

**Resounding Secondary Meaning in the Making Doctrine: Solution for a Startup
Restaurant with Non-Distinctiveness Trade Dress**

By

Pongtawat Uttravorarat

Candidate for Master of Laws

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Submitted to Professor Michael Atkins

University of Washington School of Law

Seattle, Washington

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I. INTRODUCTION

It has been six months after graduating from a top law school, however, still no hope for Val, an international recent law grad, to get any legal job in intellectual property field. Instead of pursuing a law career, he finally has decided to switch gear to open a restaurant in University District, next to his beloved university. Coming from Thailand makes it is such a no brainer for him to open an authentic Thai restaurant, targeting students in the area. After spending several months in creating the design of the restaurant, he finally comes up with a theme that plays with different shades of purple and reflective elements used throughout the restaurant through upholstery furniture, wall color, and other decorative items, such as crystal chandeliers and mirrors. Unlike any other restaurant, these elements all together provide a unique and exciting experience for consumers. Shortly after the grand opening of the restaurant, his mate graduating from the same law school has imitated the restaurant décor and opened an Indian restaurant with strikingly similar design within walking distant away from Val's restaurant. Because imitating trade dress is such a crime in intellectual property world, Val eventually has brought an action against his competitor alleging unfair competition and trade dress infringement. The court finds the trade dress is not inherently distinctive and requires proof of secondary meaning. Unfortunately, due to short period time after the opening of the restaurant, the court holds that secondary meaning has not been established in consumer' mind. Val then tries to argue that he has spent significant amount of time and money in decorating the restaurant and now is in the process of creating consumer association, thus his trade dress should be protected from intentional copier. The court,

however, disagrees and holds that the concept of secondary meaning in the making was rejected by many circuits.

This hypothetical scenario illustrates a problem of small business owners, in particular a startup restaurant owner, who has invested hundreds of thousands of dollars in creating the business, still may not be protected from deliberately imitating infringers, just because the restaurant owner fails to show secondary meaning through extensive advertising and a survey evidence.¹

The paper argues that secondary meaning in the making doctrine, although is controversial as it was rejected by many circuits, can protect a startup restaurant who may not succeed on showing distinctiveness as there is no clear standard for inherently distinctiveness test after *Two Pesos* decision, the proof of secondary meaning is burdensome, and other alternative approaches, such as passing off claim, supplemental register, copyright and patent law are not sufficient and efficient in protecting trade dress of the restaurant. This paper, therefore, proposes that courts adopt the doctrine of secondary meaning in the making to loosen the requirement of secondary meaning for a startup restaurant whose owners have spent a fortune in developing its business, yet its trade dress and good will has been free ridden and traded off by intentional copier adopting the similar trade dress. The paper also argues that adopting the doctrine would benefit consumers as it forces a second comer to create new trade dress that is not similar to the existing design and not confusing to the eyes of consuming public.

¹ John Pesek, *Equalizing the Playing Field: The Time Has Come for Secondary Meaning in the Making in*

This part has introduced a thesis statement and a hypothetical situation that this paper tries to address. Part II provides a background of trade dress law, including a standard of secondary meaning. Part III then discusses the doctrine of secondary meaning in the making in detail. It first presents two different policies that was a conflict between circuit courts, and then concludes that the doctrine was rejected and finally has come to its end. Part III also discusses the Landmark case in *Two Pesos v. Taco Cabana*² and the subsequent decisions showing the different applications of law due to the confusion made by the Supreme Court in *Two Pesos*. Part IV further discusses the alternative approaches for restaurant owners to protect their trade dress but argues that these alternative protections do not fit the nature of trade dress quite well. Next part V proposes that courts should adopt the doctrine of secondary meaning to reinforce the protection for a startup restaurant, as the current standard is ambiguous and insufficient. Finally, part IV summarizes the overall idea of this paper.

II. OVERVIEW OF TRADE DRESS LAW

a. What is Trade Dress?

Trade dress is widely cited as “the total image of a product and may include features such as size, shape, color, or color combinations, texture, graphics, or even particular sales techniques.”³ Black’s Law Dictionary defines trade dress as “[t]he overall appearance and image in the marketplace of a product or a commercial enterprise.”⁴ Applying the definition to a restaurant, trade dress of a restaurant may refer to “the shape

² *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

³ Ingrida Karins Berzins, *The Emerging Circuit Split over Secondary Meaning in Trade Dress Law*, 152 U. Pa. L. Rev. 1661, 1664 (citing *John H. Harland co. v. Clark Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)).

⁴ Black’s Law Dictionary 1530 (8th ed. 2004).

and general appearance of the exterior of the restaurant, the identifying sign, the interior kitchen floor plan, the décor, the menu, the equipment used to serve food, the servers' uniforms and other features reflecting on the total image of the restaurant.”⁵

Historically, trade dress was not originally considered part of trademark law. Trade dress protection was only available against copying, which was based on the general concept of unfair competition law.⁶ The early common law trade dress “relied on principles of morality and fairness in commerce to protect trade dress.”⁷ Therefore, in deciding on trade dress infringement, the courts based their reasoning on the theory that “a competitor should not dress its product in the clothes of another.”⁸ Not until 1988 that the courts began to view trade dress as another protectable form of trademark when Congress amended the Lanham Act, protecting unregistered trade dress under section 43 of the Lanham Act. The scholar has pointed out that by having the word “device” in the definition of trademark under section 45 of the Lanham Act, Congress adopted a broad definition that “could include almost any form of trade dress.”⁹ The Supreme Court also explained that trade dress constitutes a “device” in any sense that “is capable of carrying meaning.”¹⁰

⁵ *Two Pesos, Inc.*, 505 U.S., 764 n.1 (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)).

⁶ Lar Smith, *Trade Distinctiveness: Solving Scalia's Tertium Quid Trade Dress Conundrum*, 2005 Mich. St. L. Rev. 243, 252 (2005).

⁷ *Id.*

⁸ *Id.*

⁹ *Id.* at 254.

¹⁰ *Id.*; see *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995) (noting that “[s]ince human beings might use as a ‘symbol’ or ‘device’ almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive”).

Trade dress although is not defined in the Lanham Act, case law has developed two categories of trade dress: product packaging and product design or configuration.¹¹ In the past, trade dress law only recognized protection for product packaging and labeling.¹² Overtime, the law has expanded protection to actual product itself.¹³ Product design or product configuration eventually has been recognized as protectable trade dress in recent years after the Supreme Court decision in *Wal-Mart*.¹⁴

Today trade dress is protected whether registered or unregistered by the Lanham Act and affords the same protection as trademark.¹⁵ To recover for trade dress infringement or unfair competition under section 43(a) of the Lanham Act, a plaintiff must prove that the trade dress is not functional, distinctive, and defendant's imitation of plaintiff's trade dress is likely to confused consuming public.¹⁶

b. Functionality

According to the Supreme Court, functionality, in general, refers to a product feature that is essential to the use or purpose of the article or that affects the cost or quality of the article.¹⁷ In other words, "a feature of goods is functional...if it affects [the goods'] purpose, action or performance, or the facility or economy of processing,

¹¹ Karina K. Terakura, *Insufficiency of Trade Dress Protection: Lack of Guidance for Trade Dress Infringement Litigation in the Fashion Design Industry*, 22 U. Haw. L. Rev. 569, 579 (2000).

¹² *Id.* (noting that "[a]t one time, trade dress was defined only as 'the total image of the product'").

¹³ *Id.* at 580 (noting that product configuration is the three dimensional aspect of the product; it is the design of the entire product, including configuration or shape).

¹⁴ *See Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209 (2000).

¹⁵ *See Two Pesos, Inc.*, *supra* note 2 at 776 (noting that section 43(a) does not mention trademark and trade dress but "the Court interprets this section as having created a federal cause of action for infringement of an unregistered trademark or trade dress and concludes that such a mark or dress should receive essentially the same protection as those that are registered").

¹⁶ Karina K. Terakura, *supra* note 11 at 582 n. 91 (noting that the three elements required to prove trade dress infringement was *first* introduced in *Two Pesos, Inc.*, *supra* note 2 at 769).

¹⁷ Lar Smith, *supra* note 6 at 260 (citing *Inwood Lab., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)).

handling or using them.”¹⁸ Functionality is an important factor in determining trade dress infringement as it is an absolute bar in claiming trade dress protection. Even to the extent that trade dress is distinctive, if it is deemed functional, it is not protectable.¹⁹

The policy reason of the functionality doctrine is to prevent the monopoly in designs that should be protected by patent law. As trade dress law protects consuming public from confusion, a protectable trade dress must function as a source identifier. Accordingly, functional features do not accomplish the goal of indentifying source.²⁰ Also trade dress law wants to promote fair competition by allowing others to be able to use the functional elements.²¹ Otherwise, if a functional trade dress is claimed exclusively, consumers would be required to purchase the particular product from only that specific producer at a possibly high price.²²

Generally, there are two types of functionality: utilitarian functionality and aesthetic functionality. Utilitarian functionality includes “elements that are functional in the utilitarian sense contribute to the product’s use, purpose, or performance.”²³ The test for utilitarian functionality is “whether the design achieves economic in manufacture and use.”²⁴ To put it in a different way, the court will determine “whether the feature is essential to the product’s use or quality, or whether designing around the feature would be costly for a competitor.”²⁵ Aesthetic functionality, however, merely focuses on ornamental features of a product, rather than the essential or helpful purpose of the

¹⁸ Willajeanne F. McLean, *The Birth, Death, and Renaissance of the Doctrine of Secondary Meaning in the Making*, 42 Am. U. L. Rev. 737, 743 (1993) (citing RESTATEMENT OF TORTS § 742 (1938)).

¹⁹ Lar Smith, *supra* note 6 at 260.

²⁰ Karina K. Terakura, *supra* note 11 at 583.

²¹ *Id.* at 582.

²² *Id.*

²³ *Id.* at 584.

²⁴ *Id.*

²⁵ Willajeanne F. McLean, *supra* note 18 at 743.

product.²⁶ The purpose of aesthetic functionality is “not to identify source, but to be visually pleasing.”²⁷

c. Distinctiveness

The requirement of distinctiveness for trade dress protection is based on the fundamental purpose of trade dress and trademark law, which is “to identify product source by ensuring that protected trade symbols be clearly distinguishable from others.”²⁸ According to the Restatement (Third) of Unfair Competition, trade dress is considered distinctive, and protectable, if it is either inherently distinctive or acquired distinctiveness through a development of secondary meaning.²⁹

Trade dress is deemed inherently distinctive if it is “so unusual in identifying the product source that [the trade dress] is unique to that particular source.”³⁰ However, other scholar has pointed out that “distinctiveness for trademark purposes is not the same as being unique, original, or novel.”³¹ The real inherently distinctive test is whether “the consumer perceive[s] the mark as being distinctive of a single source for the goods or services sold under the mark.”³² This means that the test does not focus on the uniqueness of the trade dress, rather it focuses on the ability of the particular trade dress to identify the source.

²⁶ Karina K. Terakura, *supra* note 11 at 584.

²⁷ *Id.*

²⁸ *Id.* at 585 (quoting Hermenegildo A. Isidro, *The Abercrombie Classifications and Determining the Inherently Distinctiveness of Product Configuration Trade Dress*, 62 *brook. L. Rev.* 811, 820 (1996)).

²⁹ See Restatement (Third) of Unfair Competition § 13 cmt. A (1995); *see also* Karina K. Terakura, *supra* note 11 at 585.

³⁰ Karina K. Terakura, *supra* note 11 at 586.

³¹ Lar Smith, *supra* note 6 at 261.

³² *Id.*

As previously stated that trade dress affords the same protection as trademark law, many courts have applied the *Abercrombie* spectrum of distinctiveness to trade dress.³³ Furthermore, the Supreme Court in *Two Pesos* held that there is no textual basis in section 43(a) for a distinction between trademarks and trade dress.³⁴ The Supreme Court held that the *Abercrombie* classifications are the general rule applicable to trademarks. However, because the trade dress under section 43(a) serves the same statutory purpose, “there is no persuasive reason to apply different analysis to the two.”³⁵

The *Abercrombie* spectrum of trademark is classified as 1) fanciful or arbitrary; (2) suggestive; (3) descriptive; and (4) Generic.³⁶ Generally, not all of marks are entitled to protection under trademark law; only certain trademarks are protected. The first two, fanciful or arbitrary and suggestive, are inherently distinctive, and thus can be protected without a showing of secondary meaning.³⁷ Similar to trademark concept, arbitrary trade dress bears no relation to the product and its source while possessing features that do not describe the product or “assist in the product’s effective packaging.”³⁸ Fanciful trade dress is created by the source and has no previous meaning, and suggestive trade dress requires one’s imagination to make the connection between the product and the source.³⁹ Since the “unique, unusual or unexpected in the market” aspect of these types of trade dress makes the consumer memorize or recognize the producer, arbitrary, fanciful, and

³³ *Id.* at 264 n. 129.

³⁴ *Id.* at 264.

³⁵ See *Two Pesos, Inc.*, *supra* note 2 at 773.

³⁶ See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10 (2d Cir. 1976).

³⁷ Willajeanne F. McLean, *supra* note 18 at 746.

³⁸ *Id.* (citing *Chevron*, 659 F.2d at 702, 212 U.S.P.Q. (BNA) at 911).

³⁹ Karina K. Terakura, *supra* note 11 at 586.

suggestive trade dresses are essentially inherently distinctive and thus protectable under trade dress law.⁴⁰

Descriptive and generic trade dresses are not inherently distinctive, and thus bears no legal protection. However, descriptive trade dress can afford protection through the development of secondary meaning. On the other hand, generic trade dress can never be protected because courts do not allow proof of secondary meaning to elevate generic trade dress and trademark.⁴¹ The policy reason for not granting a protection to descriptive or generic marks without a showing of secondary meaning is not to preclude others from using a descriptive term or design that would be useful in describing their products.⁴²

d. Secondary Meaning

Under trademark law, secondary meaning means that in a consuming public's mind, the mark has other meaning in addition to the obvious meaning of the term of the mark itself. If buyers can associate a mark with the source of the product or the producer, then secondary meaning has developed. "A high degree of proof is necessary to establish secondary meaning for a descriptive term," and the burden of proof rests with the party seeking to establish legal protection for the mark.⁴³ In proving secondary meaning, the owner of the mark must provide supporting evidences showing that the mark denotes to the consumers that "a single thing [is] coming from a single source."⁴⁴ The court will also look at other factors such as "amount and manner of advertising, volume of sales, and

⁴⁰ *Id.* at 587.

⁴¹ *The Vision Center v. Opticks, Inc.*, 596 F. 2d 111, 116 (5th Cir. 1979).

⁴² Willajeane F. McLean, *supra* note 18 at 747.

⁴³ *The Vision Center*, 596 F.2d at 118.

⁴⁴ *Id.* at 119.

length and manner of use” which may serve as “circumstantial evidence relevant to the issue of secondary meaning.”⁴⁵

Applying the same concept to trade dress, a secondary meaning of a trade dress is developed when consumers associate the trade dress of the goods or services with the producer of that particular trade dress.⁴⁶ There are several factors which courts consider in determining whether a trade dress has acquired secondary meaning; for example, consumer surveys, defendant’s intent in copying the trade dress, advertisement expenditures, sales success, length and exclusivity of use, and unsolicited media coverage.⁴⁷ Courts do not require all of these factors; however, plaintiff must show that “a substantial segment of the relevant group of consumers made the requisite association between product and producer.”⁴⁸

Although there are many ways to prove secondary meaning, trademark or trade dress owners may still face some difficulties in showing that its mark or trade dress has developed a secondary meaning, especially for “a recent market entrant” whose trade dress is copied “at the start of its market life.”⁴⁹ An owner of the restaurant spending substantial amount of money whose trade dress has been imitated may face difficulties in showing the secondary meaning at the early stage of the business, as consumers may not fully associate the trade dress with the restaurant. As a result, the owner of the restaurant may not be able to prevent the competitor from imitating his trade dress, and eventually

⁴⁵ *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.* 698 F.2d 786, 795 (5th Cir. 1983).

⁴⁶ Willajeanne F. McLean, *supra* note 18 at 748.

⁴⁷ *Id.* at 749-750 n. 72-78.

⁴⁸ *Id.* at 750.

⁴⁹ Willajeanne F. McLean, *supra* note 18 at 750.

lose his recognition by virtue of the imitation.⁵⁰ Due to the difficulties in proving a secondary meaning, “the judicial substitution of the incipient secondary meaning doctrine, also known as secondary meaning in the making” was introduced to make it easier for a trademark owner in showing the establishment of secondary meaning.⁵¹

III. SECONDARY MEANING IN THE MAKING

The doctrine of secondary meaning in the making protects a mark that has not been fully developed a secondary meaning, but is in the process of acquiring one since the owner of the marks has engaged in substantial advertising efforts, to protect the mark from being deliberately appropriated or copied in bad faith.⁵² “The general crux of the doctrine is that a firm which is making efforts to create secondary meaning, but has not yet succeeded, should be protected against a competitor who knowingly rushes to market a product under a similar mark.”⁵³ Accordingly, most of the cases discussing secondary meaning in the making were typically a situation where the plaintiff sought to stop the junior user who intentionally capitalized his marks claiming that “his high investment of capital and effort should be protected against a free-riding infringer.”⁵⁴

The secondary meaning in the making doctrine, according to trademark scholar Rudolf Callman, was originally developed in 1925 in *Edward G. Budd Manufacturing Co. v. C.R. Wilson Body Co.*⁵⁵ In this case the court ruled in favor of plaintiff who

⁵⁰ *Id.*

⁵¹ *Id.* at 753.

⁵² Lisa H. Johnston, *Drifting toward Trademark Rights in Gross*, 85 Trademark Rep. 19, 43 (1995).

⁵³ Joel S. Armstrong, *Secondary Meaning “in the Making” in Trademark Infringement Actions under Section 43(A) of the Lanham Act*, 14 Geo. Mason U. L. Rev. 603, 606 n. 17(1992).

⁵⁴ *Id.* at 607.

⁵⁵ 7 F.2d 746 (E.D. Mich. 1925), *aff’d*, 21 F.2d 803 (6th Cir. 1927), *cert. denied*, 276 U.S. 632 (1928); *see also* Willajeanne F. McLean, *supra* note 18 at 753.

actually failed to establish secondary meaning.⁵⁶ In its holding, the court reasoned that allowing the defendant to use the words ALL-STEEL would be a “great injustice” for plaintiff who has been using the term prior to defendant’s use.⁵⁷ After the *Budd* case, secondary meaning in the making had not been discussed until 1974, when it reemerged again in *The National Lampoon, Inc. v. American Broadcasting Cos.*,⁵⁸ which is widely recognized as “the first judicial application of the doctrine of secondary meaning in the making.”⁵⁹ Thereafter, the doctrine was argued by a number of courts, meeting varies degrees of success. The court in 1970’s -1980’s appeared to adopt the doctrine, but some circuit courts in the 1980’s to early 1990’s mostly rejected the doctrine. The next segment discusses the split among various circuit courts. The following cases illustrated below may not represent the vast majority of decision, but merely demonstrates the issues between two different policies regarding secondary meaning in the making.

a. The Circuit Split

i. The First Era: Accepting the Doctrine

During the 1970’s to 1980’s, the secondary meaning in the making doctrine was adopted only among New York District Courts and in the Second Circuit. As mentioned, the first case reemerged the doctrine of secondary meaning in the making was *National Lampoon, Inc. v. American Broadcasting Cos.*⁶⁰ National Lampoon was a producer of a monthly magazine named “National Lampoon.”⁶¹ It also had a radio show and was

⁵⁶ *Id.* 748-749.

⁵⁷ *Id.* 749.

⁵⁸ 376 F.Supp. 733 (S.D.N.Y. 1974), *aff’d*, 497 F.2d 1343 (2d Cir. 1974).

⁵⁹ Joel S. Armstrong, *supra* note 53 at 608.

⁶⁰ *The National Lampoon, Inc.*, *supra* note 58; see Willajeanne F. McLean, *supra* note 18 at 754; see also Joel S. Armstrong, *supra* note 53 at 613.

⁶¹ *The National Lampoon, Inc.*, *supra* note 58 at 736, 739-742.

making a television series under the same name.⁶² National Lampoon brought a case against ABC to enjoin it from airing a show under the names “ABC Lampoon,” also known as “Lampoon” based on a likelihood of confusion ground. The court found that National Lampoon had presented “strong evidence of secondary meaning” due to its extensive advertising.⁶³ The court noted that National Lampoon “has made extensive, successful efforts to bring its name into public consciousness through the circulation of its magazine, which as noted above, reaches millions of consumers, as well as its other products.”⁶⁴ However, the court further stated that the plaintiff might have prevailed even if the secondary meaning has not yet been developed. The court stated that “[e]ven assuming secondary meaning had not yet come to full fruition, a mark with secondary meaning in the making should also be protected, at least against those who appropriate it with knowledge or good reason to know of its potential in that regard, or with an intent to capitalize on its quality.”⁶⁵ As a result of this reasoning, the doctrine of secondary meaning in the making thus “originated as dicta” in the New York courts.⁶⁶

Few years after the *National Lampoon* decision, the New York District Courts had acknowledged the existence of the secondary meaning in the making doctrine established in *National Lampoon*. The Southern District Court of New York found plaintiff has sufficiently established a secondary meaning in a short period of time through its “continual and extensive publication.”⁶⁷ The Eastern District of New York, on the other hand, found plaintiff has not sufficiently established a finding of secondary

⁶² *Id.*

⁶³ *Id.* at 747.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ Joel S. Armstrong, *supra* note at 614.

⁶⁷ *West & Co., Inc. v. Arica Institute, Inc.*, 194 U.S.P.Q. (BNA) 32, 35 n. 10 (S.D.N.Y. 1976), *aff'd*, 557 F.2d 338 (2d Cir. 1977).

meaning and rejected plaintiff's argument citing *National Lampoon* that secondary meaning in the making should be protected.⁶⁸ Slightly thereafter, the New York court moved one step closer in recognizing the doctrine in *Blake Publishing*, where the court hold that "[p]laintiff need not demonstrate that it has 'actually succeeded' in establishing secondary meaning in its mark."⁶⁹ The court further noted that the Second Circuit has approved a "more likely than not" standard: "[W]hen [a trademark] is not generic but merely descriptive, an inference of secondary meaning, properly supported, seems to be enough."⁷⁰

Since *National Lampoon*, the concept of secondary meaning was a bit unclear and had not been discussed in great detail, almost ten years after, when the Southern District of New York set a clearer standard of secondary meaning in the making in *Metro Kane Imports, Ltd. V. Federated Department Stores, Inc.*⁷¹ In this case, Metro Kane sued the defendants, competing sellers, for intentionally copied plaintiff's trade dress in the product design Mighty OJ, a juice squeezer.⁷² Due to a short time frame to successfully establish a secondary meaning, Metro Kane asserted a theory that, "where secondary meaning is 'in the making' but not yet fully developed, a trademark or trade dress will be protected against intentional, deliberate attempts to capitalize on a distinctive product." The court accepted plaintiff's assertion, acknowledged the doctrine in *National Lampoon*, and thought that the doctrine "is admittedly somewhat at odd" with the requirement of

⁶⁸ *Nature's Bounty, Inc. v. Basic Organics*, 432 F.Supp. 546, 552 n. 8 (E.D.N.Y. 1977) (noting that "[p]laintiff's argument that secondary meaning in the making should be protected, while a correct statement of the law, ... is not supported by the evidence and must be rejected).

⁶⁹ *Blake Pub. Corp. v. O'Quinn Studios, Inc.*, 202 U.S.P.Q. 848, 856 (S.D.N.Y. 1979)

⁷⁰ *Id.* at 856-857. (noting that the court further noted that "there is a growing recognition that trademarks "with secondary meaning in the making" should also be afforded some specie of protection").

⁷¹ *Metro Kane Imports, Ltd. v. Federated Dep't Stores, Inc.*, 625 F.Supp. 313 (S.D.N.Y. 1985), *aff'd without opinion*, 800 F.2d 1128 (2d Cir. 1986).

⁷² *Id.* at 314.

secondary meaning.⁷³ The court further explained that “secondary meaning in the making derives further support from the analogous ‘second comer’ doctrine”... that a senior user... of a distinctive mark has a right not to have a second comer intentionally cause a likelihood of confusion between the two marks in an attempt to exploit the reputation of the senior users mark.”⁷⁴ Because the court found the evidence of defendant’s intentional and deliberate copying, it granted a preliminary injunction to plaintiff.⁷⁵

After *Metro Kane*, other subsequent New York cases also followed the rationale in *Metro Kane*. The court in *Jolly Good Indus., Inc. v. Elegra Inc.* found plaintiff’s significant amount of money in advertising and a high volume of sales in its beverage dispenser and evidence that defendants deliberately attempted to imitate plaintiff’s design sufficient in granting a preliminary injunctive relief.⁷⁶ Although the plaintiff has not established a secondary meaning, the court found the *Metro Kane* analysis persuasive by stating that the court in this circuit has not explicitly rejected the theory of secondary meaning in the making and the Second Circuit has twice reviewed the theory “without condemnation or criticism, especially where there exists strong evidence of intentional copying.”⁷⁷ The court found that “defendants clearly had knowledge of Jolly Good’s success with its dispenser and the overwhelming evidence of intentional copying is

⁷³ *Id.* at 316 (finding that “the judge justifiably found that the defendant...had deliberately attempted to exploit National Lampoon’s well-known name and reputation”).

⁷⁴ *Id.* at 317 (quoting *Thomson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 214 (2d Cir. 1985).

⁷⁵ *Id.* at 318-19.

⁷⁶ *Jolly Good Indus., Inc. v. Elegra Inc.*, 690 F.Supp. 227, 230, 233-234 (S.D.N.Y. 1988) (noting that Jolly Good has spent approximately \$100,000 for advertising and \$625,500 in sales of the dispenser in 1987).

⁷⁷ *Id.* at 231.

‘persuasive, if not conclusive, evidence of [the] consumer recognition and good will’ which they sought to exploit to their advantage.”⁷⁸

One year later, the New York Southern District Court also held for plaintiff based on the same reasoning that “[e]ven assuming *arguendo* plaintiff’s trade dress [for an Italian designer halogen desk lamp] has not yet acquired secondary meaning, where, as here, it is demonstrated that a product is expanding in a new market, and where there is an intentional, deliberate attempt to capitalize on another’s distinctive product, secondary meaning in the making is also entitled to protection.”⁷⁹

Based on the cases demonstrated, the secondary meaning in the making doctrine protected a plaintiff who can successfully show the court that 1) the plaintiff, although may not succeed in establishing a secondary meaning, is still in the making of secondary meaning through its extensive advertising or significant amount of sales; and 2) the defendant intentional and deliberately copied or imitated plaintiff’s trademark or trade dress.

ii. *The Second Era: Rejecting the Doctrine*

From the early 1980’s to the early 1990’s, many Federal Circuit courts had rejected the doctrine of secondary meaning in the making, including the Second Circuit. One of the earliest cases rejecting the doctrine was from the Third Circuit in *Superior Models, Inc. v. Tolkien Enterprises*.⁸⁰ In *Superior Models*, Defendants asserted a claim that plaintiff infringed its trademark and contended secondary meaning in the making

⁷⁸ *Id.*

⁷⁹ *PAF S.r.l. v. Lisa Lighting Co., Ltd.*, 712 F.Supp. 394, 407 (S.D.N.Y. 1989).

⁸⁰ *Superior Models, Inc. v. Tolkien Enterprise*., 211 U.S.P.Q. 587 (D. Del. 1981), *withdrawn and superseded*, 211 U.S.P.Q. 876 (D. Del. 1981).

doctrine citing New York Cases, including *National Lampoon*.⁸¹ In rejecting the argument, the Delaware court differentiated that “[b]y contrast, in the case at bar the plaintiff -- the alleged infringer -- was not shown to have intentionally attempted to capitalize on the efforts of the defendants, and there is no documentation of any pre-release publicity of the Zaentz film production.”⁸² Meanwhile, other Circuit Courts also rejected the doctrine based on various reasons.⁸³ For example, one year after *Superior Models* decision, the Eighth Circuit held that the doctrine of secondary meaning in the making “focuses solely upon the intent and actions of the seller of the product to the exclusion of the consuming public; but the very essence of secondary meaning is the association in the mind of the public of particular aspects of trade dress with a particular product and producer.”⁸⁴ In 1986, the Ninth Circuit joined the Eighth Circuit and Third Circuit when it denied granting plaintiff a temporarily restraint order holding that secondary meaning in the making theory cited by plaintiff “may represent a departure for prior law, at least in this Circuit.”⁸⁵ Additionally, the Seventh Circuit took the same route in denying plaintiff’s assertion of secondary meaning in the making.⁸⁶ The Seventh

⁸¹ *Id.* at 593-594 (Defendants contended that “even if a secondary meaning did not exist, defendants were in the process of creating that secondary meaning and thus, deserving of trademark protection”).

⁸² *Id.* at 594.

⁸³ The Third Circuit also rejected plaintiff argument that Congress implicitly adopted the secondary meaning in the making doctrine when it amended section 1(b) of the Lanham Act; *see* Good ‘N Natural v. Nature’s Bounty Inc., No. 87-662, 1990 U.S. Dist. LEXIS 11414 (D.N.J. August 30, 1990) (holding that “intent to use” registration did not affect the secondary meaning requirements because applied only to marks that are presumptively registerable and thus secondary meaning was still required for merely descriptive marks); *see also* Joel S. Armstrong, *supra* note 53 at 610.

⁸⁴ *See* Black & Decker Mfg. Co. v. Ever-Ready Appliance Mfg. Co., 684 F.2d 546, 546-50 (8th Cir. 1982) (rejecting Black & Decker’s argument that the trade dress of its foldable step stool had secondary meaning in the making based on the company’s marketing attempts).

⁸⁵ *See* Autry Indus., Inc. v. Chesapeake Shoe Co., 230 U.S.P.Q. 552 (N.D. Cal. 1986) (denying granting temporary restraining order for trade dress of BECKY aerobics shoe, which was still in the making of secondary meaning).

⁸⁶ *See* National Presto Indus., Inc. v. Hamilton Beach, Inc., No. 88 C 10567, 1990 U.S. Dist. LEXIS 4288 (N.D. Ill. April 13, 1990) (declining to ratify the theory of secondary meaning in the making as it is in the absence of any express direction from the Seventh Circuit); *see also* Joel S. Armstrong, *supra* note 53 at 611-612.

Circuit in *G. Heileman Brewing* held that “this court has never recognized the theory of secondary meaning in the making and we do not think this is an appropriate.”⁸⁷ The court further noted, “if a doctrine of secondary meaning in the making were to be recognized, initials standing for a descriptive phrase would be an unlikely subject for its application.”⁸⁸

After the first rejection of the doctrine from the Third Circuit, none of the cases had discussed the doctrine in great detail. Until the early 1990’s, when the Federal Circuit provided the extensive review of the secondary meaning in the making doctrine in *Cicena Ltd. V. Columbia Telecomm. Group*.⁸⁹ In *Ciena Ltd.*, Ciena Ltd., a manufacturer of clear plastic neon-lit telephones filed action against Columbia Telecommunication Group, a competitor, seeking preliminary injunction against the trade dress infringer.⁹⁰ The District Court found secondary meaning in the making and granted Cicena a preliminary injunction under section 43(a) of the Lanham Act.⁹¹ In rejecting the doctrine, the Federal Circuit noted that the doctrine of secondary meaning in the making is “of questionable validity;” noting that at least one circuit has explicitly rejected the doctrine, citing the Eighth Circuit decision in *Black & Decker*.⁹² The court further noted that “[t]he Second Circuit has had several opportunities to discuss the doctrine, but has not done so;” and

⁸⁷ See *G. Heileman Brewing Co., Inc. v. Anheuser-Busch, Inc.*, 873 F.2d 985, 999 (7th Cir. 1989) (noting that there was no evidence that defendant capitalized on plaintiff’s good will).

⁸⁸ *Id.* at 999; see Joel S. Armstrong, *supra* note 53 at 611 (noting that plaintiff’s assertion contrary to the fundamental idea of secondary meaning which requires proof of secondary meaning for descriptive marks).

⁸⁹ 900 F.2d 1546 (Fed. Cir. 1990).

⁹⁰ *Id.* at 1548.

⁹¹ *Id.* at 1548-49 (noting that the District Court cited *Jolly Good Indus. Inc.* and *National Lampoon* in its finding of secondary meaning in the making).

⁹² *Id.* at 1549-50

therefore the Federal Circuit is in “the delicate position” of deciding the issue and concluded that the Second Circuit would reject the doctrine if faced with the issue.⁹³

In reaching its conclusion, the court construed the language in section 43(a) of the Lanham Act, which protects only against “false designation of origin.”⁹⁴ The court explained that “[a] trademark or trade dress which lacks secondary meaning, i.e., does not associate the product with a single source, by definition does not designate origin.”⁹⁵ To put it in a different way, “a consumer must recognize that the telephone is made by Cicena before he can be confused by a similar phone originating from Columbia Telecommunications.”⁹⁶ The court further reasoned that to allow plaintiff to succeed on proving secondary meaning in the making “would undermine the entire purpose” of the secondary meaning, which is to show that the consumer associates the product with a source, not the product itself.⁹⁷ Agreeing with the Eighth Circuit in *Black & Decker*, the Federal Court acknowledged that the doctrine of secondary meaning in the making that to prevent “the deliberate copier from capitalizing on the efforts of the first producer” is an “admirable goal,” however is not encompassed by section 43(a) of the Lanham Act.⁹⁸

The Federal Circuit was right in presuming that the Second Circuit would reject the doctrine of secondary meaning in the making. Shortly after the Federal Circuit’s decision in *Cicena Ltd.*, the Second Circuit “delivered what appears to be the deathblow to the secondary meaning ‘in the making’ doctrine” in its two decisions.⁹⁹ The first

⁹³ *Id.* at 1550.

⁹⁴ *Id.* at 1550; and 15 U.S.C. §1125.

⁹⁵ *Id.* at 1550.

⁹⁶ Willajeanne F. McLean, *supra* note 18 at 762.

⁹⁷ *Cicena Ltd.*, 900 F.2d at 1550.

⁹⁸ *Id.* at 1550

⁹⁹ Joel S. Armstrong, *supra* note 53 at 632.

decision was in *Lang v. Retirement Living Publishing Co., Inc.* involving litigation in trade name infringement based on a ground of likelihood of confusion.¹⁰⁰ Only one paragraph in the decision, the plaintiff urged the court to adopt the doctrine of secondary meaning in the making. In responding plaintiff's contention, the court simply stated, "we decline to do so," without further explanation and discussion.¹⁰¹ The scholar noted that the decision was only dictum; therefore the doctrine "was still not foreclosed."¹⁰²

One year later, the Second Circuit took another step to "foreclose" the doctrine of secondary meaning in the making in *Laureysens v. Idea Group, Inc.*¹⁰³ In *Laureysens*, plaintiff brought a trade dress infringement case alleging the defendant marketing a similar colors assembling plaintiff's interlocking foam rubber puzzles, available in six colors.¹⁰⁴ The district court granted plaintiff a preliminary injunction for trade dress infringement finding that plaintiff satisfied the requirement of secondary meaning in the making.¹⁰⁵

In reviewing the district court's grant of preliminary injunction, the Second Circuit noted that it had declined the doctrine in *Lang* and, just like the Federal Circuit in *Cicena*, also examined the text of section 43(a) of the Lanham Act.¹⁰⁶ The court then held that the statutory language leads to the conclusion that secondary meaning in the making should not be recognized under section 43(a).¹⁰⁷ In its reasoning, the court stated that the statute prohibits a use of mark that creates "false designation of origin;" when secondary

¹⁰⁰ *Lang v. Retirement Living Publ'g Co., Inc.*, 949 F.2d 576, 578-80 (2d Cir. 1991).

¹⁰¹ *Id.* at 581.

¹⁰² Joel S. Armstrong, *supra* note 53 at 633.

¹⁰³ *Laureysens v. Idea Group, Inc.*, 964 F.2d 131 (2d Cir. 1992).

¹⁰⁴ *Id.* at 132-134.

¹⁰⁵ *Id.* at 136-137.

¹⁰⁶ *Id.* at 137.

¹⁰⁷ *Id.*

meaning is not established, consumer public simply does not associate the trade dress with a particular producer.¹⁰⁸ Therefore, the use of imitated trade dress by a second comer would not likely to confuse public as it bears no “false designation of origin.”¹⁰⁹ Furthermore, the court articulated that trademark law prohibits the copying only when it is likely to confused consuming public. Because of this reason, “[an] imitation or even complete duplication of another’s product or packaging creates no risk of confusion unless some aspect of the duplicated appearance is identified with a particular source.”¹¹⁰ Finally, the court articulated that since the doctrine of secondary meaning affords protection before consuming public associates the trade dress with a particular source, the doctrine “constrains unnecessarily the freedom to copy and compete.”¹¹¹ Based on these reasons, the court therefore rejected the doctrine of secondary meaning in the making and reversed the district court’s grant of preliminary injunction.¹¹² The scholar has pointed out that as the Second Circuit joined other Circuit Courts in rejecting the doctrine, “the doctrine of secondary meaning in the making has finally met its demise.”¹¹³

iii. The Criticisms

The doctrine of secondary meaning has been criticized by commentators that the doctrine “accords the use of the trademark or trade dress a right in gross to prohibit a competitor’s appropriation of the same or similar mark” even when the consumer has not yet identified the mark with the source of the goods or services.¹¹⁴ In other words, “the

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ *Id.* at 138.

¹¹¹ *Id.*

¹¹² *Id.* at 139.

¹¹³ Joel S. Armstrong, *supra* note 53 at 635.

¹¹⁴ Lisa H. Johnston, *supra* note 52 at 43.

symbol is not yet associated with any good will,” and therefore should not be protected under trademark or trade dress law.¹¹⁵ The scholar further stated that the secondary meaning in the making doctrine is contrary to “the notion of a free-market economy” as articulated by the Second Circuit in *Laureyssens*.¹¹⁶ One scholar in particular was concerned that “the application of incipient secondary meaning could encourage courts to become regulators of the marketplace” as the doctrine would encourage courts to “substitute their attitudes and biases” when expected to not favor imitation or free-riding by the second comer.¹¹⁷

Additionally, there has been a concern that case laws do not provide criteria in evaluating the evidence submitted in determining whether plaintiff is in the making of secondary meaning. The only “judicial guidance” provided simply suggests that the doctrine is applicable in a situation where “deliberate appropriation” occurs.¹¹⁸ It has been suggested that “the courts would have to determine the length of marketing time or the amount of advertising required before consumer association with the trade dress could be established.”¹¹⁹

On the other hand, it has been argued that by not protecting trade dress that is in the making of secondary meaning, nobody would likely to invest “the capital and energy” in creating new trade dress that may be copied as soon as it hit the market.¹²⁰ Therefore, “incipient secondary meaning doctrine” would protect market incentives and encourages

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 45; *see also* *Laureyssens*, 964 F.2d at 137.

¹¹⁷ Willajeanne F. McLean, *supra* note 18 at 758.

¹¹⁸ *Id.* at 757.

¹¹⁹ *Id.*

¹²⁰ *Id.* at 758.

producers to devote substantial amount of money to create new trade dress.¹²¹ Finally, it has been argued that relaxing the requirement in proving the secondary meaning would not have a chilling effect on the market, rather would help to “elicit new product designs and foster competition.”¹²² Thus, allowing a proof of secondary meaning in the making, consumers would be less likely confuse because the similar trade dress would have been eliminated from the market.¹²³

b. The Supreme Court Decision in *Two Pesos v. Taco Cabana*

The decision in *Two Pesos* is very critical for restaurants in regard to trade dress protection whether the owner of the restaurant has to show the secondary meaning attached to its trade dress in order to prevail on trade dress infringement claim against a copied competitor. In the past, proof of secondary meaning was “an absolute condition to protection” of trade dress in early common law.¹²⁴ Several circuit courts, including the Second Circuit, had asserted that “protection for all forms of unregistered trade dress under section 43(a) requires a showing of secondary meaning” despite the degree of distinctiveness.¹²⁵ However, the Fifth, Seventh, and Eleventh Circuits did not require proof of secondary meaning if a trade dress is inherently distinctive.¹²⁶ This split between the circuits led to the Supreme Court’s resolving the issue in *Two Pesos, Inc. v. Taco Cabana, Inc.*¹²⁷

¹²¹ *Id.* at 758-759.

¹²² *Id.* at 759.

¹²³ *Id.*

¹²⁴ Lar Smith, *supra* note 6 at 265.

¹²⁵ Lisa H. Johnston, *supra* note 52 at 40; *see* Laureyssens, 964 F.2d 131.

¹²⁶ *See generally* Sicilia Di R. Biebow & Co. v. Cox, 732 F.2d 417, 426 (5th Cir. 1984); Schwinn Bicycle Co. v. Ross Bicycles, Inc., 870 F.2d 1176, 1182 (7th cir. 1989); Ambrit, Inc. v. Kraft, Inc., 812 F.2d 1513, 1535 (11th Cir. 1986), *cert denied*, 481 U.S. 1041 (1987).

¹²⁷ 505 U.S. 763 (1992).

i. The Decision

Taco Cabana, a Mexican chain restaurant operating in Texas sued Two Pesos in the Southern District Court of Texas for trade dress infringement under section 43(a) of the Lanham Act.¹²⁸ Taco Cabana describes its trade dress as

“a festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme using top border paint and neon stripes. Bright awnings and umbrellas continue the theme.”¹²⁹

The District Court instructed the jury, *inter alia*, that Taco Cabana’s trade dress was protected if it either was inherently distinctive and must not be descriptive, otherwise had acquired a secondary meaning.¹³⁰ The jury found that Taco Cabana the trade dress is nonfunctional, inherently distinctive, and has not acquired a secondary meaning in the Texas market.¹³¹ Finding that Two Pesos had intentionally and deliberately infringed Taco Cabana’s trade dress, the trial court therefore entered a judgment for plaintiff.¹³² On Appeal, Two Pesos argued that that the jury’s finding of no secondary meaning contradicted a finding of inherently distinctiveness.¹³³ The Fifth Circuit rejected Two Pesos’ argument and ruled that trademark law requires a showing of secondary meaning only if the mark “is not sufficiently distinctive of itself to identify the producer.”¹³⁴ The Supreme Court thus granted certiorari to solve this issue whether inherently distinctive

¹²⁸ *Id.* at 765.

¹²⁹ *Id.* at 765 (citing 932 F.2d 1113, 1117 (CA5 1991)).

¹³⁰ *Id.* at 766.

¹³¹ *Id.* at 766.

¹³² *Id.* at 766.

¹³³ *Id.* at 766.

¹³⁴ *Id.* at 767 (citing *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 702 (CA5 1981)).

trade dress is protectable under section 43(a) of the Lanham Act without a showing of secondary meaning.¹³⁵

In addressing the issue, the Supreme Court first analyzed the statutory requirements for protection of marks under section 2 of the Lanham Act, which, according to the court, is applicable to either registered or unregistered marks, including trade dress.¹³⁶ The court then discussed the *Abercrombie* spectrum and the requirements for protectability holding that fanciful, arbitrary, and suggestive marks are inherently distinctive and may be protected immediately without proving of secondary meaning due to “their intrinsic nature [which] serves to identify a particular source of a product.”¹³⁷ After explaining the basic principles of trademark protection, the court further construed the language in section 43(a) and found that there was not textual basis “for treating inherently distinctive verbal or symbolic trademarks differently from inherently distinctive trade dress.”¹³⁸

At the end of the opinion, the court also enunciated a public policy in not requiring proof of secondary meaning in the making of inherently distinctive trade dress. The court was concerned that requiring a restaurant owner of inherently distinctive trade dress to prove secondary meaning would create anticompetitive effects and burdens on startup restaurants as they would face “special difficulties to start a new product in a limited area and then expand into new markets.”¹³⁹ The court further articulated that “denying protection for inherently distinctive nonfunctional trade dress until after secondary meaning has been established would allow a competitor, which has not

¹³⁵ *Id.* at 767.

¹³⁶ *Id.* at 768-69.

¹³⁷ *Id.* at 768.

¹³⁸ *Id.* at 774.

¹³⁹ *Id.* at 775.

adopted a distinctive trade dress of its own, to appropriate the originator's dress in other markets and to deter the originator from expanding into and competing in these areas.”¹⁴⁰ Based on this reasoning, the court held that proof of secondary meaning is not required under section 43(a) of the Lanham Act where the trade dress at issue is inherently distinctiveness.¹⁴¹

ii. The Criticisms and the Issues Left Undecided

As the court explicitly held that plaintiff is not required to show secondary meaning if the trade dress at issue is inherently distinctive, the next question is how to determine whether the trade dress is inherently distinctive, thus does not require proof of secondary meaning or not inherently distinctive, thus showing of secondary meaning is required. One scholar in fact has questioned the jury’s finding that Taco Cabana’s trade dress was inherently distinctive.¹⁴² At the trial level, the jury found that the trade dress is not generic and not merely descriptive, and on appeal, the Fifth Circuit declined to decide whether the trade dress of the Taco Cabana is arbitrary, fanciful, or suggestive.¹⁴³ The Fifth Circuit stated “we need not determine which of these three categories properly characterizes the trade dress, because all three entitle Taco Cabana to protection without proof of secondary meaning.”¹⁴⁴ The Supreme Court also did not address this issue but

¹⁴⁰ *Id.* at 775.

¹⁴¹ *Id.* at 776.

¹⁴² Lisa H. Johnston, *supra* note 52 at 45.

¹⁴³ *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1121 (5th Cir. 1991), *aff’d*, 505 U.S. 732 (1992).

¹⁴⁴ *Id.*

simply “left this circuit with the task of determining what it means for a trade dress to be ‘inherently distinctive.’”¹⁴⁵

The *Two Pesos* decision has been criticized as “blindly applying to unregistered trade dress the same principle developed for registered trademarks without considering their different natures.”¹⁴⁶ The scholars have criticized that the issue before the Supreme Court was whether “the *Abercrombie* Taxonomy was relevant to an analysis of trade dress at all, and the Court made no effort to go beyond the criteria established by the lower court and proposed or establish an alternative test.”¹⁴⁷ The scholar has pointed out that there are numerous ways to determine whether a word mark is inherently distinctive, whereas “with trade dress there are no dictionaries to consult, and often little more than the ‘eyeball test’ to apply.”¹⁴⁸ Thus, the formulation of inherently distinctiveness test for trade dress still remains unclear. Consequently, this lack of judicial guidance could potentially create a problem for startup restaurant owners, who want to protect their trade dress but have been left with no clues.

Furthermore, it has been criticized that the holding in *Two Pesos* seems to establish the foundation of the secondary meaning in the making doctrine. Despite the fact that the doctrine was not directly implicated by the facts of the case, the court based its rationale on protecting the producer of trade dress, who has spent significant amount of money and effort in creating a trade dress and building up its good will and consumer recognition, but was deliberately appropriated the design and décor and free rode on the

¹⁴⁵ See, e.g., *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 36 (2d Cir. 1995).

¹⁴⁶ Lisa H. Johnston, *supra* note 52 at 41.

¹⁴⁷ Joan L. Dillon and Michael Landau, *Two Pesos v. Taco Cabana: Still More Interesting for What It Did not Decide*, 94 Trademark Rep. 944, 964 (2004).

¹⁴⁸ Lisa H. Johnston, *supra* note 52 at 42 (quoting Jerome Gilson, Trademark Protection and Practice, §7.02[7][d] at 7.72).

good will.¹⁴⁹ Although the court successfully addressed the split between the Circuits that proving secondary meaning for inherently distinctive trade dress is unnecessary, the court did not address the issue of secondary meaning in the making. The proponent of the secondary meaning in the making doctrine noted that the court failed to “explicitly state” the doctrine as “a possible alternative” tool for small or startup restaurants to assert to protect their trade dress.¹⁵⁰ In fact, the Supreme Court did not make it clear whether the doctrine of secondary meaning is applicable to the situation in *Two Pesos*. Rather, the court “refashioned the doctrine in order to secure good will for business owner” in the form of inherently distinctive test, which was still unclear.¹⁵¹ Because the court held that Taco Cabana’s trade dress is inherently distinctive as the jury found, thus no requirement of showing secondary meaning. The court did not explicitly say that even if the Taco Cabana’s trade dress is not inherently distinctive, it could be protected upon a finding of secondary meaning in the making just like the early cases in the Second Circuit. Somewhat, the court created confusion when it’s holding sounds supportive to the recently rejected doctrine of secondary meaning in the making.

c. Post-*Two Pesos*

Since the Supreme Court’s decision in *Two Pesos* still left some room for confusion in regard to the applicability of the secondary meaning in the making doctrine and the application of inherently distinctiveness test for trade dress, it is desirable to examine the subsequent decisions after the *Two Pesos* case. The following cases demonstrate that the doctrine of secondary meaning in the making has finally come to its

¹⁴⁹ Willajeanne F. McLean, *supra* note 18 at 757; *see also* Lisa H. Johnston, *supra* note 52 at 45-46.

¹⁵⁰ John Pesek, *supra* note 1 at 101.

¹⁵¹ Willajeanne F. McLean, *supra* note 18 at 771, 778.

end after the dead blow decision in *Laureyssens* as the subsequent courts have acknowledged that the doctrine has been rejected in the Second Circuit.

The first case after the *Two Pesos* decision was decided in 1994 by a Southern District of New York in *Pfizer Inc. v. Astra Pharmaceutical Products, Inc.*,¹⁵² which does not provide a great discussion of the secondary meaning in the making. In this case, plaintiff, the holder of “PROCADIA XL” mark sought protection to enjoin the defendant from using the mark “TOPROL XL.” The court held that PROCADIA XL is a descriptive trademark without secondary meaning attached.¹⁵³ Plaintiff argued that the fact that a third party was considering a license of the PROCADIA XL mark and that it is in the earliest stages of marketing a second non-cardiovascular product with XL Mark supports a finding of secondary meaning.¹⁵⁴ In rejecting plaintiff’s argument, the court held that there is no evidence in the record that consumers are aware of plaintiff’s future plans for using the XL mark and held that the concept of a family of marks in the making is rejected as a matter of law by the Second Circuit.¹⁵⁵

Similarly after *Pfizer Inc.*, Southern District of New York has also rejected plaintiff’s assertion of secondary meaning in the making doctrine and acknowledged that the doctrine has been rejected in its circuit.¹⁵⁶ Likewise, the court in *Syler v. Woodruff*¹⁵⁷ also rejected plaintiff’s argument that secondary meaning in the making is protected

¹⁵² 858 F.Supp. 1305 (S.D.N.Y. 1994).

¹⁵³ *Id.* at 1309-1314.

¹⁵⁴ *Id.* at 1332, 1339.

¹⁵⁵ *Id.* at 1339 (citing *Lang*, 949 F.2d at 581; *Cicena Ltd.*, 900 F.2d at 1549-50).

¹⁵⁶ See *Diner, Inc. v. Dream Kitchen, Inc.*, 1995 WL 438627, 10 n.6 (S.D.N.Y. July 24, 1995); see also *Strange Music, Inc. v. Strange Music, Inc.*, 326 F. Supp.2d 481, 489 (S.D.N.Y. 2004) (citing *Laureyssens*, 964 F.2d at 137).

¹⁵⁷ *Syler v. Woodruff*, 610 F.Supp. 2d 256 (S.D.N.Y. 2009).

under the Lanham Act, citing *Orion Pictures Co. v. Dell Publishing Co.*¹⁵⁸ The court distinguished this case to *Orion* by holding that “unlike here, the producer of the motion picture in *Orion* spent ‘millions of dollars’ on pre-release advertising. *Orion*, in short, presents drastically different facts and circumstances than the present case.”¹⁵⁹

With respect to the distinctiveness test, after *Two Pesos*, this paper only discusses two different regional district court cases addressing trade dress infringement of a restaurant.¹⁶⁰ Both courts took the same cue from *Two Pesos* decision in determining whether plaintiff is required to show a secondary meaning by looking at the inherently distinctiveness of the trade dress, however took a different approach in determining whether the trade dress is inherently distinctive. These two decisions may not represent the majority, however, demonstrates the confusion left from the *Two Pesos*, in regard to the application of inherently distinctiveness test.

In *Buca, Inc. v. Gambucci’s, Inc.*, a suit was brought by Buca, a Minnesota restaurant, against a Gambucci’s, a Kansas restaurant, in a Kansas District Court alleging that defendant appropriated plaintiff’s trade dress of the restaurant.¹⁶¹ Buca claimed that it has an excessive theme décor, for example using “a whole lot of everything an in excessive amount,” hanging “hundreds and hundreds of pictures and art objects and decorative devices” on the wall.¹⁶² At a preliminary injunction hearing, the witness testified that Buca’s use of traditional items and decorations while presented in a non-traditional manner was intended to make a customer imagine “what a 1940’s or 1950’s

¹⁵⁸ 471, F.Supp 392 (S.D.N.Y. 1979).

¹⁵⁹ *Syler*, 610 F.Supp. at 267.

¹⁶⁰ See *Buca, Inc. v. Gambucci’s, Inc.*, 18 F.Supp.2d 1193 (D. Kan. 1998); *Rainforest Café, Inc. v. Amazon, Inc.*, 86 F.Supp.2d 886 (D. Minn. 1999).

¹⁶¹ *Buca, Inc. v. Gambucci’s, Inc.*, 18 F.Supp.2d 1193, 1196 (D. Kansas 1998).

¹⁶² *Id.* at 1197.

immigrant Southern Italian restaurant might feel like.”¹⁶³ During the trial, Buca asserted that its trade dress is suggestive as “it requires the use of customer thought or imagination as to the nature of the specific restaurant services,”¹⁶⁴ and therefore is inherently distinctive. Buca also presented evidence that “no other restaurant has the precise combination of features arranged in the same excessive” way as Buca’s.¹⁶⁵ The court, however, disagreed and noted that “a product or package feature is not inherently distinctive merely because there is no other product on the market that looks exactly the same,” otherwise any new product entering the market would be deemed inherently distinctive.¹⁶⁶ In contrast, the court found that Buca’s trade dress is descriptive because, when viewed as a whole, it “does nothing more than convey to an ordinary consumer an immediate idea of the ingredients, qualities or characteristics of the goods.”¹⁶⁷ Consequently, the court required that Buca show that the décor has acquired distinctiveness through secondary meaning.¹⁶⁸

In determining whether secondary meaning has been acquired, the court looked at various evidences, such as consumer testimony, advertising, unsolicited media coverage, exclusivity and length of use, amount of sales, and proof of intentional copying.¹⁶⁹ After reviewing all evidences, the court found that although Buca had received numerous numbers of media coverage, this fact did not support a finding that Buca was also well

¹⁶³ *Id.* at 1197.

¹⁶⁴ *Id.* at 1203.

¹⁶⁵ *Id.* at 1203.

¹⁶⁶ *Id.* at 1203.

¹⁶⁷ *Id.* at 1203 (noting that that the trade dress is not suggestive because no imagination, thought or perception is necessary and the overall look of the restaurant bears a fundamental relationship to the nature of the product).

¹⁶⁸ *Id.* at 1203.

¹⁶⁹ *Id.* at 1203-08.

known in the area it sought protection.¹⁷⁰ Furthermore, Buca argued that it had acquired a secondary meaning through its use for the statutory period.¹⁷¹ The court, however, held similarly that just because Buca had acquired secondary meaning in one area does not mean that it also has acquired in a different remote area.¹⁷²

The court in the second case took a different approach in deciding the issue of inherent distinctiveness. In *Rainforest Café, Inc. v. Amazon, Inc.*, Amazon sent a letter asserting that Rainforest misappropriated its trade dress and requested for compensation.¹⁷³ Rainforest therefore filed a declaratory judgment of invalidity and non-infringement of Amazon Bar & Grill's claimed trade dress rights.¹⁷⁴ In addressing the trade dress infringement issue, just like *Two Pesos*, the court held that Amazon has to show that its restaurant's trade dress had acquired secondary meaning, unless Amazon can show the inherent distinctiveness.¹⁷⁵ The court also held that in determining the distinctiveness the court focuses on "the total appearance of the product, not on individual elements" to see whether the trade dress at issue is that "a buyer will immediately rely on it to differentiate the product from those of competing manufactures."¹⁷⁶ Most importantly, the court noted that the proper focus is not on the impact of trade dress on consumers but rather on the "arbitrariness of the trade dress and its relevance to the product as set forth in *Abercrombie*."¹⁷⁷ The court noted that the issue can be resolved by comparing the trade dress with other products in the field "to

¹⁷⁰ *Id.* at 1205.

¹⁷¹ *Id.* at 1205-06 (noting that Buca had been using its trade dress in its restaurants since 1993).

¹⁷² *Id.* at 1206 (noting that "the evidence of continuous and exclusive use in other, fairly remote markets carries little weight in establishing secondary meaning in the target market").

¹⁷³ *Rainforest Café, Inc. v. Amazon, Inc.*, 86 F.Supp.2d 886, 892 (D. Minn. 1999).

¹⁷⁴ *Id.* at 893.

¹⁷⁵ *Id.* at 896 (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4,9 (2d Cir. 1976).

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

determine whether the trade dress at issue is ‘a common basic shape or design’ or ‘unique or unusual’ in its field.”¹⁷⁸

Over all, these two cases demonstrate the problem with the application of the Supreme Court decision in *Two Pesos*. Because the holding in *Two Pesos* was not explicitly clear in regard to how to determine whether a trade dress is inherently distinctive, both of district courts, although agreed that showing of secondary meaning is not required if the trade dress is found to be inherently distinctive, came up with two different tests in deciding the distinctiveness issue. Whereas the *Buca* court held that trade dress is not inherently distinctive merely because it is new or has not been seen before, the *Rainforest* court ruled that the main focus is on the arbitrariness and uniqueness or unusual design of the particular trade dress.

IV. ALTERNATIVE APPROACHES

Knowing that the doctrine of secondary meaning in the making has no merit in most circuits and that the standard of determining whether the trade dress is inherently distinctive still ambiguous, the restaurant owners are left with no choice, other than looking for other alternative protections for its trade dress. This part argues that other available protections, such as a common law tort passing off action, supplemental register, and copyright and patent law may not be ideal and sufficient to protect restaurants unique design features due to their burdensome requirements and the different in nature of protection.

¹⁷⁸ *Id.* at 896.

a. Tort Passing Off claim

One scholar has suggested a common law of tort of passing off claim for restaurant trade dress owners to go after a competitor who intentionally copied the design feature of the restaurant.¹⁷⁹ The scholar cited the Ninth Circuit case, which defines passing off as “the practice of selling one person’s product or service under the name or mark of another.”¹⁸⁰ The court categorized passing off as either “express” or “implied.” According to the court, express passing off occurs when a business labels its goods or services with a mark identical to that of another enterprise, or otherwise expressly misrepresents the origin of the goods or services. Implied passing off, however, involves the use of a competitor’s advertising material or a sample or photograph of the competitor’s product to impliedly represent that the product is made by the competitor.

To prove for an unfair competition claim of passing off trade dress, a restaurant owner must show that the infringed competitor had imitated its distinctive trade dress and such imitation caused a likelihood of consumer confusion.¹⁸¹ Generally, plaintiff bringing unfair competition claim due to passing off is not required to show wrongful intent to confuse; plaintiff is required to show wrongful intent only if he fails to prove inherent distinctiveness or that the mark or trade dress has acquired secondary meaning.¹⁸² Due to this requirement, a startup restaurant may face some challenges in bringing a passing off claim as it may still be in the process of developing secondary meaning for its trade dress. Therefore, the restaurant owner is required to show a wrongful intent, which could be “a

¹⁷⁹ See John Pesek, *supra* note 1 at 98.

¹⁸⁰ *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403, 1406 (9th Cir. 1988).

¹⁸¹ Tabbers Temtations, Unfair Competition, <http://www.tabberone.com/Trademarks/folder/UnfairCompetition.shtml> (last visited June 3, 2011).

¹⁸² *Id.*

difficult barrier” for the owner to prove in court.¹⁸³ Accordingly, the scholar has proposed that a small restaurant owner should be allowed to “combine the common law tort of passing off with secondary meaning in the making,” so that the owner, who cannot prove the intent, may still show that it is in the process of gaining secondary meaning, and thus still be protected from misappropriation of trade dress.¹⁸⁴

b. Supplemental Registration

Another option to a small restaurant owner to seek protection for its non-distinctive trade dress is to file a supplemental registration. Marks that are registrable on the Supplemental Register include: 1) descriptive marks that are capable of acquiring distinctiveness; 2) surnames; 3) geographic terms; and 4) non-distinctive, non-functional trade dress.¹⁸⁵ Supplemental register allows a descriptive mark that is unable to register under principle registration to be registered, and thus obtains some protections and whenever a mark has become distinctive through its acquiring of secondary meaning, it can be registered under a principle registration. Some of the benefits of supplemental register are that the owner of registered mark has the right to use the official federally registered trademark symbol ® as notice of federal registration, and it will also block subsequent applications for confusingly similar marks for related goods.¹⁸⁶

Filing supplemental registration for a descriptive trademark that has not acquired secondary meaning is not a bad idea as the owner of a small restaurant may attach the

¹⁸³ John Pesek, *supra* note 1 at 107.

¹⁸⁴ *Id.* at 98.

¹⁸⁵ The Lanham Act § 23(c); 15 U.S.C. § 1091(c).

¹⁸⁶ Gallagher & Dawsey Co., LPA, Trademarks – Understanding the Principal Register and the Supplemental Register, http://www.inventionprotection.com/ip/publications/docs/Principal_Supplemental_Register.html (last visited June 3, 2011).

symbol ® next its trademark to scare some potential infringers away. The symbol ® may send a message to those potential infringers that this is a registered, thus protectable trademark. However, the idea of supplemental registering a descriptive trade dress without secondary meaning attached is not quite effective as it is for trademark. Because the nature of trade dress, which is the overall total look and feel of the restaurant, the décor, the concept, the message that the owner tries to convey through its decorative features, does not require a symbol ® to be attached physically to the design. In other words, the owner cannot benefit from the eligibility of using the symbol ® because it cannot be physically attached to the trade dress or the décor of the restaurant.

c. Copyright and Design Patent

If trademark law does not provide sufficient protection to a small restaurant owner, it may have to look for other types of IP protection. When it comes to design or the décor of the restaurant, copyright law and patent law may come into play; however, they may not be a perfect fit or ideal solution for small restaurant owners to protect their trade dress.

Copyright law protects an expression of idea fixed in a tangible medium of expression, which bears a small minimal degree of creativity.¹⁸⁷ To apply a concept of copyright protection to trade dress, however, does not seem like a perfect fit. Because trade dress of a restaurant is mainly an overall look and feel, which comprises of multiple elements of decorative features, when combining together can send a message to consumers or suggest consumer to exercise imagination, and thus function as a source

¹⁸⁷ See generally *Feist Publication, Inc. v. Rural Telephone Serv. Co., Inc.*, 111 S.Ct. 1282 (1991).

identifier, this whole combination is more like a product packaging, and thus is difficult to translate into a copyright world. The drawing of the design or the photo of the restaurant may be copyrightable *per se*, but the overall look and feel triggering an imagination in consumer's mind, however, may not be fixed in a tangible medium as required under copyright law. Furthermore, to prevail on copyright infringement claim, plaintiff has to prove access and substantial similarity between the two trade dresses, which is burdensome and has a different standard from a likelihood of confusion test. Accordingly, copyright protection for a décor of restaurant is very thin and limited in term of application.

Design patents provide a fourteen-year protection for only ornamental designs, which are not functional or have a utilitarian purpose.¹⁸⁸ The standard for design protection is quite high; the design invention must also be novel and not obvious to those skilled in the art.¹⁸⁹ Design patent, although may seem possible, is costly and time consuming. Unlike trademark law that protects unregistered trademark and trade dress, patent law only provides protection for a registered patented invention. Therefore, design patent may not be a perfect option for a small restaurant owner due to a high cost and lengthy time frame of filling a patent application, which can be a substantive burden for a small business owner.

V. RECONCILING THE ISSUE

a. Bringing Secondary Meaning in the Making Doctrine Back to Life

¹⁸⁸ 35 U.S.C. §171 (1988).

¹⁸⁹ See Karina K. Terakura, *supra* note 11 at 606-607.

It is evidenced that the doctrine of secondary meaning in the making has come to its end. Because proving of secondary meaning is burdensome for a startup company due to the length of time and consumer's recognition at the early stage of the business, the only way that a restaurant owner can get away from this burden is to come up with an inherently distinctive trade dress at the beginning. However, there is no clear test of inherently distinctiveness. There is no bright clear rule in deciding whether the trade dress at issue is suggestive or descriptive. Thus, adopting the secondary meaning in the making doctrine is the only way to help small restaurants, although might not succeed in showing inherently distinctiveness, can still be protected upon showing that it is in the making of secondary meaning.

Taking *Buca* case as an example, Buca failed to show that its trade dress was suggestive as the court found that it was descriptive and required proof of secondary meaning. The scholar has commented that this case “represents a primary problem for small restaurants, which may be able to protect their trade dress in a closely located spot but not in a location that is farther way.”¹⁹⁰ The scholar has suggested secondary meaning in the making doctrine as a possible alternative for Buca. According to the scholar, had the court adopt the doctrine, Buca could have used marketing and surveys to show that it was in the process of acquiring secondary meaning for its trade dress in a remote location and thus should be protected in that particular location as well.¹⁹¹

Similarly, in *Rainforest*, the scholar has also commented that Amazon faced a challenging standard that it had to show that its décor was unique and not part of a

¹⁹⁰ John Pesek, *supra* note 1 at 104.

¹⁹¹ *Id.*

common design in order to establish a distinctiveness and thus do not need to show secondary meaning. The scholar noted that this was difficult because proving uniqueness of trade dress may vary from place to place. The scholar has suggested that secondary meaning in the making is adopted; so that Amazon Bar and Grill would be likely receive protection had it be able to prove through preliminary marketing and survey data that it is in the making of acquiring secondary meaning.

b. Strike the Balance between Consumers and Trade Dress Owners

The doctrine of secondary meaning is controversial and was rejected by many courts, including the Second Circuit, where the doctrine originated. To bring the doctrine back to life, court should set a clear standard in regard to what situations is plaintiff allowed to prove that it is in a process of developing secondary meaning. The next question is how courts can strike the balance between recognizing the necessity of protecting trade dress owner and protecting consumers from likelihood of confusion. To not protect descriptive trade dress at all may seem a bit unfair for the owner who has spent time and money developing the intellectual property but get traded off by a competitor. The goal of intellectual property law is to encourage innovation by awarding protection to IP owners who bring their IP out to the public. On the other hand, tipping too much on the side of IP owner may seem neglect another important goal of trademark law, which is to protect consumer. As the *Laureysens* court articulated, where there is no secondary meaning attached in a trade dress, consumer simply does not associate the trade dress with the restaurant owner, and therefore would not be confused by a

subsequent adoption of imitating second comer.¹⁹² The reasoning from *Laureyssens*, although was sound, can be countered that consumers would not be confused too if the second comer is not allowed to copy and forced to come up with different trade dress and at the end still benefits both consumers and senior trade dress owner.¹⁹³

This paper therefore proposes that courts allow proof of secondary meaning in the making only if a restaurant owner with descriptive mark has spent money in building up consumer recognition and business's good will, and his trade dress was intentional and deliberately appropriated by an imitating infringer. As mentioned, currently there are no criteria for weighting the evidence presented to prove secondary meaning in the making. The court then would have to set a clearer standard in determining "the length of marketing time or the amount of advertising required before consumer association with the trade dress could be established."¹⁹⁴ There should be better guidance as to how much money and effort a restaurant owner has to invest in promoting the restaurant or building up its trade dress that the court will find sufficient. However, to put guidance in a number context is surreal because it depends on various factors, for example, the size of the restaurant, the duration of advertising or decorating the restaurant. Even though this matter depends on factual basis and has to be determined on a case by case basis, a startup restaurant entrepreneur will have a better understanding if the court allows plaintiff to prove secondary meaning in the making, and thus a common law system will start its own developing precedents, then finally a small restaurant owner will have a clear path to follow.

¹⁹² *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 137 (2d Cir. 1992).

¹⁹³ Willajeanne F. McLean, *supra* note 18 at 759.

¹⁹⁴ *Id.* at 757.

VI. CONCLUSION

To conclude, it is critical that courts allow plaintiff, who may fail to show inherently distinctiveness due to a lack of guidance from Supreme Court or may fail to establish secondary meaning because of burdensome requirements, to show that it is in the making of secondary meaning in order to enjoin a deliberately appropriator who intentionally copied plaintiffs trade dress at the early stage of his business from infringing plaintiff's trade dress to secure his good will from being free ridden. Allowing plaintiff to prove secondary meaning in the making would promote new innovation because an infringer is not allowed to imitate the design and eventually has to come up with a new creative design. Thus, the benefit is all on consumers.

Just like other small business, startup restaurants have been affected by courts of confusing and inconsistency holdings.¹⁹⁵ Furthermore, “[s]mall restaurants do not have the time or money to gamble as to which standard the court is going to apply in their trade dress infringement case” because their business success totally leans on their trade dress or the image of the business.¹⁹⁶ Allowing small restaurants to prove that they are in the process of making consumer recognition is another way to help them combating against a bad intent deliberately imitator. As the *National Lampoon* court stated, “piracy should no more be tolerated in the earlier stages of the development of good will than in the later.”¹⁹⁷

¹⁹⁵ John Pesek, *supra* note 1 at 106.

¹⁹⁶ *Id.* at 106-107.

¹⁹⁷ *The National Lampoon, Inc.*, 376 F.Supp. at 747.