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How Close Is “Too Close”

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Abstract
Lana Ciaramella writes an article on trade dress infringement. Her article discusses the standards of trade dress infringement, how they are applicable to private label products and how the courts have modified their view of trade dress infringement over time. She focuses on the landmark decision in McNeil Nutritionals, LLC v. Heartland Sweetners, which set a new precedent for treatment of trade dress infringement by private label manufacturers of brand name products.

Cover Page Footnote
Lana Ciaramella received her BA from American University and is a 2012 J.D. candidate at Pace University School of Law. Ms. Ciaramella is a member of the Intellectual Property Student Organization at Pace and served as the Information Technology Editor for the PACE I.P., SPORTS & ENTERTAINMENT LAW FORUM for the 2011-2012 academic year. As an avid student of intellectual property law, she is currently interning at Collen IP in Ossining, New York.
How Close is “Too Close”

by: Lana Ciaramella

I. Introduction

Today’s product options for consumers nationwide are endless. Companies manufacture a variety of one particular product with different companies manufacturing competing brands. Each brand has developed an image for itself, otherwise known as the brand’s “trademark” look. This “trademark” look is called “trade dress” which refers to the packaging of a product. The design and coloring of a product’s package constitute trade dress. Lanham Act § 43(a) provides statutory protection from trade dress infringement, which the plaintiff holds the burden to prove. The elements of trade dress infringement are (1) that the allegedly fringed-upon design is non-functional; (2) the design is inherently distinctive or has acquired secondary meaning; and (3) consumers are likely to confuse the source of the plaintiff’s product with that of the defendant’s product. Trade dress protection is afforded to protect the consumer.

A consumer can go shopping for paper towels and find a great variety of styles, sizes and thicknesses spanning the aisle. More importantly, there are different brands manufactured by different companies. If they were all packaged the same, it would be difficult for the consumer to differentiate one company’s product from the next. For this reason, companies “brand” their products with logos and colors to identify their product from the next. Consumers associate their preferred products with the recognizable packaging they come in. If Jane walks down the

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1 Lana Ciaramella received her BA from American University and is a 2012 J.D. candidate at Pace University School of Law. Ms. Ciaramella is a member of the Intellectual Property Student Organization at Pace and served as the Information Technology Editor for the PACE I.P., SPORTS & ENTERTAINMENT LAW FORUM for the 2011-2012 academic year.
supermarket aisle in search of Bounty®, she does not need to read every package to find them. Her eyes skim over Brawny®’s yellow wrapping with a man in a checkered shirt and the Scott® paper towels with the red banner. The trademark green packaging with a green, orange and blue design is a bullseye target for the product she seeks. Once a consumer can associate the product with its trade dress, the packaging becomes a beacon attracting the consumer to it for purchase. The consumer begins to choose their preferred national brand products for their quality, reliability and trust, a “set of consistent promises”. A strong brand insinuates familiarity and gives the consumer a certain perception about a product category. It has been said that “the strongest brands in the world own a place in the consumer’s mind, and when they are mentioned almost everyone thinks of the same things.” This trait has an economic value that the owner cultivated and developed through time and financial commitment as evidenced by consumer acknowledgement, acceptance and preference of their product(s). Strong brands benefit consumers in that they “facilitate price and variety competition, and foster the maintenance of quality”. The benefit incurred by the trade dress owner is increased sales due to consumer recognition, reliance and preference of their consumers. The greater consumer appreciation of the product, the stronger value the product’s trade dress holds.

There has been an ever increasing presence of the “store brand” products in aisles. The development of store brand products was in response to consumer demands during the economic downturn in the 1980’s. The economy challenged national brand consumers to be “cost-
conscious consumers”. The 1970’s era of retailers selling generic products in white packaging with black lettering was revolutionizing. Retailers seized this opportunity to develop their own brands and offer them at lower costs to appeal to consumers. These “store brands” are marketed as lower priced alternatives to their favorite national brand products. “The private label goods can bear either the retail store’s name, or a name created exclusively for the retailer”. Stores are manufacturing their own products from food to toiletries. In recent years, the image of store brand products has strayed from the generic look to new looks of a “copycat” style, remarkably similar to the looks of more familiar, national brands consumers have come to know and respect. The “private labels” of store brands sitting on shelves, adjacent to brand name products, are becoming more difficult to differentiate at first glance. It has become a growing trend for these private labels to utilize the familiar appearance of popular brands in their own trade dress. Capturing the attention of the consumer, seeking their preferred brand by its trade dress, works in private label company’s favor. On its face, this seems like a simple case of trade dress infringement. Meanwhile, the private label companies traditionally have continued to infringe upon the national brand products with little or no repercussion. This begs the question of “how close is too close?” This paper explores the standards of trade dress infringement, how they are applicable to private label products and how the courts have modified their view of trade dress infringement over time.

12 Id.
14 Id.
15 Id at 82-83.
16 Id at 80.
II. Trade Dress

Trade dress is the “design and appearance of a product together with the elements making up the overall image that serves to identify the product presented to the consumer.”

Pictures, words, font and texture are a few aspects that may define the identity the brand. The white rays of light behind the “C” on the Crest® box of toothpaste, the shape of the Herbal Essences® shampoo bottle and the ridges on the Poland Spring® water bottle are all forms of trade dress.

This recognition is an essential component of the product’s marketing and ultimately profit margin. Without the known appearance of a product for a consumer’s ease of purchase, consumers would just pull the first item they saw off the shelves. It may not be until the consumer gets to the cash register or all the way back home that they realize what they purchased is in fact a product imitating the labeling and packaging of the product they actually intended to purchase. Sometimes the consumers are not even aware that what they are buying is a private label product. It is reasonable to infer the consumer will accept what they have and hope it lives up to the product they mistook it for, leaving the company that developed that signature look with no profit. Like all forms of intellectual property, there exists the threat of infringement. Trade Dress is protectable by two means: federal registration and Section 43(a) of the Lanham Act.

By registering the trade dress with the United States Patent and Trademark Office, others are prevented from registering the “same or confusingly similar trade dress”.

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21 Id. at 107.
registration affords the owner certain benefits that cannot otherwise be achieved. These benefits include the right to identify the mark with the federal registration symbol, public notice in the United States Patent and Trademark Office’s online databases, a basis to obtain registration internationally, a foundation for nationwide protection of the trade dress rights and federal jurisdiction for the infringement action and a basis for damages.\footnote{Basic Facts About Trademarks, \textit{United States Patent and Trademark Office} (USPTO), 2010, at 1, \textit{available at} \url{http://www.uspto.gov/trademarks/basics/BasicFacts_with_correct_links.pdf}.} Registration affords the owner greater validity and support of ownership to the trade dress. However, many parties persist in not proceeding with the registration process.

Unregistered trade dress may be protected under the Lanham Act\footnote{Edelstein at 106.}. Pursuant to section 43(a) of the Lanham Act, any “‘word, term, name, symbol, or device, or any combination thereof, or any false designation of origin’ which is ‘likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association of…or as to the origin, sponsorship, or approval’ of one party’s product with the product of another party” is prohibited.\footnote{\textit{Id.} at 108.} The standards of protection by both registration and the statute are comparable: the plaintiff(s) must “prove the trade dress is either inherently distinctive or has acquired distinctiveness through secondary meaning” and that there is a likelihood of consumer confusion.\footnote{\textit{Id.}} The \textit{Two Pesos, Inc. v. Taco Cabana, Inc.} case explored and expanded upon these standards.

In the case of \textit{Two Pesos, Inc. v. Taco Cabana, Inc.}, 505 U.S. 763 (1992), there were two Mexican restaurants: Two Pesos and Taco Cabana.\footnote{\textit{Two Pesos, Inc. v. Taco Cabana, Inc.}, 505 U.S. 763 (1992).} Taco Cabana had a chain of fast-food restaurants in Texas, all designed with their signature trade dress of “artifacts, bright colors,
paintings and murals…vivid color scheme using top border paint and neon stripes”. 27 Almost ten years later, Two Pesos, Inc. opened their first Mexican restaurant with “a motif very similar” to that of Taco Cabana. In the lawsuit brought by Taco Cabana, the jury found for Taco Cabana based upon these five determinations: (1) there was trade dress (2) taken as a whole, it was nonfunctional, (3) inherently distinctive, (4) had not acquired secondary meaning and (5) as this “alleged infringement created a likelihood of confusion on the part of ordinary customers as to the source or association of the restaurant’s goods or services”. 28 The jury instructions were appealed up to the Supreme Court, which held that “trade dress which is inherently distinctive is protectable under Lanham Act without showing that it has acquired secondary meaning.” 29 The Court relied on the fifth circuit’s decision in Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 702 (CA5 1981) which stated that “trademark law requires a demonstration of secondary meaning only when the claimed trademark is not sufficiently distinctive of itself to identify the producer.”

III. Consumer Confusion

A. General

The standards for finding trade dress infringement are elicited in the Two Pesos case above. The element of confusion, specifically consumer confusion, 30 is a key factor. 31 “To determine if consumer confusion exists, “the test is whether the total image and impression created by the defendant’s product or package results in a likelihood of confusion in the mind of

27 Id. at 765.
28 Id. at 766.
29 Id. at 763.
31 Edelstein, supra at 112.
the ordinary purchaser. Confusion on its face is a subjective concept; what is confusing to one consumer may or may not be confusing to another. However, case law has assisted in refining concept of confusion.

B. *Lapp Factors*

The *Lapp* Factor Test serves to evaluate the degree of confusion. In *Interpace Corporation v. Lapp, Inc.*, the court was presented with two companies that both sought to utilize the trademark term “*Lapp*” on their products. The plaintiff, Interpace Corporation, had a division called the *Lapp* Division, which manufactured and sold ceramic insulators and utilized the trade name “*Lapp*” in distribution. The defendant, *Lapp*, Inc., was a marketing subsidiary that utilized the trade name “*Lapp*” in selling its cable and electrical hardware. *Lapp*, Inc. had not registered for a trademark name in the word “*Lapp*”. The plaintiff sought to enjoin the defendant from using the term *Lapp* in its trade dress on the basis of false designation of origin under the Lanham Act § 43(a). The plaintiff brought this suit due to concerns for potential consumer confusion as to the true source of its product. The court overruled the lower court and found for the plaintiff. The Court assessed the following factors:

1. similarity of the marks; 2. strength of plaintiff’s mark; 3. sophistication of consumers when making a purchase; 4. intent of defendant in adopting the mark; 5. evidence of actual confusion (or lack thereof); 6. similarity of marketing and advertising channels; 7. extent to which the targets of the parties’ sales efforts are the same; 8. product similarity; identity/function/use; and 9. other factors suggesting that consumers might expect the prior owner to manufacture both products, or expect the prior owner to manufacture a product in defendants market, or expect the prior owner is likely to expand into defendant’s market.

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32 Edelstein, *supra* at 112.
33 *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 462 (3d Cir. 1983).
34 *Id.*
35 *Id.*
36 *Id.*
It is important to note that this list is non-exhaustive,39 and the factors utilized in such determinations are applied on a case by case basis. Additionally, more factors may be included in the evaluation while some noted factors may not be included.40 Regardless, this case has set the standard for determining the likelihood of confusion between two trademarks or trade dresses, and serves as a practical guide for courts to work from in making a determination in a trade dress infringement case.41

IV. Store Brands

Statutory law and case law have progressed to better protect trademark, trade dress and the general public. Branding is a large part of developing a product, and companies spend a lot of time, effort and money in establishing trademarks and trade dress. Most large companies have teams dedicated to marketing and intellectual property, while competing companies typically make efforts to distinguish their colors and logos from the competition. For example, Pepsi® wants its consumers to overlook the red Coca-Cola® products in the aisle and have their eyes zone in on their red and blue symbol, stamping the trade dress of their cans, bottles and boxes. It is generally preferable for a company to create a unique product image as opposed to matching or otherwise mimicking their competitors’ image. To perform the latter may cause their customers to believe they need to match their competitors’ trade dress to hold ground in the industry.

In spite of this attempted differentiation, walking down the aisle of the local drug store or supermarket, one will often find that the shelves are stocked with similarly-packaged products alongside of one another. Yet, the private label industry has noticeably evolved from using a

39 Id.
40 Id.
41 Id.
generic branding or barren packaging style to using a style involving creative colors, popular designs, and a form of somewhat moderated mimicry in order to truly compete with brand name products. Private labeling companies have also began piggy-backing on the work and investment of larger, more established companies by offering competitive pricing alternatives for comparable products.

A. 1983-2007

National brand companies were displeased with the business decisions to mimic product packaging made by the private label manufacturers. However, “[s]ince the store brands with look-alike packaging [were] usually owned by retailers who are often good customers of the national companies, the national companies [had] been reluctant to bring suit against these private label imitators.” In spite of this, some national brand companies began to take legal recourse against the private label companies. “[W]hen the national companies have made the decision to take action against private labelers, the courts have generally ruled against private label manufacturers which blatantly copy national brand packaging.”

Warner Lambert Company, the manufacturer of the United States’ largest selling mouthwash, filed a lawsuit against McCrory’s Corporation, a private label manufacturer, for trade dress infringement of their product Listerine®. McCrory produced a bottle of similar shape and clarity to best display the same amber colored antiseptic liquid as Listerine. The evidence demonstrated that the amber color was functional and therefore Warner Lambert could

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43 Id.
45 Id. at 391-392.
not make a claim to this as part of its trade dress.\textsuperscript{46} The bottle’s design was determined to have a functional purpose and therefore the court would not find it protectable\textsuperscript{47} under the Lanham Act. Judge Wolin held that Warner Lambert took too long to bring suit and would not be able to prove non-functionality, secondary meaning, or consumer confusion.\textsuperscript{48}

In the landmark case of \textit{Conopco, Inc. v. May Department Stores Company and Venture Stores Inc.}, the United States Court of Appeals for the Federal Circuit ended the legal trend favoring the national brand.\textsuperscript{49} In this case, the manufacturer of an established hand lotion of over twenty years decided to revamp and re-launch this product.\textsuperscript{50} They redesigned the shape of the bottle and the label.\textsuperscript{51} Accordingly, Ansehl, a private label manufacturer, became aware of this and revamped its competing product with similar modifications to the trade dress.\textsuperscript{52} Despite the trial court’s findings that the two products shared “extremely similar” trade dresses, the products were in direct competition and that Ansehl caused likely consumer confusion with intent to deceive and copy, the United States Court of Appeals found otherwise.\textsuperscript{53} Judge Plager stated that even if these findings were true, “they are at best merely inferentially or presumptively relevant to the likelihood of confusion issue.”\textsuperscript{54} Based on preceding case law, the Appellate Court found that the District Court was incorrect in finding for the likelihood of confusion.\textsuperscript{55} Circuit Judge Plager ruled in favor of the major retailer, stating that the “similarities between the packaging of the parties’ products did not establish actual or likelihood of confusion sufficient to

\textsuperscript{46} \textit{Id.} at 396-397.
\textsuperscript{47} \textit{Id.} at 398.
\textsuperscript{48} \textit{Id.} at 389.
\textsuperscript{50} \textit{Conopco, Inc. v. May Department Stores Co., et al.}, 46 F.3d 1556, 1559 (Fed. Cir. 1994).
\textsuperscript{51} \textit{Id.}
\textsuperscript{52} \textit{Id.} at 1560.
\textsuperscript{53} \textit{Id.} at 1566.
\textsuperscript{54} \textit{Id.}
\textsuperscript{55} \textit{Id.} at 1570.
support trade dress infringement claim.”\textsuperscript{56} The court found “that the consumers could tell the difference between [the major retailer’s] hand lotion and the national brand” and that “despite the deliberate copying of the national brand packaging…the retailer’s product was distinctive because it prominently displayed the retailer’s nationally-recognized logo.”\textsuperscript{57}

This decision set precedent for many other challenges on behalf of popular consumer products that were subsequently brought. As seen above, the findings tend to favor the private label manufacturer. Establishing the likelihood of consumer confusion appeared to be a daunting task. Despite significant similarity in packaging, the arguments of confusion tended not to persuade federal courts that consumer confusion existed. This changed in 2007 with the seminal case of \textit{Nutritionals, LLC v. Heartland Sweeteners}.

\textbf{B. 2007 Third Circuit Decision}

McNeil Nutritionals, the manufacturer of Splenda\textsuperscript{®}, a successful and nationally recognized brand of artificial sweetener made from sucralose, learned that a company had packaged their private label sweeteners with the same coloring and a significantly similar design, which led them to bring suit against said company, Heartland Sweeteners.\textsuperscript{58} Heartland is a packaging company that both packages and distributes store brand artificial sweeteners. The court defined store-brand products as “a type of private-label product, in which the store or retail chain name is the brand name.”\textsuperscript{59} Three of the most known brand name artificial sweeteners are Equal\textsuperscript{®}, Splenda\textsuperscript{®}, and Sweet ‘N Low\textsuperscript{®}. All three of these brands have very different

\textsuperscript{56} Conopco, Inc. v. May Department Stores Co., et al., 46 F.3d at 1556.
\textsuperscript{58} McNeil Nutritionals LLC v. Heartland Sweeteners, 511 F.3d 350 (3d Cir. 2007).
\textsuperscript{59} Id. at 353.
packaging: the trade dress of Equal® is blue; Sweet ‘N Low® is pink; Splenda® is yellow.\textsuperscript{60}

From halfway down the aisle of the supermarket, the consumer can easily identify the products from the color of their packaging. In a section of artificial sweeteners, the consumer could rely on seeing the yellow out of the corner of their eye, picking up the correct box: the Splenda. However, six years following the inception of the boxed Splenda®, that reliance was thwarted for customers of several supermarket chains, particularly those of Ahold supermarkets.\textsuperscript{61}

The stores under Ahold sold their store brand artificial sweeteners, packaged by Heartland Sweeteners.\textsuperscript{62} Their version of the sucralose artificial sweetener was nearly identical to that of the Splenda® box.\textsuperscript{63} Both products were oriented horizontally and came in the 100 or 200-count sizes.\textsuperscript{64} They shared the same yellow background.\textsuperscript{65} The lettering on the Splenda® box is in blue surrounded by a white cloud.\textsuperscript{66} The store-brand products varied from using white or blue lettering that was not surrounded by a white cloud, but was outlined in white.\textsuperscript{67} The product name was situated at the top right center on the front of both boxes.\textsuperscript{68} On the lower right corner of both boxes is a picture of a white cup of coffee and saucer.\textsuperscript{69} The difference in the photographs is that the Splenda® box has a Splenda® packet sitting on the saucer, while the store brand product included fruit and a glass of lemonade.\textsuperscript{70}

\textsuperscript{60} \textit{Id.} at 354.
\textsuperscript{61} \textit{Id.}
\textsuperscript{62} \textit{Id.} at 354-355
\textsuperscript{63} \textit{Id.}
\textsuperscript{64} \textit{Id.}
\textsuperscript{65} \textit{McNeil Nutritionals v. Heartland Sweeteners}, 511 F.3d at 354-355.
\textsuperscript{66} \textit{Id.}
\textsuperscript{67} \textit{Id.} at 354.
\textsuperscript{68} \textit{Id.} at 355.
\textsuperscript{69} \textit{Id.}
\textsuperscript{70} \textit{Id.}
store name) appears just above the product name.71 Significantly similar packaging was also found on the bag version of their products.72

The court in the McNeil Nutritionals, LLC v. Heartland Sweeteners case was presented with the specific issue of determining whether trade dress of a store-brand product was similar to the nationally competing brands to the extent that it confused consumers.73 The District Court found that the trade dress of the sweeteners produced by Heartland, with the exception of the Ahold boxes “and the Ahold bag[s] of granular sucralose”74, was not sufficiently similar to demonstrate a likelihood of consumer confusion.75 The Lapp factors were taken into consideration with their analysis of the case. McNeil Nutritionals argued that the lower court improperly utilized and balanced the Lapp factors in their appeal to the Third Circuit.76 In McNeil’s opinion, the District Court did not give sufficient weight to the package color in their assessment of the trade dress infringement.77 The Third Circuit disagreed with this allegation by noting that the consumers are aware that private label boxes of sweeteners dress their products with the same color as those of the brand name products.78 However, while the Third Circuit found the District Court committed no error in its analysis of the Lapp factors, they found there was clear error in balancing the Lapp factors which led to an improper conclusion.79 Justice Fisher’s opinion states that while all Lapp factors are not always relevant, (1) the first Lapp factor is always relevant and (2) “when it favors the plaintiff in a directly competing goods scenario…the defendant attempting to rebut the likelihood of confusion has a high hurdle to

71 Id. at 355
72 Id. at 354-355.
73 Id. at 353.
74 Id. at 359.
75 Id.
77 Id.
78 Id.
79 McNeil Nutritionals v. Heartland Sweeteners, 511 F.3d at 367.
overcome.\textsuperscript{80} Trade dress similarity is the “single most important factor in determining the likelihood of confusion” \textsuperscript{81}

In disagreeing with the District Court, the Third Circuit stated that

[t]he danger in the District Court’s result is that producers of store-brand products will be held to a lower standard of infringing behavior, that is, they effectively would acquire \textit{per se} immunity as long as the store brand’s name or logo appears somewhere on the allegedly infringing package, even when the name or logo is tiny.\textsuperscript{82}

A prominent existence of another known design or mark may serve as a sufficient defense against the allegation of trade dress infringement.\textsuperscript{83} The \textit{McNeil} case served to raise the burden of proof for potential trade dress infringers, particularly for private label companies.

\section{V. Affect on Industry}

The \textit{McNeil} case did provide for significant clarity and progression in the use of the Lapp factors and aided to protect further victims of trade dress infringement. However, there is no evidence of a decline in the challenge by private label manufacturers. This industry of lower cost alternatives continues to thrive as is visible on supermarket and drug store shelves. The store brand plays upon increased consumer awareness by placing its own product in close proximity to the nationally advertised brand. Local advertising by the store will invite comparisons between its private label product and the nationally advertised one. Inevitably, the private label will be substantially less expensive than the nationally advertised product.

\begin{footnotes}
\item [80] Id.
\item [81] \textit{A&H Sportswear v. Victoria’s Secret Stores}, 237 F.3d 198, 216 (3d Cir. 2000).
\item [83] \textit{Trade Dress Article - Trade Dress Likelihood of Confusion Minimized by Prominent Use of Trademarks}, RATNERPRESTIA (2009), http://ratnerprestia.com/121.
\end{footnotes}
The question is, in light of these seminal cases like the *McNeil* case, why do these companies continue to dress their products dangerously similar to that of the direct national brand competition?

There is indeed a significant cost factor involved in branding a product. The private label companies are aware of the fact that brand name companies “expend tremendous sources of funds to build consumer recognition of both its product and tradename. If successful, the results should show higher market penetration and increased sales.” Part of this success lies in the continued return of consumers to purchase the product(s). By mimicking the trade dress of these established brands, the “[p]rivate label brands owe their existence to the advertising and promotion efforts of the national brand.” The private label companies maintain their financial resources by not over-expending on their own trade dress development and, instead, profit on the brand name manufacturer’s investment.

The profitability factor of the private label or store brand alternatives is their price. Lower prices attract consumers, especially in a poorer economy. While a lower price alternative is always an attractive offer, consumers who know and trust a brand for its quality and value may hesitate to turn away from this reliability. Private label companies therefore attract customers with other incentives such as “compare to” advertisement in which they invite consumers to compare the private label product to the brand name for acceptable similarities. Many private label products are created with the same active ingredient, which puts the purchaser’s mind at ease when weighing in health and safety factors. There is also a psychological aspect of visual

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85 Id.
87 Conopco, Inc. v. May Dept. Stores Co., 46 F.3d 1556, 1565 (Fed. Cir. 1994).
recognition. If it looks the same, it is the same or else should be the same. By similarly
dressing the product packaging to that of a successful brand, the consumer will take notice and it
may serve to lessen the hesitation in opting for the private label brand.

Indeed the success of these private label products rides on the back of significant investments by the brand name product’s company. Federal registration is a nominal fee starting upward from three hundred seventy-five dollars ($375.00). The costly component of the investment is in the marketing and development of the product’s image. In one year alone, L.A. Gear spent over five million dollars ($5,000,000.00) on extensive advertising expenditures to promote image association to their clientele for their “Hot Shots” shoe line, which they alleged infringement of by a competing shoe company. This year Apple brought suit against Samsung for trade dress infringement of its handheld touch products such as the infamous iPhone. Between the years of 2007 to 2010, Apple spent more than two billion dollars ($2,000,000,000.00) in advertising brand recognition and dress of new technology. Upon such expenditures, private label companies build their product’s trade dress and have them shelved directly next to the brand name for the consumer’s eyes to scan and pick which box to grab.

VI. Conclusion

While there is progression in favor of the brand name companies in the courts, with a more enhanced use of the Lapp factors, there is no avoiding the impending competition of private label companies. The Court in McNeil conceded that even their holding provides store

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90 L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1122 (Fed. Cir. 1993).
brands with the ability to “‘get away’ with a little more similarity”\textsuperscript{92} in overall appearance. With this leeway, it is undeniable that the lower cost alternative develops products with packaging very close to that of their more expensive competitor, with the clear intent to confuse the consumer. An educated consumer may compare packages by observing the product and reading label information. However, if the consumer picks up the less expensive alternative because it looks like the brand name product they walked over to purchase, then the consumer has been initially deceived by appearance due to the private label’s strategy and at cost to the brand name’s investment. It would appear that common law is transitioning to once again favor the national brand in such circumstances. Though currently, the law still affords private label manufacturers some ability to take advantage of national brand manufacturers’ trade dress success. The \textit{McNeil} case should set a trend of protecting the national brands from the private labels’ trade dress getting too close to their own.

\textsuperscript{92} \textit{McNeil Nutritionals v. Heartland Sweeteners}, 511 F.3d at 368.