-functional elements to be protectable and held that defendant's store infringed upon plaintiff's trade dress. *Id.*

However, trade dress must be tangible to be protected. A mere marketing theme or style of doing business is not protectable as trade dress. In case involving Haagen-Dazs® ice cream, a court held that Haagen-Dazs was not entitled to trade dress protection for its Scandinavian premium ice cream marketing theme. *Haagen-Dazs, Inc. v. Frusen Gladje, Ltd.*, 493 F. Supp. 73 (S.D.N.Y. 1980). In making this finding, the court held that permitting trade dress protection for such a theme would be overly broad and restrictive on other competitors. *Id.* at 75.

Vehicles can receive trade dress protection based on their color or appearance. In several cases, courts have found that the distinctive color of taxicabs, usually yellow or checkered, warranted trade dress protection as the color had taken on a secondary meaning and served to identify the source of the taxi service. *See Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F.2d 407, 415 (6th Cir. 1945).

E. Former Franchisees' Post-Termination Use of Trade Dress

Trade dress infringement allegations are frequently made against terminated franchisees who “hold over” and continue to operate out of the formerly-franchised location using the franchisor's trademarks and other components of the franchisor's system (including the décor and appearance of franchise units) without authorization, as if it was still a franchisee. If the franchisor has protectable trade dress in the appearance, design, décor, and look and feel of its franchise units or components thereof, then this unauthorized, post-termination use amounts to infringement of the franchisor's trade dress. *See McDonald's Corp. v. Robertson*, 147 F.3d 1301, 1306, 1314 (11th Cir. 1998) (granting preliminary injunction against former franchisee's use of McDonald's trade dress as well as trademarks). If the former franchisee changes the name of its business but continues to operate the same type of business using the same or similar design, décor and components of its building appearance, it may still infringe the franchisor's trade dress.

V. PRACTICAL TIPS AND ISSUES IN PROTECTING AND ENFORCING TRADE DRESS RIGHTS

A. Proactive Steps in Protecting Trade Dress

1. Choosing a Unique, Protectable Trade Dress

The first step in protecting trade dress is to choose one that is likely to be protected. The foregoing discussion suggests several steps for choosing a protectable trade dress:
(a) Consider the overall appearance and image of the product, building design, and décor, or other item to be “dressed” for sale. This will include size, shape, color, graphics, materials, texture, print style, and lay-out, and this analysis should be directed to the product or item itself, its labels, its packaging, and its overall presentation and display to the consumer.

(b) If product design will be part of your trade dress, make as many of the features as possible non-functional.

(c) Make the features unique as compared to similar and competitive products or services.

(d) Pick fanciful and arbitrary design elements (e.g., colors and shapes that are ornamental and not useful).

(e) Use (and refer in your marketing materials) to your trade dress as a source identifier. (E.g., “Look for the Red Square.”)

(f) Practice uniformity and consistency in using the trade dress.

(g) Do not promote the trade dress as useful or functional.

2. Registration of Trade Dress With Patent and Trademark Office

In seeking registration of a trade dress, here are some considerations to bear in mind:

(a) Trade dress protection will not be available for new product designs and new uses of a single color – product designs and colors now require secondary meaning, which takes time to develop.

(b) Similarly, the rule requiring secondary meaning for product design and single-color trade dress effectively renders “intent to use” applications unavailable for those types of trade dress.

(c) Consider seeking registration of new product designs and new single-color trade dress on the PTO’s “Supplemental Register” pursuant to 15 U.S.C. § 1091. Initial registration on the Supplemental Register does not foreclose later registration on the Principal Register. Section 2(f) of the Lanham Act allows the PTO to accept as prima facie evidence of acquired distinctiveness proof that use of the mark has been substantially exclusive for five years. 15 U.S.C. § 1052(f). Note that this is permissive, not mandatory, but if PTO decides to accept this evidence, the applicant may avoid having to prove secondary meaning.

(d) In order to be registered, the elements of a trade dress must be capable of being listed. McCarthy, supra at 8:7.

(e) There is a tension between the impulse to list as many elements of the trade dress as possible in the application (in hopes of showing how distinctive it is), and the desire to have as few elements as possible at the enforcement stage when the trade dress owner is asserting infringement and a list of too many elements makes infringement more difficult to prove.
The registration of a flat, two-dimensional depiction of a product does not protect the overall product appearance itself, but rather protects only the outline or silhouette. *Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP*, 423 F.3d 539, 76 U.S.P.Q.2d (BNA) 1372 (6th Cir. 2005).

3. **Helpful Contractual Provisions**

In the franchise context, the franchisor should address its trade dress in the franchise agreement, e.g., by generally describing the elements of the trade dress, and obtaining the franchisee’s agreement that the trade dress is distinctive, non-functional and protectable. The customary conformity requirements of a franchise system will help maintain a consistent and unified trade dress, which will help to ensure protectability. The franchise agreement’s list of post-termination obligations should include the requirement that the franchisee will cease use of the franchisor’s trade dress and trademarks. De-identification checklists should also contain reference to trade dress.

4. **Consider Alternate, Or Interim, Means of Protection (Copyrights / Design Patent)**

If your trade dress is (or includes) a product shape or configuration, consider investing in a design patent to protect it pending the development of secondary meaning. If you do seek a design patent, be sure to get the application on file before the one-year “on sale” bar under 35 U.S.C. § 102(b). This means that design patent protection must be considered, and sought, in the early stages of the trade dress design and use.

Copyright protection is also a possibility for many features of trade dress, including labels, graphics and other features that are not “useful.” While copyright protection of an entire trade dress is unlikely, several constituent features of a trade dress might well be copyrightable.

B. **Enforcing Trade Dress Rights – Trade Dress Infringement Litigation**

A number of practical issues arise in the context of prosecuting or defending against a trade dress infringement claim. Among them are the following:

1. **Proving Protectable Trade Dress**
   
a. **Identifying Elements of Trade Dress**

A plaintiff will need to identify the combination of elements of its product, packaging or presentation that make up the trade dress that it seeks to protect. While trade dress is most often defined as a totality of elements that could include features such as size, shape, color or color combinations, and graphics, a plaintiff can define a list of elements consisting of less than the totality of the features and components of the product or packaging.

In identifying elements of trade dress, a plaintiff should focus on a combination of elements that (i) are unique, distinctive and non-functional; (ii) serve to help identify the source and origin of plaintiff’s business or its goods or services; and (iii) are being imitated by the defendant. An overbroad listing of elements runs the risk of being found unprotectable as including too many components that are common to other businesses or products or that are functional. Including many elements in your list will limit the scope of protection available and may make it more difficult to prove infringement as well – as a copycat might be able to avoid doing anything so.
adopts one or two of the elements and use those changes to argue non-infringement. Erring too far in the other direction carries its own risk -- listing too few elements may limit your ability to prove that the combination of elements is unique.

b. **Proving Distinctiveness and/or Secondary Meaning**

Trade dress in the form of product packaging and labeling or the design, decor and appearance of restaurants or stores can be protected if it is inherently distinctive, without proof of secondary meaning. In those situations, a plaintiff will urge that the design, shape or combination of elements is unique and unusual in a particular field or market so that it can be assumed without proof that the dress will be perceived by customers as an indicator of origin and not mere ornamentation. *See E.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998); *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1343 (C.C.P.A. 1977).

For trade dress consisting of product design or configuration or which is otherwise not inherently distinctive, a plaintiff will have to prove that the trade dress has acquired secondary meaning to consumers. This will involve proof of factors such as: (1) length of time the trade dress has been used; (2) exclusivity of use; (3) sales levels of product bearing the trade dress; and (4) amount and extent of advertising. *Herman Miller, Inc. v. Palazzetti Imps. & Exps., Inc.*, 270 F.3d 298, 312 (6th Cir. 2001). A plaintiff should look for evidence of intentional copying, which is probative of secondary meaning. *Id.; see also Osem Food Industries Ltd. v. Sherwood Foods, Inc.*, 917 F.2d 161, 165 (4th Cir. 1990). A consumer survey reflecting that a significant percentage of consumers associate the trade dress as identifying the source and origin of plaintiff's product can be very helpful, but not required, to prove secondary meaning. *Id.; see also Sugar Busters LLC v. Brennan*, 177 F.3d 258, 269 (5th Cir. 1999) (noting that survey evidence is not mandatory).

If the plaintiff has obtained a federal registration for its trade dress, the registration serves as prima facie evidence that the trade dress is valid and protectable – i.e., that it is either inherently distinctive or has acquired secondary meaning, and that it is not functional. 15 U.S.C. § 1057(b); *see Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 117 (1st Cir. 2006)

In defending against a trade dress claim, a defendant will often argue that the trade dress consists of commonly-used elements that are not unique, either individually or in combination. To support this argument, a defendant should introduce visual evidence of examples of other's use of similar components. However, a defendant cannot avoid liability simply by segregating out the various aspects of plaintiff's product and claiming that none of them are protectable in and of itself, because it is the total combination of elements of the trade dress that is at issue. *See McCarthy, supra*, § 8:2.

c. **Proving Non-functionality**

A plaintiff will want to prove that the trade dress is decorative or ornamental and does not have utilitarian functions or improve the performance of the product. A defendant may argue that the asserted trade dress is essential to the use or purpose of the article or affects the cost or quality of the article, and that permitting exclusive use of the trade dress would put competitors at a significant non-reputation-related disadvantage.
2. Proving a Likelihood of Confusion

If a plaintiff and defendant have very similar trade dress and provide competitive or complimentary products or services to the same or similar target customers through similar distribution channels, then the risk of confusion is increased and a plaintiff may be able to prevail on proving a likelihood of confusion based just on an analysis of the likelihood of confusion factors, without proof of actual confusion of consumers. Actual confusion is not necessary to prove a likelihood of confusion, although it is considered to be strong evidence of likely confusion. See McCarthy, supra, § 8:15. If the trade dress is less similar and/or the parties do not directly compete, a plaintiff’s chances of success in proving a likelihood of confusion will increase if: (1) it can present evidence that some consumers actually have been confused as to source, origin, affiliation or sponsorship due to the similarity of the trade dress; and/or (2) it engages a market research firm to conduct a survey that indicates a significant level of consumer confusion.

Defendants may also engage an expert to conduct a survey to prove that confusion is unlikely. In addition, a defendant may argue that prominent use of its brand name as part of the product packaging or design at issue serves to eliminate any likelihood of confusion associated with similar packaging or design. See supra Part II.B.2.e.

3. Proving Defenses

In addition to seeking evidence undermining the elements of a plaintiff’s trade dress infringement claim (inherent distinctiveness or secondary meaning, non-functionality, and likelihood of confusion), a defendant should consider whether there is evidence to support affirmative defenses such as laches, acquiescence, or fair use. See supra Part II.B.2.

4. Preliminary Injunction/Temporary Restraining Order

A trademark or trade dress infringement case may linger two years or more from the filing of the lawsuit until the court holds a full trial on the merits of the case. During this time, a plaintiff whose trade dress is being infringed can suffer substantial irreparable harm in the form of an indeterminable amount of lost sales and loss of control over its reputation and goodwill. Thus, plaintiffs sometimes ask courts to grant preliminary injunctions against infringing use of the trade dress, before a full trial on the merits. See Fed. R. Civ. P. 65(a).

A party seeking a preliminary injunction in trademark or trade dress cases must show (1) a substantial likelihood it will prevail on the merits; (2) that it will suffer irreparable injury if the injunction is denied; (3) that the threatened injury outweighs whatever damage the proposed injunction may cause the opposing party; and (4) that the injunction would not be adverse to the public interest. Louis Vuitton Malletier v. Dooney & Bourke, Inc., 454 F.3d 108, 114 (2d Cir. 2006); Levi Strauss & Co. v. Sunrise Int’l Trading Inc., 51 F.3d 982, 985 (11th Cir. 1995).

Courts generally rule on a preliminary injunction request within a few months of filing the case (sometimes sooner). In addition to providing prompt interim relief, obtaining a preliminary injunction will often require the infringer to change its trade dress (pending a full trial), which can effectively end the litigation. Trade dress infringement plaintiffs should consider seeking a
preliminary injunction, if their case is strong on the merits and/or if potential confusion could cause serious and immediate harm to its business or reputation.21

However, if a defendant will be able to raise a significant defense to the protectability of plaintiff’s trade dress, then the plaintiff generally should not pursue a preliminary injunction. In that situation, a judge is unlikely to be willing to rule that the trade dress is protectable without a full evidentiary record. Furthermore, a plaintiff obtaining a preliminary injunction or TRO will be required to post a bond or other security with the court, in an amount set by the judge, to secure a defendant from damages it may suffer in the event that the injunction is later determined to have been improperly granted (either on appeal or after a trial on the merits). Fed. R. Civ. P. 65(c). An alternative to moving for a preliminary injunction is to seek an expedited trial on the merits. Usually at the urging of the court, parties sometimes combine the preliminary injunction hearing with an expedited trial on the merits, at least as to liability, making the injunction hearing dispositive of the liability issue and leaving only damages for trial should the plaintiff prevail.

C. Enforcing Trade Dress Rights – Other Claims

1. Trade Dress Dilution Litigation

To pursue a claim for dilution of trade dress, a plaintiff must prove not only that its trade dress is protectable, but also that it is “famous” in that it is widely recognized by the general consuming public of the United States as designating a source of plaintiff’s products or services. This is a difficult burden, that considers factors such as the volume and geographic extent of sales of goods or services sold under the trade dress; the length of time the trade dress has been used; the duration, extent and geographic reach of advertising and publicity of the trade dress; and the extent of actual public recognition of the trade dress.

In evaluating whether there is a likelihood of dilution by blurring, evidence will focus on the degree of similarity of the trade dress; the degree of distinctiveness of the dress; the degree of recognition of the dress; whether the defendant intended to create an association with plaintiff’s famous trade dress; and whether there is evidence of actual association between the parties’ trade dress. See 15 U.S.C. § 1125(c)(2)(B). Market research surveys may be used in an effort to either prove or disprove that the trade dress is famous or that there is a likelihood of dilution by blurring.

2. TTAB Inter Partes Proceedings to Challenge Registration of Trade Dress

The Trademark Trial and Appeal Board (“TTAB”) of the PTO has a procedure by which, once the PTO clears a mark or trade dress for registration and publishes it in the Federal Register, an owner of a similar mark or trade dress can file an “opposition action” with the TTAB to oppose registration of the mark or trade dress. 15 U.S.C. § 1063. An opposition action proceeds through administrative litigation before the TTAB and includes an opportunity for discovery and for presenting evidence to and obtaining a ruling from the TTAB. Typical issues litigated in an opposition action are whether the mark or trade dress sought to be registered in connection with a particular class or classes of goods or services is inherently distinctive or has

21 If the potential harm is particularly acute, a plaintiff may seek a temporary restraining order (“TRO”), with or without notice. A TRO entered without notice to the other side generally expires after ten days. Fed. R. Civ. P. 65(b).
acquired distinctiveness; and whether the trade dress is likely to be confused with or likely to dilute the plaintiff’s mark or trade dress.

D. Costs and Risks to Franchise Businesses Associated with Underprotection and Overprotection of Trade Dress Rights

Adopting and maintaining a distinctive and impressionable trade dress can establish a powerful competitive advantage for a franchise business. To maintain that competitive advantage, it is important that a franchisor take appropriate steps to protect the trade dress and to enforce it against those who misappropriate or copy it – whether they be former franchisees who continue to use the trade dress without authorization after termination of the franchise agreement, or a competitor who copies or imitates the trade dress in an attempt to free ride on the goodwill of the franchise business. A failure to enforce trade dress rights against imitators can eventually result in a loss of those rights if the trade dress becomes commonly used in the marketplace.

On the other hand, there are also risks to overreaching in enforcement of trade dress rights. A franchisor that stretches too far in attempting to enforce aspects of its restaurant or store design/decor or its franchise system that are of questionable protectability (because they are not very distinctive or may have functional aspects) may end up with a court decision that the trade dress is not protectable – which would result in others being able to freely copy the trade dress in the future.

Thus, like many other aspects of running a franchise business, protecting and enforcing trade dress rights is a balancing act, requiring appropriate and well-balanced analysis and judgment on the part of franchisors and their lawyers.