

Outside Counsel

A Fragrance by Any Other Name

by Roy S. Gordet

Trade dress is still a very hot topic in the world of marketing, one which gets me excited, as you know. I have written about it in the past. Trade dress is a means by which the law will grant exclusive rights to a product or even a marketing method, if there is some aspect of the product or the marketing method that can serve to identify the source of the product or service.

Sephora, as you may know, is a new chain of perfume boutiques owned by Louis Vuitton. I am not into perfume, although maybe I should be, but apparently Sephora is something special which I should know about. Sephora has made quite a big splash (pun intended) in the international perfume world.

In the Sephora perfume boutiques, merchandise is displayed in a "new" fashion, with brands arranged side by side and goods arranged on open shelves so that customers can select items without the involvement of a salesperson. This concept is generally known as "open sell" and, until now, it rarely has been used at retail establishments that sell high-end cosmetics and fragrances. This, according to Sephora, is a new concept.

In any case, Macy's parent corporation, Federated, was enthralled by this new concept, and opened up Macy's new "Souson" stand-alone cosmetic and fragrance specialty stores. They began operating last May in the recently renovated cosmetic/fragrance departments in San Francisco's Macy's flagship store and other

Union Square. Sephora's powers that be were not happy. In August, they filed a complaint for trade dress infringement in the San Francisco Federal Court.

The complaint alleges that the Macy's layout, the attire of the sales associates, the interior design, the displays, the alphabetical arrangement of brands, and the overall impression of the shopping experience have all been blatantly and illegally appropriated from Sephora. The lawsuit seeks a preliminary injunction to prevent Federated from opening any additional Souson stores or new departments which "directly or indirectly use the Sephora trade dress." The lawsuit also seeks a permanent injunction that compels Federated to eliminate every aspect of existing Souson stores or Macy's departments that infringe upon Sephora's trade dress. Macy's claims they have been using such a concept for years.

Sephora claims that because all cosmetics brands are laid out in its stores without any specific emphasis, the identity of the retailer is much more important than those of the individual cosmetics lines. "For that identity to be value added, the store itself must have a distinctive identity that enhances the customer's pleasure about purchasing products that are, themselves, about pleasure and magic," the complaint alleges. Obviously these perfume people are so full of themselves and their perfume. Meeting the requirements of a trade dress claim in a court is

not easy. It can make trade dress owners and their lawyers claim that their product and its trade dress are so

name appears on it or, as in this case, regardless if a name appears on the retail boutique.

"Trade dress, as a means for an entrant in a competitive market to gain a lawful advantage, is a powerful tool."

Trade dress, as a means for an entrant in a competitive market to gain a lawful advantage, is a powerful tool. Consumer-oriented companies should be actively attempting to take advantage of this. But not everything that happens in the marketplace qualifies for trade dress protection. And it can be difficult to establish in a court of law that trade dress is acting to identify the source or origin of the goods or services.

Next month we will discuss some recent techniques described by a New York appeals court regarding an owner trying to establish its trade dress protection. The owner had to overcome some of the court's reluctance in believing that the trade dress owner had something so distinctive that it should be entitled to prevent competitors from using it.

In the meantime, next time you're in the Union Square area, check out our two trade dress combatants and let me know what you think.

"Trade dress is a means by which the law will grant exclusive rights to a product or even a marketing method..."

select California Macy's stores. The disputants are within yards of each other at

unique and special that consumers identify with their product regardless if a brand

Roy S. Gordet, a San Francisco attorney, is chairperson of the Ad Club's Legislative Affairs Committee. He welcomes your comments and column ideas at rsgordet@ncal.verio.com.