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HOW DISTINCTIVE IS IT? . . . THE INHERENTLY DISTINCTIVE TEST AS APPLIED TO TRADEMARKS, SERVICE MARKS AND PRODUCT DESIGNS

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Trademarks apply to goods. Service marks are used in conjunction with services which are offered. It has long been recognized that a package design can serve a source identifying purposes. In some instances, structural designs of the product itself may also serve such a purpose.

Trademarks and service marks are entitled to, and receive protection by virtue of both statute and common law. Title 17 of the United States Code provides federal protection, while most states are known to have their own statutory provisions providing for registration and protection of trade and service marks. Trademark protection under common law grows out of an interest to protect against unfair competition by infringers. Now, both in common law causes and in statutory claims, those interests remain protected and have been extended to marks which consist of package designs and structural designs of products.

As a predicate to receiving trademark protection, the user must establish likelihood of confusion and that his mark has acquired "secondary meaning" or is "inherently distinctive". Secondary meaning is a term of art used to describe the mark's source identifying characteristics. A mark is not a trademark unless it identifies the source of the goods that it is applied to.

Some marks are stronger than others. Trademarks, service marks, and trade dresses are classified along a continuum or spectrum where the "central tones" in the spectrum are, from weak to strong: generic, descriptive, suggestive, "arbitrary, fanciful or unique". The "distinctiveness" of a mark or trade dress increases as it moves toward the "suggestive or arbitrary" end of the spectrum. A distinctive mark requires a lesser or no showing of "secondary meaning" for protection.

These classifications are important because a strong "distinctive" mark is easier to register, protect, and enforce. The type of the mark also has a significant impact upon pleading and proof in trademark infringement actions. It has long been the law that arbitrary and fanciful trademarks and service marks are considered "inherently distinctive" and therefore protectable without proof of secondary meaning. In fact, the inherently distinctive marks are sometimes referred to in common law as "technical trademarks" On the other hand, a descriptive mark may be protected only if it has acquired secondary meaning.

A Question of Definition

An "arbitrary or fanciful mark" is a word in common usage which is applied in a context unrelated to its meaning to a service or product. A "unique" service or trade mark is one which was invented solely for use in connection with the business is also "inherently distinctive".

A mark may be "inherently distinctive" because there is little connection between the mark's attributes and the product or service.

The difference between a "suggestive" and a "descriptive" mark is less clear. A mark is "suggestive" if it requires "imagination, thought or perception to reach a conclusion as to the nature of the goods". A term is "descriptive" if it "conveys an immediate idea of the ingredients, qualities or characteristics of the goods." A. J. Canfield Co. v. Concord Beverage Co., 629 F.S. 200 (E.D. Penn., 1985), affd. 808 F2d 291

Non-distinctive marks include ordinary geometric shapes, surnames or first names, and geographical names. "Generic" marks can never have trademark significance because they are interchangeably used as names for the

product without reference to its source.

The Test for Package Designs

The nature of package design differs from trademarks or service marks. One who seeks to register or protect a package configuration as a trademark must also demonstrate that its design is "nonfunctional" in addition to the requirement that the design serves as an indication of source. A package design can be "inherently distinctive" and still be "functional". But a functional design is not protectable under the trademark laws because protection provided to purely functional designs would impinge upon the constitutional mandate against the impairment of competition.

A shape or feature is "functional" if it affects the purpose, action, performance, facility, or economy of processing, handling, or using the goods.

Some cases have held that a "unique" package design is "inherently distinctive". For example, a container for baby pants which resembled an ice-cream cone was held to be "unique" as a package for baby pants and its design "inherently distinctive". It was therefore registerable on the Principal Register without proof of secondary meaning.

When faced with more complex package designs, recent cases look into the following factors: Whether the package design is of a "common" basic shape or design; unique or unusual in a particular field; 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; or whether it includes features that are arbitrary and serve no function either to describe the product or assist in its effective packaging.

The "Klondike" wrapper, for example, with its square size, bright coloring, pebbled texture, polar bear and sunburst images, and distinctive style of printing was determined to be a complex composite of size, color, texture, and graphics creating a distinctive visual impression entitled to protection because it was "inherently distinctive."

Similarly, the "Ortho" package showing three horizontal bands of white, yellow, and red, with "ORTHO" and the distinctive Chevron mark printed on the white band; the name of the product in the yellow band; other information and drawing in the red band created an overall distinctive visual impression.

This type of broad protection does not necessarily preempt the use of red and yellow by others but only the particular combination of these colors, arranged in certain geometric designs, presented in conjunction with a particular style of printing such that they would create a confusingly similar overall visual impression.

Product Designs

Protection for product designs is also limited by considerations of functionality and secondary meaning. The implications of providing trademark protection to product designs are more severe. The potential anti-competitive effect is more pronounced than with restrictions limited to trademarks, service marks or package designs.

When trademark protection is provided to product designs, courts have been careful to narrowly tailor the holdings to the specific combinations of element of the product design.

In principle a product design may be sufficiently distinctive to warrant protection without a showing of secondary meaning. But just how distinctive can a product design be? Some cases, however have held that a product configuration is intrinsically descriptive and therefore not protectable without proof of secondary meaning.

This author believes it is impractical to extend the inherently distinctive test to product configuration or design. The few courts that have done so preponderantly found that the product configuration at issue was not inherently distinctive because it is (1) essentially functional, (2) descriptive (3) not unique or (4) not used as an indicator of source.

These findings are not surprising, as the courts are compelled to look at the total elements of the product in question. Of necessity, this will include the functional, descriptive or commonplace elements of the product. In fact, a recent Seventh Circuit District Court found itself lost in a quagmire in attempting to determine whether a

particular product configuration was inherently distinctive. Having extended the inherently distinctive test to product design and finding the product at issue lacking in inherent distinctiveness, the district court was compelled to the conclusion that the basic question is one of fact. The court concluded that the factual determination is made especially difficult because of the intermingling of functional, descriptive and truly arbitrary elements in a product.

In essence, the courts are asked to view the various elements as a whole to determine whether the combination is unique and yet keep the various separate elements in mind. This author doubts such a double vision is workable or conducive to consistent results. The margin for error is too great. There is no guidance to the court or to the litigants. The dangers of providing undeserved protection and of imposing uncalled for sanctions upon competitive entrepreneurs are too real to ignore.

Secondary meaning is a more objective standard and is a consistent indicator of the validity of a trade dress as source indicator. Proof of secondary meaning should be required in all trade dress cases involving product designs.

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