

**Wal-Mart Stores, Inc. v. Samara Brothers, Inc.**  
120 S. Ct. 1339 (2000)

**I. INTRODUCTION**

A business that is the first to use a distinctive word, mark, slogan, etc. may be awarded the sole right to market its product, bearing this logo, by registering it as a trademark, under the Lanham Act. Trademarks are defined under §45 of the Lanham Act to include “any word, name, symbol, or device, or any combination thereof” that is used by a producer or intended to be used in commerce “to identify and distinguish” products from those “manufactured or sold by others.”<sup>1</sup> Such a trademark must also be used to indicate to the public the product’s source.<sup>2</sup>

The Lanham Act, however, does not serve to merely shelter words or marks that are registered for such protection. Section 43 of the Act protects “trade dress,” a term that was originally used to designate the packaging of a product, but was recently expanded to include the actual shape and design of the product itself.<sup>3</sup> This Section guards against the use of words, symbols, etc. or the use of false or misleading designations or representations, in relation to goods, that may be likely to result in confusion as to the origin of those goods.<sup>4</sup>

However, this does not mean that a producer is completely barred from mimicking the packaging or design of any product currently available on the market. This Section only protects against the copying of packaging or design that is “distinctive.”<sup>5</sup> When considering distinctiveness, courts have held that a mark can either be “inherently distinctive” or can have “acquired distinctiveness” through the development of a secondary meaning that brings to the consumer’s mind the product’s brand. There has been some confusion, however, over whether

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<sup>1</sup> 15 U.S.C. §1127.

<sup>2</sup> *See id.*

<sup>3</sup> *See Wal-Mart Stores*, 120 S. Ct. at 1342.

<sup>4</sup> *See* 15 U.S.C. §1125(a).

<sup>5</sup> *Id.* at 1343.

or not a product design can be inherently distinctive, or if the producer must prove that the design has acquired a secondary meaning. The Supreme Court, in *Wal-Mart Stores*, resolved this dispute.

## II. FACTS AND PROCEDURAL HISTORY

Samara Brothers, Inc. designs and manufactures children's clothing, primarily spring and summer one-piece outfits, displaying appliqués of hearts, fruits, flowers, etc.<sup>6</sup> Wal-Mart Stores, Inc., a well-known retailer, contracted with one of its suppliers to produce a line of children's clothing patterned after photographs of Samara's appliqué garments, with only small modifications.<sup>7</sup> When Samara became aware that several major retailers, including Wal-Mart, were manufacturing and selling knockoffs, Samara sued these retailers under various claims, including infringement of unregistered trade dress under §43(a) of the Lanham Act.<sup>8</sup>

The district court found in Samara's favor on all claims.<sup>9</sup> The court also denied Wal-Mart's renewed motion for judgment as a matter of law by which Wal-Mart claimed that there was insufficient evidence that Samara's designs could be protected as trade dress under the Lanham Act.<sup>10</sup> The Second Circuit affirmed the denial of this motion.<sup>11</sup> The Supreme Court granted certiorari.<sup>12</sup>

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<sup>6</sup> *See id.* at 1341.

<sup>7</sup> *See id.*

<sup>8</sup> *See id.* at 1342.

<sup>9</sup> *See Samara Brothers, Inc. v. Judy-Philippine, Inc.*, 969 F. Supp. 895 (S.D.N.Y. 1997).

<sup>10</sup> The district court found that plaintiff's trade dress was distinctive enough for protection, but the court did not whether or not it had found inherent distinctiveness.

<sup>11</sup> *See Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 165 F.3d 120 (1998). The court found that the overall look of Samara's clothing was distinctive and recognizable, so the jury was reasonable in finding inherent distinctiveness.

<sup>12</sup> *See Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 120 S. Ct. 308 (1999). The Court limited its analysis to the following question: "What must be shown to establish that a product's design is inherently distinctive for purposes of Lanham Act trade-dress protection?"

### III. SUPREME COURT'S ANALYSIS

The Supreme Court unanimously held that a plaintiff suing for unregistered trade dress infringement regarding product design must show that the design has secondary meaning, causing a consumer to equate the design with the product's source. Product design cannot be inherently distinctive since consumers do not typically associate the product with the source. In reaching its holding, the Supreme Court focused on the three main discussions considered below.

#### A. DIFFERENTIATION BETWEEN TYPES OF DISTINCTIVENESS

The Supreme Court noted that §43(a) of the Lanham Act does not clearly delineate when unregistered trade dress may be protected.<sup>13</sup> The Section requires a producer show that the infringing feature is not “functional” and that it is likely to cause mistake or confusion as to the product's origin.<sup>14</sup> Though this Section does not specifically require a showing that the trade dress is distinctive, courts have typically required such a showing because a trade dress that is not distinctive would not be confused with the alleged infringing product.<sup>15</sup> Moreover, distinctiveness is necessary for trade dress registration under §2 of the Lanham Act, which is also applicable to whether an unregistered mark can be protected.<sup>16</sup>

The Court clarified that there are two main types of distinctiveness. A mark can be inherently distinctive if its “intrinsic nature serves to identify a particular source.”<sup>17</sup> A mark can also have acquired distinctiveness if it has formed a secondary meaning that causes consumers to associate the mark with the product's source, and not just with the product itself.<sup>18</sup> Hence, in

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<sup>13</sup> See *Wal-Mart Stores*, 120 S. Ct. at 1343.

<sup>14</sup> *Id.*

<sup>15</sup> See *id.*

<sup>16</sup> See *id.*

<sup>17</sup> *Id.*

<sup>18</sup> See *id.*

order for an unregistered trade dress to acquire protection, it must either be inherently distinctive or have acquired distinctiveness through secondary meaning.

## **B. PRODUCT DESIGN CANNOT BE INHERENTLY DISTINCTIVE**

Some types of marks can never be inherently distinctive due to the nature of the mark.<sup>19</sup> The Supreme Court recalled its holding in *Qualitex. V. Jacobson Products*, which said that colors could never be inherently distinctive; colors do not immediately cause a consumer to think of a brand or product source.<sup>20</sup> Nonetheless, over a period of time, a particular color could come to represent a brand or product source in the public's mind, and thus the color could be protected as a result of this secondary meaning.<sup>21</sup>

Similar to its holding with regard to color, the Court stated that product design cannot be inherently distinctive.<sup>22</sup> In contrast to product design, marks and product packaging can be inherently distinctive since the purpose of using a particular mark or packaging is to automatically identify the brand to consumers.<sup>23</sup> However, the Lanham Act generally does not include, as an inherently distinctive marks, words that are "merely descriptive" of the product.<sup>24</sup> Hence, even a unique product design is not inherently distinctive since it is typically intended to make a product more appealing and not to identify a brand.<sup>25</sup>

Furthermore, the Court explained that applying the inherent distinctiveness principle might be harmful to consumers by depriving them of the chance to benefit from aesthetic designs

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<sup>19</sup> *See id.* at 1344.

<sup>20</sup> *See id.* (discussing 115 S. Ct. 1300 (1995), which held that the green and gold color of a brand of dry cleaning pads could be protected as a trademark, but only after a showing of secondary meaning).

<sup>21</sup> *See id.*

<sup>22</sup> *See id.*

<sup>23</sup> *See id.*

<sup>24</sup> *Id.*

<sup>25</sup> *See id.*

of competing products.<sup>26</sup> Since it would be so difficult to prove that a product design is inherently distinctive, the Court explained that it is not worth even allowing the threat of such a suit, which would only deter competitors.<sup>27</sup> The availability of other methods of protection, like patents and copyrights, offsets any harm a producer may suffer by the Court's requirement of a showing of secondary meaning.<sup>28</sup>

### **C. DISTINGUISHING OF *TWO PESOS* v. *TACO CABANA***

Finally, the Court distinguished *Two Pesos*, where it held that the festive atmosphere of a Mexican restaurant chain could be protected as trade dress without a showing of secondary meaning.<sup>29</sup> The Court explained that the restaurant décor is product packaging or “some *tertium quid* that is akin to product packaging,” and hence is not relevant to the product design issue.<sup>30</sup> The Court was not swayed by the potential difficulty of distinguishing between product design and product packaging, but simply commented that courts should lean toward classifying ambiguous cases as product design rather than packaging.<sup>31</sup>

The Court concluded that an unregistered product design trade dress could be protected under §43(a) only upon showing of secondary meaning, since product design cannot be inherently distinctive.<sup>32</sup> The Court reversed the Second Circuit's decision and remanded for proceedings consistent with its opinion.<sup>33</sup>

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<sup>26</sup> *See id.*

<sup>27</sup> *See id.* at 1345.

<sup>28</sup> *See id.* at 1345.

<sup>29</sup> *See id.* at 1345 (discussing 505 U.S. 763 (1992)).

<sup>30</sup> *Id.* at 1345.

<sup>31</sup> *See id.* at 1346.

<sup>32</sup> *See id.*

<sup>33</sup> *See id.*