
Servicing Trade Dress: Demystifying the *Tertium Quid*

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Trademarks are often brand names or logos. Yet other marks involve the overall appearance of a product or business — a concept called “trade dress.” Courts and scholars have long struggled with how to determine whether trade dress is distinctive enough to function as a legally protectable trademark. In attempting to clarify this murky area, Justice Scalia articulated three types of trade dress in Wal-Mart Stores, Inc. v. Samara Brothers, Inc. These include (i) product packaging (e.g., a candy wrapper) and (ii) product design (e.g., an iPhone’s unique shape). The trouble lies in understanding the third category — what Scalia referred to as (iii) “some tertium quid” (e.g., a restaurant’s décor). Under the Supreme Court’s framework, product packaging is eligible for instant protection based on inherent distinctiveness because its “very purpose” is to identify a brand. Product design, though, must first acquire market recognition (i.e., secondary meaning) to be protectable since it usually serves goals unrelated to brand identification. However, the

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undefined tertium quid is considered capable of instant protection because it is thought to be, as Scalia believed, “akin to product packaging.”

In challenging this prevailing perspective, this Article seeks to demystify tertium quid trade dress. Seldom used in a legal context, tertium quid is an obscure Latin term meaning “third thing” that is associated with the arcane practice of alchemy, where alchemists would mix two inputs to try and produce gold (the third thing). The esoteric tertium quid label conceals this category’s true nature as consisting of what this Article labels “service dress” — trade dress for intangible services rather than tangible products. In recognizing the product/service distinction, this Article looks to the field of service design for legal insights. The service design literature casts serious doubt on whether service dress should be eligible for trademark protection absent secondary meaning. This is because service design, like product design, is usually intended to serve purposes other than brand identification. Moreover, requiring secondary meaning for service dress protection would support fair competition, providing for reasonable limits on the commercial appropriation of both physical and digital environments.

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INTRODUCTION

Tertium Quid: among [Alchemists], the Result of the Mixture of some two things, which forms something different from both.

Bailey’s English Dictionary (1724)¹

Trademark law is traditionally associated with brand names and logos. Yet other marks involve the overall image or appearance of a product or business — a concept called “trade dress.”² Courts and scholars have long struggled with how to determine whether trade dress is *distinctive* enough to function as a legally protectable trademark.³ In particular,

¹ NATHANIEL BAILEY, AN UNIVERSAL ETYMOLOGICAL ENGLISH DICTIONARY 874 (2nd ed. 1724).

² John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980, 984 (11th Cir. 1983), *cited with approval in* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992) (referring to trade dress as the “overall appearance” or “total image” of a *product*).

³ See, e.g., Transcript of Record at 6, Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205 (2000) (No. 99-150) (O’Connor, J.) (“[I]t’s hard to know how to define inherently distinctive [in the context of trade dress]... it’s sort of like pornography”); Tom W. Bell, *Virtual Trade Dress: A Very Real Problem*, 56 MD L. REV. 384, 412 (1997) (remarking that the *Abercrombie* scale of distinctiveness “fits product configurations awkwardly”); Ralph S. Brown, *Design Protection: An Overview*, 34 UCLA L. REV. 1341, 1358 (1987) (“Elemental though these trade [dress] rules may be, they are undergoing erosion.”); Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 475 (1997) (“The expansion of Lanham Act coverage to include product design has severely stretched the

some types of trade dress are eligible for protection against infringing uses based on *inherent distinctiveness* — when a trademark’s inherent nature serves to identify a particular brand.⁴ Other types, though, are only eligible if the party claiming protection can show that the trade dress has *secondary meaning* — an acquired distinctiveness based on widespread marketplace recognition that develops over a period of years.⁵ Because a showing of secondary meaning involves a long and costly process, trade dress distinctiveness has become a high-stakes battleground over valuable business assets.⁶ To this end, the Supreme Court has weighed in multiple times.⁷

In attempting to clarify this murky area a quarter century ago, Justice Scalia articulated three types of trade dress in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*⁸ These include (i) product packaging (e.g., a candy bar wrapper) and (ii) product design (e.g., an iPhone’s unique shape). The trouble lies in deciphering the third category — what Scalia referred to as (iii) “some *tertium quid*” (e.g., a restaurant’s décor).⁹ Examples of trade dress that lower courts have classified under this third category include a Mexican restaurant’s menu,¹⁰ the layout of a Yankee Candle

capacity of the existing concept of distinctiveness to determine the appropriate boundaries of protectable subject matter.”).

⁴ *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 210 (2000) (quoting 15 U.S.C. § 1125(a)).

⁵ Mark A. Lemley & Mark P. McKenna, *Trademark Spaces and Trademark Law’s Secret Step Zero*, 75 STAN. L. REV. 1, 4 (2023).

⁶ See *infra* Parts I.A–B; Part II.B. For an idea of the incredible value of top brands, see *The World’s Most Valuable Brands*, FORBES, <https://www.forbes.com/powerful-brands/list/> (last visited October 7, 2024) [<https://perma.cc/E99F-ZTCZ>].

⁷ See *Wal-Mart Stores, Inc.*, 529 U.S. at 208; *Two Pesos, Inc.*, 505 U.S. at 767; see also *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995); *infra* Part I.B.

⁸ 529 U.S. 205 (2000).

⁹ *Wal-Mart Stores, Inc.*, 529 U.S. at 215 (Scalia, J.) (“[T]he trade dress at issue, the décor of a restaurant, seems to us not to constitute product design. It was either product packaging — which, as we have discussed, normally *is* taken by the consumer to indicate origin — or else some *tertium quid* that is akin to product packaging and has no bearing on the present case.”).

¹⁰ *Dino Drop, Inc. v. Chase Bar & Grill, LLC*, No. 09-CV-10759, 2011 WL 739094, at *11 (E.D. Mich., Feb. 24, 2011) (“This language [some *tertium quid*] can apply to a restaurant menu.”); *Vasquez v. Ybarra*, 150 F. Supp. 2d 1157, 1175 n.18 (D. Kan. 2001) (“[T]he menu in this case is akin to the restaurant décor in *Two Pesos*, a ‘*tertium quid*’ the Court found similar to product *packaging*.”).

display shelf,¹¹ Best Cellars retail wine store,¹² the look and feel of Abercrombie & Fitch’s “A&F Quarterly” clothing catalog,¹³ the interior design of Happy’s Pizza franchise,¹⁴ the design elements of Bartaco restaurant,¹⁵ the décor of the Detroit Wing Company,¹⁶ Barrio restaurant’s Day of the Dead theme¹⁷ and, most recently, In-N-Out Burger’s iconic red and white diner-style design.¹⁸ The conceptual

¹¹ *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 40 (1st Cir. 2001) (“Yankee argues that because its products are candles, all the trappings associated with the sale of the candle . . . constitute product packaging, or at the very least a ‘*tertium quid*’ . . . akin to product packaging,’ categories of trade dress that may be inherently distinctive.”).

¹² *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60, 70 (S.D.N.Y. 2003) (“[T]he interior décor category fits awkwardly into the classifications of trade dress law, constituting either product packaging or a ‘*tertium quid*’ akin to product packaging.”).

¹³ *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 633 n.10 (6th Cir. 2002) (“[T]he design of the Quarterly can properly be regarded as a component of the trade dress of Abercrombie’s clothing insofar as it constitutes a particular sales technique, or ‘some *tertium quid* that is akin to product packaging’ that would normally be taken by consumers as an indication of source.” (internal citations omitted)).

¹⁴ *Happy’s Pizza Franchise, LLC v. Papa’s Pizza, Inc.*, No. 10-15174, 2013 WL 308728, at *3 (E.D. Mich. Jan. 25, 2013) (“The ‘interior décor category fits awkwardly into the classifications of trade dress law, constituting either product packaging or a “*tertium quid*” akin to product packaging.’”).

¹⁵ *Barteca Holdings LLC v. Coastal Taco LLC*, No. 1:16-CV-1498, 2016 WL 4168018, at *3 (N.D. Ohio Aug. 8, 2016) (“The ‘interior decor category fits awkwardly into the classifications of trade dress law, constituting either product packaging or a “*tertium quid*” akin to product packaging.’”).

¹⁶ *Eastpointe DWC, LLC v. Wing Snob Inc.*, No. 19-13768, 2021 WL 4478749, at *3 (E.D. Mich. Sept. 30, 2021) (“While the Supreme Court held that this test regarding distinctiveness applies to product packaging trade dress, the ‘interior décor category fits awkwardly into the classifications of trade dress law, constituting either product packaging or a “*tertium quid*” akin to product packaging.’”).

¹⁷ *Barrio Bros. v. Revolucion, LLC*, No. 1:18-CV-2052, 2018 WL 5960772, at *1, *4 (N.D. Ohio Nov. 14, 2018) (“The ‘interior décor category fits awkwardly into the classifications of trade dress law, constituting either product packaging or a “*tertium quid*” akin to product packaging.’”).

¹⁸ Reply in Support of Plaintiff’s Motion for Summary Judgment, *In-N-Out Burgers v. Doll N Burgers LLC*, No. 20-11911 (E.D. Mich. Sept. 3, 2021), 2021 WL 7451504 (arguing that In-N-Out’s trade dress, in truncating *Wal-Mart Stores’ tertium quid dicta*, is “product packaging — which . . . normally is taken by the consumer to indicate origin . . .”).

nature of this so-called *tertium quid* remains elusive¹⁹ — do these *experiential* forms of trade dress align more closely with product packaging or product design? Or could they constitute a distinct category altogether?

The proper categorization of a given trade dress matters — it implicates important issues regarding fair competition and the scope of trademark policy and doctrine. Currently, product packaging dress is eligible for instant legal protection if deemed to be inherently distinctive because “the very purpose” of packaging is to allow consumers to identify a product’s brand, or source.²⁰ Product design dress, on the other hand, is ineligible for protection unless it acquires secondary meaning, because a product’s shape usually “serves purposes other than source identification.”²¹ However, the undefined *tertium quid* dress is considered capable of instant protection — though perhaps without adequate justification: it is thought to be, as Justice Scalia believed, “akin to product packaging” and thus eligible for inherent distinctiveness.²²

¹⁹ Ian Ayres & Xiyin Tang, *Consumer Expropriation of Aesthetically Functional Trade Dress: Results from a Randomized Experiment*, 93 S. CAL. L. REV. 1189, 1213 n. 104 (2020) (explaining that “it can be difficult in situations to distinguish packaging dress from design dress or what Justice Scalia referred to as ‘tertium quid.’”); Lucas Daniel Cuatrecasas, *Failure to Function and Trademark Law’s Outermost Bounds*, 96 N.Y.U. L. REV. 1312, 1324 (2021) (“The USPTO appears to regard a wide variety of matter (e.g., Lululemon’s wave) as falling into the product packaging, or, perhaps, *tertium quid* categories”); Ryan Esparza, *Weird Science! It’s My Creation . . . Is It Really? Or: Crafting a New Universal Trademark Standard for User-Created Avatars*, 8 PAGE INTELL. PROP., SPORTS & ENT. L.F. 120, 139 (2017) (“[T]he biggest fault of *tertium quid* is that so little is known about it, that it’s impossible to know what does or does not qualify for protection under it.”); Lemley & McKenna, *supra* note 5, at 20-21 (noting that the Court “failed to explain why restaurant décor was more like packaging . . . than design of the relevant product” and that the Court’s framework “raised the prospect that other forms of trade dress [beyond restaurant décor] might also be tertium quid.”).

²⁰ *Wal-Mart Stores, Inc., v. Samara Bros, Inc.*, 529 U.S. 205, 212 (2000) (assuming it is also “nonfunctional”); *see infra* Part I.A.

²¹ *Wal-Mart Stores, Inc.*, 529 U.S. at 212-13 (“It seems to us that design, like color, is not inherently distinctive. . . . [W]e think consumer predisposition to equate the feature with the source does not exist.”).

²² *Id.* at 215 (referring to “some *tertium quid* that is akin to product packaging and has no bearing on the present case”); *see infra* Part II.B.

In challenging this prevailing perspective, this Article seeks to demystify *tertium quid* trade dress. Seldom used in a legal context, *tertium quid* is an obscure Latinism meaning “third thing,” long associated with the arcane practice of alchemy, where alchemists would mix two inputs to try and produce gold (the third thing).²³ The esoteric *tertium quid* label conceals this category’s true nature as consisting of trade dress for intangible *services* rather than for tangible *products*. *Tertium quid* trade dress more accurately refers to a type of service mark.²⁴ Put simply, service marks are “marks that identify and distinguish the source of services, as opposed to goods.”²⁵

Services are distinct from products in that services are experiential processes that defy physical touch, fitting, or shelf display.²⁶ As such, services are not “packaged.” The literal definition of packaging refers to “materials used to wrap or protect *goods*.”²⁷ A service, by contrast, has no container, being an intangible concept without material exteriority.²⁸ In wrongly equating services with product packaging, Justice Scalia’s *tertium quid* articulation is a category mistake inconsistent with the existing divide between trademarks and service marks.²⁹ In reality,

²³ See *infra* Part II.A.

²⁴ See 15 U.S.C. § 1127 (defining both “trademark” and “service mark”).

²⁵ 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:80 (5th ed. 2024).

²⁶ G. Lynn Shostack, *Breaking Free from Product Marketing*, 41 J. MKTG. 73, 74 (1977).

²⁷ See Definition of “Packaging,” GOOGLE, <http://google.com> (last visited Jan. 30, 2025) (emphasis added) (follow “Google” hyperlink; then input “packaging directions” into search bar; hit enter; see first provided definition). Other listed definitions include “materials used to enclose or contain something” and “a covering wrapper or container.” *Packaging*, MERRIAM-WEBSTER DICTIONARY, <https://www.merriam-webster.com/dictionary/packaging#:~:text=1,in%20a%20container%20or%20covering> (last visited Oct. 7, 2024) [<https://perma.cc/8UUE-JBPK>].

²⁸ Faïz Gallouj & Olivier Weinstein, *Innovation in Services*, 26 RSCH. POL’Y 537, 540 (1997); see LARA PENIN, AN INTRODUCTION TO SERVICE DESIGN: DESIGNING THE INVISIBLE 30 (2018) (explaining that services “are not tangible, not homogenous; they don’t last; and their production and consumption cannot be separated from each other” (italics omitted)).

²⁹ See GILBERT RYLE, THE CONCEPT OF MIND 16 (1949) (introducing the term “category-mistake”); Andrew Chin, *Ghost in the “New Machine”: How Alice Exposed Software Patenting’s Category Mistake*, 16 N.C. J.L. & TECH. 623, 628 (2015) (“A category mistake occurs when an entity is placed in the wrong category or is given an attribute that only entities in another category can have.”).

tertium quid is not “akin to product packaging,” but is rather what this Article labels “service dress.”

This distinction between product dress and service dress is supported by trademark law’s international classification system and the text of the Lanham (Trademark) Act. Each federal trademark or service mark application is assigned a number from 1 to 45, known as “international classes,” which categorize marks based on the associated goods or services. Goods are placed in classes 1 to 34 (trademarks), while services are in classes 35 to 45 (service marks).³⁰ For example, “mobile phones” are classified under class 9, while “restaurant services” fall under class 43.³¹ This distinction aligns with the text of the Lanham Act, which protects trade dress used “on or in connection with any *goods* [product design dress] or *services* [service dress], or any *container for goods* [product packaging dress].”³² As this Article will demonstrate, all the *tertium quid* cases involve subject matter in service classes, distinguishing them from product dress cases, which pertain to goods classes.

For trade dress, the trademark versus service mark distinction is not merely a rhetorical flourish. In recognizing that *tertium quid* is properly considered service dress, this Article looks to the related field of *service design* for legal insights as to its capacity to serve as a source indicator.³³ Derived from product design principles, service design is a unique design discipline involving “the application of established design process and skills to the development of services.”³⁴ The service design literature casts serious doubt on whether service dress should be eligible for trademark protection absent a showing of secondary meaning. That is, service design is not intended primarily to serve a brand-identifying trademark function, but rather to be “useful, usable, desirable, efficient,

³⁰ *Goods and Services*, USPTO, <https://www.uspto.gov/trademarks/basics/goods-and-services> (last visited Aug. 22, 2024) [<https://perma.cc/2KF4-FT22>].

³⁰ *Id.*

³¹ *See infra* Part III.C.

³² 15 U.S.C. § 1125(a)(1) (emphasis added).

³³ *Infra* Part IV.A.3. There is no field of “service packaging.”

³⁴ MARC STICKDORN & JAKOB SCHNEIDER, THIS IS SERVICE DESIGN THINKING: BASICS, TOOLS, CASES 33 (2011); *infra* Part IV.A.3.

and effective.”³⁵ Therefore, like Justice Scalia said of trade dress involving product design, service design “almost invariably serves purposes other than source identification.”³⁶ Under the veil of the *tertium quid* arcana, service dress has thus received a free conceptual pass in evading a secondary meaning requirement.

Furthermore, imposing a secondary meaning requirement for service dress serves the public interest by safeguarding against unwarranted commercial appropriation, while allowing a degree of freedom to copy.³⁷ Intellectual property laws do not universally discourage copying, as it can preserve economic and cultural competition.³⁸ In this context, requiring secondary meaning strikes a beneficial balance, particularly in an era where technological innovation continues to expand the boundaries of service design across physical and digital environments.³⁹

The remainder of this Article proceeds as follows. Part I provides relevant background on trade dress. Part I first reviews applicable trade dress principles and the doctrines of distinctiveness and functionality.

³⁵ Roberto M. Saco & Alexis P. Goncalves, *Service Design: An Appraisal*, 12 DESIGN MGMT. REV. 10, 12 (2008).

³⁶ See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 213 (2000); see also *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1009 (2d Cir. 1995) (noting that product design is not typically “intended” to be source-identifying and therefore most often lacks inherent distinctiveness).

³⁷ See *infra* Part IV.B.

³⁸ *TrafFix Devices, Inc. v. Mktg. Displays*, 532 U.S. 23, 29 (2001) (“[C]opying is not always discouraged or disfavored by the laws which preserve our competitive economy. Allowing competitors to copy will have salutary effects in many instances.” (internal citations omitted)); see *infra* Part IV.B.1; see also *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 375 (2d Cir. 1997) (“When evaluating [trade dress] claims, courts must not lose sight of the underlying purpose of the Lanham Act, which is protecting consumers and manufacturers from deceptive representations of affiliation and origin.”); *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60, 69 (S.D.N.Y. 2003) (explaining that trademark law “is not intended to enable monopolistic use of a commercial idea, but rather aims to guard against confusion in the marketplace that would harm both buyers and sellers”).

³⁹ See Deborah Perry Piscione & Josh Drean, *Yes, the Metaverse Is Still Happening*, Harv. Bus. Rev. (May 12, 2023), <https://hbr.org/2023/05/yes-the-metaverse-is-still-happening> [<https://perma.cc/P2AW-7YHP>] (explaining that “virtual representations of a physical object, person, or place,” dubbed “digital twins,” “enables a new world of possibilities for architecture, product design, and industrial automation for [brands]”); *infra* Part IV.B.2.

Part I then explores the Supreme Court’s controversial jurisprudence in this area, particularly the Court’s framework for evaluating the distinctiveness of (i) product packaging, (ii) product design, and (iii) “*tertium quid*” dress.

Part II focuses on the mystery surrounding the *tertium quid* concept. Part II first discusses the misleading *tertium quid* terminology and why Justice Scalia may have chosen to invoke it in *Wal-Mart Stores*. Part II then reviews the subject matter that has since been labeled as “*tertium quid*” dress, finding that nearly all the cases treat this category as “akin to product packaging” and thus eligible for protection based on inherent distinctiveness rather than requiring a showing of secondary meaning.

Part III offers a conceptual reframing of *tertium quid* as service dress. Part III first argues that equating *tertium quid* dress with product packaging amounts to a category mistake based on a failure to recognize the product-service distinction. Part III next provides background on the division between trademarks and service marks. Lastly, Part III demonstrates that each *tertium quid* case involves service mark-related subject matter.

Part IV argues for a secondary meaning requirement for service dress. Part IV first looks to the fields of (i) product packaging, (ii) product design and, as now relevant, (iii) service design. The service design literature casts serious doubt on service dress’ eligibility for immediate trademark protection given service design’s focus on non-trademark-related goals. Part IV finally provides policy-based rationales in support of a secondary meaning requirement for service dress.

The Article concludes by reiterating its central thesis. That is, a secondary meaning requirement for service dress — mirroring that currently required for product design dress — would be a prudent judicial or legislative reform.

I. TRADE DRESS OVERVIEW

This Part provides an overview of major concepts and cases helpful in understanding the laws of trade dress. This Part first covers relevant background on trade dress and the doctrines of functionality and distinctiveness. It then examines the Supreme Court’s controversial jurisprudence in this area, culminating in Justice Scalia’s articulation of

a tripartite framework consisting of (i) product packaging, (ii) product design, and, confusingly, (iii) “some *tertium quid*.”

A. Background

A judicially constructed term, trade dress is a subset of trademark law that focuses on the protection of certain unconventional marks.⁴⁰ That is, the Lanham Act protects word marks (e.g., NIKE) and logo marks (e.g., the NIKE swoosh).⁴¹ Trade dress, though, spans more diverse subject matter. Formerly confined to the wrapping or dressing of a product (“product packaging,” e.g., a Hershey’s wrapper), trade dress now also includes protection for the configuration of a product (“product design,” e.g., the red tab on Levi’s jeans) as well as the total image or overall appearance of a business (what this Article explains is “service dress,” e.g., the design of the Apple Store).⁴² The Supreme Court has defined trade dress 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.”⁴³

The statutory basis for the protection of trade dress derives from the Lanham Act’s broad definition of “trademark” (and later will be argued, also “service mark”): “[A]ny word, name, symbol, or device, or any combination thereof” that a person uses “to identify and distinguish his or her *goods* . . . from those manufactured or sold by others and to

⁴⁰ See *Home Builders Ass’n of Greater St. Louis v. L & L Exhibition Mgmt., Inc.*, 226 F.3d 944, 947 (8th Cir. 2000) (noting that “the parameters of the term trade dress, being entirely non-statutory, can be hard[] to discern”). A reference to trade dress has, however, since been added to Section 43(a)(3), which now refers specifically to “civil action[s] for trade dress infringement under this chapter for trade dress not registered on the principal register.” 15 U.S.C. § 1125(a)(3).

⁴¹ *Jack Daniel’s Properties, Inc. v. VIP Products LLC*, 599 U.S. 140, 145 (2023) (citing *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209-10 (2000)).

⁴² See *Wal-Mart Stores, Inc.*, 529 U.S. at 209-10.

⁴³ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 777 n.1 (1992) (emphasis added) (quoting *Allied Mktg. Grp. v. CDL Mktg., Inc.* 878 F.2d 806, 812 (5th Cir. 1989)). By comparison, the International Trademark Association (“INTA”) defines trade dress as “the overall commercial image (look and feel) of a *product or service* that indicates or identifies the source of the product or *service* and distinguishes it from those of others.” *Trade Dress*, INT’L TRADEMARK ASS’N, <https://www.inta.org/topics/trade-dress/> (last visited October 7, 2024) [<https://perma.cc/GK8J-YWYL>] (emphasis added).

indicate the source of the *goods*.”⁴⁴ According to the Supreme Court’s controversially expansive interpretation of the Lanham Act: “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.”⁴⁵ In fact:

[T]rade dress has been held to include such things as: the cover of a book, a magazine cover design, the use of a lighthouse as part of the design of a golf hole, the distinctive “G” shape of a Gucci watch, a combination of features of a folding table, a fish-shaped cracker, the “Marlboro Man” western cowboy motif, and . . . the layout and appearance of a mail-order catalog.⁴⁶

Like other trademarks, trade dress is capable of registration at the Patent and Trademark Office (“PTO”), yet can be protected even if it is unregistered.⁴⁷ To this end, Section 43(a) of the Lanham Act provides a civil action in favor of anyone who believes they are or may be damaged by use of a “false designation of origin, false or misleading description of fact, or false or misleading representation of fact.”⁴⁸ As such, plaintiffs in trade dress actions have freedom to claim broadly, often by reciting the various components of the trade dress in list format.⁴⁹ However,

⁴⁴ 15 U.S.C. § 1127 (emphasis added). Also defined in the same section is “service mark.” *Id.*

⁴⁵ *Wal-Mart Stores, Inc.*, 529 U.S. at 209-10 (2000) (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995)). This expansion of the Lanham Act’s subject matter has been much maligned by scholars. See, e.g., Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1688 (1999) (“Unfortunately, the changes in trademark doctrine over the last fifty years . . . have loosed trademark law from its traditional economic moorings and have offered little of substance to replace them.”).

⁴⁶ *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 630 (2002) (citing 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS § 8.4 (5th ed. 2024)).

⁴⁷ *Tumblebus Inc. v. Cranmer*, 399 F.3d 754, 760-61 (6th Cir. 2005) (explaining that Section 43(a) creates a “federal cause of action for infringement of [] trade dress that have not obtained federal registration”).

⁴⁸ 15 U.S.C. § 1125(a)(1).

⁴⁹ 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:3 (5th ed. 2024); see Jeanne C. Fromer & Mark P. McKenna, *Claiming Design*, 167 U. PA. L. REV. 123, 128-29 (2018) (examining the costs and benefits of design claims, including in the context of trade dress).

simply because a given trade dress is claimed does not make it protectable against infringing uses. As the Sixth Circuit puts it, “any ‘thing’ that dresses a *good* can constitute trade dress. Protectability is another matter entirely.”⁵⁰

To be considered protectable, trade dress must be both “nonfunctional” and “distinctive.”⁵¹ As Graeme Dinwoodie helpfully distinguishes the two doctrines, “Distinctiveness is a prerequisite for protection, and functionality restricts protection.”⁵² This Article focuses primarily on distinctiveness in following the jurisprudence of *Two Pesos Inc. v. Taco Cabana, Inc.* and *Wal-Mart Stores*, with functionality largely outside its scope. Nonetheless, a brief explanation of both doctrines — (i) functionality and (ii) distinctiveness — is helpful in grasping the doctrinal and conceptual issues at stake.

1. Functionality

To be protectable under the Lanham Act, trade dress must not be “functional.”⁵³ The functionality doctrine serves as a boundary between trademark and patent law, with the goal of allowing functional or useful features to remain freely available for competition.⁵⁴ It prevents brands

⁵⁰ *Abercrombie & Fitch Stores, Inc.*, 280 F.3d at 630 (emphasis added).

⁵¹ Once a trade dress is held to be both nonfunctional and distinctive, to be actionable it must also be shown that the defendant’s trade dress is confusingly similar to the plaintiff’s dress. *See, e.g., GeigTech East Bay LLC v. Lutron Elecs. Co.*, 352 F. Supp. 3d 265, 274 (S.D.N.Y. 2018) (“A product’s unregistered trade dress is protected if it is not functional and if there is a likelihood of confusion between a claimant’s product and a competing product.”).

⁵² Graeme B. Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, 84 IOWA L. REV. 611, 617 (1999).

⁵³ 15 U.S.C. § 1052(e)(5) (“No trademark . . . shall be refused registration on the principal register on account of its nature unless it . . . comprises any matter that, as a whole, is functional.”); *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 26 (2001); *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 164 (1995).

⁵⁴ *Home Builders Ass’n v. L & L Exhibition Mgmt., Inc.*, 226 F.3d 944, 948 (8th Cir. 2000). The Supreme Court has articulated the policy goals of the functionality doctrine as follows:

The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature. It is the province of patent law, not trademark law, to encourage

from monopolizing features essential to source identification under the guise of source identification. In *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, the Supreme Court held that a feature is functional if it is “essential to the use or purpose of the [trade dress] or if it affects the cost or quality of the [dress].”⁵⁵ In this case, the Court determined that the “dual-spring design” at the base of road signs, which helped withstand heavy winds, was functional and thus not protectable as trade dress.⁵⁶

Functionality can also include aesthetic aspects if those features provide a significant competitive advantage. Known as aesthetic functionality, this controversial doctrine applies when a product’s appearance is deemed essential to consumer preference or market competition, even if it does not enhance product utility.⁵⁷ A heart-shaped design, for example, is considered aesthetically functional because its design plays a role in customer appeal that competitors may

invention by granting inventors a monopoly over new product designs or functions for a limited time, after which competitors are free to use the innovation.

Qualitex Co., 514 U.S. at 164-65 (internal citations omitted); accord *TrafFix Devices*, 532 U.S. at 34-35.

⁵⁵ *TrafFix Devices*, 532 U.S. at 24 (quoting *Qualitex Co.*, 514 U.S. at 165). Prior to the Supreme Court’s landmark holding in *TrafFix Devices*, it had been the test that a trade dress was functional was one of competitive necessity; that is, if “exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.” *Qualitex Co.*, 514 U.S. at 165 (citing *Inwood Lab’ys, Inc. v. Ives Lab’ys., Inc.* 456 U.S. 844, 850 n.10 (1982)). A determination of functionality often involves considering the following “*Morton-Norwich* factors”: (1) the existence of a utility patent disclosing the utilitarian advantages of the design at issue; (2) advertising by the applicant touting the design’s utilitarian advantages; (3) facts regarding the availability of alternative designs; and (4) facts as to whether the design results from a comparatively simple or inexpensive manufacturing method. TMEP § 1202.02(a)(v); *In re Morton Norwich Prods., Inc.*, 671 F.2d 1332, 1340-41 (C.C.P.A. 1982).

⁵⁶ *TrafFix Devices*, 532 U.S. at 26.

⁵⁷ *Id.*; *Pagliero v. Wallace China Co.*, 198 F.2d 339, 344 (9th Cir. 1952); cf. *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 80-81 (2d Cir. 1990) (“By allowing the copying of an exact design without any evidence of market foreclosure, the *Pagliero* test discourages both originators and later competitors from developing pleasing designs. Our rejection of *Pagliero*, however, does not call for reversal.” (internal citations omitted)).

need to replicate.⁵⁸ In essence, utilitarian functionality pertains to features that are indispensable for product performance or cost efficiency, while aesthetic functionality applies to product (or service) features whose designs confer a competitive edge.

2. Distinctiveness

To qualify for protection, trade dress must be both non-functional and, like other marks, “distinctive” — capable of identifying and distinguishing the source of the goods or services with which it is used.⁵⁹ There are several benefits to protecting a distinctive mark (and to disallowing protection for a nondistinctive one). As Jeanne Fromer explains, protectability turns on distinctiveness because consumers would not be confused as to source “unless they recognize a particular designation as source-indicating in the first place.”⁶⁰ Also, businesses will be encouraged to invest in the quality of their goods or services if consumers have a means by which to associate a term or symbol with its goodwill.⁶¹ But if a non-distinctive mark is given protection, then disallowing other businesses from using it could impede their ability to compete effectively in the marketplace.⁶² And there are also cultural costs to taking a symbol out of the public domain and granting it to a single entity.⁶³ In policing these tradeoffs, trademark law recognizes two

⁵⁸ RESTATEMENT (FIRST) OF TORTS § 742 cmt. a (Am. L. Inst. 1938) (“A candy box in the shape of a heart may be functional, because of its significance as a gift to a beloved one, while a box of a different shape or the form in which a ribbon is tied around the box may not be functional.”).

⁵⁹ Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2028-29 (2005).

⁶⁰ Jeanne C. Fromer, *Against Secondary Meaning*, 98 NOTRE DAME L. REV. 211, 219 (2022). Here, Fromer makes a persuasive case against overreliance on the doctrine of secondary meaning, particularly as to the protectability analysis, though the applicability of her argument beyond the context of word marks remains uncertain. *Id.* at 225-26 n.93.

⁶¹ *Id.* at 219-20.

⁶² *Id.* at 220.

⁶³ See Katya Assaf, *The Dilution of Culture and the Law of Trademarks*, 49 IDEA: INTELL. PROP. L. REV. 1, 2-3 (2008) (“As cultural signs, trademarks occupy a rather central place in our society.”).

types of distinctiveness — (i) inherent distinctiveness and (ii) acquired distinctiveness (also referred to as secondary meaning).

a. Inherent Distinctiveness

Much of the time, trademark law uses the spectrum set out by Judge Friendly in *Abercrombie & Fitch v. Hunting World* to decide whether a given mark is inherently distinctive — when a mark’s “intrinsic nature serves to identify a particular source.”⁶⁴ Under the *Abercrombie* spectrum,⁶⁵ marks are grouped into five categories from least to most protectable: (i) generic;⁶⁶ (ii) descriptive;⁶⁷ (iii) suggestive;⁶⁸ (iv) arbitrary;⁶⁹ and (v) fanciful.⁷⁰ The *Abercrombie* spectrum is, as Barton

⁶⁴ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210 (2000) (quoting *Two Pesos, Inc., v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992)).

⁶⁵ See generally *Abercrombie & Fitch Co. v. Hunting World*, 537 F.2d 4 (2d Cir. 1976) (articulating the influential inherent distinctiveness taxonomy).

⁶⁶ Generic terms define a class of things, “e.g., BOOK STORE for a book store, BOTTLED WATER for bottled water, or LITE BEER for light beer.” Dustin Marlan, *Visual Metaphor and Trademark Distinctiveness*, 93 WASH. L. REV. 767, 796 (2018). For a persuasive linguistic challenge to trademark law’s exclusionary treatment of generic word marks, see generally Jake Linford, *A Linguistic Justification for Protecting “Generic” Trademarks*, 17 YALE J.L. & TECH. 110 (2015).

⁶⁷ “[D]escriptive marks convey an immediate idea of the ingredients, qualities, or characteristics of a related product or service (e.g., AMERICAN AIRLINES for a U.S.-based airline, ENTREPRENEUR for a business-oriented magazine, or SALTY for anchovies).” Marlan, *supra* note 66, at 796.

⁶⁸ Unlike descriptive marks, suggestive marks “require ‘imagination, thought and perception’ to reach a conclusion as to the nature of their associated products or services (e.g., KLONDIKE for ice cream, ROACH MOTEL for roach traps, or GREYHOUND for a bus service).” *Id.* at 797. In actuality, though, suggestive and descriptive marks may not be so dissimilar as to justify different treatment under trademark law. See Jake Linford, *The False Dichotomy Between Suggestive and Descriptive Trademarks*, 76 OHIO ST. L.J. 1371 (2015) (discussing the sometimes-illusory perceptual distinction metaphorical suggestiveness and metonymical descriptiveness).

⁶⁹ Marlan, *supra* note 66, at 797 (“While arbitrary marks have meaning in the everyday sense, that meaning bears no obvious, concrete to their associated product or service (e.g., NIKE for footwear, CAMEL for cigarettes, or APPLE for computers).”).

⁷⁰ Fanciful marks’ “only linguistic function is to identify the source of the products or services with which they are associated (e.g., PEPSI for a soft drink, XEROX for document services, or KODAK for imaging products).” *Id.* at 798. *But see* Jake Linford, *Are Trademarks Ever Fanciful?*, 105 GEO. L.J. 731, 734 (2017) (“[T]he presumption that a

Beebe puts it, a “hierarchy of figurativeness,”⁷¹ meaning that “[i]n general, a mark is inherently distinctive in inverse proportion to the degree to which it describes the product with which it is used.”⁷²

Generic marks are held to be per se unprotectable so as not to take commonplace words or symbols out of the public lexicon.⁷³ Descriptive marks, though, may be protected, but only upon a showing of secondary meaning. The rationale is that they are likely to be needed by competitors to also describe their own products and services, but nonetheless have the potential to serve as source-identifiers based on longstanding recognition in the market.⁷⁴ Thus, the law demands proof that the descriptive term is in fact a trademark — in other words, that “protection is appropriate only when their informational value as a source identifier exceeds the anticompetitive consequences.”⁷⁵ These policy concerns are less pressing in the case of suggestive, arbitrary, and fanciful marks, which are considered capable of inherent distinctiveness and thus able to be protected immediately based on their unique conceptual nature.⁷⁶

While reasonably coherent when used with word marks, the *Abercrombie* spectrum’s linguistics-centered taxonomy tends to break down when the mark at issue is a logo, color, or form of trade dress.⁷⁷ With these sorts of marks, courts and the PTO often invoke the four-part test derived by the Federal Circuit in *Seabrook Foods v. Barwell Foods*.⁷⁸ Under the *Seabrook* test, courts will consider four factors in determining whether an image-based mark is inherently distinctive.⁷⁹

fanciful mark has no inherent meaning is questionable in light of recent research into sound symbolism.”).

⁷¹ Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621, 670 (2004).

⁷² Barton Beebe & C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak?*, 92 N.Y.U. L. REV. 1339, 1346 (2017).

⁷³ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

⁷⁴ *See id.* at 10.

⁷⁵ Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661, 1672 (1999).

⁷⁶ *See Abercrombie & Fitch Co.*, 537 F.2d at 11.

⁷⁷ Marlan, *supra* note 66, at 804-06.

⁷⁸ 568 F.2d 1342 (C.C.P.A. 1977).

⁷⁹ *Id.* at 1344. The factors include: (i) whether the logo, color, or trade dress was a “common” basic shape or design; (ii) “whether it was unique or unusual in a particular

These factors are “variations on a theme rather than discrete inquiries,” with each being designed to get at whether the image in question is “commonplace” and therefore lacking conceptual distinctiveness.⁸⁰

Regarding trade dress, the difficulties in evaluating inherent distinctiveness are especially great. These challenges have led to many disputes among the various circuits as to the appropriate test(s) for making the determination, and vigorous debate as to whether trade dress is capable of being inherently distinctive at all.⁸¹ The stakes are also particularly high with respect to trade dress, as expansive nontraditional subject matter has the potential to affect competitive balance far more than word marks can.⁸² As discussed in the next subsection, the Supreme Court has determined that product design and color marks are, as a bright line rule, not allowed protection absent secondary meaning. As Justice O’Connor quipped at oral argument in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, “[I]t’s hard to know how to define inherently distinctive [trade dress] . . . it’s sort of like pornography: I know it when I see it.”⁸³

field”; (iii) whether the mark was, in connection with its goods or services, “a mere refinement of a commonly-adopted and well-known form of ornamentation”; and (iv) “whether it was capable of creating a commercial impression distinct from the accompanying words.” *Id.*

⁸⁰ *Amazing Spaces, Inc. v. Metro Mini Storage*, 608 F.3d 225, 244, 247 (5th Cir. 2010) (finding based on the *Seabrook* factors, the star logo at issue was not so “unique, unusual or unexpected” in the market that purchasers would perceive it as an inherently source-indicating mark).

⁸¹ *See, e.g., Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1008-09 (2d Cir. 1995) (holding that the claimant must prove that the primary purpose behind the design was to identify its product’s source); *Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1434 (3d Cir. 1994) (holding that to be distinctive a product design must be “(i) unusual and memorable; (ii) conceptually separable from the product; and (iii) likely to serve primarily as a designator of origin of the product”).

⁸² *See, e.g., Robert G. Bone, Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2158 (2004) (“This tension exists for all trademark cases, but it is much more severe for trade dress because the risks of monopoly and statutory conflict are more acute.”); Dinwoodie, *supra* note 52, at 632-33 (explaining that while “[a]ffording trademark rights in source-identifying words is minimally intrusive upon the competitive capacities of other producers,” “[p]rotecting nontraditional subject-matter such as designs . . . affect[s] the competitive balance reflected in that regime”).

⁸³ Transcript of Oral Argument at 3-4, *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (No. 99-150).

b. Acquired Distinctiveness

If a given mark is seen as lacking inherent distinctiveness — or is considered incapable of it as a bright line rule — that mark may still become distinctive if it acquires “secondary meaning.”⁸⁴ This acquired distinctiveness is said to occur when “in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.”⁸⁵ Put differently, secondary meaning is a measure not of the innate characteristics of a mark, but rather of consumer familiarity with it over time. Therefore, “it must be shown that the *primary* significance of the term in the minds of the consuming public is not the product [or service] but the producer.”⁸⁶

While generic words and images can acquire de facto secondary meaning, this level of distinctiveness generally does not create enforceable property rights,⁸⁷ as alluded to earlier. By contrast, certain other categories of marks — (i) descriptive word marks, (ii) marks consisting of a single color, and (iii) product design trade dress — are ineligible for inherent distinctiveness but can achieve protection through acquired secondary meaning. Acquiring this secondary meaning typically takes at least five years and requires extensive use of the mark, as well as advertising on the part of the trademark owner.⁸⁸ A well-known example is the red undersole of a Christian Louboutin shoe. While incapable of inherent distinctiveness due to its status as both color and product design, the red undersole is now a protectable mark due to its iconic status in the marketplace.⁸⁹

⁸⁴ Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 211 (2000).

⁸⁵ Inwood Lab’ys, Inc. v. Ives Lab’ys, Inc., 456 U.S. 844, 851 n.11 (1982); *see also* Ambrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1536 n.14 (11th Cir. 1986) (referring to secondary meaning as a “connection in the consumer’s mind between the mark and the product’s producer, whether that producer is known or unknown”).

⁸⁶ Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F. Supp. 129, 133 (S.D.N.Y. 1972).

⁸⁷ Linford, *supra* note 66, at 119-20 (“If a court concludes that the mark was ever a generic term, any source-signifying meaning the mark may have later acquired is dismissed as mere ‘de facto secondary meaning’ bearing no legal significance.”).

⁸⁸ DANIEL A. TYSVER, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1212 (2017), <https://www.bitlaw.com/source/tmep/1212.html> [<https://perma.cc/W9X2-RNW4>].

⁸⁹ Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc., 696 F.3d 206, 228 (2d Cir. 2012) (holding that the red undersole was protectable in circumstances

Unlike the subjective and intuitive judgments used to measure inherent distinctiveness, “[p]roof of secondary meaning entails vigorous evidentiary requirements.”⁹⁰ Direct evidence is the most helpful, consisting of consumer surveys which, while not always required, are “a valuable method of showing secondary meaning.”⁹¹ Circumstantial evidence is given less weight, but is still useful and includes “the length and manner of the use of the trade dress, the nature and extent of advertising and promotion of the trade dress, and the efforts made to promote a conscious connection by the public between the trade dress and the product’s source.”⁹² The factors, which vary by circuit, are weighted together in considering the circumstances to determine whether the requisite mental association exists in the minds of consumers.⁹³

B. Supreme Court Jurisprudence

The Supreme Court has taken up multiple cases in attempting to clear up confusion among the circuit courts as to whether various unconventional marks are capable of inherent distinctiveness, or instead require a showing of secondary meaning. While the Court has decided several other issues relating to trade dress generally,⁹⁴ the major rulings relevant to the doctrine of distinctiveness are *Two Pesos, Inc. v.*

where it contrasted with the rest of the shoe); *see also* Ayres & Tang, *supra* note 19, at 1191 (centering their empirical experiment on Louboutin’s red undersoles).

⁹⁰ *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 125 (4th Cir. 1990).

⁹¹ *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 43 (1st Cir. 2001).

⁹² *Id.*

⁹³ *See, e.g., Converse, Inc. v. Int’l Trade Comm’n*, 909 F.3d 1110, 1120 (Fed. Cir. 2018) (establishing the Federal Circuit’s “Converse factors” for secondary meaning, which include (i) consumer surveys designed to measure whether a given mark is associated with the particular source by the public; (ii) “length, degree, and exclusivity” of the mark’s use; (iii) the amount and methods of advertising used to promote the mark; (iv) the extent of sales and amount of customers; (v) whether the mark has been copied intentionally or not; and (vi) coverage of the mark by the media).

⁹⁴ Other relevant SCOTUS cases include *Jack Daniel’s Properties v. VIP Prods. LLP*, 599 U.S. 140 (2023) (regarding dilution of Jack Daniel’s product packaging dress); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003) (reflecting on the *Wal-Mart Stores* holding in a “reverse passing off” case); *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001) (focusing on trade dress functionality).

Taco Cabana, Inc. (1992), *Qualitex v. Jacobson Products, Inc.* (1995), and *Wal-Mart Stores v. Samara Brothers, Inc.* (2000). Each will now be discussed.

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

In *Two Pesos*, the Court held that trade dress can be protectable without a showing of secondary meaning.⁹⁵ Taco Cabana, a Tex-Mex fast-food chain, alleged that its competitor, Two Pesos, copied its distinctive trade dress, which included a festive and colorful design theme.⁹⁶ Taco Cabana described its trade dress as consisting of:

[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.⁹⁷

In ruling that Taco Cabana's trade dress did not require secondary meaning to be protectable, the Court upheld the earlier Fifth Circuit's decision. In doing so, the Court "unquestionably establishe[d] the legal principle that trade dress can be inherently distinctive."⁹⁸ As a result, Taco Cabana could proceed with its infringement claim against Two Pesos.⁹⁹

Justice White, who wrote the majority opinion, noted that the concept of secondary meaning does not appear in the text of Section 43(a) of the Lanham Act.¹⁰⁰ And White claimed that protecting trade dress — like

⁹⁵ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 763-64 (1992).

⁹⁶ *Id.*

⁹⁷ *Id.* at 765.

⁹⁸ *Wal-Mart Stores, Inc., v. Samara Bros., Inc.*, 529 U.S. 205, 215 (2000).

⁹⁹ *Two Pesos*, 505 U.S. at 776.

¹⁰⁰ *Id.* at 774. Justice White also noted that lower courts are not wrong to follow the *Abercrombie* classifications in evaluating a trade dress claim of this nature, though stopped short of overruling *Seabrook's* application to certain other potential trade dress claims. *Id.* at 773.

other marks — serves the Lanham Act’s purpose to “secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers.”¹⁰¹ A secondary meaning requirement for trade dress, White argued, would hinder the ability of the trade dress owner to maintain or improve its competitive position.¹⁰² This could have anticompetitive effects, creating burdens on startups and small businesses, especially ones launching new products or expanding into new markets.¹⁰³

While Justice White’s argument has certain merit, he failed to consider the competitive interest of, or effect on, second-in-time startups and small businesses looking to utilize elements of *others’* trade dress based on a lack of financial resources to develop their own. Moreover, the outcome of *Two Pesos* can be seen to have resulted in anticompetitive effects counter to the public interest. As a result of ongoing litigation, Taco Cabana was able to acquire Two Pesos for a modest \$22 million.¹⁰⁴ Consumers then had fewer choices available to them. And in treating all forms of trade dress as conceptually alike, the *Two Pesos* opinion was ripe for controversy.¹⁰⁵

2. *Qualitex Co. v. Jacobson Products Co.*

As with *Two Pesos*, the Supreme Court sought to resolve a circuit split, this time regarding the protectability of color marks in the 1995 case of *Qualitex Co. v. Jacobson Products Co.*¹⁰⁶ The subject matter involved Qualitex’s signature shade of green-gold color used on its “pads that it makes and sells to dry cleaning firms for use on dry cleaning presses,” which it accused Jacobson Products of infringing.¹⁰⁷ The Court held that

¹⁰¹ *Id.* at 773.

¹⁰² *Id.* at 774-75.

¹⁰³ *Id.* at 775.

¹⁰⁴ See Waylon Cunningham, *Restaurant Group Sells Taco Cabana for \$85 Million; Chain to Keep Headquarters in San Antonio*, SAN ANTONIO REPORT (July 1, 2021), <https://sanantonioreport.org/taco-cabana-sale/> [<https://perma.cc/YL6V-WDYZ>].

¹⁰⁵ See *infra* note 113.

¹⁰⁶ 514 U.S. 159 (1995).

¹⁰⁷ *Id.* at 161.

a mark consisting solely of a single color could be protectable under the Lanham Act, albeit only upon a showing of secondary meaning.¹⁰⁸

In doing so, the Court read the Lanham Act very broadly in supporting the inclusion of colors within the universe of things that would qualify as a mark.¹⁰⁹ In particular, the Court was persuaded that Section 1127 reads that trademarks “includ[e] *any* word, name, symbol, or device, or any combination thereof.”¹¹⁰ And considering that other unconventional marks — product shapes, sounds, scents, etc. — had been registered, colors too can satisfy the statutory definition of a trademark, which requires that a person “us[e] or inten[d] to use” the mark to “identify and distinguish his or her goods [or services] . . . and to indicate the source of the goods [or services].”¹¹¹

However, the Court pointed out that colors are not like “fanciful,” “arbitrary,” or “suggestive” words or designs, which can automatically inform a consumer that they refer to a given source.¹¹² By contrast, colors by their very nature, like descriptive marks, lack the capacity for inherent distinctiveness, Justice Breyer wrote for the unanimous Court.¹¹³ Yet over time, a color may acquire distinctiveness through secondary meaning, thereby becoming a source indicator once consumers grow accustomed to associating the color with a certain brand: “It is the source-distinguishing ability of a mark — not its ontological status as color, shape, fragrance, word, or sign — that permits it to serve these basic purposes.”¹¹⁴

¹⁰⁸ *Id.* at 163-64.

¹⁰⁹ For an illuminating analysis of color’s ability to function as a legally protected symbol, see generally Deborah R. Gerhardt & John McClanahan Lee, *Owning Colors*, 40 *CARDOZO L. REV.* 2483 (2018).

¹¹⁰ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 at 162 (citing 15 U.S.C. § 1127) (emphasis added) (alteration in original).

¹¹¹ *Id.* (first alterations in original).

¹¹² *Id.* at 162-63.

¹¹³ *Id.* at 163; *cf. In re Forney Indus., Inc.*, 955 F.3d 940, 945 (Fed. Cir. 2020) (holding that “color marks can be inherently distinctive when used on product packaging, depending upon the character of the color design”).

¹¹⁴ *Qualitex Co.*, 514 U.S. at 164 (citing William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 *J. L. & ECON.* 265, 290 (1987)).

3. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*

So far, trade dress — as defined in *Two Pesos* as one broad category — is protectable upon a showing of either inherent distinctiveness or secondary meaning. By contrast, according to *Qualitex*, color marks must acquire secondary meaning to be protectable. Lower courts continued to push back on the vague *Two Pesos* opinion, though, believing that product design dress differed in fundamental ways from product packaging dress and should thus be subject to a secondary meaning requirement.¹¹⁵ With pressure mounting, the Supreme Court took up yet another trade dress distinctiveness case in 2000, *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*¹¹⁶

In *Wal-Mart Stores*, the Supreme Court decided the question of whether Samara Brothers' seersucker children's clothing designs (considered to be product design and not packaging) could be protected, as trade dress, from a knock-off brand being sold at Wal-Mart.¹¹⁷ Motivated by various circuit court concerns that product design's

¹¹⁵ See *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 380 (2d Cir. 1997) ("While trademarking a generic term would create a monopoly in a necessary word or phrase, granting trade dress protection to an ordinary product design would create a monopoly in the goods themselves."); *Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 1001 (2d Cir. 1997) ("[A]pplying *Abercrombie* to product packaging serves the aims of the Lanham Act because consumers are more likely to rely on the packaging of a product than on the product's design as an indication of source."); *EFS Mktg., Inc. v. Russ Berrie & Co.*, 76 F.3d 487, 491 (2d Cir. 1996) ("[C]onsumers do not associate the design of a product with a particular manufacturer as readily as they do a trademark or a product-packaging trade dress."); *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1007 (2d Cir. 1995) ("Not only does the classification of marks into 'generic,' 'descriptive,' 'suggestive,' or 'arbitrary or fanciful' make little sense when applied to product features, but it would have the unwelcome, and likely unintended, result of treating a class of product features as 'inherently distinctive,' and thus eligible for trade dress protection, even though they were never intended to serve a source-identifying function."); *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 32 (2d Cir. 1995) (arguing that "overextension of trade dress protection can undermine restrictions in copyright and patent law that are designed to avoid monopolization of products and ideas"); *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1453 (3d Cir. 1994) ("[P]roduct configuration again differs dramatically from trademark and from product packaging, since the success of a particular product — especially if similar competing products exist — does not readily lead to the inference of source identification.")

¹¹⁶ *Wal-Mart Stores v. Samara Brothers, Inc.*, 529 U.S. 205 (2000).

¹¹⁷ *Id.* at 207-08.

immediate trademark protection could lead to anti-competitive effects, the Court held that product design dress — unlike product packaging dress — lacks the capacity for inherent distinctiveness as a bright line rule.¹¹⁸

In support of this distinction, Justice Scalia explained that purchasers do not tend to view product designs in the same way as other trademarkable symbols, because producers do not *intend* product designs to be source-identifying. As Justice Scalia put it, “The attribution of inherent distinctiveness to certain categories of word marks and product packaging derives from the fact that *the very purpose* of attaching a particular word to a product, or encasing it in a distinctive packaging, is most often to identify the source of the product.”¹¹⁹ But product design, on the other hand, “*almost invariably* serves purposes other than source identification.”¹²⁰ Thus, “design, like color, is not inherently distinctive” given that “consumer predisposition to equate the feature with the source does not exist.”¹²¹ Indeed, “[c]onsumers are aware of the reality that, *almost invariably*, even the most unusual of product designs — such as a cocktail shaker shaped like a penguin — is intended not to identify the source, but to render the product itself more useful or more appealing.”¹²²

By so requiring secondary meaning for product design dress, *Wal-Mart Stores* made it more difficult for producers to prove that their product designs were protectable trademarks and thus had been infringed by competitors, allowing for a degree of freedom to copy. But in distinguishing the subject matter of this case from the earlier *Two Pesos* opinion, Justice Scalia did something else, too. He cryptically suggested that beyond product design and product packaging, a third, indeterminate category of trade dress exists — “some *tertium quid*.”¹²³

¹¹⁸ *Id.* at 208; accord *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 36 (2003) (reiterating *Wal-Mart Stores*’ holding “that the designs could not be protected under [Section] 43(a) without a showing that they had acquired ‘secondary meaning,’ so that they ‘identify the source of the product rather than the service itself’” (internal citation omitted)).

¹¹⁹ *Wal-Mart Stores, Inc.*, 529 U.S. at 212 (emphasis added).

¹²⁰ *Id.* at 213 (emphasis added).

¹²¹ *Id.* at 212-13.

¹²² *Id.* at 213 (emphasis added).

¹²³ *Id.* at 215.

This rhetorical move was likely a method of saving face for the Court. That is, Justice Scalia needed a conceptual mechanism for distinguishing restaurant décor (previously held capable of inherent distinctiveness) from product design (now considered incapable of such), without overruling the previous *Two Pesos* holding outright. Justice Scalia wrote:

The trade dress at issue [in *Two Pesos*], the décor of a restaurant, seems to us not to constitute product *design*. It was either product packaging — which, as we have discussed normally *is* taken by the consumer to indicate origin — or else some *tertium quid* that is akin to product packaging and has no bearing on the present case.¹²⁴

Thus, *Wal-Mart Stores* has been viewed as articulating three types of trade dress: (i) product packaging, (ii) product design, and (iii) an undefined “*tertium quid*.” To this end, the Supreme Court drew a bright line between the first two categories — product packaging and product design. While product packaging dress may be inherently distinctive, product design dress (as well as color marks) can never be treated as inherently distinctive; protectability now always requires proof of secondary meaning. As for the third category, though, as Doris Long puts it, the Court’s “test is far from comforting . . . a new category of trade dress referred to as ‘*tertium quid*’ [has been created] for which no test for application has been given, but for which inherent distinctiveness might exist.”¹²⁵

Indeed, scholars continue to express frustration with the unclear *tertium quid* designation. As Mark Lemley and Mark McKenna write, “Not only did that treatment undermine the Court’s default rule, under which hard cases were to be treated as design, but it raised the prospect that other forms of trade dress might also be ‘*tertium quid*.’”¹²⁶ Ian Ayres and Xiyin Tang remark that “[i]t can be difficult in some situations to distinguish packaging dress from design dress or what Justice Scalia

¹²⁴ *Id.*

¹²⁵ Doris Estelle Long, *First, “Let’s Kill All the Intellectual Property Lawyers!”: Musings on the Decline and Fall of the Intellectual Property Empire*, 34 J. MARSHALL L. REV. 851, 886 (2001).

¹²⁶ Lemley & McKenna, *supra* note 5, at 20-21.

referred to as ‘*tertium quid*’ dress.”¹²⁷ Graeme Dinwoodie explains that “[t]he Court’s dicta suggesting that the stricter rule [requiring secondary meaning for product design] may not apply to packaging or some ‘*tertium quid*’ merely invites litigation on whether a claimed trade dress constitutes a ‘*tertium quid*’ akin to packaging rather than design.”¹²⁸ Lucas Osborn notes that “[t]he Court . . . troublingly punted on the tough boundary between product packaging and design. It asserted that the issue in *Two Pesos*, restaurant décor, was ‘either product packaging . . . or else some *tertium quid*.’”¹²⁹ And Lars Smith suggests a *tertium quid* conundrum: “Instead of Scalia’s clean break between packing and design, we have three possible categories of trade dress: packaging, product design and the undefined *tertium quid*.”¹³⁰

II. ALCHEMICAL TRADE DRESS

In seeking to demystify the *tertium quid*, this Part first discusses the esoteric nature of the term and speculates as to why Justice Scalia chose to use it in describing the décor at issue in *Two Pesos*. This Part then reviews the post-*Wal-Mart* case law involving *tertium quid* trade dress, finding that its ontology remains a mystery to most courts (in reality, it is service dress). Regardless, most cases blindly analogize this category of trade dress to product packaging, and hence deem it eligible for inherent distinctiveness — and thus immediate trademark protection — despite their confusion regarding its true conceptual nature.

¹²⁷ Ayres & Tang, *supra* note 19, at 1213 n.104. Ayres and Tang also remarked that “as with the Court’s delineation of a third category of ‘*tertium quid*’ (in Latin, ‘a third thing’), it seems bizarre to determine that the restaurant décor at issue in *Two Pesos* constitutes product packaging or something akin to product packaging, and not something more akin to the product.” *Id.* at 1195 n.16.

¹²⁸ Graeme B. Dinwoodie, *The Rational Limits of Trademark Law*, 6 INT’L INTELL. PROP. L. & POL’Y 20–1, 20–11 (2001) (emphasis added).

¹²⁹ Lucas S. Osborn, *Trademark Boundaries and 3D Printing*, 50 AKRON L. REV. 865, 873 n.44 (2017).

¹³⁰ Lars Smith, *Trade Distinctiveness: Solving Scalia’s Tertium Quid Trade Dress Conundrum*, 2005 MICH. ST. L. REV. 243, 249 (2005).

A. *The Tertium Quid Metaphor*

An obscure Latin term, *tertium quid* refers to an “unidentified element present in a combination of two known ones.”¹³¹ It is not a Latinism commonly employed in law. As Lars Smith points out, there is no entry for “*tertium quid*” in the first seven editions of Black’s Law Dictionary. The term was, however, added in the eighth edition that was published in 2004 following the *Wal-Mart Stores* decision. Black’s now defines *tertium quid* as “[a] third thing that has qualities distinct from the prior two components.”¹³² Merriam-Webster defines it as a “middle course or an intermediate component.”¹³³ In this sense, the term “encapsulates the idea of mixing two unique ontological elements together, thereby transforming them into a third, new and unique element.”¹³⁴ Regarding trade dress, this mediating substance is widely considered to be a product-related hybrid of packaging and design.

Eric Goldman has pointed out that the term *tertium quid* has historically been associated with the arcane practice of alchemy, “where alchemists would use two inputs to try to produce gold (the third thing).”¹³⁵ Along these lines, a 1724 Bailey’s English Dictionary definition for “Tertium Quid” reads “among Chymyfts [Alchemists], the Result of the Mixture of some two things, which forms something very different.”¹³⁶ And according to religious studies scholar N.J. Girardot,

¹³¹ *Tertium Quid*, ONLINE ETYMOLOGY DICTIONARY, <https://www.etymonline.com/word/tertium%20quid> (last updated Feb. 22, 2024) [<https://perma.cc/DUC6-58KJ>].

¹³² *Tertium Quid*, BLACK’S LAW DICTIONARY (11th ed. 2019).

¹³³ *Tertium Quid*, MERRIAM-WEBSTER DICTIONARY, <https://www.merriam-webster.com/dictionary/tertium%20quid> (last visited Nov. 12, 2024) [<https://perma.cc/TSF4-XYSW>]; See also Smith, *supra* note 130, at 249 n.34 (citing WEBSTER’S REVISED UNABRIDGED DICTIONARY (2004) for the definition as “[a] third somewhat; something mediating, or regarded as being, between two diverse or incompatible substances, natures, or positions”).

¹³⁴ Douglas Estes, *Tertium Quid*, in THE ENCYCLOPEDIA OF CHRISTIAN CIVILIZATION 2338, 2338 (George Thomas Kurian ed., 2011).

¹³⁵ Eric Goldman, *Introducing the Tertium Quid Blog*, FORBES (July 9, 2012, 10:06 AM), <https://www.forbes.com/sites/ericgoldman/2012/07/09/introducing-the-tertium-quid-blog/?sh=3383642f3760> [<https://perma.cc/UW9N-SGFT>].

¹³⁶ NATHAN BAILEY, *Tertium Quid*, AN UNIVERSAL ETYMOLOGICAL ENGLISH DICTIONARY (2d ed. 1724).

“[T]he Western alchemical tradition . . . frequently involves the idea of the *tertium quid* or mediating third term unifying the opposites.”¹³⁷

So why did Justice Scalia reference the term in *Wal-Mart Stores*? As is widely known, Scalia was a staunch constitutional originalist and a devout Catholic. As George Kannar notes, “[A]s a pre-Vatican II Roman Catholic, Scalia absorbed very early a particular formalistic vision of how one perceives and evaluates the world, as well as a particularly literalistic view of what one does with texts.”¹³⁸ Moreover, Kannar points out that Scalia’s family’s recent immigrant status suggests that linguistics was central to Scalia’s intellectual development, and the “daily experience of Catholics of his generation involved a considerable exposure to Latin.”¹³⁹

Justice Scalia may have been familiar with the term as the name of a political party — the “Tertium Quids,” or “Quids” for short — that originated in 1804 and was known for its originalist approach to Constitutional interpretation.¹⁴⁰ Or perhaps Scalia recognized the term as the theological formulation used in the Christology controversies of the early Christian Church — a “tertium quid” Christology views Jesus Christ as neither truly God or truly man, but as a unique “third thing.”¹⁴¹ Thus, while he likely borrowed *tertium quid* from its uses in originalist politics or Christian theology, his use of it in the trade dress context was decidedly alchemical in its occult-like aspect. Indeed, through a sort of word magic, Scalia’s invocation of the term as a spurious attempt to reconcile *Two Pesos* and *Wal-Mart Stores* had the effect of conjuring a mysterious conflation between services and product packaging that has bewitched courts and commentators ever since.

¹³⁷ N.J. GIRARDOT, MYTH AND MEANING IN EARLY TAOISM: THE THEME OF CHAOS (HUN-TUN) 295 (1983).

¹³⁸ George Kannar, Comment, *The Constitutional Catechism of Antonin Scalia*, 99 YALE L.J. 1297, 1300 (1990).

¹³⁹ *Id.* at 1308-09 n.53.

¹⁴⁰ See Andrew Shankman, *Malcontents and Tertium Quids: The Battle to Define Democracy in Jeffersonian Philadelphia*, 19 J. EARLY REPUBLIC 43, 44 (1999) (“[M]oderate Jeffersonians (called derisively the Tertium Quids or ‘third whats’ by contemporary opponents) soberly sought to redefine democracy so that it would not encourage what they identified as perpetual and anarchic political and social convulsion.”).

¹⁴¹ ESTES, *supra* note 134, at 2338.

B. *The Tertium Quid Cases*

Justice Scalia's invocation of "some *tertium quid*" did not create, out of whole cloth, a brand-new category of trade dress. Rather, the appearance of restaurants, stores, and service outlets was claimed as trade dress long before the *Wal-Mart Stores* and *Two Pesos* cases were decided.¹⁴² But what Justice Scalia did by calling service dress "some *tertium quid* that is akin to product packaging" was to erroneously equate "services" with "products" and with "packaging" in the minds of courts and commentators. Thus, post-*Wal-Mart Stores*, nearly every decision involving service dress has received a free conceptual pass with authorities believing that service dress *is*, or is *like*, product packaging and thus capable of inherent distinctiveness under the Supreme Court's framework. And while most decisions ultimately conclude that the service dress at issue lacks inherent distinctiveness, this doctrinal uncertainty over whether service dress qualifies as inherently distinctive trade dress creates a chilling effect on competition. The uncertain landscape can deter businesses from entering the market due to the potential risk of receiving demand letters or facing other forms of legal pressure. This *tertium quid* line of cases will now be examined.

The sole decision finding *tertium quid* dress to be like product design rather than packaging — and thus requiring secondary meaning to be protectable — was the First Circuit's *Yankee Candle Co. v. Bridgewater Candle Co.* (2001).¹⁴³ This prototypical interpretation of the Supreme Court's trade dress framework involved a "combination of elements comprising [Yankee Candles'] candle sizes and shapes, quantities sold, labels, Vertical Design System, and catalog."¹⁴⁴ In claiming that its trade dress was inherently distinctive, "Yankee argue[d] that because its products are candles, all the trappings associated with the sale of the candle . . . constitute product packaging, or at the very least a '*tertium*

¹⁴² See, e.g., *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 841 (9th Cir. 1987) (involving décor of Fuddruckers hamburger chain); *Prufrock, Ltd. v. Lasater*, 781 F.2d 129, 131 (8th Cir. 1986) (involving protectability of a "full-service restaurant, serving down home country cooking, in a relaxed and informal atmosphere, with a full-service bar"); *Rally's, Inc. v. Int'l Shortstop, Inc.*, 776 F. Supp. 451, 452 (E.D. Ark. 1990) (involving protectability of Rally's drive-thru restaurants).

¹⁴³ 259 F.3d 25, 41 (1st Cir. 2001).

¹⁴⁴ *Id.* at 40.

quid [] akin to product packaging,' categories of trade dress that may be inherently distinctive."¹⁴⁵ Yet in an odd maneuver, the First Circuit distinguished Yankee Candle's trade dress from *Two Pesos*: "Yankee has not made a claim as to the *overall* appearance of an entire store, but has instead isolated certain characteristics of its candle display in stores. This [is] far closer to the design/configuration category."¹⁴⁶ Why the First Circuit believed that the scale of the trade dress at issue was dispositive of the packaging/design distinction is not clear, though, and the remainder of the cases interpret *tertium quid* dress as akin to product packaging.

In *Vasquez v. Ybarra* (2001), the U.S. District Court for the Southern District of Kansas determined that copyrighted menus from a Mexican restaurant were like product packaging, and inherently distinctive.¹⁴⁷ To this end, the court remarked: "This is not a case in which product design is alleged to have been infringed Rather, the menu in this case is akin to the restaurant décor in *Two Pesos*, a '*tertium quid*' the Court found similar to product packaging."¹⁴⁸ In applying the *Abercrombie* spectrum, the court found the menus to be suggestive because their "festive, Mexican flair" "subtly connote[s] something about the product' and 'requires imagination, thought and perception to reach a conclusion as to the nature of the goods."¹⁴⁹

Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc. (2002) involved the protectability of the interior décor and "A&F Quarterly" catalog of retailer Abercrombie & Fitch, which it accused "copycat" American Eagle of infringing.¹⁵⁰ Although the interior décor of Abercrombie's stores amounted to what the court considered to be an unprotectable abstract marketing theme, the Sixth Circuit held that its Quarterly catalog, in following *Wal-Mart Stores*, constitutes "some *tertium quid* that is akin to product packaging' that would normally be

¹⁴⁵ *Id.*

¹⁴⁶ *Id.* at 41 (emphasis added).

¹⁴⁷ *Vasquez v. Ybarra*, 150 F. Supp. 2d 1157, 1175-76 (D. Kan. 2001).

¹⁴⁸ *Id.* at 1175 n.18 (italics omitted).

¹⁴⁹ *Id.* at 1176 (internal quotation marks omitted).

¹⁵⁰ *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 625-26 (6th Cir. 2002).

taken by consumers as an indication of source.”¹⁵¹ The court concluded that Abercrombie’s catalog was inherently distinctive and thus protectable trade dress. But it ruled that no infringement had in fact occurred based on the stylistic differences inherent to American Eagle’s own catalog.¹⁵²

Best Cellars, Inc. v. Wine Made Simple, Inc. (2003) involved the trade dress of retail wine stores. Here, “[t]he interior design included wine racks built into a wall, which consist of tubes to hold bottles of wine horizontally, creating the appearance of a grid of steel rimmed holes in a light wood-paneled wall.”¹⁵³ The U.S. District Court for the Southern District of New York analogized this trade dress to product packaging:

Unlike more traditional trade dress cases that concern product packaging . . . or product designs . . . , this case concerns the interior décor of a retail establishment where customers purchase other products. In this, the case is similar to *Two Pesos*, which concerned the interior décor of Mexican-themed restaurants. . . . As the Supreme Court explained, the interior décor category fits awkwardly into the classifications of trade dress law, constituting either product packaging or a “*tertium quid*” akin to product packaging. Interior décor is thus clearly not product design. Accordingly, it is appropriate to analyze the Best Cellars’ interior décor trade dress under the product packaging standard for inherent distinctiveness set forth in this Circuit by Judge Friendly in *Abercrombie*¹⁵⁴

In *Dino Drop, Inc. v. Chase Bar & Grill, LLC* (2011), the U.S. District Court for the Eastern District of Michigan considered a restaurant menu, similar to the subject matter of the previously discussed *Ybarra* case, to be *tertium quid* dress, and thus akin to product packaging.¹⁵⁵ The

¹⁵¹ *Id.* at 633 n.10.

¹⁵² *Id.* at 647.

¹⁵³ *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60, 66 (S.D.N.Y. 2003); *see also* *Best Cellars, Inc. v. Grape Finds at Dupont, Inc.*, 90 F. Supp. 2d 431, 451 (S.D.N.Y. 2000) (involving similar claim by Best Cellars against a different defendant).

¹⁵⁴ *Wine Made Simple, Inc.*, 320 F. Supp. 2d at 69-70 (internal citations omitted).

¹⁵⁵ *Dino Drop, Inc. v. Chase Bar & Grill, LLC*, No. 09-CV-10759, 2011 WL 739094, at *11 (E.D. Mich. Feb. 24, 2011).

court explained: “This language [‘some *tertium quid*’] can apply to a restaurant menu. The Court finds that the menu in the instant case, and the items and descriptions in that menu, were so closely related to Plaintiff’s restaurant so as to be an indication of their source.”¹⁵⁶ Hence, the menus were considered to be “packaging” eligible for inherent distinctiveness.¹⁵⁷

Happy’s Pizza Franchise, LLC v. Papa’s Pizza, Inc. (2013) involved trade dress claims “comprised of the expansive menu, granite countertops, black industrial style rugs, back-lit signage, neon signage, steel shelving, stacked pizza boxes, and ceramic tiled floors and walls.”¹⁵⁸ The Eastern Michigan District Court again considered the décor at issue to constitute a “*tertium quid*” akin to product packaging,” and applied the *Abercrombie* spectrum.¹⁵⁹ Unlike the *Best Cellars* case, though, the court decided that the decor was not inherently distinctive because “[t]here is no evidence Happy’s combination of these elements, including their menu, is original in design similar to the store *Best Cellars*.”¹⁶⁰

Barteca Holdings LLC v. Coastal Taco LLC (2016) involved the alleged infringement of chain restaurant Bartaco’s trade dress, which includes trade dress elements such as “food served on rimmed trays,” “a menu that features certain specific non-traditional taco fillings,” and a “blue-and-white colorblock paint scheme executed most prominently on clapboard-style wooden boards and unfinished concrete.”¹⁶¹ The U.S. District Court for the Northern District of Ohio classified these “visual design elements” as “*tertium quid*” akin to product packaging” and found the *Abercrombie* spectrum of inherent distinctiveness applicable.¹⁶² The claim, though, was ultimately dismissed due to the lack of trade dress uniformity among the various Bartaco locations.¹⁶³

¹⁵⁶ *Id.*

¹⁵⁷ *See id.*

¹⁵⁸ *Happy’s Pizza Franchise, LLC v. Papa’s Pizza, Inc.*, No. 10-15174, 2013 WL 308728, at *4 (E.D. Mich. Jan. 25, 2013).

¹⁵⁹ *Id.* at *3.

¹⁶⁰ *Id.* at *4.

¹⁶¹ *Barteca Holdings LLC v. Coastal Taco LLC.*, No. 16-CV-1498, 2016 WL 4168018, at *3 (N.D. Ohio Aug. 8, 2016).

¹⁶² *Id.*

¹⁶³ *Id.* at *5.

Similarly, *Barrio Bros., LLC v. Revolucion LLC* (2018) involved the alleged appropriation of restaurant “look and feel” for Barrio’s build-your-own taco concept, which relied “heavily on the black and white Day of the Dead-themed murals painted throughout their restaurant.”¹⁶⁴ Like previous cases, the U.S. District Court for the Northern District of Ohio again concluded that the interior décor at issue was “a *tertium quid*’ akin to product packaging.”¹⁶⁵ The court proceeded to evaluate inherent distinctiveness under some application of the *Seabrook* test, finding it lacking, however, due to its commonplace design.¹⁶⁶

Eastpointe DWC, LLC v. Wing Snob, Inc. (2021) involved the décor of the Detroit Wing Company restaurant, which employed “logos, a unique color palette . . . , barnwood interiors that are unusual in the wing business, and ledgestone exteriors” as well as a “wing-focused menu.”¹⁶⁷ The U.S. District Court for the Eastern District of Michigan concluded that the trade dress was “either product packaging or a *tertium quid*’ akin to product packaging” and thus eligible for inherent distinctiveness.¹⁶⁸ However, the court concluded that the trade dress was not inherently distinctive because “there is nothing that would alert customers that they are in Plaintiff’s restaurants.”¹⁶⁹

Several other service dress cases do not mention Justice Scalia’s “some *tertium quid*” language per se, but still invoke *Wal-Mart Stores* for the proposition that the experiential subject matter is akin to product packaging and thus capable of inherent distinctiveness.¹⁷⁰ The only

¹⁶⁴ *Barrio Bros., LLC v. Revolucion, LLC*, No. 18-CV-02052, 2021 WL 2895509, at *12 (N.D. Ohio July 9, 2021).

¹⁶⁵ *Id.* at *9.

¹⁶⁶ *Id.* at *10.

¹⁶⁷ *Eastpointe DWC, LLC v. Wing Snob Inc.*, No. 19-13768, 2021 WL 4478749, at *4 (E.D. Mich. Sept. 30, 2021).

¹⁶⁸ *Id.* at *3 (emphasis added).

¹⁶⁹ *Id.* at *4.

¹⁷⁰ See *Miller’s Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 702 F.3d 1312, 1315, 1322–23 (11th Cir. 2012) (involving “trade dress rights in the interior decoration of [Miller’s Ale House] restaurants”); *In-N-Out Burgers v. Doll N’ Burgers LLC*, No. 20-11911, 2022 WL 791924, at *18 (E.D. Mich. Mar. 14, 2022) (involving trade dress of a well-known burger chain); *HI Ltd. P’ship v. Winghouse of Fla., Inc.* 347 F. Supp. 2d 1256, 1259 (M.D. Fla. 2004) (involving trade dress of Hooters’ sports bars and grills, including server uniforms); see also *Clicks Billiards Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1262 (9th Cir. 2001) (involving a claim of acquired distinctiveness as to pool hall décor, though

court that appears to have explicitly recognized the connection between the décor in *Two Pesos* and service marks, though, was the Federal Circuit's *In re Chippendales USA, Inc.*

In *In re Chippendales USA, Inc.* (2010), the Federal Circuit upheld the TTAB's refusal to recognize Chippendales' "Cuffs & Collar" mark as inherently distinctive, although the mark had been registered on the basis of acquired distinctiveness under Section 2(f). Chippendales sought this additional finding of inherent distinctiveness to potentially expand the mark's enforceability but was ultimately unsuccessful.¹⁷¹ The Federal Circuit explained that, under the *Seabrook* distinctiveness test, the "Cuffs & Collar Mark" lacked inherent distinctiveness.¹⁷² It saw fit to use *Seabrook* because the "Cuffs & Collar worn by Chippendales dancers constitutes 'trade dress' because it is part of the 'packaging' of the 'product,' which is '[a]dult entertainment services, namely exotic dancing for women.'"¹⁷³ In doing so, the Federal Circuit explicitly (no pun intended) articulated that service dress is capable of inherent distinctiveness, though Chippendales' particular mark was found to lack it.¹⁷⁴

The TTAB has also opined on trade dress involving services. The decision in *In re Frankish Enterprises Ltd.* (2015) represents perhaps the most comprehensive understanding of service dress to date by a tribunal.¹⁷⁵ Here, the TTAB interpreted the Supreme Court's jurisprudence as holding that "trade dress for services may be inherently distinctive."¹⁷⁶ The mark at issue was a three-dimensional "monster

not evaluating inherent distinctiveness); *Katiroll Co. v. Kati Roll and Platters Inc.*, No. 10-3620, 2011 WL 346502, at *7 (D.N.J. Feb. 1, 2011) (evaluating whether the service dress had acquired secondary meaning, though not involving inherent distinctiveness claim).

¹⁷¹ *In re Chippendales USA, Inc.*, 622 F.3d 1346, 1358 (Fed. Cir. 2010).

¹⁷² *Id.* at 1356-57.

¹⁷³ *Id.* at 1351 (alteration in original) (emphasis added).

¹⁷⁴ *Id.* at 1356 ("It is incorrect to suggest that no costume in . . . the live adult entertainment industry could be considered inherently distinctive.").

¹⁷⁵ *In re Frankish Enters.*, 113 U.S.P.Q.2d 1964, *3 (T.T.A.B. 2015); see also *In re Chevron Intell. Prop. Grp., LLC*, 96 U.S.P.Q.2d 2026, 2026, 2028 (T.T.A.B. 2010) (regarding registration of the design of a "stylized pole spanner sign" for "vehicle service station services and automobile maintenance and repair services," considered product packaging dress eligible for inherent distinctiveness).

¹⁷⁶ *In re Frankish Enterprises*, 113 U.S.P.Q.2d at 1970.

truck” cab body in the design of a “fanciful, prehistoric animal” registered for “[e]ntertainment services, namely, performing and competing in motor sports events in the nature of monster truck exhibitions.”¹⁷⁷ The TTAB explained that “Applicant does not seek registration of its design for a *product*, it seeks registration of its ‘fanciful, prehistoric animal’ design for its monster truck exhibition *services*.”¹⁷⁸ “[U]nder *Two Pesos*,” the TTAB continued, “trade dress for services may be inherently distinctive. . . . [T]he ‘fanciful, prehistoric animal’ design is akin to the packaging of what is being sold.”¹⁷⁹ But unlike the courts who stopped at this conclusory analysis, the TTAB went further and described *why* it viewed the service mark trade dress to be akin to product packaging: because the monster truck services “could be performed with or without the ‘fanciful, prehistoric animal’ design on the outside of the truck, just as Taco Cabana’s service of offering Mexican food to restaurant customers could be performed without the particular interior design found to be inherently distinctive in *Two Pesos*.”¹⁸⁰

This “conceptual separability” analysis appears to draw influence from the Third Circuit’s pre-*Wal-Mart Stores* opinion, *Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.* There, the Third Circuit held that for a product design to be inherently distinctive, it needed not just be unusual and memorable, but its source-indicating capacity had to be “conceptually separable from the product.”¹⁸¹ The *Duraco Products* holding makes rational sense, at least. Under such a test, can the service be *performed* without the claimed trade dress at issue? If so, it is similar to product packaging and should be eligible for inherent distinctiveness. If not, it is similar to product design and requires secondary meaning. This sort of a “service performance test,” if employed, would be superior to the current conclusory conceptual lumping of all service dress into the product packaging category.

However, this line of inquiry begs the question of whether the commodity at issue is so inseparable from the experience of consuming

¹⁷⁷ *Id.* at 1965.

¹⁷⁸ *Id.* at 1970.

¹⁷⁹ *Id.*

¹⁸⁰ *Id.*

¹⁸¹ *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1449 (3d Cir. 1994).

it that such lines can be justifiably drawn between what can be performed with or without what aspect of the service. In *Duraco Products*, to be conceptually separable,

the configuration for which protection [was] sought must not [have] appear[ed] to the consumer as a mere component, or the essence, of the product gestalt, but rather must [have] appear[ed] as something attached (in a conceptual sense) to function in actuality as a source designator — it must appear to the consumer to act as an *independent signifier* of origin rather than as a component of the good.¹⁸²

As applicable to services, for instance in *Two Pesos*, is the “restaurant service” purely of “offering Mexican food,” or also the ambience, architecture, and atmosphere at issue? We live in an “experience economy” where the answer is most often the latter.¹⁸³ In other words, consumers choose restaurants based not just on food quality, but on atmospherics as well, and thus the latter should not function as an “*independent signifier of origin*” under *Duraco Products*.

In fact, the issue of whether restaurant décor was conceptually separable “packaging” was hotly debated at the oral arguments in both *Two Pesos* and *Wal-Mart Stores*, despite not being heavily analyzed in the eventual written opinions. The next Part will examine this issue at the heart of the category mistake that led to the conflation of service dress and product packaging.

III. SERVICE DRESS

This Part explains that *tertium quid* trade dress relates not to anything truly mysterious, but instead to intangible trade dress involving services. Put differently, *tertium quid* trade dress is alchemical jargon for a form of *service mark* distinct from product packaging or product design dress, which are forms of *trademark*. This Part first addresses the categorical error in which the trade dress in *Two Pesos* was mistakenly classified as a form of “product” and “packaging” despite not being a literal product or wrapper. It then discusses trademark law’s

¹⁸² *Id.* at 1449-50 (emphasis added).

¹⁸³ *See infra* Parts IV.A.3, IV.B.2.

goods/services distinction and concludes by finding that *tertium quid* trade dress corresponds — in every case where the term has been invoked — to subject matter involving services. In effect, *tertium quid* refers to what this Article labels “service dress” — trade dress beyond products.

A. Trade Dress’s Category Mistake

A category mistake can be defined as “the error of assigning to something a quality or action which can only properly be assigned to things of another category, for example[,] treating abstract concepts as though they had a physical location.”¹⁸⁴ Category mistakes occur when subject matter is placed in erroneous categories, or is given qualities that only subject matter in other categories can have.¹⁸⁵ For instance, “the number two is blue,” “the theory of relativity is eating breakfast,” or to quote Noam Chomsky’s famous example, “green ideas sleep furiously.”¹⁸⁶ As these examples make clear, category mistakes can lead to, as Andrew Chin puts it, “unintelligible or absurd discourse.”¹⁸⁷

Treating the trade dress in *Two Pesos* as product packaging is a category mistake in wrongly likening intangible experiences (i.e., services) to tangible products and physical packaging (i.e., goods). In effect, the mistake lies in treating products and services as interchangeable — viewing services as “either product packaging or some *tertium quid* that is akin to product packaging” — instead of recognizing the fundamental distinctions between the two. That is, product dress and service dress belong to different categories given the intangible/tangible divide between tangible products (which can be

¹⁸⁴ *Category Mistake*, OXFORD DICTIONARY OF ENGLISH (3d ed. 2010). A pioneering illustration of a category mistake is analytic philosopher Gilbert Ryle’s physicalist/materialist critique of Rene Descartes’ mind-body dualism, which he labeled “the dogma of the Ghost in the Machine.” To hold that mind and body are ontologically distinct categories (i.e., mind-body dualism) was persuasively argued by Ryle to be a “Cartesian category mistake.” RYLE, *supra* note 29, at 11-12.

¹⁸⁵ *Category Mistake*, THE CAMBRIDGE DICTIONARY OF PHILOSOPHY (Robert Audi ed., 1999).

¹⁸⁶ *Category Mistakes*, STANFORD ENCYCLOPEDIA OF PHILOSOPHY (July 5, 2019), <https://plato.stanford.edu/entries/category-mistakes/> [<https://perma.cc/A2LK-536V>].

¹⁸⁷ Chin, *supra* note 29, at 629.

physically grasped) and intangible services (which are immaterial).¹⁸⁸ And with this subject matter, erroneously crossing the tangible/intangible rift cuts far deeper than a grammatical or rhetorical incongruity, leading ultimately to services ending up on the wrong side of the Court's inherent distinctiveness versus secondary meaning rule.¹⁸⁹

In demonstrating how trade dress's category mistake came to be, consider first the exchange between Justice Scalia and Kimball Corson, the attorney representing Two Pesos in the oral argument for that case. Here, Scalia and Corson clumsily debated the ontology of restaurant décor, without acknowledging trademark law's goods/services distinction. Pay special attention to how Scalia and Corson employ the italicized words "packaging" and "product":

JUSTICE SCALIA: In the case of a restaurant, the trade dress is the *product* . . . you're paying some money for the food, and you're paying some money for the ambience. . . . I mean Macy's might have a distinctive Macy's look about the store. But I'm not buying the store. I don't pay money to go and look at Macy's. I do pay money to go and sit in that restaurant in that particular environment, right?

MR. CORSON: The analogy is *packaging*, sir.

JUSTICE SCALIA: Is — the analogy is —

MR. CORSON: *Packaging*.

JUSTICE SCALIA: *Packaging*.

MR. CORSON: *Packaging* for the *product*. Yes, I think this — the ambience of the restaurant, the whole *package* there is analogous, as it were, to a wrapper on a label on a fertilizer jar . . .

JUSTICE SCALIA: I don't think it is *packaging*. I think you're disagreeing. You're saying it is *packaging*? I don't think it is *packaging*. I think you're talking about the substance of what's being sold. You're

¹⁸⁸ See *infra* text accompanying notes 189–192.

¹⁸⁹ See *infra* Part IV.A.

selling atmosphere and food; the two of them. You can have wonderful food in a lousy atmosphere. I'm not going to pay as much money.¹⁹⁰

As can be gleaned from this exchange, as far back as 1992's *Two Pesos* opinion, where he wrote a concurrence, Scalia appeared uncomfortable with the product packaging analogy for restaurant décor. Yet, Scalia's eventual reference to "some *tertium quid*" indicates that he did not quite know how to articulate trademark law's products/services division. Indeed, trade dress's category mistake appears to have begun largely as one of semantics. That is, Scalia's misplaced analogy of "some *tertium quid* that is akin to product packaging" rests on ambiguous uses of both the terms "product" and "packaging."

The first problem is the indeterminacy of the word "product." Both Scalia and Corson rely on the colloquial definition of product, which amounts to essentially "anything a company offers,"¹⁹¹ whether tangible or intangible. This definition lacks the analytical precision that trademark law ordinarily applies to the product/service split, however. Specifically, modern trademark law distinguishes between two key categories: goods, which are tangible products, and services, which are intangible activities.¹⁹² In the trademark sense, therefore, it is not a product unless "you can drop it on your foot."¹⁹³ As such, the term "product" is used inaccurately in the case of restaurant décor. The apt term is rather "service."

In her landmark article, *Breaking Free from Product Marketing*, service design pioneer Lynn Shostack claimed that confusion over the product versus service divide could be attributed to an inability to deal with services' intangible nature.¹⁹⁴ As she puts it, services "cannot be touched, tried on for size, or displayed on a shelf."¹⁹⁵ And the "dynamic,

¹⁹⁰ Transcript of Oral Argument at 14-16, *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992) (No. 99-971) (emphasis added).

¹⁹¹ MARC STICKDORN, MARKUS EDGAR HORMESS, ADAM LAWRENCE & JAKOB SCHNEIDER, *THIS IS SERVICE DESIGN DOING: APPLYING SERVICE DESIGN THINKING IN THE REAL WORLD 2* (2018).

¹⁹² See Peter J. Karol, *Affixing the Service Mark: Reconsidering the Rise of an Oxymoron*, 31 *CARDOZO ARTS & ENT. L.J.* 357, 403 (2013).

¹⁹³ STICKDORN ET AL., *supra* note 191, at 4.

¹⁹⁴ Shostack, *supra* note 26, at 73-74.

¹⁹⁵ *Id.* at 75-76.

subjective, and ephemeral” nature of services prevents them from being described as precisely as products.¹⁹⁶ Shostack writes:

People confuse services with products But a service is not a physical object and cannot be possessed. When we buy the use of a hotel room, we take nothing away from us but the experience of the night’s stay. When we fly, we are transported by an airplane but we don’t own it.¹⁹⁷

The second problem is the indeterminacy of the word “packaging.” The literal definition of packaging involves “materials used to wrap or protect goods”¹⁹⁸ or “material used to enclose or contain something; a covering, wrapper or container.”¹⁹⁹ With regard to services, though, there is no literal “covering,” “wrapper,” or “container.” The comparison seems to rest on the figurative definition of “packaging,” rather, which involves packaging an idea — “the presentation of something or someone to the public in a way that is designed to be attractive or appealing.”²⁰⁰ But this metaphorical definition of “packaging” is imperfect in the service dress context given that a restaurant’s décor does not function as a tangible product that can be covered, wrapped, or otherwise contained. Indeed, a service is rather an intangible *process or experience*.

Given a service’s intangible, experiential, and spatial nature, packaging serves as a poor analogy for reference to service design. For example, in the modern service context, the food that is served cannot be neatly decoupled from the experience, ambience, architecture, or atmosphere of the establishment, such that one of these aspects can neatly “dress up” another.²⁰¹ Instead, in the era of the “Experience Economy,” people pay not just for the food or goods sold, but for the “engaging experience.”²⁰² For example, “[e]ating in a restaurant is, from

¹⁹⁶ *Id.* at 75.

¹⁹⁷ G. Lynn Shostack, *Designing Services That Deliver*, HARV. BUS. REV. (1984), <https://hbr.org/1984/01/designing-services-that-deliver> [<https://perma.cc/9BX3-EXQ2>].

¹⁹⁸ *Packaging*, OXFORD DICTIONARY OF ENGLISH (3d ed. 2010).

¹⁹⁹ *Packaging*, *supra* note 27.

²⁰⁰ *Id.*

²⁰¹ *See infra* Part IV.A.3.

²⁰² B. JOSEPH PINE II & JAMES H. GILMORE, *THE EXPERIENCE ECONOMY* xv (2011).

the demand perspective, not simply the consumption of food and beverages but an experience influenced by the atmosphere of the surroundings.”²⁰³ To this end, the “*décor* is part of the bundle of characteristics . . . created by the supplier.”²⁰⁴

Trade dress’s category mistake — equating services with product packaging — continued to plague the Court through the *Wal-Mart Stores* decision, culminating in the fudged “some *tertium quid*” articulation. Consider too the following oral exchange between Justice Ginsburg, Justice O’Connor, and Bill Coston, the attorney for *Wal-Mart Stores*:

JUSTICE GINSBURG: But *Two Pesos* doesn’t seem to make a distinction between the *packaging* and the *product*. Do we even know what the *décor* of the rest are? Whether – whether that was – where that fit?

MR. COSTON: Different courts have interpreted *Two Pesos* in different ways. I think the majority view is that *Two Pesos* was more of a *packaging* case, that it was a way of *packaging* restaurant services, a *service mark if you will*, and restaurant food. . . .

JUSTICE O’CONNOR: [I]t’s very difficult, frankly, to know whether it’s *product packaging* or *product configuration* in many cases. Which was it in the restaurant?

MR. COSTON: In the restaurant, I submit it was a – it was a *package*.

JUSTICE O’CONNOR: Well, it’s not all that clear, and I think there are many cases where it wouldn’t be clear. It sounds like – you – you know, you can say the words, but I think they blur at the margins.²⁰⁵

Here, Coston correctly references the service mark nature of the trade dress in *Two Pesos*, but then repeats the oxymoron of “*packaging* restaurant services.” And the distinction between trademark and service mark appears lost on Justice O’Connor, who immediately returns to Coston’s deliberation between product packaging and product design,

²⁰³ Apostolos Chronopoulos, *Trade Dress Rights as Instruments of Monopolistic Competition: Towards a Rejuvenation of the Misappropriation Doctrine in Unfair Competition and a Property Theory of Trademarks*, 16 MARQ. INTELL. PROP. L. REV. 119, 147 (2012).

²⁰⁴ *Id.*

²⁰⁵ Transcript of Oral Argument at 11-12, *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (No. 99-150) (emphasis added).

rather than shifting focus to service marks. The confusion over the ontology of restaurant décor is further referenced by Stuart Riback, attorney for Samara Brothers in another part of the oral argument:

I think in *Two Pesos* it would depend on whether you think the restaurant was serving food or serving a dining experience. If the restaurant is serving food, then it's a *package*. If it's serving a dining experience, then the ambience and the layout are part of it. . . . And it's a *product* design case. And I think restaurants do serve — do serve you with a dining experience.²⁰⁶

This argument rests on the same broad and ambiguous use of the term “product.” While Riback is correct to point out that the dining experience is part of the *service* offered, it cannot then be a “product design” case under the technical definition of the term because services are not products. Even trademark luminaries Mark Lemley and Mark McKenna conflate products and services. As they write in *Trademark Spaces and Trademark Law's Secret Step Zero*:

Classification is also difficult because it's not clear that all trade dress fits in one of the two categories of “packaging” and “design.” Indeed, the Court couldn't classify the design of the Mexican restaurant at issue in *Two Pesos* as either one. It called that design “tertium quid” that was more “akin” to product packaging, but it failed to explain why restaurant décor was more like packaging (presumably of the food products sold there) than design of the relevant *product* (restaurant *services*).²⁰⁷

Like Riback, Lemley and McKenna acknowledge the Court's incongruity between *packaging* and *services*, but they still conflate *products* and *services*. As service designers Fernando Secomandi and Dirk Snelders explain, our historic economic focus on goods rather than experiences may be to blame for our collective definitional confusion over products and services:

²⁰⁶ *Id.* at 35 (emphasis added).

²⁰⁷ Lemley & McKenna, *supra* note 5, at 20 (emphasis added).

Until recent years . . . design approached services as if they were mere appendages to goods. It is not uncommon to still observe in design discourse the surreptitious inclusion of services in expressions like “product/service” or “product (and service),” without a deeper explanation of the meaning of these compound terms. By implication, the fixation on goods persists, which is understandable considering design’s historical role in giving shape to the material culture of modernity.²⁰⁸

In sum, the category mistake in trade dress lies in equating the intangible with the tangible; service dress with product — and specifically, product packaging — dress. Therefore, *Two Pesos* and its *tertium quid* progeny have involved neither product packaging nor product design. These are all, as will be further demonstrated, service mark cases. Trademark law itself draws a firm distinction between products and services, which is reflected in the statutory definitions of “trademark” and “service mark.”²⁰⁹ As the next Section explores further, service marks “identify and distinguish[] the source of services, as opposed to products.”²¹⁰

B. Trademark Law’s Product/Service Divide

Although federal law previously disallowed registration of marks that were not affixed to products, the Lanham Act introduced service marks as a form of protectable intellectual property.²¹¹ Put simply, “[s]ervice[] marks identify services, whereas trademarks identify goods.”²¹² Like the term “trademark,” the term “service mark” appears in the Lanham Act, defined as any word or symbol used “to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is

²⁰⁸ Fernando Secomandi & Dirk Snelders, *The Object of Service Design*, 27 DESIGN ISSUES 20, 20 (2011).

²⁰⁹ 15 U.S.C. § 1127.

²¹⁰ MCCARTHY, *supra* note 25, at § 19:80.

²¹¹ See Karol, *supra* note 192, at 358 (explaining that one of the “most dramatic” changes in U.S. trademark law involved the Lanham Act’s introduction of the modern service mark).

²¹² *Frehling Enters. v. Int’l Select Grp., Inc.*, 192 F.3d 1330, 1334 n.1 (11th Cir. 1999).

unknown.”²¹³ The Federal Circuit’s predecessor court explains the distinction between trademarks and service marks as follows: “Congress intended a service mark to function in such a fashion as to identify and distinguish those things of an *intangible nature, such as services*, in contradistinction to the protection already provided for the marks affixed to those things of a *tangible nature such as goods and products*.”²¹⁴

But though the Lanham Act defines “service mark,” it does not define “service,” and the legislative history offers little clarification. Thomas McCarthy suggests that the rationale for this omission is to leave open the statutory category of services to “include every form of human activity now known or that may come into use in the future.”²¹⁵ The Federal Circuit, though, defines it as “the performance of labor for the benefit of *another*.”²¹⁶

The distinction between goods and services is reflected prominently in the Nice Classification system. In accordance with the 1973 Nice Agreement, every mark filed thereafter must use the international classification of goods and services and be classified under its appropriate class.²¹⁷ The purpose of the Nice Classification “is to group, as much as possible, like goods or services in a single class.”²¹⁸ To this end, the PTO groups goods in Classes 1-34 and services in Classes 35-45. According to the PTO:

²¹³ 15 U.S.C. § 1127.

²¹⁴ *In re Radio Corp. of Am.*, 205 F.2d 180, 182 (C.C.P.A. 1953) (emphasis added).

²¹⁵ MCCARTHY, *supra* note 25, at § 19:84.

²¹⁶ *In re Canadian Pac., Ltd.*, 754 F.2d 992, 994 (Fed. Cir. 1985) (citing WEBSTER’S COLLEGIATE DICTIONARY (5th ed. (1941))).

²¹⁷ In the context of trademark registration, goods descriptions are called “identifications,” whereas service descriptions are called “recitations.” See *Trademark Identification Manual Suggestions*, USPTO, <https://www.uspto.gov/trademarks/guides-and-manuals/trademark-identification-goods-and-services-manual-suggestions> (last visited Aug. 22, 2024) [<https://perma.cc/UM9Z-QF5U>]. The difference in terminology likely reflects the tangible nature of goods which can be readily “identified” versus the intangible nature of services which are more loosely “recited.”

²¹⁸ *Nice Agreement Current Edition Version — General Remarks, Class Headings and Explanatory Notes*, USPTO, <https://www.uspto.gov/trademarks/trademark-updates-and-announcements/nice-agreement-current-edition-version-general-remarks> (last visited Aug. 22, 2024) [<https://perma.cc/HLG6-398B>].

All goods and services are “classified” or organized into broad categories of goods or services, as determined by international agreement. Each category of goods and services is assigned a number from 1 to 45, also known as an international class. There are many items listed in each class; however, goods and services are never in the same class.²¹⁹

Though the term “trademark” is often used as an umbrella term to encompass both trademarks and service marks, the technical distinction between the two is important in the context of this Article because services, unlike goods, cannot be physically marked.²²⁰ Generally speaking, a service “is intangible and does not have the same exteriority” as goods.²²¹ Examples of “[t]ypical service categories include transportation (subway, buses, and taxis), restaurants, banks, phone and internet services, entertainment (such as movies, theater, concerts, live sports events), nail salons, barbershops, laundromats, and every kind of health-care and school system.”²²² In today’s service-based economy, “service marks are more important than ever.”²²³

C. *Tertium Quid as Service Dress*

It is often said that *tertium quid* is *product* packaging, is akin to *product* packaging, or refers to the liminal space between *product* packaging and *product* design.²²⁴ However, this Section argues that cases classified as

²¹⁹ *Goods and Services*, USPTO, <https://www.uspto.gov/trademarks/basics/goods-and-services> (last visited Aug. 22, 2024) [<https://perma.cc/2KF4-FT22>].

²²⁰ As Peter Karol explains, this relaxation of the “affixation requirement” presents a quandary for trademark law, given that “it is far easier to register a service mark, and acquire rights in a service mark, than a mark used with goods.” Karol, *supra* note 192, at 359.

²²¹ Gallouj & Weinstein, *supra* note 28; *see also* PENIN, *supra* note 28, at 30 (explaining that services “are *not* tangible, *not* homogenous; they *don’t* last, and their production and consumption *cannot* be separated from each other”).

²²² PENIN, *supra* note 28, at 21.

²²³ MCCARTHY, *supra* note 25, at § 19:80; *see also* Karol, *supra* note 192, at 394 (“We live and practice law in the age of the service mark.”).

²²⁴ *See, e.g.*, Chronopoulos, *supra* note 203, at 145 (“The Court also recognized a third category of trade dress referred to as ‘*tertium quid*,’ which one could not categorically qualify as product design or as product packaging. In this case, the trade dress in dispute

“*tertium quid*” are all service mark cases and thus lie beyond the product design/product packaging rift. Each *tertium quid* case deals rather with “service dress,” ontologically distinct from product dress given its intangible nature.

1. International Classification System

The product/service distinction can be understood by reference to the Nice Agreement — trademark law’s international class system. Marks are grouped into international classes when filed with the PTO, while many trade dress claims involve unregistered trade dress. Regardless, the international class system provides an apt conceptual mechanism for sorting trade dress into its respective categories. This classification reinforces the view that *tertium quid* cases involve service dress rather than product dress, aligning their subject matter with the service-oriented classes of the Nice Agreement.

Product dress (whether packaging or design) is always grouped into classes 1–34²²⁵ and service dress into classes 35–45.²²⁶ This heuristic helps identify whether trade dress subject matter belongs to product dress or service dress.²²⁷ For instance, service dress often appears in classes 35 (advertising and business), 41 (education and entertainment), 42 (scientific and technological), and 43 (hotels and restaurants), which contain all (or almost all) of the subject matter designated as *tertium quid* in the case law. By contrast, product dress fits into goods-related classes like 25 (clothing), 20 (furniture), or 21 (housewares).

For instance, class 43 includes services relating to “hotels and restaurants.” Many of the trade dress cases considered under *Wal-Mart Stores’ tertium quid* category fall within class 43, which “includes mainly services provided in relation to the preparation of food and drink for consumption.”²²⁸ For example, restaurant services were at issue in the

has to be analyzed so that a conclusion can be reached whether protection is sought on the configuration or the packaging of the product.” (emphasis added)).

²²⁵ USPTO, *supra* note 219.

²²⁶ *Id.*

²²⁷ See *infra* Part IV.B.2.

²²⁸ *Nice Classification: Class 43*, WIPO, https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=43&explanatory_notes=show&lang=en&menulang=en&

Happy's Pizza Franchise case: “Happy’s claims their trade dress is comprised of the expansive menu, granite countertops, black industrial style rugs, back-lit signage, neon signage, steel shelving, stacked pizza boxes, and ceramic tiled floors and walls.”²²⁹ Consider also the “festive” décor in *Two Pesos*,²³⁰ *Barrio's* Day of the Dead restaurant theme,²³¹ the Bartaco franchise at issue in *Barteca Holdings*,²³² and the menus from *Ybarra*²³³ and *Dino Drop*.²³⁴ All are used in connection not with the sale of goods/products, but rather as forms of “restaurant services” in class 43.²³⁵

Class 35 includes services relating to “advertising and business.” Several *tertium quid* dress cases fall into class 35, which “includes mainly services involving business management, operation, organization and administration of a commercial or industrial enterprise, as well as advertising, marketing and promotional services.”²³⁶ Cases involving class 35 subject matter include the “retail store services” at issue in

mode=flat%C2%ACion=&pagination=no&version=20210101 (last visited Nov. 24, 2024, 1:22 PM) [<https://perma.cc/Y5TX-W256>].

²²⁹ *Happy's Pizza Franchise, LLC v. Papa's Pizza, Inc.*, No. 10-15174, 2013 WL 308728, at *4 (E.D. Mich. Jan. 25, 2013).

²³⁰ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 (1992).

²³¹ *Barrio Bros., LLC v. Revolucion, LLC*, No. 1:18-CV-02052, 2020 WL 3547014, at *1 (N.D. Ohio July 9, 2021).

²³² *Barteca Holdings LLC v. Coastal Taco, LLC*, No. 1:16-CV-1498, 2016 WL 4168018, at *5 (N.D. Ohio Aug. 8, 2016).

²³³ *Vasquez v. Ybarra*, 150 F. Supp. 2d 1157, 1163-64 (D. Kan. 2001).

²³⁴ *Dino Drop, Inc. v. Chase Bar & Grill, LLC*, No. 09-CV-10759, 2011 WL 739094, at *2 (E.D. Mich. Feb. 24, 2011).

²³⁵ Other cases involving class 43 subject matter include *Fuddrucker's, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 839 (9th Cir. 1987); *Prufrock Ltd. v. Lasater*, 781 F.2d 129, 130 (8th Cir. 1986); *In-N-Out Burgers v. Doll N Burgers, LLC*, No. 20-11911, 2022 WL 791924, at *1-2 (E.D. Mich. Mar. 14, 2022); *Texas Chicken & Burgers, LLC v. NYQ Property, LLC*, 17-CV-00976, 2018 WL 6718843, at *1-2 (E.D.N.Y. Nov. 1, 2018); *HI Ltd. P'ship v. Winghouse of Fla, Inc.*, 347 F. Supp. 2d 1256, 1259 (M.D. Fla. 2004); *Do the Hustle, LLC v. Rogovich*, 03 Civ. 3870, 2003 WL 21436215 at *1 (S.D.N.Y. 2003); *Rally's, Inc. v. Int'l Shortstop, Inc.*, 776 F. Supp. 451, 452 (E.D. Ark. 1990).

²³⁶ WIPO, *Nice Classification: Class 35* (2022), https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=35&explanatory_notes=show&gors=&lang=en&menulang=en&mode=flat¬ion=&pagination=no&version=20220101 [<https://perma.cc/LU3L-5SLY>].

Yankee Candle Co. (candle displays),²³⁷ *Best Cellars, Inc.* (wine displays),²³⁸ and the “catalog services” from *Abercrombie & Fitch Stores, Inc.* (the A&F Quarterly).²³⁹ While tangible products are in fact being sold at retail stores, according to the PTO:

Retail store services are considered a service under the Nice Agreement because the activities of a retail establishment that surround the sale of goods do provide a benefit to others, e.g., the bringing together, for the benefit of others, a variety of goods . . . enabling customers to conveniently view and purchase those goods.²⁴⁰

Class 41 includes services under the umbrella of “education and entertainment.” This class involves “services having the basic aim of the entertainment, amusement or recreation of people, as well as the presentation of works of visual art or literature to the public for cultural or educational purposes.”²⁴¹ *Tertium quid* cases that fall under this class 41 include the “Cuffs & Collar” mark at issue in *In re Chippendales USA, Inc.* for “adult entertainment services, namely exotic dancing for women.”²⁴² Class 41 also includes the monster truck exhibition services in *In re Frankish Enterprises, Ltd.*,²⁴³ and the billiard rooms at issue in *Clicks Billiards, Inc. v. Sixshooters, Inc.*²⁴⁴ Other trade dress claims under

²³⁷ *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 40 (1st Cir. 2001).

²³⁸ *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60, 70 (S.D.N.Y. 2003).

²³⁹ *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 632 (6th Cir. 2002).

²⁴⁰ *Trademark ID Manual*, USPTO, <https://idm-tmng.USPTO.gov/id-master-list-public.html> (last visited Oct. 8, 2024) [<https://perma.cc/K7JJ-BBHF>] (search ID Master List field for Term ID “035-1089”).

²⁴¹ *Nice Classification: Class 41*, WIPO, https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=41&explanatory_notes=show&gors=&lang=en&menulang=en&mode=flat¬ion=&pagination=no&version=20220101 (last visited Nov. 16, 2024, 6:03 PM) [<https://perma.cc/4KYG-AZS5>].

²⁴² *In re Chippendales USA, Inc.*, 622 F.3d 1346, 1349 (Fed. Cir. 2010).

²⁴³ 113 U.S.P.Q.2d 1964, 1965 (T.T.A.B. 2015).

²⁴⁴ 251 F.3d 1252, 1256 (9th Cir. 2001) (involving trade dress dispute between pool halls).

class 41 includes “theatrical shows provided at performance venues.”²⁴⁵ For example, *Cesare v. Work* explained that “[t]he trade dress of the band Revolver was the performance. . . . The ensemble of the instruments, the stage setting, outfits, song list, delivery, character interpretation, and choreography of the audience participation.”²⁴⁶ Also, *Pebble Beach Co. v. Tour 18 I Ltd.* involved protection for the design of “golf courses,” a service ostensibly within class 41.²⁴⁷

Class 42 includes services under the banner of “scientific and technological,” including the “design and development of computer hardware and software.”²⁴⁸ Notably, the recognition that *tertium quid* cases are service-related, not goods-related, links this category to trade dress in digital and virtual environments. Cases in this category include the website designs of *Conference Archives, Inc. v. Sound Images, Inc.*,²⁴⁹ and *Blue Nile Inc. v. Ice.com, Inc.*²⁵⁰ (“non-downloadable software”), as well as the virtual adult entertainment club at issue in *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*²⁵¹ This sort of service dress claim may also include protectable elements of virtual environments, such as the burgeoning metaverse — a three-dimensional version of the internet that mirrors physical spaces.²⁵²

The service dress in classes 35–45 can be contrasted with product design and product packaging dress, each of which involves subject matter in goods classes 1–34. For example, the clothing designs (one-

²⁴⁵ *Trademark ID Manual*, *supra* note 240 (search ID Master List field for Term ID “O41-2169”).

²⁴⁶ *Cesare v. Work*, 520 N.E.2d 586, 593 (Ohio Ct. App. 1987).

²⁴⁷ *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 533-34 (5th Cir. 1998).

²⁴⁸ *Nice Classification: Class 42*, WIPO, https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=42&explanatory_notes=show&gors=&lang=en&menulang=en&mode=flat¬ion=&pagination=no&version=20220101 (last visited Nov. 19, 2024, 8:24 PM) [<https://perma.cc/HT9Z-U575>].

²⁴⁹ No. 3:2006-76, 2010 WL 1626072, at *11-15 (W.D. Pa. Mar. 31, 2010), *on reconsideration*, No. CIV. 3:2006-76, 2010 WL 11569824 (W.D. Pa. Jul. 28).

²⁵⁰ 478 F. Supp. 2d 1240, 1243 (W.D. Wash. 2007).

²⁵¹ 444 F. Supp. 2d 1012, 1018, 1020 (C.D. Cal. 2006).

²⁵² See generally Hongyang Du, Bohao Ma, Dusit Niyato, Jiawen Kang, Zehui Xiong & Zhaohui Yang, *Rethinking Quality of Experience for Metaverse Services: A Consumer-Based Economics Perspective*, 37 IEEE NETWORK 255, 255 (2023) (“The Metaverse is considered to be one prototype of the next-generation Internet, which contains people’s expectations for the future world.”).

piece seersucker children's outfits) at issue in *Wal-Mart Stores*²⁵³ are properly classified in class 25, which "includes mainly clothing, footwear and headwear for human beings."²⁵⁴ Other notable product design subject matter includes the class 25 sweaters in *Knitwaves v. Lollytags Ltd.*,²⁵⁵ the bedroom furniture at issue in *Ashley Furniture Indus., Inc. v. Sangiacomo N.A. Ltd.* that falls under class 20 for "furniture and parts thereof"²⁵⁶ and the plastic garden planters in *Duraco Products v. Joy Plastic Enterprises*, which are "housewares and glass" under class 21.²⁵⁷ Examples of product packaging include the square plastic bottle of mineral water at issue in *Fiji Water Co., LLC v. Fiji Mineral Water, USA*,

²⁵³ *Compare* *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 207 (2000) ("Samara Brothers, Inc. designs and manufactures children's clothing. Its primary product is a line of spring/summer one-piece seersucker outfits decorated with appliques of hearts, flowers, and the like."), with *Nice Classification: Class 25*, WIPO, https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=25&explanatory_notes=show&lang=en&menulang=en&mode=flat%C2%ACion=&pagination=no&version=20210101 (last visited Nov. 17, 2024, 5:48 PM) [<https://perma.cc/E7CQ-7R3Z>] [hereinafter *Nice Classification: Class 25*] ("Class 25 includes mainly clothing, footwear and headwear for human beings.").

²⁵⁴ *Nice Classification: Class 25*, *supra* note 253.

²⁵⁵ *Compare* *Knitwaves, Inc. v. Lollytags Ltd.*, 71 F.3d 996, 999 (2d Cir. 1995) ("In 1990, Knitwaves, Inc., a manufacturer of children's knitwear, introduced its 'Ecology Group' collection of sweaters, consisting of various styles of girls' sweaters and accompanying skirts and pants . . ."), with *Nice Classification: Class 25*, *supra* note 253 ("Class 25 includes mainly clothing, footwear and headwear for human beings.").

²⁵⁶ *Compare* *Ashley Furniture Indus., Inc. v. Sangiacomo N.A. Ltd.*, 187 F.3d 363, 366 (4th Cir. 1999) ("Both companies market furniture in the mid-level price range and sell numerous lines of furniture nationwide."), with *Nice Classification: Class 20*, WIPO, https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=20&explanatory_notes=show&gors=&lang=en&menulang=en&mode=flat¬ion=&pagination=no&version=20210101 (last visited Nov. 17, 2024, 5:48 PM) [<https://perma.cc/E7CQ-7R3Z>] ("Class 20 includes mainly furniture and parts thereof . . .").

²⁵⁷ *Compare* *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1434 (3d Cir. 1994) ("Duraco's most profitable products [are] its 'Grecian Classics' plastic planters . . ."), with *Nice Classification: Class 21*, WIPO, https://nclpub.wipo.int/enfr/?basic_numbers=show&class_number=21&explanatory_notes=show&gors=&lang=en&menulang=en&mode=flat¬ion=&pagination=no&version=20210101 (last visited Nov. 17, 2024, 7:48 PM) [<https://perma.cc/H6U3-XXZM>] ("Class 21 includes mainly small, hand-operated utensils and apparatus for household and kitchen use, as well as cosmetic and toilet utensils, glassware and certain goods made of porcelain, ceramic, earthenware, terra-cotta or glass.").

Inc., which is “bottled water” in class 32,²⁵⁸ and the bath product containers at issue in *In re Creative Beauty Innovations, Inc.* involves packaging for “cosmetics” in class 3.²⁵⁹

2. Lanham Act Section 43(a)

This understanding of *tertium quid* as service dress also finds support in the text of Section 43(a) of the Lanham Act, which protects unregistered trade dress against infringing uses. The statutory language includes the following key clause:

Any person who, *on or in connection with any goods or services, or any container for goods*, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which — is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.²⁶⁰

The phrase “on or in connection with any *goods* [product design] or *services* [service dress], or any *container for goods* [product packaging]”²⁶¹ clause can be read to provide a tripartite framework (i) product design, (ii) service dress, and (iii) product packaging. This language reveals that the distinction between these categories has been embedded in the statute all along, even if not expressly articulated in case law. To the extent that any truly “undefined” categories exist, they would not be provided for in this statutory language. Thus, the tripartite ontology of trade dress — product packaging dress, product design dress, and service dress — is rooted in the plain text of the Lanham Act.

²⁵⁸ *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1171, 1176 (C.D. Cal. 2010).

²⁵⁹ *In re Creative Beauty Innovations, Inc.*, 56 U.S.P.Q.2d (BNA) 1203, 1207 (T.T.A.B. 2000).

²⁶⁰ 15 U.S.C. § 1125(a) (emphasis added).

²⁶¹ *Id.* (emphasis added).

3. Service Dress's Significance

In the realm of trade dress, the distinction between trademarks and service marks is not just a stylistic choice or rhetorical flourish. It rather bears on service dress's capacity for inherent distinctiveness. To this end, while this Article provides the first comprehensive treatment of the subject matter, it is not the first to point out trade dress's product/service conflation in passing. As Lars Smith has noted:

One possible method for distinguishing the cases, and providing a definition for the *tertium quid* in the *Two Pesos* case, is to say that *Two Pesos* dealt with services (specifically restaurant services), while *Wal-Mart* dealt with products. Thus, a simple solution would be to say that product design trade dress can never be inherently distinctive, whereas trade dress for services can be. This provides an answer to Scalia's question of what kind of trade dress *Two Pesos* dealt with and seemingly makes the two cases consistent. . . . While simple, this distinction does not help to address the more difficult question of when to allow trade dress to be treated as inherently distinctive.²⁶²

While perhaps simple, understanding the product/service distinction is, in fact, significant in making sense of the distinctiveness dilemma. It is important for trademark law to understand the ontology of the intangible right that is being considered for protection: there is an entire field dedicated to "service design" (but not "service packaging"!) that differs markedly from the disciplines of packaging design and product design.²⁶³ The service design field's diverse array of objectives suggests that protection for service dress should not be granted without

²⁶² Smith, *supra* note 130, at 306-07; *see also* Joseph J. Ferretti, *Product Design Hits the Wall . . . Mart: Wal-Mart v. Samara Brothers*, 42 IDEA 417, 444-45 (2002) ("*Two Pesos* involved neither product packaging nor product design. *Two Pesos* involved the trade dress of a service mark, [i.e.,] restaurant services. Thus, the trade dress was an integral aspect of the service. . . . [T]he product package versus product design test is irrelevant to a service mark case . . .").

²⁶³ For a revealing investigation of design's legal — but also cultural and economic — importance, *see generally* Mark McKenna & Jessica Silbey, *Investigating Design*, 84 U. PITT. L. REV. 127, 130 (2022) ("[D]rawing from original data collected over several years of interviewing designers, observing where and how they work, and listening to the explanations of their practice.").

establishing secondary meaning. As the final Part will explain, this is because service design is not primarily intended by producers to be, or likely to be perceived by consumers as, indicative of source.

IV. SERVICE DRESS AND SECONDARY MEANING

This Part argues that an understanding of *tertium quid* as service dress casts serious doubt on its presumed eligibility for inherent distinctiveness. The Supreme Court's divide between product packaging dress (capable of inherent distinctiveness) and product design dress (requiring secondary meaning) is based upon the former's stronger capacity for source-indication.²⁶⁴ This bifurcation finds support in the product design and product packaging literatures, as will now be explored. That is, packaging design has a definite branding focus, while product design is, by its conceptual nature, focused more on utilitarian and aesthetic concerns.

However, following Justice Scalia's language in *Wal-Mart Stores* describing restaurant décor to be "either product packaging or some *tertium quid* that is akin to product packaging," service dress has been mistakenly lumped in with product packaging dress, and thereby considered eligible for inherent distinctiveness.²⁶⁵ This conflation of service design and product packaging is, by contrast, not supported by the design scholarship. Indeed, a brief exploration of the service design literature finds that service design — like product design — is typically not intended primarily for brand identification, but serves broader objectives relating to user experience, efficiency, and desirability.²⁶⁶ The myriad goals of service design call into question service dress's status as "akin to product packaging," and thus its eligibility for inherent distinctiveness. By considering insights from the service design discipline, trade dress law can more accurately distinguish between what inherently serves as a brand indicator, and what is instead utilitarian or aesthetic, such that only those designs that inherently communicate source are protected without needing to prove secondary meaning.

²⁶⁴ See *supra* Part I.B.3.

²⁶⁵ See *supra* Part I.B.3.

²⁶⁶ See *infra* Part IV.A.3 and accompanying discussion.

Finally, this Part concludes by examining public interest considerations weighing on whether service dress should be protectable absent a showing of secondary meaning. These considerations include both economic and cultural concerns relating to commercial appropriation. It finds that the public interest would support the imposition of a secondary meaning requirement for service dress, as is already the case with product design and color marks.

A. *Insights from Design Fields*

1. Product Packaging

Product packaging is eligible for inherent distinctiveness based on its capacity for identifying source, namely an intent among producers in achieving such an aim. As Justice Scalia stated in *Wal-Mart Stores*:

The attribution of inherent distinctiveness to certain categories of word marks and product packaging derives from the fact that the very purpose of attaching a particular word to a product, or encasing it in a distinctive packaging, *is most often to identify the source of the product*. Although the words and packaging can serve subsidiary functions — a suggestive word mark (such as “Tide” for laundry detergent), for instance, may invoke positive connotations in the consumer’s mind, and a garish form of packaging (such as Tide’s squat, brightly decorated plastic bottles for its liquid laundry detergent) may attract an otherwise indifferent consumer’s attention on a crowded store shelf — their *predominant function remains source identification*.²⁶⁷

According to a brief foray into the product packaging literature, Scalia’s reasoning is roughly correct: the package of a product has evolved from “basic utility to marketing vehicle.”²⁶⁸ While any packaging obviously must serve the utilitarian goal of protecting the physical product, it also serves as “a primary vehicle for communication and

²⁶⁷ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 212 (2000) (emphasis added).

²⁶⁸ STEVEN DUPUIS & JOHN SILVA, *PACKAGE DESIGN WORKBOOK: THE ART AND SCIENCE OF SUCCESSFUL PACKAGING 10* (2008).

branding” and “[a] means to communicate information to consumers.”²⁶⁹ To this end, the “[packaging] ensures that a brand stands out, is recognized, and can be used to stimulate the impulsive buying behavior of consumers.”²⁷⁰ As such, “[o]n cluttered shelves with lots of commodity products, the package serves as the lone tangible element to position and differentiate a brand and products from its competitors.”²⁷¹

Unlike a product itself, the packaging provides “a surface upon which to communicate information about the product and the brand, and as such, it is an essential element of product branding.”²⁷² Product “packaging . . . works to convey the brand characteristics that will position it within the minds of consumers and that will ultimately differentiate it from competitors.”²⁷³ In fact, the very “purpose of packaging is to ensure that the products can be seen and considered, assisting shoppers in selecting them from the shelf.”²⁷⁴ And at least according to one leading brand consultant, “Packaging is branding.”²⁷⁵

Thus, Justice Scalia was not wrong when he wrote that the “very purpose” of “encasing [a product] in a distinctive packaging,” not unlike prominently displaying a word on a product, was to identify its source.²⁷⁶ Indeed, “it can be argued that a package and brand are essentially

²⁶⁹ Heer Vyas & Bhuvanesh V., *Packaging Design Elements and Users Perception: A Context in Fashion Branding and Communication*, 7 J. APPLIED PACKAGING RSCH. 95, 96 (2015).

²⁷⁰ Pragya Srivastava, Dakuri Ramakanth, Konala Akhila, & Kirtiraj K. Gaikwad, *Package Design as a Branding Tool in the Cosmetic Industry: Consumers' Perception vs. Reality*, 58 SN BUS. & ECON. 1, 4 (2022). For critiques of the word “consumer” as used in this manner, see generally Dustin Marlan, *Is the Word “Consumer” Biasing Trademark Law?*, 8 TEX. A&M L. REV. 367 (2021); Dustin Marlan, *Rethinking Trademark Law's “Consumer” Label*, 55 GONZ. L. REV. 421 (2020).

²⁷¹ DUPUIS & SILVA, *supra* note 268, at 16.

²⁷² GAVIN AMBROSE & PAUL HARRIS, *PACKAGING THE BRAND: THE RELATIONSHIP BETWEEN PACKAGING DESIGN AND BRAND IDENTITY* 10 (2011).

²⁷³ *Id.*

²⁷⁴ Mina Mohammadi, SayedValy Tabatabai Hnzayy & Naser Azad, *A Study on Packaging Factors Influencing on Export Development*, 4 MGMT. SCI. LETTERS 2213, 2213 (2014).

²⁷⁵ AMBROSE & HARRIS, *supra* note 272, at 13 (quoting Richard Gerstman, chairman of Interbrand).

²⁷⁶ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 212 (2000).

inseparable.”²⁷⁷ Hence, “[t]he package design serves as the ‘salesman on the shelf.’”²⁷⁸

2. Product Design

In contrast to product packaging, product design requires secondary meaning before receiving trademark protection. The rationale for this requirement is that product design is not typically used by producers as a branding-related mechanism and, in turn, is not then seen by consumers as an inherent brand-identifier. As Justice Scalia articulated in *Wal-Mart Stores*:

In the case of product design, as in the case of color, we think consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs — such as a cocktail shaker shaped like a penguin — is *intended not to identify the source, but to render the product itself more useful or more appealing*.

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. Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness.²⁷⁹

Scalia’s reasoning here too maps on to the largely utilitarian and aesthetic goals described in the product design literature. Indeed, unlike product packaging’s intimate relationship with marketing, “the topic of

²⁷⁷ AMBROSE & HARRIS, *supra* note 272, at 13.

²⁷⁸ Srivastava et al., *supra* note 270, at 58; *see also* Vyas & V., *supra* note 269, at 96.

²⁷⁹ *Wal-Mart Stores, Inc.*, 529 U.S. at 213 (emphasis added); *cf. In re Teledyne Indus., Inc.*, 212 U.S.P.Q. 299, 300 (T.T.A.B. 1981) (“[T]he burden to show that a configuration of the product serves a trademark function is greater since the usual way for consumers to identify and distinguish the source of products is by marks that can be verbalized.”).

product design is rarely, if ever, encountered in marketing journals.”²⁸⁰ In terms of its goals, product design scholar Peter H. Bloch explains that “[a] good [product] design attracts consumers to a product, communicates to them, and adds value to the product by increasing the quality of the usage experiences associated with it.”²⁸¹ To this end, Bloch refers to the varied — (i) utilitarian, (ii) hedonic, and (iii) semiotic — goals of product design.

Utilitarian benefits refer to the “functional usefulness of a product and its ability to facilitate the accomplishment of a task.”²⁸² A sound product design enables the product to be “reliable, safe, and convenient to use.”²⁸³ Also fundamental to product design is the “economic efficiency of a product and the quality of its ergonomic characteristics.”²⁸⁴

The hedonic (i.e., aesthetic) characteristics of product design “reflect[] the aesthetic appeal of the product and its ability to please one or more of our senses.”²⁸⁵ According to Bloch, such “[p]roduct aesthetics work in concert with utilitarian benefits to create important first impressions and long-term satisfaction among users.”²⁸⁶ Thus, product designers prioritize “the experiential or pleasurable use of the product.”²⁸⁷ Hence, “designers need to make products fun and engaging and emphasize beauty in interaction rather than appearance alone.”²⁸⁸

In addition to utilitarian and aesthetic attributes, product designers also sometimes focus on a product’s semiotic features. Product design should possess traits such as “strength and newness” that can “communicate information about the product user and provide a means of self-expression.”²⁸⁹ In this way, “[t]he form or design of a product is

²⁸⁰ Peter H. Bloch, *Seeking the Ideal Form: Product Design and Consumer Response*, 59 J. MKTG. 16, 16 (1995).

²⁸¹ *Id.*

²⁸² Peter H. Bloch, *Product Design and Marketing: Reflections After Fifteen Years*, 28 J. PROD. INNOVATION MGMT. 378, 378 (2011).

²⁸³ *Id.*

²⁸⁴ *Id.*

²⁸⁵ *Id.*

²⁸⁶ *Id.*

²⁸⁷ *Id.*

²⁸⁸ *Id.* at 379.

²⁸⁹ *Id.*

interpreted by users and communicates important information.”²⁹⁰ A product’s communicative functions can therefore “help[] users identify a product’s brand origins, category, purpose, and usage.”²⁹¹

In summary, while a product design is not incapable of source-identification through its semiotic function, product designers must typically give more weight to utilitarian and aesthetic considerations given that their objective is “to elicit more positive than negative responses among consumers.”²⁹² The predominance of these non-source-identifying goals among product designers supports the logic of a bright line rule of secondary meaning for product design dress. The bright line distinction between packaging and design articulated in *Wal-Mart Stores*, while lacking nuance, thus provides a useful legal shorthand for making sense of the product packaging and product design’s differing focuses.

3. Service Design

Yet again, consider Justice Scalia’s cryptic comment haphazardly distinguishing the restaurant décor (services) at issue in *Two Pesos* from the clothing (product) designs at issue in *Wal-Mart Stores*:

Two Pesos is inapposite to our holding here because the trade dress at issue, the décor of a restaurant, seems to us not to constitute product design. It was either product packaging — which, we have discussed, normally *is* taken by the consumer to indicate origin — or else some *tertium quid* that is akin to product packaging and has no bearing on the present case.²⁹³

As argued at length in the previous Part, the *tertium quid* label refers to subject matter pertaining to service dress. And there is, in fact, an entire discipline relating to the design of services which is influenced by product design and differs markedly from packaging design. Enter the field of service design.

²⁹⁰ *Id.*

²⁹¹ *Id.*

²⁹² Bloch, *supra* note 280, at 20.

²⁹³ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 215 (2000).

The term “service design” refers to “the application of established design process[es] and skills to the development of services.”²⁹⁴ Service design seeks to apply “the guiding concepts and frameworks *originally developed from product design*.”²⁹⁵ In doing so, the discipline attempts “to think through the meaning and experience of services for people who make up a given service system.”²⁹⁶ According to an oft-quoted articulation of its goals, through four principles service design:

- Aims to create services that are useful, usable, desirable, efficient, and effective.
- Is a human-centered approach that focuses on customer experience and the quality of service encounter as the key value for success.
- Is a holistic approach that considers in an integrated way strategic, system, process, and touch-point design decisions.
- Is a systematic and iterative process that integrates user-oriented, team-based interdisciplinary approaches and methods in ever-learning cycles.²⁹⁷

To these ends, service design seeks an “understanding [of] customer experiences” amid a “multidisciplinary field.”²⁹⁸ As one service design studio puts it:

When you have two coffee shops right next to each other, and each sells the exact same coffee at the exact same price, *service design* is what makes you walk into one and not the other.²⁹⁹

²⁹⁴ STICKDORN & SCHNEIDER, *supra* note 34, at 33.

²⁹⁵ James Shaw, Payal Agarwal, Laura Desveaux, Daniel Cornejo Palma, Vess Stamenova, Trevor Jamieson, Rebecca Yang, R. Sacha Bhatia & Onil Bhattacharyya, *Beyond “Implementation”: Digital Health Innovation and Service Design*, 48 NPJ DIGIT. MED. 1, 2 (2018) (emphasis added).

²⁹⁶ *Id.*

²⁹⁷ Saco & Goncalves, *supra* note 35, at 12; *accord* Shaw et al., *supra* note 295, at 2.

²⁹⁸ Máira Prestes Joly, Jorge Grenha Teixeira, Lia Patrício & Daniela Sangiorgi, *Leveraging Service Design as a Multidisciplinary Approach to Service Innovation*, 30 J. SERV. MGMT. 681, 681-82, 703 (2019).

²⁹⁹ STICKDORN & SCHNEIDER, *supra* note 34, at 33 (quoting 31 VOLTS SERVICE DESIGN (2008)).

Elements of service design include (i) “people,” (ii) “props,” (iii) “spaces,” and (iv) “processes.”³⁰⁰ People “includes anyone who creates or uses the service, as well as individuals who may be indirectly affected by the service,” such as employees, customers, and partners. There are certain cases where people — that is, most often the uniforms they wear — are protectable trade dress.³⁰¹ Props and spaces, though, are the aspects of service design most often protected through trade dress means.³⁰² Props refer “to the physical or digital artifacts (including products) that are needed to perform the service successfully.”³⁰³ Spaces include the physical environments such as a storefront, restaurant interior and exteriors, displays and other physical props like menus, or webpages, blog, and social media in the case of digital spaces.³⁰⁴ Finally, processes are the “workflows, procedures, or rituals performed by either the employee or the user throughout [the] service.”³⁰⁵ Not all aspects of service design are protectable as trade dress; some processes are held to be abstract marketing ideas, styles, or themes outside the purview of trade dress protection.³⁰⁶

Each individual aspect of a service — whether people, props, spaces, or products — is referred to in the service design discipline as a “touchpoint.”³⁰⁷ For example, for restaurant services, touchpoints include “customer service activities, represented by customers’ receipt of the menu and later their meals, as well as service operations activities

³⁰⁰ ROBERT JOHNSTON & GRAHAM CLARK, *SERVICE OPERATIONS MANAGEMENT: IMPROVING SERVICE DELIVERY* 26 (3rd ed. 2008).

³⁰¹ See, e.g., *In re Chippendales USA, Inc.*, 622 F.3d 1346, 1351 (Fed. Cir. 2010) (involving distinctiveness of Chippendales’ dancers’ outfits); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204 (2d Cir. 1979) (involving distinctiveness of cheerleader outfits); *HI Ltd. P’ship v. Winghouse of Fla., Inc.*, 347 F. Supp. 2d 1256, 1259 (M.D. Fla. 2004) (involving trade dress of Hooters Restaurants’ waitstaff outfits).

³⁰² See *supra* Part III.C.1 (discussing a variety of trade dress cases involving props and spaces).

³⁰³ Sarah Gibbons, *Service Design* 101, NIELSEN NORMAN GRP. (July 9, 2017), <https://www.nngroup.com/articles/service-design-101/> [<https://perma.cc/2C9B-G6Z8>].

³⁰⁴ *Id.*

³⁰⁵ *Id.*

³⁰⁶ See Steven W. Kopp & Jeff Langenderfer, *Protecting Appearance and Atmospherics: Trade Dress as a Component of Retail Strategy*, 33 J. PUB. POL’Y & MKTG. 34, 40 (2014).

³⁰⁷ Secomandi & Snelders, *supra* note 208, at 20.

related to meal preparation in the kitchen.”³⁰⁸ Touchpoints also include the design spaces making up the ambience, atmosphere, and architectural characteristics of the restaurant interior and exterior.³⁰⁹ Together, each individual touchpoint adds to an overall “service concept” — “a description of what a service is and how it both meets the needs of customers and fulfills a service provider’s strategic initiative.”³¹⁰ Consider for example the interplay between touchpoints and the overall service concept at play with respect to hotel service design:

There are many touchpoints including selecting the hotel, making a reservation, checking in, taking in the décor of the room, using the toiletries, ordering room service, and even making a connection to the hotel brand. Collectively, individual interactions across touchpoints and across a number of service agents, computer systems, products, and environments create the service experience.³¹¹

The focus is on how each aspect of the service process fits into the larger service concept, as viewed from the perspective of the consumer. While service design is “complementary to service development, management, operations and marketing,”³¹² it is not itself a marketing-focused discipline (like product packaging is). Rather, being modeled on product design, service design’s oft-stated goals and functions are multifaceted in seeking to make services “innovative,”³¹³ “customer-centric”³¹⁴ and “usable, efficient, effective and desirable.”³¹⁵

³⁰⁸ *Id.* at 26.

³⁰⁹ *See id.* at 26-27.

³¹⁰ Jodi Forlizzi & John Zimmerman, *Promoting Service Design as a Core Practice in Interaction Design*, INT’L ASS’N OF SOC’YS DESIGN RSCH. 1, 3 (2013), <http://design-cu.jp/iasdr2013/papers/1202-1b.pdf> [<https://perma.cc/3AZM-PJKH>].

³¹¹ *Id.* at 2-3.

³¹² Stefan Holmlid & Shelley Evenson, *Bringing Service Design to Service Sciences, Management and Engineering*, in *SERVICE SCIENCE, MANAGEMENT, AND ENGINEERING* 341, 342 (Bill Hefley & Wendy Murphy eds., 2008).

³¹³ STICKDORN ET AL., *supra* note 191, at 31.

³¹⁴ *Id.* at 32.

³¹⁵ *Id.* at 18.

Service design is therefore not “akin to product packaging.” It is not, in recalling the earlier summation of packaging design, “the salesman on the shelf.”³¹⁶

First, there is no “salesman” in the sense that, as with product design, branding concerns do not predominate given that other concerns — efficiency, the user experience, holistic design, quality, cost, etc. — necessarily are important considerations in the field of service design. And consumers, as such, would “almost invariably,” like with color and product design, value service design touchpoints for non-source-related reasons, such as utilitarian and aesthetic concerns.³¹⁷

Second, there is no tangible “shelf.” Touchpoints may include physical products used in connection with the broader service concept. But services are intangible methods. And like services more generally, service design is a “*process* that specifically takes an abstract idea and turns it into a pragmatic reality.”³¹⁸ It is the overall customer experience, rather than its isolated touchpoints, that defines service design — in effect a “set of choreographed interactions between a customer and service provider.”³¹⁹ And like product design, service design lacks the conceptual separability between the trade dress and the actual service. This separability contrasts with product packaging, which is tangibly divorced from the product itself. That is, the touchpoints of service design are not conceptually distinct from the actual service but are instead attributes of the service concept.³²⁰

Thus, the service design literature calls into serious question the rationale for allowing service dress the capacity for inherent distinctiveness based on its purported similarity to product packaging.

³¹⁶ Vyas & V., *supra* note 269, at 96.

³¹⁷ See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 206 (2000) (“With product design, as with color, consumers are aware of the reality that, almost invariably, that feature is intended not to identify the source, but to render the product itself more useful or more appealing.”).

³¹⁸ Harry Katzan, Jr., *Essentials of Service Design*, 4 J. SERV. SCI. 43, 43 (2011) (emphasis added).

³¹⁹ Forlizzi & Zimmerman, *supra* note 310, at 2.

³²⁰ See, e.g., *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1449-50 (3d Cir. 1994) (holding that in order for a product design to be considered inherently distinctive, it must be unusual and memorable, but also that its source-designating capacity was “conceptually separable from the product”).

Product packaging is primarily designed with source-identifying significance in mind. But as its scholarly literature makes clear, service design is multi-faceted, rather like its tangible counterpart product design. Service design is usually only, for this reason, likely to be seen as a “secondary” or “tertiary” source identifier.³²¹ This is because, “as with colors, consumers often value configuration for non-source-related reasons.”³²² There is therefore little value to be gained in taking the service design touchpoints out of the public domain without a demonstration of secondary meaning.³²³ In other words, proof that the service design is actually functioning as service dress.

B. Public Interest Considerations

In dovetailing with the conceptual considerations outlined above, imposing a secondary meaning requirement on service dress would provide, from a policy lens, a welcome limit on the much-derided expansion of trademark law.³²⁴ This expansion has manifested prominently in the doctrines of dilution and initial interest confusion, but also more relevantly here through the protection of non-traditional marks, particularly trade dress involving design. Service dress, in this respect, is a specter that has resisted the modicum of restraint imposed by the Supreme Court’s secondary meaning requirement under *Wal-Mart Stores*. This final Section will examine policy considerations supporting a secondary meaning requirement on service dress from both economic and cultural perspectives.

³²¹ Caitlin Canahai & Mark McKenna, *The Case Against Product Configuration Trade Dress*, in RESEARCH HANDBOOK ON TRADEMARK LAW REFORM 137 (Graeme Dinwoodie & Mark Janis eds., 2021).

³²² *Id.* at 10.

³²³ See *id.* at 8 (explaining that “product configuration has little value [as a trademark], since configuration is nearly always a secondary (or even tertiary) source indicator”).

³²⁴ See, e.g., JESSICA SILBEY, *AGAINST PROGRESS: INTELLECTUAL PROPERTY AND FUNDAMENTAL VALUES IN THE INTERNET AGE* 9 (2022) (“[T]he Supreme Court upheld trade dress for a Mexican restaurant described as a ‘festive eating atmosphere.’ There are very few limitations on trademark subject matter today.”).

1. Economic

From an economic lens, consider first comment d to Section 16 of the Restatement Third on Unfair Competition on product design dress, which predates the *Wal-Mart Stores* opinion:

[I]t is less common for consumers to recognize the design of a product or product feature as an indication of source. Product designs are more likely to be seen merely as utilitarian or ornamental aspects of the goods. In addition, *the competitive interest* in copying product designs is more substantial than in the case of packaging, containers, labels, and related subject matter. Product designs are therefore not ordinarily considered inherently distinctive and are thus normally protected only upon proof of secondary meaning.³²⁵

The inclusion of this comment was, at least in part, a result of Ralph Brown's work in advocating for the public interest by criticizing the expansion of trade dress into the design realm.³²⁶ As Brown put it, the "protection of industrial design, unless kept firmly tied to source recognition as a trademark, easily slides into an unpredictable system of monopoly awards for successful design, uninhibited by the statutory standards of copyright law or design patent law."³²⁷ And in *The Case Against Product Configuration Trade Dress*, Caitlin Canahai and Mark McKenna compare the marginal benefits of protecting product design with the serious costs of doing so.³²⁸ Many of these considerations are equally or more relevant in the context of service dress.

As to the benefits, given their ability to convey semiotic information, design marks can promote brand differentiation. Indeed, product design protection does surely in some instances serve as a form of consumer guidance in alleviating confusion.³²⁹ In the service design context as well, there are times when service dress protection undeniably reduces

³²⁵ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. d (AM. L. INST. 1995) (emphasis added).

³²⁶ See Denicola, *supra* note 75, at 1674.

³²⁷ Ralph S. Brown, *Copyright and its Upstart Cousins: Privacy, Publicity, Unfair Competition*, 33 J. COPYRIGHT SOC'Y U.S.A. 301, 309 (1986).

³²⁸ Canahai & McKenna, *supra* note 321, at 5-23.

³²⁹ *Id.* at 13.

consumer search costs, coherent with trademark law's principle economic justification.³³⁰ Yet "[t]he available empirical evidence strongly suggests that consumers would adapt fairly easily to a world in which they were unable to rely on product configuration to identify the source of goods."³³¹ The same can likely be said for service dress, given the availability of more conventional marks used in connection with service design.³³² When you walk into a Taco Cabana restaurant, for instance, you are greeted by the TACO CABANA word mark and logo, regardless of the service dress at issue.

Moreover, inherent design protection can encourage new market entrants. As Justice White argues in *Two Pesos* "[d]enying protection for . . . trade dress . . . would allow a competitor, which has not 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."³³³ To this end, there are certain startups that would benefit from immediate design protection as a means of guarding against the appropriation of their design by more established entities. Yet in my years of experience representing startups and small businesses, more often the reverse is true. That is, startups often lack the resources to devote to creating, protecting, and enforcing their designs, preferring instead the freedom to copy more established service design touchpoints. Doing so frees up their limited brand resources to instead focus on building goodwill in more conventional source-identifiers — word marks and logos. But these marginal potential benefits of protecting service dress are likely far outweighed by the great costs of doing so, of which there are several.

First are the substantial transaction costs involved. Courts need to devote significant time to identifying the (usually unregistered) features of the design that the parties claim as trade dress.³³⁴ This task

³³⁰ See Landes & Posner, *supra* note 114, at 270 ("The value of a trademark is the saving in search costs made possible by the information or reputation that the trademark conveys or embodies about the brand (or the firm that produces the brand).").

³³¹ Canahai & McKenna, *supra* note 321, at 13.

³³² Thanks to my colleague John Coyle for suggesting this point.

³³³ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 775 (1992).

³³⁴ See Fromer & McKenna, *supra* note 49, at 129.

is nowhere more difficult than in the intangible, multifaceted, and abstract service dress context, where any aspect of the overall service experience can be claimed. To this end, courts must deal with a number of subjectivities: (i) what elements are protectable subject matter versus what amounts to an unprotectable abstract marketing theme or style; (ii) whether the trade dress is capable of inherent distinctiveness versus what requires secondary meaning; (iii) what elements actually are inherently distinctive or have acquired distinctiveness versus what has not; (iv) what elements of the given trade dress constitute functional subject matter; (v) etc. Moreover, a defendant typically lacks notice of the scope of rights claimed by a plaintiff in litigation, especially regarding unregistered trade dress not on record with the PTO, implicating fairness concerns.³³⁵

Second, there are risks associated with granting “exclusive rights to features that do not actually indicate source, or at least to features that consumers value primarily for non-source-related reasons.”³³⁶ In terms of service dress, it is often unwise to allow a single party to readily obtain a monopoly on valuable service design touchpoints that may be needed by industry competitors, especially where there is no meaningful alternative service design available. This cost is exemplified by Taco Cabana’s purchase of Two Pesos following its loss at the Supreme Court, thereby limiting consumer choice.³³⁷

Third, providing protection to designs “might undermine policy choices reflected in other [intellectual property] regimes regarding which features ought to be protected and which ought to be in the public domain.”³³⁸ As the Supreme Court has warned, “the federal patent laws have embodied a careful balance between the need to promote innovation and the recognition that imitation and refinement through

³³⁵ *Id.* (“Before litigation, Two Pesos could only have observed Taco Cabana’s use in the marketplace and made an educated guess as to the features of any trade dress owned by Taco Cabana.”).

³³⁶ Canahai & McKenna, *supra* note 321, at 17.

³³⁷ *See supra* note 104 and accompanying discussion.

³³⁸ Canahai & McKenna, *supra* note 321, at 17 (alteration in original).

imitation are both necessary to invention itself and the very lifeblood of a competitive economy.”³³⁹ And as to trade dress in particular:

Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying. As the Court has explained, copying is not always discouraged or disfavored by the laws which preserve our competitive economy. Allowing competitors to copy will have salutary effects in many instances.³⁴⁰

Service design features, like product design features, can be the recipient of copyright or design patent protection. For example, the registered copyrights on the floor plans in *Miller’s Ale House v. Boynton Carolina Ale House*,³⁴¹ and the menus in *Vasquez v. Ybarra*.³⁴² This can render service dress protection unnecessary or duplicative of other intellectual property regimes. Or worse, used as an end-around to compensate for a lack of patent, trade secret or copyright protection. And there are no term limits on service dress, in some cases an excessive form of monopoly lasting in perpetuity.

Finally, there are also high error costs associated with attempting to make the determination of inherent distinctiveness on a case-by-case basis with respect to these nontraditional marks. As explained in Part I, trademark law does not have a sound doctrinal test for inherent distinctiveness that can be applied consistently beyond the word mark context, leading to Justice O’Connor’s quip that inherent distinctiveness for trade dress is “sort of like pornography: I know it when I see it.”³⁴³ These sorts of intuitive judgments are especially

³³⁹ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989); *accord* *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2001); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230-31 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238 (1964).

³⁴⁰ *TraFFix Devices*, 532 U.S. at 29 (internal citation omitted).

³⁴¹ *Miller’s Ale House, Inc. v. Boynton Carolina Ale House, LLC*, 702 F.3d 1312, 1315 (11th Cir. 2012).

³⁴² *Vasquez v. Ybarra*, 150 F. Supp. 2d 1157, 1163 (D. Kan. 2001).

³⁴³ Transcript of Oral Argument at 6, *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (No. 99-150).

problematic regarding service dress, where the abstract nature of service design touchpoints is at issue. The *tertium quid* cases examined in Part II.B represent unpredictable applications of the *Abercrombie* and *Seabrook* tests for inherent distinctiveness, leading to inconsistent and arbitrary results. As Ralph Brown explained:

To say that the overall design of a useful article is “inherently distinctive” of a particular source just by examining it and perhaps dissecting it, seems to me an impermissible exercise of intuitive judging. It substitutes an impression that the design is outstanding, or eccentric, or clever, or something, for the proofs of association with a source, gained in the market-place, that add up to a showing of secondary meaning.³⁴⁴

Several of these concerns regarding the overprotection of design would, at least partly, be alleviated by requiring secondary meaning in the context of service dress. A secondary meaning requirement would significantly lower the number of service design touchpoints qualifying for trademark protection and thus, presumably, in turn lower the number of viable service dress claims. This would lead to lower transaction costs and more predictability for brands by providing greater notice of the scope of rights claimed. And requiring secondary meaning would replace the unpredictable, intuitive, and erratic tests of inherent distinctiveness with a more objective secondary meaning standard.

Admittedly, while establishing whether a given trade dress has secondary meaning is also not an easy task, doing so ostensibly requires less subjectivity than the inherent distinctiveness determination.³⁴⁵ And delaying the timeframe by which service dress is eligible for inherent distinctiveness would plausibly lower the risk of monopolization over service design touchpoints. There is, though, the risk that requiring secondary meaning for service dress would limit its protection to an

³⁴⁴ Brown, *supra* note 3, at 1380.

³⁴⁵ See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 215 (2000) (seeking to avoid “the difficulty of having to decide when a product design is inherently distinctive”). *But see* Canahai & McKenna, *supra* note 321, at 25 (“[T]he Court [in *Wal-Mart*] failed to recognize that many of the same issues plague evaluation of secondary meaning of product configuration.”).

elite few. This is indeed unfortunate, though from a consumer protection standpoint these are the well-known businesses where service design would be most likely to meaningfully function as source-identifiers.

While a complete bar on Lanham Act protection for service dress — as Canahai and McKenna have proposed for product design dress — might be a more complete solution,³⁴⁶ imposing a secondary meaning requirement is intended as a modest, practical, and realistic reform proposal. That is, the secondary meaning standard is otherwise consistent with the Supreme Court’s current trade dress guidelines for product design and color marks and is likely more politically or judicially feasible than an outright prohibition of service dress protection under the Lanham Act.

2. Cultural

Beyond fair competition, there may be cultural costs to the commercial appropriation of service dress. In the word mark context, Barton Beebe and Jeanne Fromer explain that “[t]he public domain must cope with the fact that . . . when we use our language, about three-fourths of the time we are using a word that someone has claimed as a trademark.”³⁴⁷ Beyond words, allowing for expansive trademark protection on “anything carrying meaning” raises, as Mark Janis and Graeme Dinwoodie put it, “humanist concerns about a materialist, consumptive society.”³⁴⁸ As Dinwoodie explains in a separate paper, “[v]isual communication is different from textual communication” in that “rights in a visual symbol may appropriate to an individual much more of the communicative commons.”³⁴⁹ Given its experiential nature,

³⁴⁶ Canahai & McKenna, *supra* note 321, at 35. Canahai and McKenna do note, though, that product design claims could still fall under the banner of unfair competition, so under their proposal, plaintiffs alleging appropriation of product design would not necessarily be without legal recourse. *Id.* at 35-36.

³⁴⁷ Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945, 953 (2018).

³⁴⁸ Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1607 (2007) (proposing use as a mark by a defendant as a mechanism by which to limit trademark claims).

³⁴⁹ Dinwoodie, *supra* note 52, at 643-44.

it is not merely the visual commons that are at stake regarding service dress protection, but also what this Article calls the “experiential commons” — in referring to the commercial appropriation of service design in both the physical environment and virtual reality.

The corporate encroachment of the built environment has been well documented by scholars. What sociologist Mark Gottdiener describes as “the commodification of everything” in his book *The Theming of America*, “[t]he forms of a symbol-ridden environment pervade everyday life as our material milieu blends its images with those of commercial advertising,” leading us to “consume the environment itself.”³⁵⁰ And business scholars Joseph Pine and James Gilmore, in their seminal text *The Experience Economy*, describe the transformation of the American marketplace from one of traditional goods production into one that offers “staged experiences,” in which labor is “performance.”³⁵¹ Along these lines, Madhavi Sunder describes the “commodification of experiences” as moving “beyond the enclosure of speech into the enclosure of cultural practices.”³⁵²

As to trade dress in particular, rhetoric scholar Winnie Wong explains that this *propertization of experience* is being encouraged by the Supreme Court’s expansive trade dress jurisprudence.³⁵³ As Wong describes it, trademark law’s allowance of claims of inherently distinctive service design has formulated “a totalizing conception of the designed commodity that attempts to codify as immaterial a thing as the ‘ambience’ of designed spaces.”³⁵⁴ In this way, “larger and larger parts of the built environment, from restaurant interiors to urban squares,

³⁵⁰ MARK GOTTDIENER, *THE THEMING OF AMERICA: DREAMS, VISIONS, AND COMMERCIAL SPACES* 4-5 (1997). As Gottdiener points out, “[O]ur daily life occurs within a material environment that is dependent on and organized around overarching symbols, many of which are clearly tied to commercial enterprises.” *Id.* at 4.

³⁵¹ PINE & GILMORE, *supra* note 202, at 164 (italics omitted).

³⁵² Madhavi Sunder, *Intellectual Property in Experience*, 117 MICH. L. REV. 197, 202 (2018).

³⁵³ Winnie Won Yin Wong, *Ambiance as Property: Experience, Design, and the Legal Expansion of “Trade Dress,”* 9 FUTURE ANTERIOR: J. HISTORIC PRES., HIST., THEORY, AND CRITICISM 89, 94 (2012) (“[T]he Taco Cabana case is remarkable because it brought within legal purview the intangible atmosphere and ambience of a restaurant as a unique commodity and property.”).

³⁵⁴ *Id.* at 90.

become legally defined as intellectual property through consumer experience.”³⁵⁵ Wong explains:

The “new” prices of admission are now conceived of as an experience of a company’s trade dress or identity, allowing property owners to claim that by merely appearing a certain way they now hold a certain intellectual property. . . . [W]hat is brought to crisis is not [merely the] commodification of everything but the making a fetish of values such as creativity, experience, and memory in order to defend that commodification.³⁵⁶

Hence, as Wong points out, “[t]he extension of trademark law to the built environment through the category of [service design] trade dress is, in some respects, a declaration of the right to preserve a totalizing environment and its public experience long before it is construed as historically significant.”³⁵⁷ As a result, our very experiences become commodities.

In considering these commodification concerns, imposing a secondary meaning requirement on service dress would promote reasonable limits on the commercial appropriation of the built environment. That is, mandating secondary meaning would require the trade dress owner to prove that its service design has commercial significance prior to removing that touchpoint from the experiential commons.

By making it more difficult to qualify for trade dress protection for consumer experiences, a secondary meaning requirement for service dress may also curb the commercial appropriation of service aspects of digital and virtual spaces — website features, app and videogame design, and virtual worlds, such as the much-hyped metaverse — touted as a

³⁵⁵ *Id.* at 91.

³⁵⁶ *Id.* at 103. In addition to *Two Pesos*, as a prime illustration of the totalizing conception of experiential trade dress, Wong invokes the case of *Sherwood 48 Assocs. v. Sony Corp.*, 76 Fed. App’x. 389, 391 (2d Cir. 2003) (“By seeking protection of both ‘the configuration’ of the three [NYC Times Square] buildings and the advertising and signage display on the faces of the buildings, the Property Owners plainly seek to protect the ‘overall look’ of each of the buildings . . .”).

³⁵⁷ Wong, *supra* note 353, at 91.

three-dimensional version of the internet containing digital replications of the built environment. Indeed, the expansion of trade dress to services also threatens to contribute to the commercial appropriation of the digital landscape just as it has the physical environment. Hoping to ward off this threat, in 1996 John Perry Barlow declared in his famously controversial *A Declaration of the Independence of Cyberspace*, that “legal concepts of property . . . do not apply to [Cyberspace]. They are all based on matter, and there is no matter [in Cyberspace].”³⁵⁸

Despite Barlow’s estimated prophecy of a liberated internet, digital environments have become heavily appropriated by commercial entities, modeled as a sort of simulacrum of physical property rights. James Boyle has referred to this expansion of intellectual property into the “intangible commons” as “the second enclosure movement,” in referring to intangible “things that were formerly thought of as either common property or uncommodifiable are being covered with new, or newly extended, property rights.”³⁵⁹ As Boyle writes:

In the new vision of intellectual property . . . property should be extended everywhere — more is better. Expanding patentable and copyrightable subject matter, lengthening the copyright term, giving legal protection to “digital barbed wire” even if it is used in part to protect against fair use: Each of these can be understood as a vote of no-confidence in the productive powers of the commons.³⁶⁰

In the context of trade dress, as far back as 1997, Tom Bell, in his article *Virtual Trade Dress*, lamented the expansion of trademark law to the then nascent digital realm as both preventing public access and threatening “to throw off the present balance between rewarding creation and allowing competition.”³⁶¹ Bell gave the example of a meeting spot called the Black Sun in the virtual world of Neal

³⁵⁸ John Perry Barlow, *A Declaration of the Independence of Cyberspace*, ELEC. FRONTIER FOUND. (February 8, 1996), <https://www.eff.org/cyberspace-independence> [<https://perma.cc/A8JS-SS5G>].

³⁵⁹ James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 L. & CONTEMP. PROBS. 33, 37 (2003).

³⁶⁰ *Id.* at 40.

³⁶¹ Bell, *supra* note 3, at 428.

Stephenson's novel *Snow Crash* — prophetically titled the “Metaverse”³⁶² — which might be eligible for service dress protection in the same way as Taco Cabana given its distinctive interior and exterior design. Similar issues remain in play a generation later. Carys Craig has referred to the already attempted expansion of intellectual property to Meta's metaverse as, in referencing Boyle's seminal work on the second enclosure movement, “Enclosure 3.0.”³⁶³

Consider that in *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, the Ninth Circuit addressed the use of service dress in the video game *Grand Theft Auto: San Andreas*. It held that defendant's depiction of a virtual adult entertainment club called the “Pig Pen” in a fictional Los Angeles in the video game was protected by the First Amendment as an expressive, artistic work. Thus, it did not infringe plaintiff's real world trade dress (a club called the “Play Pen” in Los Angeles).³⁶⁴ Yet in the metaverse, the stated goal is not entertainment, but to “blur[] the lines between our physical and virtual worlds.”³⁶⁵ This involves the use of “digital twins” — referring to virtual representations of physical objects, people, or places “created using real-time data and advanced simulation models to provide a comprehensive, digital view of a real-world process.”³⁶⁶ And, unlike in a traditional video game, the owner of the platform (Meta) is not the sole producer of the metaverse's content. Rather, it is brands themselves who are producing their own digital twins.

While much will depend on Meta's terms of service, the distinction between video game artwork and real-life commerce may not apply quite so easily with respect to the metaverse. The International

³⁶² See Bernard Marr, *A Short History of the Metaverse*, FORBES (Mar. 21, 2022 1:27 AM), <https://www.forbes.com/sites/bernardmarr/2022/03/21/a-short-history-of-the-metaverse/?sh=5175acd15968> [<https://perma.cc/P9C2-PVYJ>] (“Stephenson's metaverse was a virtual place where characters could go to escape a dreary totalitarian reality.”).

³⁶³ Carys Craig, *Enclosure 3.0: IP in the Metaverse*, Panel at the Cardozo Law 2023 IP Scholars Conference (Aug. 3, 2023).

³⁶⁴ *E.S.S. Ent. 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1101 (9th Cir. 2008).

³⁶⁵ Markus Levin, *The Metaverse: Blurring the Lines Between Our Physical and Virtual Worlds*, NASDAQ (July 21, 2022, 1:01 PM), <https://www.nasdaq.com/articles/the-metaverse%3A-blurring-the-lines-between-our-physical-and-virtual-worlds> [<https://perma.cc/C4LD-EGEP>].

³⁶⁶ Piscione & Drean, *supra* note 39.

Trademark Association (“INTA”) speculates that “a physical world strip club operator could establish a virtual strip club in the metaverse that replicates the look and feel of its physical world establishment.”³⁶⁷ And “[a] subsequent user attempting to open their own club with the same or similar . . . trade dress could cause a reasonable consumer to be confused as to which club was the ‘authorized’ metaverse location.”³⁶⁸ Thus, while still speculative, a secondary meaning requirement could provide a reasonable limit on what service dress qualifies for protection in the metaverse, thereby promoting fair digital expression.

In sum, while in no position to prevent it, trademark law need not overtly encourage the commodification of the consumer experience through the inherent protection of service dress. A secondary meaning requirement for service dress — resulting in fewer viable claims of experiential property — could therefore help safeguard the experiential commons, both in physical and digital realms.

CONCLUSION

This Article has sought to “service” trade dress by demystifying the concept of *tertium quid*. This elusive third category of trade dress is best understood as “service dress” — a realm that extends beyond products. Contrary to being a derivative of product packaging, service dress aligns more closely with service design — a discipline primarily focused on goals unrelated to trademarks or brand identification. The enduring conceptual ambiguity surrounding *tertium quid* trade dress has, for too long, resulted in unjustified eligibility for service dress’s immediate trademark protection based on inherent distinctiveness.

To modernize trade dress law, one potential path forward is to reconsider the foundation laid by *Two Pesos*, thereby requiring secondary meaning for both service design and product design, while retaining the possibility of inherent distinctiveness for product packaging. This approach would acknowledge that service design shares greater similarities with product design than with product packaging,

³⁶⁷ INT’L TRADEMARK ASSOC., WHITE PAPER TRADEMARKS IN THE METAVERSE 50 (April 2023), https://www.inta.org/wp-content/uploads/public-files/perspectives/industry-research/METAVERSE_REPORT-070323.pdf [<https://perma.cc/8XD3-Q48M>].

³⁶⁸ *Id.*

thus harmonizing trademark standards and addressing inconsistencies stemming from the Court's earlier expansive interpretation.

Alternatively, and perhaps more pragmatically, courts could act within the existing framework of *Wal-Mart Stores, Inc. v. Samara Bros.*, whose *tertium quid* language was ostensibly dicta rather than binding precedent. By interpreting service dress as requiring secondary meaning — a standard already applied to product design and color marks — courts could clarify this area without conflicting with existing Supreme Court jurisprudence. Such a step would align trademark law with contemporary principles while respecting precedent.

In playing off the *tertium quid's* connection to medieval alchemy, it is important for trademark law to transcend antiquated notions. Embracing a secondary meaning requirement for service dress — akin to the standards already applied to product design and color marks — would help usher trademark law into a more enlightened and rational era.