

The secret of trade dress protection

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In today's economy, companies must explore creative ways of protecting their intellectual property to provide themselves with a competitive market advantage. Companies relying solely on the standard means of IP protection, for example patents, copyrights and traditional trade marks (such as word marks), may find themselves at a competitive disadvantage. One area of IP protection that many companies would be well advised to explore is the possibility of using the trade mark laws to protect the overall look and feel (the trade dress) of their product designs.

Legal standards

Historically, there has been a lack of certainty with regard to the law of trade dress protection for product designs, which has left some IP owners reluctant to explore this territory. In 2000, the US Supreme Court attempted to clarify the law in this area when it rendered its decision in *Wal-Mart Stores v Samara Bros.* In this decision, the Supreme Court distinguished trade dress for product packaging, which it found can be inherently distinctive, from trade dress for product design. According to the Supreme Court, trade dress for product design is only protectable upon a showing of acquired distinctiveness known as secondary meaning.

The Supreme Court's decision in *Wal-Mart* unfortunately did not elaborate on the nature or extent of evidence required to establish secondary meaning for product designs. A reading of other court decisions and an analysis of the actions of the US Patent and Trademark Office (USPTO), however, provide some indication of the type of evidence that these bodies find persuasive. This evidence includes information such as sales and advertising figures, and circumstantial and survey evidence supporting consumers' association between the design and the source. Additionally, the existence of similar designs by competitors (as shown in design patents and/or use in the marketplace) may make it more difficult to establish acquired distinctiveness.

In addition to proving that the overall look and feel of a product design has acquired distinctiveness, the design must also be non-functional. Non-functionality can be established by showing that the design is not essential to the use or purpose of a device, and that it does not affect the cost or quality of the device. The existence of an expired utility patent for a design is considered strong evidence of the functionality of that design.

Strategic considerations

The initial reaction of many IP owners new to trade dress is likely to be reluctance to spend more money on protecting their IP. Before discounting this increasingly important area of protection, however, the costs and benefits should be fully explored. If your competitors are seeking this protection, you may find yourself at a disadvantage by failing to do so. Indeed, the US pharmaceutical industry is one

example where trade dress may be coming into play more frequently to protect the look and feel of products (see box).

In some cases, trade dress protection may be important even where patent protection already exists. Patent protection is finite (typically 20 years for a utility patent, and 14 years for a design patent), whereas trade mark protection is infinite provided there is continuation of use (or, arguably, continuing consumer recognition). Another benefit stems from the differing standards for evaluating infringement under the patent and trade mark laws. Trade mark laws examine "likelihood of confusion" between two competitive designs. In contrast, the patent laws evaluate actual similarity, or for design patents, substantial similarity plus appropriation of the novel aspects of the design. Certainly there are cases in which it would be possible to succeed on a patent infringement claim, but not on a trade dress infringement claim.

Registering the trade dress for product design may also offer intellectual property owners additional causes of action or remedies in the event of infringement. Some courts have recognized a cause of action for dilution of trade dress, which may give protection against third-party designs where a patent would offer none. Other courts have indicated a reluctance to extend dilution to trade dress on the ground that it would create a "patent-like" protection of unlimited duration.

Trade dress rights may exist prior to the issuance of a registration as common law trade dress. However, with respect to product designs, common law protection is not available until the design has acquired distinctiveness. Obtaining registration of the product design's trade dress entitles the owner of the registration to the presumption that the trade dress has acquired distinctiveness. This can be tremendously helpful in litigation, both psychologically and substantively.

Not for everyone

In certain cases, existing or expired patents may make it difficult or impossible to obtain trade dress protection. As indicated above, the existence of a utility patent is strong evidence of the functionality of a product's design, and thus may preclude trade dress protection. Additionally, a recent Supreme Court decision shows some hesitation to allow intellectual property owners to avail themselves of potentially conflicting rights. In *Dastar v Twentieth Century Fox Film*, the Court declined to allow trade mark protection in a work after its copyright had expired. The Court appeared reluctant to allow infinite protection under the trade mark laws for a work in the public domain. This decision may lead to similar reluctance in the trade dress area.

Of course, even with an arsenal of IP protection, you can still find yourself defeated in litigation. In 2002, General Motors Corporation brought a declaratory judgment action against DaimlerChrysler, the owner of several trade dress registrations and applications for the design of the Jeep Wrangler vehicle grille. General Motors asked the court to find that the front end grille design of the Hummer H2 did not infringe DaimlerChrysler's alleged trade dress rights. The court agreed, in part based on the

fact that DaimlerChrysler had not shown sufficient uniformity among the front grille design of its Jeep vehicle to establish a family of marks. The court also indicated some scepticism regarding DaimlerChrysler's definition of its trade dress as "seven to ten vertical slots that appear to be stamped through a planar surface" on the ground that it was not sufficiently specific.

Fighting the counterfeiters

By registering the trade dress of your product design, you may be able to pursue a claim of trade dress counterfeiting. While the standards for counterfeiting claims are high (the allegedly infringing trade dress must be identical to a registered trade dress and used for identical goods to those covered by the registration), the remedies include seizure of the infringing goods and records relating thereto, possibly enhanced damage awards, and ability to get an ex parte temporary restraining order. A counterfeiting lawsuit and seizure action can be a particularly valuable weapon to stop egregious infringers who may disappear when faced with a lawsuit on notice.

Considerations before action

Unless you are in the unlikely position of acting on behalf of a company with unlimited financial resources, you should carefully consider where trade dress protection is likely to be of a sufficient benefit to justify the costs. Some considerations include: how important is the design in the competitive marketplace; whether the design is adequately protected under the patent laws, or via an existing word trade mark (for example, cases where competitors are unlikely to copy the design without the word mark attached); and whether counterfeiting is a possibility. Today's competitive marketplace makes it essential for companies to consider every type of IP protection available to them. Even in cases where the protection does not offer a very strong sword against infringers, it may serve as a valuable deterrent to third-parties wishing to enter the marketplace.

Industry focus: pharmaceutical products

The pharmaceutical industry has been relatively aggressive in seeking and attempting to enforce trade dress protection for the design of pharmaceutical products. This likely arises from the serious competitive interests that occur when a drug comes off patent. Pharmaceutical companies are faced with the need to protect their substantial investments in research and development of their products by keeping generic drug market shares to a minimum. One way to do this is to seek protection for the overall look of the product, such as the colour and shape of the drug.

The Supreme Court has recognized that colour may serve as a trade mark, but the Court has also indicated that, with respect to pharmaceutical products, colour can sometimes be functional. Specifically, consumers may commingle their medications, and then rely on the colour to determine which drug to take. To avoid functionality problems with trade dress protection, pharmaceutical companies might consider taking steps to reduce the

likelihood of commingling (through, for example, special packaging), and to increase the source identification function of their trade dress.

Recent court decisions may make enforcement of pharmaceutical trade dress difficult. For example, the Court of Appeals for the Third Circuit recently upheld the denial of an injunction sought by Shire against Barr Laboratories, which was copying the colour scheme of Shire's Adderall tablets. The Third Circuit indicated that if use of the colour scheme enables the generic equivalent to gain acceptance and effective use by consumers, then the colour scheme is functional. The court found that Barr's colour scheme allowed consumers to identify the drug, and gave them confidence when switching from the name brand to the generic. Notably, the USPTO had denied trade dress protection to Shire's tablets.

In contrast, AstraZeneca's marketing campaign for its Nexium product is an excellent example of how companies can use advertising to reduce the likelihood that colour will be viewed as functional. AstraZeneca uses the trade mark The Purple Pill in its advertising to create a source-identifying function for the colour of its Nexium product in the mind of consumers. AstraZeneca also has several pending applications for its Nexium trade dress (and one nearing publication at the time of writing) at the USPTO. Its advertising campaign will surely go a long way in helping AstraZeneca persuade the office of the acquired distinctiveness of its trade dress.