



Trade Dress Protection^{for} Retail Store Designs

By Erica J. Weiner and Monica Richman

The Coca-Cola soda bottle, Kodak's red and yellow film packaging of days gone by, the dripping wax on a Maker's Mark bourbon bottle — these are all well-known examples of trade dress in the form of product design and packaging. Beyond such typical registrations, however, more and more companies in the retail sector have been seeking trade dress protection for store design.

Indeed, the United States Patent and Trademark Office (USPTO) granted Apple federal trademark registration for the trade dress of its Apple Store interior (Reg. No. 4,277,914, Jan. 22, 2013). The mark comprises the layout of the Apple Store, featuring, among other things, a clear glass storefront, rectangular recessed lighting on the ceiling, recessed display spaces along the side walls, rectangular tables lined up in the middle of the store and an oblong table with stools below video screens flush mounted on the back wall. The registration was the culmination of a multi-year prosecution and nearly a thousand pages of submissions, where Apple carried the burden to prove that the spare, Scandinavian-inspired theme for its retail stores had acquired distinctiveness.

Next, on July 10, 2014, the Court of Justice of the European Union reversed the finding of the German Trademark Office and ruled that Apple's store layout was entitled to trademark registration as "capable of distinguishing the services of the applicant for registration from those of other undertakings." *Apple Inc. v. Deutsches Patent-und Markenamt*, Case No. C-421/13 in the Court of Justice of the European Union.

CHEAT SHEET

- *Clear description.* A trademark holder must articulate the specific elements that comprise its distinct trade dress so a court can evaluate claims of infringement.
- *Distinctiveness.* In order to claim acquired distinctiveness, applicants typically submit evidence documenting: (1) the length and exclusivity of use of the mark in the United States; (2) the details concerning advertising of the mark; and (3) the applicant's efforts to associate the mark with the source of the goods and/or services.
- *Uniformity.* For retail stores with multiple outlets or a national reach, it is important that every store employ a uniform theme so consumers exclusively associate the trade dress elements with the brand.
- *Selective imitation.* A company might incorporate a single element from a competing enterprise and perhaps escape infringement liability.

While most companies are vigilant about registering and policing their marks, trade dress, particularly for retail store design, can be an overlooked segment of an otherwise strong trademark portfolio. Beyond increasing brand awareness, trade dress can bolster infringement claims, as evidenced by recent jury verdicts awarding substantial verdicts in favor of plaintiffs. For instance, this past February, Mixed Chicks, a maker of hair care products, won a \$8.1 million trademark and trade dress infringement verdict against a retail beauty supply store.

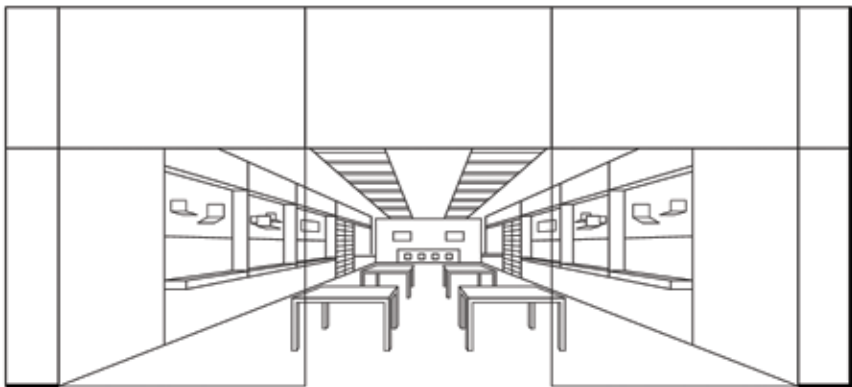
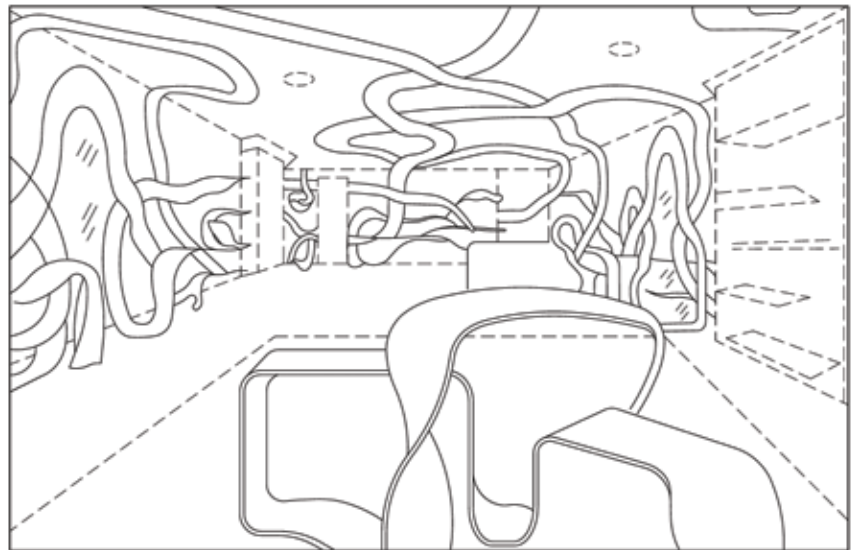
Defining trade dress

The term “trade dress” is the “total image” of a business, good or service “as defined by its overall composition and design, including size, shape, color, texture and graphics.” *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 115 (2d Cir. 2006). Examples of trade dress include pill capsule shapes and colors, a magazine’s cover format, the shape of perfume and water bottles, a briefcase style, restaurant décor and, perhaps, the look and feel of a website.¹ In the retail arena, trade dress might include distinctive counters or point of sale displays,² overall store layout,³ signage⁴ or exterior building features.⁵

A claim for infringement requires showing that the plaintiff’s trade dress is distinctive, that it is not functional⁶ and that the defendant’s trade dress is confusingly similar to the plaintiff’s. 15 U.S.C. § 1125; *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769-70 (1992). Trade dress must be “distinctive” in one of two ways: (1) “inherently distinctive” because its “intrinsic nature serves to identify a particular source”; or (2) possessing secondary meaning, which occurs when, in the minds of the public, the primary significance of the mark is to identify the source of the product rather than the product itself.

The standard for assessing distinctiveness depends on the category of trade dress for which protection is sought — product design or product packaging. The Supreme Court ruled that interior décor, such as a retail store, should be analyzed under the product packaging standard for inherent distinctiveness. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529

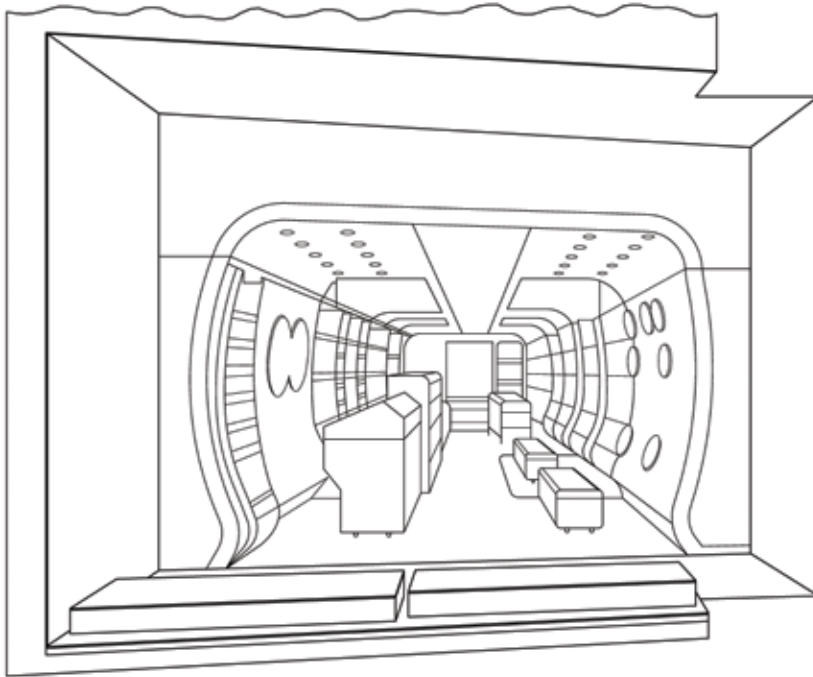
US 205, 215 (2000), which describes interior décor as either product packaging or a “tertium quid” akin to product packaging. Accordingly, it is appropriate to analyze a retail store’s design under the product packaging standard for inherent distinctiveness, which generally classifies trade dress on a spectrum of increasing distinctiveness, ranging from generic to



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descriptive to suggestive to arbitrary or fanciful. Suggestive and arbitrary or fanciful trade dress are deemed “inherently distinctive,” but if a trade dress is merely descriptive, then a mark owner must establish that the trade dress has acquired “secondary meaning.” A generic trade dress is never protectable.

Some retail examples:

Below are some recent examples of registered trade dress comprising the interior and layout of retail stores; the final trade dress example is still pending with the United States Patent and Trademark Office (USPTO).

Flight 001 Holdings, Reg. No. 3,453,856 (June 24, 2008): The mark consists of a retail store interior in the theme of an airplane cabin and 1960s-era airline travel, with curved walls, items on either side of the aisle, wood paneling, a flight map, a rectangular light panel over the center aisle and recessed lighting on the ceiling on either side.

Microsoft: Supp. Reg. No. 4,036,534 (Oct. 4, 2011): The mark consists of retail store interior with four curved tabletops at the front and rear side walls and a rectangular band displaying

changing video images on the walls. Microsoft registered a separate mark, Supp. Reg. No. 4,039,957 (Oct. 11, 2011), covering the wrap-around continuous video screen band.

Floyd’s 99 Holdings: Reg. No. 3,467,850 (July 15, 2008): The mark consists of a barber shop interior with vapor lock lights in metal cages, pendant lighting with exposed bulbs, stainless steel countertops, a vertical wall sign and a display wall for music-themed posters.

Stuart Weitzman: Supp. Reg. No. 3797782 (June 1, 2010): The mark consists of a retail store interior with a color white ribbon pattern traversing walls and making up the design of tables, counters and chairs, and the color white background covering the walls, ceiling and floor. The ribbon design consists of long bands that invert, fold and twist to give the illusion of a large scale ribbon. The broken lines are not part of the mark and serve only to show the position or placement of the mark.

Mars, Inc.: Serial No. 85-614911 (Application approved July 2013; application abandoned March 2014): The mark consists of a retail interior

characterized by the color yellow and images of circles in yellow, red, orange, blue, green and brown colors, each with a white letter “m” inside the circle, throughout the display. The entire ceiling is yellow.

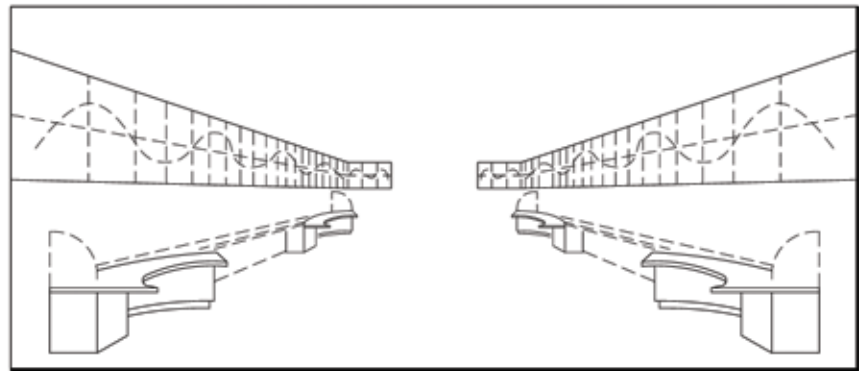
Noteworthy decisions

Some recent court decisions offer excellent examples of retail trade dress distinctiveness, as well as the burden of proof needed to provide consumer confusion in such cases. In *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60 (S.D.N.Y. 2003), a wine retailer claimed that a competing shop copied its distinctive trade dress, which centered around organizing wines by taste category rather than by grape type or country of origin, and selling modestly-priced wines in a modern store with a color coded “wall of wine” that stored the wines horizontally in tubular racks according to eight taste categories. The court found that the plaintiff’s trade dress was inherently distinctive, because, on the whole, the elements made up a distinct and arbitrary total visual image to consumers. The court noted that even though certain articulated elements were

“functional” for the purpose of retail wine sales (e.g., point-of-sale cards at a comfortable height, the use of display bottles, horizontal storage), the overall impression could still be protectable.

However, the court declined to grant the plaintiff’s motion for summary judgment, finding material issues of fact regarding the consumer confusion factors. The district court noted that while the defendant mimicked plaintiff’s wine rack system and wine categories, it did not “slavishly” imitate the plaintiff’s decor, but “deviated from it in very significant ways.” The court questioned whether the similar features of both stores, or the divergent ones, dominated the consumer’s response (or confusion) to the overall look of the wine shops. The plaintiff’s store was characterized by light wood paneled walls, stainless steel accents and brightly colored computer-generated icons, while the defendant’s store had an atmosphere of white stucco walls with dark wood beams, rusted metal signs and a painting of the Roman god Bacchus. The similarity of the wine rack system was apparent, but it was merely one element in the general appearance of the stores.

The discussion of the “proximity of goods” likelihood of confusion factor was notable for retailers in bustling metropolitan cities. The court found it debatable whether “New York,” or even “Manhattan,” could constitute a single market for in-store retail sales of inexpensive wines. In much of the country, a competitor within two miles would likely be deemed direct competition, but in New York, or another large city, stores located in geographically and socially distinct neighborhoods may not be direct rivals at all: “Whether Manhattanites would get on public transportation to shop for a \$10 bottle of wine, rather than systematically patronizing the nearest shop, is surely debatable, and the extent to which consumer confusion would be generated by occasional encounters with both



shops is a question of fact. ...” Id. at 75-76. This reasoning regarding proximity is instructive in other retail sectors beyond wine and can influence whether a viable infringement case can be made or whether customer surveys and deft advertising practices could overcome a competitor’s legal defenses.

Most recently, in *Pure Power Boot Camp, Inc. v. Warrior Fitness Boot Camp, LLC*, 813 F.Supp.2d 489 (2011), an owner of a marine boot camp style gym brought breach of contract and loyalty claims and trade dress infringement claims, among others against a competing gym founded by ex-employees. The trade dress (Reg. No. 3,580,542) consisted of an exercise facility mimicking a military boot camp training course, replete with a camouflage wall, crushed rubber flooring, a tire run, climbing walls and hurdles. The court initially commented that the plaintiff’s assertion of trade dress was too expansive and improperly included concepts and innovations centering on merely being the first boot camp exercise facility. The court stated that such a general concept, however, was not protectable as a trade dress, rather it was the particular “look and feel” of Pure Power’s facility that was protectable. See *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 2003 WL 21056809, at *5 (S.D.N.Y. May 8, 2003), which explains that trade dress is not “the combination of words which a party uses to describe or represent [its] ‘total image,’” but, “[r]ather, the trade dress is that image itself,

however it may be represented in or by the written word.”

Looking at the mark, the court found that Pure Power’s arrangement of obstacles, in combination with its military-inspired design elements, was inherently distinctive and that the look and feel of the trade dress was source-indicating and unique. However, in finding no infringement, the court held that the similarity of the marks was not likely to cause consumer confusion. The court held that the look and feel of the two gyms was not confusingly similar, nor was there any meaningful proof of actual confusion: “Pure Power enjoys protection only with respect to its own distinctive blend and manner of implementing these elements and concepts, and that implementation is quite different from the ‘look and feel’ of [Warrior Fitness].” Id. at 543.

A trade dress dispute from earlier this year involving competing pizzerias is instructive for the retail environment, and an interesting counterpoint to the aforementioned cases. In *Happy’s Pizza Franchise, LLC v. Papa’s Pizza, Inc.*, 2013 WL 308728 (E.D. Mich. Jan. 25, 2013), the plaintiff’s trade dress comprised its big menu, granite countertops, black industrial-style rugs, back-lit signage, neon signage, steel shelving, stacked pizza boxes, and ceramic tiled floors and walls. In finding that the plaintiff failed to establish distinctiveness and non-functionality for its restaurant décor, the court stressed that generic elements creatively

combined might form a protectable trade dress, but that an ordinary retail environment is far from the distinctive design evidenced in *Best Cellars*:

“There is an important distinction between arbitrarily selecting design elements that result in a unique and distinctive trade dress and arbitrarily selecting elements that result in nothing more than a generic design. The former demonstrates a unique theme in order to distinguish the end product; the latter results in general overhead cost of doing business. The plaintiffs in *Best Cellars* used elements to create a unique way of displaying and describing wine through use of unique elements. Here, Happy’s used generic elements to create a fast food restaurant setting otherwise indistinguishable from any others.” *Id.* at *4.

Practical considerations

Below are some guidelines for retail store owners who seek to create enforceable trade dress protection for a store layout.

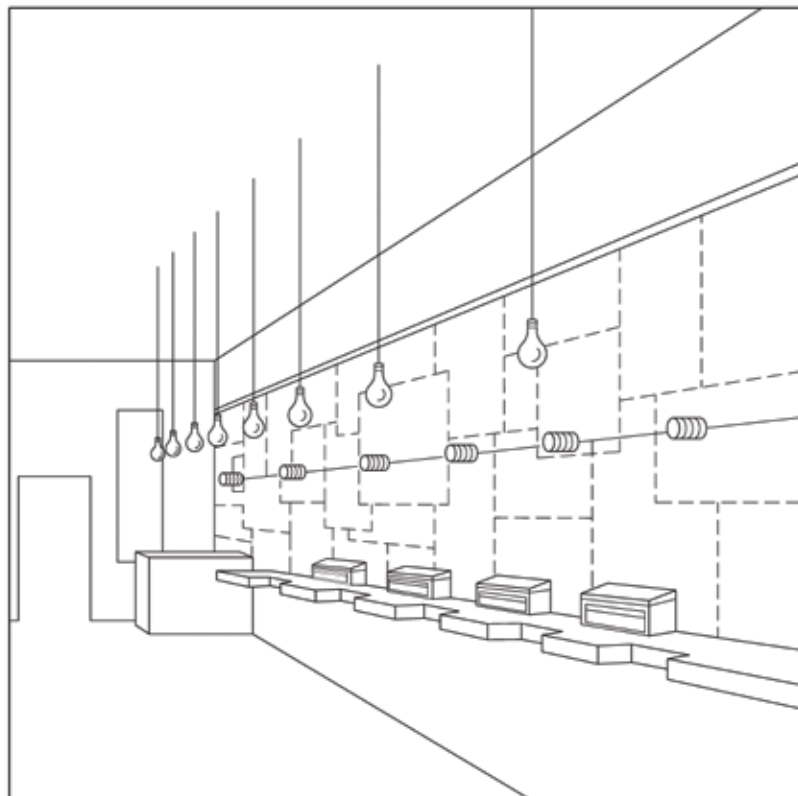
- **Clear description:** While the Lanham Act protects the “overall image or appearance” created by a product’s design or packaging, generally speaking, a trademark holder must articulate the specific elements that comprise its distinct trade dress so a court can evaluate claims of infringement and fashion injunctive or other relief that is tailored to the protectable elements. Besides being essential for trademark prosecution, many courts require trade dress claims to include a specifically-defined list of elements that comprise the trade dress.⁷ This articulation requirement also helps to ensure that trade dress claims are properly pled because the Lanham Act does not protect a generalized retail appearance or mood.⁸
- **Overall effect:** While it is important to articulate the elements of one’s trade dress, there is no need to parse

each individual element’s level of distinctiveness. As noted in *Best Cellars*, “although each element of a trade dress individually might not be inherently distinctive, it is the combination of elements that should be the focus of the distinctiveness inquiry. Thus, if the overall dress is arbitrary, fanciful or suggestive, it is distinctive despite its incorporation of generic [or functional] elements.” To claim protected trade dress, one should stress that the combined articulated elements of the trade dress for the store, or portion thereof, form a distinctive presentation to consumers.

- **Distinctiveness:** Often, a registrant must respond to multiple Office Actions from the USPTO before its trade dress is accepted for registration on the Principal or Supplemental Register. One of the most common bases for denial is that the trade dress is not inherently

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distinctive. In seeking to overcome this hurdle by claiming acquired distinctiveness, applicants typically submit additional evidence documenting (1) the length and exclusivity of use of the mark in the United States; (2) the type, expense and amount of advertising of the mark; and (3) the applicant’s efforts, such as unsolicited media coverage and consumer surveys, to associate the mark with the source of the goods and/or services.



- **Supplemental register:** If the USPTO determines that a company's trade dress is not distinctive, and therefore not eligible for registration on the Principal Register, but is capable of becoming distinctive in the future, the mark holder may opt for the Supplemental Register. See 15 U.S.C. § 1091. While registration on the Supplemental Register is not *prima facie* evidence of ownership, validity or the exclusive right to use, and such a mark cannot become incontestable. Still, such registration enables the registrant, among other things, to bring suit in federal court. Eventually, the mark might acquire "secondary meaning," perhaps based upon the five-year legal presumption of exclusive and continuous use of the mark. 15 U.S.C. § 1052(f); *Jewish Sephardic Yellow Pages, Ltd. v. DAG Media, Inc.*, 478 F. Supp. 2d 340 (E.D.N.Y. 2006). It should be noted that functionality is an absolute bar to registration on both the Principal Register and Supplemental Register.
- **Uniformity:** For retail stores with multiple outlets or a national reach, it is important that every store employ a uniform theme so consumers exclusively associate the trade dress elements with the brand. The USPTO raised this issue during Apple's prosecution of its retail store trade dress application: "The vast



majority of the evidence presented by the applicant demonstrates the success and popularity of the applicant's retail stores. [...] However, the same evidence demonstrates that the applicant's stores vary widely in appearance. ..." (Office Action Aug. 23, 2011). See also *Pure Power Boot Camp, Inc. v. Warrior Fitness Boot Camp, LLC*, 813 F. Supp. 2d 489, 542 n.18 (2011) ("[the] strength of Plaintiffs' trade dress, however, is weakened, to some extent, by the fact that the trade dress is not consistent in the two Pure Power locations").

- **Trademark areas:** Similar to a restaurant featuring trademark-protected menu items, a retailer might seek trade dress protection for a unique section or aspect of the

store. See e.g., Reg. 4,101,082 (Feb. 21, 2012) in regards to Abercrombie & Fitch's mounted moose head centered above the enclave containing cash registers.

- **Advertising:** The amount of resources spent on advertising is one evidentiary factor in establishing distinctiveness or secondary meaning. To bolster a claim, ads should highlight the distinctive aspects of the company's trade dress ("Visit our Purple Room on your next shopping visit") and feature images of the retail store design in ads.
- **Photographs:** When corresponding with an accused infringer or filing a complaint in federal court, photographs of the trademarked features and elements are effective in communicating the look and feel of the protected trade dress. See e.g., *R.F.M.A.S., Inc. v. Mimi So*, 619 F.Supp.2d 39, 78 n. 19 (S.D.N.Y.2009) for an example of how overall image of the product for which plaintiffs sought trade dress protection was adequately conveyed by means of the pictures in the complaint.
- **Historical motifs:** Some retailers are inspired by history, but a reproduction of established design may not garner protection. For example, in *HRP Creative Services*

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Co. v. FPI-MB Entertainment, 616 F. Supp. 2d 481 (D. Del. 2009), a theme park owner brought trade dress claims against a competitor over design elements that the plaintiff borrowed from classic architecture. In denying the trade dress claim, the court rejected, as “preposterous,” the plaintiff’s assertion of intellectual property rights in replicas of Georgian architecture, the Statue of Liberty and traditional fonts used by British pubs for centuries.

- **Selective imitation:** Far from the wholesale copying of an entire design scheme, a company might incorporate a single element from a competing enterprise and perhaps escape infringement liability. Trade dress typically covers the overall grouping of interacting elements of an entire store, or portion thereof, and another business “[does not] infringe by appropriating the marketing concept, or any particular element of plaintiff’s design, unless the overall dress is sufficiently similar to generate likely consumer confusion.” For example, in *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60, 72 (S.D.N.Y. 2003), the New York court noted that while categorization of wine by taste was relevant to plaintiff’s trade dress to the extent it impacted the store’s interior design, that element standing alone was not protected, and “plaintiff could not prevent other sellers from categorizing wine by taste either in their general marketing scheme or in their interior design.” *Id.* at 72-73.
- **Too much of a good thing?** A vast array of design elements bolsters a claim of distinctiveness. However, the same emphasis of multiple elements makes it correspondingly difficult for a mark holder to prove likelihood of confusion because a savvy competitor might cherry-pick some elements while portraying

other dissimilar facets in its trade dress to avoid consumer confusion between the two retail stores.

Conclusion

The interior of your retail chain can have significant value to your company if designed intentionally to achieve this goal. First, create a store design that is distinctive and uniform. But do not clutter your trade dress. Second, promote your distinctive trade dress — invest in making it your brand. Third, obtain a federal trademark registration for your store design, preferably on the Principal Register. Finally, protect your trade dress from third parties — do not let your trade dress get diluted by imitators. The end result? A fabulous store design that is distinctively your brand that consumers will seek out — and hopefully spend many delightful shopping hours. **ACC**

NOTES

- 1 See e.g., *Conference Archives, Inc. v. Sound Images, Inc.*, 2010 WL 1626072 (W.D. Pa. Mar. 31, 2010) (plaintiff stated a claim for trade dress protection of the “look and feel” of its website).
- 2 See e.g., USPTO Supp. Reg. No. 3,968,163 (Walgreen’s pharmacy workspace within a retail store).
- 3 See e.g., USPTO Supp. Reg. No. 4,284,195 (Hearts On Fire’s retail store interior with veil walls comprised of rods, a filtered light effect, and floating veil display cases).
- 4 See e.g., USPTO Reg. No. 2,161,437 (Boston Market’s storefront with striped awning).
- 5 See e.g., Reg. No. 4,021,593 (Apple’s cube-shaped building design constructed almost exclusively of transparent glass). See also *Fotomat Corp. v. Ace Corp.*, 208 USPQ 92 (S.D. Cal. 1980) (distinctive color and shape of the roof of Fotomat’s small buildings were distinctive enough for protection).
- 6 Trade dress is functional when “it is essential to the use or purpose of the device or when it affects the cost or quality of the device,” the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.” *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001). See also *Hampton*

Inns, Inc. v. Ameritel Inns, Inc., 1995 WL 762148 (D. Ida. Oct. 19, 1995) (hotel’s mere refinement of commonly-adopted hospitality décor was functional and non-distinctive and not capable of trade dress protection).

- 7 See e.g., *Treat, Inc. v. Dessert Beauty*, 2006 WL 2812770, at *14-15 (D. Or. 2006) (finding trade dress allegation insufficient because the discreet elements that made up the alleged trade dress were not separated out and identified in a list); *Sherwood 48 Associates v. Sony Corp. of America*, 76 Fed.Appx. 389, 391 (2d Cir. 2003) (a “focus on the overall look of a product does not permit a plaintiff to dispense with an articulation of the specific elements which comprise its distinct dress”).
- 8 See *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 630-31 (6th Cir. 2002) (“The aura about a product, the cachet that ownership or display of it creates, and the kind of appeal it has to certain consumers do not dress a good in trade. Rather, those intangible “things” emanate from the good, its dress, and the marketing campaign that promotes the dressed good. Trade dress is tangible or otherwise objectively observable by the senses...”); In re *Hudson News Co.*, 39 USPQ2d 1915, 1923 (TTAB 1996), *aff’d per curiam*, 114 F.3d 1207 (Fed. Cir. 1997) (“[f] or the ‘blue motif’ of a retail store to be registrable on the Principal Register without [a showing of secondary meaning], the trade dress would have to be immediately recognizable as a distinctive way of identifying the source of the store services”).