



## **SUPREMES UNDRRESS TRADE DRESS**

By: James B. Astrachan

Manufacturers often rely on trade dress to distinguish their products from the competitors'. Sometimes the trade dress is registered with the Patent and Trademark Office, but often it is not. Two recent United States Supreme Court decisions have imposed certain requirements that must exist for trade dress to be protectible. Trade dress must be distinctive and can not be functional.

Trade dress is either product design or product packaging. Pink insulation would be product design; a cereal box would be product packaging. Other examples of trade dress would include the overall appearance of a restaurant, the design of childrens' clothes or a device that keeps traffic signs upright on windy days. Regardless of what the trade dress is, the ability of a manufacturer to keep a competitor from copying is vital to profitability and maybe even survival.

Consider a manufacturer with a market niche created by a unique product design. As long as competitors are unable to copy the design the manufacturer can charge top prices for its product because it is the only source of the product. Once a competitor is legally permitted to copy the design, it will likely sell the product for less money than the original. Sales will suffer.

Trade dress can be protected in the same fashion as a trademark, but to be protectible so as to prevent others from copying, the trade dress must not be functional and it must be distinctive. Section 43(a) of the Lanham Act, the federal law that governs this area, does not impose these requirements but over the years the courts have done so.

Trade dress is distinctive if its intrinsic nature serves to identify a particular source of the product. It can be distinctive right from the start, or it can acquire secondary meaning through use. Secondary meaning occurs when the public identifies the mark with the source of the product and not the product itself.

In the first Supreme Court decision, mega-retailer Wal-Mart sold knock-offs of Samara children's clothing made of seersucker decorated with appliques of hearts, flowers and fruit. Wal-Mart actually provided samples from Samara's product line to its manufacturer and told it to copy the originals with very little change. A United States District Court enjoined the sale of the copies, and the Second Circuit Court of Appeals affirmed the trial court's decision. The Supreme Court reversed and remanded, finding that the clothing's design was not distinctive.

More important, the Supreme Court created new law. First, it held that trade dress falls into one of two categories: product design or product packaging. Second, it held that product packaging can still be protected if it is inherently distinctive, but product design can not. The Court took a very narrow view of product design trade dress when it held that to be protectible, product design trade dress must always be capable of establishing secondary meaning. This means that any manufacturer who

wants to incorporate trade dress into product design must be prepared to establish that consumers associate the trade dress with the source of the product, the manufacturer. It is not enough anymore to show that the design is distinctive. The Court reasoned that because product design almost always serves purposes beyond source identification allowing a manufacturer to claim exclusive rights to product design, in the absence of a showing of secondary meaning, stymies competition.

The second case decided by the Supreme Court considered whether the unique design of a dual spring device used to keep traffic signs upright in strong wind could be protectible as trade dress. The manufacturer claimed that the device was clearly recognizable by buyers and users, and, therefore, had obtained secondary meaning.

The manufacturer of the spring device sued to enjoin copying by a competitor. A United States District Court decided that the manufacturer would be unlikely to establish secondary meaning. It also ruled that because the device was functional, it could not be protected as trade dress. The Sixth Circuit Court of Appeals reversed, and the Supreme Court heard the appeal.

The Supreme Court focused on whether the device was functional. Critical to its determination that the device was functional was an expired utility patent issued for the device. The Court held that, "a utility patent is strong evidence that the features therein claimed are functional." Because the device was functional, it would not be protected as trade dress.

In general terms, a product feature is functional, and can not be protected as a trademark or trade dress if it is essential to the use and purpose of the article or it affects the cost or quality of the article. The color black used to paint an outboard motor could not be protected as trade dress because black serves the functional purpose of making the motor appear smaller.

Design patent protection might be available for a unique design, but anyone considering whether to embark on a new product design, and who wants trade dress protection, must first consider whether users and buyers will identify the manufacturer as the source of the product due to inclusion of the trade dress element. This can occur through sales over time or as a result of substantial advertising exposure of the product to buyers and users. Think, for example, of the very distinctive Haig and Haig Pinch Scotch whiskey bottle, and of pink insulation. Once over that large hurdle, functionality must be considered, because if the design is functional, it can not be protected. For example, the shape of Cheerios as a breakfast cereal can't be protected due to its functionality. Only when secondary meaning is established and the design not functional can the trade dress be protected.

## **949 words**

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*Jim Astrachan is a principal at the Baltimore firm of Astrachan, Gunst, Goldman & Thomas, P.C. He is an adjunct professor of Intellectual Property Law at the University of Baltimore Law School and former Chair of the Maryland Bar Association IP Committee.*

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