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EQUALIZING THE PLAYING FIELD:
THE TIME HAS COME FOR SECONDARY
MEANING IN THE MAKING IN
SMALL RESTAURANT TRADE DRESS
INFRINGEMENT CASES

*John Pesek**

I. INTRODUCTION

Imagine it is opening day for your first restaurant. It has taken months, if not years, to get to this point and you have spent a lot of money in developing the menu, artist style, and feel for the restaurant. A few months after the opening of your restaurant, a competing restaurant, right down the block from your restaurant, opens its doors; its menu and overall look are virtually indistinguishable from your restaurant. You are left wondering what remedies, if any, you have as a small restaurant owner. This was the case for Chef Rebecca Charles and her Pearl Oyster Bar in New York City.¹

American courts have developed doctrines to protect the rights of businesses from unfair competition; Congress has similarly enacted laws to protect intellectual property rights, such as the Lanham Act (The Act).² Trademarks and trade dress are commonly used to protect a creator's work.³ A trademark is defined as "any

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1. Pete Wells, *Chef Sues Over Intellectual Property (The Menu)*, N.Y. TIMES, June 27, 2007, available at <http://www.nytimes.com/2007/06/27/nyregion/27pearl.html>.

2. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 781 (1992) (noting that the ultimate test under the Lanham Act § 43(a) "is whether the public is likely to be deceived or confused by the similarity of the [descriptive] marks . . . is there a 'likelihood of confusion'" (citations omitted)).

3. See 15 U.S.C. § 1127 (2006).

word, name, symbol, or device" used by its creator to help identify and distinguish the creator's work.⁴ Trade dress, as defined by the Eleventh Circuit, "involves the total image of a product . . ." and "include[s] features such as size, shape, color, color combinations, texture, graphics, [and] even particular sales techniques."⁵

The Act was enacted by Congress to not only give protection to registered trademarks, but also to give protection to unregistered trademarks and trade dress.⁶ The Act specifically states that, "[a]ny person who shall affix, apply, or annex, or use in connection with any goods or services or any container or containers of goods, a false designation of origin, or any false description or representation . . . shall be liable to a civil action."⁷ Although the Act originally gave protection only to trademarks, the Court inherently has given the same protection to trade dress.⁸ Due to this protection, small restaurants may now petition the courts to protect their menus, style of restaurants, and recipes.⁹

The Act specifies two criteria (inherent distinction or acquisition of secondary meaning) that a person or business seeking a trade dress infringement case must satisfy before the courts will find an infringement.¹⁰ In infringement cases, courts will usually classify the potential trademarks as being either: "(1) generic, (2) descriptive, (3) suggestive; (4) arbitrary [or] fanciful."¹¹ Descriptive trade dress is the classification most litigated in the courtroom, because distinction is not achieved¹² until secondary meaning is shown. To establish infringement for a descriptive trade dress, courts have held that the creator must be able to show that their "trade dress has acquired secondary meaning."¹³ Secondary meaning is acquired when "the purchasing public associates [the trade] dress with a single producer or source rather than just with the product itself."¹⁴ In the past, many small restaurants have failed to realize that they have similar

4. *Id.*

5. *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983).

6. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 209 (2000).

7. *Two Pesos, Inc.*, 505 U.S. at 766 n.2 (citing 15 U.S.C. § 1125(a) (1982)).

8. *Id.*

9. *See generally Two Pesos, Inc.*, 505 U.S. at 763.

10. *See id.*

11. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

12. 15 U.S.C. § 1127 (2000). The statute states that a trademark needs to identify and distinguish the creator's goods, "including any unique products, from those manufactured or sold by others . . ." *Id.* *Two Pesos, Inc.*, 505 U.S. at 768; *Cicena Ltd. v. Columbia Telecommunications Group*, 900 F.2d 1546, 1548 (2d Cir. 1990).

13. *Cicena Ltd.*, 900 F.2d at 1548.

14. *Id.* at 1549 (citation omitted).

rights to those of larger chain restaurants. As to descriptive trade dress, achieving the classification of secondary meaning has largely been a problem for small restaurants because it takes extensive marketing and money to show a court that secondary meaning has been established.¹⁵

In Chef Charles' case, a former chef, Chef McFarland, who had worked in the Pearl Oyster Bar for Chef Charles, started a competing restaurant.¹⁶ Chef Charles claimed that Chef McFarland copied every aspect of her menu and restaurant style.¹⁷ Under the current law for descriptive trade dress, Chef Charles will have to show that her trade dress has acquired secondary meaning.¹⁸ In order to show this, she will have to spend large amounts of money on survey and marketing campaigns, as well as large amounts on legal fees to maintain the action against her competitor.¹⁹

This article discusses secondary meaning in the making, a possible alternative to help small restaurants in their fight to protect trade dress. This possible alternative will help smaller restaurants in their fight to protect their trade dress from unfair competition. Secondary meaning in the making will allow small restaurants to show that they are taking the appropriate measures to acquire secondary meaning and thereby gain protection from the court while secondary meaning is being acquired. The issue of protecting trade dress is becoming more important, because even small restaurants are investing hundreds of thousands or even millions of dollars to develop their restaurants and menus, but unless extensive money is spent on surveying and marketing, courts may not find secondary meaning.²⁰ Also, many small restaurant owners have simply been ignoring their rights when it comes to protecting their restaurants, because many owners have felt that they never had any remedies available to them.²¹ Tim Wu, a professor at Columbia School of Law, has described this issue as "a classical marriage between food and law."²²

The test now imposed requires a restaurant to show its product or descriptive mark is inherently distinctive or that secondary mean-

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

16. See Wells, *supra* note 1.

17. *Id.*

18. See *Samara Bros., Inc.*, 529 U.S. at 205.

19. See *Zatarains, Inc.* 698 F.2d at 786.

20. See Wells, *supra* note 1.

21. *Id.*

22. *Id.*

ing has been acquired.²³ This article suggests that courts use an alternative secondary meaning test to protect small restaurants from having to show secondary meaning while they are trying to meet the requirements for it, because the test now used by the courts is overly burdensome on small restaurants.

II. OVERVIEW OF HISTORY OF TRADEMARKS AND TRADE DRESS

American courts and legislatures have developed a system of trademark and trade dress laws to protect the distinctive logos and names of businesses from their competitors.²⁴ Congress established the Lanham Act²⁵ (The Act) to protect trademarks, but courts have held that the Act also provides similar protection to trade dress.²⁶ Even though Congress and the courts have been provided protection for trademarks²⁷ and trade dress²⁸ they have yet to adopt a standard that will adequately protect small restaurants while also protecting the consuming public and other companies against unfair competition.

A. History of Trademarks

A trademark, defined by Congress, is, "any word, name, symbol, or devise, or any combination thereof, used by a person, or which a person has a bona fide intention to use in commerce . . . to identify and distinguish his or her goods."²⁹ Enacted in 1946, the original Lanham Act was narrowly interpreted by the Supreme Court to protect against "false description or representation."³⁰ The statute was originally read narrowly so that it only prevented "false advertising and the common-law tort of 'passing off'."³¹ The Court, however, started to read the statute more broadly and The Act began to be used as a tool to protect against unfair competition.³²

23. See *Two Pesos, Inc.*, 505 U.S. at 763.

24. *Two Pesos, Inc.*, 505 U.S. at 767-68.

25. 15 U.S.C. § 1127 (2000).

26. *Two Pesos, Inc.*, 505 U.S. at 776.

27. See 15 U.S.C. § 1125(a)(1) (2000).

28. See *Two Pesos, Inc.*, 505 U.S. at 763, 776.

29. 15 U.S.C. § 1127 (2000).

30. *Two Pesos, Inc.*, 505 U.S. at 778 (citation omitted).

31. *Id.* The Court stated that the tort of passing off was construed in American and English common law as one who passes "off his goods as the goods of another." *Id.* at 779.

32. *Id.* at 779.

The language of The Act is broad, allowing many things to qualify as a trademark. The Supreme Court held that Section 43(a)(1) of The Act protects product symbols and even colors.³³ The Court's new interpretation of Section 43(a)(1) has made it so that many things may qualify as a trademark under The Act, since people may associate a business with more than just its name.³⁴

The four categories of trademarks³⁵ are guidelines and advisory in their use, but have been difficult to apply.³⁶ A "generic" term describes more of the basic nature of an article or service "rather than the more individualis[ti]c characteristics of a particular product."³⁷ These types of marks/terms/logos are unable to gain trademark protection.³⁸ Furthermore, if a registered trademark ever becomes generic, its registration is subject to cancellation.³⁹ An example of a generic term is "aspirin."⁴⁰

A "descriptive" term is one that "identifies a characteristic or quality of an article or service."⁴¹ These terms are usually not protectable as trademarks; however, they may gain protection through the assertion that the trade dress is inherently distinctive⁴² or by showing secondary meaning.⁴³ An example of a descriptive term is "aloe" when used in "reference to products containing gel of the aloe vera plant."⁴⁴ The difference "between generic and descriptive terms is one of degree" but it is an important distinction, because

33. *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 162 (1995) (holding that "[B]oth the language of the Act and the basic underlying principles of trademark law would seem to include color within the universe of things that can qualify as a trademark").

34. *Id.* at 162. "Since 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." *Id.* The Court still required that the creator show that the trade dress color has established the necessary secondary meaning for a descriptive trade dress. *Id.* at 163.

35. *Zatarains, Inc.*, 698 F.2d at 790 (noting the four categories as 1) generic; 2) descriptive; 3) suggestive; 4) arbitrary or fanciful).

36. *Id.*

37. *Id.*

38. *See* 15 U.S.C. § 1127 (2000).

39. *See id.*

40. *Zatarains, Inc.*, 698 F.2d at 790.

41. *Id.* (citation omitted).

42. *See generally Two Pesos, Inc.*, 505 U.S. at 763.

43. *Zatarains, Inc.*, 698 F.2d at 790.

44. *See generally id.* (citing *Aloe Crème Laboratories, Inc. v. Milsan, Inc.*, 423 F.2d 845 (5th Cir. 1970)).

generic terms never gain protection but descriptive terms may gain protection.⁴⁵

A “suggestive” term is one that by its very nature “suggests, rather than describes some particular characteristic of the goods or services [that] it applies and requires the consumer to exercise [their] imagination . . . to draw a conclusion as to the nature of the goods and services.”⁴⁶ Suggestive marks are inherently distinctive and are protected without the showing of secondary meaning.⁴⁷ An example is the term “Coppertone” when in reference to the sun-screen product.⁴⁸

“*Arbitrary or fanciful* terms bear no relationship to either the product or services to which they . . . appl[y].”⁴⁹ These terms are protectable without the showing of secondary meaning, because they “bear no relationship to the product or service.”⁵⁰ An example is the term “Kodak” when referring to photographic supplies.⁵¹

The purpose behind the Act is to protect the public from deceit and companies against unfair competition.⁵² Even though there is protection for small restaurants in trademarks, most restaurants have tried to protect their menus and restaurant styles by a cause of action for trade dress infringement, due to findings that menus and restaurant styles are not patentable.⁵³ Even a showing of trade dress infringement has been a hard barrier to overcome for small restaurants, because of the high secondary meaning standard that the courts require all businesses to show.⁵⁴ This standard seems to go against the inherent purpose of the Act to protect against unfair competition.⁵⁵

45. *Zatarains, Inc.*, 698 F.2d at 790-91.

46. *Id.* at 791 (italics in original).

47. *Id.*

48. *See id.* (citing *Douglas Laboratories, Inc. v. Copper Tan, Inc.*, 210 F.2d 453 (2nd Cir. 1954)).

49. *Zatarains, Inc.*, 698 F.2d at 791.

50. *Id.*

51. *See id.* (citing *Eastman Kodak Co. v. Weil*, 243 N.Y.S. 319 (1930)).

52. S.Rep. No. 1333, 79th Cong., 2d Sess., 3 (1946). The Senate Report stated that the Act has two goals: 1) to protect the public, so they know what they are buying; and, 2) the owner of the trademark is protected in their investment. *Id.*

53. *Buca, Inc. v. Gambucci's, Inc.*, 18 F. Supp. 2d 1193 (D. Kansas 1998) (holding that the trade dress did not meet the secondary meaning standard); *Two Pesos, Inc.*, 505 U.S. at 763 (holding that trade dress which is inherently distinctive need not show secondary meaning).

54. *Buca, Inc.*, 18 F. Supp. 2d at 1193.

55. *See* S.Rep. No. 1333, *supra* note 52.

B. *The History of Trade Dress*

Trade dress was designed to give protection against unfair competition.⁵⁶ Trade dress is defined as anything that involves “the total image of the business . . . include[ing] the . . . floor plan [to] . . . the menu” and dress of the servers.”⁵⁷ To prove trade dress infringement the plaintiff must establish three elements: 1) that there is a likelihood of confusion among the consuming public; 2) “the appropriated features of the trade dress are nonfunctional”;⁵⁸ and, 3) the creator must be able to show that the trade dress is distinctive.⁵⁹ The creator can choose one of two ways to show that their trade dress is distinctive; either by showing inherent distinctiveness or by proving that their trade dress “has acquired distinctiveness through secondary meaning.”⁶⁰

1. Secondary Meaning

Secondary meaning is used commonly to indicate that the trademark or trade dress has come, through use, to be associated with a specific source.⁶¹ The Supreme Court has held that in an action about descriptive trade dress a small business owner must be able to show that product design has acquired secondary meaning in order to receive protection under The Act.⁶² In a case about trade dress, a creator may show that their distinctive mark is inherently distinct to avoid having to show secondary meaning.⁶³

“Proof of secondary meaning requires vigorous evidentiary requirements.”⁶⁴ Relevant factors to prove secondary meaning include: “advertising expenditures, sales success, length and exclusivity of use, unsolicited media coverage, and consumer studies.”⁶⁵ This evidentiary showing is a problem for small restaurants with a limited

56. 15 U.S.C. § 1125(a) (2000).

57. *Two Pesos, Inc.*, 505 U.S. at 763 (citing *Blue Bell Bio-Medical v. Cin-Bad, Inc.* 864 F.2d 1253, 1256 (5th Cir. 1989)).

58. Ingrida Karins Berzins, *The Emerging Circuit Split over Secondary Meaning in Trade Dress Law*, 152 U. PA. L. REV. 1661, 1666 (2004) (citations omitted).

59. *Id.*

60. *Id.*; *Two Pesos, Inc.*, 505 U.S. at 769.

61. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 Cmt. *e* (Tentative Draft No. 2, 1990) (noting that a source could be a person's goods, services, or business).

62. *Samara Brothers, Inc.* 529 U.S. at 206.

63. *Two Pesos, Inc.*, 505 U.S. at 776.

64. *Thompson Medical Co., Inc. v. Pfizer Inc.*, 753 F.2d 208, 217 (2nd Cir. 1985) (citation omitted).

65. *Cicena Ltd.*, 900 F.2d at 1551.

budget for advertising and a limited amount of product sold. To prove secondary meaning, companies must show that they have spent hundreds of thousands of dollars on advertising and that their volume of sales is substantial.⁶⁶

Recently, the Supreme Court has started to apply different secondary meaning standards. In *Two Pesos, Inc. v. Taco Cabana, Inc.*, the Court held that product packaging could be inherently distinct; however, if the trade dress is found to be descriptive then secondary meaning will still be required.⁶⁷ In *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, the Court held that in product design cases the creator must be able to show secondary meaning to meet the requirement of distinctiveness because product design cannot be inherently distinct.⁶⁸ Both these decisions impact trade dress infringement cases by requiring owners of product design trade dress to show secondary meaning but allowing owners of inherently distinctive products to avoid having to show secondary meaning.⁶⁹ Some lower courts have tried to protect creators of trade dress by using alternatives to the secondary meaning requirement.

2. Secondary Meaning in the Making

Secondary meaning in the making re-emerged in the case of *The National Lampoon, Inc. v. American Broadcasting Co., Inc.*⁷⁰ Cases have defined the doctrine of secondary meaning "in the making" to provide where secondary meaning has not yet developed, a "trade dress will [still] be protected against intentional [or] deliberate attempts to capitalize on a distinctive product."⁷¹

The purpose behind the doctrine is to protect the creator against unfair competition because they have spent money on secondary meaning but have yet to fully acquire the necessary requirements for secondary meaning.⁷² A New York court held that secon-

66. *Zatarains, Inc.*, 698 F.2d at 795 (holding that Zatarains met their burden of proof by showing that they had spent \$ 400,000 on advertising during the period of 1976 and 1981, and by showing that their sales from 1964 through 1979 were \$ 916,385).

67. *Two Pesos, Inc.*, 505 U.S. at 763 (holding that if trade dress is inherently distinctive then there is no need to show secondary meaning).

68. *Samara Brothers, Inc.* 529 U.S. at 206.

69. *Id.*; *Two Pesos, Inc.*, 505 U.S. at 776.

70. 376 F. Supp. 733 (S.D.N.Y. 1974).

71. *Metro Kane Imports, Ltd. v. Federated Department Stores, Inc.*, 625 F. Supp. 313, 316 (S.D.N.Y. 1985).

72. *Cicena Ltd.*, 900 F.2d at 1549.

dary meaning in the making should protect a mark against people with actual knowledge or at least “good reason to know of its potential . . .” “or against someone intent on capitalizing on the quality of the mark.”⁷³ The court went on to add that piracy should not be tolerated any more “in the earlier stages of development . . . than in” its later stages.⁷⁴

Secondary meaning in the making has had a hostile response; many courts have decided not to broaden the doctrine of secondary meaning to include it.⁷⁵ The Second Circuit, in *Cicena Ltd. v. Columbia Telecommunications Group*, held that the circuit would not accept the doctrine because The Act only protected against “false designation of origin”, so any product that had not acquired secondary meaning could not designate an origin.⁷⁶ The court went on to add that allowing a case to proceed without the showing of secondary meaning “would undermine the . . . purpose of” The Act, because it would not “show that the public associates the product with a source”⁷⁷

Another major reason that courts choose not to endorse the doctrine is because most of the cases before the courts have either met the requirements for secondary meaning or have lacked the facts to support a finding of secondary meaning in the making.⁷⁸ Even though the Second Circuit has denied accepting the doctrine of secondary meaning, the court did state that the doctrine serves an admirable goal by “preventing the deliberate copier from capitalizing on the efforts of the [creator].”⁷⁹

Many scholarly criticisms exist for the doctrine of secondary meaning in the making, and look to abandon the doctrine as a whole.⁸⁰ One of the major problems that many legal scholars have with the doctrine is the thought that it “is inimical to the purpose of

73. *Loctite Corp. v. National Starch and Chemical Corp.*, 516 F. Supp. 190, 211 (S.D.N.Y. 1981).

74. *Id.*

75. *Cicena Ltd.*, 900 F.2d at 1549.

76. *Id.* at 1550 (explaining that the United States Court of Appeals for the Federal Circuit decided that the Second Circuit would agree with the holding as the issue was one of first impression in the Second Circuit but decided by the Federal Circuit).

77. *Id.*

78. *Id.*; see generally *Scholastic, Inc. v. MacMillian, Inc.*, 650 F. Supp. 866 (S.D.N.Y. 1987); *Loctite Corp.*, 516 F. Supp. at 210.

79. *Id.* at 1550.

80. Ralph S. Brown, *Design Protection: A Overview*, 34 UCLA L. Rev. 1341, 1374 (1987). “[T]here is a notion at large called secondary meaning in the making. It should be stamped out.” *Id.*

. . . secondary meaning”⁸¹ One criticism that arose from the scholarly debate is that arguing for an underdeveloped doctrine such as secondary meaning in the making would allow courts to dispense with the requirements of secondary meaning.⁸² However, the main concern over applying the doctrine of secondary meaning in the making is that the courts could be giving protection to trade dress that might not otherwise be protectable.⁸³

3. Tort of Passing Off

Another action that is available to an owner of a trade dress is the common law action of passing off. Passing off occurs when person A tries to sell person B’s products under the name or mark of person A.⁸⁴ Express passing off is when one company “labels its goods or services . . . identical to another” company’s or when a company deliberately “misrepresents the origin of the” product.⁸⁵ Implied passing off is when competitor A uses its advertising materials to imply that competitor A is making the product, although the product is made by competitor B.⁸⁶

Even though this cause of action is available to the small restaurant owner, it requires them to show that the competitor intended to pass off their product as the competitors own.⁸⁷ When a cause of action is brought under The Act, the intent of the competitor is not required.⁸⁸ If a small restaurant owner could combine the common law tort of passing off with secondary meaning in the making it would greatly increase the chance of protection because even if the owner could not prove the intent of their competitor they would still only have to show that they were in the process of gaining secondary meaning to gain protection. If secondary meaning in the making is not available, then the small restaurant owner will either have to show intent of the competitor or that secondary meaning has been acquired.

81. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 Cmt. *e* (Tentative Draft No. 2, 1990).

82. John M. Scagnelli, *Dawn of a New Doctrine? Trademark Protection for Incipient Secondary Meaning*, 71 TRADEMARK REP. 527 (1981).

83. Ralph S. Brown, *Design Protection*, 34 UCLA L. REV. 1374, 1377-1378.

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

85. *Id.*

86. *Id.*

87. *Id.*

88. *See* 15 U.S.C. § 1127 (2000).

4. Recent Developments

Recent trade dress cases have given the same protection to trade dress as registered trademarks.⁸⁹ Even with this protection for trade dress, small restaurants still have a hard time securing trade dress protection when courts require a showing of secondary meaning.⁹⁰ The Act does not state that cases alleging trade dress infringement must show secondary meaning, but the Supreme Court has held that secondary meaning or distinctiveness have become a universal standard.⁹¹ Courts offer protection for trade dress only if the trade dress meets the standards of a qualifying mark under The Act, which requires a showing of secondary meaning unless the trade dress is inherently distinct.⁹² Therefore, secondary meaning has long been held a factor necessary to acquire protection in trade dress infringement cases.

III. ANALYSIS

If trade dress is inherently distinct, then the owner does not have to show that it has acquired secondary meaning for protection.⁹³ The *Two Pesos* decision has not cleared up the confusion that has been imposed by the secondary meaning requirement,⁹⁴ especially when a small restaurant is trying to enforce its trade dress rights. Courts continue to address secondary meaning for trade dress differently.⁹⁵ Until the courts adopt a uniform ruling or alternative requirement for small businesses, small restaurant owners will continue to be unsuccessful when trying to protect their trade dress.⁹⁶

A. *Two Pesos, Inc. v. Taco Cabana, Inc.*

The *Two Pesos* case arose when a Mexican restaurant chain sued another Mexican restaurant chain for trade dress infringement un-

89. *Two Pesos, Inc.*, 505 U.S. at 776 (1992).

90. *See Buca, Inc.*, 18 F. Supp. 2d at 1208.

91. *Samara Brothers, Inc.* 529 U.S. at 210-211.

92. *Id.*

93. *Two Pesos, Inc.*, 505 U.S. at 776.

94. *Samara Brothers, Inc.*, 529 U.S. at 206 (holding that in cases where product design is trying to be protected as an unregistered trade dress, secondary meaning must be established).

95. *See Samara Brothers, Inc.*, 529 U.S. 205.

96. *See Wells, supra* note 1, at A1.

der the Act.⁹⁷ The trial court instructed the jury that Two Pesos had to prove that its trade dress was inherently distinctive, or that it had acquired secondary meaning in order to uphold its action for trade dress infringement.⁹⁸ The court of appeals upheld the trial court's finding that the trade dress was distinctive but had not acquired the necessary secondary meaning. to qualify for a trade dress infringement action.⁹⁹

The Supreme Court reiterated the basis for the Act, which was to protect businesses against unfair competition.¹⁰⁰ The Court held that the rule regarding trade dresses distinctiveness was clear: the mark needed to be inherently distinctive or have its distinctiveness acquired through secondary meaning and the plaintiff need not have to show both.¹⁰¹ The Court took a dramatic step by holding that plaintiffs only needed to show inherent distinctiveness or secondary meaning. The Court's decision has made it easier for businesses to protect their trade dress, since they no longer have to show both inherent distinctiveness and secondary meaning.¹⁰²

The Court has shown "a trend of [giving] broader protection" to a company's trade dress/trademark,¹⁰³ but this has not always been the case for small businesses. Some owners still have difficulty showing inherent distinctiveness or secondary meaning because their trade dress may be seen as generic.¹⁰⁴ The marks cannot be merely descriptive, because they may only become protected under The Act if the descriptive marks "become distinctive of the [company's] goods in commerce."¹⁰⁵ The ultimate test "is whether the public is likely to be deceived or confused by the similarity of the marks" or dress.¹⁰⁶

The Court in *Two Pesos* held that inherently distinctive trade dress was protectable even though it had not acquired secondary meaning.¹⁰⁷ Some scholars interpret the holding in *Two Pesos* to es-

97. See *Two Pesos, Inc.*, 505 U.S. 765.

98. *Id.*

99. *Id.* at 767-768.

100. *Id.* at 767.

101. *Id.* at 769 (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 (tentative draft No. 2, 1990)).

102. David Gurnick, *Intellectual Property in Franchising: A Survey of Today's Domestic Issues*, 20 OKLA. CITY U. L. REV. 347, 361 (1995).

103. *Id.* at 362.

104. See *Buca, Inc.*, 18 F. Supp. 2d at 1199-1202.

105. *Two Pesos, Inc.*, 505 U.S. at 769.

106. *Id.* at 783 (Stevens, J., concurring).

107. *Id.*

establish the foundation of the secondary meaning in the making doctrine.¹⁰⁸ The rationale for the secondary meaning in the making doctrine is to protect the creator of trade dress, who has spent money and effort in creating good will and consumer association, from unfair competition, thus allowing additional time to meet the requirements for secondary meaning.¹⁰⁹ The Court made a dramatic step, and by doing so helped small restaurants by applying a rationale interpreted by some scholars to support the secondary meaning in the making doctrine. However, the Court failed to explicitly state secondary meaning in the making as a possible alternative that small restaurants may use as a tool to protect their trade dress. Accordingly, there continues to be debate over the validity of the doctrine.¹¹⁰

B. Wal-Mart Stores, Inc. v. Samara Brothers, Inc.

The Supreme Court's decision in *Two Pesos* was limited to product packaging and did not apply in cases involving product design.¹¹¹ The *Samara Bros.* Court noted that "distinguishing *Two Pesos* [might] force [lower] courts to draw [a] difficult line between product-design and product-packaging trade dress."¹¹² However, "the difficulty of having to distinguish between [the two] will be much less than the frequency and difficulty of having to decide when a product design is inherently distinctive."¹¹³

Samara Brothers, a designer and manufacturer of children's clothing, brought an action against Wal-Mart for selling "knock-offs" of its clothing line for a reduced price.¹¹⁴ Samara Brothers won at trial and the court of appeals upheld the trial court's findings.¹¹⁵ The Supreme Court reiterated its holding from *Two Pesos* by stating that "distinctiveness [was a] prerequisite for registration of [a] trade dress"¹¹⁶ Product design is never inherently distinctive.¹¹⁷

108. Willajeanne F. McLean, *The Birth, Death and Renaissance of The Doctrine of Secondary Meaning in the Making*, 42 Am. U. L. Rev. 737, 771 (1993).

109. *Id.*

110. *Id.* at 757.

111. *Samara Brothers, Inc.*, 529 U.S. at 206.

112. *Id.*

113. *Id.*

114. *Id.* at 207-08.

115. *Id.* at 208.

116. *Samara Brothers, Inc.*, 529 U.S. at 210.

117. *Id.* at 213.

The fact that product design almost invariably serves purposes other than source identification not only renders inherent distinctiveness problematic; it also renders application of an inherent-distinctiveness principle more harmful to other consumer interests.¹¹⁸

The *Samara Bros.* Court distinguished the *Two Pesos* decision by holding that restaurant decor was not a product design, but was more like product-packaging, which does not require secondary meaning if there is inherent distinctiveness.¹¹⁹ The Court went one step further, holding that if lower courts were confused as to which test should be applied, then they “should err on the side of . . . product design” and apply the secondary meaning standard.¹²⁰

The *Samara Bros.* decision raised the bar and narrowed the Court’s protection of trade dress. Now, creators either have to show that their trade dress is product packaging, requiring only a showing inherent distinctiveness or if trade dress is categorized as product design, creators must show proof that secondary meaning has been acquired.¹²¹ This test has confused many federal courts that are now trying to figure out which test they should apply.¹²²

Samara Bros. could have drastic results for small restaurant owners seeking trade dress protection. The small restaurant owner must first distinguish whether they are dealing with a product packaging infringement or a product design infringement. Next, the small restaurant owner will have to determine how courts in their jurisdiction are applying the standards set out from the *Two Pesos* and *Samara Bros.* decisions, since there is now a court split between the two decisions.¹²³ If these decisions are not properly applied at the trial level the small restaurant owner may lose any chance for trade dress protection, or they could find themselves in a continuing legal battle.¹²⁴

118. *Id.*

119. *Id.* at 215.

120. *Id.*

121. *See generally id.*

122. Ingrida Karins Berzins, *The Emerging Circuit Split over Secondary Meaning in Trade Dress Law*, 152 U. PA. L. REV. 1661, 1672 (2004).

123. *See Generally* Ingrida Karins Berzins, *The Emerging Circuit Split*, 152 U. PA. L. REV. 1661.

124. *See generally Fuddrckers, Inc. v. Doc’s B.R. Others, Inc.* 826 F.2d 837 (9th Cir. 1987)

*C. Examples of the Confusion in Restaurant Trade Dress
Infringement Cases*

1. *Buca, Inc. v. Gambucci's, Inc.*

In this case, Buca, a Minnesota restaurant, sought to enjoin Gambucci, a Kansas restaurant, from featuring particular décor elements that they claimed were protected trade dress.¹²⁵ Buca claimed that excess was a key to their restaurant decor.¹²⁶ It used excess in the amount of pictures and art objects that hung on the wall, and the velour drapes found in the restaurant.¹²⁷ Buca claimed that the items found in the restaurant were “normally found in an Italian restaurant.”¹²⁸ The décor was used in a non-traditional manner to make customers feel like they were in a Southern Italian restaurant in the 1940’s or 1950’s.¹²⁹ Buca’s restaurant was also featured in many restaurant magazines from around the country.¹³⁰

Gambucci’s restaurant also was designed to look like a Southern Italian restaurant from the 1940s or 1950s.¹³¹ The Director of New Concepts for Gambucci’s made several trips to Buca’s to conduct research ideas for a Southern style Italian Restaurant, but the director also made trips to several other Italian restaurants around the country.¹³² The architect for Gambucci’s restaurant testified that he received no instructions from the owners and based the concept of the restaurant from a play and a theme park he visited in Florida.¹³³

In this action, “Buca maintain[ed] that its trade dress [was] ‘suggestive,’” thus it required no showing of secondary meaning, “because ‘it require[ed] the use of customer . . . imagination as to the” specific nature of the restaurant.¹³⁴ Gambucci argued that the trade dress was merely generic, which is always unprotected.¹³⁵ The judge ruled that the product was not inherently distinctive merely because the two restaurants looked exactly the same.¹³⁶ The judge

125. *Buca, Inc.*, 18 F. Supp. 2d at 1196.

126. *Id.* at 1197.

127. *Id.*

128. *Id.*

129. *Id.*

130. *Buca, Inc.*, 18 F. Supp. 2d at 1197.

131. *Id.*

132. *Id.*

133. *Id.* at 1198.

134. *Id.* at 1203.

135. *Buca, Inc.*, 18 F. Supp. 2d at 1203.

136. *Id.*

held that the trade dress was descriptive and not suggestive, thus requiring Buca to show secondary meaning.¹³⁷

“Consumer testimony . . . advertising . . . unsolicited media coverage . . . exclusivity . . . sales success, and . . . intentional copying . . .” were several factors the court used to determine whether secondary meaning had been acquired.¹³⁸ The judge ruled that even though Buca’s restaurant had received plentiful media coverage, it did not mean that the restaurant was well known in the area for it to have acquired secondary meaning.¹³⁹ Buca also tried to show that it had acquired secondary meaning by using its trade dress for the statutory period,¹⁴⁰ but just because it had acquired secondary meaning in one place does not mean that it has acquired it in another remote location.¹⁴¹ 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 away.

This case further illustrates the utter confusion in trade dress litigation involving restaurants. In the *Buca* case, the court followed the factors that were required for product design cases,¹⁴² although it seemed that *Buca*’s trade dress was product packaging similar to that found in *Two Pesos*,¹⁴³ which would have allowed it to show inherent distinctiveness and avoid having to showing proof of secondary meaning.¹⁴⁴ On the other hand, to avoid this confusion, if secondary meaning in the making was a possible alternative for *Buca* it could have shown that they were taking steps, through marketing and surveys, to acquire secondary meaning and therefore should receive protection from the courts while engaged in this process. Allowing Buca to show secondary meaning in the making would not have a chilling effect on the market because it would help to elicit new product designs and foster competition.¹⁴⁵ Secondary meaning in the making would allow inventors to protect their trade dress against piracy throughout its entire phase of creation and not just

137. *Id.*

138. *Id.* at 1204.

139. *Id.* at 1205.

140. 15 U.S.C. § 1052(f) (2006).

141. *Buca, Inc.*, 18 F. Supp. 2d at 1205-06 (citing 15 U.S.C. § 1052(f) (2000)).

142. *See id.* at 1204.

143. *See generally Two Pesos, Inc.*, 505 U.S. 763 (1992).

144. *Samara Brothers, Inc.*, 529 U.S. at 214-15.

145. Daniel J. Gifford, *The Interplay of Product Definition, Design and Trade Dress*, 75 MINN. L. REV. 769, 786 (1991).

when the product is complete and has acquired full secondary meaning.¹⁴⁶

2. *Rainforest Café, Inc. v. Amazon, Inc.*

In 1992, a small restaurant called the Amazon Bar and Grill opened in Santa Monica, California.¹⁴⁷ The opening of the Amazon Bar and Grill was nationally televised on the E (Entertainment) Network and in 1993 the second Amazon Bar and Grill opened in Los Angeles, California, again covered on national television.¹⁴⁸ The Rainforest Café (Rainforest) was designed in 1979, but did not materialize into a restaurant until October 3, 1994.¹⁴⁹

Amazon Bar and Grill brought a claim for trade dress infringement against the Rainforest in Minnesota.¹⁵⁰ Rainforest then filed a motion for summary judgment.¹⁵¹ The court first concluded that the rainforest theme of the restaurants was functional, because the Act only serves to protect non-functional trade dress, but that the core concept of the rainforest theme was not protected under the Act because it would discourage others from using any type of rainforest theme.¹⁵² The court held unless Amazon Bar and Grill can show inherent distinctiveness it would have to show that its restaurant style had acquired secondary meaning.¹⁵³

Amazon Bar and Grill tried to show that its restaurant style was inherently distinct to avoid having to show secondary meaning.¹⁵⁴ The court, in its determination of inherent distinctiveness, held that the issue is not about the impact of the trade dress on the consumer but rather on the arbitrariness of the trade dress and its relevance to the product thus taking away consumer association, a key part of The Act.¹⁵⁵

When applying the distinctiveness test, the court found a genuine issue of fact as to whether the elements composing the rainforest theme created by the Amazon Bar and Grill were dictated by a

146. *Id.*

147. *Rainforest Café, Inc. v. Amazon, Inc.*, 86 F. Supp. 2d 886, 890 (D. Minn. 1999).

148. *Id.*

149. *Id.* at 890, 892.

150. *Id.* at 892-93.

151. *Id.*

152. *Rainforest Café, Inc.*, 86 F. Supp. 2d at 894.

153. *Id.* at 895.

154. *Id.* at 896.

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

common rainforest design or whether Amazon's trade dress was unique and unusual in the field thus making it inherently distinct.¹⁵⁶ Amazon survived summary judgment but still has a high standard to meet, because they must show that their rainforest theme is unique and not part of a common design.¹⁵⁷ If Amazon is unable to do this then they must show that their rainforest theme has acquired secondary meaning.

Amazon, as a small restaurant chain, is faced with the difficult position of showing that its trade dress is unique from a general rain forest theme.¹⁵⁸ This could be difficult because Amazon may have inherent distinctiveness to the locality, in which it located, but the court will look to a broader area. Since the case is in Minnesota it is unlikely that Amazon will be able to show that its trade dress is distinct from Rainforest even though they may look entirely similar.¹⁵⁹ The Amazon Bar and Grill would likely receive protection if it could prove to the court that it has acquired secondary meaning in the making through their preliminary marketing and survey data. Allowing Amazon Bar and Grill to show secondary meaning in the making would promote the goals of The Act by impeding unfair competition and protecting a creator from unfair competitors while they are achieving secondary meaning.¹⁶⁰ The court in its decision also seemed confuse the standards of secondary meaning and unfair competition by ignoring the association the product has with its consumers, and this is an important part of the secondary meaning standard that has been used by the courts.¹⁶¹

D. A New Approach for Courts When Deciding Trade Dress Infringement Issues for Small Restaurants

After the *Two Pesos* and *Samara Bros.* decisions, courts have developed a split when deciding trade dress infringement cases because of the confusion in the Supreme Court's opinions.¹⁶² Small restaurants are just one of the many small businesses that have been adversely affected by the courts confusion and inconsistency in this area. Small restaurants do not have the time or money to gamble as

156. *Id.* at 896-97.

157. *See Rainforest Café, Inc.*, 86 F. Supp. 2d at 896-897.

158. *Id.*

159. *See id.* at 886.

160. McLean, *The Birth, Death and Renaissance of The Doctrine of Secondary Meaning in the Making*, 42 AM. U. L. REV. at 771.

161. *Rainforest Café, Inc.*, 86 F. Supp. 2d at 896.

162. Berzins, *The Emerging Circuit Split*, 152 U. PA. L. REV. at 1672.

to which standard the court is going to apply in their trade dress infringement cases, but their business usually depends on having their trade dress defended by the courts.¹⁶³

The courts should follow the underlying rationale in *Two Pesos*, which stated that where inherent distinctiveness is found in cases involving product packaging, secondary meaning is not needed.¹⁶⁴ In *Two Pesos*, the Court's decision has been interpreted by some scholars to resound the doctrine of secondary meaning in the making.¹⁶⁵ The use of this doctrine could protect small restaurant owners who are in the works of acquiring secondary meaning. If the courts do not give this protection then many small restaurant owners could spend vast amounts of money on their restaurants, but if they have not yet acquired secondary meaning the courts will give no protection unless the owner can prove another cause of action like the common law tort of passing off.¹⁶⁶ However, the tort of passing off requires that the owner be able to show the intent of the competitor, which could be a difficult barrier for the owner to prove in court.

In *Samara Bros.*, the Court reinstated secondary meaning in cases that involve product design, but the Court did not effectively define when a case was a product design case or a product packaging case.¹⁶⁷ To avoid confusion and undue prejudice, courts should loosen the secondary meaning requirements and not force small restaurants to show that they have acquired secondary meaning, but have the restaurants show that they are in the process of acquiring secondary meaning through secondary meaning in the making.

The purpose of The Act is to prevent unfair competition and protect consumers.¹⁶⁸ Secondary meaning in the making will give small restaurant owners a fighting chance against competing larger restaurant chains that come into the small restaurants area and steal the restaurants style and menu and then market it nationally without compensating the small restaurant owner. Also, secondary meaning in the making will not have a chilling effect on the small restaurant market, but will encourage restaurant owners to readily develop new

163. See Wells, *supra* note 1, at A1, A16.

164. See generally *Two Pesos, Inc.*, 505 U.S. 763.

165. McLean, *The Birth, Death and Renaissance of The Doctrine of Secondary Meaning in the Making*, 42 AM. U. L. REV. at 771.

166. See Wells, *supra* note 1.

167. See generally *Samara Brothers, Inc.*, 529 U.S. 205.

168. See S.Rep. No. 1333, *supra* note 55. The Senate Report stated that the Act has two goals: 1) to protect the public, so they know what they are buying; 2) the owner of the trademark is protected in their investment. *Id.*

trade dress without the fear that their new ideas will be stolen and used against them.¹⁶⁹ Secondary meaning in the making will protect consumers by placing confidence in them that they are purchasing the products from the owner of the trade dress.¹⁷⁰

IV. CONCLUSION

The United States Supreme Court has various approaches to dealing with trade dress infringement cases.¹⁷¹ In some cases, all that a creator of trade dress needs to prove is that their product has become inherently distinct and the court will use the Lanham Act (the Act) to protect the owners trade dress.¹⁷² In other cases, the Court will require a creator to show that their trade dress has acquired secondary meaning in order for it to receive protection under the Act.¹⁷³ This confusing circuit split does little to protect small restaurant owners.¹⁷⁴

In order for small businesses, especially small restaurants, to protect their trade dress it is time for the Court to apply an alternative secondary meaning standard, so that small restaurants may survive in the modern competitive market. The Court took the right step in *Two Pesos*,¹⁷⁵ but failed to help small businesses by ignoring any further alternatives to the secondary meaning standard. The Court further digressed from clearing up any confusion when it decided *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*,¹⁷⁶ and held that in cases involving product design, owners would have to show secondary meaning and seemed to sidestep the rationale it used in *Two Pesos*.¹⁷⁷

Secondary meaning in the making, while controversial, is the appropriate route for the courts to take to ensure that small restau-

169. McLean, *The Birth, Death and Renaissance of The Doctrine of Secondary Meaning in the Making*, 42 AM. U. L. REV. at 771.

170. Secondary meaning in the making has not developed a standard to use when deciding whether the creator has taken enough necessary steps to receive protection from the courts. This article does not suggest what standard a court should use in deciding whether there is secondary meaning in the making, but instead advocates the initial position that an alternative to secondary meaning needs to be considered by the courts to protect small restaurants.

171. See generally *Samara Brothers, Inc.* 529 U.S. 205; *Two Pesos, Inc.*, 505 U.S. 763.

172. See *Two Pesos, Inc.*, 505 U.S. 763.

173. See *Samara Brothers, Inc.* 529 U.S. 205.

174. See generally Wells, *supra* note 1.

175. See *Two Pesos, Inc.*, 505 U.S. 763.

176. See *Samara Brothers, Inc.*, 529 U.S. 205.

177. See *id.*

rants are protected against unfair competition and that consumers are protected, so that they know that the product they are buying is coming from a trusted source.

