# BRIEFING PAPER Wal-Mart Stores, Inc. v. Samara Bros, Inc. 120 S. Ct. 1339 (2000).

### I. INTRODUCTION

In *Wal-Mart Stores, Inc. v. Samara Bros, Inc.*, the Supreme Court was faced with the issue of which test to use in determining whether unregistered product design trade dress could be inherently distinctive.<sup>1</sup> Instead of putting forth an inherent distinctiveness test, however, the Court avoided this issue and held that product design could never be inherently distinctive, so could only be protected upon a showing of secondary meaning.<sup>2</sup> This paper will examine the history behind trade dress and the Lanham Act, along with the elements behind trade dress law and the pivotal court decisions leading up to the *Wal-Mart* case.

## II. BACKGROUND ON TRADE DRESS

The roots of product trade dress protection can be traced many decades back in the history of American Trademark law.<sup>3</sup> The foremost goal of this trade protection was to prevent obvious acts of piracy where a manufacturer would "dress" his product like that of another manufacturer, attempting to deceive consumers into mistakenly purchasing goods from a different maker.<sup>4</sup> By the late nineteenth century, courts began to recognize that it was necessary to protect against not only the piracy of a brand label, but also the mimicking of product packaging and unique product shapes.<sup>5</sup> In light of this materializing need to prevent piracy, state law principles for protection began to evolve.

<sup>&</sup>lt;sup>1</sup> See Wal-Mart, 120 S. Ct. 1339 (2000).

 $<sup>^2</sup>$  See id.

<sup>&</sup>lt;sup>3</sup> See STEPHEN F. MOHR ET AL., U.S. TRADE DRESS LAW, EXPLORING THE BOUNDARIES 1(Int'l Trademark Ass'n eds., 1997).

<sup>&</sup>lt;sup>4</sup> See id.

<sup>&</sup>lt;sup>5</sup> See id

### A. STATE LAW PROTECTION

Though product packaging and shapes were not recognized at common law as "technical trademarks," these commercial features were supplied full legal protection under the broad label of unfair competition.<sup>6</sup> There were three criteria that product packaging and design had to meet in order to be afforded protection: 1) the design or packaging had to be non-functional; 2) the packaging or design had to be distinctive; and 3) the infringing design had to be likely to cause confusion with the original design.<sup>7</sup> This early form of trade dress protection, for example, ensured that a manufacturer's peculiar square shape of a whiskey bottle could not be copied by another manufacturer; if a consumer mistook one bottle for the other, this would be "unfair competition...and should be restrained."<sup>8</sup> Furthermore, the overall appearance of a case, carton, and fly paper sheet, as a whole, deserved trade dress protection, and a "subsequent user of the same product (was prohibited from adopting) any part of the first user's dress without...distinguishing his dress" from the first user's.<sup>9</sup>

However, there was some limitation on the common law trade dress protection: the manufacturer had to show that the consumers associated the product design with a single source.<sup>10</sup> In *Gum, Inc. v. Gumakers of America, Inc.*, the plaintiff did not show that the public associated the size, shape, and colors of his bubble gum cylinder with the plaintiff, as the sole

<sup>&</sup>lt;sup>6</sup> See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS 7-116 (2000).

<sup>&</sup>lt;sup>7</sup> See id.

<sup>&</sup>lt;sup>8</sup> Cook & Bernheimer Co. v. Ross, 73 F. 203, 205-06 (S.D.N.Y. 1896) (defendant marketed exact copies of plaintiff's whiskey bottle and the court found that defendant had deliberately copied plaintiff's bottle to increase his own sales, which the court referred to as unfair competition); *see also* Charles E. Hires Co. v. Consumers' Co., 100 F. 809 (7<sup>th</sup> Cir. 1900) (defendant used a root beer bottle identical to plaintiff's and the court found that this copying was perpetrating fraud upon the public and was impermissible piracy of plaintiff's package and label); Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73 (2d Cir. 1910) (the court held that the public would be confused by defendant's use of the mark STA-KLEEN on toothbrush packages which copied plaintiff's box for KEEPCLEAN toilet brushes).

<sup>&</sup>lt;sup>9</sup> O. & W. Thum Co. v. Dickinson, 245 F. 609 (6<sup>th</sup> Cir. 1917, *cert denied*, 246 U.S. 664 (1918); *see also* H.E. Winterton Gum Co. v. Autosales Gum & Chocolate Co., 211 F. 612 (6<sup>th</sup> Cir. 1914) (the plaintiff's round, lithographed tin containers for chewing gum, as a whole, were unique and could not be copied since that distinctiveness represented the plaintiff's product to the public).

<sup>&</sup>lt;sup>10</sup> See MOHR ET AL., supra note 3, at 11.

maker, so copying of the cylinder did not constitute unfair competition.<sup>11</sup> Hence, common law principles required a showing of secondary meaning in order for a product to be afforded protection<sup>12</sup>

### **B. FEDERAL PROTECTION**

Federal protection, which provides a broad remedy against unfair competition in the marketplace, emerged in 1946 with the enactment of Section 43(a) of the Lanham Act.<sup>13</sup> This Act has become the main vehicle for claiming trade dress protection today.<sup>14</sup>

Though Section 43(a) of the Lanham Act is now engrained in the law of unfair competition, its effects actually began very recently and have become the main shelter from infringement of trademarks and trade dress.<sup>15</sup> After various amendments to the Lanham Act, protection became available not only for registered trademarks, but also for unregistered trademarks and trade dress of a product.<sup>16</sup>

### III. ENACTMENT OF THE LANHAM ACT

### A. THE ORIGINAL, 1946 VERSION

The original version of the Lanham Act, enacted in 1946, provided a broad weapon against unfair competition.<sup>17</sup> Initially, it was not clear whether the Lanham Act should be applied to protect unregistered trademarks, due to the phraseology used by Congress in Section 43(a).<sup>18</sup> Eventually, courts interpreted the Section to offer protection against "deceptive

<sup>&</sup>lt;sup>11</sup> 136 F.2d 957 (3d Cir 1943).

<sup>&</sup>lt;sup>12</sup> See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992) (Thomas, J., concurring).

<sup>&</sup>lt;sup>13</sup> See JEROME GILSON, GILSON ON TRADEMARK PROTECTION & Practice § 7.02, 7-1 (2000).

<sup>&</sup>lt;sup>14</sup> See MCCARTHY, supra note 6, at 7-118.

<sup>&</sup>lt;sup>15</sup> See GILSON, supra note 12, at 7-35.

<sup>&</sup>lt;sup>16</sup> See MOHR ET AL., supra note 3, at 14.

<sup>&</sup>lt;sup>17</sup> See Appendix for text of the 1946 version of the Lanham Act.

<sup>&</sup>lt;sup>18</sup> See GILSON, supra note 12, at 7-2. The confusion with regard to the application of Section 43(a) stemmed from the fact that protection of unregistered trademarks was not discussed in the Act. In fact, Section 32 of the Lanham

marketing, packaging, and advertising of goods" that could potentially mislead a consumer with regard to a product's true source.<sup>19</sup> The Act later came to protect various "marks, symbols, design elements and characters," both registered and unregistered, that might be associated with a product.<sup>20</sup>

### **B.** THE AMENDED, 1988 VERSION

The original text of Section 43(a) has been amended nearly twenty times, including mostly minor changes, but also a few major changes such as the 1988 amendments.<sup>21</sup> In 1988, the original text was replaced by the substantially rewritten version that was adopted as part of the Trademark Law Revision Act of 1988, and this is essentially the version that is used currently.<sup>22</sup> The amended version codified what prior case law had already come to hold by protecting against the use of any "word, term, name, symbol, or device, or any combination thereof" which might cause confusion or deceive consumers.<sup>23</sup> The amendments also codify the well-recognized rule of the case law that remedies for infringement of registered marks also apply to infringement claims of unregistered marks.<sup>24</sup>

### IV. GENERAL CONCEPTS OF TRADE DRESS PROTECTION

Traditionally, trade dress law was applied to the overall image of containers and labels used

Act only discussed registered trademarks. It was thought that if Congress had intended Section 43(a) to protect unregistered trademarks, Congress could have omitted the Section 32 requirement of federal registration. <sup>19</sup> See MOHR ET AL., supra note 3, at 13 (quoting 20<sup>th</sup> Century Wear, Inc. v. Sanmark-Stardust, Inc., 747 F.2d 81, 91

<sup>(2</sup>d Cir. 1984), *cert. denied*, 470 U.S. 1052 (1985)).

<sup>&</sup>lt;sup>20</sup> See id. (quoting Warner Bros., Inc. v. Gay Toys, Inc., 658 F.2d 76, 78 (2d Cir. 1981).

<sup>&</sup>lt;sup>21</sup> See MCCARTHY, supra note 6, at § 5:5.

<sup>&</sup>lt;sup>22</sup> See GILSON, supra note 12, at 7-1. For a discussion of amendments since 1988, see McCarthy, § 5:10.

<sup>&</sup>lt;sup>23</sup>1125 U.S.C. § 1125(c), Lanham Act § 43(a). For the complete text of this Section, see the Appendix.

<sup>&</sup>lt;sup>24</sup> See MCCARTHY, supra note 6, at § 5:9.

in product packaging. Gradually, trade dress law expanded to encompass another type of trade dress that included all of the elements of a product combined to create the whole image.<sup>25</sup> This category of trade dress protected a much wider variety of products, and was even stretched to include protection of the distinctive décor and atmosphere of a restaurant.<sup>26</sup> In the early 1980's, this second category was expanded to include a third type of trade dress protection, described as "the shape and design of the product itself."<sup>27</sup>

### A. PROVING TRADE DRESS INFRINGEMENT UNDER THE LANHAM ACT

Protection of unregistered trade dress has completely evolved through the years to produce a variety of different tests used in the courts. Most of the courts, however, generally do apply three main criteria when considering an issue of trade dress infringement:

- <u>Non-functionality</u>: The design or package must not be functional; copying of these features should not lead to utilitarian problems.<sup>28</sup>
- Likelihood of Confusion: Courts must find that it is likely that consumers will confuse the infringing product with the product for which protection is sought, due to the similar design or packaging.<sup>29</sup>
- 3. <u>Distinctiveness</u>: Originally, trade dress had to be either inherently distinctive or have acquired distinctiveness through secondary meaning, causing consumers to associate the product with its source. <sup>30</sup> However, the Supreme Court has recently held that unregistered product design trade dress cannot be inherently distinctive, and thus can only be protected upon a showing of secondary meaning.<sup>31</sup>

<sup>27</sup> Id.

<sup>&</sup>lt;sup>25</sup> *See id.* at 8-2.

<sup>&</sup>lt;sup>26</sup> See id. (discussing Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992)).

<sup>&</sup>lt;sup>28</sup> See MCCARTHY, supra note 6, at 7-120.

<sup>&</sup>lt;sup>29</sup> See id.

<sup>&</sup>lt;sup>30</sup> See id. at 7-120.

<sup>&</sup>lt;sup>31</sup> See Wal-Mart Stores, Inc. v. Samara Bros., Inc., 120 S. Ct. 1339 (2000).

### **B. NON-FUNCTIONALITY**

The term, "functionality" was codified in order to ensure that functional product designs not be controlled by one designer, and competition regarding such designs would be rewarded.<sup>32</sup> Courts analyze the functionality of trade dress elements as a whole: if a few of the elements. separately, are functional, this does not result in the whole product being denied protection.<sup>33</sup> Some courts determine functionality by using a utilitarian view, so that the trade dress is functional if its elements are necessary for the product's purpose or affect its cost and quality.<sup>34</sup> Less weight has been placed on utilitarian issues in other courts, which have instead balanced the competitive need for the product design against the source identification caused by the design.<sup>35</sup> Under either functionality analysis, the courts agree that functional elements of a product design should be preserved from monopolization.

### **C. LIKELIHOOD OF CONFUSION**

When considering this element of trade dress protection, courts consider the "strength of the trade dress, the similarity of design, the similarity of the products, the overlap of retail outlets and purchases, the similarity of advertising media, the defendant's intent, and actual confusion."<sup>36</sup> A product design that is strikingly similar to the design for which protection is desired, is likely to demonstrate intentional copying, the most important factor to be considered.<sup>37</sup> It is often argued, however, that a defendant can avoid consumer confusion by placing an obvious label signifying that the product originates from the defendant and not the

<sup>&</sup>lt;sup>32</sup> See GILSON, supra note 12, at 7-43.

<sup>&</sup>lt;sup>33</sup> See id. at 7:44.

<sup>&</sup>lt;sup>34</sup> See id.

<sup>&</sup>lt;sup>35</sup> See id.

<sup>&</sup>lt;sup>36</sup> *Id.* at 7:46. <sup>37</sup> *See id.* 

plaintiff.<sup>38</sup> There is no rule of law regarding this situation, and the weight it is given varies among the courts.<sup>39</sup>

### **D. DISTINCTIVENESS**

Though courts require that all of these above criteria be present in order to find trade dress infringement, the issue of distinctiveness has proven to be a highly debated area in the law of unregistered trade dress.

## 1. SPECTRUM OF DISTINCTIVENESS UNDER THE *ABERCROMBIE<sup>40</sup>* TEST

There are two main categories that help to determine the trademark or trade dress status with regard to distinctiveness: inherent distinctiveness and non-inherent distinctiveness.<sup>41</sup> There is a non-rebuttable presumption that marks, which are found to be inherently distinctive, are valid trademarks or trade dress.<sup>42</sup> For non-inherently distinctive marks, the claimant must demonstrate that his mark has acquired distinctiveness in the minds of the public, through secondary meaning.<sup>43</sup>

The spectrum of distinctiveness, under *Abercrombie*, further divides these distinctiveness categories into sub-categories that describe the eligibility of attaining trademark status. <sup>44</sup> These sub-categories are designated by the following names, in order of the strongest type of mark to the weakest: 1) arbitrary or fanciful marks; 2) suggestive marks; 3) descriptive marks;, and 4) generic marks.

<sup>&</sup>lt;sup>38</sup> See id. at 7:47.

<sup>&</sup>lt;sup>39</sup> See id.

<sup>&</sup>lt;sup>40</sup> See Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976).

<sup>&</sup>lt;sup>41</sup> See MCCARTHY, supra note 6, at 11-5.

<sup>&</sup>lt;sup>42</sup> See id.

 $<sup>^{43}</sup>$  See id.

<sup>&</sup>lt;sup>44</sup> See id. at 11-8.

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Arbitrary and fanciful marks are always inherently distinctive.<sup>45</sup> Fanciful marks include marks (like "Kodak" film) that are "coined for the express purpose of functioning as a trademark," while arbitrary marks (like "Camel" cigarettes) are words that are commonly used but randomly applied to the product.<sup>46</sup> Suggestive marks employ words that hint at the type of product they represent (like "Tide" laundry detergent) and are also inherently distinctive.<sup>47</sup> Descriptive marks clearly describe the product they represent and are not inherently distinctive, but can only be protected upon a showing of secondary meaning.<sup>48</sup> Finally, generic marks are so widely used in everyday speech that they are not unique and can never be protected as trademarks or trade dress.<sup>49</sup>

### 2. SECONDARY MEANING

Symbols that are not inherently distinctive can only be protected if it is shown that they have acquired distinctiveness, which is referred to as having "secondary meaning."<sup>50</sup> A product's mark has attained secondary meaning when the public recognizes the mark as designating the product's source.<sup>51</sup> It is not required, however, that the consumer associate the mark with a single source that he can identify the consumer only must associate the mark with a single, though possibly anonymous, source.<sup>52</sup>

# E. THE COURTS' APPROACHES TO DISTINCTIVENESS AND PRODUCT DESIGN

### 1. THE SEABROOK TEST<sup>53</sup>

<sup>&</sup>lt;sup>45</sup> *See id.* at 11-6.

 $<sup>^{46}</sup>$  *Id.* at 11-10.

<sup>&</sup>lt;sup>47</sup> See id. Note that the "Kodak," "Camel," and "Tide" examples were listed in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* 120 S. Ct. 1339, 1343 (2000)

<sup>&</sup>lt;sup>48</sup>See id.

<sup>&</sup>lt;sup>49</sup> See id.

<sup>&</sup>lt;sup>50</sup> See id. at 15-5.

<sup>&</sup>lt;sup>51</sup> See id. at 15-6.

<sup>&</sup>lt;sup>52</sup> See id. at 15-14.

<sup>&</sup>lt;sup>53</sup> See Seabrook Foods, Inc. v. Bar-Well Foods, Ltd., 568 F.2d 1342 (C.C.P.A. 1977).

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Though the *Abercrombie* test is often applied by courts to determine whether or not inherent distinctiveness exists in a mark, it has also been suggested that the test does not properly fit the considerations in product design cases.<sup>54</sup> Courts have employed another test for inherent distinctiveness, which was described in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.* This tripartite test asks:

1) whether the particular dress consists of a common basic shape or design; 2) whether it is unique or unusual in a particular field; and 3) whether is it is 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.<sup>55</sup>

The *Seabrook* court used this test to find that the "V" design on a running shoe was a basic geometric shape and common form of ornamentation, thus not inherently distinctive.

### 2. THE DURACO TEST

The Third Circuit, in Duraco Products, Inc. v. Joy Plastic Enters., Ltd., held that the

distinctiveness test in product packaging trade dress cases is not the same as the test for product design cases. <sup>56</sup> The court enunciated a different three-part test for determining if product design is inherently distinctive. Under this test, a product design is afforded protection if it is: 1) "unusual and memorable;" 2) "conceptually separable from the product;" and 3)"likely to serve primarily as a designator of origin of the product."<sup>57</sup>

The court found that the design of a product must be original enough that "a consumer could reasonably rely on it to identify a source."<sup>58</sup> The design must not appear to be the "essence of the product," but instead it must actually designate the source to the consumer.<sup>59</sup> Furthermore,

<sup>&</sup>lt;sup>54</sup> See Duraco Products, Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1441 (3d Cir. 1994).

<sup>&</sup>lt;sup>55</sup> GILSON, *supra* note 12, at 7-40 (quoting *Seabrook*, 568 F.2d at 1344).

<sup>&</sup>lt;sup>56</sup> See Duraco, 40 F.3d 1431 (3d Cir. 1994).

<sup>&</sup>lt;sup>57</sup> ID.

<sup>&</sup>lt;sup>58</sup> GILSON, *supra* note 12, at 7-42 (discussing *Duraco*, 40 F.3d 1431 (3d Cir. 1994)).

<sup>&</sup>lt;sup>59</sup> Id.

if the design serves a purpose other than "mere designation of origin," then the design cannot be inherently instinctive and can only be protected if it has secondary meaning.<sup>60</sup>

### 3. THE CIRCUIT SPLIT

The Third Circuit was the first court to clearly ask whether a product design could ever be inherently distinctive.<sup>61</sup> The *Duraco* court rejected the application of the *Abercrombie* test to product design situations.<sup>62</sup> The court did, nevertheless, interpret the Supreme Court's holding, in *Two Pesos v. Taco Cabana*, as finding product design trade dress to be inherently distinctive in certain circumstances.<sup>63</sup> The Second Circuit expressed the concerns of the *Duraco* court and formulated its own test that incorporated the third prong of the *Duraco* test.<sup>64</sup>

The Fourth Circuit, in contrast, held that the *Abercrombie* test should be used when considering inherent distinctiveness in product design issues.<sup>65</sup> The Fourth Circuit found hat trade dress does not make up the entire product, but only composes the non-functional aspects that make up the product's total appearance.<sup>66</sup>

The Eighth Circuit also has found that the *Abercrombie* test should be applied. <sup>67</sup> The Eighth Circuit clearly rejected the Duraco testand held that trade dress encompasses product packaging and design.<sup>68</sup> A district court within the Ninth Circuit has also expressed agreement with the Eighth Circuit's views.<sup>69</sup> Moreover, the First Circuit has agreed that an inherent distinctiveness test should not depend on the "degree that it eviscerates the distinction between

<sup>&</sup>lt;sup>60</sup> Id.

<sup>&</sup>lt;sup>61</sup> See Ronald L. Panitch et al., Trade Dress and Product Configuration: Different Circuits-Different Approaches, SE32 A.L.I. 1 (1999).

<sup>&</sup>lt;sup>62</sup> See id. <sup>63</sup> See id.

<sup>&</sup>lt;sup>64</sup> See id. (discussing Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996 (2d Cir. 1995)).

<sup>&</sup>lt;sup>65</sup> See id. (discussing Ashley Furniture Indus., Inc. v. Sangiacomo N. A., Ltd., 187 F.3d 363 (4th Cir. 1999)). <sup>66</sup> See id.

<sup>&</sup>lt;sup>67</sup> See id (discussing Stuart Hall Co., Inc. v. Ampad Corp., 51 F.3d 780 (8<sup>th</sup> Cir. 1995)).

<sup>&</sup>lt;sup>68</sup> See GILSON, supra note 12, at 7-42 (discussing Stuart Hall, 51 F.3d 780 (8<sup>th</sup> Cir. 1995)).

<sup>&</sup>lt;sup>69</sup> See DCNL, Inc. v. Almar Sales Co., 47 U.S.P.Q.2d 1406 (N.D. Cal. 1997).

inherently distinctive trade dress and trade dress that has acquired secondary meaning.<sup>70</sup> The First Circuit decided to use the *Seabrook* test, however, since it found that other factors, apart from those in the *Abercrombie* test, should be applied.<sup>71</sup>

#### THE SUPREME COURT'S APPROACH TO PRODUCT DESIGN V. **TRADE DRESS**

The Supreme Court's view on product design trade dress has undergone a variety of interesting changes, particularly in its most recent cases. Many of these changes have left the lower courts in the difficult circumstances of trying to apply tests that are not well-formulated or attempting to enact tests of their own.

### A. THE EARLY CASES

In 1946, the Supreme Court essentially destroyed over one hundred years of unfair competition law, which had prohibited the piracy of product shapes that might mislead consumers.<sup>72</sup> In Sears, Roebuck & Co. v. Stiffel Co.<sup>73</sup>, and Compco Corp. v. Day-Brite Lighting, *Inc.*<sup>74</sup> the Supreme Court clarified that it was permissible to copy goods that were not protected by patent or copyright laws. In Sears, the Court found that petitioner had every right to copy the design of a "pole lamp" that was denied patent protection, since the Court had no right to extend protection to products that failed to qualify for patent protection.<sup>75</sup> In *Compco*, the Court held that it was permissible to copy the design of a fluorescent light fixture.<sup>76</sup> Though the design was

<sup>&</sup>lt;sup>70</sup> I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 40 (1<sup>st</sup> Cir. 1998).

<sup>&</sup>lt;sup>71</sup> See Panitch, supra note 60.

<sup>&</sup>lt;sup>72</sup> See MCCARTHY, *supra* note 6, at 7-121. <sup>73</sup> 376 U.S. 225 (1964).

<sup>&</sup>lt;sup>74</sup> 376 U.S. 234 (1964).

<sup>&</sup>lt;sup>75</sup> See Sears, 376 U.S. at 241.

<sup>&</sup>lt;sup>76</sup> See Compco, 376 U.S. at 237.

non-functional and might cause confusion, it had been denied patent and copyright protection, so state law could not prevent the design from being copied.<sup>77</sup>

In 1973, the Supreme Court began to retreat from its decisions in the *Sears-Compco* cases.<sup>78</sup> The 1989 *Bonito Boats* decision narrowed the *Sears-Compco* opinion by holding that a state statute, prohibiting the copying of a boat hull mold, conflicted with federal patent law and provided a monopoly on useful shapes.<sup>79</sup> The Court did observe that while design trade dress should be dealt with in patent law, there are "competing federal policies that must be considered regarding the source identifying, non-functional parts of a product design.<sup>80</sup>

Around 1976, several courts began to reject the *Sears-Compco* opinions. Ultimately this resulted in a split of authority where some courts literally apply the *Sears-Compco* holding, while others have limited the holding in order to protect against product design piracy.<sup>81</sup>

### B. THE TWO PESOS DECISION

*Two Pesos, Inc. v. Taco Cabana, Inc.*, was a pivotal Supreme Court case which resolved the conflict of whether trade dress could be inherently distinctive and, thus protected under the Lanham Act.<sup>82</sup> The Court found that the overall image of a Mexican restaurant, including décor and festive color schemes, was inherently distinctive.<sup>83</sup> Hence, the Court's holding demonstrated that secondary meaning did not have to be shown in order to protect a product under trade dress theories; trade dress clearly could be inherently distinctive.<sup>84</sup>

### **B.** THE WAL-MART RESOLUTION

<sup>&</sup>lt;sup>77</sup> See id.

<sup>&</sup>lt;sup>78</sup> See MCCARTHY, supra note 6, at 7-124.

<sup>&</sup>lt;sup>79</sup> See Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989).

<sup>&</sup>lt;sup>80</sup> See id.

<sup>&</sup>lt;sup>81</sup> See MCCARTHY, supra note 6, at 7-128.

<sup>&</sup>lt;sup>82</sup> 505 U.S. 763 (1992).

<sup>&</sup>lt;sup>83</sup> See id.

<sup>&</sup>lt;sup>84</sup> See id.

For the years after *Two Pesos*, courts debated over which test to apply in a determination of inherent distinctiveness. Some courts read Two Pesos to mean that product design trade dress could be inherently distinctive in some situations, and thus did not always require secondary meaning.<sup>85</sup> In contrast, other courts questioned whether product design trade dress could ever be inherently distinctive.<sup>86</sup>

Though the Supreme Court, in *Wal-Mart*, was expected to finally provide guidelines as to the determination of inherent distinctiveness, it actually provided no such help to the lower courts.<sup>87</sup> The Court, faced with determining whether the design of a children's clothing line could be inherently distinctive, held that no product design could ever be inherently distinctive.<sup>88</sup> Instead, product design was like color, which, as the Court explained in *Qualitex*, could only be protected as a trademark upon a showing of secondary meaning.<sup>89</sup> After the holding in *Wal*-Mart, the lower courts are still left with a mixture of inherent distinctiveness tests that can only be applied to product packaging trade dress. Lower courts must also make the difficult distinction between unregistered product packaging and product design, before deciding if inherent distinctiveness can even be considered.

<sup>&</sup>lt;sup>85</sup> See Panitch, supra note 60.

<sup>&</sup>lt;sup>86</sup> See id.

 <sup>&</sup>lt;sup>87</sup> See GILSON, supra note 12, at 7-40.
<sup>88</sup> See Wal-Mart, 120 S. Ct. 1339 (2000).

<sup>&</sup>lt;sup>89</sup> See id. (discussing Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159 (1995)).

# VI. APPENDIX

# A. The 1946 Version of the Lanham Act

## 15 U.S.C. § 1125(c), Lanham Act § 43(a):

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

## B. The 1988 Amended Version of the Lanham Act

### 15 U.S.C. § 1125(c), Lanham Act § 43(a):

### (a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, 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, or
- (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.