

## FOLLOWING THE DIRECTION OF *TRAFFIX*: TRADE DRESS LAW AND FUNCTIONALITY REVISITED

AMY B. COHEN\*

### ABSTRACT

For much of American history, in order to promote competition among the producers of useful products, the law did not grant protection to the design of such products unless the design met the demanding requirements for patent or copyright protection. In the 1980s, an expansion of trade dress law resulted in protection of product designs, with the courts relying primarily on the functionality doctrine to preserve the interest in competition. The functionality doctrine, however, riddled by ambiguity and conflicting interpretations, was not effective in preventing overly broad protection of the designs of useful products. As a result, more and more designs of useful products were insulated from competition through trade dress law protection, and society's interest in obtaining the best goods at the lowest cost was hampered.

In the last ten years, the Supreme Court has indicated its distrust of this expansion of trade dress law. In particular, in *TrafFix Devices v. Marketing Displays*, the Court narrowed trade dress protection by providing a broader definition of functionality. Many scholars have struggled to make sense of the *TrafFix* decision, and many courts have struggled to apply it. The federal courts and the Trademark Trial and Appeal Board are split in their interpretations and applications of the *TrafFix* holding. Thus, there is considerable confusion about the extent to which the designs of useful products should be protected under trade dress law. It is time to resolve this confusion and return to the earlier era when trade dress law did not grant protection to the overall design of useful products.

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## I. INTRODUCTION

Consider the design of any object sitting in your office: your lamp, your chair, your pen, even the stapler and tape dispensers. Each one is the result of both functional and aesthetic design choices. Almost every day-to-day object used was created with both of those needs in mind. In order to sell, the object both has to work and appeal to the tastes of consumers. A comfortable chair that is ugly will not sell, nor will an appealing chair that is uncomfortable. We as consumers want products that serve both utilitarian and aesthetic needs, and those who develop these goods invest time and money into designs that appeal to both. Producers do not want their product designs to be copied by others who have not made the same investment. The law, however, has generally been reluctant to grant such protection unless the design meets the requirements for patent registration, or has features separable from the utility of the object that meet the standards for copyright protection. This reluctance to protect the design of useful products is based on the policy that favors free competition in the sale of goods.<sup>1</sup> If, for example, a chair has been designed well to meet our utilitarian and aesthetic needs, then consumers and society benefit from having multiple producers competing to make that product at the highest quality for the lowest cost. Patent or copyright law may give a manufacturer protection for a limited period in order to provide the initial incentive to design that object,<sup>2</sup> but

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<sup>1</sup> See *infra* notes 23–57 and accompanying text.

<sup>2</sup> See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150–151 (1989) (holding that the patent system encourages “the creation and disclosure of new, useful, and nonobvious advances in technology and design” by granting an “exclusive right to practice the invention for a period of years”); *Biotechnology Indus. Org. v. Dist. of Columbia*, 496 F.3d 1362, 1372 (Fed. Cir. 2007) (holding that inventors are motivated to create by the expectation that, through procuring a patent, they will obtain exclusivity over the manufacturing, use, and sales of the product, reaping the economic rewards during the patent’s term); *Sanofi-Synthelabo v. Apotex, Inc.*, 470 F.3d 1368, 1383 (Fed. Cir. 2006) (“[T]he encouragement of investment-based risk is the fundamental purpose of the patent grant, and is based directly on the right to exclude.”) (quoting *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 599 (Fed.Cir.1985)). The greater profits available due to lack of direct competition are the “incentives for innovative activities.” See DRUG PRICE COMPETITION AND PATENT TERM RESTORATION ACT, H.R.REP. No. 98-857(I), at 17 (1984). Likewise, the limited monopoly created by the Copyright Act “is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.” *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984). Monetary rewards were also contemplated by the Copyright Act. See *Harper & Row, Publishers, Inc. v. Nation Enters.*,

in the end, society benefits when all producers can copy and sell a design without permission from the original creator.

This attitude was the predominant view for much of American history. Absent patent or copyright protection, the overall design of a product was available to anyone to copy, limited only by prohibitions against passing off the product as coming from someone else, prohibitions which were enforced through requirements of labeling.<sup>3</sup> As a result of a slow change in trademark and unfair competition law, however, that attitude began to shift, and by the 1980s, there was a growing body of case law that granted designers protection against copying their product designs under trademark and unfair competition law instead of patent or copyright law. What started as protection for the packaging and containers used to sell products—i.e., “trade dress”—eventually turned into protection of the designs of the products themselves. Now the design of that chair, that pen, or even that tape dispenser was potentially protectable as trade dress, as long as the design or aspects of that design were not functional, and were distinctive enough to serve as an identifier of the source of those goods. Now a competitor might be prohibited from copying that design and providing consumers with a better or cheaper version of that object.

In the last ten years, the Supreme Court has indicated its distrust of this trade dress law expansion in two important cases.<sup>4</sup> In *Wal-Mart Stores v. Samara Bros.*,<sup>5</sup> the Court ruled that the design of a product could only receive trade dress protection under federal law if it had acquired distinctiveness through sales, advertising, and other promotions of that product.<sup>6</sup> No product design would be protectable until there was proof that consumers relied on that design as a means of identifying the source of the goods.<sup>7</sup>

The Court narrowed trade dress protection even further in *TrafFix Devices v. Marketing Displays*.<sup>8</sup> In *TrafFix*, the Court addressed the elusive ques-

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471 U.S. 539, 546 (1985) (holding that the “rights conferred by copyright” were designed to assure authors “a fair return for their labors” (citing *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975))).

<sup>3</sup> See *infra* notes 23–57 and accompanying text.

<sup>4</sup> See generally Sheldon W. Halpern, *A High Likelihood of Confusion: Wal-Mart, TrafFix, Moseley, and Dastar—the Supreme Court’s New Trademark Jurisprudence*, 61 N.Y.U. ANN. SURV. AM. L. 237, 261 (2005) (“[T]he clear goal and the undoubted effect of this process [of limiting the role of trademark law] is to expand the scope of permissible copying by contracting the scope of trademark protection, in a kind of zero sum game.”).

<sup>5</sup> 529 U.S. 205 (2000).

<sup>6</sup> *Id.* at 216.

<sup>7</sup> *Id.* at 212–13.

<sup>8</sup> 532 U.S. 23 (2001).

tion of what it meant for a product design to be functional. With respect to the utilitarian aspects of a product's design, the Court endorsed the so-called traditional test for functionality: that a feature is functional "when it is essential to the use or purpose of the device or when it affects the cost or quality of the device."<sup>9</sup> Moreover, the Court made it clear that competitive necessity was not the correct test for functionality and that if the design was "essential to the use or purpose" of the product, or affected "the cost or quality" of the product, then it did not matter whether there were alternative designs that could be used.<sup>10</sup> A design that was functional, as so defined, was to be freely available to others for copying.<sup>11</sup> With respect to aesthetic features, the Court was even broader in its definition of functionality. An aesthetic feature or design that was an important ingredient in the success of the product was "functional," and thus not protectable as trade dress.<sup>12</sup> It seemed at first glance that the Court was making it very clear that almost all product design would be unprotected under principles of trade dress law. Only those features that were truly arbitrary and not important to the commercial success of the product would be potentially protectable as trade dress.<sup>13</sup>

Despite its seeming clarity, many scholars have struggled to make sense of the *TrafFix* decision, and many courts have struggled to apply it. The federal courts have split in their interpretations and applications of the *TrafFix* holding.<sup>14</sup> In particular, the Trademark Trial and Appeal Board ("TTAB") and its reviewing court, the Federal Circuit Court of Appeals, have essentially continued to apply a definition of functionality that was followed prior to the *TrafFix* decision, while paying the case lip service.<sup>15</sup> Although much was written initially after the Supreme Court decided *TrafFix*,<sup>16</sup> little has been written in the last

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<sup>9</sup> *Id.* at 33.

<sup>10</sup> *Id.* at 34.

<sup>11</sup> *Id.* at 35.

<sup>12</sup> *Id.* at 33.

<sup>13</sup> See *infra* notes 261–277 and accompanying text.

<sup>14</sup> See generally Vincent N. Palladino, *Trade Dress Functionality After TrafFix: The Lower Courts Divide Again*, 93 TRADEMARK REP. 1219 (2003).

<sup>15</sup> See *infra* notes 286–299, 507–618 and accompanying text.

<sup>16</sup> See, e.g., Eric Berger, *TrafFix Devices, Inc. v. Marketing Displays, Inc.: Intellectual Property in Crisis: Rubbernecking the Aftermath of the United States Supreme Court's TrafFix Wreck*, 57 ARK. L. REV. 383 (2004); Dorota Niechwiej Clegg, Note, *Aesthetic Functionality Conundrum and Traderight: A Proposal for a Foster Home to an Orphan of Intellectual Property Laws*, 89 IOWA L. REV. 273 (2003); Tracey McCormick, Note, *Will TrafFix 'Fix' the Splintered Functionality Doctrine?: TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 40 HOUS. L. REV. 541 (2003); Palladino, *supra* note 14; Mark Alan Thurmon, *The Rise and Fall*

five years that addresses the issues in depth.<sup>17</sup> In those five years, the case law has continued to be confused and inconsistent.

It is time once again to re-examine that decision and the entire issue of trade dress. Perhaps it is time to turn the clocks back to a time when product design per se was not protectable as trade dress and was available for copying unless protected by patent or copyright law. In Part II of this article, I will look back at the cases of the twentieth century to trace the shifts in treatment of trade dress. In Part III, I will examine the twenty-first century: the *Walmart* case, the *TrafFix* case, and in particular, the decisions of the courts and the TTAB in the last five years, which continue to reveal the underlying conflicts and inconsistencies in the law. In Part IV, I will propose a radical reversal of legal policy that will eliminate the need for the anguished and inconsistent applications of the functionality doctrine and better serve the best interests of both consumers and designers of consumer goods.

## II. TRADE DRESS AND FUNCTIONALITY IN THE TWENTIETH CENTURY

### A. *Pre-Lanham Act Cases*

As Professor Mark Thurmon described in his exhaustive 2004 article on the history and development of the functionality doctrine,<sup>18</sup> it seems quite clear that prior to the enactment of the Lanham Act in 1946,<sup>19</sup> courts did not recognize

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*of Trademark Law's Functionality Doctrine*, 56 FLA. L. REV. 243 (2004); Harold R. Weinberg, *Trademark Law, Functional Design Features, and the Trouble with TrafFix*, 9 J. INTELL. PROP. L. 1 (2001).

<sup>17</sup> See, e.g., Perry J. Saidman, *Functionality and Design Patent Validity and Infringement*, 91 J. PAT. & TRADEMARK OFF. SOC'Y 313 (2009); Amir H. Koury, *Three Dimensional Objects as Marks: Does a 'Dark Shadow' Loom over Trademark Theory?*, 26 CARDOZO ARTS & ENT. L. REV. 335 (2008); Andrew F. Halaby, *The Trickiest Problem with Functionality Revisited: A New Datum Prompts A Thought Experiment*, 63 N.Y.U. ANN. SUR. AM. L. 151 (2007); Justin Pats, Comment, *Conditioning Functionality: Untangling the Divergent Strands of Argument Evidenced by Recent Case Law and Commentary*, 10 MARQ. INTELL. PROP. L. REV. 515 (2006); Halpern, *supra* note 4, at 261.

<sup>18</sup> Thurmon, *supra* note 16, at 257–71. Professor Thurmon's article does an excellent job of describing and analyzing the history and development of the functionality doctrine and I do not intend to merely restate his thorough explication of that history. Instead, I wish to describe the general contours of the history of the functionality doctrine, using a number of cases as indicators of those contours before turning to my own view on the doctrine and where it should be, which differs from Professor Thurmon's.

<sup>19</sup> The Trademark Act of 1946 (hereinafter "the Lanham Act") §§ 1–74 (codified as amended at 15 U.S.C. §§ 1051–1141 (2006)).

any trademark protection for the overall design of a product.<sup>20</sup> Trademark protection was limited to words and symbols used to identify products—so-called technical trademarks,<sup>21</sup> but not to the design of the product itself. Although courts recognized unfair competition claims where a competitor copied a plaintiff's product and attempted to pass the product off as its own, the remedy given in such cases was not to prohibit the copying of the plaintiff's product design. Instead, the courts would generally require the defendant to take some action to distinguish its product from that of the plaintiff, such as labeling or packaging the product to make it clear that the product was not produced by the plaintiff.<sup>22</sup>

As parties began to bring claims seeking to prohibit the copying of aspects of their products beyond the technical trademarks, the courts began to develop rationales for denying them such a remedy. The principal rationale for denying such relief was the effect it would have on competition. The courts repeatedly articulated a policy in favor of free competition; that is, that no producer, in the absence of a patent, should be able to stop a competitor from copying its product, as long as no passing off was involved.

This can be seen in several early cases wherein parties sought to register designs as trademarks under the predecessor to the Lanham Act.<sup>23</sup> For example,

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<sup>20</sup> See generally Thurmon, *supra* note 16, at 257–71. See also Clegg, *supra* note 16, at 282–85; Weinberg, *supra* note 16, at 10–14 (discussing early state cases that showed reluctance to protect product designs based on the effect on competition).

<sup>21</sup> At common law, technical trademarks were arbitrary symbols or words used to identify a person's goods. 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS § 4:4, at 4-3 (4th ed. 1996). Technical trademarks had to be unique, fanciful, and non-descriptive; "automatically distinctive and capable of immediately functioning as symbols of origin." *Id.*; see also *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 700 (2d Cir. 1961). The mark was a property right that existed independently of statutory provisions for trademark registration. *Trademark Cases*, 100 U.S. 82, 92 (1879); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 333 (1938).

<sup>22</sup> See Thurmon, *supra* note 16, at 258.

<sup>23</sup> In 1905, Congress passed An Act To Authorize the Registration of Trade-Marks Used in Commerce with Foreign Nations or Among the Several States or With Indian Tribes, and to Protect the Same (hereinafter the Trademark Act of 1905). 33 Stat. 724 (1905) (codified at 15 U.S.C. § 81). While the right to own and use a trademark was a common law property right, the statute created a system and codification of trademark practice. ORSON D. MUNN, TRADE-MARKS AND UNFAIR COMPETITION 16 (1934). It provided a procedure for registration, created rules for valid marks, and made registered marks public record. *Id.* The Trademark Act of 1905 allowed registration of any mark that distinguished the owner's goods from another's unless it contained "immoral or scandalous matter," was comprised of the flag, coat of arms, or insignia of a country or state, or the mark so closely resembled another's "as to be likely to cause confusion or mistake in the mind of the public." 33 Stat. at 725. Registration provided prima facie evidence of (rebuttable) ownership as well as the right to bring suit in federal court, where an injunction or damages could be granted for a violation of the owner's

in *Herz v. Loewenstein*,<sup>24</sup> the plaintiff sought to register the design of packages in which it sold its toothpicks.<sup>25</sup> The process of sealing the packages produced a corrugated embossing on the ends of the wrappers, which the plaintiff claimed as a trademark.<sup>26</sup> The Court of Appeals for the District of Columbia ruled against the plaintiff, reasoning that “[t]he mark is not placed upon the toothpicks, but is produced as a result of a distinct method of sealing the wrappers . . . . A trademark registration . . . would give appellant a perpetual monopoly.<sup>27</sup> The trademark act cannot be used as an avenue to escape the limitations of the patent law.”<sup>28</sup>

The court went on to quote from a Pennsylvania decision, *Hoyt v. Hoyt*,<sup>29</sup> stating:

[T]he trademark must relate to and distinguish the goods to which it is applied. For this reason, among others, the size or shape or mode of construc-

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exclusive right to use the mark in conjunction with their goods. *Id.* at 728, 729; MCCARTHY, *supra* note 21, § 5:3 (4th ed. 1996). Despite the seemingly few restrictions to the subject matter of a trademark registration under the Act, the Supreme Court had previously defined a trademark as a “symbol” or “device.” *Trademark Cases*, 100 U.S. at 92. Because of the requirement that the trademark be “affixed” to the goods or packaging, trademarks did not include shapes, packages, or containers, nor could they be the articles of merchandise themselves. See Trademark Act of 1905 § 29, 33 Stat. at 731; MUNN, *supra* at 34; Lars Smith, *Trade Distinctiveness: Solving Scalia’s Tertium Quic Trade Dress Conundrum*, 2005 MICH. ST. L. REV. 243, 246 n.16 (2005). Courts were also unwilling to protect a product’s design. See *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2d Cir. 1917) (holding that a plaintiff “may not monopolize any design or pattern, however trifling” and that defendants may “copy the plaintiff’s goods slavishly down to the minutest detail” as long as he did not pass himself off as the plaintiff in the sale).

The Trade-Mark Act of 1920 adopted the procedural provisions of the 1905 Act but omitted the provision that made the registration of a trade-mark prima facie evidence of ownership. 41 Stat. 533 (1920) (codified at 15 U.S.C. § 121). Ownership must be proven. *Id.* § 4, at 534. The statute was enacted “for the purpose of enabling manufacturers to register their trade-marks in this country for the purpose of complying with legislation in foreign countries, . . .” *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 334 n.21 (1938) (citing S. REP. No. 66-432, at 2 (1920)); *Kellogg Co. v. Nat’l Biscuit Co.*, 71 F.2d 662, 666 (2d. Cir. 1934). It did not confer any substantive rights in the registrant. *Armstrong*, 305 U.S. at 322. However, it created remedies for protecting registrations and authorized triple damages for infringement. Trademark Act of 1920 § 4, 41 Stat. 534 (codified at 15 U.S.C. § 124).

<sup>24</sup> 40 App. D.C. 277 (D.C. Cir. 1913).

<sup>25</sup> *Id.* at 278.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> See *id.*

<sup>29</sup> 22 A. 755 (Pa. 1891).



tion of a box, barrel, bottle, or package, in which goods may be put, is not a trademark. If there is any new or useful combination in the construction of such box or package, it should be patented as an invention, if the owner wishes to prevent others from using it; but such package cannot be registered as a trademark.<sup>30</sup>

Thus, the courts in this early period did not even recognize trademark protection for packaging, but just for the words or logos used to identify products.

Similarly, in *In re Oneida Community*,<sup>31</sup> plaintiff appealed the Commissioner of Patent's refusal to register a "circular or O-shaped film having distinct edges" that plaintiff placed on the back of its spoon bowls.<sup>32</sup> The court found that there was an expired patent covering just such a film, indicating that the film was a means of protecting the precious metal from erosion.<sup>33</sup> The court concluded that plaintiff was rightfully denied registration.

[T]his is an attempt, under the guise of trademark registration, to obtain a monopoly of a functional feature of an article of manufacture. . . . A monopoly may not be revived in this way . . . . Regardless of the patent, . . . this alleged trademark should not be registered, for clearly no functional feature of a device is a proper subject for trademark registration.<sup>34</sup>

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<sup>30</sup> *Herz*, 40 App. D.C. at 278, quoting *Hoyt*, 22 A. at 756. See also *Davis v. Davis*, 27 F. 490, 491–92 (D. Mass. 1886) ("A trade-mark is some arbitrary or representative device attached to or sold with merchandise and serving to designate the origin or manufacture of that merchandise. I do not think that the merchandise itself, or any method of arranging the various packages, can be registered as a trade-mark. . . . [T]he trade-mark must be something other than, and separate from, the merchandise.").

<sup>31</sup> 41 App. D.C. 260 (D.C. Cir. 1913).

<sup>32</sup> *Id.* at 260.

<sup>33</sup> *Id.* at 261.

<sup>34</sup> *Id.* (citation omitted). These early courts were reluctant also to recognize marks on the products themselves if they were produced as part of the manufacturing process. In *Capewell Horse Nail Co. v. Mooney*, the plaintiff sued the defendant for copying a pattern of small checks stamped onto the head of its horseshoe nails. 172 F. 826, 827 (2d Cir. 1909). Because the nails were generally sold by the pound without any packaging to customers, the plaintiff alleged that the defendant was passing off its nails as those of the plaintiff. *Id.* The trial court ruled for the plaintiff, finding that the pattern was adopted as a trademark by the plaintiff and "not as an incident of manufacture or primarily for ornamentation." *Id.* On appeal, the court said that "[t]he real point in the case is whether the mark which defendant stamps on its nails . . . is put there as a necessary incident of the process of manufacture." *Id.* at 828. The court agreed with the trial court that, in this case, the defendant had other ways of producing nails without creating the pattern found on plaintiff's nails and therefore, plaintiff was entitled to protection. *Id.* at 829. The court by implication, however, suggested that marks that were produced as a necessary consequence of the manufacturing process would not be protectable.

The approach of the Commissioner of Patents and the court reviewing its actions was consistent with that of the courts determining protection under common law in terms of recognizing that the public had a right to copy the configuration of useful products in the absence of patent or copyright protection and that there should be no trademark protection of such configurations. At least as early as 1877, one court stated that “a trade-mark is always something indicative of origin or ownership, by adoption and repute, and is something different from the article itself which the mark designates.”<sup>35</sup> The court went on to reason that unless protected by a patent, “any one may make anything in any form, and may copy with exactness that which another has produced, without inflicting legal injury, unless he attributes to that which he has made a false origin, by claiming to be the manufacture of another person.”<sup>36</sup>

This approach, which recognized that trademark protection did not extend to the configuration of a product and that there was a public right to copy the design of unpatented articles as long as the imitator did not pass off his goods as the product of the another’s, was also endorsed by the Supreme Court in 1896 in *Singer Manufacturing Co. v. June Manufacturing Co.*<sup>37</sup> In that case, the defendant was copying the design of the plaintiff’s sewing machines and also calling them “Singers.”<sup>38</sup> Plaintiff asked the court to enjoin both the copying of the design and of the name “Singer.”<sup>39</sup> The Court refused, finding that plaintiff’s patents had expired on the design and that the name “Singer” had become the generic designation for that design of sewing machine.<sup>40</sup> The Court stated, “It is self-evident that on the expiration of the patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property.”<sup>41</sup> The Court went on however, to say:

But it does not follow, as a consequence of a dedication, that the general power vested in the public to make the machine and use the name imports that there is no duty imposed on the one using it, to adopt such precautions as will protect the property of others, and will prevent injury to the public interest, if by doing so no substantial restriction is imposed on the right of freedom of use.<sup>42</sup>

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<sup>35</sup> Fairbanks v. Jacobus, 8 F. Cas. 951, 952 (C.C.S.D.N.Y. 1877).

<sup>36</sup> *Id.*

<sup>37</sup> 163 U.S. 169, 200 (1896).

<sup>38</sup> *Id.* at 178.

<sup>39</sup> *See id.* at 204.

<sup>40</sup> *Id.* at 183.

<sup>41</sup> *Id.* at 185.

<sup>42</sup> *Id.* at 186.

Thus, although the Court concluded that the defendant had the right both to copy the design of the machines and the name Singer to identify those machines, it did not have the right to use either without adequately disclosing that its machines were not produced by the plaintiff.<sup>43</sup> The Court therefore enjoined the defendant from using either the design or the name Singer without clearly identifying that it, not the plaintiff, was the source of its goods.<sup>44</sup>

These early courts also began to address the role of functionality in evaluating unfair competition claims. For example, in *Pope Automatic Merchandising Co. v. McCrum-Howell Co.*,<sup>45</sup> the court found that the defendant had not engaged in unfair competition by copying the design of the plaintiff's suction cleaners because the plaintiff's product configuration was "the most efficient and economically manufactured form into which the mechanical combination can probably be embodied."<sup>46</sup> The court held that to deny the defendant the right to copy the most efficient design would give the plaintiff a monopoly to which it was not entitled and would unduly burden those who wished to compete with the plaintiff.<sup>47</sup> The court reversed the lower court's injunction in favor of the plaintiff.<sup>48</sup> The court also found that the defendant had attached a name plate to its cleaners which "unmistakably distinguished"<sup>49</sup> its products from those of the plaintiff.<sup>50</sup> Thus, there was no unfair competition and the defendants only copied what the court held to be unprotectable.<sup>51</sup>

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<sup>43</sup> *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 203 (1896).

<sup>44</sup> *Id.* at 204.

<sup>45</sup> 191 F. 979 (7th Cir. 1911).

<sup>46</sup> *Id.* at 981.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 982.

<sup>49</sup> *Id.* at 980.

<sup>50</sup> *Id.*

<sup>51</sup> See also *Shredded Wheat Co. v. Humphrey Cornell Co.*, 250 F. 960, 962, 965 (2d Cir. 1918) (defendant had the right to copy the shape of plaintiff's shredded wheat cereal product, as it was no longer protected by patent, but it had to take reasonable steps to distinguish its product from that of plaintiff's, even if that meant deforming to some extent its own product); *Daniel v. Electric Hose & Rubber Co.*, 231 F. 827, 834 (3d Cir. 1916) (longitudinal corrugation on plaintiff's hose was functional and no longer covered by patent; therefore, defendant had a right to copy that configuration, where defendant had marked its products with its own name and trademark); cf. *Lektro-Shave Corp. v. Gen. Shaver Corp.*, 19 F. Supp. 843, 845 (D. Conn. 1937) (where the court found that the cylindrical shape of plaintiff's shaver heads was not functional because "any other shape could be used . . . and would operate just as efficiently as one of cylindrical shape," that defendant had "unnecessarily and knowingly imitated its rival's shaver head in nonfunctional features," and thus engaged in unfair competition, and that minor variations adopted by the defendant were too trivial to prevent confu-

In 1938, the Supreme Court continued to agree with the approach of the courts as well as the Commissioner of Patents, as reflected in *Kellogg Co. v. National Biscuit Co.*<sup>52</sup> In that case, the plaintiff was seeking protection against the copying of both its product's name, "Shredded Wheat," and its pillow shape design on the basis of common law principles of unfair competition.<sup>53</sup> In ruling for the defendant with respect to both claims, the court relied primarily on the fact that the patent had expired on the process for making shredded wheat and that the product's pillow shape was a necessary consequence of the manufacturing process.<sup>54</sup> Relying on *Singer*, the Court concluded that once the patent had expired, the public had a right not only to use that process, but also to produce shredded wheat in the same pillow shape, despite any secondary meaning associated with that shape.<sup>55</sup> The Court also observed, almost in passing, that because the shape of the product was functional, it would impede competition if protection against copying was afforded to the plaintiff.<sup>56</sup> The Court said, "The evidence is persuasive that this form is functional—that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape."<sup>57</sup>

The Court, however, also recognized that the defendant's right to copy was not unlimited, which was consistent with the earlier cases. The Court said that "Kellogg . . . was free to use the pillow-shaped form, subject only to the obligation to identify its product lest it be mistaken for that of the plaintiff."<sup>58</sup> The Court then found that Kellogg had taken reasonable steps to prevent such confusion through its labeling and packaging, and that whatever remaining confusion might ensue outside that scope was beyond the reasonable obligations to be imposed on Kellogg, and insufficient to justify enjoining it from copying the pillow shape of plaintiff's product.<sup>59</sup>

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tion). See generally Thurmon, *supra* note 16, at 263–69, 308 n.288; Weinberg, *supra* note 16, at 10–14.

<sup>52</sup> 305 U.S. 111 (1938).

<sup>53</sup> *Id.* at 115.

<sup>54</sup> *Id.* at 119–20.

<sup>55</sup> *Id.* at 119.

<sup>56</sup> *Id.* at 122.

<sup>57</sup> *Id.* at 122.

<sup>58</sup> *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 120 (1938).

<sup>59</sup> *Id.* at 121–22. See also *Smith, Kline & French Labs. v. Clark & Clark*, where the court ruled that the shape, scoring and color of plaintiff's pills were functional and, if not protected by a valid patent, then plaintiff could not prevent the defendant from selling the same drug in the same form. 157 F.2d 725, 730–31 (3d Cir. 1946). The court, however, found that the defendant suggested to those dispensing the pills that they could pass off the defendant's product

Thus, in the pre-Lanham Act era, both federal registration and common law protection were denied to the overall configuration of a product in the name of promoting and protecting free competition in the design of products. Except to the extent that a court would prohibit passing off, a product manufacturer could not prevent the copying of its product configuration in the absence of patent or copyright protection. The remedy for passing off was limited to requirements of labeling or other actions to distinguish the defendant's goods from those of the plaintiff and did not include a prohibition against copying the functional aspects of the product design itself.

### **B. Post-Lanham Act Cases**

In 1946, Congress enacted the Lanham Act, which, unlike its predecessor, provided certain federal substantive rights to those who registered trademarks pursuant to its provisions.<sup>60</sup> In addition to providing evidence of ownership, under the Lanham Act, a registration would be considered prima facie evidence of the validity of the mark as well as the registrant's exclusive right to use the mark in connection with the specified goods or services.<sup>61</sup> A registrant could sue for trademark infringement in federal court under the statute.<sup>62</sup> In addition,

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as those of the plaintiff. *Id.* at 731. Based on that conduct and not the copying itself, the court concluded that the defendant was liable for unfair competition. *Id.* Nonetheless, the court disagreed with the lower court's injunction prohibiting the defendant from selling the drug altogether. *Id.* As long as the defendant distinguished its pills from those of the plaintiff, it would still be free to sell the drug. *Id.*

<sup>60</sup> Marks that were not registrable under the previous legislation became eligible under the Lanham Act including service marks, marks that had acquired secondary meaning, and similar or same marks that were being used in good faith by more than one user in different parts of the country without causing confusion. Lanham Act §§ 2(d), (f), 3, 60 Stat. 427, 428–29 (1946) (codified at 15 U.S.C. §§ 1052(d), (f), 1053). Whereas ownership of a mark was rebuttable under the Trademark Act of 1905 and registration created no substantial rights in an owner under the Trademark Act of 1920, under the Lanham Act, a mark became generally incontestable after a five-year period of continuous use. *Id.* § 15, at 433–34 (codified at 15 U.S.C. § 1065).

<sup>61</sup> *Id.* § 7(b), at 430 (codified at 15 U.S.C. § 1057(b)). Although the Lanham Act does not require registration of marks, a registration certificate is more valuable under Lanham because it provides notice and evidence of the owner's right to use the mark, as well as proof that the mark has been registered on the Principal Register. If the owner then files an affidavit after five years of continuous use, the mark becomes incontestable and not subject to interference. *Id.* §§ 15, 16, at 433–34 (codified at 15 U.S.C. §§ 1065, 1066); HARRY AUBREY TOULMIN, TRADE-MARK ACT OF 1946, 51–52, 85 (W.H. Anderson Co. 1946).

<sup>62</sup> See Lanham Act §§ 32–35, 60 Stat. 427, 437–440 (1946) (codified at 15 U.S.C. §§ 1114–1118 (providing for remedies against those who were found liable for infringing a registered trademark)). Claims involving trademark disputes were able to be adjudicated in federal

Congress created a broader cause of action in unfair competition for unregistered marks in section 43(a).<sup>63</sup>

As originally enacted, Congress defined a trademark for purposes of registration differently from the way it defined the category of what was protectable under section 43(a). Unlike section 43(a) which prohibited the use of any “false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same”<sup>64</sup> to deceive or cause confusion,<sup>65</sup> section 45 defined the term trademark as “any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others,”<sup>66</sup> and section 2 provided a number of substantive reasons why a particular mark might be denied registration.<sup>67</sup>

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court “without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.” *Id.* § 39, at 440 (codified at 15 U.S.C. § 1121).

<sup>63</sup> See *id.* § 43(a), at 441 (codified at 15 U.S.C. § 1125(a)). Under the 1905 Trade-Mark Act, a person who passed off their goods under another’s trademark was liable for damages to the owner of the mark. § 16, 33 Stat. 724, 728 (1905). The Lanham Act expanded liability of the wrongdoer to “any person doing business in the locality falsely indicated as that of origin . . . or any person who believes that he is or is likely to be damaged by the use of any such false description or representation.” Lanham Act § 43(a), 60 Stat. 427, 441 (1946) (codified at 15 U.S.C. § 1125(a)).

<sup>64</sup> *Id.*

<sup>65</sup> Although there is little discussion about this initially ignored section in the Lanham Act’s legislative history, judicial interpretation has transformed section 43(a) into the preeminent federal law for asserting claims against unfair competition. J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant is Now Wide Awake*, 59 LAW & CONTEMP. PROBS., Spring 1996, at 45, 46 (noting that legislative history with respect to section 43(a) is “slight . . . inconclusive . . . with almost no mention of the subject matter” despite the lengthy and extensive discussion regarding the Lanham Act overall). Daphne Robert Leeds, a primary contributor to interpretation and passage of the Lanham Act, believed that the words “false origin” in section 43(a) were intended to provide a remedy only against those who made false claims about the geographic origin of their products, not against those who might engage in passing off or other forms of unfair competition. *Id.* at 47; see also *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 777 (1992) (stating that “origin” referred to geographic location of the goods). It was the circuit courts that expanded the definition of origin to include the product’s source or manufacturer. See, e.g., *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 313 F.2d 405, 408 (6th Cir. 1963) (“We are further of the opinion that the word, ‘origin,’ in the Act does not merely refer to geographical origin, but also to origin of source or manufacture.”). The drafters of the Lanham Act felt that federal registration was necessary to ensure national protection of trademarks from infringement and access to federal courts as a forum for claims of unfair competition. McCarthy, *supra* at 47–48.

<sup>66</sup> Lanham Act § 45, 60 Stat. 427, 443 (1946) (codified at 15 U.S.C. § 1127).

<sup>67</sup> Section 2 provides in part that registration is not available for marks containing immoral, deceptive, or scandalous matter, marks that include the flag or coat of arms of any foreign

Given the differences in the language, Congress clearly did not intend that section 43(a) would reach only deceptive use of registered or registrable marks,<sup>68</sup> nor did it intend to allow for registration of everything that might be protectable under section 43(a).<sup>69</sup> Although section 43(a) might be read to prohibit a broader range of conduct than merely infringement of trademarks,<sup>70</sup> there is no evidence that Congress intended to allow for trademark registration of the design of products.

This is also evident from the registration cases decided under the Lanham Act for the first thirty years after its enactment. For example, in *United States Plywood Corp. v. Watson*,<sup>71</sup> the plaintiff sought to register as a trademark the parallel pattern of grooves irregularly spaced along the length of the plywood it manufactured and sold.<sup>72</sup> The court upheld the examiner's refusal to register that mark, stating that, "A trademark must have an existence so distinct from the goods to which it is applied that it would be readily recognizable by the public and by purchasers as an arbitrary symbol adopted to authenticate ori-

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country, the U.S. or any state, marks that include the name, portrait, or signature of a particular individual except by that person's written consent, or any mark that is so similar to an already registered mark that it would cause confusion or deceive purchasers. *Id.* § 2, at 428 (codified at 15 U.S.C. § 1052).

<sup>68</sup> "[I]t is common ground that § 43(a) protects qualifying unregistered trademarks." *Two Pesos*, 505 U.S. at 768. Section 43(a) "is the only provision in the Lanham Act that protects an unregistered mark." *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1220 (2d Cir. 1987).

<sup>69</sup> The Trademark Law Revision Act of 1988 substantially rewrote section 43(a), separating it into two subsections: (1)(A), which allowed the statute to be used to bring a claim in federal court for unregistered trademark, service mark, trade name, and trade dress infringement claims, and 1(B), which offered the same purpose with respect to false advertising and product disparagement (false factual claims made about the goods or services of others) claims. § 132, 102 Stat. 3935, 3946 (codified at 15 U.S.C. § 1121); *see also* McCarthy, *supra* note 65, at 53–54. The revision codified the case law interpretations of the statute, including the nearly unanimous rule that statutory remedies available under the Lanham Act for infringement of registered marks also applied to violations of section 43(a). McCarthy, *supra* note 65, at 54. By approving and confirming the judicial expansion of this section, Congress's actions were significant because it supported the conclusion that section 43(a) was "properly understood to provide protection in accordance with the standards for registration in section 2." *Two Pesos*, 505 U.S. at 784.

<sup>70</sup> "Since its enactment in 1946, . . . it has been widely interpreted as creating, in essence, a federal law of unfair competition." *Id.* at 783 n.18 (quoting S. REP. NO. 100-515, p. 40 (1988) (noting that although unsupported by the text, section 43(a) had been applied to cases involving unregistered trademark infringement, violations of trade dress, and actionable false advertising claims)).

<sup>71</sup> 171 F. Supp. 193 (D.D.C. 1958).

<sup>72</sup> *Id.* at 194.

gin.”<sup>73</sup> If a pattern of grooves carved into wood was not “distinct” from the goods, then clearly the overall configuration of a product would not be distinct or protectable.<sup>74</sup> The court went on to say:

A configuration of an article that is functional in character may not acquire a secondary meaning so as to be subject to exclusive appropriation as a trademark for the article. Were the law otherwise, it would be possible for a manufacturer or merchant to obtain, in the guise of a trademark registration, a monopoly in perpetuity on such configuration, with ensuing serious potential consequences to the public.<sup>75</sup>

Because the court found that the grooves inhibited checking and cracking, hid nail holes, and prevented grain raising in the plywood, it concluded that the grooves were functional and unregistrable.<sup>76</sup> In reaching that conclusion, the court relied heavily on a patent assigned to the plaintiff that taught that “shrinking, cracking, checking and swelling can be eliminated, and the deleterious effects thereof avoided, by gouging the surface or surfaces of the panel with a multitude of closely spaced grooves . . . .”<sup>77</sup> In fact, the court said that the fact that the plaintiff was “attempting to register a patented article . . . , the patented features being the very features of shape alleged to be distinctive as a trademark”<sup>78</sup> was itself “sufficient to show that registration on either the Principal Register or the Supplemental Register would be manifestly improper.”<sup>79</sup> Thus, the *Plywood* court reflected the concerns that were already part of the common law, i.e., that providing protection to functional products or their functional features, especially where those features were already claimed in a patent, would inhibit the interest in free competition.

These issues were also addressed by the Court of Customs and Patent Appeals (CCPA), the court responsible for reviewing registration decisions.<sup>80</sup>

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<sup>73</sup> *Id.* at 196.

<sup>74</sup> *See id.*

<sup>75</sup> *Id.* at 196.

<sup>76</sup> *Id.* at 194–95.

<sup>77</sup> *U.S. Plywood Corp. v. Watson*, 171 F. Supp. 193, 194 (D.D.C. 1958).

<sup>78</sup> *Id.* at 195.

<sup>79</sup> *Id.*

<sup>80</sup> In 1929, the U.S. Court of Customs Appeals was renamed the U.S. Court of Customs and Patent Appeals, and its jurisdiction was expanded to include patent and trademark appeals from the Patent Office, formerly the jurisdiction of the Court of Appeals for the District of Columbia. Act of Mar. 2, 1929, ch. 488, 45 Stat. 1475 (An Act To change the title of the United States Court of Customs Appeals, and for other purposes). In 1982, The Federal Courts Improvements Act combined the U.S. Court of Customs and Patent Appeals and the appellate branch of the former Court of Claims, creating a new federal appeals court, the U.S.



The court's 1961 decision in *Application of Deister Concentrator Co.*<sup>81</sup> provides an excellent discussion of the definition of functionality and the interplay of patent and trademark protection. In that case, the applicant appealed the examiner's refusal to register the rhomboidal shape of its shaking tables, a device used to separate solid particles by shape, size and specific gravity for the purpose of concentrating ore and coal cleaning.<sup>82</sup> The applicant claimed that all other shaking table manufacturers used rectangular-shaped tables and that its rhomboidal-shaped table was thus distinctive and recognized in the trade as indicative of the plaintiff's product.<sup>83</sup> Despite evidence that supported the applicant's claim of secondary meaning, registration was refused based on the fact that the rhomboidal shape was utilitarian and functional.<sup>84</sup> The TTAB affirmed the refusal, agreeing that the shape was functional, and noting further that, because the tables were made in accordance with an expired and subsisting patent, the public would have the right to make tables of a rhomboidal shape after the latter patent had expired.<sup>85</sup>

In an excellent opinion written by Judge Giles Rich,<sup>86</sup> the court observed that "the socio-economic policy supported by the general law is the encouragement of competition by all fair means, and that encompasses the right to copy, very broadly interpreted, except where copying is lawfully prevented by a copyright or patent."<sup>87</sup> Recognizing, however, that the statute itself did not explicitly bar registration of functional designs, the court reasoned that, in the absence of patent or copyright protection, registration of a mark depended on whether the

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Court of Appeals for the Federal Circuit. 96 Stat. 25 (1982); Ellen E. Sward & Rodney F. Page, *The Federal Courts Improvement Act: A Practitioner's Perspective*, 33 AM. U. L. REV. 385, 385-86 (1984).

<sup>81</sup> 289 F.2d 496 (C.C.P.A. 1961).

<sup>82</sup> *Id.* at 497-58.

<sup>83</sup> *Id.* at 498.

<sup>84</sup> *Id.*

<sup>85</sup> *Id.* at 498-99.

<sup>86</sup> See generally GILES S. RICH, A BRIEF HISTORY OF THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS 131 (1980). President Eisenhower nominated Rich to be an Associate Judge of the CCPA in 1956, where he served for twenty-four years on the bench, never missing a sitting. *Id.* at 132. See also HOWARD T. MARKEY, *Foreword* to RICH, *supra* at iii. As a lawyer, Rich was a principal author of the 1952 Patent Act, the first legislation to codify all federal patent laws. IP Hall of Fame 2006 Inductees, [http://www.iphalloffame.com/inductees/2006/Giles\\_Rich.aspx](http://www.iphalloffame.com/inductees/2006/Giles_Rich.aspx) (last visited Mar. 13, 2010). Rich received multiple honors, including the Distinguished Government Service Award from George Washington University for outstanding contributions in the industrial-intellectual property field. RICH, *supra* at 133.

<sup>87</sup> *In re Deister Concentrator Co.*, 289 F.2d 496, 501 (C.C.P.A. 1961).

applicant had an exclusive right to prevent others from copying that mark based on common law principles.<sup>88</sup> The court agreed with the established principle that no one had the right to prevent copying of functional features in the absence of patent or copyright protection,<sup>89</sup> and therefore, no one could register such features.

The *Deister* court also addressed two other important aspects of the functionality doctrine. First, the court addressed the interplay of patent rights and trademark protection. The court saw no independent significance to the fact that the applicant had held a patent on the shape of its shaking table except as evidence of functionality.<sup>90</sup> The court saw the right to copy as an important public right based on principles that existed separately from the patent laws.<sup>91</sup> The court observed:

[T]he right to copy is not derived in any way from the patent law; it is a right which inheres in the public under the general law except to the extent the patent law may remove it. The same is true of copyrights. When a temporary incursion on the public right ends, the public right remains. No new right is born.<sup>92</sup>

The court was addressing frequently made judicial statements that held once the patent expires, the public then has a right to copy. Judge Rich wanted it to be clear that the starting point is that the public *always* has the right to copy, and that the patent and copyright laws are just limited incursions on that right.

This recognition of the importance of the public right to copy is also reflected in the court's discussion of the interplay between the functionality doctrine and secondary meaning. The court agreed that the evidence established that the shaking table's rhomboidal shape had acquired secondary meaning and was recognized by those in the trade as the goods of the applicant. The court, however, ruled that, despite that secondary meaning, the shape could not be protected as a trademark if it were functional.<sup>93</sup> The court stated that "there is an overriding public policy of preventing their monopolization, of preserving the public right to copy. A certain amount of purchaser confusion may even be tolerated in order to give the public the advantages of free competition."<sup>94</sup> Thus,

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<sup>88</sup> *Id.* The Lanham Act did not create trademark rights or ownership but merely provided for registration of those that were owned and protectable under common law. *Id.*

<sup>89</sup> *Id.* at 500.

<sup>90</sup> *Id.* at 501.

<sup>91</sup> *See id.*

<sup>92</sup> *Id.* at 501 n.4.

<sup>93</sup> *In re Deister Concentrator Co.*, 289 F.2d 496, 505 (C.C.P.A. 1961).

<sup>94</sup> *Id.* at 504.

the court concluded that the public right to copy functional features outweighed the public need to avoid confusion of source.<sup>95</sup> The court observed:

In final analysis it would seem to be self-evident that government economic policy as reflected in law must be determined by the legislature and the judiciary and cannot be left to depend wholly on the attitudes, reactions or beliefs of the purchasing public. Public acceptance of a functional feature as an indication of source is, therefore, not determinative of right to register. Preservation of freedom to copy 'functional' features is the determining factor.<sup>96</sup>

The court adopted the term “de facto secondary meaning” to apply to those situations where a design might have acquired purchaser recognition as a designation of source but where the law nonetheless refused trademark protection of that design based on its functionality.<sup>97</sup> The court indicated that the courts in such cases had not prohibited the copying of those designs, but had instead required some effort on the part of the competitor to take steps such as labeling to avoid purchaser confusion.<sup>98</sup> Thus, the right to copy trumped other concerns as a general rule, balanced with a limited remedy to prevent consumer confusion in appropriate cases by appropriate disclosure requirements.

The *Deister* court also struggled with the appropriate definition of functionality. The court noted that many courts had relied on the definition provided in the Restatement of Torts; that a feature of goods is functional when it “affects their purpose, action, or performance, or the facility or economy of processing, handling or using them.”<sup>99</sup> The *Deister* court recognized an additional definition of functionality accepted by courts, i.e., that a feature of an article is functional if it “contributes to its utility, durability or effectiveness or the ease with which

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<sup>95</sup> *Id.*

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* at 503. The court cited *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111 (1938), as an example of a case where a shape, the pillow shape of shredded wheat, had acquired secondary meaning but was denied protection because the court found the public had a right to copy that shape, the patent having expired. *Id.*

<sup>98</sup> The *Deister* court quoted *Kellogg*, which held that the defendant was free to copy the pillow shape of shredded wheat “subject only to the obligation to identify its product lest it be mistaken for that of the plaintiff.” *Deister*, 289 F.2d at 504 (quoting *Kellogg*, 305 U.S. at 120). The court also quoted from *W. Point Manufacturing Co. v. Detroit Stamping Co.*, where that court said, “imitation [of a functional feature] is privileged if it is accompanied by reasonable effort to avoid deceiving prospective purchasers as to the source. This may frequently be done by prominent disclosure of the true source.” *Id.* at 500–01 (quoting *W. Point*, 222 F.2d 581, 590 (6th Cir. 1955)).

<sup>99</sup> *In re Deister Concentrator Co.*, 289 F.2d 496, 500–01 (C.C.P.A. 1961) (citing RESTATEMENT (FIRST) OF TORTS § 742 (1961)).

it serves its function.”<sup>100</sup> These are very broad definitions of functionality, suggesting that any features that relate in any way to the utility of a product are functional and thus not protectable under trademark law.<sup>101</sup> Evidence indicated that the rhomboidal shape of the shaking table provided a more efficient surface by increasing the area available for “riffles” that helped to sort the various solids more effectively, clearly meeting these broad definitions of functionality.<sup>102</sup> In reaching its conclusion that the rhomboidal shape was unregistrable, the court, however, further refined its definition of functionality:

It should be clear from what we have said that we are not denying registration merely because the shape possesses utility but because the shape is *in essence* utilitarian. Where a shape or feature of construction is in its concept arbitrary, it may be or become a legally recognizable trademark because there is no public interest to be protected. In such a case protection would not be lost merely because the shape or feature also serves a useful purpose. . . . The Deister table deck, however, is shaped as it is only for reasons of engineering efficiency.<sup>103</sup>

The court concluded that the table’s rhomboidal shape was therefore functional as it was “clearly primarily and essentially dictated by functional or utilitarian considerations.”<sup>104</sup> The court thus turned what was an extremely broad definition of functionality into one that may be significantly narrower—seemingly redefining functionality to apply only when the feature was shaped or designed exclusively for utilitarian purposes. If the feature was arbitrarily chosen for reasons unrelated to utility, it could potentially be protectable.<sup>105</sup>

On the same day that it decided *Deister*, the CCPA also decided *Application of Shakespeare Co.*,<sup>106</sup> where the applicant was appealing a refusal to register spiral markings on its fishing rods as a trademark.<sup>107</sup> The court found that the spiral pattern was a direct result of the manufacturing process used to

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<sup>100</sup> *Id.*

<sup>101</sup> See generally Thurmon, *supra* note 16, at 272–75 and cases cited therein (Restatement definition of “functionality” was broader than the definition which had been used by courts, allowing courts to find functionality more easily than under the more narrow definition which preceded it). See also Weinberg, *supra* note 16, at 15 (overly broad definition of functionality adopted in Restatement was not widely influential in the courts).

<sup>102</sup> *Deister*, 289 F.2d at 498, 505.

<sup>103</sup> *Id.* at 506 (emphasis in original).

<sup>104</sup> *Id.* at 504.

<sup>105</sup> See generally Thurmon, *supra* note 16, at 276–77.

<sup>106</sup> 289 F.2d 506 (C.C.P.A. 1961).

<sup>107</sup> *Id.*

make the fishing rods, which was covered by a patent.<sup>108</sup> Although the court concluded that the applicant correctly asserted that the spiral markings performed no function, it nevertheless upheld the refusal to register because the markings were a necessary consequence of using the patented process which would be in the public domain once the patent expired.<sup>109</sup> The court said:

Were the spiral marking to be treated as a trademark the holder of the trademark rights would have a potentially perpetual monopoly which would enable it either to prevent others from using the process which results in the mark or force them to go to the trouble and expense of removing it. It is immaterial that other processes may be available by which glass rods without the mark can be made.<sup>110</sup>

This holding seems to broaden the scope of functionality from what the court had held in *Deister*. The markings themselves served no purpose and were not designed for utilitarian purposes as *Deister* seemed to require, but were merely the after-effect of a utilitarian process. Looking at the two cases together, it seemed that the CCPA was ruling that only product features that were intentionally chosen as arbitrary embellishments would be considered registrable. A non-functional embellishment that resulted from the useful manufacturing process would not be registrable, even if there were other ways to make the product and avoid those embellishments.<sup>111</sup>

In later decisions, the CCPA and Judge Rich elaborated on this definition. For example, in *Best Lock Corp. v. Schlage Lock Co.*,<sup>112</sup> the court upheld a refusal to register the applicant's figure eight-shaped lock design based on functionality.<sup>113</sup> That very configuration had been described in a patent issued to the applicant's predecessor in interest, which disclosed that the figure eight shape meant that the housing could be constructed with only the minimum amount of metal.<sup>114</sup> In concluding that the evidence of the patent was sufficient to establish

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<sup>108</sup> *Id.* at 507.

<sup>109</sup> *Id.* at 508.

<sup>110</sup> *Id.*

<sup>111</sup> See Thurmon, *supra* note 16, at 277 n.139 (Shakespeare decision was based not only on patent policy concerns, but also based on the fact that the pattern was hard to remove or design around and thus would have a detrimental effect on competitors if found to be protected against copying).

<sup>112</sup> 413 F.2d 1195 (C.C.P.A. 1969).

<sup>113</sup> *Id.* at 1200.

<sup>114</sup> *Id.* at 1197.

a basis for summary judgment that the figure eight design was functional<sup>115</sup> and thus unregistrable, the court also addressed the appropriate limitations of the concept of functionality.

The court, quoting from *Deister*, reiterated what it considered a truism of trademark law: “a feature dictated solely by ‘functional’ (utilitarian) considerations may not be protected as a trademark; but mere possession of a function (utility) is not a sufficient reason to deny protection.”<sup>116</sup> The court then went on to explain what it meant by this truism.

That truism in *Deister*, in its exception, merely reflects the obvious fact that some articles, made in a purely arbitrary configuration . . . may *perform* a function . . . which could equally well be served by containers of many other shapes, and in such circumstances the *incidental* function should not by itself preclude trademark registrability if the other conditions precedent are present. That is a quite different situation from a configuration whose purpose is to provide a functional advantage.<sup>117</sup>

Thus, the CCPA was establishing a test for registrability based on a definition of functionality that was fairly broad; as long as the configuration of a product was dictated by, and intended to serve, a utilitarian purpose, and was not merely arbitrary and unrelated to that purpose, it would not be registrable. The existence of a utility patent which disclosed the configuration for which registration was being sought was considered strong evidence that such functionality existed.<sup>118</sup>

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<sup>115</sup> Judge Baldwin dissented from this conclusion, stating that he was troubled by “the majority’s acceptance of a single piece of evidence, the Best patent, as *conclusively* establishing functionality of such nature as to preclude registration.” *Id.* at 1200 (Baldwin, J., dissenting).

<sup>116</sup> *Id.* at 1199 (quoting *Deister*, 289 F.2d 496, 502 (1961)).

<sup>117</sup> *Id.*

<sup>118</sup> It is important to distinguish between utility patents, which are considered to be evidence of functionality, and design patents, which are not. Under the Patent Act, “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof” may be granted a utility patent. 35 U.S.C. § 101. Thus, a utility patent requires that the invention have “practical utility,” *In re Brana*, 51 F.3d 1560, 1564 (Fed. Cir. 1995), or, in other words, “real world use.” JANICE M. MUELLER, AN INTRODUCTION TO PATENT LAW 196 (2d ed. 2006). The degree of utility is not important as the statute only demands “full disclosure of a new and unobvious invention which is of some use to someone.” *In re Kirk*, 376 F.2d 936, 955 (C.C.P.A. 1967) (Rich, J., dissenting). Design patents protect the “new, original and ornamental design for an article of manufacture.” 35 U.S.C. § 171. Therefore, design patents are limited to decorative features and cannot encompass any structural or functional features of the underlying article. MUELLER, *supra* at 238. Since a design must be non-functional to be eligible for a design patent, a design patent is in fact not at all probative of functionality and may be evidence to the opposite end. *See, e.g., In re Honeywell*, 497 F.2d 1344, 1347–48 (C.C.P.A. 1974).

During this same period of time, other federal courts were also addressing these same issues of registrability and protectability of trade dress. The decision of the District Court of Maryland in *Car-Freshner Corp. v. Marlenn Products Co.*<sup>119</sup> reflects this struggle. The case involved plaintiff's pine tree-shaped air fresheners and a defendant's attempt to sell the same-shaped product.<sup>120</sup> Plaintiff had obtained a trademark registration of the pine tree shape in 1952, but the court ordered that that registration be cancelled.<sup>121</sup> To the extent that plaintiff seemed to be claiming protection for the shape of the product itself, the court observed that "[t]he fact that a trade-mark cannot be the article itself applies to both common-law trademarks and to those registered. . . . The freedom to apply a trade-mark to an article . . . does not extend to making the mark identical to the article."<sup>122</sup> Thus, despite the fact that the court concluded that the pine tree shape was not functional because the shape "is nonessential and performs no part in the intended function of the goods,"<sup>123</sup> it nevertheless concluded that that shape would not be registrable because it would provide protection for the shape of the product itself.<sup>124</sup> This reflects a restriction against registration that is much stricter than the rule adopted by the CCPA; the court here would find registration improper for the overall shape of a product even if unrelated to its utility and arbitrary.

When the court then turned to the unfair competition claim, however, the plaintiff found greater success against *Marlenn*, despite the fact that the court had just concluded that the plaintiff's mark was not registrable. The court found that the defendant had intentionally copied the exact shape and dimen-

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<sup>119</sup> 183 F. Supp. 20 (D. Md. 1960).

<sup>120</sup> *Id.* at 22.

<sup>121</sup> *Id.* at 46.

<sup>122</sup> *Id.* at 26. The court found that the registration as issued only applied to pictures of plaintiff's product and not to the product itself, but then went on to conclude that if the registration was as broad as plaintiff argued and applied to the shape of the product itself, that registration would be invalid. *Id.* at 25–26.

<sup>123</sup> *Id.* at 27.

<sup>124</sup> The court also concluded that the mark as registered was descriptive and lacked secondary meaning at the time of registration and thus was not properly granted registration. *Id.* at 27–30. The District Court for the Northern District of New York later disagreed with the Maryland court's conclusion that the pine tree shape was descriptive and found it to be suggestive, and thus registrable without a showing of secondary meaning. *Car-Freshner Corp. v. Auto Aid Mfg. Corp.*, 461 F.Supp. 1055, 1060 (N.D.N.Y. 1978). It appears that after the Maryland district court had cancelled the registration, the plaintiff successfully re-registered it in 1961. The New York district court did not address the question of whether it was improper to register the overall configuration of the product, though its conclusion would indicate that it saw nothing improper about such a registration. *Id.*

sions of the plaintiff's product, which the court found to be non-functional and possessing secondary meaning, and had done so knowingly, and with the intention of passing off its products as those of the plaintiff.<sup>125</sup> The court enjoined the defendant from further acts of unfair competition without defining the scope of that injunction.<sup>126</sup> Thus, although concluding that plaintiff's registration of the tree shape should be cancelled, the court nonetheless granted plaintiff some protection against the defendant's use of that very shape in passing off its products as those of the plaintiff. The plaintiff might have been quite justifiably confused by what appears to be contradictory conclusions of the court. It is not self-evident why a design that does not merit registration should be nevertheless protectable under unfair competition law.

The relationship between federal trademark registration and protection under state unfair competition law was therefore unclear. Could a state provide protection against copying the design of a product if that product was not registrable under the Lanham Act? In addition, could protection of that design be granted under section 43(a) if the design was not registrable under section 2 of the Lanham Act?

Although that precise issue was not before the Supreme Court, the Court did address the underlying theories of these questions in two landmark decisions in 1964: *Sears, Roebuck & Co. v. Stiffel Co.*<sup>127</sup> and *Compco Corp. v. Day-Brite Lighting Inc.*<sup>128</sup> In *Sears*, the Court addressed the issue of whether a state, through its unfair competition law, could prohibit the copying of an article which was not protected by either patent or copyright law.<sup>129</sup> In that case, Stiffel's pole lamp design had been copied by Sears and sold in cartons labeled as a Sears product, but without identifying tags on the lamps themselves.<sup>130</sup> Stiffel sued in part on the basis of its design and utility patents, but those patents were declared invalid by the district court for want of invention.<sup>131</sup> Thus, Stiffel's only remaining claim was based on state unfair competition law. Stiffel argued that Sears was liable for causing confusion in the trade by copying its design

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<sup>125</sup> *Car-Freshner Corp. v. Marlenn Prods. Co.*, 183 F. Supp. 20, 45–46 (D. Md. 1960).

<sup>126</sup> *Id.* at 46.

<sup>127</sup> 376 U.S. 225 (1964).

<sup>128</sup> 376 U.S. 234 (1964).

<sup>129</sup> *Sears*, 376 U.S. at 225.

<sup>130</sup> *Id.*

<sup>131</sup> The appellate court confirmed the lower court's finding that Stiffel's patent was invalid. *Stiffel Co. v. Sears, Roebuck & Co.*, 313 F.2d 115, 118 (7th Cir. 1963). Sears had sold the Deca pole lamp a year prior which contained "all the essential elements" of the subsequent Stiffel pole lamp, with the exclusion of an adjustable leg. *Id.* Therefore, the Stiffel design was not new or novel, which is required for patent protection. See 35 U.S.C. § 101.



and selling products which caused consumers to be confused as to their source. Both the district court and the court of appeals held Sears liable under the unfair competition claim.<sup>132</sup>

The Supreme Court disagreed with the lower courts, finding that Sears was “doing no more than copying and marketing an unpatented article.”<sup>133</sup> Relying in part on the *Kellogg* decision, the Court reiterated that if an article is not protected under the patent laws, “the right to make the article—including the right to make it in precisely the shape it carried when patented—passes to the public.”<sup>134</sup> The Court ruled that state unfair competition law could not interfere with that public right to copy, and therefore, Sears had the right “to sell lamps almost identical to those sold by Stiffel.”<sup>135</sup> The Court, however, recognized that the states could, through unfair competition law, provide some remedies against public confusion which could be caused by such copying:

Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods. But because of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying.<sup>136</sup>

Similarly, in *Compco*, decided the same day as *Sears*, the Court addressed the defendant’s copying of the plaintiff’s lighting fixture design, for which the patent was also found to be invalid.<sup>137</sup> In addition to copying the design, the defendant had copied the fixture’s cross-ribbing pattern, which was associated with the plaintiff’s goods in the trade.<sup>138</sup> The evidence showed that Compco had taken care to label the fixtures and the containers clearly as being the products of Compco and not the plaintiff.<sup>139</sup> Despite the defendant’s efforts to label and avoid confusion, the lower courts found Compco liable for unfair competition under state law and again, the Supreme Court reversed. The Court held that, in the absence of patent or other federal statutory protection, the design was in the

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<sup>132</sup> *Sears*, 376 U.S. at 226–27.

<sup>133</sup> *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 227 (1964) (footnote omitted).

<sup>134</sup> *Id.* at 230 (citing *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 120 (1938)).

<sup>135</sup> *Id.* at 231.

<sup>136</sup> *Id.* at 232–33.

<sup>137</sup> *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 234 (1964).

<sup>138</sup> *Id.*

<sup>139</sup> *Id.* at 237.

public domain and could be copied at will.<sup>140</sup> The Court, however, went on to observe that

As we have said in *Sears*, while the federal patent laws prevent a State from prohibiting the copying and selling of unpatented articles, they do not stand in the way of state law, statutory or decisional, which requires those who make and sell copies to take precautions to identify their products as their own.<sup>141</sup>

The Supreme Court held that *Compco* was free to copy the plaintiff's design.<sup>142</sup> Because the lower courts' judgment had erroneously prohibited *Compco* from copying the plaintiff's design and improperly awarded plaintiff damages for such copying, the Supreme Court reversed.<sup>143</sup>

Both *Sears* and *Compco* addressed the potential conflict between federal patent law and state unfair competition law and relied on the Constitution's Supremacy Clause to justify the conclusion that state law could not provide protection for designs that federal law placed in the public domain.<sup>144</sup> There is obviously no such Supremacy Clause problem when dealing with Lanham Act protection for a design not protected under patent or copyright law, but the underlying policy conflict remains, as the reasoning of the courts in cases like *Sears*, *Compco*, *Kellogg*, and *Deister* reflect. If the public has an overriding right to copy an article unprotected by patent or copyright in the interest of competition, then federal trademark law should not be allowed to impede that right any more than absolutely necessary to achieve its goal of limiting consumer confusion. Public policy favoring the freedom to copy and compete fairly would suggest that the same lines limiting state unfair competition law should be drawn to limit federal unfair competition law, i.e., that there should be no prohibitions against copying per se, but that federal law should be able to prevent confusion through labeling and disclosure requirements.<sup>145</sup> This would also support the conclusion that product design should not be registrable given the increased aura of protectability that comes with registration, but should, instead, only be protected by federal and state unfair competition laws. Courts can impose labeling and disclosure requirements if necessary, but should not prohibit the copying of the design itself.

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<sup>140</sup> *Id.* at 238.

<sup>141</sup> *Id.*

<sup>142</sup> *Id.* at 238–39.

<sup>143</sup> *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238–39 (1964).

<sup>144</sup> *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 228–29 (1964); *Compco*, 376 U.S. at 237.

<sup>145</sup> See Margreth Barrett, *Consolidating the Diffuse Paths to Trade Dress Functionality: Encountering Traffix on the Way to Sears*, 61 WASH. & LEE L. REV. 79, 137–38 (2004).

### C. *Post Sears-Compco Expansion of Product Design Protection*

As we have seen, up through the Supreme Court's decisions in *Sears* and *Compco*, trademark law generally did not provide any prohibitions against copying the overall configuration of a useful product, but it did provide for remedies such as disclosure and labeling to prevent consumer confusion as to source when products were alike in configuration. In the next decade, however, the courts began to expand protection of product design and provide remedies against copying of articles that arguably would have been considered functional and non-protectable under *Sears* and *Compco*.

In *Truck Equipment Service Co. v. Fruehauf Corp.*<sup>146</sup> (hereinafter "*TESCO*"), the plaintiff sued under section 43(a) of the Lanham Act, asserting a federal unfair competition claim against the defendant who allegedly had intentionally copied the exact shape and configuration of plaintiff's trapezoidal semi-trailers.<sup>147</sup> The trailers manufactured by the defendant were comparable in quality and were labeled as the products of the defendant.<sup>148</sup> The district court held the defendant liable under section 43(a) and granted the plaintiff damages, and injunctive relief.<sup>149</sup> That injunction, however, was later amended to permit the defendant to make and sell semi-trailers with an exterior configuration that was identical in configuration to those of the plaintiff. Although plaintiff appealed the amendment, it later conceded that the issue was moot as defendant was no longer making trailers in the shape of the plaintiff's design at the time of the appeal.<sup>150</sup> The Eighth Circuit therefore dealt only with the issue of liability and damages for the defendant's previous conduct in copying the plaintiff's trapezoidal trailer.<sup>151</sup>

The defendant argued that the trailer's shape was functional, and thus not protected against copying under section 43(a).<sup>152</sup> The defendant relied in large part on *Sears* and *Compco*, which the Eighth Circuit found inapposite because, in the court's view, those cases did not address trademark law and the doctrine of functionality, but rather only whether "state law could extend the effective term of patent protection granted by the federal statutes" without con-

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<sup>146</sup> 536 F.2d 1210 (8th Cir. 1976).

<sup>147</sup> *Id.* at 1213.

<sup>148</sup> *Id.* at 1214 n.2.

<sup>149</sup> *Id.* at 1214.

<sup>150</sup> *Id.* at 1213 n.1.

<sup>151</sup> *Id.*

<sup>152</sup> *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1214 (8th Cir. 1976).

flicting with the Supremacy Clause.<sup>153</sup> Although the court was correct that *Sears* and *Compro* did not address the interaction of federal trademark law and patent law, the court was too quick to downplay the underlying policy concerns that the Supreme Court had articulated in reaching its results, i.e., the freedom to copy the design of products that are in the public domain. The Eighth Circuit observed that “[t]he protection accorded by the law of trademark and unfair competition is greater than that accorded by the law of patents because each is directed at a different purpose.”<sup>154</sup> In a footnote, the court made an even bolder and seemingly incorrect statement, i.e., that “*Sears* and *Compro* recognized that a design protected by trademark cannot be copied.”<sup>155</sup> In fact, the Supreme Court, as recognized in the language quoted above, merely said that states could impose labeling and disclosure requirements to prevent confusion where similar or identical designs were used in competition. Nowhere did the Court say that such designs could be protected against copying under federal or state trademark law.

The Eighth Circuit then concluded that the defendant had no right to copy the design of the plaintiff’s trailers if the design was non-functional and had secondary meaning: “Full and fair competition requires that those who invest time, money and energy into the development of good will and a favorable reputation be allowed to reap the advantages of their investment.”<sup>156</sup> In defining functionality, the court quoted *Deister* for the principle that an arbitrary feature or design that incidentally serves a useful purpose is not “functional” for purposes of denying trademark protection.<sup>157</sup> Because there was sufficient evidence

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<sup>153</sup> *Id.*

<sup>154</sup> *Id.* at 1215.

<sup>155</sup> *Id.* at 1215 n.6.

<sup>156</sup> *Id.* at 1215.

<sup>157</sup> “Where a shape or feature of construction is in its concept arbitrary, it may be or become a legally recognizable trademark because there is no public interest to be protected. In such a case protection would not be lost merely because the shape or feature also serves a useful purpose.” *Id.* at 1218 (quoting *In re Deister Concentrator Co.*, 289 F.2d 496, 506 (C.C.P.A. 1961)). The court also quoted the broader definition of functionality used in *Pagliari v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952), i.e., that design is functional if it is “an important ingredient in the commercial success of the product.” *TESCO*, 536 F.2d 1210 (8th Cir. 1976) (quoting *Pagliari*, 198 F.2d at 343). That case involved china patterns, designs that could not be considered functional in the utilitarian sense, but that had become recognizable as Wallace’s in the trade and by the public. *Pagliari*, 198 F.2d at 340. The court found that the china designs had to be considered functional because the “attractiveness and eye appeal” of the patterns was “one of the essential selling features of” the china. *Id.* at 343–44. Thus, the court held the china designs had an aesthetic appeal which could not be protected against copying because “to imitate is to compete in this type of situation.” *Id.* at 344. *Pagliari* and others like it spawned a parallel doctrine of functionality, known as “aesthetic functionality,”

to show that the trapezoidal shape of plaintiff's semi-trailers was "arbitrarily designed for the purpose of identification [and] . . . no more than merely incidentally functional,"<sup>158</sup> the Eighth Circuit held that the district court's finding of non-functionality under these definitions was not clearly erroneous.<sup>159</sup> Thus, the overall shape of a truck trailer, an object with an overriding purpose of utility, was considered non-functional and protectable under section 43(a).<sup>160</sup>

The court upheld the district court's findings that the trailer shape had secondary meaning and that defendant's copying was likely to cause confusion among customers, even though the defendant's products were clearly labeled as its own.<sup>161</sup> In reviewing the remedies awarded to the plaintiff, the Eighth Circuit modified the lower court's judgment and allowed the plaintiff to recover all of the profits the defendant had made in the three states where the plaintiff's design had acquired secondary meaning and was thus protectable.<sup>162</sup> Therefore, at least for purposes of a federal claim under section 43(a), the Eighth Circuit concluded that not only can a court prohibit copying of a useful article design, it can award monetary relief to compensate a plaintiff and penalize a defendant.<sup>163</sup> This seems contrary to the concerns that the Supreme Court articulated in *Sears*, where the Court concluded that "a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself *or award damages for such copying*."<sup>164</sup>

This narrow reading of *Sears* and *Compco* was also adopted by the District Court of New Jersey in *Time Mechanisms, Inc. v. Qonaar Corp.*<sup>165</sup> that same year. In holding the defendant liable for both common law trademark

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which is generally beyond the scope of this article. See generally *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 169–170 (1995) (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995)), for the principle that "if a design's 'aesthetic value' lies in its ability to 'confer a significant benefit that cannot practically be duplicated by the use of alternative designs,' then the design is 'functional.'"); *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1067–72 (9th Cir. 2006) (general discussion of aesthetic functionality, its history, and its meaning in the aftermath of *Traffix*).

<sup>158</sup> *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1218 (8th Cir. 1976).

<sup>159</sup> *Id.* at 1219.

<sup>160</sup> See *Thurmon*, *supra* note 16, at 279–80 (*TESCO* represents a return to a focus on competitive need as the basis of functionality determinations).

<sup>161</sup> *TESCO*, 536 F.2d at 1220, 1223.

<sup>162</sup> *Id.* at 1222.

<sup>163</sup> See *id.* at 1222–23 (citing *W. E. Bassett Co. v. Revlon, Inc.*, 435 F.2d 656, 664 (2d Cir. 1970)).

<sup>164</sup> See text *supra* note 136 (emphasis added).

<sup>165</sup> 422 F. Supp. 905 (D.N.J. 1976).

infringement and unfair competition, the court rejected the defendants' attempt to rely on *Sears* and *Compco* as support for their right to copy the plaintiff's parking meter design.<sup>166</sup> The design had been protected by both a utility and design patent, but both had expired.<sup>167</sup> The defendant claimed that since the design was now in the public domain, plaintiff could not rely on trademark law to prevent copying under the holdings of *Sears* and *Compco*.<sup>168</sup> The court disagreed, ruling that *Sears* and *Compco* were limited to situations where there were Supremacy Clause issues because state law was being invoked to extend protection beyond the term of a patent.<sup>169</sup> That, however, seemed to be the very issue before the court in *Qonaar*: the patents had expired on the plaintiff's parking meter design, and the plaintiff was relying on common law trademark and unfair competition law to prohibit the defendant from copying its design even though its patents had expired.<sup>170</sup> The court, however, ignored this parallel and weakly attempted to rationalize that, since the Lanham Act never creates trademark rights but merely allows for registration of marks protected on the basis of common law, the *Sears-Compco* rationale did not apply to the plaintiff's claim against the defendant.<sup>171</sup> The court's reasoning is not persuasive. It is not at all clear how the Lanham Act figures into the plaintiff's claim, where the mark was not registered and the claim was not apparently based on the Lanham Act at all.

The court also concluded that the design of the parking meter was not functional and thus was protectable as a common law trademark.<sup>172</sup> The court relied on the plaintiff's assertion that no other producer used the same ice cream cone-shaped configuration for the top of its parking meter and that there were many other different possible configurations available to house a parking meter's mechanism.<sup>173</sup> The court rejected the defendant's reliance on *In re Honeywell*,<sup>174</sup> where the round configuration of a thermostat was held to be unregistrable even though other shapes were available.<sup>175</sup> In *Honeywell*, the court had said that the existence of those alternatives did not change the fact that the round

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<sup>166</sup> *Id.* at 911.

<sup>167</sup> *Id.* at 908.

<sup>168</sup> *Id.*

<sup>169</sup> *Id.* at 911 (citing *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976)).

<sup>170</sup> *Id.* at 908.

<sup>171</sup> *Time Mechanisms, Inc. v. Qonaar Corp.*, 422 F. Supp. 905, 911 (D.N.J. 1976).

<sup>172</sup> *Id.* at 914.

<sup>173</sup> *Id.* at 913.

<sup>174</sup> 532 F.2d 180 (C.C.P.A. 1976).

<sup>175</sup> *Id.* at 182.

shape was itself “essentially” functional.<sup>176</sup> The *Qonaar* court found *Honeywell* distinguishable, saying no other company had made parking meters in the same design as the plaintiff, and concluded that the ice cream cone design was not “primarily functional” without further explanation.<sup>177</sup> Thus, the evidence of alternative designs for parking meters was critical to the finding of non-functionality in *Qonaar*.

The confusion illustrated by this case is indicative of the state of the law with respect to the doctrine of functionality and the protection of product design in the 1970s. *Sears* and *Compco* along with earlier cases like *Kellogg* had left the courts confused about the relationship between federal trademark law and federal patent and copyright law. There was also uncertainty regarding how to weigh the underlying policy concerns with preserving public access to the designs of useful products where those designs were not protected by federal patent or copyright law.<sup>178</sup>

A comparison of two cases involving the same design, the shape of a building or kiosk used for a photograph developing store, further illustrates this confusion. In *Fotomat Corp. v. Photo Drive-Thru, Inc.*,<sup>179</sup> the New Jersey district court concluded that the plaintiff was not entitled to preliminary injunctive relief because its building design as a whole was functional, and not protectable as a mark used to identify the plaintiff’s photograph developing services.<sup>180</sup> The court defined the standard of functionality, relying in part on *Deister* and *Best Lock*, as follows:

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<sup>176</sup> *Id.*

<sup>177</sup> *Time Mechanisms, Inc. v. Qonaar Corp.*, 422 F. Supp. 905, 914 (D.N.J. 1976).

<sup>178</sup> Thurmon, *supra* note 16, at 312 (“Courts were reluctant to take the *Sears* and *Compco* decisions as far as the Supreme Court’s language seemed to go.”); Ralph S. Brown, *Design Protection, An Overview*, 34 UCLA L. REV. 1341, 1360–62 (1987) (noting that “*Sears* and *Compco* . . . have had a hard life” and reviewing decisions that read the cases narrowly); Note, *The Public Interest and the Right to Copy Nonfunctional Product Features*, 19 WM. & MARY L. REV. 317, 335–39 (1977) (reviewing cases showing a “significant judicial dissatisfaction with the rationale of *Sears* and *Compco*”).

<sup>179</sup> 425 F. Supp. 693 (D.N.J. 1977).

<sup>180</sup> The plaintiff had a registered service mark for a two-dimensional drawing of the kiosk which it used as its logo on advertising. *Id.* at 695. The court held that the plaintiff was entitled to a preliminary injunction with respect to the defendant’s use of a confusingly similar logo, based both on service mark infringement under the Lanham Act and section 43(a)’s prohibition against unfair competition. *Id.* at 711. The court, however, refused to treat the design of the building, a three-dimensional kiosk, as covered by that registration and analyzed the plaintiff’s claims with respect to the building design separately from the logo design. *Id.* at 707. The court denied the plaintiff preliminary relief with respect to the defendant’s use of a similar building design. *Id.* at 708.

In order to determine whether the Fotomat kiosk, or substantial parts thereof, is primarily “functional,” the relevant questions are whether the Fotomat kiosk, as a whole, is designed and constructed in a manner which primarily suits its purpose as a retail sales store; whether the Fotomat kiosk design contributes to the effectiveness with which Fotomat serves its customers; and whether such functional purposes are merely incidental to the kiosk’s purpose as a source-identifying device.<sup>181</sup>

The court concluded that the overall design of the kiosk was functional, saying that, “Fotomat should not be able to prevent competitors from employing a type of retail outlet which is well-suited to the conduct of drive-in sales by asserting a building design service mark which is primarily functional.”<sup>182</sup> The court conceded that unique or arbitrary aspects of the kiosk design might be protected, but found that the defendant had not copied those features, and that there was therefore not a probability that the plaintiff would succeed on its claim of service mark infringement based on the copying of the design of the kiosk.<sup>183</sup>

The court also analyzed the plaintiff’s claim of unfair competition based on section 43(a). The court defined the difference between the service mark infringement claim and the unfair competition claim.

It is possible to be guilty of unfair competition even when trademark infringement is not present, if use of a similar but noninfringing mark or device is combined with unfair practices in a manner which is likely to deceive purchasers regarding the origin of goods under all the circumstances. . . . The law of unfair competition recognizes that one may not simulate the distinctive appearance of the place of business or advertising signs of a competitor unless proper steps are taken against misleading the public.<sup>184</sup>

The court found that the defendant had not engaged in unfair competition with respect to the kiosks because the defendant had adopted sufficiently distinctive features in their design.

In contrast, the Kansas district court reached a contrary conclusion involving the design of the Fotomat kiosk shortly after the New Jersey decision.<sup>185</sup> First, the court treated the plaintiff’s service mark registration as covering not simply the two-dimensional design used as a logo, but also the three-dimensional design of the building itself.<sup>186</sup> Second, it concluded that the defendant had not presented sufficient evidence at trial to overcome the presumptive

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<sup>181</sup> *Id.* at 706.

<sup>182</sup> *Id.*

<sup>183</sup> *Id.* at 706–07.

<sup>184</sup> *Id.* at 709.

<sup>185</sup> *Fotomat Corp. v. Cochran*, 437 F. Supp. 1231, 1235 (D. Kan. 1977).

<sup>186</sup> *Id.* at 1236–37.



validity of the registered mark.<sup>187</sup> The court found that that kiosk design was distinctive and arbitrary and “not dictated by the function it was to serve.”<sup>188</sup> The court reasoned:

Nor would enjoining others from using the building design inhibit competition in any way, for defendant’s own expert testified that many other designs would provide all the “functional” benefits which defendant claimed inhered in this particular design. While this particular design did shelter the plaintiff’s personnel and stock from the elements, it did so no better than a myriad of other building designs. Therefore, while the design had some small element of functionality, it was not “in essence” functional.<sup>189</sup>

The court acknowledged the opposite conclusion reached by the New Jersey *Fotomat* court, but noted that the New Jersey court had been deciding the case under the preliminary injunction standard, and did not have the benefit of the evidence that had been introduced at trial in the Kansas case.<sup>190</sup>

Although that may, in part, explain the different conclusions reached with respect to the functionality of the building design, the two courts also used different functionality tests. The New Jersey court found the design functional based on a broad definition which considered whether the design contributed to the purpose and effectiveness of the store, but the Kansas court required the design to be the best design, i.e. “better than a myriad of other building designs,” in order for it to be functional. Whereas the New Jersey court articulated the underlying policy reasons for denying trademark protection to functional designs, the Kansas court did not address those policy concerns. The two cases, as demonstrated by their opposing conclusions and differing tests, reveal the confusion in the case law in the 1970s with respect to the doctrine of functionality.

#### **D. The 1980s: Morton-Norwich and Inwood**

In 1982, the Court of Customs and Patent Appeals handed down one of the most influential decisions on the issue of functionality in *In re Morton-Norwich Products*.<sup>191</sup> As discussed below,<sup>192</sup> the TTAB and the Federal Circuit continue to rely upon the *Morton-Norwich* decision in determining whether

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<sup>187</sup> *Id.* at 1245.

<sup>188</sup> *Id.* at 1235.

<sup>189</sup> *Id.*

<sup>190</sup> *Id.* at 1236.

<sup>191</sup> 671 F.2d 1332 (C.C.P.A. 1982).

<sup>192</sup> See *infra* notes 286–299, 301–618 and accompanying text.

trade dress is non-functional, and thus registrable under the Lanham Act. In that case, the court determined that the shape of a spray bottle used for household cleaning products was not functional and should have been registered. The court, in another thorough opinion written by Judge Rich, carefully parsed the steps necessary to determine functionality.

First, the court revisited the history of the functionality doctrine and its underlying justifications, making an interesting and subtle change in how it viewed the public right to copy, which, according to Judge Rich in the *Deister* case trumped the producer's desire to prevent confusion.<sup>193</sup> While still recognizing the right to copy functional aspects of the design of a useful object, the court seemed now to give greater weight to the concern with passing off. The court said that "when a design is 'non-functional,' the right to compete through imitation gives way, presumably upon balance of that right with the originator's right to prevent others from infringing upon an established symbol of trade identification."<sup>194</sup> Although this is not strictly inconsistent with the holding in *Deister*, there seems to be increased deference in the court's language to the interest of producers in preventing copying of their designs than there had been in *Deister*.

The court then observed that not every design of every utilitarian article would be barred from registration, nor would even every useful design of a utilitarian article. The court opined that it was incorrect to define functionality to apply to the design of any useful article. Whereas such designs might be de facto functional,<sup>195</sup> they were not necessarily de jure functional,<sup>196</sup> and ineligible for federal trademark protection. To find de jure functionality, and thus deny trademark protection, required a finding that the design was superior to other designs such that others would need to copy that design in order to compete effectively. The court said, "[C]ourts in the past have considered the public policy involved in this area of law as, not the *right* to slavishly copy articles which are not protected by patent or copyright, but the *need* to copy those articles, which is more properly termed the right to compete *effectively*."<sup>197</sup>

Again, this seems a different attitude from what Judge Rich said in *Deister*, where he, in fact, did state that there was a public right to copy that existed independently of the patent and copyright laws. Now Judge Rich was

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<sup>193</sup> See discussion *supra* notes 81–98.

<sup>194</sup> *In re Morton-Norwich*, 671 F.2d at 1337.

<sup>195</sup> De facto functionality "indicat[es] that although the design of a product, a container, or a feature of either is directed to performance of a function, it may be legally recognized as an indication of source." *Id.*

<sup>196</sup> De jure functionality indicates "such a design may not be protected as a trademark." *Id.*

<sup>197</sup> *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982).

basing functionality not on that public entitlement, but limiting it to circumstances where there was an actual impact on effective competition.<sup>198</sup>

The factors identified for determining this “superior” design and the “need to compete effectively” also illustrated the court’s narrowing of the definition of functionality. The court discussed four types of evidence that would bear on a determination of functionality: the existence of an expired utility patent which disclosed the utilitarian advantages of the design; advertising which touted the functional advantages of the design; the absence of alternative designs available to potential competitors; and the comparatively lower cost of manufacturing the plaintiff’s design compared to other available alternatives.<sup>199</sup> The third and fourth factors made it clear that if other alternatives were available and relatively equal in manufacturing costs, the plaintiff’s design was not likely to be considered functional, even if that design was entirely dictated by functional considerations.

The court concluded that the design of plaintiff’s spray bottle was not functional under this definition, placing the most weight on the third factor in its analysis. The court found that:

a molded plastic bottle can have an infinite variety of forms or designs and still function to hold liquid. No one form is necessary or appears to be “superior.” . . . The evidence . . . demonstrates that the same functions can be performed by a variety of other shapes with no sacrifice of any functional advantage. There is no necessity to copy appellant’s trade dress to enjoy any of the functions of a spray-top container.<sup>200</sup>

Judge Rich and the CCPA thus seemed to be retreating to a more demanding test for finding functionality, making it easier for producers to obtain registration of their designs.

Just a few months after the *Morton-Norwich* decision, the Supreme Court revisited this issue for the first time since *Sears and Compco*, but only in passing. In *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*,<sup>201</sup> one of the

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<sup>198</sup> Others have interpreted the *Morton-Norwich* decision as being consistent with Judge Rich’s previous rulings which were seen as based on the competitive need rationale more so than the functionality standard. The holding in *Morton-Norwich* was viewed as a return to the competitive need rationale by courts that had been fluctuating between the two standards. See Thurmon, *supra* note 16, at 271–83. See also Barrett, *supra* note 145, at 99–101 (finding that *Morton-Norwich* relies on a definition of functionality which focuses on the practical effect that trade dress protection for a design would have on competition).

<sup>199</sup> *In re Morton-Norwich*, 671 F.2d 1332, 1340–41 (C.C.P.A. 1982).

<sup>200</sup> *Id.* at 1342.

<sup>201</sup> 456 U.S. 844 (1982). This case was primarily about whether a drug manufacturer could be held vicariously liable when pharmacists allegedly infringed the plaintiff’s trademark and trade dress for its pharmaceutical product.

defenses asserted for the defendant using the same colors as the plaintiff to identify particular drugs was that its trade dress was functional.<sup>202</sup> In a footnote discussing that defense, the Court provided a definition of functionality: “In general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”<sup>203</sup> The Court cited only two cases in support of this definition; *Sears* and *Kellogg*. Citing these cases in support of a case involving federal trademark and trade dress law would seem to suggest that, in the Court’s view, *Sears* and *Kellogg* had a connection to federal trademark law and were not irrelevant to the application of the functionality doctrine in such cases.<sup>204</sup> It also could have been interpreted to mean that the Court would take a harder line before granting trademark protection to the design of useful products. The *Inwood* definition of functionality is clearly different and potentially broader in scope than that used in *Morton-Norwich*, which requires evidence of the superiority of the design, not just that it is essential to the article’s use or purpose.<sup>205</sup> As Professor Margreth Barrett asserted, the citation to *Sears* suggests that the Supreme Court intended “essential to the use or purpose” to require only a showing that the features of the design “play an important role in the product’s function, regardless of whether alternative designs are available that could perform the role just as well.”<sup>206</sup> That is, Barrett reads *Inwood* to reflect a definition of functionality where the focus was on utility, not the impact on competitors.<sup>207</sup>

It would remain for subsequent courts to shed further light on the meaning of the *Inwood* definition and whether the *Morton-Norwich* test was consistent with it. As Professors Thurmon and Barrett discuss,<sup>208</sup> several circuit appellate courts addressed these issues in the 1980s, reaching differing decisions. Interestingly, several courts, while citing *Inwood*, did not rely on, or even quote, the Supreme Court’s language defining functionality. For example, the Seventh

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<sup>202</sup> See *id.* at 850.

<sup>203</sup> *Id.* at 851 n.10. The court never addressed the question of whether the plaintiff’s trade dress was functional or not, as its focus was rather on the question of vicarious liability.

<sup>204</sup> See Barrett, *supra* note 145, at 141–43.

<sup>205</sup> See Thurmon, *supra* note 16, at 283–85.

<sup>206</sup> See Barrett, *supra* note 145, at 88.

<sup>207</sup> See also Andrew F. Halaby, *The Trickiest Problem with Functionality: A New Datum Prompts A Thought Experiment*, 63 N.Y.U. ANN. SURV. AM. L. 151, 167 (nothing in *Kellogg* or *Sears* supports the *Inwood* formulation of functionality); Weinberg, *supra* note 16, at 18–19 (*Inwood* test is internally inconsistent).

<sup>208</sup> Barrett, *supra* note 145, at 95–110; Thurmon, *supra* note 16, at 286–96. See also McCormick, *supra* note 16, at 562–66.

Circuit in *W.T. Rogers Co. v. Keene Manufacturing*<sup>209</sup> cited *Inwood* as dicta for support of its definition of functionality, i.e., that “a functional feature is one which competitors would have to spend money not to copy but to design around . . . . It is something costly to do without . . . rather than costly to have.”<sup>210</sup> The court, however, never explained how this definition fit with the *Inwood* definition. In applying its definition to the plaintiff’s product—a stacking tray with hexagonal sides, the court concluded that the tray’s shape was irrelevant to its functioning and that there was no evidence that it was cheaper to produce than differently shaped trays.<sup>211</sup> Thus, the tray’s design would not be considered functional in the utilitarian sense, although the court was willing to go beyond the limited *Inwood* definition to consider the possibility of aesthetic functionality.<sup>212</sup> The Seventh Circuit decided several other cases addressing the issue of functionality in the 1980s, but did not ever rely on, or explain, the relevance of the *Inwood* formulation in its analysis.<sup>213</sup> In fact, in *Schwinn Bicycle Co. v. Ross Bicycles*,<sup>214</sup> the court concluded that the district court, in finding that the defendant was unlikely to prove that the design of plaintiff’s exercise bicycle was functional, had been “led astray by words such as ‘optimal,’ ‘superior’ and ‘essential’”<sup>215</sup> because “the burden of showing that a competitor’s design is the ‘best possible’ could extend the scope of trademark protection into the domain that . . . is within the bounds of lawful competition.”<sup>216</sup> Thus, the

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<sup>209</sup> 778 F.2d 334 (7th Cir. 1985).

<sup>210</sup> *Id.* at 339.

<sup>211</sup> *Id.* at 342–43.

<sup>212</sup> See *supra* note 157 for discussion of aesthetic functionality. The court then went on to discuss the doctrine of aesthetic functionality and its possible application to the design of the tray, a topic that is beyond the scope of this article. See generally Thurmon, *supra* note 16, at 303–08. See Clegg, *supra* note 16, at 308–12 (author proposes uniform treatment of both utilitarian and aesthetic functionality); Halaby, *supra* note 207, at 182–90 (law should not distinguish between utilitarian and aesthetic functionality but should define functionality based on consumer desire for a feature, whether useful or aesthetic).

<sup>213</sup> See *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1191–92 (7th Cir. 1989) (preliminary injunction vacated in part because district court erred in its application of the functionality doctrine in determining that the configuration of plaintiff’s exercise bicycle was non-functional); *Serv. Ideas, Inc. v. Traex Corp.*, 846 F.2d 1118, 1126 (7th Cir. 1988) (injunction prohibiting defendant from copying the trade dress of plaintiff’s insulated beverage server was affirmed as there was no error in finding that trade dress was non-functional); *Vaughan Mfg. Co. v. Brikam Int’l, Inc.*, 814 F.2d 346 (7th Cir. 1987) (preliminary injunction against copying plaintiff’s folding picnic table is upheld as configuration is not functional). The court did not cite to *Inwood* in any of these decisions.

<sup>214</sup> 870 F.2d 1176 (7th Cir. 1989).

<sup>215</sup> *Id.* at 1189.

<sup>216</sup> *Id.*

language used in both *Inwood* (“essential”) and *Morton-Norwich* (“superior”) was rejected by the Seventh Circuit on the grounds that it would impose too heavy a burden on competitors who wished to copy the configuration of a product. Instead, the court preferred the definition adopted in *W.T. Rogers* that considered whether the design was costly to work around or do without, which was a much broader definition of functionality that permitted far more copying of designs by potential competitors.

Other circuits also did not address or even cite *Inwood* in determining functionality issues in the 1980s. For example, the Fifth Circuit did not cite *Inwood*, although it relied heavily on *Morton-Norwich* in finding that the plaintiff’s juice bottle was not functional because of available alternative designs and indicated the bottle was not a superior design.<sup>217</sup> The Tenth Circuit cited *Inwood* for a different principle but did not rely on it at all in concluding that the shape of plaintiff’s fishing reel was not functional. Instead, the court adopted a test that looked at the effect on competition.<sup>218</sup> Because the trial court had correctly considered whether there were alternative ways to manufacture a comparable fishing reel, the appellate court upheld that determination.<sup>219</sup> The court seemed almost to reject the *Inwood* formulation, saying, “This interpretation does not limit functional features to those essential to a product’s operation.”<sup>220</sup>

The Second Circuit paid somewhat greater attention to the Supreme Court’s *Inwood* definition of functionality. In *LeSportsac v. K Mart Corp.*,<sup>221</sup> the court correctly characterized the *Inwood* definition as dictum, stating:

A design feature of a particular article is “essential” only if the feature is dictated by the functions to be performed; a feature that merely accommodates a useful function is not enough. . . . And a design feature “affecting the cost or quality of an article” is one which permits the article to be manufactured at a lower cost . . . or one which constitutes an improvement in the operation of the goods.<sup>222</sup>

The court went on to conclude that the district court’s finding of non-functionality was not clearly erroneous because there were many other ways to arrange the design features of the plaintiff’s handbag and therefore, no danger of

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<sup>217</sup> *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 427 (5th Cir. 1984).

<sup>218</sup> *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d. 513, 519 (10th Cir. 1987).

<sup>219</sup> *Id.* at 519–20.

<sup>220</sup> *Id.* at 519. The court went on to suggest that those features that are aesthetically functional would also be denied trade dress protection. *Id.*

<sup>221</sup> 754 F.2d 71 (2d Cir. 1985).

<sup>222</sup> *Id.* at 76 (citations omitted). This explanation was formulated by Judge Oakes in *Warner Bros. Inc. v. Gay Toys, Inc.*, 724 F.2d. 327, 331 (2d Cir. 1983).

impeding competition.<sup>223</sup> Thus, after quoting and explaining the *Inwood* formulation, the court relied on the evidence of available alternative designs to determine whether the features were essential to the handbag's function or affected the cost or quality of the product<sup>224</sup>—a blend of *Inwood* with one of the critical factors in the *Morton-Norwich* case.

Two years later, the Second Circuit revisited the issue of functionality in *Stormy Clime, Ltd. v. ProGroup, Inc.*,<sup>225</sup> where the defendant allegedly infringed the design of a rain jacket and asserted the design's functionality as a defense.<sup>226</sup> In this case, however, the appellate court vacated the preliminary injunction granted to the plaintiff because it concluded that the district court had failed to apply the functionality standard correctly in determining that the rain jacket design was non-functional.<sup>227</sup> Unlike the handbag design at issue in *LeSportsac*, where the court had found several alternative designs available to competitors, the design in *Stormy Clime* did not lend itself to such alternatives. The court observed, "By contrast, the arrangement of the principal features common to both the [plaintiff's and defendant's rain jackets] appear to be dictated by the purpose of providing a low-cost, unencumbering, waterproof jacket for wear while playing golf and other sports."<sup>228</sup> The court, citing both *Inwood* and *Morton-Norwich*, went on to provide a more elaborate definition of functionality:

On one end, unique arrangements of purely functional features constitute a functional design. On the other end, distinctive and arbitrary arrangements of predominantly ornamental features that do not hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional and hence eligible for trade dress protection. In between, the case for protection weakens the more clearly the arrangement of allegedly distinctive features serves the purpose of the product (including the maintenance of low cost), especially where the competitor copying such features has taken some significant steps to differentiate its product.<sup>229</sup>

Although it is not entirely clear why the plaintiff's arrangement served the purpose of the rain jacket in ways that precluded producers from creating reasonably competitive alternatives, the appellate court merely found that the district court's finding that there were alternative designs was not adequately

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<sup>223</sup> *LeSportsac*, 754 F.2d at 77.

<sup>224</sup> *Id.* at 77–78.

<sup>225</sup> 809 F.2d 971 (2d Cir. 1987).

<sup>226</sup> *Id.* at 972.

<sup>227</sup> *Id.* at 978–79.

<sup>228</sup> *Id.* at 976.

<sup>229</sup> *Id.* at 977.

supported by the evidence.<sup>230</sup> The court explained why it was important not to define functionality too narrowly and thus expand the protection given by trade dress law. In language reminiscent of earlier cases such as *Kellogg*, *Sears*, and *Deister*, the court invoked the need to limit trade dress protection of product designs to preserve the freedom to copy designs that were not protected by patent law.<sup>231</sup> The Second Circuit also warned courts to proceed with caution so as not to upset the balance between the freedom to compete by copying products and the need to prevent confusion as to the source of goods.<sup>232</sup> The court concluded:

By focusing upon hindrances to legitimate competition, the functionality test, carefully applied, can accommodate consumers' somewhat conflicting interests in being assured enough product differentiation to avoid confusion as to source and in being afforded the benefits of competition among producers.<sup>233</sup>

Because the district court had failed to be sensitive to that balance, the appellate court concluded that it had applied the legal standard of functionality incorrectly and vacated the injunction issued in favor of the plaintiff.<sup>234</sup> The right to copy outweighed the concern with consumer confusion in this case.

Thus, in the aftermath of *Inwood* and *Morton-Norwich*, there was still considerable confusion over the exact meaning of functionality. Although there appeared to be a consistent concern with the impact on competition if a design was protected by trade dress law and frequent reliance on the availability of alternative designs as evidence of that effect on competition, the various circuits were formulating the test for functionality in differing terms. Even within a circuit, courts seemed to be giving different weight to the conflicting concerns between the right to copy and the need to prevent consumer confusion.<sup>235</sup> Some courts focused more on utility to define functionality whereas others placed

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<sup>230</sup> *Id.*

<sup>231</sup> *Stormy Clime, Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 978 (2d Cir. 1987).

<sup>232</sup> *Id.* at 977.

<sup>233</sup> *Id.* at 978–79.

<sup>234</sup> *Id.* at 979.

<sup>235</sup> It is also important to mention two other matters relating to these cases from the 1980s. First, as described above, most of the principal cases were decided on the basis of the preliminary injunction standard so there was not a full presentation of evidence as to competitive effect or available alternatives before the courts when rendering their decisions. Second, in all these cases, the courts were placing the burden of proof on the defendant to establish functionality instead of requiring the plaintiffs to prove non-functionality. The outcomes might very well have been different if, as under current law, *see infra* note 280, the courts had placed the burden on the plaintiffs.



more weight on competitive impact and the availability of alternative designs to determine that competitive impact.<sup>236</sup>

Although the issues of trade dress and functionality were not directly before the Supreme Court in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,<sup>237</sup> its discussion of *Sears* and *Compco* merits inclusion as it reflects the Court's continuing concern with the right to copy and the role that the functionality doctrine plays in striking the balance between that right and the concerns with consumer confusion. In *Bonito Boats*, the Supreme Court struck down a Florida statute which prohibited the duplication of unpatented boat hull designs through a direct molding process because it conflicted with the federal patent scheme.<sup>238</sup> The Court observed that there is a "a congressional understanding, implicit in the Patent Clause itself, that free exploitation of ideas will be the rule, to which the protection of a federal patent is the exception. . . . State law protection for techniques and designs whose disclosure has already been induced by market rewards may conflict with the very purpose of the patent laws by decreasing the range of ideas available as the building blocks of further innovation."<sup>239</sup> The Court cited to and discussed *Sears* and *Compco* as embodying this principle of the right to copy unpatented ideas and products.<sup>240</sup>

The Court, however, also recognized that *Sears* and *Compco*, as well as other cases decided after those two decisions, left room for some state regulation of trade dress to prevent confusion in the marketplace. The Court observed that *Sears* reflected "an implicit recognition that all state regulation of potentially patentable but unpatented subject matter is not *ipso facto* preempted by the federal patent laws."<sup>241</sup> Nevertheless, the Court concluded that

States may not offer patent-like protection to intellectual creations which would otherwise remain unprotected as a matter of federal law. . . . A state law that substantially interferes with the enjoyment of an unpatented utilitarian or design conception which has been freely disclosed by its author to the public at large impermissibly contravenes the ultimate goal of public disclosure and use which is the centerpiece of federal patent policy. . . . We understand this to be the reasoning at the core of our decisions in *Sears* and *Compco*, and we reaffirm that reasoning today.<sup>242</sup>

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<sup>236</sup> See generally Barrett, *supra* note 145, at 95–110.

<sup>237</sup> 489 U.S. 141 (1989).

<sup>238</sup> *Id.* at 168.

<sup>239</sup> *Id.* at 151.

<sup>240</sup> *Id.* at 152–57.

<sup>241</sup> *Id.* at 154.

<sup>242</sup> *Id.* at 156–57.

Because the Florida statute was found to offer patent-like protection, the Court struck it down.<sup>243</sup>

The question left somewhat undefined by *Bonito Boats* is where exactly the Court would draw the line between permissible and impermissible state protection of product design trade dress. The Court suggested that state “protection against copying of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source”<sup>244</sup> would be permissible, and that states “may place limited regulations on the use of unpatented designs in order to prevent consumer confusion as to source.”<sup>245</sup> The Court went on to observe that Congress itself has recognized that the need to regulate unfair competition is not inconsistent with the patent laws, as reflected in section 43(a) of the Lanham Act.<sup>246</sup> “Congress has thus given federal recognition to many of the concerns that underlie the state tort of unfair competition, and the application of *Sears* and *Compco* to nonfunctional aspects of a product which have been shown to identify source must take account of competing federal policies in this regard.”<sup>247</sup> The Court thus invoked the doctrine of functionality as one of the key concepts used to define the scope of protectable trade dress, but did not discuss how that doctrine was to be defined.

The Court returned more directly to the question of how to define functionality in *Qualitex Co. v. Jacobson Products Co.*<sup>248</sup> in 1995.<sup>249</sup> Although the

<sup>243</sup> *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 168 (1989).

<sup>244</sup> *Id.* at 158.

<sup>245</sup> *Id.* at 165.

<sup>246</sup> *Id.* at 166.

<sup>247</sup> *Id.* at 166.

<sup>248</sup> 514 U.S. 159 (1995).

<sup>249</sup> In *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), the Supreme Court also indirectly endorsed the role that functionality plays in balancing the right to copy with the concern with preventing consumer confusion. In that case, the Court ruled that trade dress generally could be protected if it were inherently distinctive without proof of secondary meaning. In response to concerns that this would result in overprotection of trade dress and a negative effect on the ability of other to compete, the Court turned to the Fifth Circuit’s definition of functionality as a reasonable limit on the scope of protectable trade dress. The Fifth Circuit applied a rule that found that a design is functional and unprotectable “if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trademark protection.” *Id.* at 775. The Court then observed that this limitation on protectable trade dress “serves to assure that competition will not be stifled by the exhaustion of a limited number of trade dresses.” *Id.*

Eight years later in the *Walmart* case, the Court would limit trade dress protection for product design by ruling that product design trade dress could never be inherently distinctive thus significantly narrowing the scope of the *Two Pesos* decision. See *infra* notes 253–259 and accompanying text.

circuit courts in the 1980s may have paid little or no attention to the *Inwood* functionality definition, after *Qualitex*, it would be more difficult to dismiss *Inwood* as mere dicta with no persuasive effect. The *Qualitex* discussion of functionality could also be characterized as dicta, as the central issue there was the registrability of color alone as a trademark and not whether the color of the product was itself functional, but it is still significant that the Supreme Court not only cited *Inwood*, but quoted its definition of functionality.<sup>250</sup> In its discussion of why the functionality doctrine did not per se prohibit the registration of colors as trademarks, the Court reviewed the policy justifications for the doctrine, i.e., the need to preserve competition and to prevent the use of trademark law to monopolize features that are not protected by patent law.<sup>251</sup> Because color sometimes is not “essential to a product’s use or purpose and does not affect cost or quality,”<sup>252</sup> the court concluded that the functionality doctrine was not an absolute bar to the registration of colors as a trademark. Thus, the Court made it clear that its definition of functionality in *Inwood* was not a casual statement capable of being dismissed as dicta, but the continuing formulation of how that doctrine should be defined.

What this definition would mean in real cases, however, was yet to be tested or discussed by the Supreme Court. That opportunity would come early in the 21st century.

### III. THE TWENTY-FIRST CENTURY: WALMART, TRAFFIX AND THE REDEFINITION OF TRADE DRESS PROTECTION

#### A. Walmart, Traffix and the Split in the Circuits

In March 2000, the Supreme Court clearly indicated that between the concern for preventing confusion and the concern with promoting competition, the latter concern was the weightier in its view. In *Wal-Mart Stores v. Samara*

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<sup>250</sup> *Qualitex*, 514 U.S. at 165 (“[A] product feature is functional,’ and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,’ that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.” (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982))). The court also quoted the “important ingredient” test for functionality, but as we will see in our discussion of *Traffix*, the court later made it clear that that test only applied in cases of aesthetic, not utilitarian, functionality. See *infra* notes 271–272 and accompanying text. See Thurmon, *supra* note 16, at 294–95.

<sup>251</sup> *Qualitex*, 514 U.S. at 164–65.

<sup>252</sup> *Id.* at 165.

*Bros*,<sup>253</sup> the court did not address the issue of functionality itself, but in discussing another issue relating to trade dress protection, this policy choice came into focus. The plaintiff claimed that Wal-Mart had copied the design of its children's clothing and, thus, engaged in unfair competition in violation of section 43(a) of the Lanham Act.<sup>254</sup> The jury found for the plaintiff, and Wal-Mart appealed, arguing in part that the clothing design was not distinctive and not protectable trade dress under section 43(a) because there was insufficient evidence of secondary meaning.<sup>255</sup> The plaintiff asserted that its design was inherently distinctive and therefore, automatically protectable without needing evidence of secondary meaning.

The Supreme Court disagreed with the plaintiff and reversed. The Court reasoned that it would be against public interest to protect product design without an evidentiary showing of secondary meaning, i.e., evidence that the public associated the plaintiff as the source of the goods based on the design of its clothing.<sup>256</sup> The Court stated:

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 . . . .<sup>257</sup>

The Court considered the functionality doctrine itself an inadequate guard against this interference with free competition, given the deterrent effect of potential infringement lawsuits. It concluded that, although word marks and packaging and container trade dress could be inherently distinctive, product design could not.<sup>258</sup> Without proof of secondary meaning as well as non-functionality, there would be no protection against copying product designs. In so ruling, the court substantially narrowed the availability of trade dress protection for product design, as only those designs that had been on the market long enough and successful enough to create a consumer association with their source could even have a chance to obtain trade dress protection under section 43(a).<sup>259</sup>

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<sup>253</sup> 529 U.S. 205 (2000).

<sup>254</sup> *Id.* at 208.

<sup>255</sup> *Id.*

<sup>256</sup> *Id.* at 211, 213.

<sup>257</sup> *Id.* at 213.

<sup>258</sup> *Id.* at 215.

<sup>259</sup> See generally Halpern, *supra* note 4, at 253 (stating that the Court in *Wal-Mart* was “narrowing the role played by trademark in protecting products and their design”). See also *supra*

A year later, the Supreme Court's reluctance to give overly broad protection to product design was made even more clear.<sup>260</sup> In *TrafFix Devices Inc. v. Marketing Displays, Inc.*,<sup>261</sup> the Court revived the view that the freedom to copy unpatented product designs trumped the concern regarding the risk of public confusion and provided a broadened definition of functionality which narrowed product designs that would be eligible for trade dress protection. The case involved the plaintiff's design of a dual-spring stand for road and other signs, a design for which the plaintiff had an expired utility patent.<sup>262</sup> The defendant reverse-engineered the stand and began producing signs using a similar looking dual spring design.<sup>263</sup> The plaintiff sued under section 43(a) of the Lanham Act, alleging trade dress infringement.<sup>264</sup> The district court found that the plaintiff failed to prove that there was any question of fact regarding whether the design was functional and entered summary judgment for the defendant.<sup>265</sup> The Sixth Circuit reversed, reasoning that the district court erred by failing to consider other ways that competitors could have configured the design that would not have copied the plaintiff's so obviously.<sup>266</sup> Relying on *Qualitex* and its secondary definition of functionality, the Sixth Circuit asserted that for a design to be functional, it must put competitors at a "significant non-reputation-related disadvantage"<sup>267</sup> and not merely have some impact on competition. If reasonably comparable alternatives exist for road signs, then the plaintiff's design can be considered non-functional and thus protectable trade dress.

The Supreme Court disagreed with this formulation of the functionality test. Although the Court's principal focus was on the evidentiary effect of an expired utility patent in determining functionality, the its analysis went beyond this issue. The features of the dual-spring stand were found to be central to the claims of the patent on which it was based, creating a burden of proving non-

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note 249 (*Walmart* narrowed the scope of trade dress protection that had been allowed under *Two Pesos*).

<sup>260</sup> Halpern, *supra* note 4, at 260 ("[T]here is no doubt about the Court's unanimous policy determination to reverse, or at least to stem, the tide of expansive trade dress protection.").

<sup>261</sup> 532 U.S. 23 (2001).

<sup>262</sup> *Id.* at 25–26.

<sup>263</sup> *Id.* at 26.

<sup>264</sup> *Id.*

<sup>265</sup> *Id.*

<sup>266</sup> *Id.* at 27.

<sup>267</sup> *TrafFix Devices Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001) (quoting *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 165 (1995)).

functionality that the plaintiff could not satisfy.<sup>268</sup> The Court went on to address the broader question of the definition of functionality, stating that the Sixth Circuit’s use of the competitive necessity test for functionality was “incorrect as a comprehensive definition. . . . [A] feature is also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.”<sup>269</sup> The Court now described this, the *Inwood* formulation it had first announced in a 1982 footnote, as the “traditional rule.”<sup>270</sup> It said that the secondary *Qualitex* formulation, the “significant non-reputation-related disadvantage” test,<sup>271</sup> was only relevant in cases of aesthetic as opposed to utilitarian functionality.<sup>272</sup> To make it even clearer as to how the traditional rule was to be interpreted, the Court stated that there was no need to consider design alternatives in making determinations of utilitarian functionality.<sup>273</sup> Because the dual

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<sup>268</sup> Professor Harold Weinberg observed, “One lesson is that for the patent to be relevant, the design feature it discloses must be the same design feature that the senior producer seeks to protect against trademark infringement.” Weinberg, *supra* note 16, at 43.

<sup>269</sup> *TrafFix*, 532 U.S. at 33.

<sup>270</sup> *Id.*

<sup>271</sup> See *supra* note 267 and accompanying text.

<sup>272</sup> The court’s separation of utilitarian functionality from aesthetic functionality has been the subject of criticism by some authors. See, e.g., Halaby, *supra* note 207, at 172–75; Thurmon, *supra* note 16, at 250 (“The distinction between aesthetics and utility, therefore, is now extremely important. In close cases . . . [t]his troublesome distinction is likely to lead to a great deal of confusion and inconsistency in the lower federal courts.”). In *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*, the Ninth Circuit struggled to make sense of the Supreme Court’s discussion in *TrafFix*. 457 F.3d 1062, 1073 (9th Cir. 2006); see also J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-251 (4th ed. 1996). As noted earlier, the issue of aesthetic functionality is beyond the scope of this article.

<sup>273</sup> Some scholars read *TrafFix* as holding that if functionality is established by other means, there is no necessity to consider alternative designs, but not that evidence of alternative designs is precluded from consideration as relevant to the determination of functionality. See Palladino, *supra* note 14, at 1227–28; Weinberg, *supra* note 16, at 62 (“Therefore, what *TrafFix* may teach is that when a senior producer has the burden of proving that a choice design feature is non-functional, a junior producer’s strong evidence of functionality cannot be overcome by a senior’s weak evidence of alternative design features. So read, *TrafFix* merely recognizes that multiple forms of evidence bear on functionality, and does not rule out considering evidence of alternative design features.”) (footnote omitted).

Although it is true that *TrafFix* does not explicitly address the issue of whether alternative designs can ever be relevant, its rhetoric certainly makes clear that this is not what the Supreme Court considers to be central to that determination. See also Barrett, *supra* note 145, at 116–27 (*TrafFix* represents a move away from the competitive impact test, adopting instead a “role of the feature” test which does not require an examination of design alternatives).

spring design was “not an arbitrary flourish,” but rather “the reason the device works,” it was functional and non-protectable trade dress.<sup>274</sup>

The Court thus seemed to adopt a broad test for functionality: if a design was what made the product useful, if it related to its utility and was not merely arbitrary, it was functional.<sup>275</sup> This test, reminiscent of the approach used in earlier cases such as *Deister*, was justified by the same policy concerns underlying those earlier cases:

The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of patent law and its period of exclusivity. The Lanham Act, furthermore, does not protect trade dress in a functional design simply because an investment has been made to encourage the public to associate a particular functional feature with a single manufacturer. . . . Whether a utility patent has expired or there has been no utility patent at all, a product design which has a particular appearance may be functional because it is “essential to the use or purpose of the article” or “affects the cost or quality of the article.”<sup>276</sup>

In repeating the language from *Inwood*, the Court reemphasized that this was the test to use for determining functionality. Its application of that test to the road sign design in *TrafFix* indicated that what this test meant was that as long as the design was a necessary part of what made the product useful and not merely an arbitrary embellishment, it should be considered functional and unprotectable. Even if there were other ways to design a product that served that same purpose, it would not change the fact that the first design was functional. Adopting such a broad test for utilitarian functionality was consistent with the Court’s view that the right to copy in the absence of patent protection outweighed concerns with secondary meaning and the producer’s investment in its design.

Despite the seeming clarity of the Court’s intentions, within a year, there was a split in the circuits as the lower courts struggled with the decision and its meaning.<sup>277</sup> The Fifth Circuit seemed to accept a face value reading of

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<sup>274</sup> Professor Thurmon observed that the Court’s focus on patent evidence illustrated the shift from a focus on competitive need in determining functionality, as patent eligibility is based on factors that have nothing to do with whether a competitor will need to copy the features claimed. See Thurmon, *supra* note 16, at 324–25.

<sup>275</sup> See also Barrett, *supra* note 145, at 116–27 (*TrafFix* rejected the competitive impact standard and endorsed a test for functionality that focused on whether the features of a product’s design were material to the use or purpose of the product).

<sup>276</sup> *TrafFix Devices Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 34–35 (2001) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)).

<sup>277</sup> See generally Barrett, *supra* note 145, at 131–35; Palladino, *supra* note 14, at 1219 *passim*; Thurmon, *supra* note 16, at 326–34.

the *TrafFix* decision. In *Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH*,<sup>278</sup> a case involving the design of pipette tips used for dispensing of liquids accurately and rapidly, the jury entered a verdict in favor of the plaintiff.<sup>279</sup> The appellate court reversed, finding that the plaintiff had failed to prove that its design was non-functional.<sup>280</sup> The appellate court said that although the verdict might have been correct under the “competitive necessity” standard formerly applied by the Fifth Circuit,<sup>281</sup> that standard had been superseded by the Supreme Court standard adopted in *TrafFix*.<sup>282</sup> The test for when a design is functional is now whether the “feature is essential to the use or purpose of the product or whether it affects the cost or quality of the product.”<sup>283</sup> The existence of alternative designs was not relevant to that determination, and thus the lower court had erred in instructing the jury to consider whether there were alternatives ways of configuring pipette tips to serve the functions performed by the plaintiff’s product.<sup>284</sup> Because the evidence showed that the plaintiff’s product features were not arbitrary or ornamental but rather necessary to the operation of the product, the

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<sup>278</sup> 289 F.3d 351 (5th Cir. 2002).

<sup>279</sup> *Id.* at 354.

<sup>280</sup> The circuits had at one time been split on whether the defendant had the burden to prove functionality or whether the plaintiff bore the burden of negating it in a case brought under section 43(a). MCCARTHY, *supra* note 21, § 7:72, at 7-211 (citing Daniella Rubano, Note, *Trade Dress: Who Should Bear the Burden of Proving or Disproving Functionality in a Section 43(a) Infringement Claim?*, 6 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 345 (1995)). The Trademark Amendments Act of 1999 resolved this split, placing the burden of proving non-functionality on the plaintiff asserting unregistered trade dress infringement. 113 Stat. 218, 220 (1999). The amendment added a third section to section 43(a): “In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.” See Lanham Act, 60 Stat. 427, 441 § 43(a) (codified at 15 U.S.C. § 1125(a)(3)). This amendment to section 43(a) created a “statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection.” *TrafFix*, 532 U.S. at 30; MCCARTHY, *supra* note 21, § 7:72, at 7-210. This amendment may reflect that Congress, like the Supreme Court in *Walmart* and *TrafFix*, was also attempting to narrow the scope of trade dress protection for the designs of useful articles.

<sup>281</sup> See, e.g., *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 435 (5th Cir. 1984).

<sup>282</sup> *Eppendorf*, 289 F.3d at 356.

<sup>283</sup> *Id.*

<sup>284</sup> Palladino criticizes *Eppendorf* as being contrary to *TrafFix* in ruling that evidence of alternative designs is always irrelevant to determinations of functionality. See Palladino, *supra* note 14, at 1231–32. That criticism, however, is not terribly persuasive, given the fairly direct language in *TrafFix* addressing this issue.



court reversed, holding that no reasonable jury could conclude that the plaintiff had met its burden of proving non-functionality.<sup>285</sup>

In contrast, the Federal Circuit read *TrafFix* differently and concluded that evidence of alternative designs remained a relevant consideration in determinations of functionality.<sup>286</sup> The procedural context in *Valu Engineering v. Rexnord Corp.* differed from both *TrafFix* and *Eppendorf-Netheler-Hinz* in that *Valu Engineering* involved the review of the TTAB's decision to uphold a refusal to register a product configuration on the grounds of functionality.<sup>287</sup> Thus, unlike cases brought under section 43(a), the initial burden in *Valu Engineering* was on the opposer to establish that the mark was functional under section 2(e)(5) of the Lanham Act.<sup>288</sup> The Federal Circuit, however, ruled that the opposer in *Valu Engineering* had presented sufficient evidence to make a prima facie case of functionality and therefore, the burden had shifted to the applicant to establish that its design was non-functional.<sup>289</sup>

The application before the Federal Circuit involved the configuration of guide rails placed along a conveyor to prevent objects from falling off, an object with an obvious utilitarian function.<sup>290</sup> The TTAB had applied the *Morton-Norwich* factors and found that all four factors, including an abandoned utility patent, advertising materials touting the useful advantages of the design, a limited number of design alternatives, and a comparatively low cost and simple method of manufacturing supported the opposer's claim of functionality, at least with respect to the guide rails' use in areas where conveyors are frequently washed.<sup>291</sup> The applicant argued on appeal that the TTAB should have considered all uses of the guide rails, not just usage in so-called "wet areas."<sup>292</sup>

The Federal Circuit recognized that it had to determine the impact of the *TrafFix* decision on the TTAB's use of *Morton-Norwich* and its four-factor functionality analysis. Despite the Supreme Court's assertion in *TrafFix* that

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<sup>285</sup> *Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH*, 289 F.3d 351, 358 (5th Cir. 2002).

<sup>286</sup> *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268 (Fed. Cir. 2002).

<sup>287</sup> *Id.* at 1271.

<sup>288</sup> Under the 2(e)(5) standard, the burden of proof is on the party seeking to deny registration to prove an article's functionality. Lanham Act, § 2(e)(5) (codified at 15 U.S.C. § 1052 (e)(5)). If a plaintiff has a federally registered trademark or service mark, however, the functionality burden of proof shifts to defendant to challenge the validity of the mark. Registration is prima facie evidence of the validity of a trademark, although rebuttable. See discussion at *supra* note 61. For a comparison of the burden of proof under section 43(a), see *supra* note 280.

<sup>289</sup> *Valu Eng'g*, 278 F.3d at 1279.

<sup>290</sup> *Id.* at 1271.

<sup>291</sup> *Id.* at 1272.

<sup>292</sup> *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1272–73 (Fed. Cir. 2002).

there was no reason to consider design alternatives if a product's design was "essential to the use or purpose"<sup>293</sup> and not merely an arbitrary embellishment, the Federal Circuit read the case to allow for consideration of alternative designs and found that *TrafFix* did not mean that the *Morton-Norwich* test should be abandoned.

We do not understand the Supreme Court's decision in *TrafFix* to have altered the *Morton-Norwich* analysis. . . . Nothing in *TrafFix* suggests that consideration of alternative designs is not properly part of the overall mix, and we do not read the Court's observations in *TrafFix* as rendering the availability of alternative designs irrelevant. Rather, we conclude that the Court merely noted that once a product feature is found functional based on other considerations there is no need to consider the availability of alternative designs, because the feature cannot be give trade dress protection merely because there are alternative designs available. But that does not mean that the availability of alternative designs cannot be a legitimate source of evidence to determine whether a feature is functional in the first place.<sup>294</sup>

The court used as an example a product found to be functional based solely on cost or quality factors.<sup>295</sup> In that case, alternative designs would be irrelevant because as long as the applicant's design was cheaper or better quality than those alternatives, those alternatives would not be competitive alternatives and thus, the applicant's design would still be considered functional.<sup>296</sup>

What the court did not adequately explain, however, is why alternative designs would *ever* be evidence of functionality. If a design was utilitarian and not arbitrary, how would alternative configurations make it any less "essential to the use or purpose of the article" and therefore functional?<sup>297</sup> The Federal Circuit was implicitly suggesting that even if a product design was useful, it would still not be legally "functional" and denied trade dress protection if available alternatives existed. In this respect, the Federal Circuit seemed to be following the older formulation of the competitive effects test, which as the Fifth Circuit in *Eppendorf* had recognized, had been rejected by the Supreme Court in *TrafFix*. In fact, the Federal Circuit explicitly stated that in making determinations of functionality, the TTAB had to "assess the effect registration of a mark would have on competition."<sup>298</sup>

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<sup>293</sup> *Id.* at 1275 (quoting *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001)).

<sup>294</sup> *Id.* at 1276 (footnote omitted).

<sup>295</sup> *Id.* at 1276 n.5.

<sup>296</sup> *Id.* at 1276.

<sup>297</sup> *Id.* at 1275.

<sup>298</sup> *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1277 (Fed. Cir. 2002). Palladino asserts that *Valu Engineering* is correctly decided because it preserves the policy concern with the

In *Valu Engineering*, there was no evidence of alternative designs so the TTAB's finding of functionality was not based on that factor. The Federal Circuit did not have to address what would happen in a case where available alternatives were used as the basis for finding non-functionality because of the lack of competitive effect. The court's broad language, however, upholding the continuing viability of the *Morton-Norwich* factors and its test for functionality, had a substantial impact on how trademark examiners and the TTAB would handle functionality decisions.<sup>299</sup>

Thus, within a year of the *Traffix* decision, there was a split in the circuits, with the Fifth Circuit taking strictly the *Traffix* admonition against the use of alternative designs as evidence of functionality, and the Federal Circuit essentially ignoring that language and continuing to apply the *Morton-Norwich* standard set out twenty years before. Within the next year, three other circuits had also addressed these issues.<sup>300</sup>

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effect of competition, which Palladino argues the *Traffix* court endorsed. See Palladino, *supra* note 14, at 1229–31. It is not clear how the Supreme Court in *Traffix* endorsed that view in its discussion of utilitarian functionality, either explicitly or even implicitly.

<sup>299</sup> See *infra* notes 508–618 and accompanying text.

<sup>300</sup> There were also a number of district court decisions which struggled with these issues in the first few years after *Traffix*. See, e.g., *Maharishi Hardy Blechman Ltd. v. Abercrombie & Fitch Co.*, 292 F. Supp. 2d 535, 547, 548 (S.D.N.Y. 2003) (ruling that evidence of alternative configurations of baggy, military style pants is admissible to demonstrate non-functionality of plaintiff's design); *Eco Mfg. LLC v. Honeywell Int'l, Inc.*, 295 F. Supp. 2d 854, 874 (S.D. Ind. 2003) (finding an expired utility patent demonstrated that the convex and circular shape of plaintiff's thermostat cover was functional and holding that evidence of alternative designs was irrelevant given that *Traffix* "soundly rejected that approach"); *Logan Graphic Prods., Inc. v. Textus USA, Inc.*, No. 02 C 1823, 2003 WL 21011746 (N.D. Ill. May 5, 2003) (holding that a patent did not demonstrate functionality of the plaintiff's mat-cutting boards and tools' overall look and that evidence of design alternatives is relevant to functionality determination) (citing *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268 (Fed. Cir. 2002)); *In re Dippin' Dots Patent Litig.*, 249 F. Supp. 2d 1346, 1373–74 (N.D. Ga. 2003) (finding that plaintiff's flash frozen ice cream trade dress was functional, using both the *Traffix* test and the *Morton-Norwich* factors without analyzing their differences or the policies behind them); *Keystone Consol. Indus. Inc. v. Mid-States Distrib. Co., Inc.*, 235 F. Supp. 2d 901, 906 (C.D. Ill. 2002) (holding that plaintiff was likely to succeed in its infringement claim based on its registered trademark for a red-topped barbed wire fencing product because the defendant had insufficient evidence to prove that the product's configuration was functional as the color was "ornamental and decorative," and did not "enhance the efficacy" of the fencing, nor was it "necessary to compete effectively in the marketplace"); *Adidas-Salomon AG v. Target Corp.*, No. CV-01-1582-ST, 2002 WL 31971831, at \*9 (D. Or. July 31, 2002) (evaluating the configuration of plaintiff's footwear—three stripes on the side with a flat sole and colored heel patch—as a whole to determine functionality and holding that the fact that some features were functional was not enough to find the entire configuration functional where a "multitude of design alternatives are available to other shoe manufacturers"); *Metrokane, Inc. v.*

In *Talking Rain Beverage v. South Beach Beverage Co.*,<sup>301</sup> a case involving a registered trademark for a water bottle design, the Ninth Circuit affirmed the district court's summary judgment invalidating the plaintiff's registration and dismissing its infringement claim based on its finding that the bottle shape was functional and should not therefore have been registered.<sup>302</sup> The bottle had smooth sides and a recessed grip which made it easier to hold and to place in a bike bottle holder and gave it added structural stability.<sup>303</sup> The court quoted the *TrafFix* definition of functionality and then pointed out that it generally considered four factors similar to those used in *Morton-Norwich* to determine functionality.<sup>304</sup> Instead of relying on evidence of a utility patent, however, the Ninth Circuit considered, "whether the design yields a utilitarian advantage."<sup>305</sup> The court recognized that *TrafFix* had established that there was no need to consider design alternatives but observed that "the existence of alternative designs may indicate whether the trademark itself embodies functional or merely ornamental aspects of a product."<sup>306</sup> As applied to the water bottle configuration, the court found that three of the factors supported the district court finding of functionality: advertising touting its advantages, manufacturing advantages, and a utilitarian advantage based on the bottle's greater structural stability and easier grip.<sup>307</sup> In response to the plaintiff's argument regarding the numerous available design alternatives, the court, citing *TrafFix*, said that "the mere existence of alternatives does not render a product nonfunctional."<sup>308</sup> Thus, the court upheld the district court's summary judgment in favor of the defendant in a decision that seems largely consistent with *TrafFix* and inconsistent with pre-*TrafFix* decisions which relied on evidence of design alternatives to conclude that a particular configuration was non-functional.

In *Antioch Co. v. Western Trimming Corp.*,<sup>309</sup> the Sixth Circuit also read the *TrafFix* decision at face value and held that evidence of alternative designs

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Wine Enthusiast, 160 F. Supp. 2d 633 (S.D.N.Y. 2001) (holding that the features of corkscrew, shaped like a rabbit's head, were arbitrary, ornamental, and not functional).

<sup>301</sup> 349 F.3d 601 (9th Cir. 2003).

<sup>302</sup> *Id.* at 605.

<sup>303</sup> *Id.* at 602.

<sup>304</sup> *Id.* at 603.

<sup>305</sup> *Id.* The court cited *Disc Golf Ass'n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002 (9th Cir. 1998) as its precedent for using these factors, calling them the *Disc Golf* factors. *Id.*

<sup>306</sup> *Id.*

<sup>307</sup> *Talking Rain Beverage v. S. Beach Beverage Co.*, 349 F.3d 601, 604–05 (9th Cir. 2003).

<sup>308</sup> *Id.* at 604.

<sup>309</sup> 347 F.3d 150 (6th Cir. 2003).

was not relevant to the determination of functionality.<sup>310</sup> The product in that case was a scrapbook with a dual-strap hinge which enabled the pages to lie flat while open, facilitating both insertion of additional pages and turning of pages, a cover over the spine of the book concealing the strap-hinge, ribbed page edges which provided reinforcement, held the staples together, and kept pages separated, and a laminated, padded cover.<sup>311</sup> The defendant copied this design, and the plaintiff claimed trade dress infringement. Defendant moved for summary judgment, arguing that the trade dress was functional, but the district court denied its motion, finding that there were questions of fact with respect to functionality based on evidence of design alternatives.<sup>312</sup> The district court, which reached its decision prior to the Supreme Court's opinion in *TrafFix*, relied on the competitive necessity test.<sup>313</sup> After the *TrafFix* decision was handed down, the defendant renewed its summary judgment motion, and the district court this time granted it on the basis of the *TrafFix* test which precluded consideration of design alternatives.<sup>314</sup>

On appeal, the Sixth Circuit affirmed. Although the court observed that the competitive necessity test was still considered appropriate in cases of aesthetic functionality after *TrafFix*, “[t]he traditional *Inwood* test for functionality is the main rule, and if a product is clearly functional under *Inwood*, a court need not apply the competitive necessity test and its related inquiry concerning the availability of alternative designs.”<sup>315</sup> As worded, the court seemed to suggest that evidence of alternative designs, although not a required element of functionality determination, is admissible where relevant, an approach that seemed similar to that taken by the Ninth Circuit in *Talking Rain Beverage*. In the case before it, however, the Sixth Circuit ruled that it was not error for the district court to reject evidence of alternative designs because the lower court had correctly concluded that “[t]he dual strap hinge design, the spine cover, padded album cover, and reinforced pages are all components that are essential to the use of the [plaintiff's] album and affect its quality.”<sup>316</sup>

Moreover, the Sixth Circuit recognized that although an arbitrary, fanciful or distinctive arrangement of individual functional features may be non-

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<sup>310</sup> *Id.* at 156–57.

<sup>311</sup> *Id.* at 152.

<sup>312</sup> *Id.*

<sup>313</sup> *Id.* at 153.

<sup>314</sup> *Id.* at 154.

<sup>315</sup> *Antioch Co. v. Western Trimming Corp.*, 347 F.3d 150, 156 (6th Cir. 2003).

<sup>316</sup> *Id.* at 157.

functional, that was not the case with the plaintiff's configuration.<sup>317</sup> The scrapbook's design was primarily based on its dual-strap hinge, and the other features worked in conjunction with that central functional feature to provide the combined benefits promoted by the plaintiff in its advertising.<sup>318</sup> Furthermore, the court found that plaintiff's configuration constituted a type of album itself which plaintiff could not monopolize.<sup>319</sup> Plaintiff's design "brought together several features . . . that allowed the overall album to function optimally,"<sup>320</sup> and defendant was free to copy that configuration. Interestingly, the court pointed out that the defendant had used its own logo and other symbols to prevent any consumer confusion as to source, implicitly suggesting that, as seen in older cases,<sup>321</sup> that even though the defendant had the right to copy the design, it did not have the right to pass off its product as originating with the plaintiff.<sup>322</sup> Thus, the Sixth Circuit, like the Fifth and Ninth Circuits, read *TrafFix* as returning the law of functionality to a focus on the usefulness of the design at issue and the public's right to copy that design, regardless of design alternatives and "competitive necessity."

The Seventh Circuit shed some light on its views on this issue in *Eco Manufacturing v. Honeywell International*.<sup>323</sup> Honeywell sought to enjoin Eco from infringing the trade dress of its thermostat design, known as "The Round."<sup>324</sup> The configuration had been previously protected by a utility patent and a design patent that had expired in 1970, after which Honeywell had sought a trademark registration.<sup>325</sup> The TTAB initially had denied the registration, concluding that the thermostat's shape was functional and could not serve as a trademark.<sup>326</sup> A decade later, Honeywell had again sought a trademark registration and succeeded.<sup>327</sup> The registration later became incontestable.<sup>328</sup> Eco proposed to manufacture a similar thermostat model with a circular, convex shape and a round dial and sought a declaratory judgment that its product would not

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<sup>317</sup> *Id.* at 158, 160.

<sup>318</sup> *Id.* at 158–59.

<sup>319</sup> *Id.* at 159.

<sup>320</sup> *Id.* at 160.

<sup>321</sup> *See supra* notes 131–145.

<sup>322</sup> *Antioch Co. v. Western Trimming Corp.*, 347 F.3d 150, 160 (6th Cir. 2003).

<sup>323</sup> 357 F.3d 649 (7th Cir. 2003).

<sup>324</sup> *Id.* at 650.

<sup>325</sup> *Id.*

<sup>326</sup> *Id.*

<sup>327</sup> *Id.*

<sup>328</sup> *Id.*

infringe Honeywell's intellectual property rights.<sup>329</sup> Honeywell filed a counterclaim for equitable relief.<sup>330</sup>

The Seventh Circuit upheld the district court's refusal to grant preliminary injunctive relief in favor of Honeywell based on the court's conclusion that Honeywell was not likely to be able to establish that the circular, convex shape of Honeywell's thermostat was non-functional.<sup>331</sup> The Seventh Circuit observed that *TrafFix* treated a utility patent as "strong evidence that the [patent] features therein claimed are functional."<sup>332</sup> Therefore, "one who seeks to establish trade dress protection [for the features claimed in the expired patent] must carry the heavy burden of showing that the feature is not functional."<sup>333</sup> The Seventh Circuit concluded that Honeywell had failed to meet this burden at this preliminary stage in the proceedings. The court considered Honeywell's proposition that technological advancements to thermostat transistors made the round casing merely ornamental in its current capacity and agreed that today there were "plenty of other ways to package the controls."<sup>334</sup> Nevertheless, the court concluded that there were still several ways in which the round shape could be considered functional, including that the round shape could result in fewer injuries due to the lack of corners and that persons who suffered from arthritis could find turning a dial easier than pushing a slider.<sup>335</sup> The court found that these theoretical uses were sufficient to prevent Honeywell from prevailing at this stage of litigation. The court observed that it did not matter whether these uses were "essential" to the use of the thermostat because *TrafFix* did not equate functionality with necessity.<sup>336</sup> Rather, "it is enough that a design be useful."<sup>337</sup> Thus,

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<sup>329</sup> *Eco Mfg. LLC v. Honeywell Int'l Inc.*, 357 F.3d 649, 650 (7th Cir. 2003).

<sup>330</sup> *Id.* at 651.

<sup>331</sup> Honeywell's appeal was principally based on its argument that the potential functionality of the thermostat's shape was irrelevant because it had an incontestable registration, which was "conclusive evidence . . . [of] the registrant's exclusive right to use the mark in commerce," preventing others from selling a round thermostat as long as Honeywell made its product. *Id.* The appellate court disagreed with Honeywell's assertion, noting that a mark may be cancelled if it is, or becomes, functional under section 1064(3) of the Lanham Act. Thus, "incontestability does not avoid the question of whether the thermostat's round shape is functional. *Id.*

<sup>332</sup> *Id.* at 653 (citing *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29–30 (2001)).

<sup>333</sup> *Id.*

<sup>334</sup> *Id.*

<sup>335</sup> *Eco Mfg. LLC v. Honeywell Int'l Inc.*, 357 F.3d 649, 654 (7th Cir. 2003).

<sup>336</sup> *Id.* at 654–55.

<sup>337</sup> *Id.* ("The Justices [in *TrafFix*] told us that a design is functional if it is essential to the design or it affects the article's price or quality.")

like the Sixth, Fifth and Ninth Circuits, the Seventh Circuit read *TrafFix* as a strict limitation on the availability of trade dress protection for the shape of a useful article.

Similarly, in *Shire U.S. Inc. v. Barr Laboratories Inc.*,<sup>338</sup> the Third Circuit also relied on *TrafFix*, concluding that the district court had not erred in denying the plaintiff preliminary injunctive relief against defendant's copying of the shape and color of its medication, Adderall, because the plaintiff did not seem likely to succeed in proving that the medicine's configuration was non-functional.<sup>339</sup> The district court had relied on evidence from physicians indicating that the appearance of a medication enhances patient safety by promoting its use.<sup>340</sup> The Third Circuit recognized that other cases had rejected such evidence to establish functionality, but concluded that those cases were distinguishable and that the district court's finding of functionality here was not clearly erroneous.<sup>341</sup> The court then observed, "Moreover, we have the benefit of the Supreme Court's most recent trade dress decisions which caution against the over-extension of trade dress protection."<sup>342</sup> Although this case did not address the issue of competitive necessity and design alternatives, it, like the other Courts of Appeal (aside from the Federal Circuit), read *TrafFix* to represent a desire to restrict trade dress protection for product configurations and thus, expand the meaning of functionality.

### ***B. The Last Five Years: What the Split Has Engendered***

In the last five years, there has been very little appellate court case law on the issue of functionality. In *General Motors Corp. v. Lanard Toys, Inc.*,<sup>343</sup> the Sixth Circuit reaffirmed the approach it had taken in *Antioch*, ruling that GM's evidence of available alternative designs was not relevant to determining whether the configuration of a Humvee front grille was functional.<sup>344</sup> That same year, however, a different panel of the Sixth Circuit muddied these waters by seemingly endorsing both approaches from *TrafFix* and *Morton-Norwich*. In

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<sup>338</sup> 329 F.3d 348 (3rd Cir. 2003).

<sup>339</sup> *Id.* at 358–59.

<sup>340</sup> *Id.* at 355.

<sup>341</sup> *Id.* at 358–59.

<sup>342</sup> *Id.* at 358 (footnote omitted).

<sup>343</sup> 468 F.3d 405 (6th Cir. 2006).

<sup>344</sup> *Id.* at 416–17. The court went on, however, to conclude that the grille configuration was not functional because it was not based on function but "more likely an unrelated afterthought." *Id.* at 417.



*Fuji Kogyo Co. v. Pacific Bay International*,<sup>345</sup> the court affirmed the district court's cancellation of the plaintiff's registered trademarks for the design of its fishing line guides on the basis of functionality.<sup>346</sup> Fuji not only had three trademark registrations for the fishing line configurations; it also had obtained both utility and design patents relating to those products.<sup>347</sup> The court observed that Fuji was attempting to extend its patent monopoly through trademark law by seeking trademark protection for the same configuration that had been protected under its now expired utility patents.<sup>348</sup>

Fuji argued in part that the district court had erred in placing too much weight on the expired utility patents as evidence of functionality because the configurations of its fishing line guides were not part of Fuji's patent claims. The appellate court disagreed, reasoning that as long as the configuration was claimed by the patent or within the scope of the doctrine of equivalents<sup>349</sup> used to determine infringement under patent law, then the lower court did not err by using the patent as evidence of the design's functionality.<sup>350</sup>

In its discussion, the appellate court quoted the Federal Circuit's *Valu Engineering* decision and its continuing use of the *Morton-Norwich* factors to determine functionality in the aftermath of *TrafFix*.<sup>351</sup> The court noted that the district court had relied on these factors, including the evidence of the utility patents, advertising touting the advantages of Fuji's design, and the cost efficiencies of the process used to make the fishing line guides according to Fuji's configuration.<sup>352</sup> The court did not discuss the availability of alternative designs, stating instead that the evidence showed that the guides' shape was determined by their use, and that the shape was widely believed to be a superior design.<sup>353</sup>

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<sup>345</sup> 461 F.3d 675 (6th Cir. 2006).

<sup>346</sup> *Id.* at 690.

<sup>347</sup> *Id.* at 679.

<sup>348</sup> *Id.* at 689.

<sup>349</sup> The doctrine of equivalents is "a judicially created theory for finding patent infringement when the accused process or product falls outside the literal scope of the patent claims." BLACK'S LAW DICTIONARY 222 (3d ed. 1996). The purpose of the doctrine was to prevent fraud upon a patent by imitators who would change minor details of an invention in an attempt to bring their copy outside the scope of the patent protection. *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950) (holding that "a patentee may invoke this doctrine to proceed against the producer of a device if it performs substantially the same function in substantially the same way to obtain the same result.") (citation omitted).

<sup>350</sup> *Fuji Kogyo Co., Ltd. v. Pac. Bay Int'l, Inc.*, 461 F.3d 675, 687–90 (6th Cir. 2006).

<sup>351</sup> *Id.* at 685.

<sup>352</sup> *Id.* at 685–86.

<sup>353</sup> *Id.* at 686.

Thus, while seeming to approve of both *Valu Engineering* and *Morton-Norwich*, the Sixth Circuit still did not endorse the use of evidence of alternative designs to determine that a design is non-functional.

The Federal Circuit in *In re Bose Corp.*<sup>354</sup> reiterated its view that *TrafFix* did not mandate a change in the approach to determinations of functionality, rejecting the applicant's contention that *res judicata* should not apply to an earlier TTAB decision which predated *TrafFix*.<sup>355</sup> The court said, "Bose next contends that the Supreme Court's intervening case, *TrafFix*, represents a change in the law and sets forth additional considerations in a functionality analysis. We do not agree."<sup>356</sup>

Thus, the split in the circuits continues, as a review of the decisions of the district courts and the TTAB illustrates. As will be seen, this means that generally, the test for determining whether a product design is functional for purposes of registration is different when the test is in the context of trade dress infringement.

## 1. District Court Struggles 2004–2009

### a. Treatment of Evidence of Utility Patents

One of the issues that has concerned the district courts in the aftermath of *TrafFix* and the appellate decisions following is how to determine the extent to which a utility patent is evidence of a product configuration's functionality for which trade dress protection is being asserted. Often district courts are finding themselves involved in questions of patent interpretation to make this determination. For example, in *Keystone Manufacturing Co. v. Jaccard Corp.*,<sup>357</sup> the court had to analyze the plaintiff's utility patent to determine its evidentiary value with respect to the functionality of the plaintiff's meat tenderizer trade dress.<sup>358</sup> After examining the patent claims, specifications and prosecution history, the court construed the patent to include the use of certain grooves and openings which improved the cleaning and drainage of the meat tenderizers.<sup>359</sup>

<sup>354</sup> No. 74734496, 2005 TTAB LEXIS 293 (T.T.A.B. July 12, 2005), *aff'd*, 476 F.3d 1331 (Fed. Cir. 2007).

<sup>355</sup> *Id.* at \*28.

<sup>356</sup> *In re Bose Corp.*, 476 F.3d 1331, 1336 (Fed. Cir. 2007) (citing *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1276 (Fed. Cir. 2002) ("We do not understand the Supreme Court's decision in *TrafFix* to have altered the *Morton-Norwich* (functionality) analysis.")).

<sup>357</sup> No. 03-CV-648S, 2007 WL 655758 (W.D.N.Y. Feb. 26, 2007).

<sup>358</sup> *Id.* at \*1.

<sup>359</sup> *Id.* at \*4–5.

The court then found that the products sold by the plaintiff for which trade dress protection was being sought did not, in fact, practice that improvement.<sup>360</sup> The court concluded that

[U]nder *TrafFix*, only a prior utility patent (or patents) that is practiced by the product at issue is evidence of functionality for trade dress purposes. Otherwise, the direct connection between the expired patent and the claimed trade dress that was critical in *TrafFix* is absent.<sup>361</sup>

Because the plaintiff was not practicing its patent in the product configuration for which it was seeking trade dress protection, the court held that the patent did not carry the evidentiary weight accorded patents under *TrafFix*.<sup>362</sup>

Other courts have focused on whether the product configuration reflects the “central advance” of the patent. In *Leviton Mfg. Co. v. Universal Security Instruments*,<sup>363</sup> the plaintiff sued the defendant for both patent and trade dress infringement of its ground fault circuit interrupting product design.<sup>364</sup> The defendant moved for summary judgment, arguing that *TrafFix* established that the existence of a patent precluded the plaintiff from proving the non-functionality of its trade dress.<sup>365</sup> The court disagreed, saying that the *TrafFix* Court “did not prohibit trade dress protection in all cases where features were disclosed in a utility patent. . . . Rather, the Court prohibits affording trade dress protection of the central advance of an existing patent.”<sup>366</sup> Because the central advance of the plaintiff’s patent was not the outward appearance of the ground fault circuit interrupting product but the mechanism used in that product, the court concluded that the existence of that patent did not preclude the plaintiff from establishing non-functionality.<sup>367</sup>

On the other hand, in *Franek v. Walmart Stores, Inc.*,<sup>368</sup> the court found that the central advance of the patent was, in fact, the configuration claimed as trade dress. The plaintiff had brought a declaratory judgment action challenging the validity of a trademark registration issued to the defendant for the design of

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<sup>360</sup> *Id.* at \*5.

<sup>361</sup> *Id.* at \*6.

<sup>362</sup> *Id.*

<sup>363</sup> 304 F. Supp. 2d 726 (D. Md. 2004).

<sup>364</sup> *Id.* at 731.

<sup>365</sup> *Id.* at 735.

<sup>366</sup> *Id.* at 736.

<sup>367</sup> *Id.* at 736.

<sup>368</sup> Nos. 08-CV-0058, 08-CV-1313, 2009 WL 674269 (N.D. Ill. Mar. 13, 2009).

a circular beach towel.<sup>369</sup> The court found that the design was a central claim advanced by a patent owned by a third party.<sup>370</sup> The patent described as one of its claims that the circular shape enabled a user to reposition his or her body towards the sun without having to move the towel, an advantage also claimed by the defendant in its product promotion.<sup>371</sup> This invention's preferred embodiment<sup>372</sup> and the application's brief summary supported the court's conclusion that the towel's circular shape was the central advance of the patent and thus strong evidence of the design's functionality.<sup>373</sup> As a result, the burden shifted

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<sup>369</sup> It is important to note how the burden of proof is treated differently in cases where there is a registered trademark as opposed to unregistered trade dress at issue. *See supra* notes 280, 288. Registration of a mark is prima facie evidence of its validity, but the mark is still subject to a number of legal and equitable defenses. 15 U.S.C. § 1115(a). Where there is a registered trademark for a product design, there is a presumption that the trademark is valid, and the burden is initially on the challenger to establish functionality. Once the challenger introduces evidence of functionality, such as a utility patent covering the design, then the burden shifts to the trademark registrant to prove non-functionality. *See, e.g.,* *Fuji Kogyo Co., Ltd. v. Pacific Bay Int'l, Inc.*, 461 F.3d 675, 683–84 (6th Cir. 2006); *Franek*, 2009 WL 674269, at \*9–10; *Maker's Mark Distillery, Inc. v. Diageo North America, Inc.*, No. 3:03-CV-93-H, 2008 WL 4165456, at \*3 (W.D. Ky. Sept. 5, 2008); *Berlin Packaging, LLC v. Stull Techs., Inc.*, 381 F. Supp. 2d 792, 801–02 (N.D. Ill. 2004) (distinguishing *TrafFix* where there was no statutory presumption of validity and therefore the burden was on the trade dress owner initially to prove non-functionality). On the other hand, where there is no registration and the party seeking trade dress protection is suing for infringement on the basis of § 43(a), there is no such presumption of validity and the burden is on the suing party to establish non-functionality. 15 U.S.C. § 1125(a)(3). *See, e.g.,* *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001); *Imig, Inc. v. Electrolux Home Care Prods., Ltd.*, No. CV 05-0529(JO), 2008 WL 905898, at \*6 (E.D.N.Y. Mar. 31, 2008); *Specialized Seating, Inc. v. Greenwich Indus., L.P.*, 472 F. Supp. 2d 999, 1011 (N.D. Ill. 2007) (court erroneously states that the burden is on party seeking to invalidate trade dress protection whether it is registered or not). *See also* *Invisible Fence, Inc. v. Perimeter Techs., Inc.*, No. 1:05-CV-361, 2007 WL 273129, at \*3 (N.D. Ind. Jan. 26, 2007) (holding that party seeking protection for unregistered trade dress ultimately has burden of proving non-functionality, but on a motion for summary judgment, a party need only raise a question of fact regarding non-functionality).

<sup>370</sup> The court rejected the trademark owner's arguments that the patent was not relevant because it did not belong to the trademark owner or because it was filed after the trademark owner began using its trademark. *Franek*, 2009 WL 674269, at \*13 (N.D. Ill. Mar. 13, 2009).

<sup>371</sup> *Id.* at \*4.

<sup>372</sup> An invention's preferred embodiment refers to the patent application requirement that "[t]he specification . . . set forth the best mode contemplated by the inventor of carrying out his invention." 35 U.S.C. § 112; *see also* *Dana Corp. v. IPC Ltd. P'ship*, 860 F.2d 415, 418 (Fed. Cir. 1988) ("The purpose of the best mode requirement is to ensure that the public, in exchange for the rights given the inventor under the patent laws, obtains from the inventor a full disclosure of the preferred embodiment of the invention." (internal citation omitted)).

to the defendant to prove that the design of its beach towel was non-functional.<sup>374</sup>

Similarly, in *Berlin Packaging, LLC v. Stull Techs., Inc.*,<sup>375</sup> the court found that the design of Stull's child proof container cap was the central advance of a utility patent, making the patent conclusive evidence of the product's functionality.<sup>376</sup> The patent in that case described the specific details of the cap's configuration and appearance.<sup>377</sup> After reviewing the Supreme Court's functionality analysis in *TrafFix*, the court examined the patent specifications and preferred embodiments as well as the patent claims to determine whether the central advance of the patent and the essential feature of the trade dress were the same.<sup>378</sup> The court reasoned that

Those elements that make the cap unique, and therefore deserving of the patent, are the same features for which Stull received a patent. The cap looks the way it does and is designed in a specific way because that "look" is necessary to its operation; the cap's design furthers the purpose of the cap claimed in or protected by the [relevant] patent. As noted above, that purpose is to provide a novel and improved leak resistant locking arrangement for holding the cap permanently captive on the container. Because the look of the cap is necessary for its operation and is not ornamental, the essential feature [of the trade dress] and the central advance claimed [in the patent] overlap. Under the *TrafFix* analysis, the locking closure cap is functional as a matter of law.<sup>379</sup>

The court therefore concluded that Stull had no validly protectable trade dress and that Berlin Packaging was entitled to summary judgment with respect to the trade dress claim.<sup>380</sup>

Other courts have reached different conclusions with respect to the degree to which a patent may bear on the functionality of a particular product design. In *Clark Tile Co. v. Red Devil, Inc.*,<sup>381</sup> the district court denied the defen-

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<sup>373</sup> *Franek*, 2009 WL 674269, at \*10. As discussed below, the court went on to consider the relevance of design alternatives and ultimately concluded that the trademark owner had not produced sufficient evidence of non-functionality to defeat the plaintiff's motion for summary judgment. See *infra* notes 449–453 and accompanying text.

<sup>374</sup> *Franek v. Walmart Stores, Inc.*, Nos. 08-CV-0058, 08-CV-1313, 2009 WL 674269, at \*10 (N.D. Ill. Mar. 13, 2009).

<sup>375</sup> 381 F. Supp. 2d 792 (N.D. Ill. 2005).

<sup>376</sup> *Id.* at 802.

<sup>377</sup> *Id.* at 795.

<sup>378</sup> *Id.* at 799.

<sup>379</sup> *Id.* at 803–04.

<sup>380</sup> *Id.* at 805.

<sup>381</sup> No. 04 C 2928, 2007 WL 4335436 (N.D. Ill. Dec. 7, 2007).

dant's motion for summary judgment, finding that there were questions of fact regarding the functionality of the plaintiff's disposable plastic hand trowels.<sup>382</sup> Plaintiff sold the hand trowels, used in connection with spreading adhesives, in two different colors, red and white.<sup>383</sup> The red ones had a 1/8 inch notch whereas the white ones had a 3/32 inch notch.<sup>384</sup> Plaintiff sought protection for the trowels' overall configuration, including their shape and color, which defendant allegedly had copied.<sup>385</sup> The plaintiff owned a patent, however, which covered several different embodiments of the trowels' shape and configuration, including some claims which specifically described a trapezoidal shape for the blade, an arcuate shape for the handle, reinforcing ridges along the handle and blade, an insert plate recessed into an opening in the blade, and notched edges on the blade.<sup>386</sup> The patent included several illustrations of various embodiments, including those which showed different features and triangular shaped notches in the blade.<sup>387</sup> Defendant asserted that the trade dress of plaintiff's trowels included these same features and that each feature was functional and thus, not protectable as trade dress.<sup>388</sup>

In analyzing the defendant's functionality assertion, the court first considered each component part of the trade dress.<sup>389</sup> The court reviewed not only the evidence that the triangular notches or serrations were part of the patent claims, but also testimony from the plaintiff's president that the size of the notch determined how thickly the trowel would spread the adhesives and thus could be considered a gauge to allow users to control a layer's application.<sup>390</sup> Despite this evidence, the court concluded that questions of fact remained with respect to the functionality of the notches.<sup>391</sup> The court noted that the patent claims did not require any specific type or shape of notch, but, in fact, said that shapes other than a triangular shape could be used to spread adhesive.<sup>392</sup> Thus, the court

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<sup>382</sup> *Id.* at \*7, \*8.

<sup>383</sup> *Id.* at \*1.

<sup>384</sup> *Id.*

<sup>385</sup> *Id.*

<sup>386</sup> *Id.* at \*2–3.

<sup>387</sup> *Clark Tile Co., Inc. v. Red Devil, Inc.*, No. 04 C 2928, 2007 WL 4335436, at \*3 (N.D. Ill. Dec. 7, 2007).

<sup>388</sup> *Id.* at \*3–4.

<sup>389</sup> *Id.* at \*6.

<sup>390</sup> *Id.* at \*6–7.

<sup>391</sup> *Id.* at \*7.

<sup>392</sup> *Id.*

found that the patent claim did not conclusively establish that triangular notches were functional for purposes of trade dress protection.<sup>393</sup>

The court next addressed the defendant's assertion that the insert plate was functional because it was also described in one of the patent claims.<sup>394</sup> The court relied on language in the patent which stated that "the use of the insert plate . . . is not essential to the invention"<sup>395</sup> to conclude that the patent itself did not establish this feature's functionality despite the fact that the patent went on to say that the plate "adds strength to the assembly . . . protects the user's hand from the material being troweled, and . . . provides a surface on which information such as advertising, instructions, and the like may be placed . . ."<sup>396</sup> The court observed:

The fact that the insert plate serves some use or purpose does not necessarily mean that it is essential to the use or purpose of the plaintiff's spreaders. . . . This is particularly true here because the [relevant] patent expressly states that the feature is not essential. Simply put, defendants rely too heavily on the presumption that a feature disclosed in the claims of a utility patent constitutes strong evidence of functionality. This Court finds that such a presumption is overridden where the language of the utility patent expressly states that the feature in question is not essential to the invention.<sup>397</sup>

The court's reliance on the plaintiff's use of the words "not essential" in the patent's description to reach the legal conclusion that the feature was not essential and thus non-functional seems inappropriate. The wording chosen by a party in describing its invention for patent purposes should not have such weight in the completely separate determination of trade dress protection.

The court also considered whether the insert plate affected the cost or quality of the plaintiff's trowels and concluded that there were questions of fact regarding that issue.<sup>398</sup> Because there were questions of fact regarding the functionality of both the triangular notches and the insert plate, the court said that it could not determine for summary judgment purposes whether the overall look of the trowels was functional.<sup>399</sup> Other courts have often found that even if every feature of a particular product configuration is functional, the overall combina-

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<sup>393</sup> Clark Tile Co., Inc. v. Red Devil, Inc., No. 04 C 2928, 2007 WL 4335436, at \*7 (N.D. Ill. Dec. 7, 2007).

<sup>394</sup> *Id.* at \*7–8.

<sup>395</sup> *Id.* at \*7.

<sup>396</sup> *Id.*

<sup>397</sup> *Id.* at \*8.

<sup>398</sup> *Id.* at \*7–8.

<sup>399</sup> Clark Tile Co., Inc. v. Red Devil, Inc., No. 04 C 2928, 2007 WL 4335436, at \*8 (N.D. Ill. Dec. 7, 2007).

tion of those features can be non-functional.<sup>400</sup> The court here failed to address that possibility.

*Invisible Fence, Inc. v. Perimeter Technologies, Inc.*<sup>401</sup> is another decision reflecting the difficulties faced by the district courts when deciding the weight to be given to a utility patent in functionality determinations. In that case, the plaintiff sought protection for the configuration of a battery pack attached to an electric fence dog collar.<sup>402</sup> The design's key element asserted by the plaintiff was an indentation formed by two raised ridges that allowed a coin to be inserted to lock and unlock the battery pack.<sup>403</sup> The plaintiff owned a patent that included a claim for an external slot that would allow a coin to be inserted for purposes of locking and unlocking the battery pack. In the figure illustrating this claim, however, only an indentation was depicted, not the two raised ridges actually used in plaintiff's product.<sup>404</sup> When the defendant's copy included the raised ridges, the plaintiff sued under section 43(a) for trade dress infringement.<sup>405</sup> The defendant moved for summary judgment, and the court granted the motion, finding that the plaintiff had failed to raise a genuine issue of fact with respect to the non-functionality of the coin slot configuration and

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<sup>400</sup> *E.g.*, *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1119 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992) (holding that "functional features cannot be protected, . . . but a particular arbitrary combination of functional features, the combination of which is not itself functional, properly enjoys protection." (internal citation omitted)); *Tools USA & Equip. Co. v. Champ Frame Straightening Equip., Inc.*, 87 F.3d 654, 658 (4th Cir. 1996) (holding that a combination of mail-order catalog features was nonfunctional and stating that "the critical functionality inquiry is not whether each individual component of the trade dress is functional, but rather whether the trade dress *as a whole* is functional"); *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 842 (9th Cir. 1987) ("[F]unctional elements that are separately unprotectable can be protected together as part of a trade dress."); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 77 (2d Cir. 1985) (finding that the combination of potentially functional lightweight luggage features was nonfunctional and protectable). *See also* MCCARTHY, *supra* note 21, § 7:76, at 7-230 (4th ed. 1996) ("When the thing claimed as trade dress or a trademark consists of a combination of individual design features, then it is the functionality of the overall combination that controls. Thus, an overall design combination of individually functional items is protectable because while the pieces are individually functional, this particular combination of those pieces is not functional.") (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17, cmt. b (1995)). *See also infra* note 506 for a discussion of recent cases addressing this issue.

<sup>401</sup> No. 1:05-CV-361, 2007 WL 273129 (N.D. Ind. Jan. 26, 2007).

<sup>402</sup> *Id.* at \*1.

<sup>403</sup> *Id.*

<sup>404</sup> *Id.* at \*2.

<sup>405</sup> *Id.* at \*1.



that the patent created a “heavy presumption of functionality” that the plaintiff had failed to rebut.<sup>406</sup>

In analyzing the effect of the patent, the court addressed the plaintiff’s assertion that the patent claims did not cover the coin slot as configured by the plaintiff in its products, i.e., with raised ridges, and therefore the patent did not have the strong evidentiary effect suggested by *TrafFix*.<sup>407</sup> The court disagreed and pointed out that in *TrafFix*, the plaintiff’s actual product looked different from the invention disclosed in the patent, a fact that was of no consequence to the *TrafFix* court.<sup>408</sup> The court said that the burden was on the plaintiff to demonstrate that the patent claims did not cover the plaintiff’s coin slot configuration and that no evidence had been presented to so demonstrate.<sup>409</sup> After considering other arguments raised with respect to functionality,<sup>410</sup> the court concluded that the defendant was entitled to summary judgment based on the functionality and hence non-protectability of the plaintiff’s product design.<sup>411</sup>

The dangers implicated by an overly broad reading of the effect of a patent were recognized in another recent district court opinion, *New Colt Holding Corp. v. RJG Holdings of Florida*.<sup>412</sup> In that case, plaintiff sought protection for the overall configuration of its revolver.<sup>413</sup> Defendant asserted that the revolver’s features were “dedicated to the public” and not protectable because they had been depicted in drawings of utility patents which had expired.<sup>414</sup> The court reasoned that the patent law principle which provided that matter not claimed in a patent was considered dedicated to the public had no application to matters of trade dress.<sup>415</sup> The court said:

Indeed, such a rule would exclude trade dress protection for any shape or design visible in a patent specification regardless of the functionality of that fea-

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<sup>406</sup> *Id.* at \*7.

<sup>407</sup> *Invisible Fence, Inc. v. Perimeter Techs., Inc.*, No. 1:05-CV-361, 2007 WL 273129, at \*7 (N.D. Ind. Jan. 26, 2007).

<sup>408</sup> *Id.* at \*6. *See also* Berlin Packaging v. Stull Techs., 381 F.Supp. 2d 792, 800 (N.D. Ill. 2005) (dicta). Professor Weinberg points out that the patent at issue in *TrafFix* was read this broadly because the patent holder had successfully established patent infringement by a different user whose configuration of the invention was similar to that of the defendant in the *TrafFix* case itself. Weinberg, *supra* note 16, at 43.

<sup>409</sup> *Invisible Fence*, 2007 WL 273129, at \*3.

<sup>410</sup> *See infra* notes 443447, 499–502 and accompanying text.

<sup>411</sup> *Invisible Fence*, 2007 WL 273129, at \*8.

<sup>412</sup> 312 F.Supp. 2d 195 (D. Conn. 2004).

<sup>413</sup> *Id.* at 201.

<sup>414</sup> *Id.* at 212, n.10.

<sup>415</sup> *Id.* at 212.

ture and would seem to cut against, if not render obsolete, the Supreme Court's statement about the significance of utility patents for determining functionality. A utility patent would not be strong evidence of functionality, but conclusive evidence of the unavailability of trade dress protection. Accordingly, it is most in line with trademark law to apply a functionality analysis, which addresses the concerns surrounding the perpetual nature of trade dress protection applied to a utilitarian design, rather than fashion a potentially overbroad rule and exclude designs otherwise protectable under the principles of trade dress law.<sup>416</sup>

These recent cases indicate how the lower courts are being drawn into interpretations of patents and their scope in trying to evaluate the weight to be given to a patent in determinations of functionality. Courts struggle to define the central advance of a patent and what its claims cover; they struggle to determine whether the trade dress actually practices those claims and advances.<sup>417</sup> It seems that the *TrafFix* decision has created an unnecessary level of confusion as courts attempt to analyze the meaning of a patent in cases which really have nothing or little to do with patent law. Moreover, this heavy focus on the patent language seems to place far too much weight on the subtleties of a patent instead of the purposes of the doctrine of functionality in the context of trade dress law. As Judge Rich recognized years ago, the right to copy a product belongs to the public independent of patent law.<sup>418</sup> The fact that a design is, or was, covered by a patent only means that that right is restricted for some limited period while the patent endures; it does not define or restrict that underlying public interest in competition and the right to copy the products of others as long as one does not engage in passing off those products as one's own.

*b. Evidence of Alternative Designs*

The lower courts are also struggling with the question of whether and when it is appropriate to consider the availability of alternative designs. In circuits where the appellate courts have addressed the issue, the district courts have tried to follow the relevant controlling precedent. For example, in *Maker's Mark Distillery v. Diageo North America*,<sup>419</sup> the Kentucky district court, following Sixth Circuit precedent which allowed, but did not require, evidence of al-

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<sup>416</sup> *Id.* at 212 n.10.

<sup>417</sup> See Thurmon, *supra* note 16, at 362–64 (criticizing *TrafFix* for the complexity costs it will engender by involving the federal courts outside the Federal Circuit in matters of patent claims interpretation).

<sup>418</sup> See *In re Deister Concentrator Co.*, 289 F.2d 496, 501 (C.C.P.A. 1961); text at *supra* note 92.

<sup>419</sup> No. 3:03-CV-93-H, 2008 WL 4165456 (W.D. Ky. Sept. 5, 2008).

ternative designs on the issue of functionality, ruled that summary judgment was inappropriate given that the possibility of alternative designs raised sufficient questions of fact with respect to the functionality of the configuration of a wax seal used on liquor bottles.<sup>420</sup> In that case, Maker's did not have a patent on the design, but it did have a trademark registration for a "wax-like coating covering the cap of the bottle and trickling down the neck of the bottle in a freeform irregular pattern."<sup>421</sup> The defendant copied the configuration and claimed that it was functional in that the seal made the bottles tamper-proof in compliance with federal regulations, and preserved the contents of the bottles.<sup>422</sup> The plaintiff asserted that it used a patented twist cap, not the wax seal for those purposes, but the court said what mattered was whether plaintiff's trademark would prevent competitors from using that feature in a useful way, not whether plaintiff used the seal for those purposes.<sup>423</sup>

To the extent the defendant was relying on the tamper-proof function, the court said that "given the variety of alternative ways of complying with the tamperproof requirement, it seems unlikely that the evidence would show" that the wax coating was cheaper or a superior way of fulfilling that purpose.<sup>424</sup> With respect to protecting the liquor in the bottles, however, the court said that there might be fewer alternatives available to accomplish that purpose and thus more evidence was needed to determine the functionality of that configuration.<sup>425</sup> Thus, summary judgment was not appropriate. As there was no patent or advertising touting the advantages of the plaintiff's wax seal in this case, the court's functionality analysis rested almost entirely on the availability of alternative designs and their relative cost and quality.

On the other hand, in *Kodiak Products Co. v. Tie Down, Inc.*,<sup>426</sup> the Texas district court, following Fifth Circuit precedent, rejected the relevance of alternative designs in concluding that plaintiff was not likely to succeed on the merits of its trade dress infringement claim and thus, not entitled to preliminary injunctive relief against the defendant.<sup>427</sup> Plaintiff manufactured hydraulic disc

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<sup>420</sup> *Id.* at \*7.

<sup>421</sup> *Id.* at \*1.

<sup>422</sup> *Id.*

<sup>423</sup> *Id.* at \*3.

<sup>424</sup> *Id.* at \*5 (quoting *Fuji Kogyo Co. v. Pacific Bay Intern., Inc.*, 461 F.3d 675, 685 (6th Cir. 2006)).

<sup>425</sup> *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, No. 3:03-CV-93-H, 2008 WL 4165456, at \*5 (W.D. Ky. Sept. 5, 2008).

<sup>426</sup> No. Civ.A.4:03-CV-1474-Y, 2004 WL 2599353 (N.D. Tex. Nov. 12, 2004).

<sup>427</sup> *Id.* at \*4.

brakes with a triangular piston housing design.<sup>428</sup> Defendant copied this pattern, claiming that it was functional and not protectable as trade dress.<sup>429</sup> Plaintiff's principal response was that its design was arbitrary and that defendant could use other arrangements and angles which would achieve the same purpose.<sup>430</sup> The court rejected the plaintiff's reliance on alternative designs:

Simply because a manufacturer can achieve the same result through an alternative method does not show that a particular product feature is non-functional. Rather, a court must determine whether a particular placement serves an essential function—in essence, whether that configuration is the reason the device works or whether it affects the cost or quality of the product. . . . An examination of alternative design possibilities is irrelevant under the traditional test.<sup>431</sup>

The court then considered evidence that the locations used for the product's bleed screws and the intake valve were, in fact, the optimal locations, making it unlikely that the overall configuration would be proven non-functional.<sup>432</sup>

In two recent district court decisions from the Ninth Circuit, there were differing views on the treatment of evidence of the availability of alternative designs. In *Too Marker Products, Inc. v. Shinhan Art Materials, Inc.*,<sup>433</sup> the court denied the plaintiff's motion for a preliminary injunction, ruling that the plaintiff was unlikely to succeed on the merits due to the functionality of the registered trade dress of its art markers.<sup>434</sup> The parties agreed that the design was not "essential" to the purpose of the markers, but the defendant asserted that the design did affect the "quality" of the markers, thus fitting within the *Qualitex* definition of functionality.<sup>435</sup> Defendant asserted that the square body of the markers prevented them from rolling off work surfaces and that the rounded ends, colored bands and indented caps were advantageous in terms of comfort, color identification, and cap storage.<sup>436</sup> The court found this argument sufficient for purposes of defeating the motion for preliminary relief and found that plaintiff's evidence of alternative designs was not enough to overcome defendant's

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<sup>428</sup> There were two bleed screws at the 10:00 and 2:00 positions and an intake plug at the 6:00 position. *Id.* at \*1.

<sup>429</sup> *See id.* at \*3.

<sup>430</sup> *Id.* at \*4.

<sup>431</sup> *Id.* at \*5.

<sup>432</sup> *Kodiak Prods. Co., Inc. v. Tie Down, Inc.*, No. Civ.A.4:03-CV-1474-Y, 2004 WL 2599353, at \*5 (N.D. Tex. Nov. 12, 2004).

<sup>433</sup> No. CV 09-1013-PK, 2009 WL 4718733 (D. Or. Dec. 3, 2009).

<sup>434</sup> *Id.* at \*5.

<sup>435</sup> *Id.* at \*3.

<sup>436</sup> *Id.* at \*4.

evidence of functionality.<sup>437</sup> The court observed that *TrafFix* and *Talking Rain* had “significantly reduc[ed] the importance placed upon alternative designs.”<sup>438</sup>

Similarly, in *Atlas Equipment Co. v. Weir Slurry Group, Inc.*,<sup>439</sup> the district court adhered strictly to the *TrafFix* test for functionality in finding that the design of a slurry pump was functional. Weir, the party asserting trade dress protection, argued that the product’s exterior design did not have any bearing on its ability to pump slurry; Atlas argued that, in fact, the pump’s design had some utilitarian advantages relating to its stability, bearing load capacity, smaller footprint, need for fewer bolts and ease of manufacturing, among others.<sup>440</sup> The court found that Atlas’ evidence was sufficient to establish that the design of the pump was de jure functional and that the fact that it may not affect the central purpose of the product, i.e., pumping slurry, was not relevant.<sup>441</sup> On the question of the relevance of available alternative designs, the court, citing *TrafFix* and *Talking Rain*, concluded that given the evidence of the product design’s utilitarian advantages, “there is no need to address the availability of alternative designs.”<sup>442</sup>

Where there is no clear appellate court precedent dealing with the relevance of available alternative design evidence, the district courts in those circuits have sometimes reached conflicting results, as two decisions from the Seventh Circuit illustrate. The plaintiff in *Invisible Fence*<sup>443</sup> rested its argument that the plaintiff’s battery pack design was non-functional on the fact that there were alternative configurations that could be used to lock and unlock the battery pack.<sup>444</sup> In response to the defendant’s assertion that *TrafFix* precluded the court from considering the availability of alternative designs in determinations of functionality, the Indiana district court reviewed the split in the circuits and observed that the Seventh Circuit had not yet ruled on this issue.<sup>445</sup> The district court concluded, however, that it was “apparent from *TrafFix* and the resulting

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<sup>437</sup> *Id.*

<sup>438</sup> *Id.* at \*4.

<sup>439</sup> No. C07-1358Z, 2009 WL 4670154 (W.D. Wash. Sept. 15, 2009).

<sup>440</sup> *Id.* at \*9.

<sup>441</sup> *Id.*

<sup>442</sup> *Id.* at \*10. The court, however, went on to address the evidence of alternative designs that Weir had submitted, finding that it was merely speculative and unsupported. *Id.* at \*11. See also *Minemyer v. B-Roc Representatives, Inc.*, 2009 WL 5275826 (N.D. Ill. October 26, 2009) (where plaintiff admitted that each component of its plastic pipe couplers was functional, evidence of alternative designs was not probative of non-functionality).

<sup>443</sup> No. 1:05-CV-361, 2007 WL 273129 (N.D. Ind. Jan. 26, 2007)

<sup>444</sup> *Id.* at \*4.

<sup>445</sup> *Id.* at \*4–5.

jurisprudence that if functionality can be conclusively established under the traditional rule, then courts need not consider a plaintiff's design alternatives."<sup>446</sup> As discussed above,<sup>447</sup> because the court found that evidence of a utility patent established that the design of the battery pack coin slot was functional, the court found that it did not need to consider the potential design alternatives.

In contrast, another district court within the Seventh Circuit did consider the availability of alternative designs despite the fact that it also found that the configuration of the allegedly infringed product, a circular beach towel, was covered by the central claim of a utility patent.<sup>448</sup> In *Franek*,<sup>449</sup> the Illinois district court quoted and relied on the language from *Valu Engineering*, concluding, "The Court finds the Federal Circuit's synthesis to be sensible and thus will consider evidence of alternative designs to probe whether the circular towel is functional in the first instance."<sup>450</sup> The court then found that in fact the evidence of alternative designs was further indication of the functionality of the circular configuration:

[B]each towels could be made in any design, and if large enough, a sunbather would not have to reposition the towel while following the sun. However, the undisputed evidence before the Court indicates that there still are significant advantages to the circular form. . . . If a circular design admittedly is the most efficient shape, then any other manufacturer of towels permitting rotation with the sun would be forced to manufacture sub-optimal towels.<sup>451</sup>

As the court further observed, "To be sure, a circular shape is not as essential to the functionality of a beach towel as an oval shape is to the functionality of a football. But it need not be indispensable; it is enough that circularity is one of a few superior designs for a beach towel."<sup>452</sup>

Thus, unlike the *Invisible Fence* court which found that evidence of the utility patent conclusively established functionality and made it unnecessary to consider design alternatives, the *Franek* court considered both types of evidence in concluding that the circular beach towel configuration was functional. In addition, it looked at the other factors identified in *Morton-Norwich*: the use of advertising to tout those functional advantages and the effect of the design feature on the cost and quality of the towel. These cases can be distinguished in

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<sup>446</sup> *Id.* at \*5.

<sup>447</sup> *See supra* notes 406–408.

<sup>448</sup> *See supra* notes 368–373.

<sup>449</sup> Nos. 08-CV-0058, 08-CV-1313, 2009 WL 674269 (N.D. Ill. Mar. 13, 2009).

<sup>450</sup> *Id.* at \*16.

<sup>451</sup> *Id.*

<sup>452</sup> *Id.* at \*17.

that there was a trademark registration for the beach towel configuration in *Franek*, putting the initial burden of proof of functionality on the party seeking to invalidate the trademark, and no registration for the battery pack in *Invisible Fence*, placing the burden of proving non-functionality on the party seeking to protect the trade dress. The *Franek* court, however, relied on the utility patent evidence to shift the burden to the trademark owner to establish non-functionality. It then turned to the *Morton-Norwich* factors in determining that the trademark owner had not met its burden and the party challenging the trademark was therefore entitled to summary judgment. Those procedural distinctions, however, do not explain entirely the greater willingness of one court to look at design alternatives in the face of its own conclusion that the configuration at issue was covered by the central advance of a utility patent. That fact alone would seem to have been sufficient to establish functionality on the merits, not just for burden shifting purposes.<sup>453</sup>

In *John M. Middleton, Inc. v. Swisher International, Inc.*,<sup>454</sup> the Pennsylvania district court engaged in a fairly superficial analysis of the functionality of a cigar configuration. Plaintiff claimed trade dress protection for the following features: the octagonally shaped ivory-colored plastic tip, the specific length and diameter of the cigar, the dark brown wrapper with pink and bone-colored spots, a straight seam holding the wrapper together, and a black cigar band with gold trim on the edge.<sup>455</sup> The defendant moved for summary judgment, arguing that each element was functional and therefore the design itself was unprotectable.<sup>456</sup> The court said, “The availability of alternative designs is one factor to be considered in determining whether a feature is functional, though alternative designs need not be considered if the feature has been conclusively shown to be functional pursuant to one of the [tests identified in *TrafFix*],”<sup>457</sup> and relied on both *TrafFix* and *Valu Engineering* as support. In its analysis of the case before it, the court then in fact considered design alternatives in reaching the conclusion that there were questions of fact going to the issue of functionality that pre-

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<sup>453</sup> See also *Specialized Seating, Inc. v. Greenwich Indus., L.P.*, 472 F.Supp. 2d 999, 1010–11 (N.D. Ill. 2007) (registered trademark for folding chair design held invalid after trial based on functionality; court relied both on evidence of utility patents covering the various elements of the chair’s configuration as well as evidence based on the other *Morton-Norwich* factors, stating that “[a]lternative designs . . . may be relevant with regard to proving functionality as it affects use, cost, or quality.”).

<sup>454</sup> No. 03-3908, 2006 WL 2129209 (E.D. Pa. July 26, 2006).

<sup>455</sup> *Id.* at \*4.

<sup>456</sup> *Id.* at \*5.

<sup>457</sup> *Id.*

vented summary judgment.<sup>458</sup> The court considered each individual feature of the plaintiff's cigars separately and found that the defendant had failed to establish functionality with respect to each element.<sup>459</sup> For example, in terms of the cigar's shape and dimensions and the dimensions of the cigar's tip, the court said that the plaintiff had offered evidence of numerous alternatives and that the defendant had not demonstrated that changing those features would affect the use or cost of the cigar.<sup>460</sup> Thus, at least for purposes of defeating a motion for summary judgment, the court was content to rely on evidence of design alternatives to create questions of fact on the issue of functionality. The court did not address any of the underlying policy issues implicated by the functionality doctrine or the larger questions of trade dress protection of product designs.

In comparison, in *New Colt Holding Corp. v. RJG Holdings of Florida, Inc.*,<sup>461</sup> the Connecticut district court engaged in an in-depth analysis of available alternative designs in considering summary judgment on the question of whether plaintiff's revolver design was functional. After reviewing *TrafFix* and the split in the circuits on the relevance of alternative design evidence, the court concluded that the law no longer required consideration of design alternatives but did not prohibit it either.<sup>462</sup>

[U]nder the present circumstances and given the nature of the product, the existence of design alternatives is helpful for determining whether a particular design is truly necessary to the way the revolver works. . . . The mere existence of other designs does not satisfy that requirement as those designs may be functionally deficient by comparison. Accordingly, for design alternatives to be probative, Plaintiffs must produce evidence that could demonstrate that the alternative design would be equally effective as a functional matter.<sup>463</sup>

The court then engaged in a feature-by-feature analysis of plaintiff's revolver configuration, concluding that there was no question of fact with respect to the functionality of some features and that there were questions of fact with others.<sup>464</sup>

For example, the defendant asserted that the shape, style, composition and finish of the revolver's grip frame were functional in that they facilitated the

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<sup>458</sup> *Id.*

<sup>459</sup> *Id.*

<sup>460</sup> *John M. Middleton, Inc. v. Swisher Int'l, Inc.*, No. 03-3908, 2006 WL 2129209, at \*5 (E.D. Pa. July 26, 2006).

<sup>461</sup> 312 F. Supp. 2d 195 (D. Conn. 2004).

<sup>462</sup> *Id.* at 212–14.

<sup>463</sup> *Id.* at 214.

<sup>464</sup> *Id.* at 214–19.



handling of the revolver, worked more effectively, and prevented oxidation.<sup>465</sup> The court concluded that the plaintiff had failed to raise a question of fact regarding this functionality as it did not establish that alternative choices would work as well.<sup>466</sup> On the other hand, the court found that there were questions of fact regarding functionality with respect to the angle of the grip frame in relation to the frame and barrel of the revolver.<sup>467</sup> Whereas the plaintiff asserted that the angle was cosmetic and not related to how the gun worked, the defendant asserted that the angle affected how the shooter would point the barrel of the gun.<sup>468</sup> The court found that it was not clear that the angle did not serve both a useful and a cosmetic purpose and thus, could not find it functional or non-functional for purposes of summary judgment.<sup>469</sup> The court engaged in a similar step-by-step analysis of each element of the revolver configuration, considering plaintiff's asserted design alternatives and finding some elements functional as a matter of law and finding questions of fact regarding the functionality of others. In the end, the court held that it was inappropriate to grant summary judgment with respect to the overall design of the revolver, since there were factual disputes requiring resolution with at least some of the gun's features.

In *Sharn, Inc. v. Wolfe Tory Medical, Inc.*,<sup>470</sup> the Florida district court denied a preliminary injunction to Wolfe Tory because it found insufficient evidence to support its claim that the trade dress of its medical devices was non-functional.<sup>471</sup> The court found that each of the device's individual features served "a function that is essential to the overall use or purpose"<sup>472</sup> of those devices, additionally demonstrated by Wolfe Tory's advertising touting the features' advantages. In response, Wolfe Tory argued that "the sizes and geometry of the various features . . . were chosen arbitrarily, and that the combination . . . created a finished product with a distinctive size and geometry . . ."<sup>473</sup> Wolfe asserted that there were numerous alternative features and arrangements

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<sup>465</sup> *Id.* at 219.

<sup>466</sup> *Id.*

<sup>467</sup> *New Colt Holding Corp. v. RJG Holdings of Fla., Inc.*, 312 F. Supp. 2d 195, 218 (D. Conn. 2004).

<sup>468</sup> *Id.*

<sup>469</sup> *Id.*

<sup>470</sup> No. 8:09-cv-706-T-33AEP, 2009 WL 3416503 (M.D. Fla. Oct. 19, 2009).

<sup>471</sup> *Id.* at \*8, \*9.

<sup>472</sup> *Id.* at \*4.

<sup>473</sup> *Id.* at \*5.

which would serve the same functions and thus its arrangement was non-functional.<sup>474</sup>

The court ruled that it was proper to consider alternative designs “because in order to determine if a product feature is essential to the use or purpose of a product then logically the Court should consider other available like features that may accomplish the same purpose of a product without affecting the cost or quality of the product.”<sup>475</sup> The court failed to address how this conclusion was consistent with *TrafFix*. In the end, however, the court’s rule did not affect the outcome in this case because it concluded that Wolfe Tory’s evidence did not demonstrate “a single alternative design which would have a similar cost and quality of the [Wolfe Tory] devices.”<sup>476</sup> Thus, Wolfe Tory had failed to meet its burden of establishing a likelihood of success on the merits of its trade dress claim.<sup>477</sup>

Most of these cases were decided on the basis of summary judgment motions where any question of fact regarding functionality would be sufficient to deny relief, but in *Imig, Inc. v. Electrolux Home Care Products, Ltd.*<sup>478</sup> the district court had the benefit of a full trial in reaching its conclusion that the plaintiff had failed to demonstrate the non-functionality of the its vacuum cleaner design.<sup>479</sup> The defendant conceded that the design elements were not essential to the use or purpose of the vacuum cleaner, but argued that they affected the cost or quality of the product and were therefore functional.<sup>480</sup> The court had allowed evidence of alternative designs, but did not find it persuasive on the issue of functionality.

In adducing evidence of alternative designs, Electrolux demonstrated that it *could* have chosen a design that would produce a cheaper and more efficient vacuum. . . . For example, instead of using a chrome hood on the base assem-

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<sup>474</sup> *Id.*

<sup>475</sup> *Id.* at \*6.

<sup>476</sup> *Sharn, Inc. v. Wolfe Tory Med., Inc.*, No. 8:09-cv-706-T-33AEP, 2009 WL 3416503, at \*7 (M.D. Fla. Oct. 19, 2009).

<sup>477</sup> In *Predator Int’l, Inc. v. Gamo Outdoor USA, Inc.*, No. 09-cv-00970-PAB-KMT, 2009 WL 3526497 (D. Colo. Oct. 22, 2009), the Colorado district court failed to discuss or even cite *TrafFix* or *Inwood* in a case involving the trade dress of airgun pellets. It relied largely on the fact that there were a number of design alternatives available in concluding that the evidence did not support a finding that the trade dress was functional, although the court denied the plaintiff’s request for a preliminary injunction based on insufficient evidence of secondary meaning and likelihood of confusion.

<sup>478</sup> No. CV 05-0528(JO), 2008 WL 905898 (E.D.N.Y. Mar. 31, 2008).

<sup>479</sup> *Id.* at \*17.

<sup>480</sup> *Id.* at \*17.

bly, Electrolux could have produced a more durable and less expensive product by using a plastic hood. . . . I can fairly draw an inference from Electrolux's choice to use chrome for the hood that it viewed as worthwhile the trade-off of cost and durability for what it deemed to be a more distinctive product design. But such an inference does not inevitably lead to the conclusion that the design of the [Electrolux] hood, when combined with the other elements, is non-functional.<sup>481</sup>

The court then found that that product's design did affect the overall cost and quality of the product and was therefore functional, as discussed below.<sup>482</sup>

The varied approaches to the treatment of alternative designs, reflected both in the split in the circuit courts as well as the decisions of the various district courts, is troubling and confusing. It remains unclear whether such evidence will be admissible at all, and if so, how it will be used in determinations of functionality.

*c. Definitions of Functionality*

Although the district court cases quote the “essential to use or purpose or affect cost or quality” test of *TrafFix*, it is revealing to see how those courts interpret and apply that language. For example, some interpret the language to require that the plaintiff prove that other configurations will serve the same function as well as the plaintiff's design in order to be considered functional. As the court said in *New Colt Holding*,<sup>483</sup> “[F]or design alternatives to be probative, Plaintiffs must produce evidence that could demonstrate that the alternative design would be *equally effective* as a functional matter.”<sup>484</sup> If equivalent options are available, the design will be considered non-functional. Only when there is no equivalent, and the plaintiff's design is the best, will that design be considered functional. This is similar to the approach in *Wolfe Tory*,<sup>485</sup> where the court wanted evidence that there were alternative designs that did not affect “the devices’ optimal functionality” or “their cost and/or quality”<sup>486</sup> before treating a design as non-functional. It is not enough that there are alternatives; those alternatives must be comparable in functionality, cost and quality to the design for which protection is being sought.

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<sup>481</sup> *Id.* at \*9.

<sup>482</sup> See *infra* notes 493–505 and accompanying text.

<sup>483</sup> 312 F. Supp. 2d. 195 (D. Conn. 2004).

<sup>484</sup> *Id.* at 214 (emphasis added).

<sup>485</sup> No. 8:09-cv-706-T-33AEP, 2009 WL 3416503 (M.D. Fla. Oct. 19, 2009).

<sup>486</sup> *Id.* at \*6.

Other courts do not require that the design be the best in order to be considered functional. For example, in *Specialized Seating*,<sup>487</sup> the court said,

To be considered functional, the [design at issue] does not need to be the best design available. All that must be shown is that the design is one of a few superior designs for its purpose or an improvement to the quality of the product. Precluding a finding of functionality for a feature unless it was the best design would essentially allow the creation of a monopoly for all but the best version of a functional feature.<sup>488</sup>

Under this approach, in order for the design to be considered non-functional and protectable, the plaintiff would need to show that enough other designs exist to give competitors options for producing products to serve the same function. Even if the plaintiff's design is not the best, if there are too few competitive options, these courts would deny the plaintiff trade dress protection. Thus, in *Specialized Seating*, because the court found that there were only a limited number of ways to design the back panels of folding chairs for strength, comfort and spacing, it denied trade dress protection to that design.<sup>489</sup>

The *Franek* court took yet a different approach. In determining whether a beach towel's circular configuration was functional, the court said that "the correct inquiry is whether or not the article reflects a utilitarian design of a utilitarian object."<sup>490</sup> The court interpreted this to mean that it should determine whether the configuration was selected for a useful purpose.<sup>491</sup> If the design was chosen to serve a utilitarian purpose, then it should be considered functional.<sup>492</sup> Under this approach, far more designs will be found to be functional as there is no requirement that the design be superior or one of limited options.<sup>493</sup>

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<sup>487</sup> 472 F. Supp. 2d 999 (N.D. Ill. 2007).

<sup>488</sup> *Id.* at 1013 (citations omitted). See also *Franek v. Walmart Stores, Inc.*, Nos. 08-CV-0058, 08-CV-1313, 2009 WL 674269, at \*16 (N.D. Ill. Mar. 13, 2009) ("[A] design need not be the best designs available for its purpose; it need only be one of a few superior designs.").

<sup>489</sup> Professor Thurmon argues that the equivalent design standard is preferable, as it best ensures that competition will be protected. See Thurmon *supra*, note 16, at 300–02.

<sup>490</sup> *Franek*, 2009 WL 674269, at \*11.

<sup>491</sup> *Id.*

<sup>492</sup> *Id.*

<sup>493</sup> In its actual analysis of a circular beach towel's functionality, the court relied in large part on evidence of both a patent and alternative designs to conclude that the configuration was not only useful, but superior for achieving its purpose of allowing sunbathers to reposition themselves without moving the towel. Thus, the court seemed to apply a higher standard than the one it had at first articulated as described above.

That approach is also similar to the one taken in *Berlin Packaging*,<sup>494</sup> where the court defined the test for functionality as requiring the party seeking trade dress protection to show that the feature “is only an incidental, arbitrary or ornamental aspect of the device.”<sup>495</sup> Because the child-proof container cap at issue was “not a whimsical design” but “designed to address specific functions,” it was held to be functional.<sup>496</sup> Even the additional features such as the words “pry open” and an arrow on the cap were considered functional because they were “essential for the use of the device—they instruct the user of the device how to operate it.”<sup>497</sup> The court did not consider whether the design was superior or one of a few design choices available, but instead focused on the fact that the design was utilitarian and not ornamental.<sup>498</sup>

In *Invisible Fence*,<sup>499</sup> the court also considered whether the plaintiff had demonstrated that the ridges of its battery pack coin slot were ornamental, incidental or arbitrary to its purpose of enabling users to lock and unlock the product, but only after it concluded that the patent established the essential functionality of the overall configuration.<sup>500</sup> The court then discussed, in dicta, the general standard for proving functionality, saying that the test was not whether the configuration served a use or purpose, but whether it was “*essential* to the use or purpose.”<sup>501</sup> The court compared this to the distinction made between de facto and de jure functionality by some courts, where de jure, or legal functionality, required not only that the design was useful but that the product worked better in that configuration.<sup>502</sup>

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<sup>494</sup> *Berlin Packaging, LLC v. Stull Techs., Inc.*, 381 F. Supp. 2d 792 (N.D. Ill. 2005).

<sup>495</sup> *Id.* at 797.

<sup>496</sup> *Id.* at 802.

<sup>497</sup> *Id.* at 804.

<sup>498</sup> *See also* *Atlas Equip. Co., LLC v. Weir Slurry Group, Inc.*, No. C07-1358Z, 2009 WL 4670154, at \*9 (W.D. Wash. Sept. 15, 2009) (a product design is de jure functional where product design features all have a utilitarian function, even if those features do not contribute to the central purpose of the product); *Kodiak Prods. Co., Inc. v. Tie Down, Inc.*, No. Civ.A.4:03-CV-1474-Y, 2004 WL 2599353, at \*5 (N.D. Tex. Nov. 12, 2004) (design of piston housing not shown to be arbitrary in relation to its purpose even if other alternatives are available; design is functional if it is “the reason the device works or whether it affects the cost or quality of the product”).

<sup>499</sup> *Invisible Fence, Inc. v. Perimeter Techs., Inc.*, No. 1:05-CV-361, 2007 WL 273129 (N.D. Ind. Jan. 26, 2007).

<sup>500</sup> *Id.* at \*2, \*4, \*6.

<sup>501</sup> *Id.* at \*7. The court had concluded that plaintiff’s patent established the essential functionality of the battery pack’s overall configuration.

<sup>502</sup> *Id.* at \*7 n.11.

Finally, the *Imig*<sup>503</sup> court also seemed to apply a rather lenient test for functionality in concluding that the configuration of a vacuum cleaner was functional. In that case, the court was not applying the “essential to use or purpose” prong of the *TrafFix* test but instead the “affects cost or quality” prong, as the parties agreed that the design did not serve a useful purpose.<sup>504</sup> The court’s analysis of the evidence seemed to place an extremely heavy burden on the plaintiff to prove that its design choices did not lower the cost or improve the quality of the vacuum cleaner.

For example, the shape of the base assembly hood has a low profile that allows the vacuum to reach under furniture. . . . The prominent display on the bag of the term “heavy duty commercial,” which is used commonly throughout the industry, suggests a descriptive or identifying function. . . . The use of a dial for the height adjuster is less expensive than the alternative of a slide lever . . . and the location in the front of the base is viewed as a “useful” feature.<sup>505</sup>

The court’s conclusion seems based on a view that if each element serves a purpose, then the overall configuration is functional, even if some choices were more aesthetic than utilitarian, and even if for some choices, other design alternatives were available.

This spectrum of approaches to determining functionality is another example of the confusion that still afflicts the lower courts in attempting to decide cases of product design trade dress in the aftermath of *TrafFix*.<sup>506</sup> As seen in the

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<sup>503</sup> *Imig, Inc. v. Electrolux Home Care Prods., Ltd.*, No. CV 05-0529(JO), 2008 WL 905898 (E.D.N.Y. Mar. 31, 2008).

<sup>504</sup> *Id.* at \*7, \*9.

<sup>505</sup> *Id.* at \*9.

<sup>506</sup> Another issue that has created some inconsistencies among the courts involves the approach taken to designs involving multiple features. Some courts have recognized that even if each individual element is functional, the overall configuration may still be non-functional if those elements are arranged in an arbitrary or ornamental way. *E.g.*, *Minemyer v. B-Roc Representatives, Inc.*, No. 07-C-1763, 2009 WL 5275826, at \*8 (N.D. Ill. October 26, 2009) (where plaintiff failed to show that it assembled components of its plastic pipe couplers in an arbitrary or fanciful way, it failed to meet its burden of proving that the overall arrangement was non-functional); *Vantage Trailers, Inc. v. Beall Corp.*, No. H-08-0361, 2009 WL 1562179, at \*3 (S.D. Tex. June 2, 2009); *Specialized Seating, Inc. v. Greenwich Indus., L.P.*, 472 F. Supp. 2d 999, 1014 (N.D. Ill. 2007) (finding that overall configuration of product must be considered, but if “there is no other way to engineer or construct” the product, it is functional); *Kodiak Prods. Co., Inc. v. Tie Down, Inc.*, No. CIV.A.4:03-CV-1474-Y, 2004 WL 2599353, at \*4 (N.D. Tex. Nov. 12, 2004). Other courts fail to consider whether the overall configuration itself may be non-functional even if each individual element is functional. *See Berlin Packaging, LLC v. Stull Techs., Inc.*, 381 F. Supp. 2d 792, 805 (N.D. Ill. 2004) (holding that where every element of design is functional, there is no need to consider

next section, the approach of the TTAB is more consistent and predictable, but its difference from the approach of the courts raises another set of difficult issues.

## 2. TTAB Decisions on Functionality

In an article published in November 2004, Attorney John Welch reported that only one percent of the TTAB rulings since March 2000 had dealt with trade dress issues and even fewer had dealt with issues of functionality.<sup>507</sup> Attorney Welch opined: “This paucity of Board decisions may reflect a reluctance on the part of applicants to seek registration for trade dress in light of current case law. Or perhaps most trade dress applications are refused registration and the refusal is not appealed.”<sup>508</sup> Mr. Welch reported that there had been eleven decisions in that time period which addressed functionality, only three of which had been deemed citable by the TTAB.<sup>509</sup> All three had upheld the denial of registration on functionality grounds. Mr. Welch’s analysis of these three cases and the eight other non-citable cases led him to conclude that the *Morton-Norwich* factors were still critical to the TTAB’s functionality analysis and that “a utility patent disclosing or claiming the utilitarian advantages of the trade dress, and/or promotional material touting those advantages, will be roadblocks to registration.”<sup>510</sup>

In the years since November 2004, not much has changed in the approach taken by the TTAB, although there are far more recent decisions addressing the issue of functionality. The Board continues to affirm an overwhelming number of refusals and sustain oppositions to register product design on the basis of functionality. It continues to rely on the *Morton-Norwich* factors

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alternative designs or secondary meaning); *New Colt Holding Corp. v. RJG Holdings of Fla., Inc.*, 312 F. Supp. 2d 195, 219 (D. Conn. 2004) (“If there are factual disputes as to the individual elements, then it follows that there would be a factual dispute as to whether these individual features add up to a functional whole.”).

<sup>507</sup> John L. Welch, *Trade Dress and the TTAB: If Functionality Don’t Get You, Nondistinctiveness Will*, ALLEN’S TRADEMARK DIG., Nov. 2004, at 9, available at <http://www.lla.com/welch/tradeDressTTABOCT2004.pdf>.

<sup>508</sup> *Id.*

<sup>509</sup> *Id.* at 11.

<sup>510</sup> *Id.* at 14.

in reaching those conclusions.<sup>511</sup> A review of some representative decisions will illustrate the TTAB's approach.

*a. Cases Involving Utility Patents*

In *American Flange & Manufacturing Co. v. Rieke Corp.*,<sup>512</sup> the Board sustained an opposition on functionality grounds to an application to register the configuration of a closure that consisted of a hexagonal base and a butterfly-shaped grip used for turning to seal drum containers.<sup>513</sup> The Board first observed that the appropriate functionality test used by the Board in light of *Valu Engineering's* interpretation of *TrafFix* was the *Morton-Norwich* test, which identified four factors, including the existence of a utility patent related to the product configuration at issue.<sup>514</sup> In analyzing the patents in the case before it, the Board revealed its approach to interpreting the relevance of a particular patent to a determination of functionality.

The Board separated its product design analysis into two components; the hexagonal base and the butterfly grip, and stated that if either was functional, then registration should not be granted.<sup>515</sup> With respect to the hexagonal base, the fact that the patent relied on by the opposer was not owned by the applicant was rejected as irrelevant.<sup>516</sup> The Board said, "Any expired patent is potentially relevant if it covers the feature at issue, regardless of the owner."<sup>517</sup> It then went on to reject the applicant's argument that because the patent application had been filed after the base was already in use, the patent was not di-

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<sup>511</sup> *E.g.*, *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 U.S.P.Q.2d (BNA) 1397, 1403 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d (BNA) 1127 (T.T.A.B. 2009); *In re Howard Leight Indus. LLC*, 80 U.S.P.Q.2d (BNA) 1507, 1509 (T.T.A.B. 2006).

<sup>512</sup> *Am. Flange*, 80 U.S.P.Q.2d 1397.

<sup>513</sup> *Id.* at 1411.

<sup>514</sup> *Id.* at 1403. The Board also observed that the "applicant bears the ultimate burden on the issue of functionality" once the opposer (or the examiner in a refusal) has made a prima facie showing of functionality such as evidence of a utility patent relating to the product's configuration. *Id.* at 1404.

<sup>515</sup> *Id.* For further discussion of this aspect of the Board's approach, see *infra* notes 603–605 and accompanying text.

<sup>516</sup> *Id.*

<sup>517</sup> *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 U.S.P.Q.2d (BNA) 1397, 1404 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d (BNA) 1127 (T.T.A.B. 2009); *accord In re Dietrich*, 91 U.S.P.Q.2d (BNA) 1622, 1627 (T.T.A.B. 2009); *In re Woodlink, Ltd.*, No. 78971622, 2009 TTAB LEXIS 507, at \*12–13 (T.T.A.B. July 17, 2009) (not precedential).



rected to the hexagonal shape, but rather to a particular means of sealing the drum containers. The Board said:

Applicant may be correct in noting that the hexagonal base was in use long prior to the patent application and that the patent was “directed to” a sealing means rather than the hexagonal base. Nonetheless, the patent language clearly refers to the functional advantage of the hexagonal base, that is, “to accommodate a standard wrench.” Thus the terms of the patent indicate that the feature is a functional one and not an “ornamental, incidental, or arbitrary aspect of the device.”<sup>518</sup>

In contrast, in its analysis of the butterfly-shaped grip’s functionality, the Board found that although there was a utility patent for a “transverse raised handle,” the patent did not specify that the handle needed to be butterfly-shaped.<sup>519</sup> The Board concluded that although the grip need not have been the “primary object of the patent,”<sup>520</sup> the fact that the language never identified the butterfly shape meant that the patent was not evidence that feature’s functionality.

Similarly, in *In re Howard Leight Industries LLC*,<sup>521</sup> the Board upheld a refusal to register the configuration of foam ear plugs where the examiner had relied on a utility patent as evidence of functionality.<sup>522</sup> The applicant sought registration for the ear plugs’ design—a bullet shape with a flared end—and argued on appeal that the examiner had erred in relying on the patent claims to establish functionality because those claims did not specifically address the functionality of that particular shape.<sup>523</sup> The Board disagreed, concluding that *TrafFix* did not restrict the evidentiary use of a patent to its claims, but rather allowed for the use of specifications and arguments in the patent’s prosecution history to establish functionality.<sup>524</sup> The Board then incorporated large segments of the patent application into its opinion, including the claims, and concluded that the patent in this case was “a sufficient basis in itself for finding that the configuration is functional, given the strong weight to be accorded such patent evidence under *TrafFix*.”<sup>525</sup> The Board reasoned that although the “primary focus of the patented invention is the composition of the foam material out of

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<sup>518</sup> *Am. Flange*, 80 U.S.P.Q.2d at 1404.

<sup>519</sup> *Id.* at 1410.

<sup>520</sup> *Id.*

<sup>521</sup> 80 U.S.P.Q.2d (BNA) 1507 (T.T.A.B. 2006).

<sup>522</sup> *Id.* at 1508.

<sup>523</sup> *Id.* at 1514.

<sup>524</sup> *Id.* at 1515.

<sup>525</sup> *Id.*

which the earplug is formed,”<sup>526</sup> the patent also disclosed the functional advantages of both the bullet shape and the flared end in its claims and preferred embodiment description. The bullet shape allowed the plug to fit into the ear canal, and the flared end prevented too deep of an insertion. Thus, the Board concluded that neither aspect of the product design was an “arbitrary or incidental design flourish, but rather [they are] essential to the proper functioning of the earplug.”<sup>527</sup>

On the other hand, in *In re Udor U.S.A. Inc.*,<sup>528</sup> the Board, while still affirming the refusal to register a spray nozzle’s configuration on grounds of functionality because of other evidence,<sup>529</sup> disagreed with the examiner’s use of the nozzle’s utility patent as evidence of functionality.<sup>530</sup> The Board compared the drawings submitted for trademark registration with the patent drawings and description, and concluded that the patent did not show or describe the external appearance of the nozzle for which trademark registration was being sought, but rather the patent was limited to the nozzle’s internal workings:

As we understand the teachings of this utility patent, it is clear that the spray patterns of these removable/changeable nozzle heads are determined by rather complex principles of physics. . . . While we do not purport to understand fluid mechanics, we accept the teachings of this patent that the tuned interaction of pressurized fluids hitting an impingement surface and the deflection ridges determines the variety of dispersion patterns of these various nozzle heads. These features are internal, largely non-visible components of the spray nozzle that are neither shown nor described in the trademark drawing, and some of which are not readily apparent without disassembly of the spray nozzle.

. . . .

. . . The product features shown and described in the trademark configuration design do not serve a function within the terms of the utility patent, and are not shown as useful parts of the claimed invention.<sup>531</sup>

Thus, the Board found that the patent was not convincing evidence of the applicant’s nozzle configuration functionality.<sup>532</sup>

Based on the treatment of the patents in these cases, it appears that the Board is willing to consider a utility patent to be strong evidence of functionali-

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<sup>526</sup> *Id.* at 1514.

<sup>527</sup> *In re Howard Leight Indus. LLC*, 80 U.S.P.Q.2d (BNA) 1507, 1514 (T.T.A.B. 2006).

<sup>528</sup> 89 U.S.P.Q.2d (BNA) 1978 (T.T.A.B. 2009).

<sup>529</sup> *Id.* at 1988; see *infra* notes 572–579 and accompanying text.

<sup>530</sup> *Udor*, 89 U.S.P.Q.2d at 1982.

<sup>531</sup> *Id.* at 1981–82.

<sup>532</sup> *Id.* at 1982.

ty as long as there is language in the patent, its prosecution history, or its preferred embodiment that relates to the usefulness of the specific configuration, even if that configuration is not the “primary object” of the patent.<sup>533</sup> This approach gives greater weight to patent evidence than that adopted by those courts which require that the product configuration overlap with the “central advance” of the patent in order for it to be strong evidence of functionality.<sup>534</sup> Thus, it is likely far more difficult to obtain trademark registration of product design if there is a related utility patent than it is to obtain protection under section 43(a) for unregistered product design even when there is a related utility patent.

*b. Evidence of Advertising Touting the Utilitarian Advantages of Product Design*

The Board also gives substantial weight to the second *Morton-Norwich* factor, evidence of advertising that touts the utilitarian advantages of a product’s configuration. In those cases where there is a patent, the Board has relied on

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<sup>533</sup> See also *In re* Dietrich, 91 U.S.P.Q.2d (BNA) 1622, 1633, 1635 (T.T.A.B. 2009) (utility patent supports finding of functionality of bicycle wheel spoke arrangement even if applicant’s specific arrangement is not identical to the preferred embodiment; Board asserts that “[t]he fact that the patents may encompass a wide variety of spoking patterns means only that the patents are broad in scope, not that applicant’s particular applied-for design is not functional”); *In re* Woodlink, Ltd., No. 78971622, 2009 TTAB LEXIS 507, at \*14 (T.T.A.B. July 17, 2009) (not precedential) (utility patent is strong evidence of functionality of bird feeder design); *In re* Tash, Nos. 76577156, 76577157, 2008 TTAB LEXIS 101, at \*6–7, \*8–9 (T.T.A.B. Apr. 18, 2008) (not precedential) (applicant’s toilet plunger utility patent is evidence of functionality even if patent claims are broader than the specific configuration claimed in the trademark application where description in patent identified the utility of that configuration); *In re* Richemont Int’l, S.A., Nos. 76413051, 76413157, 2006 TTAB LEXIS 251, at \*27–28, \*33 (T.T.A.B. June 22, 2006) (not precedential) (watch configuration which allows watch face to be reversed for protection is functional; utility patent covered the specific configuration, and fact that applicant uses new technology in its design does not render the patent less relevant or prove that the configuration is not functional); *In re* The Kong Co., LLC, No. 78259826, 2006 TTAB LEXIS 854, at \*11–12 (T.T.A.B. Aug. 2, 2006) (evidence of patent supports finding of pet toy functionality, even though trademark application did not define configuration to include key elements of the patent, whereas the drawing included with the trademark application revealed said elements); cf. *In re* Karsten Mfg. Corp., No. 77170356, 2009 TTAB LEXIS 256, at \*16–18 (T.T.A.B. Apr. 15, 2009) (not precedential) (although Board finds that patent claims cover applicant’s golf putter configuration and thus are evidence of its functionality, Board, in dicta, opined that a patent must be examined closely to be sure that the features described or depicted within are actually functional, and not just incidental or unrelated to that function).

<sup>534</sup> See *supra* notes 363–379 and accompanying text.

advertising evidence to bolster its finding of functionality.<sup>535</sup> On the other hand, the absence of such evidence has not been enough to outweigh the utility patent evidence of functionality.<sup>536</sup>

Advertising evidence has been given more substantial weight in cases where no utility patent exists. For example, in *In re N.V. Organon*,<sup>537</sup> the Board relied largely on the applicant's marketing claims touting the advantages of using orange flavoring in antidepressants in finding that the flavor was functional and thus non-registrable.<sup>538</sup> The Board observed that the absence of patent evidence, as well as the absence of evidence that there was a cost advantage in using the orange flavoring, did not mean that there was insufficient evidence of functionality given the advertising evidence and the lack of available alternatives, the other two *Morton-Norwich* factors.<sup>539</sup> The Board observed that "[t]he second *Morton-Norwich* factor, namely applicant's promotional materials touting the utilitarian advantages of the orange flavor, is particularly significant in assessing functionality in this case."<sup>540</sup> The applicant's website claimed that the orange flavor made the medication more palatable and thus resulted in increased patient compliance—evidence that was considered persuasive of its utilitarian advantages over non-flavored medication.<sup>541</sup>

Similarly, in *In re Gratnell's Limited*,<sup>542</sup> the Board relied solely on advertising evidence and the lack of available alternatives in finding that the appli-

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<sup>535</sup> See, e.g., *In re Woodlink*, 2009 TTAB LEXIS 507, at \*14–15 (not precedential); *In re Karsten*, 2009 TTAB LEXIS 256, at \*17–18; *In re Tash*, 2008 TTAB LEXIS 101, at \*8–10; *In re Elevator Safety Co.*, Nos. 76507505 et al., 2007 TTAB LEXIS 501, at \*21–22 (T.T.A.B. Feb. 21, 2007) (not precedential); *Am. Flange & Mfg Co. v. Rieke*, 80 U.S.P.Q.2d (BNA) 1397, 1405 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d (BNA) 1127 (T.T.A.B. 2009).

<sup>536</sup> See *In re Dietrich*, 91 U.S.P.Q.2d at 1635, 1636; *In re Udor U.S.A. Inc.*, 89 U.S.P.Q.2d (BNA) 1978, 1982 (T.T.A.B. 2009); *In re Howard Leight Indus. LLC*, 80 U.S.P.Q.2d (BNA) 1507, 1517–18 (T.T.A.B. 2006).

<sup>537</sup> 79 U.S.P.Q.2d (BNA) 1639 (T.T.A.B. 2006).

<sup>538</sup> *Id.* at 1645.

<sup>539</sup> *Id.* at 1646.

<sup>540</sup> *Id.* at 1645. The Board concluded that the flavoring, by increasing patient compliance and thus the efficacy of the medication, functioned in a utilitarian way, not merely aesthetically. *Id.* at 1647–49. As discussed *infra* notes 583–586 and accompanying text., however, the Board's analysis of the appropriate test here is not entirely consistent with that conclusion.

<sup>541</sup> As discussed below, the Board also found that there were not enough alternative flavors available to provide competitors with other options. See *infra* notes 583–586 and accompanying text.

<sup>542</sup> No. 78450327, 2009 TTAB LEXIS 187 (T.T.A.B. Apr. 9, 2009) (not precedential).

cant's configuration of its plastic trays was functional.<sup>543</sup> In its advertising, the applicant promoted the fact that the trays were stackable, space-saving, sturdier, safer to grip, and that the design allowed the tray's contents to be visible.<sup>544</sup> The Board rejected the applicant's argument that these statements were "mere puffery," as they "point to specific characteristics of applicant's product."<sup>545</sup>

On the other hand, in *In re Brayco Products, Ltd.*,<sup>546</sup> the Board found that advertising evidence relied upon by the examiner was not sufficient to establish functionality.<sup>547</sup> Where the advertising did not specifically assert that the elongated oval configuration of a flashlight claimed as trade dress made it a superior product, then that advertising was not persuasive evidence of the design's functionality.<sup>548</sup>

c. *Evidence of the Availability or Not of Alternative Designs*

Despite the *TrafFix* language that indicates that evidence of alternative designs is not an essential part of the functionality analysis, the Board consistently considers such evidence, even in cases where a utility patent has clearly established the functionality of a product's design. For example, in *In re Howard Leight*,<sup>549</sup> as discussed above, the Board relied heavily on the utility patent evidence to conclude that the design of the applicant's earplugs was functional, in fact saying that the patent evidence was "a sufficient basis in itself for finding that the configuration is functional, given the strong weight to be accorded such patent evidence under *TrafFix*."<sup>550</sup> As such, the Board stated that there was no need to consider alternatives in light of *TrafFix* and *Valu Engineering*, but nevertheless considered that evidence and concluded that the applicant's earplug shape was "one of but few possible alternative designs which provide these features and serve these functions."<sup>551</sup>

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<sup>543</sup> *Id.* at \*8–9.

<sup>544</sup> *Id.* at \*7.

<sup>545</sup> *Id.*

<sup>546</sup> No. 77296052, 2009 TTAB LEXIS 666 (T.T.A.B. Nov. 16, 2009).

<sup>547</sup> *Id.* at \*6–7.

<sup>548</sup> *Id.*

<sup>549</sup> *In re Howard Leight Indus. LLC*, 80 U.S.P.Q.2d (BNA) 1507, 1518 (T.T.A.B. 2006).

<sup>550</sup> *Id.* at 1515.

<sup>551</sup> *Id.* The Board further observed:

However, even if some of these alternative designs are deemed to be functionally equivalent designs and thus are evidence in support of a finding of non-

In *American Flange*,<sup>552</sup> the Board analyzed two features, including the hexagonal-shaped plug base made by applicant for securing storage drums.<sup>553</sup> The base's functionality was demonstrated by a utility patent, as discussed above. In spite of finding that patent to be strong evidence of functionality, the Board went on to examine in considerable depth the availability of alternative designs to bolster its conclusion. The opposer presented evidence that there were two dominant ways on the market to configure the plugs' base: hexagonal, like the applicant's design, and round, the system then used by the opposer.<sup>554</sup> The opposer pointed out certain advantages to the hexagonal shape, principally that it was easier to grip with a standard wrench.<sup>555</sup> Applicant asserted that other wrenches were available to turn the round shape base and that other shapes could be used with other wrenches.<sup>556</sup> The Board was not convinced, finding that the hexagonal shape was "in many ways optimal"<sup>557</sup> and that other shapes, including the round shape, were harder to grip for opening and closing. Thus, the lack of suitable alternative designs was further evidence of the hexagonal base's functionality.<sup>558</sup>

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functionality, we find that this evidence is simply outweighed, in our functionality analysis, by the clear and strong evidence of functionality contained in applicant's expired utility patent.

*Id.* at 1516. See also *In re Dietrich*, 91 U.S.P.Q.2d (BNA) 1622, 1636 (T.T.A.B. 2009) (where a feature is found to affect the quality of a product, there is no need to consider alternative designs to establish competitive necessity) (citing *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 33–34 (2001)); *In re Elevator Safety Co.*, Nos. 76507505 et al., 2007 TTAB LEXIS 501, at \*29–32 (T.T.A.B. Feb. 21, 2007) (not precedential) (citing *Valu Eng'g*, the Board stated that "the fact that other competitive alternatives may exist, does not alter the initial finding that the configuration is functional and, thus, unregistrable"; the Board then went on to look at alternatives and concluded that the evidence did not refute the superiority of applicant's design to those alternatives); *In re Bose Corp.*, No. 74734496, 2005 TTAB LEXIS 293, at \*26, \*29–30 (T.T.A.B. July 12, 2005), *aff'd*, 476 F.3d 1331 (Fed. Cir. 2007) (evidence about other designs not necessary in light of other evidence of functionality from patent and advertising; moreover, evidence of such alternatives does not indicate that other alternatives function as well as applicant's speakers).

<sup>552</sup> *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 U.S.P.Q.2d (BNA) 1397, 1404 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d (BNA) 1127 (T.T.A.B. 2009).

<sup>553</sup> *Id.* at 1404.

<sup>554</sup> *Id.* at 1406.

<sup>555</sup> *Id.*

<sup>556</sup> *Id.*

<sup>557</sup> *Id.* at 1407.

<sup>558</sup> *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 U.S.P.Q.2d (BNA) 1397, 1409 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d (BNA) 1127 (T.T.A.B. 2009). On the other hand, as discussed *infra* notes 552–558 and accompanying text, the evidence re-

Similarly, in *In re Richemont International, S.A.*,<sup>559</sup> the Board specifically considered the fact that there were only a few alternatives to the plaintiff's reversible watch configuration in support of its finding of functionality.<sup>560</sup> The applicant had introduced evidence of three other reversible watches, each of which used a different mechanism to reverse the face of the watch.<sup>561</sup> The Board reviewed this evidence and concluded that "while there may be minor variations in how the watch may be reversed, there are only two basic ways: horizontally or vertically."<sup>562</sup> The fact that the patent also demonstrated the superiority of the horizontal mechanism used by the applicant was also considered by the Board in concluding that there were too few equivalent alternative designs and therefore the applicant's design was functional.<sup>563</sup>

The Board also upheld a finding of functionality in *In re Karsten Manufacturing Corp.*,<sup>564</sup> based on the strong utility patent evidence covering the applicant's golf putter configuration and the lack of available alternative designs.<sup>565</sup> Despite the fact that the applicant introduced evidence of eighteen alternative designs manufactured by its competitors of "high moment of inertia putter heads," the Board was not convinced.<sup>566</sup>

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garding the lack of design alternatives for the butterfly-shaped handle used to turn the base of the plug, for which the Board had found no probative evidence of functionality in the utility patent, was not sufficient to establish functionality. The Board accepted the applicant's assertion that other handles, including that used by the opposer, worked as well, if not better, than the butterfly-shaped handle used by the applicant. *Id.* at 1410. The Board did not discuss how many possible alternatives there were, or whether the butterfly-shape was one of only a few configurations that would work as well.

<sup>559</sup> Nos. 76413051, 76413157, 2006 TTAB LEXIS 251 (T.T.A.B. June 22, 2006).

<sup>560</sup> *Id.* at \*39–40.

<sup>561</sup> *Id.*

<sup>562</sup> *Id.* at \*39.

<sup>563</sup> *Id.* at \*40–41. *See also In re Dietrich*, 91 U.S.P.Q.2d (BNA) 1622, 1636 (T.T.A.B. 2009) ("[T]he question is not whether there are alternative designs that perform the same basic function but whether the available designs work 'equally well.'"); *In re Tash*, Nos. 76577156, 76577157, 2008 TTAB LEXIS 101, at \*10–11 (T.T.A.B. Apr. 18, 2008) ("Furthermore, in order for a mark to be held functional, the evidence *need not establish that the configuration at issue is the very best design* for the particular product or product packaging. Rather, a finding of functionality is proper where the evidence indicates that the configuration at issue provides specific utilitarian advantages that make it *one of a few superior designs* available.") (emphasis added).

<sup>564</sup> No. 77170356, 2009 TTAB LEXIS 256 (T.T.A.B. Apr. 15, 2009).

<sup>565</sup> *Id.* at \*18, \*21, \*23.

<sup>566</sup> *Id.* at \*20–21.

Although this evidence shows a variety of designs that are specifically different, all are similar in design and involve the same utilitarian features. . . . These other designs presumably work equally well, but the number of alternatives to increase the moment of inertia in a putter head is relatively limited.<sup>567</sup>

This conclusion illustrates how difficult it may be for an applicant to use evidence of alternative designs to establish non-functionality in the face of a utility patent. Although the Board concluded that this evidence weighed against a finding of functionality, it relied on *TrafFix* in observing that “[i]t is important to note, however, that the availability of alternative designs does not convert a functional design into a non-functional design.”<sup>568</sup> Thus, even if there was more persuasive evidence of equivalent design alternatives, the Board might not have found non-functionality here.

The Board’s reluctance to rely on design alternatives as evidence of non-functionality in the face of a utility patent is also demonstrated by *In re The Kong Co.*<sup>569</sup> This case involved the registrability of applicant’s dog toy, which was covered by a patent claiming it as a teeth cleaning product based on its shape and grooves.<sup>570</sup> Applicant asserted that there were many differently shaped dog toys on the market, but the Board did not find that evidence probative of non-functionality because it did “not see a single example of a product which is functionally equivalent to applicant’s product from the standpoint of dental hygiene.”<sup>571</sup>

Thus, where there is a utility patent which demonstrates the functionality of a product configuration, the Board will look at evidence of available alternatives despite *TrafFix*’s statement that such evidence is not necessary once functionality has been established by other evidence. The Board, however, appears to view such alternatives from a perspective which makes it very unlikely that such evidence will outweigh the patent as evidence of functionality. By requiring that those alternatives be few in number and function in a way that is equivalent to the applicant’s design, the Board has made it very difficult for an applicant to use alternative designs to prove non-functionality in a case where there is a relevant utility patent.

Where the patent does not establish the functionality of the product configuration, or there is no patent, the Board relies more on the evidence of alternative designs, but again, in a way that makes it unlikely that a design will be

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<sup>567</sup> *Id.* at \*21.

<sup>568</sup> *Id.* at \*22.

<sup>569</sup> No. 78259826, 2006 TTAB LEXIS 854 (T.T.A.B. Aug. 2, 2006).

<sup>570</sup> *Id.* at \*7–8.

<sup>571</sup> *Id.* at \*19.



considered non-functional. For example, in *In re Udor U.S.A. Inc.*,<sup>572</sup> the Board seemed quite reluctant to allow for registration of a spray nozzle design, even though it concluded that the utility patent was not probative of functionality because it did not relate to the product's external appearance.<sup>573</sup> Not only was the patent irrelevant, there was no evidence of advertising touting the functional advantages of the design.<sup>574</sup> In finding functionality, the Board thus relied heavily on the lack of available alternative designs. The Board criticized the examiner for giving "relatively-short shrift"<sup>575</sup> to the lack of evidence regarding available design alternatives. The Board said that there were no alternative designs presented by the applicant in the record and that "[t]here is certainly no point in our speculating about hypothetical alternatives . . ."<sup>576</sup> In fact, the record demonstrated that competitors were producing nozzles very similar to the applicant's, although none was identical.<sup>577</sup> Based on this common use, the Board concluded that the nozzle's shape was not "an arbitrary flourish in the configuration of metal spray nozzles" and was therefore functional.<sup>578</sup>

The *Udor* decision is a good example of a case where the Board was willing to stretch quite far to find that a configuration was functional. Without patent evidence or advertising touting functionality, the Board relied on the fact that competitors were using a similar but not identical nozzle shape and the applicant's failure to produce evidence of alternative designs to reach a conclusion that the shape was not arbitrary, but a functional element of the product. As discussed below, the Board also relied on the lack of evidence demonstrating that the shape was easier or less expensive to manufacture than other shapes. The Board did not believe that the applicant had produced sufficient evidence on the third and fourth *Morton-Norwich* factors, ignoring the fact that the burden initially falls on the examiner to establish functionality in registration decisions. The Board justified its conclusions by stating that "the decision-maker should ensure that one who seeks to establish trade dress protection in a product configuration does not stifle competition due to uncertainty about exactly which non-patentable product designs adopted by the junior user might comprise in-

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<sup>572</sup> 89 U.S.P.Q.2d (BNA) 1978 (T.T.A.B. 2009).

<sup>573</sup> *See id.* at 1982.

<sup>574</sup> *Id.* The Board also relied on the fourth *Morton-Norwich* factor, the simplicity and cost of manufacturing the nozzle in applicant's configuration, as discussed below. *See infra* note 588.

<sup>575</sup> *In re Udor*, 89 U.S.P.Q.2d at 1982.

<sup>576</sup> *Id.* at 1983.

<sup>577</sup> *Id.*

<sup>578</sup> *In re Udor U.S.A. Inc.*, 89 U.S.P.Q.2d (BNA) 1978, 1984 (T.T.A.B. 2009).

fringing trademark configurations.”<sup>579</sup> The Board seemed to be leaning over backwards to prevent registration of a shape that it considered utilitarian and too similar to what competitors were already using.

This demanding standard for using alternative designs to establish non-functionality is also illustrated by *Gratnell’s*,<sup>580</sup> involving the registrability of stacking trays. There was no patent, but there was advertising evidence touting the advantages of the applicant’s configuration.<sup>581</sup> Applicant submitted two examples of alternative designs of stackable trays but the Board was not persuaded, finding that the alternatives, in fact, “highlight the superiority of applicant’s design for monitoring content, handling and storage because of the combination of the recessed front, flanged edges and flat surfaces incorporated into applicant’s design.”<sup>582</sup>

Similarly, in *Organon*,<sup>583</sup> the Board was not persuaded by evidence of other flavors that could be used to make medications more palatable in concluding that the orange flavoring used by the applicant was functional.<sup>584</sup> The Board observed that Federal Circuit precedent established that “the mere fact that other designs are available does not necessarily mean that applicant’s design is not functional. . . . The question is not whether there are alternative flavors that would perform the same basic function, but whether these flavors work ‘equally well.’”<sup>585</sup> Because there was evidence suggesting that not all flavors mask the taste of medication as well as orange, and the fact that applicant only offered cherry and grape as alternatives, the Board concluded,

Although we cannot definitively say that orange is the most popular flavor, it certainly would appear on the short list of most popular flavors. Thus, on this record, we cannot say that there are true alternatives, or at least a significant number of acceptable alternatives, to an orange flavor for antidepressants.<sup>586</sup>

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<sup>579</sup> *Id.* at 1986.

<sup>580</sup> *In re Gratnell’s Ltd.*, No. 78450327, 2009 TTAB LEXIS 187 (T.T.A.B. Apr. 8, 2009).

<sup>581</sup> *Id.* at \*4–5.

<sup>582</sup> *Id.* at \*8.

<sup>583</sup> *In re N.V. Organon*, 79 U.S.P.Q.2d (BNA) 1639 (T.T.A.B. 2006).

<sup>584</sup> *Id.* at 1648.

<sup>585</sup> *Id.* at 1645.

<sup>586</sup> *Id.* at 1646. *See also In re Armament Sys. & Procedures, Inc.*, No. 75107678, 2005 TTAB LEXIS 384, at \*35, \*43, \*50 (T.T.A.B. Sept. 12, 2005) (not precedential) (despite availability of other colors, red, used to designate non-working weapons used for training purposes, was deemed functional because common usage had established red as the color that signaled that a weapon was not real and there were too few other bright colors that would work as well as a visual cue); *Texaco Inc. v. Pennzoil-Quaker State Co.*, Opposition No. 91120520, 2004 TTAB LEXIS 397, at \*21–22 (T.T.A.B. May 28, 2004) (not precedential) (Although

In sum, whether or not there is a patent, the Board places a heavy burden on the applicant to present persuasive evidence that alternatives exist, that there are more than a few, and that those alternatives are equivalent, or better, than the applicant's design. Even with such evidence, the applicant is unlikely to overcome the weight of the evidence of functionality presented by a utility patent. Without such evidence, the Board is likely to conclude that the design is functional, even if no patent exists and there is no advertising touting the advantages of the product.

*d. Evidence that the Design Is Comparatively Cheap or Simple to Manufacture*

The fourth *Morton-Norwich* factor, which considers the relative cost and simplicity of manufacturing the applicant's product, appears to be treated as the least important of the four factors in recent cases. In some cases,<sup>587</sup> the Board has not addressed this factor at all, and in others,<sup>588</sup> it has found that there is simply insufficient evidence regarding this factor and that it remains neutral in the overall analysis.

Even in those cases where there is some evidence that the plaintiff's product is either more expensive or more difficult to manufacture, the Board has downplayed the significance of this factor. For example, in *In re The Kong*

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the Board recognized that the law gives more leeway for packaging and container design than for product design, it held that the clear color was functional where applicant sought to register it in relation to motor oil containers, in part based on the limited alternatives available, i.e. opaque containers, and the advantages touted in advertising).

<sup>587</sup> *E.g.*, *In re Tash*, Nos. 76577156, 76577157, 2008 TTAB LEXIS 101 (T.T.A.B. Apr. 18, 2008); *In re Howard Leight Indus. LLC*, 80 U.S.P.Q.2d (BNA) 1507 (T.T.A.B. 2006); *In re Baby Bjorn AB*, No. 75751554, 2004 TTAB LEXIS 666 (T.T.A.B. Nov. 18, 2004).

<sup>588</sup> *E.g.*, *In re Gratnell's Ltd.*, No. 78450327, 2009 TTAB LEXIS 187, at \*9 (T.T.A.B. Apr. 9, 2009); *Am. Flange & Mfg Co. v. Rieke Corp.*, 80 U.S.P.Q.2d (BNA) 1397, 1409, 1410 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d 1127 (T.T.A.B. 2009); *In re Richemont Int'l, S.A.*, Nos. 76413051, 76413157, 2006 TTAB LEXIS 251, at \*41–42 (T.T.A.B. June 22, 2006); *In re Udor U.S.A. Inc.*, 89 U.S.P.Q.2d (BNA) 1978, 1985 (T.T.A.B. 2009) (evidence of relative cost of manufacturing is conclusory); *In re Elevator Safety Co.*, Nos. 76507505 et al., 2007 TTAB LEXIS 501, at \*30–32 (T.T.A.B. Feb. 21, 2007) (applicant's vice president statement that he is not aware that product is simpler or easier to manufacture than others was not enough to establish non-functionality); *cf. In re Bose Corp.*, No. 74734496, 2005 TTAB LEXIS 293, at \*30 (T.T.A.B. July 12, 2005), *aff'd*, 476 F.3d 1331 (Fed. Cir. 2007) (examiner's reliance on statement in patent that configuration is "relatively easy and inexpensive to manufacture" considered sufficient evidence of functionality on this factor).

*Co.*,<sup>589</sup> the applicant introduced evidence that other pet toys were less, or as costly, as the applicant's product.<sup>590</sup> The Board considered such evidence unpersuasive: "Even if applicant's design is more expensive to manufacture than the ordinary pet toy, the functional advantages of Applicant's product in the area of dental health may very well outweigh any increase in cost."<sup>591</sup> Similarly, in *In re N.V. Organon*,<sup>592</sup> the Board commented in a footnote that

Even if the addition of an orange flavor to applicant's pharmaceuticals adds to the cost of manufacture, such additional cost does not prove that orange flavoring is a non-functional feature of the goods. Indeed, improving the utilitarian features of a product may dictate that the manufacturing process be more expensive or complicated.<sup>593</sup>

Thus, in the overall analysis, the relative cost or simplicity of manufacturing a product does not seem to play an important role in the Board's determinations of functionality.

*e. Viewing the Whole Versus the Parts of a Product*

Consistent with its general reluctance to find a product configuration non-functional, the Board has not been persuaded to find non-functionality simply because some features or aspects of a product's configuration may be arbitrary or incidental. In *In re The Kong Co.*,<sup>594</sup> the Board explained its approach. In that case, the applicant asserted that there were a number of non-

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<sup>589</sup> No. 78259826, 2006 TTAB LEXIS 854 (T.T.A.B. Aug. 2, 2006).

<sup>590</sup> *Id.* at \*22.

<sup>591</sup> *Id.*

<sup>592</sup> 79 U.S.P.Q.2d (BNA) 1639 (T.T.A.B. 2006).

<sup>593</sup> *Id.* at 1651 n.7. See also *In re Woodlink, Ltd.*, No. 78971622, 2009 TTAB LEXIS 507, at \*17 (T.T.A.B. July 17, 2009) (not precedential) ("Even if applicant's design is no more expensive to manufacture than other bird feeders, the functional advantages of applicant's product nonetheless afford applicant a competitive advantage."); *In re Dietrich*, 91 U.S.P.Q.2d (BNA) 1622, 1637 (T.T.A.B. 2009) ("[E]ven if applicant's wheels with this design are more costly to produce, and while a lower manufacturing cost may be indicative of the functionality of a product feature, a higher cost does not detract from the functionality of that feature."); *In re Karsten Mfg Co.*, No. 77170356, 2009 TTAB LEXIS 256, at \*22–23 (T.T.A.B. Apr. 15, 2009) (although evidence that applicant's golf putter is not relatively cheap or simple to manufacture weighs in favor of finding non-functionality, the Board still concludes functionality based on other factors); *American Flange*, 80 U.S.P.Q.2d at 1409 ("If the evidence related to other factors, on balance, indicates that the hexagonal base is functional, the functional advantages may very well outweigh the rather minor increase in cost [of manufacturing the hexagonal base].").

<sup>594</sup> No. 78259826, 2006 TTAB LEXIS 854 (T.T.A.B. Aug. 2, 2006).

functional, arbitrary elements to the configuration of its dog toy, including the shape of the rubberized element, the position of the rope, and the number and placement of the grooves.<sup>595</sup> The Board considered those features “incidental and of little importance in determining whether the mark is functional overall.”<sup>596</sup> The Board reasoned:

The reason for this rule is self evident—the right to copy better working designs would, in due course, be stripped of all meaning if overall functional designs were accorded trademark protection because they included a few arbitrary and nonfunctional features.<sup>597</sup>

Similarly, in *In re Elevator Safety Co.*,<sup>598</sup> the applicant asserted that the examiner had erred in finding its product configuration functional because she had dissected the configuration into its parts rather than considering functionality based on the overall configuration.<sup>599</sup> The Board disagreed, stating that before a design can be considered registrable, the entire configuration must be non-functional.<sup>600</sup> In this case, the Board concluded:

The configurations are by their nature functional because the designs bring the functional features together and the configurations retain the functional aspects of their parts. They are, in the end, only the sum of their parts, inasmuch as the various patents of record show the way in which the parts are put together and interact.<sup>601</sup>

The Board thus seems less willing than some courts<sup>602</sup> to consider whether a configuration of useful features may be non-functional when arranged in an arbitrary or ornamental manner.

This reluctance to find a design non-functional even if part of the design is non-functional is most dramatically seen in *American Flange & Manufacturing*,<sup>603</sup> where the Board considered only two features of the applicant’s drum cap

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<sup>595</sup> *Id.* at \*14.

<sup>596</sup> *Id.* at \*15.

<sup>597</sup> *Id.*; accord *In re Tash*, Nos. 76577156, 76577157, 2008 TTAB LEXIS 101, at \*11 (T.T.A.B. Apr. 18, 2008) (“Where the evidence shows that the overall design is functional however, the inclusion of a few arbitrary or otherwise nonfunctional features in the design will not change the result.”).

<sup>598</sup> *In re Elevator Safety Co.*, Nos. 76507505 et al., 2007 TTAB LEXIS 501 (T.T.A.B. Feb. 21, 2007) (not precedential).

<sup>599</sup> *Id.* at \*27–28.

<sup>600</sup> *Id.*

<sup>601</sup> *Id.* at \*27.

<sup>602</sup> See *supra* note 506.

<sup>603</sup> *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 U.S.P.Q.2d (BNA) 1397 (T.T.A.B. 2006), *withdrawn and superseded on reargument*, 90 U.S.P.Q.2d (BNA) 1127 (T.T.A.B. 2009).

or plug: the hexagonal shaped base and the butterfly shaped handle.<sup>604</sup> The Board found that the butterfly shaped handle was non-functional but despite this fact, it still found that the device's overall configuration was functional because the hexagonal shaped base was functional.<sup>605</sup> That is, even where there are only two features, the functionality of one feature will outweigh the non-functionality of the other in an overall functionality determination.

*f. Board Findings of Non-Functionality: Two Cases*

As the discussion above reveals, the Board has generally upheld refusals to register on the basis of functionality. Relying heavily on the *Morton-Norwich* factors, in particular evidence of a utility patent, the Board has in almost every case found that the configuration of a useful product is functional and non-registrable. In recent years, there have been only two clear cases<sup>606</sup> where the Board has found that the configuration of a product is non-functional.

In *Triforest Enterprises, Inc. v. Nalge Nunc International Corp.*,<sup>607</sup> the applicant sought to register the overall shape of a plastic water bottle, sold as an empty bottle, not as a container for another product.<sup>608</sup> The bottle was transparent, cylindrical in shape with rounded “shoulders,” a narrow neck, a screw cap, and a flat bottom.<sup>609</sup> The opposer, a competitor of the applicant, claimed that the shape was functional.

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<sup>604</sup> *Id.* at 1404.

<sup>605</sup> *Id.* at 1411. The Board suggested that if the applicant had sought registration of just the butterfly-shaped handle alone, the result could have been different, but seeking registration of the two features together correctly resulted in a finding of non-registrability. *Id.*

<sup>606</sup> In *American Flange*, the Board did conclude that one feature of the applicant's product was non-functional—the butterfly-shaped handle on its plug. The Board found no relevant patent, no advertising touting the handle's advantages, no indication that the shape was easier or less expensive to make, and “numerous alternative designs which would work equally well . . . .” *Id.* at 1409–11. Despite finding this feature non-functional, however, the Board went on to conclude that the overall configuration, that is, the combination of the butterfly shaped handle and the hexagonal shaped base, was functional and non-registrable. See *supra* notes 603–605 and accompanying text. In *Duramax Marine LLC v. R.W. Fernstrum & Co.*, 80 U.S.P.Q.2d (BNA) 1780 (T.T.A.B. 2006), the Board concluded that a two-dimensional drawing of a useful product could not be held to be functional where the registration was for the actual drawing and not for the three-dimensional shape of the product itself. *Id.* at 1793. Thus, *Duramax* cannot be considered a decision finding a product configuration itself to be non-functional.

<sup>607</sup> Opposition No. 91165809, 2008 TTAB LEXIS 578 (T.T.A.B. Jan. 31, 2008) (not precedential).

<sup>608</sup> *Id.* at \*1.

<sup>609</sup> *Id.* at \*1–2.

In an opinion that does not even cite *TrafFix* but merely relies on the *Morton-Norwich* factors, the Board rejected the opposer's claim of functionality. On the first factor, the evidence of utility patents, the Board found that the patents the opposer submitted as evidence were not relevant as they related to products that were not plastic water bottles.<sup>610</sup> There was also no evidence of any touting of the bottle shape's utilitarian advantages by the applicant. With respect to the third factor, the Board found that "the record is replete with evidence of alternative designs. . . . [W]hile each incorporates some of the features of applicant's bottle design, there are still other features which give each design an overall look that is different from applicant's design."<sup>611</sup> Regarding the fourth factor, the Board found that the opposer had not submitted any evidence that the applicant's design was cheaper or easier to manufacture, but rather that there was evidence that the bottle was more expensive and complicated to make than alternative designs.<sup>612</sup> Without further analysis, the Board, after this somewhat cursory review of the *Morton-Norwich* factors, concluded that the design was not functional and dismissed the opposition.<sup>613</sup>

This decision is troubling for a number of reasons. First, it is troubling that the Board did not cite *TrafFix* or *Valu Engineering*, nor did it engage in any in-depth analysis of the policy implications of its decision to allow this shape to be registered. Secondly, it is troubling because the Board did not give any weight to evidence that the shape of the bottle was one that had been commonly used by others in the marketplace for a long time, evidence that might suggest a competitive need for such a shape. Moreover, the Board found unpersuasive the fact that the applicant's own president had testified as to the many utilitarian advantages of its bottle configuration.

Although the decision may be explained away as a case of poor lawyering,<sup>614</sup> it is illustrative of the dangers that are presented by a principle that allows for registration and protection of product configurations. It seems quite absurd that a company would be entitled to stop others from copying the useful configuration of a water bottle already prevalent in the marketplace, merely because that company is the first to seek registration and where others, such as the op-

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<sup>610</sup> *Id.* at \*2.

<sup>611</sup> *Id.* at \*19.

<sup>612</sup> *Id.* at \*20.

<sup>613</sup> *Triforest Enters., Inc. v. Nalge Nunc Int'l Corp.*, Opposition No. 91165809, 2008 TTAB LEXIS 578, at \*20–21 (T.T.A.B. Jan. 31, 2008) (not precedential).

<sup>614</sup> Apparently, the opposer had failed to raise lack of acquired distinctiveness as a basis for denying registration, an argument that might have been more successful, given the fact that the shape was commonly used by others in the market. *Id.* at \*21.

poser in this case, are unable to come forward with sufficient evidence under the *Morton-Norwich* factors to block registration. If there is no patent and no advertising which touts the advantages, it may theoretically be very difficult for the opposer (or an examiner) to come forward with evidence proving there are not any suitable alternatives, and that the applicant's configuration is cheaper and easier to make than those alternatives. The fact that in most of the cases before it, the Board has had a patent to rely on, or advertising to point to in support of finding functionality, does not mitigate the risks presented by cases such as *Triforest*, where there was no such evidence on those first two factors to make a persuasive case for functionality. Given how little attention is ordinarily paid to the fourth factor, this means that in some cases, only the third factor, the availability of alternative designs, will be determinative of the result. Since that factor is the one that the Supreme Court identified as not essential to a determination of functionality, it seems ironic that for registration purposes, it will carry the most weight in cases where there is no pertinent utility patent.

This was demonstrated even more recently in *In re Brayco Products, Ltd.*,<sup>615</sup> a case involving a flashlight configuration. The design claimed as trade dress was “an elongated oval light casing having one end featuring a similarly formed transparent window for covering an array of lights beneath the transparent window.”<sup>616</sup> There were no relevant patents, the advertising did not tout the advantages of the specific features of the configuration, and there was no evidence that the applicant's design was less costly or easier to manufacture.<sup>617</sup> In reversing the examiner, the Board seemed particularly interested in the wide range of alternative flashlight designs, introduced into evidence by the applicant, none of which used an elliptical cylindrical shape like the applicant's. On the basis of this evidence, the Board concluded that “the elongated oval design applicant seeks to register does not appear to be essential to competition,”<sup>618</sup> and thus reversed the examiner's refusal to register based on functionality.<sup>619</sup>

### 3. Summary of Recent Developments

As we have seen, the federal courts have not followed one consistent path in determinations of functionality. Although they quote the test from *Traf-Fix* for the definition of functionality, some courts apply a narrower test than

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<sup>615</sup> No. 77296052, 2009 TTAB LEXIS 666 (T.T.A.B. Nov. 16, 2009).

<sup>616</sup> *Id.* at \*2.

<sup>617</sup> *Id.* at \*4, \*6–7, \*10–11.

<sup>618</sup> *Id.* at \*10.

<sup>619</sup> *Id.* at \*11–12.



*TrafFix* suggests. Some courts continue to rely on evidence of alternative designs to determine functionality despite the language in *TrafFix* suggesting that such evidence is not relevant for that purpose; other courts adhere to the *TrafFix* admonitions against relying on such evidence. Moreover, *TrafFix* has caused courts to engage in difficult interpretations of the scope of patents in order to determine whether such patents present persuasive evidence of a particular design's functionality.

In the Federal Circuit and at the TTAB, there tends to be one consistent approach, but that approach does not appear to follow the one suggested by the Supreme Court. The TTAB, in light of the Federal Circuit's opinion in *Valu Engineering*, continues to use the four factors set out in 1982 in the *Morton-Norwich* decision, including the factor which requires an examination of alternative designs as part of the functionality determination. Although the Board has almost always refused to register product designs when functionality has been asserted either by an examiner or an opposer, the *Nalge* and *Brayco* cases indicate that there is still some risk that where there is no utility patent or advertising which touts the advantages of a particular design, the Board may allow registration simply on the basis of evidence of alternative designs—evidence that the Supreme Court has considered irrelevant to a determination of functionality.<sup>620</sup>

For the reasons discussed in the next section, this is an undesirable result in almost all cases. The Board and the courts should either follow *TrafFix* more strictly, or Congress should act to eliminate the risks inherent in allowing for protection of the design of useful products.

#### IV. WHERE DO WE GO FROM HERE?

In the years following, there has been much scholarly debate over the *TrafFix* decision, what it means and whether it was the correct ruling. Some have argued that *TrafFix* was a radical departure from prior law and a serious mistake;<sup>621</sup> others believe that it simply muddied the waters and did not really

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<sup>620</sup> See *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33–34 (2001).

<sup>621</sup> For example, Professor Thurmon argues for a return to the competitive necessity test for functionality, i.e., that a design should be considered functional only if it is necessary for competitors to copy that design in order to compete effectively. If adequate alternative designs exist, then he would allow for full protection of that design in the interest of preventing consumer confusion. He believes that the requirement of distinctiveness will limit the potential number of product designs that receive such protection, but that once a design is proven to be distinctive, it should be protected to prevent consumer confusion. He also rejects the idea that patent law and its policies will be undermined if parties can receive protection for

mean what it said.<sup>622</sup> Others believe it was a step in the right direction but did not go far enough.<sup>623</sup>

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product designs that are not eligible for protection under patent law because trademark law differs sufficiently. Trademark law provides more limited protection than patent law and Thurmon finds it highly unlikely that an inventor would seek a trademark instead of a patent in order to obtain longer, but less extensive, protection. Thus, he sees no reason to deny trademark protection in order to preserve the patent system. Thurmon, *supra* note 16, at 341–62. Instead, Thurmon’s preferred solution would be to use a strict competitive need definition of functionality to filter out unprotectable designs as a first step, though he recognizes that most designs will be treated as non-functional under this test. He would then allow a defendant to assert as an affirmative defense that all that was copied were functional elements of that product design, which would result in no liability as long as the defendant has taken steps so that its product will not be confused with the plaintiff’s product.

The problem with this approach is acknowledged in part by Professor Thurmon himself. *Id.* at 368–70. It will result in the registration of most product designs, resulting in more litigation over these issues. Moreover, it will lead to complex and expensive litigation. The courts will have to determine functionality not once, but twice—first, as part of the plaintiff’s prima facie case for protection and then again as an affirmative defense. Thurmon admits that these are problems with his proposal, but because he believes that granting protection to product design is necessary to reduce the risks of consumer confusion, these are costs he believes to be worth incurring. He prefers that only the designs that are truly necessary for effective competition be denied potential trademark protection.

See also Berger, *supra* note 16, at 402–04 (competitive need approach to functionality asserted to be superior to the approach adopted in *TrafFix*); Clegg, *supra* note 16, at 307–12 (*TrafFix* criticized for narrowing the availability of trade dress protection for products; author proposes a “traderight” which would expand trade dress protection). See generally Amir H. Khoury, *Three-Dimensional Objects as Marks: Does a “Dark Shadow” Loom over Trademark Theory?*, 26 CARDOZO ARTS & ENT. L.J. 335 (2008) (author argues in favor of broad protection of three-dimensional objects as trademarks in order to prevent confusion in the marketplace).

<sup>622</sup> One author argues that the Court should clarify the standard by defining it to treat only those features that would put a competitor at a significant competitive disadvantage as functional. That author would allow evidence of alternative designs as one type of evidence that could be considered to establish this standard. See Palladino, *supra* note 14, at 1237–39. This position seems to contradict *TrafFix*, which clearly limited the “significant competitive disadvantage” test to cases of aesthetic functionality. It also would narrow substantially the definition of functionality, giving far more protection to the designers of useful products, a policy direction which the Supreme Court seems to be opposing and which this author also opposes.

Another author argues that *TrafFix* may have made the doctrine of functionality “more opaque.” Weinberg, *supra* note 16, at 5. Professor Weinberg believes that if courts cannot rely on evidence of alternative designs as part of the functionality determination, they “will be deprived of their best tool” for doing so. *Id.* at 6. Professor Weinberg asserts that functionality should be determined based on economic theory and consumer demand for the product’s features. He argues that evidence of alternative designs may be the best available evidence to make that determination because it helps to determine whether and why a particular product configuration may be more desirable to consumers than others based on cost,

What all these scholars assume, however, is that protection of a useful product's overall configuration is appropriate in at least some cases. I would suggest a different, more radical view. Perhaps it is time to return to the law as it was in the late 19th and early 20th centuries, when the overall configuration of a useful product was not considered to be protected against copying as long as the copier did something to prevent consumer confusion, whether by adding some distinctive marking or simply labeling the product with its own name.<sup>624</sup>

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utility, aesthetics, and other factors. *Id.* at 27–35. He reasons that if demand indicates that consumers desire a particular design feature for its utility or aesthetics, one may infer that there are not sufficient alternative designs to compete with that particular design, and therefore it should be considered functional. Weinberg states that, “*TrafFix* represents a missed opportunity to simplify and clarify the doctrine and to provide useful guidance for its application. Instead, *TrafFix* may make matters worse by, among other things, adding to the doctrine's ambiguity and complexity, and by apparently limiting the use of evidence of alternative design features as the fulcrum for deciding functionality cases.” *Id.* at 37–38.

Professor Weinberg agrees that the policy in favor of the public right to copy outweighs the concerns with consumer confusion, but he also believes that some design features should still be protected under the Lanham Act. *Id.* at 40. He argues that the best way to strike this balance is with a broad definition of functionality that includes both useful and aesthetic features that are important to consumers, as demonstrated by the fact that there are few, or no suitable alternative design choices.

*See also* Halaby, *supra* note 17, at 172–74 (*TrafFix* rule criticized as difficult to apply). This author proposes a definition of functionality based on consumer demand: a feature is functional if it is a feature a consumer desires for any reason—utilitarian or aesthetic—other than source identification. *Id.* at 182–90. Such a test would lead to far wider protection of product configurations and is thus contrary to the policies identified in *TrafFix* and to the point of view asserted in this article.

*See also* McCormick, *supra* note 16 at 573–75 (*TrafFix* test is unclear; courts should instead use a definition of functionality which focuses on whether the product will operate properly without the feature for which protection is sought, or whether that feature allows the product to be made at a lower cost or improves the operation of the product).

<sup>623</sup> Professor Barrett argues that *TrafFix* represents a return to the position reflected in the *Sears-Compro-Bonito Boats* line of cases, where the law was primarily concerned with preserving the public's right to copy any product not protected by patent or copyright law. Professor Barrett sees the Court as extending that reasoning beyond state trade dress protection law to federal trade dress protection, meaning that product designs should not get either state or federal protection for the useful designs of useful products. *See* Barrett, *supra* note 145, at 136–58. She suggests, however, that the Court's willingness to use the “important ingredient in the commercial success” test for aesthetic functionality conflicts with this goal, as that test would undermine the design patent laws and prevent free copying of some product designs. *Id.* at 145–46.

<sup>624</sup> Although Professor Thurmon suggests a different approach to resolving these issues and prefers to protect product design in order to reduce the occurrences of consumer confusion, he recognizes that this approach was once the law and incorporates part of that approach into his proposed resolution. That is, he recognizes that the law can allow a defendant to copy as

Adopting such an approach would eliminate the conflict with patent law and the confusion created by the functionality doctrine. As long as the copier took adequate steps to prevent passing off, there would be no reason to be concerned with consumer confusion. Moreover, this approach would eliminate some of the problems created as a result of the *Walmart* case, where courts now get entangled in determinations of whether a product's design has acquired sufficient distinctiveness to be protectable.

Some may respond to this suggestion as being too far-fetched for Congress to consider, given the more recent history which has been more generous in granting protection to the overall shape of products.<sup>625</sup> Others will suggest that denying all protection to product configurations will lead to chaos and confusion in the marketplace regardless of any labeling or disclosures used by copiers. There is, however, historical precedent for this approach as well as good policy reasons to do it.<sup>626</sup> There is also an analogous model to refer to for reassurance that the world will not come to an end if we adopt this approach. That model can be found in the treatment of terms that lose their trademark significance and become generic, as well as the treatment of terms that begin as generic and take on secondary meaning, but are nonetheless denied trademark protection on the theory of “de facto secondary meaning.”

For example, in the famous case involving the mark “Aspirin,”<sup>627</sup> the court found that the term had become generic among the consumer segment of the population who had no alternative identifying term, but that it retained trademark significance among pharmacists and doctors who knew the chemical name for the drug, acetylsalicylic acid.<sup>628</sup> The court concluded that the plaintiff could not prevent others from using “aspirin” in selling the drug to the general public, but that when sold to pharmacists, it would still be necessary to use some

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long as steps are taken to prevent consumer confusion. See Thurmon, *supra* note 16, at 366–67.

<sup>625</sup> Recent legislative action by Congress, including two amendments to the Lanham Act incorporating functionality provisions, seems to indicate that it appears to favor at least some protection to product design. See Trademark Amendments Act of 1999, 113 Stat. 218, 220 (1999) (placing the functionality burden of proof in actions brought under section 43 (a) on the plaintiff); Trademark Law Treaty Implementation Act, 112 Stat. 3064 (1998) (adding functionality as grounds for rejection of trademark applications, for oppositions, and for cancellation proceedings). See also Thurmon, *supra* note 16, at 357 n.550.

<sup>626</sup> See Glynn S. Lunney, Jr., *The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principal Register*, 51 HASTINGS L.J. 1131 (2000).

<sup>627</sup> Bayer Co., Inc. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921).

<sup>628</sup> *Id.* at 514–15.

other term to distinguish the plaintiff's product from those of others.<sup>629</sup> Similarly, in the *Thermos* case,<sup>630</sup> while the court concluded that the term "thermos" had largely lost its trademark significance and could be used by competitors, those competitors could not use a capital T or the words "genuine" or "original" in identifying their vacuum bottles, and they had to use their own company name to distinguish their products from those of the plaintiff.<sup>631</sup> As such, the courts have clearly concluded that the right to copy—in these cases, a word, not a product configuration—outweighs the risk of confusion, as long as some steps are taken by copiers to reduce confusion. Certainly the public's interest in copying useful products is at least as important as the public's right to use certain words.

The "de facto secondary meaning" cases illustrate this even more dramatically. In those cases, even though a term is recognized to have taken on meaning as a source identifier, courts have insisted that such terms remain available for competitors to use despite the risks of possible consumer confusion. For example, in *America Online, Inc. v. AT&T Corp.*,<sup>632</sup> the plaintiff tried to claim trademark rights in the phrase "You Have Mail."<sup>633</sup> The court refused to grant such protection, even though the plaintiff presented evidence showing that some segment of the public associated that phrase with the its online services.<sup>634</sup> The court reasoned:

AOL's evidence of association may establish what is called "*de facto* secondary meaning," but such secondary meaning does not entitle AOL to exclude others from a functional use of the words. Stated otherwise, the repeated use of ordinary words functioning within the heartland of their ordinary meaning, and not distinctively, cannot give AOL a proprietary right over those words, even if an association develops between the words and AOL.<sup>635</sup>

Similarly, in *Miller Brewing Co. v. G. Heileman Brewing Co., Inc.*,<sup>636</sup> the court refused to find the term "Lite" protectable despite evidence of secondary meaning because the word was considered generic in its origins.<sup>637</sup> In cases such as these, the courts have obviously again weighed the risks of public con-

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<sup>629</sup> *Id.* at 515–16.

<sup>630</sup> *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577 (2d Cir. 1963).

<sup>631</sup> *Id.* at 581.

<sup>632</sup> 243 F.3d. 812 (4th Cir. 2001).

<sup>633</sup> *Id.* at 814.

<sup>634</sup> *Id.* at 822–23.

<sup>635</sup> *Id.* at 822 (citation omitted).

<sup>636</sup> 561 F.2d 75 (7th Cir. 1977).

<sup>637</sup> *Id.* at 77, 81.

fusion against the need for a competitor's access to common words and found the latter interest to be more important, despite the potential for confusion among purchasers. That same competitor access concern is at least as pressing when it comes to the design of useful products. Consumers as well as competitors have a great interest in having multiple producers of goods, especially utilitarian goods.

In fact, this concept of genericism has been applied to product configurations in a number of cases as a basis for denying protection, either as an alternative to, or in conjunction with, a functionality analysis. The Second Circuit's decision in *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*,<sup>638</sup> is often cited as the first case discussing this notion of generic trade dress. In that case, the plaintiff sought trade dress protection for greeting cards which were made from glossy photographs, die-cut to the shape of the images.<sup>639</sup> The court refused to find that trade dress protectable, describing it as a generalized idea.<sup>640</sup> The court further observed that "the fact that a trade dress is composed exclusively of commonly used or *functional* elements might suggest that that dress should be regarded as unprotectable or 'generic,' to avoid tying up a product or marketing idea."<sup>641</sup> A few months later, the Second Circuit returned to this concept in *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*,<sup>642</sup> where the court used the genericism idea in the context of determining the distinctiveness of the plaintiff's makeup compacts.<sup>643</sup> The court observed that "where it is the custom in a particular industry to package products in a similar manner, a trade dress done in that style is likely to be generic."<sup>644</sup>

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<sup>638</sup> 58 F.3d 27 (2d Cir. 1995).

<sup>639</sup> *Id.* at 29.

<sup>640</sup> *Id.* at 33.

<sup>641</sup> *Id.* at 32 (emphasis added).

<sup>642</sup> 65 F.3d 1063 (2d Cir. 1995).

<sup>643</sup> *Id.* at 1069–70.

<sup>644</sup> *Id.* See also *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 638 (6th Cir. 2002) (stating as dicta that generic product configurations are not protectable as trade dress because "no designer should have a monopoly on designs regarded by the public as the basic form of a particular item"); *Yurman Design, Inc. v. Paj, Inc.*, 262 F.3d 101, 115 (2d Cir. 2001); *New Colt Holding Corp. v. RJG Holdings of Fla., Inc.*, 312 F. Supp. 2d 195, 210 (D. Conn. 2004) (shape of handgun is generic after being used by others for many years); *Big Island Candies, Inc. v. Cookie Corner*, 269 F. Supp. 2d 1236, 1247 (D. Haw. 2003) (shape of cookie is generic and not protectable, as it is nothing more than "a nondistinctive combination of a few basic, common design elements").

More recently, the court in *Walker & Zanger, Inc. v. Paragon Industries, Inc.*,<sup>645</sup> summarized the case law on generic trade dress as falling into three categories:

- (1) if the definition of a product design is overbroad or too generalized;
- (2) if a product design is the basic form of a type of product; or
- (3) if the product design is so common in the industry that it cannot be said to identify a particular source.<sup>646</sup>

The court concluded that the design of decorative tiles which the plaintiff sought to protect as its trade dress was generic for all three reasons: the claim was overly broad, portions of the trade dress were basic to tile design, and plaintiff's design was commonly used by others in the tile industry.<sup>647</sup>

Thus, the interest in public access to certain product designs, like the interest in public access to certain common words, has been considered to outweigh the interest in preventing confusion through the doctrine of genericism, just as it has in cases where the product design is considered functional. Before a court or the TTAB can resolve whether a particular product design is or is not protectable as trade dress, however, they must address all the complexities raised by the functionality doctrine, not to mention the complexities raised by determining genericism and distinctiveness. Given the important public policies at stake in preventing the monopolization of the designs of useful products, this seems like an inappropriate approach to the problem. Courts and consumers would be better off with a bright line rule that simply prevented anyone from obtaining exclusive rights to the design of a useful product except through the provisions of the patent and copyright laws. If a producer wants to protect against consumer confusion and passing off, courts should be able to remedy those concerns by requiring adequate disclosure by competitors who wish to copy that product design. There is no need to prohibit the copying of the design itself, as the Supreme Court recognized long ago in *Sears and Compco*.<sup>648</sup>

## V. CONCLUSION

It is now almost ten years since the *TrafFix* decision was handed down, and in the last five years, the courts and the TTAB have continued to struggle

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<sup>645</sup> 549 F. Supp. 2d 1168 (N.D. Cal. 2007).

<sup>646</sup> *Id.* at 1174.

<sup>647</sup> *Id.* at 1176.

<sup>648</sup> See *supra* notes 127–141 and accompanying text.

with that decision and the doctrine of functionality. There are, however, a few important observations that can be culled from the more recent case law.

First, it is extremely difficult to obtain registration of the overall configuration of a useful product. The TTAB continues to apply the four point *Morton-Norwich* test for determining functionality, including evidence of design alternatives, despite the language in *TrafFix* which asserts that such evidence is not pertinent to determinations of functionality. In applying the *Morton-Norwich* test, however, the TTAB has taken a very strict approach and has refused to find a product design to be non-functional in almost every registration case, even though the burden of establishing functionality rests with the examiner or the opposer. The TTAB has also adopted the underlying reluctance to protect product configuration trade dress reflected in *TrafFix*, although not following strictly its language. Thus, a producer attempting to register the overall configuration of its product is not likely to succeed.

Most product configuration trade dress will be protected, if at all, under section 43(a) of the Lanham Act through litigation in the federal courts. As discussed above, the federal courts are not following one consistent path in determinations of functionality, differing in their treatment of patent evidence and evidence of alternative designs, and how they even define functionality. Some courts define it very broadly to reach any design that serves a purpose; some courts at the other end of the spectrum define it quite narrowly to cover only configurations that are the best design of that product. Some courts fall in between, defining functionality based on whether the plaintiff's design is one of a few possible options available to competitors. Many have not been able to be decided on a summary judgment basis, meaning that many cases will need to go to trial to be resolved. This lack of clarity is costly to producers. More importantly, it is costly to consumers who will ultimately bear the burden of this litigation in the prices they pay for products.

Society's interest in obtaining the best goods at the lowest cost is being hampered by the doctrine of functionality and the potential protection afforded to the design of useful products. Consumers and competitors would be much better off in a world where there was no trade dress protection for product designs. Patent law and copyright law provide adequate incentives to promote the creation of useful and aesthetically pleasing products, and the concern with consumer confusion can be best dealt with by labeling and disclosure requirements.

It is time to return to the approach followed for many years before the twists and turns in trade dress law that began in the 1970s. Congress should amend the Lanham Act to prevent registration and protection of the configuration of useful products.