

Second Circuit Clarifies Standards for Unregistered Trade Dress Claims – A Welcome Trend Bucking the Difficulty and Uncertainty of Obtaining USPTO Registration

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Two recent decisions by the Court of Appeals for the Second Circuit may foreshadow a more liberal judicial treatment of claims of unregistered trade dress at the pleading stage, providing plaintiffs with early settlement leverage if they survive motions to dismiss.

These decisions potentially offer a more strategic path than pursuing the challenging and time-consuming process of obtaining United States Patent & Trademark Office (USPTO) registration for packaging and product design trade dress — protection that has become increasingly difficult to secure in recent years.

In reversing a district court decision tossing a packaging trade dress claim under Section 43(a) of the Lanham Act brought by The Wonderful Co. LLC (TWC) against its pistachio-product competitor Nut Cravings Inc., the Second Circuit held (by summary order) that TWC's complaint plausibly alleged a likelihood of confusion and further adequately alleged that TWC's unregistered trade dress for its product packaging was nonfunctional and therefore protectible. *The Wonderful Company LLC v. Nut Cravings Inc.*, No. 23-7540, 2025 WL 212064 (2d Cir. 1/16/2025).

The court found the similarities of color schemes and typeface of the primary identifying words on the packaging could plausibly infer similarity to consumers who are in the market for snack nuts, even where the products were not sold side by side.

Notwithstanding that transparent windows on the packaging were functional because they allowed consumers to view the products, the remaining packaging elements identified in the complaint, namely, colors, words and typefaces in combination, were “plausibly nonfunctional.”

In reaching its decision, the court emphasized that while a “visual, point-by-point comparison of the trade dress is relevant ... in a trade dress infringement case the question is not how many points of similarity exist between the two packages but rather whether the two trade dresses create the same general overall impression.” 2025 WL 212064 at *2.

Thus, a side-by-side comparison of the trade dresses is not the proper test for assessing infringement. Here, the court found it was “at least plausible that a casual consumer could infer a similarity of the trade dress marks.”

Moreover, both the competitive market proximity and geographic proximity of TWC and Nut Cravings products favored TWC.

In conclusion, the court held that TWC had sufficiently pleaded “enough of an overlap between the trade dresses in both appearance and product market to plausibly allege, for purposes of Federal Rule of Civil Procedure 12(b)(6), that consumers viewing either a TWC or Nut Cravings product package could be confused as to their true source.”

Functionality was an alternate ground for the district court's dismissal of TWC's case. Under Lanham Act Section 43(a), covering unregistered trademarks, the party asserting protection has the burden of proving that its trade dress is not functional. 15 U.S.C. §1125(a)(3).

TWC alleged both registered and unregistered trade dress, and argued that the presumptive validity of registered trade dress should carry over to its unregistered trade dress because the two were coextensive.

The Second Circuit, however, declined to wade into that thicket, rather finding that TWC adequately alleged nonfunctionality of its unregistered trade dress despite its nonfunctionality allegations being "far from robust."

It was sufficient that TWC pleaded that its unregistered packaging was nonfunctional and protectable, and "describe[d] in detail the facially aesthetic elements of its product packaging which, through TWC's 'combination and arrangement of design' of these elements, create a unique trade dress 'look' that identifies the source of the product." 2025 WL 212064 at *4.

The Second Circuit's decision appears to establish that the pleading standard for trade dress claims does not impose an overly high bar. A plaintiff need only plausibly allege the elements of its claim at this stage, with the court emphasizing that even "far from robust" allegations can be sufficient to survive dismissal.

Just a few weeks later, the Second Circuit again reversed dismissal of an unregistered trade dress claim brought under Section 43(a) of the Lanham Act involving Cardinal Motors, Inc.'s commercially successful and popular motorcycle helmet design called "The Bullitt," which it licensed exclusively to Bell Sports, Inc. *Cardinal Motors, Inc. v. H&H Sports Protection USA Inc.*, 128 F.4th 112 (2d Cir. 2025). Defendant H&H Sports sold a competing motorcycle helmet with features similar to The Bullitt.

As the court noted, the popularity of The Bullitt helmet is due to its unique look and feel, which consists, as pleaded, of two trade dresses. The "General Trade Dress" consists of the features of the sculptural and graphic design of The Bullitt helmet forming its distinctive general overall shape.

The second "Detailed Trade Dress" consists of the look of the sculptural and graphic design of The Bullitt helmet. Specific alleged elements of each mode of trade dress were pleaded by Cardinal Motors in its third amended complaint.

The district court dismissed that complaint on the ground it failed to allege how the General Trade Dress was "distinct," and that it was too broadly pleaded to allege a plausible trade dress claim. Finding the Detailed Trade Dress to be based in substantial part on the General Trade Dress, the Detailed Trade Dress claim also was dismissed. The Second Circuit reversed on both counts.

On appeal, the only issue was the extent to which distinctiveness of an alleged product design trade dress must be pleaded to pass the plausibility standard required at the pleading stage.

As reiterated by the Second Circuit, the Supreme Court previously mandated that product design trade dress can only be established by proof, and therefore pleading, of acquired distinctiveness (also known as secondary meaning), whereas packaging trade dress may be proven either by acquired distinctiveness or inherent distinctiveness. See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 216 (2000); *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 116-18 (2d Cir. 2001) (finding Yurman's best "articulation" of its jewelry trade dress "too broad to be a protectable, source-identifying expression").

But as the Second Circuit acknowledged, its prior decisions had led to this "articulation" requirement being tied to the distinctiveness requirement, thus "erroneously" incorporating distinctiveness into the articulation requirement. 128 F.4th at 124.

The court then clarified that distinctiveness is independent of the articulation requirement and is an essential element of a trade dress infringement claim that must be pleaded and established at trial. In contrast, the articulation requirement is a separate pleading requirement under which plaintiffs “must articulate precisely the components that compose their claimed trade dress.”

But articulation can be satisfied at the pleading stage by describing “with precision” the components of the alleged trade dress (specific attributes, details, and features). While the extent of required detail will vary from case to case, the articulated description must be “sufficiently precise as to some specific combination of components present in the trade dress (such as materials, contours, sizes, designs, patterns, and colors) so as to permit courts and juries to adequately evaluate the underlying claims at the appropriate juncture.”

Articulation is required even if the pleaded elements “arguably render the trade dress overbroad, generic, not distinctive, or functional.”

With respect to Cardinal Motors’ complaint, the court found the district court had improperly conflated the distinctiveness and articulation requirements.

The General Trade Dress pleaded satisfied the articulation test apart from the distinctiveness issue, and dismissing the Specific Trade Dress claim without independently considering its sufficiency was error.

At a minimum, the court found the Specific Trade Dress allegations, which laid out a detailed list of product design elements, were sufficiently pleaded to meet the articulation requirement.

On remand, the district court must now consider whether the other elements of the alleged product configuration trade dress claim, including “whether the trade dress is distinctive, likely to cause confusion, and nonfunctional” have been properly pleaded.

These two decisions provide helpful clarification of pleading requirements for both unregistered packaging designs and product configuration trade dress claims, and should assist plaintiffs in artfully crafting infringement complaints to increase the odds of surviving motions to dismiss.

While a USPTO registration of trade dress provides an initial *presumption* of validity, it is only that, a presumption. In virtually all cases the presumption will be challenged by defendants, and a plaintiff must ultimately still establish the three essential elements of protectable trade dress and infringement: distinctiveness, non-functionality, and likelihood of confusion.

In the authors’ experience, in recent years it has become increasingly difficult to successfully register trade dress with the USPTO, especially with respect to establishing either or both inherent distinctiveness or secondary meaning (the latter being the only way to protect product, as opposed to packaging, designs).

Indeed, the USPTO now appears to be requiring the same level of evidentiary proofs to support a trade dress application that would be required to demonstrate validity (*i.e.*, distinctiveness and non-functionality) when proving a trade dress infringement claim in district court.

Furthermore, according to USPTO currently posted data, the average processing time to issuance of a registration from application filing is 12.6 months for *all* trademark applications. See <https://www.uspto.gov/trademarks/application-timeline>. For prosecution of trade dress applications, that time is usually considerably longer.

That long delay, coupled with the uncertainty over whether a trade dress registration will be granted, impairs a brand owner's ability to promptly seek judicial relief against potential infringers if primary reliance will be on a federal registration that may never issue.

Well-drafted infringement complaints, which comport with the Second Circuit's now-clarified pleading requirements, better serve brands needing interim equitable relief to protect their unregistered trade dress in lieu of waiting out a problematic and lengthy USPTO process.

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