FEDERAL REGISTRATION OF TRADE DRESS – WHITHER THOU GOEST NOW?

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This article briefly analyzes some of the current trends for federal registration of trade dress, including how such registrations have fared in the courts, and discusses what the future portends for trade dress registrations. Some practical aspects of the actual mechanics of registering trade dress are also addressed.

Status of Federal Trade Dress Registrations

For decades, the U.S. Patent and Trademark Office ("PTO") has allowed registration of trade dress,[1] provided that the trade dress sought to be registered complies with certain requirements; namely, that the trade dress is either inherently distinctive or has acquired distinctive, also known as secondary meaning, and is also not functional.[2] Federal registration has been extended to such trade dress as bottle shapes; the configuration of a product, such as a Weber barbeque[3] or a Honeywell thermostat;[4] and many other examples of trade dress.[5] Even special forms of trade dress, such as a single color,[6] or a fragrance,[7] have been registered in the PTO, though many such attempts have been unsuccessful.[8] Many attorneys and companies have not even aware that trade dress could, like trademarks in general, be federally registered. Indeed, until fairly recently, very few businesses had sought to register their trade dress federally, and fewer still had been successful.[9]

Currently, in the wake of the recent U.S. Supreme Court's decisions favoring protecting of trade dress in *Two Pesos, Inc. v. Taco Cabana, Inc*,.[10] and *Qualitex Co. v. Jacobson Products Co.*,[11] it appears that the floodgates have opened. It should be no surprise that a rush of trade dress owners have taken advantage of the opportunity to register their trade dress,[12] albeit with mixed results in the PTO.[13]

Restrictions on Registration of Product Designs

Prior to the Supreme Court's decision this year in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*[14] the PTO allowed federal registration of products designs, such as bottle shapes or the configuration of products, if the trade dress was either inherently distinctive, or had acquired distinctiveness, and was not de jure functional.[15] What the PTO generally calls acquired distinctiveness is usually referred to by the courts as secondary meaning.

After the Supreme Court's *Wal-Mart*[16] decision in March 2000, at least one type of trade dress, product designs without acquired distinctiveness, apparently can no longer be federally registered, though no specific change has been made yet to the Trademark Manual of Examining Procedure used by the PTO examiners. In contradistinction, for product designs which have acquired distinctiveness, it could be business as usual for trade dress owners in the PTO. Nonetheless, the future probably will bring some

curtailment of all product design trade dress in the PTO, or at least stricter enforcement of the entry barriers to the exclusive club of registered trade dress.

Test for Functional Trade Dress

Trade dress which is de jure functional can never be federally registered, while trade dress which is merely de facto functional may be federally registered. Basically, if a product design has such utility that it constitutes a "superior" design which competitors must use to compete effectively, then it is de jure functional, and unregistrable.[17] In contrast, de facto functionality means merely that the trade dress has some utilitarian purpose; for example, most bottles are de facto functional because they will hold contents, but particular bottles may also be de jure functional.

The PTO bases its determination of whether trade dress sought to be registered is de jure functional upon the four factor test developed by the former Court of Customs and Patent Appeals in *In Re Morton-Norwich Products, Inc.*.[18] The four factors are: 1) whether a utility patent exists that discloses the utilitarian features of the design; 2) whether the trade dress owner touts the utilitarian advantages of the design in its own advertising materials; 3) whether there are sufficient alternative designs available to competitors; and 4) whether the design results from a relatively cheaper or simpler manufacturing method. [19]

These factors are normally addressed by the trade dress applicant's submission of declarations from its own executives, designers or salespeople; its customers or suppliers; industry experts; and sometimes even competitors, together with appropriate exhibits such as any existing or expired patents or alternative designs and their comparative cost to manufacture. The burden of proof is on the PTO to show that the trade dress in question is de jure functional. Nonetheless, the trade dress owner must reasonably cooperate with the PTO' s request for information, helpful or not, or registration may be refused on that ground alone.[20]

The alternative designs need not be commercially available to be considered. Even if some alternative designs are available to competitors, so that competition is not totally foreclosed, this fact alone is insufficient where the alternative designs are fairly limited in number. In other words, the design in question does not need to be the only, or the best, possible design to be de jure functional. The PTO has also recognized that for some products, such as bottles, an unlimited choice of shapes may be available, but for others, a far more limited variety may exist.[21]

If a design patent exists or did exist covering the trade dress in issue, the patent should be introduced into evidence to the PTO. While some courts will afford such a patent presumptive weight that the design is not functional, the PTO's position is that it is some evidence of non-functionality, but does not, by itself, establish non-functionality.[22]

Establishing Distinctiveness for Trade Dress in the PTO

Trade dress which is held de jure functional may never be registered even if it has acquired distinctiveness under Section 2(f) of the Lanham Act. Conversely, if trade dress has acquired distinctiveness, it will be federally registered unless the PTO carries it burden of proving that the trade dress is de jure functional.

Trademark Rule 2.41(b) provides that a mark, or here trade dress, which has been in substantially exclusive and continuous use in commerce by the applicant, according to an appropriate declaration, prima facie has acquired distinctiveness. However, a Section 2(f) declaration is often also bolstered by such evidence as declarations as to the exact length of time the trade dress has been in use, the total amount of sales in the past, the amount of annual sales, the amount spent advertising the trade dress, and samples of the trade dress advertisements which tout the trade dress, so-called "image" advertising.

Inherently distinctive trade dress, at least if it is not a product design, is registrable, and trade dress such as packaging generally is much easier to register. The PTO adheres to the test of inherent distinctiveness formulated in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*,[23] rather than the traditional *Abercrombie* test[24] applied by the Supreme Court to restaurant décor trade dress in *Two Pesos.*[25]

Trade Dress Practice in the PTO and Effect In Federal Courts

The PTO has a judicial expediency policy of deciding, at the examiner and the Trademark Trial and Appeal Board levels, both the issue of acquired distinctiveness and the issue of de jure functionality. Thus, if it is reversed or affirmed on one ground only, the other ground has also been decided already. The trade dress owner should, therefore, make all of its arguments on both issues during the prosecution of the application.

Often the PTO will reject the trade dress as not inherently distinctive, and require evidence of acquired distinctiveness. Before the *Wal-Mart* decision negating inherently distinctive trade dress, it made sense for the applicant to expressly reserve its rights and its position that, by submitting such a claim of acquired distinctiveness, it was not thereby abandoning the original position of inherent distinctiveness. Now this approach may be moot, unless there is an arguable position that the trade dress would not be considered a product design, but would be more akin to product packaging or another form of trade dress.

If a business has obtained a victory in a court case involving the trade dress sought to be registered, this fact should certainly be brought to the attention of the Trademark Examining Attorney handling the application, but a consent decree, unlike an adjudicated decision on the merits, may not be given much weight.[26] On the other hand, the existence of a federal trade dress registration, while not a magic talisman to ward off all challenges in federal court litigation,[27] or even in the PTO,[28] is potent medicine,[29] and will often carry the day. Certainly a federal trade dress registration will make any validity

challenge an uphill battle for one's competitors who choose to copy distinctiveness trade dress.

Various courts have at times confused their terminology or trade dress law itself by indicating that trade dress may not be federally registered, but as the foregoing PTO and the Supreme Court precedents demonstrate, trade dress was and still is federally registrable so long as it meets all of the trade dress sui generis requirements for registration. Whenever possible, federal trade dress registration should be attempted, despite the likely future trend in the PTO to make some such registrations more difficult to obtain in light of the Supreme Court's most recent trade dress edict. Now that trade dress is specifically enumerated in the federal trademark laws, more and more trade dress registrations should result, and many of those will become incontestable.

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[1] Trade dress includes product designs or configurations, packaging, and even the distinctive decor of a restaurant or a building. Trade dress is "the total image of a product [or service], including features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques." John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980 (11th Cir. 1983).
[2] See, e.g., In re World's Finest Chocolate, Inc., 474 F.2d 1012 (C.C.P.A. 1973); Ex parte Haig & Haig Ltd., 118 U.S.P.Q. 229 (Comm'r Pats. 1958).
[3] In re Weber-Stephen Products Co., 3 U.S.P.Q. 2d 1659 (T.T.A.B. 1987).
[4] In re Honeywell, Inc., 8 U.S.P.Q. 2d 1600 (T.T.A.B. 1988).
[5]In re Owens-Corning Fiberglas Corp., 774 F.2d 1116 (Fed. Cir. 1985)(collecting examples).
[6] Owens-Corning, supra (color pink registration for insulation upheld).
[7] In re Clarke, 17 U.S.P.Q. 2d 1238 (T.T.A.B. 1990).
[8] In re Howard S. Leight and Associates Inc., 39 U.S.P.Q. 1058 (T.T.A.B. 1996)(coral colored ear plug color found to be unregistrable as functional); British Seagull, Ltd. V Brunswick Corp., 28 U.S.P.Q.2d 1197 (T.T.A.B. 1993)(refusing registration of color black for boat engines).
[9] See, e.g., In re American National Can Co., 41 U.S.P.Q. 2d 1841 (T.T.A.B. 1997)(registration refusal upheld for fluted beverage container).
[10] 505 U.S. 763 (1992).
[11] 514 U.S. 159 (1995).
[12] See generally, W. Levin, Trade Dress Protection, Section 26.01 et seq. (West Group 1996).
[13] Compare In re EBSCO Industries Inc., 41 U.S.P.Q. 2d 1917 (T.T.A.B. 1997)(registration allowed for distinctive "stickbait" fishing lure design) with In Re EBSCO Industries Inc., 41 U.S.P.Q. 2d 1913 (T.T.A.B. 1997)(refusing registration for same company's "chugger" fishing lure design as de jure functional).
[14] 529 U.S. 205 (2000)(holding that product designs, like color, can not be inherently distinctive).
[15] See, e.g., In re Babies Beat Inc., 13 U.S.P.Q. 2d 1729 (T.T.A.B. 1990)(holding that company's inherently distinctive baby bottle design was de jure functional).
[16] Wal-Mart, supra.
[17] In Re Lincoln Diagnostics Inc., 30 U.S.P.Q.2d 1817 (T.T.A.B. 1994)(refusing registration for configuration of medical apparatus for multiple skin tests for allergies as de jure functional).
[18] 671 F.2d 1332 (C.C.P.A. 1982).
[19] Id. See also, Lincoln Diagnostics, supra.
[20] Babies Beat, supra at 1731. See also, Trademark Rules of Practice, Rule 2.142© and Rule 2.61(b).
[21] In Re Vico Products Manufacturing Co., Inc., 229 U.S.P.Q. 364 (T.T.A.B. 1985); In Re Bose Corp., 772 F. 2d 866 (Fed. Cir. 1985).
[22] In re R.M. Smith, Inc., 219 U.S.P.Q. 629 (T.T.A.B. 1983), aff'd, 734 F.2d 1482 (Fed. Cir. 1984); Vico Products, supra.
[23] 568 F.2d 1342 (C.C.P.A. 1977).
[24] Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976).
[25] Two Pesos, supra.
[26] Lincoln Diagnostics, supra at 1825 & n. 11.
[27] Aromatique, Inc. v. Gold Seal, Inc., 28 F. 3d 863 (8th Cir. 1994), rev'g, 833 FR. Supp. 739 (E.D. Ark. 1993)(federally registered trade dress for potpourri ordered cancelled).
[28] Kasco Corp. v. Southern Saw Service, Inc., 27 U.S.P.Q.2d 1501 (T.T.A.B. 1993)(registration cancelled for green colored saw blade wrapper).
[29] Kohler Co. v. Moen, Inc., 12 F.3d 632 (7th Cir. 1993)(upholding federal registration for water faucet and faucet handle design).