

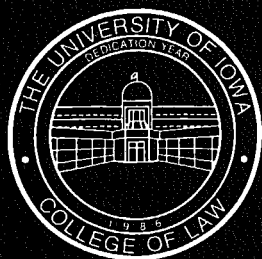
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The Death of Ontology: A Teleological Approach to Trademark Law

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The Death of Ontology:
A Teleological Approach
to Trademark Law

GRAEME B. DINWOODIE

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*Graeme B. Dinwoodie**

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INTRODUCTION

We live in an age of abundant symbolism, which generates a glut of meaning: meaning is everywhere, and everything has meaning.¹ Meaning is constructed not only from verbal communication, but also from sensory experience, personal conduct and physical surroundings.² And postmodern scholars tell us that meaning is contingent; it is individuated, contextualized, and unconstrained by the illusory crutches of shared idiom and common understanding.³ What then is trademark law, the law that governs symbolic meaning in the marketplace, to make of this contemporary perspective? This Article contends that, in order to regulate effectively the present-day marketplace, trademark law must recognize the limitless sources of meaning; it must confront the postmodern reality that meaning arises from context and experience rather than from the intrinsic essence of matter.⁴

This proposition may, to the traditional trademark scholar, appear dangerously indeterminate and unconfined. But this Article

1. See Richard Elliott & Kritsadarat Wattanasuwan, *Brands as Symbolic Resources For the Construction of Identity*, 17 INT'L J. ADVER. 131, 133 (1998) (noting the "symbol-rich" nature of our environment and the role of those symbols in creating meaning); see also JOHN B. THOMPSON, *THE MEDIA AND MODERNITY: A SOCIAL THEORY OF THE MEDIA* 216 (1995) (commenting that in our contemporary media culture we may be experiencing "symbolic overload"); cf. Charles C. Mann, *Who Will Own Your Next Good Idea*, ATLANTIC MONTHLY, Sept. 1998, at 73-76 (reporting musings of Princeton University historian Robert Darnton on whether, despite a greater number of information outlets, contemporary society is any more "meaning-saturated" than eighteenth century France).

2. See DAVID HARVEY, *THE CONDITION OF POSTMODERNITY: AN ENQUIRY INTO THE ORIGINS OF SOCIAL CHANGE* 49-51 (1989) (discussing participants in the creation of meaning).

3. See Elliott & Wattanasuwan, *supra* note 1, at 139.

4. Defining "postmodernism" is difficult because the label encompasses a diverse set of theories across a broad range of intellectual disciplines. Moreover, as Raphael Sassower has noted, "[P]roviding a definition goes against the postmodern grain because it pretends to capture a moment that is too fleeting to catch." RAPHAEL SASSOWER, *CULTURAL COLLISIONS: POSTMODERN TECHNOSCIENCE* 29 (1995). For a general discussion of postmodern thinking, see JEAN-FRANÇOIS LYOTARD, *THE POSTMODERN CONDITION: A REPORT ON KNOWLEDGE* (Geoff Bennington & Brian Massumi trans., Univ. of Minn. Press 1984) (1979); *A POSTMODERN READER* (Joseph Natoli & Linda Hutcheson eds., 1993). For current purposes, it is important that postmodern theorists typically extract rules and meaning from specific contexts rather than by appeal to intrinsic, overarching, determinable truths. See HARVEY, *supra* note 2, at 44-45; CHARLES RUSSELL, *POETS, PROPHETS AND REVOLUTIONARIES: THE LITERARY AVANT-GARDE FROM RIMBAUD THROUGH POSTMODERNISM* 245 (1985) (noting postmodernist disinclination to conceive metaphoric systems that transcend social reality).

also affirms the limited nature of trademark protection. Trademark law regulates only a particular form of meaning. It deals merely with symbols that identify the source of a product and distinguish that product from others,⁵ and it extends such symbols protection solely against confusing imitation.⁶ This restricted scope of protection enables courts to prevent consumer confusion—trademark's primary purpose—without interfering unduly with the economic climate of free competition.⁷

Historically, the ability of trademark law to obviate consumer confusion without impeding competition was also assisted by restricting the types of symbols to which it would readily accord the fullest protection.⁸ Words and two-dimensional pictorial images, which are the most common types of trademark subject-matter,⁹ generally possess characteristics that facilitate compliance with trademark's intended limits. Most importantly, their appropriation by a single producer does not affect the capacity of others to produce competing goods. Protecting the right of a solitary producer to label a personal computer with the word "APPLE" or the picture of an apple does not unduly restrict competitors from manufacturing a rival product. It is perhaps unsurprising, therefore, that trademark law traditionally privileged the source-identifying capacity of these classes of subject-matter, and circumscribed protection of other classes such as product color or design features that do not share those comforting characteristics.

Besides, this approach arguably reflected a generalized truth about the respective capacity of words and non-verbal subject-matter to bear meaning for consumers. Words, it was assumed, best identified the source of products, and this assumption may have (for some period of time) been largely consonant with reality.¹⁰ But making these generalized assumptions about the proficiency of particular classes of subject-matter to convey meaning is under attack.

5. See 15 U.S.C. § 1127 (1994) (defining a trademark as "includ[ing] any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods").

6. Trademarks, whether registered or unregistered, afford their owner the right to prevent others from using an identical or similar mark that is likely to cause confusion among consumers. See 15 U.S.C. § 1114 (1994) (registered marks); 15 U.S.C. § 1125(a) (1994) (unregistered marks).

7. See *infra* text accompanying notes 74-78.

8. See *infra* text accompanying notes 86-97 (discussing competitive effect of protecting words).

9. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. g (1995).

10. See *id.* § 16, cmt. b

The very use of generalized assumptions has been challenged as a matter of philosophical theory, and current social observation suggests that the communicative predominance of linguistic matter is eroding.¹¹ Postmodern thought challenges the notion that meaning is determined by overarching truths, and instead exalts the theory that individuated meaning ensues from particular contexts.¹² And our semiotic senses are in a state of tumult. Society is becoming more visual, and less lexical.¹³ Members of Generation X¹⁴ discard unwanted digital documents by clicking on an icon of a trash-can rather than by typing "delete" or "erase." Moreover, this trend is likely only to increase as the pressures of global commerce and technological advances reduce the barriers of distance and difference.¹⁵ While languages divide, other (non-linguistic) forms of sym-

11. See *infra* text accompanying notes 118-21.

12. See HARVEY, *supra* note 2, at 44-45.

13. See *infra* notes 118-19 and accompanying text (discussing psychological studies). These characterizations are not mutually exclusive. Text registers predominantly not through the unitary sensation of sight but through the serial cognitive association of the letters or numbers of which it is comprised. But even text may make a visual impression on a reader. One can, for example, visually discern from a paragraph of text whether the given paragraph is relatively short or long. A sentence portrayed in a gothic typeface may be understood textually through reading, and the gothic nature of its pictorial representation might visually induce independent meaning, or meaning that supplements or modifies the reader's textual comprehension. See BRYAN MAGEE, *CONFESSIONS OF A PHILOSOPHER* 108 (1997) (discussing dual dimension of a completed mathematical proof). Susanne Langer captured these differences nicely in her distinction between discursive (*i.e.*, lexical) and presentational (*i.e.*, visual) forms. See SUSANNE K. LANGER, *PHILOSOPHY IN A NEW KEY: A STUDY IN THE SYMBOLISM OF REASON, RITE, AND ART* 94-97 (2d ed. 1951). Thus, my juxtaposition of the terms "visual" and "lexical" should not be taken to reject the notion that even textual symbols may exhibit a visual dimension.

14. The term "Generation X" was first used by novelist Douglas Coupland, see DOUGLAS COUPLAND, *GENERATION X: TALES FOR AN ACCELERATED CULTURE* (1991), and is commonly understood as describing the generation born between 1964 and 1979. Later writers have identified this group instead by their common social experience, and by the cultural mores and tastes that are fueled by this experience. These latter writers focus, in particular, on the media-awareness of Generation X, which reflects the strongly visual dimension to the lives of "Xers." See, *e.g.*, ROB OWEN, *GEN X TV: THE BRADY BUNCH TO MELROSE PLACE* 5 (1997) (reporting the comment of an advertising critic that "[G]eneration X, if it does have one thing in common through no fault of its own, is the most sophisticated viewer of film ever. As a consequence, advertisers are under pressure to up the ante in terms of visuals in advertising. . . ."); *id.* at 7 (quoting television executive's comment that "[i]n the educational experience of Generation X and the people coming up behind them, everything has a visual element . . .").

15. It is no accident that most international symbols are largely non-verbal. See DOW JONES CORP., *THE GRAY SHEET* 3 (Aug. 18, 1997) (reporting proposals of the International Organization for Standardization to work for the adoption of standard

bols might possess homogenizing capacities¹⁶ that producers may exploit.¹⁷

In this social context, a broad array of non-traditional symbols are increasingly apt to serve as trademarks (or, as nonverbal matter is called, "trade dress") by identifying a product's source.¹⁸ Trademark protection based upon a symbol's ontological classification as a word, picture, shape, packaging, design, color, or smell, is estranged from reality—whether reality is uncovered by abstract philosophical discourse or more concrete empirical observation of late twentieth century experience. Because protecting source-identifying symbols in the marketplace is the very *raison d'être* of trademark law, it would be an abdication of responsibility for trademark law to repudiate that presently-constituted and more deeply understood reality. More particularly, it would countenance significant competitive costs that flow from permitting the creation of consumer confusion.¹⁹

visual symbols that transcend language).

16. It is questionable whether such homogenization can be induced or controlled by producers alone. Indeed, certain current marketing strategies appear to heed this postmodern lesson. See *infra* note 174 (discussing "weak" advertising).

17. Some scholars have acknowledged our expanded sensory universe but suggested that senses other than the visual are ascendant in contemporary culture. See, e.g., CONSTANCE CLASSEN ET AL., *AROMA: THE CULTURAL HISTORY OF SMELL* 203-05 (1994) (suggesting that smell could be the dominant sense of postmodernity); cf. Bernard J. Hibbitts, *Making Sense of Metaphors: Visuality, Aurality, and the Reconfiguration of American Legal Discourse*, 16 *CARDOZO L. REV.* 229, 231 (1994) (noting turn from "metaphoric visuality towards metaphoric aurality" in recent American legal discourse); see generally Lionel Bently, *Introduction in LAW AND THE SENSES: SENSATIONAL JURISPRUDENCE* 1-17 (Lionel Bently & Leo Flynn eds., 1996) (discussing conflicting views of ocularcentrism). Such arguments do not, however, detract from the general proposition that an approach based upon the primacy of words does not fit well with contemporary society. Nor is the rise of other senses such as smell inconsistent with a concomitant increase in societal use of visual symbols.

18. See *infra* note 58. Trademark protection for non-verbal identifications of source such as product design features is, for historical reasons, typically described as "trade dress" protection; but there is no longer any substantive difference between the terms, see 1 J. THOMAS MCCARTHY, *TRADEMARK AND UNFAIR COMPETITION LAW* § 7.25 (4th ed. 1997), and I use the terms interchangeably throughout this Article.

19. See *infra* text accompanying notes 233-36. The significance of those costs is increasing as the commercial importance of trade dress protection grows. The heightened significance of trade dress law is reflected in several developments. In addition to a burgeoning body of case law, see *infra* note 58 (discussing explosion in number of reported cases), including the two most recent Supreme Court trademark cases, see *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995), trade dress is beginning to attract significant legislative and scholarly attention. Congress is currently considering legislation that would provide the first explicit federal recognition of trade dress protection. See Trade

While recognition of this postmodern reality is thus important and appropriate, it is not without its difficulties. Although nontraditional subject-matter may equally identify a product's source and distinguish it from other products, protecting that nontraditional matter as a trademark may give rise to very different consequences than protecting traditional trademark subject-matter.²⁰ If ontological restrictions upon trademark subject-matter are removed, a new set of limits must prudently be established if trademark protection is not to spawn adverse competitive effects from overprotection.²¹ In this Article, I suggest that such limits can be found by tethering trademark law directly to its limited purposes, and by grounding protection not in over-generalized assumptions, but rather in the real present-day impact of particular symbols in society.²²

I term this strategy a "teleological" approach to trademark law because it would set the contours of protection explicitly by the extent to which the individual symbol in question implicates the affirmative purposes of trademark law, and by whether protection of that particular symbol will offend the limited nature of those purposes.²³ Stated more doctrinally, trademark protection should depend upon whether the particular symbolic matter identifies the source of a product (*i.e.*, whether the matter is "distinctive"), and upon whether protection of the particular symbol would accord the producer a practical monopoly and prevent effective competition by others (*i.e.*, whether the matter is "functional").²⁴ Distinctiveness is a prerequisite for protection, and functionality restricts protection.

Dress Protection Act, H.R. 3163, 105th Cong. (1998). References to the growing body of scholarship in the field permeate this Article. In addition to the many articles found in law reviews and other scholarly journals, trade dress attracts substantial comment and analysis in the latest editions of the leading multi-volume treatises on trademark and unfair competition. See 2 JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE Chs. 7-8 (2d ed. 1997); 1 MCCARTHY, *supra* note 18, Chs. 2 & 7. And two separate treatises are now devoted entirely to trade dress protection. See WILLIAM E. LEVIN, TRADE DRESS PROTECTION (1997); ROBERT C. DORR & CHRISTOPHER C. MUNCH, PROTECTING TRADE DRESS (1993 & 1997 Supp.); see also STEPHEN F. MOHR ET AL., U.S. TRADE DRESS LAW: EXPLORING THE BOUNDARIES (1997).

20. See *infra* Part II (explaining different consequences).

21. See *infra* text accompanying notes 102-07 (discussing the dangers of broad trade dress protection).

22. See *infra* text accompanying notes 170-78 (arguing for constructing limits linked to individualized analysis of real-life effects).

23. See *infra* text accompanying notes 131-69 (outlining the foundational principles of the teleological approach).

24. See *infra* text accompanying notes 170-73 (noting the doctrinal inquiries that implement the teleological philosophy).

Together, and applied with particularity, these inquiries into real-life effects—and not reliance upon generalized assumptions—should set the parameters of what protection trademark law should offer.

I argue further that the Supreme Court is cautiously moving, albeit without any express recognition, toward a similar postmodern vision of marketplace symbols.²⁵ In its most recent trademark opinion, the Court explicitly rejected any ontological limits on the type of matter that it would accept as identifying the source of products for consumers.²⁶ It appears willing to recognize that packaging, design features, colors, sounds and even smells can also accomplish that role.²⁷ In short, the Court too has proclaimed the death of ontology as a primary defining compass for trademark protection, declaring that it is "the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve [the] basic purposes [of trademark protection]."²⁸ The Court's opinion thus represents an incipient version of the teleological model that I espouse.²⁹ This Article explores the teleological model—and its motivating objective of protecting nontraditional matter without restraining competition—through the vehicle of the nontraditional subject-matter generating the most trademark litigation and the most critical thinking, namely, product design features.³⁰

25. See *infra* text accompanying notes 131-88 (discussing recent Supreme Court trademark jurisprudence).

26. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159 (1995).

27. See *Qualitex*, 514 U.S. at 162; see, e.g., *In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1128 (Fed. Cir. 1985) (finding that the pink color of fiberglass insulation served to identify product's source); *In re Clarke*, 17 U.S.P.Q.2d 1238, 1240 (T.T.A.B. 1990) (holding that the scent of thread acted to identify its source); *In re Morton-Norwich Prods.*, 671 F.2d 1332, 1341-42 (C.C.P.A. 1982) (recognizing that shape of spray bottle containing Fantastik® cleaning fluid identified source of products).

28. *Qualitex*, 514 U.S. at 164. As a practical matter, the nature of the subject matter will continue to influence the scope of trademark protection because, for example, at present consumers may be more likely to identify certain products by their brand name than by their design features. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 16, cmt. b (1995). But this is the outcome of applying neutral principles of trademark law to the realities of the marketplace, not the premise for developing discriminatory rules of trademark law.

29. The congruence of the Court's opinion with a teleological approach extends more deeply; indeed, I frame my discussion of the teleological model with an analysis of the Court's two most recent opinions. See *infra* text accompanying notes 131-48.

30. The series of doctrinal mechanisms for subordinating the protection of spatial matter provides a template for the obstacles placed (or being placed) in the way of other ontologically defined categories of source-identifiers, such as packaging, colors,

Part I of the Article briefly traces the developments that led to protection for product design under the federal trademark statute (the Lanham Act).³¹ Thereafter, I make the case for a teleological approach to trademark law in three discrete steps. In Part II, I identify the precise nature of the difficulties presented in protecting product designs under trademark law by examining the disparate characteristics of words and shapes. Laying bare the dissimilarities between words and shapes reveals the challenges that trademark law must meet once it accedes to the reality of ontologically unbounded subject-matter.

Part III seeks to systematize the sundry models through which those challenges may be addressed.³² Here, I develop the basic principles of the teleological model that I propose. It is constructed upon two fundamental principles: the elevation of purposive analysis over doctrinal formulations; and an insistence on ontological neutrality in performing that analysis. It also explicitly recognizes the pro-

sounds, or smells. The discriminatory treatment of spatial matter has been effected successively through a wide variety of doctrinal devices. At different times over the past century, causes of action to restrain the imitation of source-identifying spatial (but not verbal) features have been encumbered by any number of the following: a requirement of fraudulent intent on the part of the defendant because protection was available only under the common law theory of "palming off"; denial of federal registration, thus precluding use of various procedural and evidentiary disadvantages; a requirement that secondary meaning be proven; and, an effective presumption that consumers are less likely to identify a product by its spatial features. For a thorough discussion of the historical basis for these different impediments, see Zechariah Chafee, Jr., *Unfair Competition*, 53 HARV. L. REV. 1289, 1291-1301 (1940) (discussing historical differences between trademark infringement and cause of action for unfair competition or palming off, and noting extension of subject matter that could take advantage of the former, more liberal, cause of action); 1 GILSON, *supra* note 19, ¶¶ 2.10-2.14 (providing current analysis of different trademark subject matter). Other ontologically-defined categories have been subjected to parallel impediments for different but overlapping periods over that same time-span. See 1 GILSON, *supra* note 19, ¶ 2.11 (discussing whether color is a "poor relation" of, or now on "an equal footing" with, the "mainstream" marks). And each ontological category has emerged (or is still emerging) from its term of subordination at its own pace. With some oversimplification, the caste system of traditional trademark law can be described as follows, starting from the most privileged: words, pictorial images, product packaging, product design features, sounds, colors, and smells.

31. 15 U.S.C. §§ 1051-1127 (1994 & 1997 Supp.).

32. Although I derive support for the basic principles of the teleological model in the Supreme Court's recent opinions, that support is not explicit. As a result, lower courts have employed a wide variety of divergent approaches that equally purport to implement the strictures contained in those opinions. I thus also critique these various approaches, and arrange them under two alternative models, which I call the assimilationist model and the categorical model, respectively. See *infra* Parts III.B-C.

competitive nature of trade dress protection.³³ I demonstrate how adherence to these principles generates the individuated, contextualized market analysis that a postmodern vision demands and that permits attention to the concerns identified in Part II.

Finally, in Parts IV and V, I exemplify the operation of the teleological model by applying its lessons to the issue of functionality. Functionality is an ideal—and a crucial—conduit through which to illustrate the potential and effect of the teleological approach. In the Supreme Court's two most recent trade dress decisions, the Court conditioned its willingness to liberalize trademark subject-matter on the existence of the functionality doctrine.³⁴ The doctrine of functionality denies the grant of trade dress rights where protection would significantly hinder competition (because a competitor needs to be able to use the trade dress feature in order to compete effectively) or would undermine the limits of the patent system.³⁵ It is the doctrine that ensures that, as Richard Posner put it, "[t]he first company to make an airplane cannot use the characteristic shape of an airplane as its trademark, thereby condemning its rivals to build airplanes that won't fly."³⁶

Applying the teleological model to various hotly-debated aspects of the functionality doctrine leads me to endorse adoption of a transparent, purposive analysis of "competitive need" as the measure of functionality rather than any single doctrinal formulation. That inquiry, I argue, should be particularized and applied without categorical differentiation between aesthetic and utilitarian features. Moreover, although Supreme Court case law on the preemption of state laws protecting product design does not proscribe federal trade dress rights, it does highlight the need to construct trade dress protection in such a way as to prevent the subversion of the patent system.³⁷ The concern for competition underlying the functionality

33. See *infra* text accompanying notes 185-86. The teleological focus of the model gives rise to secondary principles that are discussed in Part III.A, and illustrated in Parts IV-V.

34. See *infra* text accompanying notes 147 & 88.

35. See *infra* Part IV (describing the history of the doctrine of functionality, explaining recent Supreme Court case law on the doctrine, and articulating a version of the doctrine that implements the teleological model of trademark law).

36. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 339 (7th Cir. 1985).

37. The extent to which patent law might be undermined by unlimited trade dress protection is highlighted by the recent decision of the Court of Appeals for the Federal Circuit to overrule en banc its own precedents and develop its own law (rather than applying the law of regional circuit from which an appeal was taken) on the question of the relationship between patent and trade dress law. See *Midwest*

doctrine compels attention to the integrity of the patent system.³⁸ Thus, the functionality doctrine should reconcile the coequal but competing demands of federal patent and trade dress principles by recognizing, within its four corners, a right to copy design features necessary to practice an expired patent.

I reject, however, the prevailing view that a finding of functionality should foreclose the grant of any relief to a plaintiff producer, finding it insufficiently cognizant of the costs of confusingly similar source-identifying designs in an increasingly visual society. Instead, I propose that courts should explore the possibility of conditioning a defendant's right to copy a functional design on compliance with labeling or other requirements that minimize consumer confusion. Moreover, moderating the consequence for plaintiffs of a finding of functionality should embolden courts to apply a rigorous functionality analysis to a greater range of design features. An ontologically unlimited approach to trademark subject-matter sits well with our postmodern condition; but, in order to avoid over-protection, it must be accompanied by a heightened regard for the policy concerns embodied in the functionality doctrine.

I. THE DEVELOPMENT OF TRADE DRESS PROTECTION FOR PRODUCT DESIGN

In the early years of the Lanham Act, disputes under the Act largely involved producers claiming rights in words and two-dimensional logos that identified the source of their products and distinguished them from the goods of others. Over time, however, the categories of subject-matter protected as trademarks grew to encompass the packaging or receptacles in which products were contained.³⁹ This expansion in subject-matter reflected the realization that consumers had come to identify and distinguish products by their packaging. Consumers clearly identified the carbonated soft drink produced by the Coca-Cola Company as much from the shape of the bottle in which it was contained as by the word COKE® emblazoned on the side of the bottle.⁴⁰ Eventually, this acceptance of

Indus., Inc. v. Karavan Trailers, Inc., 175 F.3d 1356, 1360-61 (Fed. Cir. 1999). The en banc court concluded that "as the sole appellate exponent of patent law principles, [it] should play a leading role in fashioning the rules specifying what patent law does and does not foreclose by way of other legal remedies." *Id.* at 1361.

38. See *infra* text accompanying notes 378-403.

39. See, e.g., *George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532 (2d Cir. 1992) (container); *Eastman Kodak Co. v. Royal-Pioneer Paper Box Mfg.*, 197 F. Supp. 132 (E.D. Pa. 1961) (packaging).

40. See *Coca-Cola Co. v. Alma-Leo USA, Inc.*, 719 F. Supp. 725, 728 (N.D. Ill. 1989).

the growing bases for consumer identification led to the acknowledgment that the source of a product could be identified not only by the packaging in which was contained (for example, the appearance of the box in which the new iMac personal computer is sold) but by the design of a product itself (for example, the very appearance of the iMac personal computer). The first recognition of this development at the federal appellate level came in 1976 from the Eighth Circuit in *Truck Equipment Service Co. v. Fruehauf Corp.*,⁴¹ where the court of appeals affirmed a successful infringement claim predicated upon the appearance of the hopper of a truck acting to identify its source.⁴² In the following two decades, courts have protected as trade dress the design features of an extensive range of products including kitchen appliances,⁴³ sporting equipment,⁴⁴ candies,⁴⁵ bathroom fittings,⁴⁶ sports cars,⁴⁷ giant gumball machines,⁴⁸ furniture,⁴⁹ hardware items,⁵⁰ fashion accessories,⁵¹ lamps,⁵² and even golf holes.⁵³

Recognition that a source-identifying product design could be protected under the Lanham Act against confusingly similar designs

41. 536 F.2d 1210 (8th Cir. 1976).

42. For a brief summary of early efforts to protect product design trade dress under the Lanham Act, see 2 GILSON, *supra* note 19, § 7.02[7][a].

43. See *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 257 (5th Cir. 1997) (Sunbeam® food mixer).

44. See *Callaway Golf Co. v. Golf Clean, Inc.*, 915 F. Supp. 1206, 1209 (M.D. Fla. 1995) (Big Bertha® golf clubs).

45. See *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d (BNA) 1412, 1416 (S.D.N.Y. 1996) (Topps' Ring Pop lollipop).

46. See, e.g., *I.P. Lund Trading v. Kohler Co.*, 11 F. Supp.2d 112, 117-20 (D. Mass. 1998), *rev'd*, 163 F.3d 27 (1st Cir. 1998) (VOLA water faucet); *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 643-44 (7th Cir. 1993) (water faucet).

47. See, e.g., *Ferrari S.P.A. Esercizio v. Roberts*, 944 F.2d 1235, 1247 (6th Cir. 1991) (Daytona Spyder); *Chrysler Corp. v. Silva*, 892 F. Supp. 321, 323 (D. Mass. 1995) (Dodge Viper); see also *Liquid Glass Enters., Inc. v. Porsche AG*, 8 F. Supp.2d 398, 402 (D. N.J. 1998) (trade dress rights in a Porsche 911 conceded).

48. See *Big Top USA, Inc. v. The Wittern Group*, 998 F. Supp. 30, 48 (D. Mass. 1998).

49. See *Imagineering, Inc. v. Van Klassens, Inc.*, 53 F.3d 1260, 1263-64 (Fed. Cir. 1995) (garden furniture).

50. See *P.E. Guerin, Inc. v. Nanz Custom Hardware, Inc.*, 45 U.S.P.Q.2d (BNA) 1524, 1526 (S.D.N.Y. 1997) (custom designed door knobs).

51. See *Sara Lee Corp. v. Am. Leather Prods., No. 97-C4158*, 1998 WL 433764, at *12 (N.D. Ill. Jul. 29, 1998) (Coach® handbags).

52. See *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1172 (11th Cir. 1991) (neo-classical lamps).

53. See *Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F. Supp. 1513, 1539-40 (S.D. Tex. 1996) (Harbour Town 18th hole), *aff'd*, 155 F.3d 526 (5th Cir. 1998).

precipitated an increasingly large number of suits to enjoin product simulation.⁵⁴ Indeed, this activity under the federal trademark statute became an integral part of design protection efforts on the part of many producers, largely because designs received inadequate protection under other intellectual property laws (i.e., copyright and design patent) that would appear at first glance more suited to the protection of designs.⁵⁵ A decade ago, the late Ralph Brown noted that "[i]f the flow of reported decisions is any guide to the pace of activity in the real world, unfair competition law appears to be overtaking both copyright and design patent as a source of protection for designs."⁵⁶ Ten years later, a torrent of cases pursued under the Lanham Act—which embodies both federal unfair competition law⁵⁷ and its sibling regime of trademark—has increased rather than abated.⁵⁸ These developments have, however, caused signifi-

54. See *infra* note 58.

55. See J.H. Reichman, *Design Protection and the New Technologies: The United States Experience in a Transnational Perspective*, 19 U. BALT. L. REV. 6, 86 (1989). The design patent system has never fully fulfilled its more explicit promise to protect designs because of its costly and lengthy registration process and its high thresholds to protection. See David Goldenberg, *The Long and Winding Road: A History of the Fight Over Industrial Design Protection in the United States*, 45 J. COPR. SOC'Y 21, 22-24 (1997). Copyright protection of the design of useful articles is significantly restricted by the requirement that, to be protected, the artistic elements of the design features must be separable from the utilitarian features of the article. See *infra* note 103.

56. Ralph S. Brown, *Design Protection: An Overview*, 34 UCLA L. REV. 1341, 1357 (1987).

57. Unfair competition encompasses more than what is traditionally thought of as trademark infringement. See 1 MCCARTHY, *supra* note 18, § 2.02, at 2-13. However, the substantive rights afforded a registered trademark owner are largely co-extensive with those available to the owner of an unregistered mark bringing an action for unfair competition under section 43(a). See S. REP. NO. 79-1333, at 4 (1946) (commenting on lack of any essential difference between trademark infringement and unfair competition). In the context of product design protection, the applicable substantive principles do not differ significantly as between trademark law and unfair competition law. For a possibly important exception, see *infra* text accompanying notes 393-99 (discussing functionality of incontestable marks).

58. A search of the Westlaw database reveals 13 product design trade dress decisions handed down in the last full year prior to Professor Brown's statement. The same search in 1996 reveals 43 decisions and the number of decisions increased from 18 to 37 in the decade between 1987 and 1997. Search of ALLFEDS database ("Trade Dress" & "Product design" or "Product Feature" or "Product Shape" or "Product Configuration" or "Profile"), March 13, 1998. See also Jay Dratler, Jr., *Trade Dress Protection For Product Configurations: Is There a Conflict With Patent Policy?*, 24 AM. INTEL. PROP. L. ASS'N Q.J. 427, 430-31 (1996) (noting burgeoning trade dress litigation). This trend is also reflected outside the litigation context. Nontraditional marks comprise an increasingly significant portion of new trademarks. See Russell H. Falconer, *Big Future for Nontraditional Marks*, NAT'L L.J., May 18, 1998, at C28

cant problems for trademark and unfair competition law.

II. SHAPES ARE NOT WORDS: THE PROBLEMS PRECIPITATED BY TRADE DRESS PROTECTION FOR PRODUCT DESIGN

Three primary difficulties are raised by the expansion in the subject-matter covered by trademark laws to include product design. First, because product design is potentially protected under other intellectual property regimes, addressing design under trademark law challenges the neatness of the traditional intellectual property paradigms whereby art was protected by copyright, functional inventions under patent, and source-identifiers such as words or slogans under trademark law.⁵⁹ A product's design is art,⁶⁰ it may embody a functional invention; and increasingly it may act as a product's source-identifier. The shape of a classic Ferrari sports car may at once be an artistic work of authorship, embody an aerodynamic advance that enhances a car's acceleration, and serve to inform consumers that the car is made by Ferrari. Trademark law properly deals with product design only in so far as it performs this final role as a source-identifier. But in so doing, it runs the risk of regulating the product as art or as a functional invention, both of which are properly the domain of other intellectual property regimes (specifically, copyright and patent).

Second, the expansion in intellectual property protection that typically accompanies subject-matter moving beyond its traditional regime gives rise to concerns of disrupting the competitive equilibrium carefully embodied in each of the respective regimes. In particular, the patent and copyright statutes contain many detailed limitations and exemptions to balance the rights of creators and inventors, on the one hand, and users and later developers on the other. In contrast, a trademark law that accorded very limited rights against the confusingly similar use of words, of which there are an

(discussing risks and opportunities of nontraditional mark use); see also David W. Dunlap, *What Next? A Fee For Looking?*, N.Y. TIMES, Aug. 27, 1998, at B1 (discussing a wide variety of trademark registrations for the design of famous buildings).

59. These traditional paradigms are themselves challenged as late nineteenth century constructs in a forthcoming work. See BRAD SHERMAN & LIONEL BENTLY, *THE MAKING OF MODERN INTELLECTUAL PROPERTY LAW* (1999) (forthcoming).

60. Cf. Herbert Muschamp, *A Star to Swing On*, N.Y. TIMES, Mar. 19, 1998, at B1, B10 (praising the work of Japanese designer Shiro Kurmata, who "recognized the affinity between minimalist art and industrial design, and . . . questioned the difference between them," and savaging design "careerists" such as Michael Graves or Richard Meier who design for reasons unrelated to the essence of art).

infinite supply, had less occasion to address that balance.⁶¹

Finally, the breakdown in the historical treatment of different categories of subject-matter by different intellectual property regimes has strained analytical concepts developed only with reference to the traditional (and hence dominant) subject-matter of the respective regimes.⁶² Trademark analysis was developed largely to determine the protectability of words and two-dimensional logos; as applied to shapes, that analysis has proven formalistic and unhelpful. As a result of its grounding in the different premises applicable to words, it fails either to reveal the basis for protecting one design but not another, or to reflect the different social and competitive conditions of a society that is increasingly visual rather than lexical.⁶³ This Part of the Article elaborates briefly upon the nature and significance of these three dilemmas, which I call "convergence concerns."

A. CONFLICTS WITH OTHER FORMS OF INTELLECTUAL PROPERTY

A product's design may embody a variety of intangible values protected by different forms of intellectual property. It may be a copyrightable artistic work;⁶⁴ it may comprise a useful invention

61. The scope of trademark rights has been expanded by the grant of protection against "diluting" uses without regard to likely confusion. See *infra* notes 74 & 94 (discussing dilution protection for designs).

62. There has always been some overlap in the forms of protection that might be bestowed upon particular products; the different forms of protection have never been wholly mutually exclusive. The phenomena discussed in this Article are, first, the increase in the degree of overlap and, second, the courts' acceptance of that reality. Copyright in the U.S. initially protected maps, charts and books; trademark law protected "technical trademarks," typically words or two dimensional logos or hallmarks; and patent law protected any "useful art, manufacture, engine, machine, or device, or any improvement therein." Act of Apr. 10, 1790, ch. 7, § 1, 1 Stat. 109, 110. Although the categories of patent subject-matter have remained substantially the same, see Lloyd L. Weinreb, *Copyright For Functional Expression*, 111 HARV. L. REV. 1149, 1180-81 (1998), all major intellectual property protection is now largely unconstrained by subject-matter boundaries: copyright extends to "original works of authorship," 17 U.S.C. § 102(a) (1994), a trademark may consist of "almost anything at all that is capable of carrying meaning," *Qualitex Co. v. Jacobsen Prods.*, 514 U.S. 159, 162 (1995), and "anything under the sun that is made by man" is potentially patentable subject-matter. S. REP. NO. 82-1979, at 5 (1952). For a recent example of an expansionist approach to patentable subject-matter, see *State Street Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368 (Fed. Cir. 1998) (rejecting business method exception to patentability).

63. See *infra* text accompanying notes 118-21 (discussing increased societal comfort with visual imagery and forms of communication).

64. See 17 U.S.C. § 101 (1994) (providing that "pictorial, graphic and sculptural

protectable by an utility patent;⁶⁵ it may represent an ornamental design upon which a design patent is granted;⁶⁶ and, it may provide for consumers the means by which to identify the product and distinguish it from other products (and thus act, and be protected, as a trademark).⁶⁷ Affording a product design these cumulative forms of protection is not, however, self-evident.⁶⁸ Where several intellectual property regimes offer the same protection to the same designs for the same purpose, cumulative protection is pleonastic; and to the extent that differences exist between the available forms of protection, cumulative protection may lead to "regime-shopping" by plaintiffs in search of the most favorable intellectual property scheme. For example, if trademark law offered the equivalent protection to a product design that is provided by a patent, a producer might rationally forego the pursuit of a patent. Trademark rights are available without either the cost and inconvenience of a federal application or satisfying the strict novelty and nonobviousness requirements imposed by patent law, and a trademark (unlike a patent) is potentially perpetual. Yet, the rigors of the patent application process, the strict prerequisites to protection, and the limited duration of patent rights, are each intended to further important public policy objectives, which the producer's resort to trademark law may undermine.⁶⁹ As a result of these potential conflicts, many legal

works" protected by copyright include the design of useful articles to the extent that such design incorporates artistic elements separable from utilitarian aspects of the article).

65. See 35 U.S.C. § 101 (1994) (patent protection available for the invention of new and useful machine or manufacture).

66. See *id.* § 171 (design patent available to protect new, original and ornamental design).

67. See *supra* text accompanying note 5.

68. See Brown, *supra* note 56, at 1402 (arguing that design protection should be available under a *sui generis* regime and nowhere else); Douglas R. Wolf, Note, *The Doctrine of Elections: Has the Need to Choose Been Lost?*, 9 CARDOZO ARTS & ENT. L.J. 439, 466 (1991) (reporting view of Copyright Office legal adviser that intellectual property owners should be forced to choose between systems of protection).

69. Trade dress protection for designs potentially interferes with the integrity of the patent system in several ways. If trade dress rights were available to the design of products upon which a utility patent has expired, those rights may act effectively to extend the term of the patent. See *Qualitex Co. v. Jacobsen Prods.*, 514 U.S. 159, 165 (1995). Trade dress protection for never-patented designs may intrude upon the operation of the utility patent system in additional ways. One purpose underlying the patent system is to promote the disclosure of inventions. See *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979). This goal is served not only by the grant of property rights but also by the principle of patent law that conditions such grants on the public disclosure of prescribed information about the invention so that others may build upon the inventor's achievements. See 35 U.S.C. § 112 (1994) (requiring

systems that offer protection to products under different intellectual property regimes devote substantial attention to avoiding overlap between alternative forms of protection.⁷⁰

As a general rule, however, cumulative legal causes of action to sustain different interests or to secure different relief are not regarded as inherently objectionable.⁷¹ Indeed, under some forms of *res judicata* doctrine, cumulative causes of action seeking the same relief, but brought to vindicate different rights, may even be brought

patent application to describe the invention "in such full, clear, concise, and exact terms as to enable any person skilled in the art . . . to make and use the same"); see also *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 481 (1974) (noting that patent laws impose upon the inventor a requirement of disclosure because the disclosure "it is assumed . . . will stimulate ideas and the eventual development of further significant advances in the art"). Any rival intellectual property regime that offered equivalent benefits to the patentee without the costs of making that information public might tempt the putative patentee to seek that alternative form of protection, thus depriving the public of the full benefits of disclosure. Trade dress protection is available without any registration (and hence without disclosure), and thus would present such a risk if it accorded benefits comparable to those conferred by the grant of a patent. Even with respect to unpatented designs for which producers would not in any event seek the benefit of patent protection (*i.e.*, unpatentable designs), trade dress protection might rupture the integrity of the patent system. Patent protection is available only for inventions that meet the stringent requirements of novelty and nonobviousness, see 35 U.S.C. §§ 102-103; these requirements aim to preserve free public use of ideas in the public domain. See also *Aronson*, 440 U.S. at 262 ("[T]he stringent requirements for patent protection seek to ensure that ideas in the public domain remain there for the use of the public."). If trade dress protection offered equivalent rights to inventions falling below these thresholds, the objectives of the patent system in preserving such subpatentable ideas for common use would be compromised.

70. See Lionel Bently, *Requiem for Registration?: Reflections on the History of the United Kingdom Registered Designs System*, in 1 PERSPECTIVES ON INTELLECTUAL PROPERTY: PREHISTORY AND DEVELOPMENT OF INTELLECTUAL PROPERTY SYSTEMS 4, n.16 (Alison Firth ed., 1996) (noting that concerns about overlap have dominated the development of U.K. design law). When Title II to the Copyright Bill of 1976, which was not enacted, proposed a new form of *sui generis* protection for designs, careful provision was made with respect to the interface between the different forms of protection—design protection, design patent protection, and copyright protection—and to the noncumulation of those forms of protection. See Goldenberg, *supra* note 55, at 49 (summarizing the provisions). Interestingly, however, nothing in Title II would have affected the availability of trademark protection or state unfair competition protection. See *id.* Congress clearly envisaged that anti-copying rights for subpatentable (albeit only ornamental) designs could co-exist with trademark protection. Later bills would have permitted cumulation of all forms of protection. See Brown, *supra* note 56, at 1397.

71. See Susan Rogers Finnernan, *Knowing Silence of Nonentrepreneurial Information Is Not Sporting*, 59 ALB. L. REV. 511, 522-23 (1995) (discussing cumulative causes of action based upon misrepresentation).

serially without fear of the second action being barred.⁷² The argument for cumulative intellectual property protection has historically been less problematic, therefore, with rights that protect a different set of properties against different conduct for a different purpose (even if the result is protection against the same conduct).⁷³

Protection for designs under the Lanham Act serves a different purpose, and is more narrowly tailored, than copyright or patent protection.⁷⁴ Copyright and patent laws offer designs, as such, pro-

72. See, e.g., *Sawyer v. First City Fin. Corp.*, 177 Cal. Rptr. 398, 402 (1981) (following primary rights test); RESTATEMENT (SECOND) OF JUDGMENTS § 24 cmt. a (1982) (discussing alternative tests); see also RESTATEMENT (SECOND) OF TORTS § 899 cmt. b (1979) ("An act and its consequences may both be a tort and a breach of contract."). Under res judicata rules followed in federal courts, claims that arise out of the same transaction ordinarily must be brought together. See *Federated Dept. Stores, Inc. v. Moitie*, 452 U.S. 394, 398 (1981); see also RESTATEMENT (SECOND) OF JUDGMENTS § 24 (1982) (articulating transactional test).

73. See, e.g., *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 637-39 (7th Cir. 1993) (resting conclusion that utility patent and trade dress can co-exist on analysis of different purposes); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir. 1976) (explaining trademark protection that might protect unpatentable matter on grounds that the two laws are directed at a different purpose); *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964) (recognizing serial assertion of patent and cumulative trade dress claims because the "two forms of protection exist independently . . . under different laws and for different reasons"); *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp.2d 127, 134 (D. Mass. 1998) (justifying co-existence of patent and trademark because of their different purposes), *aff'd in part, rev'd in part*, 163 F.3d 27 (1st Cir. 1998).

74. Copyright protection provides an author with the exclusive right to replicate her protected work in derivative markets beyond that in which the work was first marketed. See 17 U.S.C. § 106(2) (1994) (exclusive right of copyright owner to prepare derivative works). In contrast, trademark rights exist only with respect to the products or services upon which they are used. See 1 MCCARTHY, *supra* note 18, § 2.15. The scope of trademark rights has effectively been broadened, however, both by modern notions of infringement that extend to prevent confusing uses of the mark on dissimilar goods and by legislative grants of protection against dilution of a mark's distinctiveness. See Lisa H. Johnston, *Drifting Toward Trademark Rights in Gross*, 85 TRADEMARK REP. 19, 31-32 (1995) (discussing expansion in scope of trademark rights to prevent use by others on different goods); 15 U.S.C. § 1125(c) (West Supp. 1996) (protecting famous marks against dilution without regard to consumer confusion). The former development may be of less consequence for three-dimensional designs of useful products; such designs are unlikely to transcend product type, and thus most product design trade dress infringement claims are leveled against goods of a similar type. *But see* Tom Bell, *Virtual Trade Dress: A Very Real Problem*, 56 MD. L. REV. 384, 398 (1997) (arguing that "trade dress claims can jump across product lines"). Successful assertions of "family trade dress," meaning a line of products with identical source-identifying design features, which might assist such causes of action, are rare. See *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 380 (2d Cir. 1997) (noting enhanced concern for competition where protection is sought for line of products); *Regal Jewelry Co. v. Kingsbridge Int'l Inc.*, 47 U.S.P.Q.2d 1074, 1081 (S.D.N.Y. 1998) (discussing difficulties of establishing family trade dress); Rose

tection against copying or similarity in order to stimulate investment in the creation of designs.⁷⁵ Trademark law prevents the use by a second-comer of designs that are confusingly similar to a design used by a producer to identify its goods and distinguish them

Art Indus., Inc. v. Raymond Geddes & Co., 31 F. Supp.2d 367, 374-76 (D.N.J. 1998) (same). But see *Samara Bros. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 125-26 (2d Cir. 1998) (upholding trade dress in design of line of children's clothing). Dilution protection does, however, significantly fortify the trade dress rights of a design owner because (as regards "famous" designs) it removes the need to prove likely consumer confusion in order to substantiate a Lanham Act claim. See, e.g., *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp.2d 112 (D. Mass. 1998) (dismissing plaintiff's traditional trade dress claim predicated upon likely confusion, but granting injunction based upon federal dilution claim), *rev'd*, 163 F.3d 27 (1st Cir. 1998) (vacating injunction because plaintiff was unlikely to succeed in proving that design was famous); *Nabisco v. PF Brands, Inc.*, 50 F. Supp.2d 188 (S.D.N.Y. 1999) (granting injunction based upon dilution claim but finding no injunction warranted on classic trademark infringement claim), *aff'd*, 1999 WL 672575 (2d Cir. Aug. 31, 1999). This is ironic because dilution protection was traditionally rooted in the need to protect against injurious uses of a mark on dissimilar products. See Milton Handler, *A Personal Note on Trademark and Unfair Competition Law Before the Lanham Act*, 59 LAW & CONTEMP. PROBS. 5, 10-11 (1996). Yet, in the context of product design trade dress, dilution protection is used to circumvent the limited, confusion-based, scope of trademark rights rather than to address the separate evil purportedly targeted by this supplementary form of protection. This observation may highlight the lack of any legitimate need for dilution protection in light of expanded classical notions of infringement; at the very least, it raises questions about the wisdom of dilution protection for product designs. Professor Handler suggests permitting dilution actions only against different products, see *id.* at 11, which would effectively preclude dilution protection for designs. Professor Heald would interpret the federal dilution statute as expressly inapplicable to designs on the basis that to do otherwise would provide unconstitutional de facto perpetual patent protection to non-novel designs. See Paul Heald, *Sunbeam Products, Inc. v. West Bend Co.: Exposing the Malign Application of the Federal Dilution Statute to Product Configurations*, 5 J. INTELL. PROP. L. 415, 427 (1998). Professor Davis forecasts that, because of the gap between classic dilution scenarios and that presented by a product design dilution claim, courts may fill the void by applying "likelihood of dilution" tests that closely approximate those used to determine likely confusion. See Theodore H. Davis, Jr., *Management and Protection of Brand Equity in Product Configurations*, 98 U. ILL. L. REV. 59, 127-28 (1998). Each of these conclusions emphasizes the need to move cautiously before extending dilution protection to designs; the courts, as yet, perhaps with the exception of the Court of Appeals in *I.P. Lund Trading*, do not seem to have received the message. See *infra* note 94 (discussing pending or decided cases under federal dilution statute).

75. See *Aronson v. Quick Point Pencil*, 440 U.S. 257, 262 (1979) ("[P]atent law seeks to foster and reward invention."); *Mazer v. Stein*, 347 U.S. 201, 219 (1954) ("The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'"); *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511, 524 (1871) ("The acts of Congress which authorize the grant of patents for designs were plainly intended to give encouragement to the decorative arts.").

from others.⁷⁶ It is not intended to act as a stimulus to product creation.⁷⁷ This intentionally confined scope of protection—only for source-identifiers and only against the use of confusingly similar marks—is sufficient to implement the limited purposes of trademark law: to protect consumers against confusion as to the source of goods, and to prevent the misappropriation of goodwill attaching to a mark. Unless a mark identifies a producer's goods, there is no goodwill to be appropriated and no consumer will be confused; unless the second-comer's use causes confusion among consumers, there is neither harm to consumers nor misappropriation of goodwill.⁷⁸

If cumulative protection under different intellectual property regimes is permitted, however, it becomes important to address points of conflict and overlap between the rival regimes. The ubiquity of product design has always challenged the autonomy of traditional

76. See *supra* note 6.

77. See *Qualitex Co. v. Jacobson Prods. Inc.*, 514 U.S. 159, 164 (1995) ("It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions."); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157 (1989) ("[T]he focus [of unfair competition law] is on the protection of consumers, not the protection of producers as an incentive to product innovation."). Rather, trademark encourages investment in product differentiation both by inherent quality and other identifying indicia. See *Qualitex*, 514 U.S. at 164 (explaining that by assuring a producer that it and not an imitator will reap the financial, reputation-related rewards associated with a desirable product, trademark law "thereby encourages the production of *quality* products") (emphasis added); see also Carlos A. Primo Braga & Carsten Fink, *The Economic Justification For the Grant of Intellectual Property Rights: Patterns of Convergence and Conflict*, 72 CHI.-KENT L. REV. 439, 440 (1996) ("[T]he basis for [trademark] protection is more often framed in terms of incentives for investments in reputation (quality) rather than innovation per se."). This difference stems in part from the constitutional basis of the patent and copyright legislation, on the one hand, and the trademark statute on the other. Copyright and patent legislation seeks to implement the constitutionally-stated goal of "promoting the progress of science and the useful arts" by offering limited rights to persons to engage in creative and inventive conduct. See *Quality King Distribs. v. L'Anza Research Int'l, Inc.*, 118 S. Ct. 1125, 1133 (1998). The Lanham Act was enacted in exercise of Congressional authority to regulate interstate commerce. See S. REP. NO. 79-1333, at 5 (1946) ("However, trade is no longer local, but is national. Marks used in interstate commerce are properly the subject of Federal regulation."). Earlier efforts to base authority for a trademark statute on the Copyright and Patent Clause were rejected by the Supreme Court. See *The Trademark Cases*, 100 U.S. 82, 93-94 (1879).

78. The purposes of trademark law, as embodied in the Lanham Act, are to "secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774 (1992) (citing *Park 'N' Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985) (internal citations omitted)).

intellectual property paradigms, and thus the Supreme Court has on several occasions dealt with conflicts precipitated by the protection of product designs under different regimes.⁷⁹ Extant Supreme Court case law, however, primarily involves the resolution of conflicts between federal patent law and state laws effectively providing unpatented designs perpetual protection against copying. The Supremacy Clause of the U.S. Constitution⁸⁰ provides a simple, if blunt, method of resolving that conflict: the state law is preempted by the federal if its enforcement would interfere with the accomplishment of the purposes and objectives of the federal law.⁸¹ The Supreme Court has recognized on several occasions that the strict limits imposed by the federal patent system depend upon a backdrop of free competition in unpatented designs, and that state laws according anti-copying protection to such designs thus threaten the integrity of the federal patent system.⁸²

Conflicts between federal Lanham Act protection for designs, on the one hand, and federal copyright or patent protection, on the other, present more complex problems.⁸³ The result in this instance is not expressly prescribed by the Constitution and, in dealing with nominally co-equal federal statutes, might be quite different. Where

79. See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989) (holding a Florida plug molding statute preempted by federal patent law); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964) (finding state unfair competition protection for design of lamps preempted by federal patent law); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964). The Court has, in earlier times, addressed issues of more direct application to intra-federal conflicts. See *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 120 (1938) (brought and argued on the basis of federal common law of unfair competition, but handed down after the decision in *Erie R.R. v. Tompkins*, 304 U.S. 64 (1938)); *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169 (1896) (discussing right to copy design embodied in expired patent, but granting plaintiff limited regulatory relief based upon principles of unfair competition law).

80. See U.S. CONST. art. VI.

81. See *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 479-80 (1974); *Goldstein v. California*, 412 U.S. 546, 561 (1973); see also *Bonito Boats*, 489 U.S. at 152 (noting that "state regulation of intellectual property must yield to the extent that it clashes with the balance struck by Congress in our patent laws").

82. See *Bonito Boats*, 489 U.S. at 151-52.

83. Trade dress law is more frequently thought to conflict with patent law principles, but trade dress protection for copyrightable subject-matter may also implicate fundamental principles or statutory provisions of the copyright law. See *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 32 (2d Cir. 1995) (acknowledging that overextension of trademark law can undermine principles of copyright law); *Leigh v. Warner Bros.*, 10 F. Supp.2d 1371, 1381-82 (S.D. Ga. 1998) (noting the potential for "undermining copyright" by offering trade dress protection to a photograph).

courts are faced with an apparent conflict between two federal laws, they are obliged to interpret the laws in such a way as to give effect to both.⁸⁴ A federal-federal conflict thus calls for greater efforts at reconciling the sometimes conflicting policy objectives and concerns of different intellectual property regimes than does analysis under the Supremacy Clause.⁸⁵

B. THE EXCLUSIONARY NATURE OF PROTECTING DESIGNS

Protecting nontraditional subject-matter such as designs under the trademark laws may also affect the competitive balance reflected in that regime. Affording trademark rights in source-identifying

84. See *Digital Equip Corp. v. Desktop Direct, Inc.*, 511 U.S. 863, 879 (1994).

85. Developing a means of resolving federal-federal disputes is assuming significance beyond the realm of product design trade dress. Almost every state intellectual property cause of action that has been analyzed by the Supreme Court for conflict with a federal law over the past thirty-five years is now being replicated at the federal level, and is thus likely to precipitate a series of intra-federal disputes. Compare *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989) (holding Florida plug molding statute preempted by federal patent law) with *Vessel Hull Design Protection Act*, Pub. L. No., § 105-304, Tit. V, 112 Stat. 2860 (1998) (creating federal protection for design of boat hulls); *Escada v. The Limited*, 810 F. Supp. 571, 574 (S.D.N.Y. 1993) (finding New York dilution statute as applied to potentially patentable perfume bottle design was preempted by federal patent law) with *Sunbeam Prods. Inc. v. West Bend Co.*, 39 U.S.P.Q.2d 1545, 1549 (S.D. Miss. 1996) (upholding product design trade dress dilution claim for shape of food mixer under Federal Trademark Dilution Act of 1995), *aff'd on other grounds*, 123 F.3d 246, 251 (5th Cir. 1997) and *I.P. Lund Trading ApS v. Kohler Co.*, F. Supp.2d 112 (D. Mass. 1998) (same for shape of water faucet), *rev'd*, 163 F.3d 27 (1st Cir. 1998); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964) and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964) (finding state unfair competition protection for design of lamps preempted by federal patent law) with *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991) (protecting form of neoclassical lamps under federal unfair competition law); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974) (finding state trade secret claim based upon contractual obligation not preempted by federal patent law) with *Economic Espionage Act of 1996*, Pub. L. No. 104-294, 110 Stat. 3488 (1996) (codified at 18 U.S.C. §§ 1831-1839 (West Supp. 1996)) (creating federal criminal liability for trade secret misappropriation). See also *Goldstein v. California*, 412 U.S. 546 (1973) (finding California law protecting sound recordings not preempted by federal copyright law); *Sound Recordings Act 1971*, Pub. L. 92-140, 85 Stat. 391 (1971) (providing protection for sound recordings under federal copyright law). To the extent that Supreme Court analysis of the constitutionality of state intellectual property protection has rested not upon the Supremacy Clause but upon the First Amendment, the analysis should not change because the strictures of the First Amendment apply equally to the federal government. Compare *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562 (1977) (concluding that Ohio publicity law was not unconstitutional under First Amendment as applied to the States by the Fourteenth Amendment) with *Marci Hamilton et al., Rights of Publicity: An In-Depth Analysis of the New Legislative Proposals to Congress*, 16 CARDOZO ARTS & ENT. L.J. 209, 209-11 (1998) (discussing current status of proposals for federal publicity statute).

words is minimally intrusive upon the competitive capacities of other producers.⁸⁶ Although contemporary scholarship suggests that trademark rights in words may be exclusionary in expressive and political terms⁸⁷—and that scholarship offers a useful parallel for addressing the similarly exclusionary effect of product design trade dress rights⁸⁸—trademark protection for words occasions only a slight exclusionary effect if measured in competitive terms. The range of words by which to identify (as opposed to describe)⁸⁹ a particular product is infinite, particularly as trademark law generously treats the use of neologisms as source-identifiers,⁹⁰ and thus it is easy to adopt an alternative label for a competing product; the part of the lexical commons that is appropriated by the first producer is very small. The grant of trademark rights in a verbal mark typically does not make it significantly more difficult for a competitor to produce a rival product; restricting the words by which the competitor may identify its product does not limit the ways in which the competitor may design its product.⁹¹ And rarely will a word selected to

86. See *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 657 (7th Cir. 1995) ("Allowing a particular producer to monopolize a [source-identifying] symbol . . . is no burden on competition, the theory goes, because symbols are a dime a dozen."); *Foamation, Inc. v. Wedeward Enters.*, 970 F. Supp. 676, 684 (E.D. Wis. 1997) ("Allowing a particular producer to monopolize a symbol [as permitted by trademark law] is no burden on competition because the product itself can still be produced by another vendor . . ."). But see Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305, 353 (1979) (describing trademark protection as exclusionary).

87. See *infra* notes 113-14 (listing scholars).

88. See *infra* note 115 (noting parallels).

89. To the extent that trademark rights are recognized in descriptive words, the effect on competitors is more significant. Indeed, the denial of trademark protection for terms that are merely descriptive of a product's qualities is often explained on that ground. See *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 609-10 (7th Cir. 1986) ("[Plaintiff] cannot appropriate the English language, and by doing so render a competitor inarticulate."); *In re D.C. Comics, Inc.*, 689 F.2d 1042, 1044 (C.C.P.A. 1982) ("Trademark law has traditionally imposed restrictions on the right to exclude others from using certain 'descriptive' symbols to ensure that the opportunity for all to associate such symbols with their common referents remains unencumbered."). But see Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 500-07 (1997) [hereinafter Dinwoodie, *Reconceptualizing*] (criticizing analysis of descriptiveness in terms of competition).

90. "Coined" marks are treated as highly distinctive and afforded a broad scope of protection. See generally *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976).

91. See *Clorox Co. v. Sterling Winthrop, Inc.* 117 F.3d 50, 56 (2d Cir. 1997) ("[T]rademarks are by their nature non-exclusionary. A trademark, unlike other intellectual property rights, does not confer a legal monopoly on any good or idea; it

identify a product of itself make the product more desirable to consumers.⁹² Finally, the scope of trademark rights excludes only confusingly similar uses of the word by competitors: uses on wholly dissimilar goods may well be noninfringing because they are less likely to cause confusion among consumers.

Although these last two characteristics must be qualified in light of modern merchandising practices, which increasingly treat even verbal trademarks as commodities in and of themselves,⁹³ and the availability of dilution claims,⁹⁴ the non-exclusionary nature of

confers rights to a name only."); see also Jerre B. Swann, *The Configuration Quagmire: Is Protection Anticompetitive or Beneficial to Consumers, and the Need to Synthesize Extremes*, 87 TRADEMARK REP. 253, 257 (1997) ("Because words and packages generally exist separately from goods, and are infinitely variable, their appropriation represents little threat to competition in the underlying products to which they are attached.") (citations omitted).

92. See Swann, *supra* note 91, at 257 (discussing separation of word from product). The distinction between the product being sold and the word mark identifying its source has also served, for some courts, to distinguish words from product design trade dress because in the latter case there is an identity (rather than a distinction) between the source-identifier and the product. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 519 (noting the "schizophrenic existence" of the design trade dress, because it serves both as the product and the identifier). This characteristic, and the analytical problems it precipitates, has also been invoked to draw a conceptual line between packaging and designs. See *id.* at 518-19 (discussing approach of Third Circuit).

93. See Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 397 (1990) (observing that "ideograms that one functioned solely as signals . . . have become products in their own right, valued as indicators of the status, preferences, and aspirations of those who use them."); see also Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 962-63 (1993) (discussing how the law should protect trademarks "when they are pressed into service as separate products").

94. See 15 U.S.C. § 1125(c) (West Supp. 1997); *supra* note 74 (discussing federal dilution law). Although state dilution law causes of action to protect product designs were generally thought to be pre-empted, *cf. Escada v. The Limited, Inc.*, 810 F. Supp. 571, 574 (S.D.N.Y. 1993) (potentially patentable perfume bottle design), several claims have been advanced successfully under the new federal dilution law. See, e.g., *Liquid Glass Enters., Inc. v. Porsche AG*, 8 F. Supp.2d 398, 399-402 (D.N.J. 1998) (trade dress rights in Porsche 911); *Sunbeam Prods. Inc. v. West Bend Co.*, 39 U.S.P.Q.2d 1545, 1549 (S.D. Miss. 1996) (upholding product design trade dress dilution claim for shape of food mixer under Federal Dilution Act 1995), *aff'd on other grounds*, 123 F.3d 246, 251 (5th Cir. 1997); *Nabisco, Inc. v. PF Brands, Inc.*, 50 F. Supp.2d 188 (S.D.N.Y. 1999), *aff'd*, 1999 WL 672575 (2d Cir. Aug. 31, 1999); see also *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp.2d 112 (D. Mass. 1998), (granting injunction), *rev'd* 163 F.3d 27 (1st Cir. 1998). Although the plaintiff in both *Sunbeam* and *Liquid Glass* also prevailed on a classical infringement theory, in *Nabisco* and (before the District Court) in *I.P. Lund Trading*, the defendant's conduct would not have been enjoined absent the availability of a dilution claim. See *Nabisco*, 50 F. Supp.2d at 211; *I.P. Lund Trading*, 11 F. Supp.2d at 124.

traditional trademark rights has forestalled much criticism of anti-competitiveness to which other intellectual property regimes are increasingly subjected.⁹⁵ Aspects of trademark law have episodically attracted adverse comment from a competitive standpoint,⁹⁶ but on the whole trademark protection has withstood such malediction because of its merely incidental effect on the costs and opportunities of production and its more limited scope.⁹⁷

95. A heightened concern with the competitive environment is evident in both legislative and judicial development of intellectual property law in recent years. Particularly as copyright protection extends to highly functional objects such as software, courts are beginning to emphasize the competitiveness rather than incentive aspect of instrumentalist copyright theory in calibrating the scope of protection. See, e.g., *Mitel, Inc. v. Iqtel, Inc.*, 896 F. Supp. 1050, 1055-56 (D. Colo. 1995) (rejecting copyright protection for elements of software that were necessary for defendant to copy in order to have "market accessibility"). Legislative developments that have prompted expressions of concerns regarding effect on competition include the proposed creation of sui generis database rights and proposed sui generis design legislation. See J.H. Reichman & Pamela Samuelson, *Intellectual Property Rights in Data?*, 50 VAND. L. REV. 51, 55-56 (1997) (arguing that proposed database protection legislation would "eliminate competition in the markets for value-added products and services, and convert existing barriers to entry into insuperable legal barriers to entry") (citation omitted); J.H. Reichman, *From Free Riders to Fair Followers: Global Competitiveness and the TRIPS Agreement*, 29 N.Y.U. J. INT'L L. & POL. 11, 19-23 (1997) (identifying pending design proposals in developed countries as examples of over-protection leading to anti-competitive conditions); Brown, *supra* note 56, at 1399 (describing bills protecting industrial design under sui generis regime as "a bald piece of protectionism").

96. The Antitrust Division of the Department of Justice, which now endorses trademark protection as pro-competitive, attacked the Lanham Act prior to its enactment in 1946. See McClure, *supra* note 86, at 333 n.135 (citing statement of representatives from the Antitrust Division). At that time, the competitive effects of trademark protection were still a matter of significant debate, largely reflecting broader disagreements between the Chicago and Harvard Schools of Economics. See generally McClure, *supra* note 86. Such criticism of trademark law as has been advanced on competitiveness grounds has suggested that protection may operate as a barrier to market entry, especially when viewed in the context of the role of advertising in our economy. See *id.* at 307; see also Stephen L. Carter, *The Trouble With Trademark*, 99 YALE L.J. 759, 770 (1990) (arguing that because some marks are better than others, competitors without access to those marks encounter higher information costs and thus barriers to market entry). The enactment in 1995 of federal protection against dilution of the distinctiveness of trademarks can be expected to precipitate competitiveness objections. Indeed, scholars have already noted this inimical potential. See Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 795 (1997) (arguing that dilution protection "pose[s] an anti-competitive threat to market efficiency and consumer welfare"); Heald, *supra* note 74, at 426-27 (criticizing dilution protection for product designs as interference with patent laws); see also *supra* note 74 (discussing dilution protection for product design trade dress).

97. See *supra* text accompanying note 6 (noting confined scope of trademark rights).

Support for trademark law can, however, be stated more positively. By protecting the integrity of consumer understanding, trademark protection affirmatively promotes competitive values.⁹⁸ Safeguarding the reliability of informational short-cuts reduces costs ("search costs") to consumers of becoming informed about the benefits of a particular brand.⁹⁹ From the producer's perspective, by guarding the market identity of a product, trademark law provides incentives to manufacture goods of distinction and consistent quality, secure in the knowledge that efforts to differentiate them from other products will be protected, and that the goodwill flowing from the quality or distinction will not be appropriated.¹⁰⁰ This in turn enhances diversity of product and thus consumer choice. And protecting alternative and distinguishable products, rather than encouraging competition in a single product of every type, arguably assists smaller enterprises; such enterprises might be swamped by larger competitors (or low quality producers) if the only competitive variable were efficiency of plants and distribution networks (or lowering of cost by reductions in quality) rather than different qualities of product.

These same pro-competitive values are furthered by trade dress

98. See *Qualitex Co. v. Jacobsen Prods., Inc.*, 514 U.S. 159, 164 (1995) (noting that trademark law seeks to promote competition by protecting a firm's reputation); *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379 (2d Cir. 1997). For a classical defense of the pro-competitive effects of trademark protection, see Beverly W. Pattishall, *Trademarks and the Monopoly Phobia*, 50 MICH. L. REV. 967 (1952).

99. See *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1429 (7th Cir. 1985) ("By identifying the source of goods, [trademarks] convey valuable information to consumers at lower costs. Easily identified trademarks reduce the costs consumers incur in searching for what they desire, and the lower the costs of search the more competitive the market."); see also Peter E. Mims, *Promotional Goods and the Functionality Doctrine: An Economic Model of Trademarks*, 63 TEX. L. REV. 639, 660 n.109 (1984) ("The state encourages the development of trademarks for their role in lowering 'search' costs for consumers, not for their ability to generate supranormal profits for trademark owners."); William Landes & Richard Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269 (1987) (noting that trademarks obviate the need for consumers to investigate brand attributes because the trademark is "a shorthand way of telling [the consumer] that the attributes are the same as that of the brand [she] enjoyed earlier").

100. See *Qualitex*, 514 U.S. at 164 (noting that, by assuring a producer that it and not an imitator "will reap the financial, reputation-related rewards associated with a desirable product," trademark law thereby encourages the production of quality products); *Park 'N' Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985) (noting that trademarks promote "maintenance of product quality"); *Scandia Down*, 772 F.2d at 1429 ("A trademark also may induce the supplier of goods to make higher quality products and to adhere to a consistent level of quality.").

protection, which subsists under the same statute for the same purposes.¹⁰¹ Nevertheless, in contrast to word marks, product design trade dress rights are more likely to be exclusionary in nature. These rights are more likely to afford protection to something that is in and of itself of value to the consumer. And, perhaps more importantly, it is easier to call a product by another name than to make a product work by another design; the supply of shapes by which to design a particular product is more confined. Consumers may recognize the Sunbeam food mixer by its distinctive configuration; but if Sunbeam obtains trade dress rights in the mixer's design features, those rights may curtail the capacity of competitors to produce a rival food mixer that neatly collects diced vegetables in a round salad bowl ready for serving. If the first manufacturer of a frisbee obtained trademark rights in the aerodynamic shape of that product, rival products might be unable to hover. Where trademark rights are granted in product designs, therefore, the restraints imposed upon a competitor's choice of source-identifier may (unlike word marks) effectively act as a constriction of production choices.¹⁰²

In light of the more limited supply of designs, systems with a primary intent to accord intellectual property protection to spatial features include a range of safeguards to prevent the grant of overbroad rights to a single producer.¹⁰³ Trademark laws do not possess

101. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773 (1992) (noting that trade dress protection serves same purpose as protection of trademarks); *Sunbeam Prods, Inc. v. West Bend Co.*, 123 F.3d 246, 251 (5th Cir. 1997) (noting that "[p]rotection of trade dress, no less than of trademarks serves the [Lanham] Act's purpose" of protecting goodwill and avoiding consumer confusion).

102. See *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 657 (7th Cir. 1995) ("[W]hen competitors are barred from duplicating features whose value to consumers is intrinsic and not exclusively as a signifier of source, competition is unduly hindered.").

103. In the United States, design patents are not available to functional designs. See *Hupp v. Siroflex of Am., Inc.*, 122 F.3d 1456, 1460 (Fed. Cir. 1997). Copyright protection of the design of useful articles is also limited. See 17 U.S.C. § 101 (1994) (design of useful articles protected only if, and to the extent that, artistic features can be identified separately from, and exist independently of, the utilitarian features of the article); see also H.R. REP. No. 94-1476, at 105 (1976) (confirming that copyright in a work portraying a useful article does not extend exclusive rights to manufacture the article itself); see generally Shira Perlmutter, *Conceptual Separability and Copyright in the Designs of Useful Articles*, 37 J. COPR. SOC'Y 339 (1990). *Sui generis* design laws throughout the world contain a range of similar provisions. See Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in the European Union*, 24 AM. INTELL. PROP. ASS'N Q.J. 615, 672-73 (1996) (discussing design laws of the member states of the European Union).

the same built-in safety-valves.¹⁰⁴ In particular, trademark law does not contain pre-fixed temporal limits; unlike copyright law it contains no express exclusion of protection for ideas;¹⁰⁵ and unlike patent law, it does not require the design to achieve any level of creativity or novelty so as to regulate the appropriation of matter in the public domain.¹⁰⁶ The interpretation of trademark protection as pro-competitive or (at worst) benign is largely premised upon the dominant subject-matter of words and two-dimensional pictorial images; reviews of its competitive effect have been increasingly less sanguine as the subject-matter of trademark protection has expanded to protect designs.¹⁰⁷

104. See Reichman, *supra* note 55, at 117 (commenting that trademark law "lacks the limitations and safeguards that positive intellectual property establishes in order to balance the long-term public interest against short-term restraints on trade"); Brown, *supra* note 56, at 1383 (noting with concern that "decisions applying section 43(a) [of the Lanham Act] are free of copyright limits").

105. But see *Leigh v. Warner Bros.*, 10 F. Supp.2d 1371, 1382 (S.D. Ga. 1998) (denying trade dress protection to photograph used as book cover where an expansive application of trademark protection would undermine copyright's exclusion of protection for ideas); see also Dinwoodie, *Reconceptualizing*, *supra* note 89, at 504 n.95 (listing cases where courts have determined distinctiveness by reference to whether the grant of trade dress protection would afford plaintiff rights in ideas).

106. Although distinctiveness is required, originality is neither necessary nor sufficient to meet that standard. See *Canal Co. v. Clark*, 80 U.S. 311, 322 (1871); *The Trademark Cases*, 100 U.S. 82, 94 (1879).

107. Several commentators have expressed concerns about the allegedly anti-competitive effects of expansive product design trade dress protection. See, e.g., Brown, *supra* note 56, at 1378 (describing expansive trade dress protection for product design as "judicially-bestowed freedom from competition"); Johnston, *supra* note 74, at 43 n.117 (arguing that *Two Pesos* substantially limits free competition); J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake*, 59 LAW & CONTEMP. PROB. 45, 64 (1996) (warning that an ill-defined and nebulous law of trade dress can be a potent, anti-competitive weapon with the tendency to overprotect); Willajeanne F. McLean, *Opening Up Another Can of Worms: Protecting Product Configuration as Trade Dress*, 66 U. CIN. L. REV. 119, 140-41 (1997) (suggesting that, after *Two Pesos*, product design trade dress protection may be anticompetitive); John B. Pegram, *The Scope of Industrial Design Protection Under Trademark and Unfair Competition Laws*, 19 U. BALT. L. REV. 333, 348-49 (1989-90) (arguing that "although [an] unlimited term is appropriate for most conventional trademarks, it is doubtful whether an unlimited term is appropriate for industrial design configurations which have a de facto functional aspect . . ."); J.H. Reichman, *Design Protection and the Legislative Agenda*, 55 LAW & CONTEMP. PROB. 281, 281 (1992) (commenting that trade dress protection for designs had produced "increasingly anticompetitive effects"); Anthony E. Dowell, Note, *Trade Dress Protection of Product Designs: Stifling the Progress of Science and the Useful Arts for an Unlimited Time*, 70 NOTRE DAME L. REV. 137, 137 (1994) (arguing that trade dress protection of product designs is anticompetitive); Melissa Gleiberman, Note, *From Fast Food to Fast Cars: Overbroad Protection of Trade Dress under Section 43(a) of the Lanham Act*, 45 STAN. L. REV. 2037, 2071-72 (1993) (arguing that prevailing judicial interpretation risks upsetting the

Yet, as noted above, trade dress protection for product designs offers the same competitive advantages as protection for words.¹⁰⁸ To be sure, product design trade dress protection may stock greater potential to generate anti-competitive consequences, but that should not detract from its fundamentally pro-competitive character when properly confined. All overbroad intellectual property rights represent risks to the competitive environment.¹⁰⁹ The potentially different competitive effect of trademark protection for words and shapes should thus be acknowledged but not overstated. The competitive costs of protection must be balanced with its competitive gains.

C. CLASSICAL TRADEMARK ANALYSIS DOES NOT ACCOMMODATE EVOLUTION IN THE RECEPTION AND CREATION OF MEANING

The final difficulty caused by the expansion of trademark subject-matter to include product design reflects a broader concern stemming from an evolution in the ways that society communicates. The roots of trademark law are firmly planted in the protection afforded words—words that identified a product's source, served no other communicative function, and represented the primary means by which the public received short-form information about the source of goods or services.¹¹⁰ These assumptions have been undermined by a paradox of the late twentieth century: the primacy of words as source-identifiers is eroding¹¹¹ while the broader communicative significance of trademarks is growing.¹¹²

competitive balance found in other intellectual property regimes).

108. See *supra* note 101; see also *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 260 (5th Cir. 1997) ("[T]rade dress protection of the [plaintiff's product design] will not frustrate competition, but will foster it."). But cf. *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1509 (10th Cir. 1995) (arguing that trade dress protection against copying of product "configurations that are significant parts of patented invention is, at best, a peripheral concern of section 43(a) of the Lanham Act").

109. See Hugh Laddie, *Copyright: Over-strength, Over-regulated, Over-rated?* 18 EUR. INTEL. PROP. REV. 253, 253 (1996) ("Each [form of intellectual property] to some extent, . . . distorts trade. If this were all, these monopolies would work against the interests of the public at large. . . . But . . . that monopoly legislation is the end result of a balancing act: is the restraint on competition justified by the benefits which it gives to society at large?").

110. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. b (1995).

111. See *supra* note 58 (discussing increased nontraditional mark use); *supra* note 17 (discussing expansion in sensory universe); *infra* note 118 (discussing psychological studies).

112. This may be less of a paradox than it first appears. One might posit that, as the public exerts greater control over the meaning of word marks, it is perhaps un-

Several commentators have discussed the latter phenomenon, noting the public's increasing use of (initially) non-exclusionary verbal source-identifiers for expressive purposes.¹¹³ Indeed, some postmodern theorists have explained such use as integral to the development of social, personal and political identity.¹¹⁴ As Professor Rochelle Dreyfuss has suggested, the new ways in which trademarks are used in contemporary society—simultaneously to signal and to express—requires the development of principles that prevent an exclusionary effect on expression.¹¹⁵ These principles would par-

surprising that producers would seek to reassert control over the message of their brand symbols by adopting a form of source-identification that is more difficult for the public to appropriate as an independent means of communication. More likely, however, producers seeking to use (or claim) designs as source-identifiers are simply responding to the pressures of functionalist design, the lack of an effective design law, and enhanced consumer attention to visual features. And this final pressure—consumer conduct—may itself be a dominant cause of the development, regardless of producers' intentions.

113. See Rosemary J. Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue*, 69 TEX. L. REV. 1853, 1865-69 (1991) (providing examples of trademarks being used for expressive purposes); Dreyfuss, *supra* note 93, at 398-99 (commenting on "how little the law understands the evocative significance of trademarks"); Kozinski, *supra* note 93, at 972-73 (noting that trademarks "play a significant role in our public discourse [and] provide some of our most vivid metaphors").

114. See Keith Aoki, *How the World Dreams Itself to be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 LOY. L.A. ENT. L.J. 523, 529-32 (1997) (arguing that the repositing of trademarks as consumption objects means that the integration of trademarks with personal identity creates and defines the self); Coombe, *supra* note 113, at 1864 (arguing that the appropriation or recoding of cultural forms is central to the political practices of those in subordinate social groups and those marginal to the centers of cultural production); *id.* at 1859-60 (discussing argument that the self is embedded in, and constituted through, language and shared cultural symbols such as trademarks); see also V.N. VOLOSINOV, *MARXISM AND THE PHILOSOPHY OF LANGUAGE* 13 (Ladislav Matejka & I.R. Titunik trans., 1973) ("The individual consciousness is nurtured on signs; it derives its growth from them . . .") (quoted in Coombe, *supra* note 113, at 1853). For an interesting discussion of the circumstances in which the public has equal or greater interests than the mark owner in keeping the meaning of symbols stable, see Justin Hughes, *"Recoding" Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923 (1999).

115. See Dreyfuss, *supra* note 93, at 418. The approaches suggested by both Professor Dreyfuss and Judge Kozinski offer interesting parallels to the teleological model proposed in this Article. Each requires that trademark law consider the new ways in which marks are functioning in society. See Kozinski, *supra* note 93, at 975 (arguing for the need to consider the communicative functions that marks serve); Dreyfuss, *supra* note 93, at 424 (noting societal changes and proposing a framework to accommodate uses of trademarks in a new climate); *infra* text accompanying notes 170-78 (arguing for focus on whether matter actually operates to serve limited trademark purposes rather than assuming characteristics from nature of subject-

allel the constructs established by traditional trademark law to avoid exclusionary effects on competition, but would clearly be informed by contemporary realities and modern understandings of how trademarks function in society.¹¹⁶

Judge Alex Kozinski has explained that this need for an evolution in trademark law to accommodate broader communicative interests stems from the fact that "in our culture, trademarks are doing all kinds of work they weren't originally meant to do."¹¹⁷ My concern here is the flip-side of that cultural observation, and the first component of the communicative paradox mentioned above: in our culture, a wide range of things are doing what verbal trademarks were originally meant to do. This is a facet of the detextualization of society, and the cause of a third convergence concern. The public, particularly members of Generation X, increasingly uses and understands visual, rather than textual, forms of communication. Information is transmitted, and meaning received, through the use of pictorial and spatial imagery rather than (or, at least, in addition to)

matter). Each stresses that the additional interests generated by these new realities do not compel the mark owner to forfeit all control over the mark, but rather that the countervailing interests must be weighed in the balance with the mark owner's rights. See Kozinski, *supra* note 93, at 975-78 (emphasizing that the expressive nature of trademarks in contemporary society triggers the need to balance the rights of the owner and the public to use the mark, but does not mean that the mark owner should be deprived of all its rights); Dreyfuss, *supra* note 93, at 409-10 (criticizing existing law as absent room to balance mark owner's claim with expressive interests of the public); see also Rochelle Cooper Dreyfuss, *We Are Symbols and Inhabit Symbols, So Should We Be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity*, 20 COLUM.-V.L.A. J.L. & ARTS 123, 141-42 (1996) [hereinafter Dreyfuss, *We Are Symbols*] (rejecting an approach that would allocate value of trademarks to whichever of the audience or the producer "created" it); see *infra* text accompanying notes 444-86 (arguing for a balanced approach to functionality). This will result, no doubt, in case-specific results. See Kozinski, *supra* note 93, at 977 (noting that results of balancing interests of mark owner with expressive interests of the public will be "case-specific"); *infra* text accompanying notes 346-47 (recognizing fact-specific aspects of competitive-need test). But the law must evolve along with the evolution in commercial symbols and in the social functions performed by trademarks. See Kozinski, *supra* note 93, at 977-78. And the different interests at stake must be analyzed "by reference to current reality, not according to rules made up at another time to deal with another reality." *Id.* at 978; see also *infra* text accompanying notes 259-60 (arguing for dynamic analysis to avoid freezing present notions of symbolic behavior as applicable trademark principles).

116. See Dreyfuss, *supra* note 93, at 418 (suggesting the need to "build upon the defenses that trademark law has constructed for the competitive vocabulary a parallel set of principles to protect expressive speech"); see also Kozinski, *supra* note 93, at 977-78.

117. Kozinski, *supra* note 93, at 977.

the lexical form.¹¹⁸ The iconic representation on a computer screen of an hour-glass running dry has come to convey that a function is in progress with greater immediacy to users than any textual update to the effect "please wait."¹¹⁹ Fed by the need to respond to simultaneous global homogeneity and localized diversity, the pressure on producers to cater to this new breed of consumer and to circumvent linguistic and cultural differences within broader target mar-

118. Cf. Bernard Stamler, *Mother Jones Returns to Roots With New Look*, N.Y. TIMES, Aug. 17, 1998, at C7 (reporting views of Jeffrey Klein, founder of Mother Jones magazine, that "there is an emerging next generation . . . but their language is not the same. This generation communicates visually as well as verbally"). Societal comfort with, use of, and comprehension of, non-textual visual symbols has been the subject of attention in other fields of scholarly inquiry. Psychologists, for example, have noted the increased visual dexterity—through exposure, use and reliance on visual rather than linguistic symbols—that has occurred in successive generations over the last two hundred years. This has been precipitated by the advent of the camera, the movies, television and video games, and has been used to explain sociological developments such as increased IQ test scores. See Dolores King, *Reasoning Out Our Rising IQs*, BOSTON GLOBE, Sept. 22, 1997, at C2 (discussing thesis of Ulric Neisser); George Johnson, *Tests Show Nobody's Smart About Intelligence*, N.Y. TIMES, Mar. 1, 1998, at D1, D16 (noting increase in ability to grasp visual patterns as society becomes more visual).

119. This trend toward visual rather than textual communication suggests an increased trademark significance for both two- and three-dimensional designs. Two dimensional pictorial images have, however, long been recognized as trademarks. (The protection of two-dimensional designs implicates convergence concerns to a far lesser extent. In particular, because two dimensional images will rarely constitute functional inventions, recognizing trademark rights in them does not threaten the patent system, and preventing a competitor from using them only barely restricts the competitor's production choices. Indeed, one common understanding of the term "product design" is confined to three dimensional design features. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 474 n.12.) The enhanced social importance of the visual form thus only partly explains the increased importance of three-dimensional design features as source-identifiers. The increased richness, depth and complexity of visual imagery in modern society may also help to explain greater consumer reliance on spatial features. See King, *supra* note 118, at C2 (quoting a Cornell University psychologist's comment that "from pictures on the wall to movies to television to video games to computers, each successive generation has been exposed to far richer optical displays than the one before"). This complexity is reflected most graphically in the increased prevalence of virtual experiences in social, professional and commercial settings. See Peter Warren, *Keeping in Touch with 3rd Dimension: Recent Hologram Discoveries Offer the Advertising Industry a New Vista*, THE SCOTSMAN, Feb. 21, 1999, at 8 (discussing developments in and uses of hologram technology that create the illusion of three dimensional experiences); Cynthia Reynolds, *Everything's Coming Up 3D*, CANADIAN BUSINESS, Dec. 24, 1998, at 121 (discussing migration of 3D technology to personal computers). Thus while the increased number of product design trade dress registrations and infringement suits, see *supra* note 58, may be due in part to opportunistic litigation or business strategy, see *supra* note 112 & *infra* note 395, it is also consistent with—and reflective of—these broader societal developments.

kets promises only to escalate.¹²⁰ These trends are thus likely to increase and non-linguistic communication may assume the status of "International English."¹²¹

But visual communication is different from textual communication. While the visual form may function to identify a product's source and thus equally implicate the purpose of trademark protection, it has a lesser developed idiom, which renders our assessment of it more complex and less intuitive.¹²² And a visual medium may provide less freedom for competitors to deviate from standardized norms, although this may recede as we develop a larger and more refined shared "dictionary" (a "pictionary," perhaps) for visual matter. This is not to say that visual symbols are ineffective tools of communication; indeed, they may in a single symbol communicate more effectively and more precisely than words. It is a truism that, sometimes, a picture is worth a thousand words.¹²³ Rather, because

120. Expanded protection for product design trade dress is also likely to generate conscious efforts by producers to cultivate product design as source-identifiers. Ted Davis has commented that "although institutional procedures aimed at the cultivation and maintenance of brand equity in word marks are commonplace in today's major corporations, equivalents in the trade dress arena are few and far between." Davis, *supra* note 74, at 64. Brand management programs will surely soon routinely extend to product development in order to take advantage of both the increasingly visual consumer and the increasingly receptive courts.

121. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 558-60 (suggesting why producers might seek to use product designs as source-identifiers); see also *supra* note 112 (offering alternative explanations for producer behavior). But see A. Samuel Oddi, *Product Simulation: From Tort to Intellectual Property*, 88 TRADEMARK REP. 101, 113, 121 (1998) (concluding that producers would rarely rely solely upon design as source-identifiers because of posited higher costs of adopting a design mark, but also acknowledging that availability of trade dress protection may cause producers to use distinctive shapes). This trend may be accelerated by the breakdown in geographic boundaries effected by the emergence of Internet communities. See generally Jon Stratton, *Cyberspace and The Globalization of Culture*, in INTERNET CULTURE 271-72 (David Porter ed., 1997) (discussing the values that will form the homogenizing basis for Internet communities); see also Aoki, *supra* note 114, at 525 (noting role of media in constructing a "hegemonic world culture modeled on the rampant consumerism of the United States"); DAVID CRYSTAL, *ENGLISH AS A GLOBAL LANGUAGE* 113-40 (1997) (speculating about the future of English as a global language).

122. See LANGER, *supra* note 13, at 93-96 (arguing that visual forms are just as capable of articulation, i.e., of complex combination, as words, but visual forms have no vocabulary, no "defining dictionary", and no "translating dictionary").

123. See *id.* at 95-96 (suggesting that visual images pack information more densely than text); see also MAGEE, *supra* note 13, at 76-77 (discussing the instant, but complex and all-encompassing, nature of unitary visual experience). Langer suggests that the meaning conveyed by a visual form is in fact more precise and nuanced than that communicated by language. See LANGER, *supra* note 13, at 95 ("[T]o the intelligent eye, an incredible wealth and detail of information is conveyed by the portrait, where we do not have to stop to construe verbal meanings. That is why we

visual symbols pack information and meaning even more intensely into a single unit than words, granting rights in a visual symbol may appropriate to an individual much more of the communicative commons.¹²⁴

Applying to this different social and competitive landscape an analysis premised upon lexical truths may divorce trademark protection from the market realities that warrant its existence. The linguistic metaphor or perspective that illuminates our analysis of words may serve only to constrain or obscure our understanding of shapes.¹²⁵ Yet, as a result of its traditional concentration on words, trademark law consists of many analytical devices designed to ascertain and protect consumer understanding of word marks¹²⁶ (and, moreover, of word marks without substantial expressive significance).¹²⁷ These devices have proved less amenable to evaluating consumer understanding of shapes;¹²⁸ their unmodified application to product design has proven formalistic and has resulted in unreasoned and unpredictable decisions.¹²⁹ This lack of transparency hampers the rational development of product design trade dress protection and thus chills the competitive climate.

use a photograph rather than a description on a passport or in the Rogues' Gallery.").

124. The capacity of a single visual feature to comprise and capture a greater part of the communicative commons represents a further example of the ways in which protecting design features might generate greater exclusionary effects than protecting words. See *supra* text accompanying note 90 (noting that granting rights in words appropriates to a single producer only a small part of the lexical commons).

125. See David Thorburn, *Web of Paradox*, THE AMERICAN PROSPECT, Sept.-Oct. 1998, at 78 (suggesting that the dominant metaphors used to describe our digital experience constrain our understanding and limit our invention).

126. The statute itself is drafted in terms that only easily reflect verbal matter. See Theodore H. Davis, Jr., *Of "Ugly Sticks" and Uglier Case Law: A Comment on the Federal Registration of Functional Designs After Shakespeare v. Silstar Corp. of America*, 51 WASH. & LEE L. REV. 1257, 1293-94 (1994) (noting that with the exception of the definition of "trademark," the Lanham Act's registerability provisions speak in terms "uniquely suited for word marks, but with little apparent applicability to nonverbal designations of origin").

127. Professor Dreyfuss has thus argued that existing trademark models are inadequate because they fail to consider the contemporary expressive role of trademarks, and has suggested the development of principles designed to reflect expressive values. See Dreyfuss, *supra* note 93, at 417-18.

128. To some extent, these problems exist with respect to all visual matter, not just shapes. But the problems are greatest as regards the three dimensional design features of useful articles. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 474 n.12.

129. See *infra* text accompanying notes 190-95 (discussing the unreasoned application of the verbal mark *Abercrombie* test to determine the distinctiveness of product design).

Moreover, such word-bound analysis is unduly static. Although it is still generally true that words possess a preference over shapes as source-identifiers, it is increasingly less absolute. Yet, many courts adhere to, and implement doctrinally, the premise that shapes almost never identify source.¹³⁰ This may at present be largely accurate, but the rigid embedding of social and competitive premises unreflective of new visual realities threatens to make trademark law in those courts wholly unreceptive to evolving social and competitive realities.

III. ADDRESSING CONVERGENCE CONCERNS

Responding to these concerns requires the development of a new analytical model freed from the rooting of trademark law in the unique characteristics of words. In this Part of the Article, I explicate the basic principles of such an emancipated construct, which I term a teleological model of trademark. I also identify and critique various other models now being adopted by courts, and seek thereby to highlight the benefits of the teleological model.

A. A TELEOLOGICAL MODEL: ASSUMING NOTHING

Although the basic principles of the teleological model are driven by the need to accommodate the convergence concerns discussed in Part II, the two most recent trademark opinions of the Supreme Court (*Two Pesos, Inc. v. Taco Cabana*¹³¹ and *Qualitex Co. v. Jacobsen Products, Co.*¹³²) independently suggest an incipient version of a teleological approach. A discussion of those two opinions thus usefully frames an explanation of the teleological model. Although the Court's philosophy remains inchoate, and many concrete questions remain unanswered,¹³³ some of the basic principles

130. Again, a parallel concern exists with respect to trademarks used expressively and not merely to signal. Trademark analysis is largely premised upon the notion that words that act as source-identifiers possess only a signaling function; it thus ignores the expressive function of trademarks. See Dreyfuss, *supra* note 93, at 417-18 (suggesting a defense of "expressive genericity," based upon expressive need, to supplement the notion of "competitive genericity," which is based upon competitive need); see also *infra* note 196 (discussing parallels in context of *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522 (1987)).

131. 505 U.S. 763 (1992).

132. 514 U.S. 159 (1995).

133. See, e.g., Joan L. Dillon, *Two Pesos: More Interesting for What it Does Not Decide*, 83 TRADEMARK REP. 77, 82 (1993) (providing a lengthy list of questions left unanswered by *Two Pesos*); Chad M. Smith, *Undressing Abercrombie: Defining When*

of a teleological jurisprudence can be eked out of these two opinions.

In *Two Pesos*, the defendant argued that non-verbal trade dress (there, the decor and ambiance of a fast-food Mexican restaurant) could be protected as distinctive only upon proof of secondary meaning, i.e., upon proof that consumers in fact had come to identify the product by reference to the trade dress.¹³⁴ It was long-established that word marks could be protected without proof of secondary meaning if they were inherently distinctive.¹³⁵ The Supreme Court rejected the defendant's contention and declined to impose upon non-verbal trade dress a requirement for protection not generally applicable to word marks.¹³⁶ Although this conclusion rested largely upon the lack of any distinction between verbal and nonverbal marks in either the text or legislative history of the Lanham Act,¹³⁷ the Court was influenced by the belief that a secondary meaning requirement would undermine the statutory purposes of preserving goodwill and protecting consumers by making investment in trade dress vulnerable in the early stages of product marketing and distribution.¹³⁸ The court rejected concerns that its liberal approach on eligibility for protection would exhaust a limited number of possible trade dress options, noting that the functionality doctrine (which denies the full benefits of trademark law where protection of the features at issue would place competitors at a significant non-reputation related disadvantage) works against such anti-competitive effects.¹³⁹

Three years later, in *Qualitex*, the Court reaffirmed its expan-

Trade Dress is Inherently Distinctive, 80 J. PAT. & TRADEMARK OFF. SOC'Y 401, 404 (1998) (identifying the question of how to determine inherent distinctiveness as one left open by *Two Pesos*); Michael B. Landau, *Reconciling Qualitex with Two Pesos: Ambiguity and Inconsistency from the Supreme Court*, 3 U.C.L.A. ENT. L. REV. 219, 223 (1996) (commenting that "after *Qualitex*, there are still questions to be answered").

134. See *Two Pesos, Inc. v. Taco Cabana*, 505 U.S. 763, 770-71 (1992).

135. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 (1995) (discussing alternative means of proving distinctiveness).

136. See *Two Pesos*, 505 U.S. at 771.

137. See *id.* at 772-74 (White, J.) (finding no textual basis for distinction either in registration or infringement provisions of statute); *id.* at 785-87 (Thomas, J., concurring) (relying on language of Section 43(a) of the Lanham Act to support conclusion). Justice Stevens relied explicitly on the congruence of generous trade dress protection with the purposes of the statute, rather than upon the original statutory text. See *id.* at 781 (Stevens, J., concurring).

138. See *id.* at 774.

139. See *id.* at 774-75.

sive approach to trademark eligibility, recognizing explicitly that the mere color of a product may be registered as that product's trademark.¹⁴⁰ The Court, in an opinion by Justice Breyer, found support for its conclusion in "both the language of the Act and the basic principles of trademark law."¹⁴¹ The definition of "trademark" in the statute is extremely broad, and if (as the lower courts had found) the green-gold color of plaintiff's dry cleaning products served to identify those products, the ability of competitors to use that color and confuse consumers implicated the fundamental concerns of trademark law.¹⁴² The defendant in *Qualitex* also launched several broad policy-based attacks on the registration of color as a trademark, arguing, among other things, that: protecting color would produce uncertainty because courts would struggle to make determinations of likely confusion between different shades of color;¹⁴³ colors are in limited supply, such that trademark rights in a color would afford a single producer monopoly rights and place competitors at a significant disadvantage;¹⁴⁴ and, earlier Supreme Court cases established that color could not be protected as a trademark.¹⁴⁵

The Court rejected each of these arguments. Courts traditionally decide close questions of likely confusion, and the Supreme Court was confident that they could do so with respect to colors, guided by appropriate legal standards.¹⁴⁶ The Supreme Court was also unconvinced that the mere possibility of colors becoming scarce justified the wholesale exclusion of protection for color; an occasional problem did not warrant a blanket prohibition, and the functionality doctrine was available to address the occasions where that possibility became a reality.¹⁴⁷ Finally, the Court declined to give

140. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 161-62 (1995).

141. *Id.* at 162.

142. See *id.* (discussing language of statute); *id.* at 164 (noting that whether protection of the color serves the basic purposes of trademark law depends upon its source-distinguishing ability).

143. See *id.* at 167.

144. See *id.* at 168-69.

145. See *Qualitex*, 514 U.S. at 170-71.

146. See *id.* at 167; cf. Stephen G. Breyer, *Intellectual Property, Economics and the Law: Recent Developments in the United States Supreme Court*, at 14 (Draft of Aug. 26, 1997) (copy of paper on file with author) (noting that the lower courts will "determine case by case whether the use of a particular mark will, or will not, provide a firm with a competitive advantage beyond the reputation-related advantage that trademark law is designed to secure").

147. See *Qualitex*, 514 U.S. at 168-70.

weight to case law predating the Lanham Act, relying instead on the liberalizing objectives of the statute (and subsequent Congressional endorsement of generous judicial interpretation thereunder) to support a departure from the restrictive case law invoked by the defendant.¹⁴⁸

1. Foundational Principles

a. Purposive Analysis

From these opinions, when infused with a full awareness of the limited purposes of trademark law and of the elasticity of symbolic meaning in a semiotic society, the essential topography of a teleological model can be drawn.¹⁴⁹ Two fundamental principles ground the model. Each is at play in both *Qualitex* and *Two Pesos*. First, demarcation of the boundaries of trademark protection should be substantially informed by the elemental but limited purposes of trademark law. In *Two Pesos*, Justice White filled the textual vacuum of the Lanham Act as regards trade dress with purposive content: the same analysis should apply to both verbal and nonverbal matter because trade dress protection serves the same purpose as trademark protection of words;¹⁵⁰ and a requirement of secondary meaning should not be imposed because to do so would undermine the pro-competitive purposes of the trademark statute.¹⁵¹ Justice Stevens went further and supported the expansion of categories of subject-matter protected under Lanham Act beyond what he viewed as the limited original meaning of the text because such a transformation was consistent with the purposes of the statute.¹⁵²

148. See *id.* at 171-73.

149. All symbols tap into the consciousness and pre-existing biases of the individual recipient of the sign, inducing individuated meaning. See Elliott & Wattanasuwan, *supra* note 1, at 134-35 (noting the variable symbolic meaning that may be ascribed to a product depending upon the extent to which the recipient shares in particular understandings). Trademark law, as a law that seeks to regulate marketplace meanings, is an ideal field in which to afford weight to scholarly analysis of semiotics. The goal of semiotic study is to understand the production of meaning through the investigation of signs and symbols that contribute to and induce that meaning. See Robert E. Innis, *Introduction to SEMIOTICS: AN INTRODUCTORY ANTHOLOGY* vii (Robert E. Innis ed., 1985) (defining semiotics as "the general theory of signs . . . [and] the systematic and 'scientific' study of all those factors that enter into . . . the production and interpretation of signs"); see generally UMBERTO ECO, *A THEORY OF SEMIOTICS* (1977).

150. See *Two Pesos*, 505 U.S. at 773.

151. See *id.* at 774-75.

152. See *id.* at 776, 781-82 (Stevens, J., concurring). Justice Stevens also sup-

Justice Breyer's opinion for the Court in *Qualitex* is similarly dotted with purposive analysis, both as regards the affirmative purposes of the Lanham Act and the limited nature of those purposes. The inclusion of color within the universe of trademark subject-matter was consistent with the language of the statute and with the "basic underlying principles of trademark law";¹⁵³ "the logic" of statutory language that permitted ordinary words to act as trademarks upon acquisition of secondary meaning extended to color;¹⁵⁴ the court could detect no objection to the protection of color in the basic objectives of trademark law;¹⁵⁵ the ontological nature of subject-matter was irrelevant because that was not what permitted the putative mark to serve the purposes of trademark law;¹⁵⁶ protecting color would not in every case exceed the limited purposes for which trademark exists;¹⁵⁷ and, the functionality doctrine is intended to prevent the incidental grant of advantages unrelated to the reputation and recognition purposes of trademark law.¹⁵⁸ Indeed, although Justice Breyer finds room for his conclusion in the language of the statute, it is the congruence of that conclusion with the purposes of trademark protection to which he devotes most analysis and upon which his opinion most forcefully rests.¹⁵⁹

The purpose of protection thus either drives or imbues the

ported expanded trade dress protection on the grounds that Congress had endorsed an expansion of protectable subject-matter in the legislative history to the 1988 Act, *see id.* at 776, 783-84, and because of *stare decisis* concerns generated by the lower courts' long-standing grants of protection. *See id.* at 784. Justice Thomas rested his concurrence on the language of the statute which, he concluded, was sufficiently broad to treat trade dress like verbal trademarks once it was acknowledged that non-verbal matter could in fact serve as a designator of source. *See id.* at 786-87 (Thomas, J., concurring).

153. *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 162 (1995).

154. *Id.* at 171-172. Justice Breyer also found support in the liberal language of the statute itself, but buttressed his literal reading of text with this purposive argument. *See id.* at 162-63 (finding basis for conclusion in language of definition).

155. *See id.* at 163.

156. *See id.* at 164.

157. *See id.* at 164 (discussing functionality as a device to limit trademark law to its purposes and not those of the patent statute).

158. *See id.* at 169.

159. It is also noteworthy that in neither case did the Court announce a necessary doctrinal formulation by which to determine the issues it was discussing. The *Two Pesos* Court declared that non-verbal matter could be inherently distinctive, but offered no "test" of inherent distinctiveness; the *Qualitex* opinion broached a number of formulations for performing the functionality inquiry and only tangentially acknowledged which of those formulations might be accorded primacy. *See infra* text accompanying notes 363-417.

Court's analysis in both cases.¹⁶⁰ Doctrinal alternatives that divorce trademark rights from those purposes are rejected; analysis that implements those purposes is to be favored.¹⁶¹ This may seem unremarkable; viewed most generously, legal doctrine is a means of serving policy objectives underlying the law.¹⁶² Trademark law has become increasingly hostage, however, to purposeless, quasi-mathematical, applications of accumulated doctrine.¹⁶³ Much semantic ritual has become encrusted on the body of trademark law and threatens to prevent the effectuation of those policy objectives.¹⁶⁴ The Court has sent a strong signal countermanding these trends and endorsing a teleological approach.¹⁶⁵

160. See Breyer, *supra* note 146, at 12-14 (discussing role of trademark purposes in deciding *Qualitex*); *id.* at 26 (noting that cases such as *Qualitex* "ask the Court to make 'common law' types of judgments; and to do so, it seems necessary to look to the basic purposes underlying intellectual property law—purposes that are primarily economic in nature").

161. Other courts have indicated support for a less doctrinal approach. See, e.g., *Publications Int'l Ltd. v. Landoll, Inc.*, 164 F.3d 337, 339 (7th Cir. 1998) (suggesting that efforts to define an intuitive concept such as distinctiveness for trade dress might be "futile" and considering instead the affirmative purposes of trademark protection and the policies underlying functionality).

162. Critical scholars might view doctrinal discourse merely as an attempt to cloak the effectuation of ideological or unarticulated policy preferences in neutral language. See William N. Eskridge, Jr. & Gary Peller, *The New Public Law Movement: Moderation as a Postmodern Cultural Form*, 89 MICH. L. REV. 707, 781 (1991) (discussing critical legal studies movement).

163. See Letter from Prof. Milton Handler, Emeritus Professor of Law, Columbia Law School, to leading experts in the trademark field, in 87 TRADEMARK REP. 490, 491 (1997) (discussing the "factorization" of trademark law particularly in infringement analysis, and the adverse effect of approaching fundamental questions of trademark law in a "mathematical fashion"); see also Reply from Jerome Gilson to Prof. Milton Handler, in 87 TRADEMARK REP. 494 (1997) (expressing growing concern about the "increasingly formulaic approach to deciding trademark cases"); *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1431 n.3 (7th Cir. 1985) ("[A]rbitrary, 'suggestive' and the other words in the vocabulary of trademark law may confuse more readily than they illuminate . . . , a caution litigants should take seriously before arguing cases so that everything turns on which word we pick. It is better to analyze trademark cases in terms of the functions of trademarks.") (citation omitted); Frank H. Easterbrook, *Intellectual Property Is Still Property*, 13 HARV. J.L. & PUB. POL'Y 108, 118 (1990) ("[O]ne . . . sees . . . cases slaughtered every day by lawyers who parrot the language of older cases rather than figuring out the functional considerations.").

164. Cf. Daniel M. McClure, *Trademarks and Competition: The Recent History*, 59 LAW & CONTEMP. PROBS. 13, 28 (1996) (noting that "as trademark law matures and as the courts develop precedent interpreting the Lanham Act, established legal doctrines tend to take on a certain sanctity").

165. In the context of the ongoing debate regarding statutory interpretation, see William N. Eskridge, Jr., *The New Textualism*, 37 UCLA L. REV. 621, 640-41 (1990) (summarizing the debate), this approach fits most easily with the philosophy of those

b. Ontological Neutrality

Both Supreme Court opinions also suggest a second fundamental principle, namely, that the parameters of trademark rights should not be determined by ontological classification of the subject-matter comprising the mark.¹⁶⁶ The reason underlying this foundational principle of ontological neutrality is most clearly discernible in the *Qualitex* opinion. The metaphysical essence of a mark does not determine either the mark's propensity to act as a source-identifier (and, thus, its propensity to implicate the basic concerns of trademark law), or the degree of risk that protecting the mark might restrict competition or interfere with the integrity of the patent system.¹⁶⁷ That a mark consists of color tells us little of relevance to trademark law; from that statement we can assume nothing regarding the role that the mark plays for consumers or competitors. The contingent nature of a mark's subject-matter permeates the Court's discussion in *Qualitex*.¹⁶⁸ And this contingent pos-

scholars endorsing dynamic statutory interpretation. See generally William N. Eskridge, Jr., *Dynamic Statutory Interpretation*, 135 U. PA. L. REV. 1479 (1987); William N. Eskridge Jr., & Phillip P. Frickey, *Statutory Interpretation as Practical Reasoning*, 42 STAN. L. REV. 321 (1990). Trademark law is a particularly appropriate subject of such an approach. Critics of dynamic statutory interpretation have decried its willingness to adapt text to modern context as usurpative of democratic values and dismissive of the intended benefits that might flow from legal change lagging social change. See, e.g., Martin H. Redish & Theodore T. Chung, *Democratic Theory and the Death of the Legislative Process: Mourning the Death of Originalism in Statutory Interpretation*, 68 TUL. L. REV. 803, 877 (1994) (expounding upon the benefits of legislative inertia). But trademark protection is intended to mirror the marketplace; it is, therefore, consciously evolutive. Cf. Eskridge, *Dynamic Statutory Interpretation*, *supra*, at 1483 (discussing evolutive perspective). It is driven by functional concerns rather than assertions of absolute right. See Dreyfuss, *We Are Symbols*, *supra* note 115, at 143. And those functional concerns require that it reflect the current market. Like the more careful of those scholars endorsing the dynamic approach, I do place weight upon the fact that my conclusions are plausible readings of the open-ended statutory language. See Eskridge, *Dynamic Interpretation*, *supra*, at 1483. The Court does also. See *supra* text accompanying notes 137 & 141. Justice Stevens in *Two Pesos* provides the only exception to this cautious approach. See *supra* note 137.

166. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 164 (1995); *Two Pesos, Inc. v. Taco Cabana*, 505 U.S. 763, 774 (1992).

167. See *Qualitex*, 514 U.S. at 164 (discussing source-identification); *id.* at 165 (noting risk of exceeding purpose).

168. See, e.g., *Qualitex*, 514 U.S. at 161 ("[S]ometimes, a color will meet ordinary legal trademark requirements. And when it does so, no special legal rule prevents color alone from serving as a trademark.") (emphasis added); *id.* at 165 ("[T]he fact that sometimes color is not essential to a product's use or purpose and does not affect cost or quality . . . indicates that the doctrine of functionality does not create an absolute bar to the use of color alone as a mark.") (emphasis added); *id.* at 166 ("[C]olor alone at least sometimes can meet the basic legal requirements for use as a

ture coheres with a postmodern understanding of symbols in society.¹⁶⁹

2. Corollaries to the Foundational Principles

Recognizing ontological neutrality as the rationale underlying *Qualitex* (and *Two Pesos*) emphasizes the Court's teleological orientation and generates two affirmative corollaries to the foundational principles. These corollaries flow from asking what inquiries *will* inform our understanding of a mark's capacity to effectuate the important but limited purposes of trademark law. The *Qualitex* Court acknowledged that it is distinctiveness, "the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve [the] basic purposes [of trademark protection.]."¹⁷⁰ And it is the concept of functionality that prevents trade dress protection from inhibiting the competition it is intended to promote or frustrating the purpose of the patent law with which it co-exists.¹⁷¹ Modern trademark analysis must therefore focus on the purposes of protection—both what trademark is intended to do (protect source-identification) and what it is not intended to do (impede competition or serve as a surrogate for patent law). Conceptual inquiries directly implementing these limited

trademark.") (emphasis added); *id.* at 168 ("When a color serves as a mark, *normally* alternative colors will *likely* be available for similar use by others . . . If that is not so . . . the doctrine of functionality normally would seem available.") (emphasis added); *id.* at 170 (noting that the functionality doctrine is available "when and if" the circumstances of a particular case threaten color depletion). One writer has noted the "unique stylistic approach" of the Court in *Qualitex*, where Justice Breyer posed a series of rhetorical questions to which the court could not "find an answer." See Gordon R. Shea, "Gathering His Beames With a Christall Glasse": The Intellectual Property Jurisprudence of Stephen G. Breyer, 2 MARQ. INTELL. PROP. L.J. 195, 218 (1998). What is most notable, however, is not the approach in and of itself, but that the court's central holding largely flows from its inability to answer the question of where to draw a line in protectable subject-matter. The indeterminacy of meaning-inducing subject-matter underlying this stylistic approach also contains echoes of postmodern thought. See RUSSELL, *supra* note 4, at 248 (noting the "glorification" of indeterminacy in postmodern writing and art).

169. See Elliott & Wattanasuwan, *supra* note 1, at 134-35 (noting that the meaning of symbols, such as products, is not deterministic and unidirectional, and will vary depending upon the extent to which the individual recipient of the symbol shares in the collective imagination); see also *infra* note 174 (noting recognition by legal scholars). The contingency of meaning is likely only to increase in a society where text is often hypertext. See TOM BEAUDOIN, VIRTUAL FAITH: THE IRREVERENT SPIRITUAL QUEST OF GENERATION X 125-27 (1998) (explaining the capacity of hypertext to disturb assumptions and individuate meaning of scripture).

170. See *Qualitex*, 514 U.S. at 164; see also *Two Pesos*, 505 U.S. at 772.

171. See *Qualitex*, 514 U.S. at 164; see also *Two Pesos*, 505 U.S. at 774-75.

purposes of trademark set the parameters of protection. The positive parameter is set through the distinctiveness requirement, imposed without detailed guidance by the statutory definition of trademark;¹⁷² the negative parameter is set by the judicially developed doctrine of functionality.¹⁷³

A second corollary flows from the rejection of ontological primacy and dovetails neatly with an understanding of the *telos* of trademark law in a postmodern era. Trademark law concerns the meaning of symbols to consumers.¹⁷⁴ In a world that empowers the recipients as well as the senders of symbolic messages and where meaning is derived from social context rather than the intrinsic essence of matter, it is appropriate that the parameters of trademark protection should be set by analysis that is both contextual and individualized.¹⁷⁵ The operative principles of trademark law seek to

172. See 15 U.S.C. § 1127 (1994); see also *id.* § 1052 (authorizing registration of marks "by which the goods of the applicant may be distinguished from the goods of others").

173. See *Qualitex*, 514 U.S. at 169. The court also notes the importance of the likelihood of confusion to any trademark infringement claim. See *id.* at 167.

174. Trademark law protects the meaning attributed by consumers to symbols, not the meaning that producers would like consumers to take. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 546 n.220 (criticizing analytical over-emphasis on producer's intent as to how the design should be received); see also Aoki, *supra* note 114, at 526 ("[T]he texts embodied by symbols do not remain stagnant over time. The meanings and texts of symbols change over time because they become part of the dialogic process of recodification and rescripting of meaning."); Dreyfuss, *supra* note 93, at 413-14 (noting that because words "become infused with the listener's own associations, and their message is incorporated into the listener's own frame of reference . . . [t]he expression as perceived can have much greater impact on the recipient's thinking than the words that were actually transmitted"). Thus, although affording designers freedom to create designs without restriction is important, see *infra* text accompanying notes 251-58, trademark law recognizes more importantly the semiotic freedom of the consumer to accept, ignore, revise, or interpret the designer's message, and it is only the message as received that trademark law ultimately evaluates. Of course, as described in explaining the objectives of trademark law above, the concomitant incentives that are created for producers to differentiate their goods and create meaning for consumers are important and worthy of pursuit. Yet, even reputation-conscious brand producers may now be relying on the recipients of symbolic messages to enhance or develop product meaning. Richard Elliott, a Professor of Marketing at Oxford University, has described an evolving advertising strategy, designed to exploit the "social confirmation" thought to be crucial to members of Generation X, whereby producers deliberately use "weak" advertising texts that by their openness invite a "strong" reading on the part of the recipient. See Elliott & Watanasuwana, *supra* note 1, at 141. Widespread use of this strategy, by which producers hope consumers will project their own positive meanings on to the producer's goods, will further reduce the nominal role of the producer in generating the symbolic meaning of product designs.

175. See Pat Kane, *Global Warning: Those Ways of the World*, THE HERALD, Jan. 1,

identify whether in a particular context goodwill exists and whether competition will be restrained, rather than whether the claimed mark is of a type in which those properties generally or classically inhere. In this fashion, it best protects goodwill without restraining competition; it is thus that the balance of competitive costs and gains discussed in Part II is best achieved.

Such contextual, individualized analysis is well demonstrated by the *Qualitex*'s Court refusal to rest the protectability of a particular color upon the general competitive effect of affording exclusive rights in colors, and instead placing faith in the "careful and reasoned" examination of the need for competitors in the dry cleaning industry to be able to copy the plaintiff's green-gold color.¹⁷⁶ The defendant in *Qualitex* had argued that, because of concerns that a single producer might monopolize all commercially feasible product colors, color per se should not be registerable as a trademark.¹⁷⁷ The Court was unpersuaded by that argument, however, because "it reliev[d] on an occasional problem to justify a blanket prohibition."¹⁷⁸

3. Three Further Analytical Principles

In addition to the foundational principles of teleological analysis and ontological neutrality, and their corollary call for conceptual, contextual, individualized analysis, the teleological model rests upon three further propositions. Again, the Court's most recent opinions endorse or hint at these postulates. First, trademark law is a mechanism for regulating meaning in a marketplace that is ever-changing, and thus its analytical vehicles must accommodate evolutions in social meaning and competitive climates. This requires the adoption of dynamic concepts capable of evaluating diverse subject-matter. Although neither *Two Pesos* nor *Qualitex* directly addressed the need for dynamic analysis, both opinions appear willing to read the open-textured language of the statute in light of current realities. In *Qualitex*, the Court confirmed the breadth of the

1998, at 15 ("A semiotic world gives power to the sign-takers, as well as the sign makers."). Trademark law has always considered context, thus allowing the possibility that a word be regarded as generic in one market but not another. See, e.g., *Bayer v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921) (holding the ASPIRIN mark generic as understood by the public, but not as understood by health professionals, and framing relief accordingly).

176. See *Qualitex*, 514 U.S. at 169 (noting the courts' ability to apply the functionality doctrine in a careful and reasoned manner, with sensitivity to the effect on competition).

177. See *Qualitex*, 514 U.S. at 168.

178. *Id.*

statutory definition of "trademark," holding that anything that is capable of carrying meaning is capable of acting as the subject-matter of a trademark.¹⁷⁹ But courts had already formed a liberal understanding of what acted to identify a product's source independently of the textual freedom accorded by the definition of trademark found in the Lanham Act.¹⁸⁰ Justice Breyer was clearly influenced by the reality—acknowledged by both the lower courts and the Patent and Trademark Office—that modern consumers identified products by a wide range of symbols, including slogans, shapes, sounds and smells.¹⁸¹ If purchasers of Qualitex's green-gold dry cleaning press pads identified the pads by their color, the color should be protected.¹⁸² In *Two Pesos*, Justice Stevens supported the notion of inherently distinctive trade dress because of *stare decisis* concerns generated by the lower courts' long-standing grants of protection to new source-identifying matter.¹⁸³ Justice Thomas, although resting on the language of the statute, was influenced by judicial acknowledgment that "over time" an expanded notion of what could be presumed to identify a product's source had come to be recognized by the courts.¹⁸⁴

Second, each opinion explicitly recognizes both the competitive costs and benefits of trade dress protection.¹⁸⁵ Insufficient protection and overbroad protection each generates anticompetitive effects.¹⁸⁶ Finally, the Court stresses the importance of functionality as the principal restraint upon unfettered trademark protection. *Qualitex* in particular elevates the importance of the functionality doctrine by casting it—and not the ontological status of the mark subject-matter—as the sentinel of competition.¹⁸⁷ Indeed, the

179. See *id.* at 162.

180. See *Two Pesos*, 505 U.S. at 786 (Thomas, J., concurring).

181. See *Qualitex*, 514 U.S. at 162 ("If a shape, a sound, and a fragrance can act as symbols why, one might ask, can a color not do the same?").

182. See *id.* at 166.

183. See *Two Pesos*, 505 U.S. at 784.

184. *Id.* at 786.

185. See Breyer, *supra* note 146, at 26 (noting that the economic objectives of intellectual property laws may "sometimes point in opposite directions, requiring balance"); *id.* at 14 (discussing the attempt by the *Qualitex* court to implement the balance of conflicting economic objectives found in trademark law).

186. See *Two Pesos*, 505 U.S. at 774-75 (describing the pro-competitive aspects of trademark laws); *id.* at 775 (emphasizing the role of functionality in avoiding competitive costs); *Qualitex*, 514 U.S. at 164 (noting that trademark law seeks to promote competition by protecting reputation); *id.* at 165 (noting the dangers to competition if trademark law served to provide monopoly rights).

187. See *Qualitex*, 514 U.S. at 164 (discussing the role of the "important" func-

Court's liberality on the question of subject-matter is because the functionality doctrine exposes and roots out the particular instances in which such protection might be anti-competitive.¹⁸⁸ In Part IV, therefore, it is the functionality doctrine to which I apply the tenets of the teleological model. Many courts are, however, developing alternative models to the one espoused above; a brief critique of these models emphasizes the benefits of the teleological model.

B. ASSIMILATIONIST MODELS: ASSUMING EQUIVALENCE

Several courts have, to different degrees and in different respects, followed an assimilationist approach.¹⁸⁹ Assimilationists properly attribute to product design trade dress protection the same positive values as are assigned to trademark protection of words, and thus accord shapes equivalent protection as source-identifiers. But this model fails to acknowledge the important differences between words and shapes discussed in Part II of this Article. Its application has thus in practice resulted in overprotection of product design trade dress without regard to any of the convergence concerns—be it the need for workable, transparent analysis, heightened

tionality doctrine in confining trademark to its intended purposes); *id.* at 169 (expressing confidence that if color scarcity was a reality, the functionality doctrine would prevent any anticompetitive consequences); *Two Pesos*, 505 U.S. at 775.

188. See *Qualitex*, 514 U.S. at 164.

189. See, e.g., *Insty*Bit, Inc. v. Poly-Tech Indus.*, 95 F.3d 663, 673 (8th Cir. 1996) (linking the "unique" nature of a design to the distinctiveness test for words without explanation of correlation); *Imagineering Inc. v. Van Klassens Inc.*, 53 F.3d 1260, 1263-64 (Fed. Cir. 1995) (protecting the design of furniture as inherently distinctive primarily based on the "novelty" of design without explaining the link to distinctiveness); *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 788 (8th Cir. 1995) (interpreting *Two Pesos* broadly to unify trademark and trade dress protection and applying same doctrinal tests to both); *Health O' Meter Inc. v. Terrailon Corp.*, 873 F. Supp. 1160, 1171 (N.D. Ill. 1995) (noting conclusorily that "it was clear" and there was "no question" that the design of the plaintiff's scales was inherently distinctive); *Body Support Sys., Inc. v. Blue Ridge Tables, Inc.*, 934 F. Supp. 749, 756 (N.D. Miss. 1996) (concluding that the design of a cushion was "suggestive" within meaning of test used to assess words without any support for conclusion); *Adler, Inc. v. World Bazaars, Inc.*, 897 F. Supp. 92, 96-97 (S.D.N.Y. 1995) (finding the trade dress of Christmas tree ornament inherently distinctive, citing language of tests used for words, but largely because design features were "ornamental"); see also *Sunbeam Prods. v. West Bend Co.*, 123 F.3d 246, 252 & 260 (5th Cir. 1997) (acknowledging differences between design and word marks, but applying *Abercrombie* to product design and decrying as "alarmist rhetoric" concerns that trade dress protection may interfere with the patent system); cf. *Dratler*, *supra* note 58, at 581 (arguing that there is no need for "sweeping modifications" to any traditional trademark doctrines because the Supreme Court has suggested that trade dress be treated no differently from trademarks, and relying instead on sensitive use of remedies to avoid conflict).

competitiveness concerns, or possible conflicts with patent law.

Many assimilationist courts have formalistically applied longstanding trademark doctrine developed primarily for word marks without consideration of whether it assists in the evaluation of product design trade dress. For example, although newly coined words (such as EXXON) will tend inherently to act as source-identifiers the same cannot be said for product designs.¹⁹⁰ A unique design should not be regarded as inherently distinctive merely because of its uniqueness, although clearly that helps; to assume otherwise is an overprotectionist assimilation of words and shapes.¹⁹¹ It would result in every new product design being treated as inherently distinctive. Similarly, assimilationist courts have applied the classical distinctiveness test to determine the inherent distinctiveness of product design.¹⁹² Under that test, whether a word mark

190. Another example is the standard test of infringement. In determining the likelihood of confusion between two marks, courts examine a series of factors that broadly correspond to those outlined by Judge Friendly in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 496-98 (2d Cir. 1961). Yet, many of those factors are of much less help in design cases. See Oddi, *supra* note 121, at 154; Dratler, *supra* note 58, at 432-33 (recognizing disagreement over application of the same factors). It may be that this criticism of the *Polaroid* factors is generally applicable to the use of the factors in the case of competing goods (i.e., goods of a similar type), see Handler, *supra* note 74, at 10, but product design cases almost always fall into that description. See *supra* note 74.

191. See, e.g., *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d 1412, 1416 (S.D.N.Y. 1996) (supporting inherent distinctiveness largely on uniqueness of design to the U.S. market); *Insty*Bit*, 95 F.3d at 673 (same).

192. See, e.g., *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 540-41 (5th Cir. 1998) (applying *Abercrombie* test to determine the distinctiveness of a golf hole design); *Insty*Bit*, 95 F.3d at 672-73 (applying the classical inherent distinctiveness test); *Imagineering*, 53 F.3d at 1263-64 (same); *Stuart Hall*, 51 F.3d at 785 (same); *Adler*, 897 F. Supp. at 96-97 (same); *Kompan A.S. v. Park Structures, Inc.*, 890 F. Supp. 1167, 1174 (N.D.N.Y. 1995) (same); *Health O' Meter*, 873 F. Supp. at 117 (same); see also *Ashley Furniture Indus., Inc. v. Sangiacomo Ltd.*, No. 98-2228, 1999 WL 598485, at *5-6 (4th Cir. Aug. 10, 1999) (applying classical *Abercrombie* test to product design, but "mitigating" difficulties of applying that test by considering principles found in the alternative *Seabrook* test). Some writers have endorsed the continuing application of *Abercrombie* (sometimes with slight modifications) to product design. See, e.g., Travis L. Bachman, *Inherent Distinctiveness, Product Configuration, and "Product Groups": The Developing Law of Trade Dress*, 23 J. CORP. L. 501, 517-19 (1998) (endorsing *Abercrombie* if applied with a proper notion of the relevant "product group" being considered by consumers); Dratler, *supra* note 58, at 488-92 (approving application of *Abercrombie* if conceived of in terms of range of alternative designs); Hermenegildo A. Isidro, *The Abercrombie Classifications and Determining the Inherent Distinctiveness of Product Configuration Trade Dress*, 62 BROOK. L. REV. 811, 845 (1996) (suggesting application of *Abercrombie* with "preliminary hurdle" based upon functionality and extent to which creativity of design determines success in the industry in question); David W. Opderbeck, *Form and Function: Protecting Trade Dress*

identifies the source of a product is determined by considering whether the mark "describes" or "suggests" the nature or characteristics of the product.¹⁹³ For word marks, this form of analysis helpfully assists judges in assessing whether consumers are likely to view the word as indicating the source of a particular product (in which case trademark protection is appropriate) or as merely describing the product (in which case protection is not available). Indeed, judges appear to regard this form of analysis as so appropriate that frequently they fail to articulate their reasoning on the issue, clearly treating the conclusion as self-evident. (This is perhaps to be expected given that judges may regard themselves as capable, if not more capable, of determining the meaning of words as any other person.¹⁹⁴) But the test is based on a linguistic reference between word and product and has (unsurprisingly) proved an unworkable formulation for directing our assessment of the distinctiveness of shapes outside of very obvious categories.¹⁹⁵ Linguisti-

Rights in Product Configurations, 20 SETON HALL. LEGIS. J. 1, 38 (1996) (endorsing application of *Abercrombie* to product design).

193. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976).

194. Judges are aided in this regard by the existence of dictionaries and other tools that assist in evidencing some degree of common understanding of the meaning of words. Those reference tools are largely unavailable in the case of shapes, partly because of a lesser common understanding thereof. See *supra* text accompanying note 122 (discussing lack of dictionary of shapes). But see JEAN CHEVALIER & ALAIN GHEERBRANT, *A DICTIONARY OF SYMBOLS* (John Buchanan-Brown trans., 1994) (providing a dictionary of "symbols," without graphics, and with both the listed symbols and corresponding definitions comprised of verbal narrative); JONATHAN MEADER, *THE WORDLESS TRAVEL BOOK* (1995) (providing tourists with a range of symbols to which to point in communicating with persons who do not speak a common language).

195. See Brown, *supra* note 56, at 1380 (arguing that such an analysis constitutes "an impermissible exercise in intuitive judging"). Moreover, even were such an application possible, judicial weaning on verbal marks has conditioned courts' mode of analysis. Intuitive reliance on the judiciary's own understanding of the meaning of words, while arguably inappropriate, probably does not result in significant deviation from how ordinary consumers would understand that, the primary form of communication. Such comfort does not exist where judges are interpreting the meaning of symbols—shapes—for which we have not developed a common idiom. Yet judges continue to make such judgments, without explicit recourse to consumer understanding. The recently-introduced Trade Dress Protection Act, see *supra* note 19, would introduce a more workable test for inherent distinctiveness. See H.R. 3163, 105th Cong. § 2(a) (1998) (providing that inherent distinctiveness to be judged by whether a design feature is likely to be regarded by consumers as a source-identifier, and providing a non-exclusive list of factors to be considered in applying that test); see also Dinwoodie, *Reconceptualizing*, *supra* note 89, at 480-81, 585-95 (advocating the application of a predictive test and identifying evidentiary factors to be considered); Davis, *supra* note 74, at 81 (discussing legislation). Professor Barrett has suggested that the proposed definition is merely a restatement of the so-called *Seabrook*

cally conditioned tests may enable courts to discern the meaning of textual matter, but such tests should not be mechanically applied to determine the meaning of matter for which they offer little evaluative assistance. Analytical devices should not frustrate the purposes of trademark protection by obscuring the reasons for denial or grants of protection.

Other assimilationist courts have paid insufficient regard to the heightened competitiveness concerns that are generated by shapes but not words. These concerns have been ignored by assuming a full operational equivalence between traditional word marks and design marks; this reveals itself in the blithe assumption that the existence of any alternative design extirpates any competitive concerns by demonstrating the same nonexclusionary effect as results from verbal mark protection.¹⁹⁶

test, see *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977), and would do little other than correct the Eighth Circuit's misconception that likely impact on consumers is not relevant to inherent distinctiveness. See Margreth Barrett, *Trade Dress Protection for Product Configurations and the Federal Right to Copy*, 20 HAST. COMM. ENT. L.J. 471, 509 (1998). The definition would do much more, however. First, it is not simply a restatement of the *Seabrook* test (which directs attention to various factors that focus on the uniqueness of the design). The *Seabrook* inquiry lacks an overarching test, and thus on its own becomes an aimless search for unspecified degrees of novelty. The legislation would provide that guidance by applying an over-arching test ("whether consumers are likely to identify the source of the product by that feature"). See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 587 (noting that the objective of the inquiry will provide guidance to the application of the factors). Second, the definition would excise the requirement that a design be likely "primarily" to identify source, which was found in the inherent distinctiveness test articulated by the Second Circuit in 1995 and which remains the Third Circuit's test. See *id.* at 541-43, 550-52 (criticizing that requirement). The Second Circuit appears to have heeded some of the criticism of this requirement already. See *infra* note 211 (discussing modification of the Second Circuit test in *Landscape Forms*). Finally, the legislation seeks to apply the same test to all types of trade dress, thus rejecting the categorical approaches of the Second and Third Circuits, see *infra* text accompanying notes 205-36 (discussing the categorical approach), although the use of a non-exclusive list of factors might allow recalcitrant courts room to subvert that goal and insist upon different approaches to product packaging and product design.

196. See, e.g., *Fun-Damental Too Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 1002 (2d Cir. 1997) (relying on two alternatives to defeat functionality); *Service Ideas, Inc. v. Traex Corp.*, 846 F.2d 1118, 1123 (7th Cir. 1988) (affirming a finding of non-functionality largely because third party producers used alternative designs which defendant could have incorporated into its product); *Vaughan Mfg. Co. v. Brikam Int'l, Inc.*, 814 F.2d 346, 350 (7th Cir. 1987) (affirming a finding of nonfunctionality largely based on the fact that other producers sold different designs and that it "strained the mind" to think that the shape in question was necessarily preferred to all others); see also Reichman, *supra* note 55, at 103 (noting that "courts in this frame of mind seldom considered the economic disabilities that might actually have prevented alleged infringers from trying to design around a protected configuration").

Finally, some assimilationist courts have routinely dismissed without substantive analysis the possibility that product design trade dress protection conflicts with other forms of intellectual property. Because Supreme Court case law on conflicts between trade dress rights and other intellectual property regimes involves state-federal conflicts, a doctrinal distinction is easily drawn between that case law and any perceived Lanham Act-Patent Act conflict.¹⁹⁷ Assimilationist courts have seized upon these distinctions to avoid analysis of the substantive conflict between trade dress and patent protection, and thus permit the unfettered conferral of full trade dress protection upon product designs without regard to potential impact on the patent system.¹⁹⁸ Yet, while existing Supreme Court case law does not resolve the substantive conflict when addressed as a federal-federal matter, nor does that doctrinal distinction make the conflict disappear. Supreme Court jurisprudence confirms the conflict; the doctrinal distinction merely suggests that it be resolved other than by application of the over-riding value of

These courts appear easily swayed by the existence of third party producers with different designs without regard for the larger competitive picture; those third party producers may restrain yet further the defendant's ability to compete without copying. The same lack of vision may be attributed to courts who fail to see the politically exclusionary effect of according exclusive rights in words with communicative significance beyond source-identification. *See, e.g.,* San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522, 534-35 (1987) (affirming an injunction preventing a gay group from using the term "Olympic" as part of the title of an athletic event and suggesting that the same political expression could be made by an alternative, less evocative, term).

197. *See supra* text accompanying notes 69-70 (discussing conflict).

198. *See, e.g.,* Larsen v. Terk Techs. Corp., 151 F.3d 140, 147 (4th Cir. 1998) (reasoning that "grounding a [trade dress] law suit on a federal statute, such as the Lanham Act, would avoid the federal-state preemption problems at issue in *Sears-Compco*"); Sunbeam Prods. Inc. v. West Bend Co., 123 F.3d 246, 260 (5th Cir. 1997) (describing as "alarmist rhetoric" concerns that trade dress protection may interfere with the patent system); Ferrari S.p.A. Esercizio v. Roberts, 944 F.2d 1235, 1241 (6th Cir. 1991) (distinguishing *Sears-Compco* as inapplicable to federal claims); Lon Tai Shing Co. v. Koch & Lowy, 19 U.S.P.Q.2d 1081, 1107 (S.D.N.Y. 1990) (commenting that the "federalization of this body of law thus entirely avoids the immediate thrust of *Sears-Compco*"); Keene Corp. v. Paraflex Indus., 653 F.2d 822, 824 n.1 (3d Cir. 1981). Other courts have engaged in more reasoned analysis of *Sears-Compco*, noting the distinction between state and federal claims but also recognizing that similar concerns of conflict might exist. *See, e.g.,* Kohler Co. v. Moen, Inc., 12 F.3d 632, 642 (7th Cir. 1993) (acknowledging that "some of the concerns expressed in *Sears, Compco*, and *Bonito Boats* regarding state law conflicts with the patent laws are also valid with respect to federal legislation" but concluding that "perpetual trademark protection under the Lanham Act for a product configuration or design is not the equivalent of impermissible perpetual patent protection").

federal supremacy.¹⁹⁹

Recent manifestations of the assimilationist approach stem in part from an overly broad reading of the Supreme Court's refusal in either *Two Pesos* or *Qualitex* to draw bright-line distinctions between different categories of trademark subject-matter. Certain courts, most particularly but not exclusively the Fifth and Eighth Circuits,²⁰⁰ have interpreted *Two Pesos* as endorsing an ineluctable equivalence between verbal and non-verbal marks, including product design.²⁰¹ This interprets too expansively the holding of the Su-

199. Cf. Jay Dratler, *Trademark Protection for Industrial Designs*, 1988 U. ILL. L. REV. 887, 923 (1988) (describing the routine distinguishing of *Sears-Compco* in federal cases as "too facile at the level of policy").

200. Several district courts in the First and Ninth Circuits have recently indicated an inclination to follow the approach of the Fifth and Eighth Circuits. See, e.g., *Big Top USA, Inc. v. Wittern Group*, 998 F. Supp. 30, 46-47 (D. Mass. 1998) (declining to distinguish between packaging and design trade dress, applying *Abercrombie* to packaging and design of giant gumball machine, and finding trade dress inherently distinctive); *Lanier v. Bandwagon, Inc.*, 983 F. Supp. 292, 300 (D. Mass. 1997) (suggesting that "[c]reation of subsets of trade dress is likely at odds with *Two Pesos*" and applying *Abercrombie* to determine distinctiveness of design); *DCNL Inc. v. Almar Sales Co.*, 47 U.S.P.Q.2d 1406, 1412-13 (N.D. Cal. 1997) (applying the Eighth Circuit test to determine inherent distinctiveness of product design); cf. *Gucci Timepieces Am., Inc. v. Yidah Watch Co.*, 47 U.S.P.Q.2d 1938, 1942 (C.D. Cal. 1998) (explaining a finding of inherent distinctiveness in the language of *Abercrombie*); *Indonesian Imports, Inc. v. B.H. Smith Indonesian Imports, Inc.*, No. C97-3534, 1999 WL 183629, at *3 (N.D. Cal. Mar. 30, 1999) (applying *Abercrombie*); see also *Buca, Inc. v. Gambucci's Inc.*, 18 F. Supp.2d 1193, 1202 (D. Kan. 1998) (noting that the Tenth Circuit applies *Abercrombie* test to trade dress and trademarks alike and applying that test to claimed trade dress of Italian restaurant). One district court in the First Circuit has applied the alternative test for inherent distinctiveness used in the Second Circuit, see *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1007-08 (2d Cir. 1995), and rejected the inherent distinctiveness of faucet designs because the producers' design objective was primarily aesthetic rather than source-identifying. See *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp.2d 112 (D. Mass. 1998). On appeal the First Circuit applied the *Seabrook* test, which it found largely consistent with the *Knitwaves* test, and also concluded that the design was not inherently distinctive. See *I.P. Lund Trading*, 163 F.3d at 41. The Court noted, however, that in contrast to its perception of the Second Circuit case law, product designs may be inherently distinctive, albeit only rarely. See *id.* And in this regard it indicated a reluctance to draw a line between packaging and design. See *id.* at 40.

201. See, e.g., *Insty*Bit, Inc. v. Poly-Tech Indus.*, 95 F.3d 663 (8th Cir. 1996); *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780 (8th Cir. 1995); see also *Children's Factory, Inc. v. Benec's Toys, Inc.*, 160 F.3d 489, 497 (8th Cir. 1998) (applying *Abercrombie* in finding that product design was not distinctive). The Fifth Circuit has endorsed the application of the same distinctiveness test to words and product features, see *Sunbeam Prods, Inc. v. West Bend Co.*, 123 F.3d 246, 252 n.7 (5th Cir. 1997), while declining to reach the question of whether product design can be inherently distinctive. See *id.* at 253 & n.11 (noting conflicting authorities and the effect of *Two Pesos*); see also *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 540-41 (5th

preme Court. *Two Pesos* does not require that courts ignore the different effects that words and product design have on consumers or on competition; it merely mandates recognition that verbal and non-verbal matter can perform the same role. Ontological neutrality does not require ontological equivalence.²⁰² So too, the *Qualitex* court's largely unbounded interpretation of Lanham Act subject-matter is premised upon the existence of safety-valves such as the functionality doctrine to avoid potential abuse. While *Qualitex* rejects a categorical approach to trademark protection, it does not support discarding all limits. Instead of categorical limits, the Court instituted conceptual limits. The legitimacy of an expansive approach to trademark subject-matter rests upon close attention to these limits. *Qualitex* should thus be read not only for what it rejects but also for what it requires, and assimilationist courts have in varying ways not done so.

C. CATEGORICAL MODELS: ASSUMING DIFFERENCE

Other courts and commentators have suggested that trademark law should decline to offer protection to product designs, or should ensure that the availability of such protection is very rare. In this school of thought, recognition of the substantial differences between words and shapes discussed in Part II (in particular, the potential conflict between design trade dress and patent law) is paramount; proponents, both judicial and scholarly, have thus been reenergized of late by the failure of assimilationist courts to give due weight to

Cir. 1998) (applying *Abercrombie* to determine distinctiveness of golf hole design). A recent decision of the Fourth Circuit follows the approach of the Eighth Circuit, refuses to apply a different test to determine the inherent distinctiveness of furniture design than is applied to words, and endorses an extremely liberal standard (to be applied on remand) for the inherent distinctiveness of design trade dress. See *Ashley Furniture Indus., Inc. v. Sangiacomo Ltd.*, No. 98-2228, 1999 WL 598485 (4th Cir. Aug. 10, 1999).

202. This overbroad reading of the Supreme Court's opinions, equating the Court's recognition that product designs might identify source with unfounded assumptions that they generally will, is also found in commentary critical of *Two Pesos*. See Mitchell M. Wong, Note, *The Aesthetic Functionality Doctrine and the Law of Trade-Dress Protection*, 83 CORNELL L. REV. 1116, 1164 (1998) (criticizing the test of functionality endorsed by Supreme Court because it creates a "prima facie presumption that all designs receive protection"). Only truly source-identifying designs will be protected; the Supreme Court said nothing in *Qualitex* or *Two Pesos* that permits courts to provide protection absent a finding of distinctiveness. Indeed, the Court's rejection in *Two Pesos* of the doctrine of secondary meaning in the making emphasizes the Court's insistence on distinctiveness. See also Dinwoodie, *Reconceptualizing*, *supra* note 89, at 494 n.73 (discussing the doctrine of secondary meaning in the making).

these differences. This approach has centered on the reinstitution of categorical significance rejected by the Supreme Court in *Two Pesos* and *Qualitex*, attaching legal import primarily to the semantic distinction between "packaging" and "design."²⁰³ It thus seeks effectively to reinstate concepts of federal trade dress that prevailed prior to 1976, when protection was available only to product "packaging."²⁰⁴ I dub this the "categorical" model, and two primary variants can be detected in recent case law and commentary. The first would involve wholly excluding product design from the subject-matter of trademark protection, and has been advanced in recent years only *sotto voce* and only by a few scholars and judges.²⁰⁵ No court ap-

203. Some exponents of a categorical model would use different labels to draw the same or similar lines. Tom Bell, for example, distinguishes between "virtual trade dress," where the trade dress constitutes the commodity itself that consumers value, and "real trade dress." See Bell, *supra* note 74, at 391-92. These definitions correspond closely to formulations used by courts to distinguish between packaging and design, see, e.g., *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431 (3d Cir. 1994); this correspondence is further supported by Bell's detailed analysis of *Duraco*. See Bell, *supra* note 74, at 403-06. Other categorical writers advocating a broad doctrine of functionality to preclude protection might draw (or claim to draw) the line slightly differently. See, e.g., Wong, *supra* note 202, at 1159 (arguing that the functionality doctrine should be used to separate the appropriate subject-matter of different forms of intellectual property). Some writers advocating the elimination of functionality analysis as applied to ornamental designs view matters from a categorical perspective of a different sort. See, e.g., Mark I. Peroff & Nancy J. Deckinger, "Conditional" "Functionality: The New Standard for Evaluating "Aesthetic" Functionality Established by the Second Circuit in *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*, 1 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 117, 150 (1991) (arguing that there never exists a competitive need to copy ornamental designs).

204. See Jessica Litman, Note, *The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act*, 82 COLUM. L. REV. 77, 79-83 (1982). The categorical approach has venerable historical roots. See Daphne R. Leeds, *Product Simulation: A Right or a Wrong?* 64 COLUM. L. REV. 1178, 1182 (1964) (noting the established principle that an "unpatented or unpatentable article may be freely copied, and the design of the article may not acquire such significance as would entitle it to exclusive appropriation").

205. See, e.g., *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 646-49 (7th Cir. 1993) (Cudahy, J., dissenting) (arguing that trademark protection for product configurations offends concern for competition and is inconsistent with Supreme Court case law); Bell, *supra* note 74, at 406 (arguing that "pure virtual trade dress," where protection is accorded to the commodity itself, should never merit protection); James W. Dabney, *Product Configurations in the Public Domain*, AM. INTELL. PROP. L. ASS'N BULL., Jan. 24, 1997, at 146-47 (1997) (arguing that trade dress protection does not and should not extend to features that were not "physically or conceptually separable" from the good in connection with which they are used); Bradley K. Groff, *Bare-Fisted Competition or Palming Off? Protection of Product Design Under the Lanham Act*, 23 AM. INTELL. PROP. L. ASS'N Q.J. 65, 95 (1995) (effectively denying protection by requiring that the design serves no purpose other than source-identification); Pegram, *supra* note 107, at 348-49 (arguing that trademark protection, which is unlimited,

pears willing to endorse such an approach explicitly despite frequent invitations to do so by litigants,²⁰⁶ including by those filing

may be appropriate for conventional trademarks but not for industrial design configurations with a functional aspect); Andrea Falk, Comment, *Harmonization of the Patent Act and Federal Trade Dress Law: A Critique of Vornado Air Circulation Sys. v. Duracraft Corp.*, 21 J. CORP. L. 827, 842 (1996) (arguing that a product design that qualifies for a utility patent should be per se functional); see also Dowell, *supra* note 107, at 138 (arguing that no defendant should be liable for trade dress infringement of a product design if it takes "reasonable means to prevent confusion"). In 1964, at a symposium organized by the Columbia Law Review after the Supreme Court's *Sears-Compco* decisions, some of the symposiasts, including Ralph Brown, endorsed an approach that might be described as exclusionary categorical. See Ralph S. Brown, *Product Simulation: A Right or a Wrong?*, 64 COLUM. L. REV. 1178, 1220-21 & 1223 (1964) (commenting favorably on suggestion that trademark protection should be limited to word marks, labels and packaging); see also Walter J. Derenberg, *Product Simulation: A Right or a Wrong?* 64 COLUM. L. REV. 1192, 1201-07 (1964) (arguing that the shape of a product should not be registerable as a trademark even if it has acquired secondary meaning, but expressing support for protection under unfair competition law). Although Professor Brown expressed a preference for that position even after the expansive developments of the 1980s, see Brown, *supra* note 56, at 1403, he became willing to accept some form of trade dress protection for product design, see *id.* at 1364, albeit with some regret. See *id.* at 1359-60 (commenting wistfully on the departure from the proposition he took from *Sears-Compco* that unpatented and uncopyrighted designs were free to be copied). Some courts and scholars advocating broad notions of functionality effectively endorse a categorical exclusionary approach, although the language of functionality often masks that intent. See Dratler, *supra* note 199, at 941, 949 (suggesting that courts applying the doctrine of aesthetic functionality "appear to reach nearly" the result of excluding trade dress protection for product designs). Others in that school have been more candid. See, e.g., Wong, *supra* note 202, at 1159, 1163 (arguing for a broad doctrine of functionality that "seeks to fragment the whole of intellectual property protection into separate spheres by assigning creations of ingenuity into discrete legal categories" and that "prevents trademark law from expanding into the provinces of patent and copyright").

206. See, e.g., *Ferrari v. Roberts*, 944 F.2d 1235, 1240 (6th Cir. 1991) (rejecting the argument that product design is protectable only by design patent and not under trademark statute); *Kohler Co.*, 12 F.3d at 636-37 (rejecting the defendant's claim that trademark protection of product configuration is unconstitutional); *Winning Ways, Inc. v. Holloway Sportswear*, 903 F. Supp. 1457, 1461 (D. Kan. 1995) (rejecting the argument that "under no circumstances can a product itself constitute trade dress"); *Hubbell Inc. v. Pass & Seymour, Inc.*, Civ. No. 94-7631, 1995 WL 464906, at *2 (S.D.N.Y. 1995) (rejecting the proposition that trade dress protection for patentable subject-matter is a per se overextension of trade dress law that undermines copyright and patent law); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 547 (5th Cir. 1998) (rejecting the argument that unfair competition law cannot protect product designs that are unprotected by patent); see also *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1503 (10th Cir. 1995) (stressing that the court was not addressing whether "every useful or potentially patentable product configuration is excluded from trade dress protection"). Other courts have been asked by litigants (but, again, have declined) to articulate absolute bars against a subset of product design trade dress claims. See, e.g., *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp.2d 112, 127, 129-30 (D. Mass. 1998) (rejecting the claim that federal dilution

petitions for certiorari with the Supreme Court.²⁰⁷

Proponents of an exclusionary categorical model claim support in the text of the Lanham Act, in Supreme Court case law, and in the ethos of free competition.²⁰⁸ The Lanham Act lists "product configurations" as registerable on the Supplemental Register,²⁰⁹ but does not specifically include them in the definition of subject-matter registerable on the Principal Register or protected by Section 43(a). If Congress intended for product designs to be protectable under trademark law, so the argument goes, it would have made specific provision to that effect.²¹⁰ Second, product design trade dress protection is described as inconsistent with a series of Supreme Court cases in which the Court suggests the existence of a so-called "right to copy" unpatented and uncopyrighted designs.²¹¹ Finally, it is ar-

protection for product design trade dress is unconstitutional), *rev'd on other grounds*, 163 F.3d 27 (1st Cir. 1998) (noting serious constitutional question but declining to answer it); *Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 606 (N.D. Ill. 1996) (rejecting the defendant's claim that trade dress rights could not be asserted in subject-matter disclosed in an expired utility patent); *Hubbell Inc. v. Pass & Seymour, Inc.*, 883 F. Supp. 955, 958-59 (S.D.N.Y. 1995) (rejecting arguments as regards trade dress rights in subject-matter of expired design patents); *Decor Grates, Inc. v. Fararo*, Civ. No. 92-6395, 1995 WL 548571, at *7 (N.D. Ill. Sept. 12, 1995) (rejecting argument that unregistered design cannot be protected under section 43(a) of the Lanham Act). The only successful claim, with respect to a subset of designs, was that advanced by the defendants in *Vornado*. See *infra* text accompanying notes 387-91. The Supreme Court has recently again declined to consider the issue raised in *Vornado*. See *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir. 1998), *cert. denied*, 119 S. Ct. 336 (1998).

207. See *Poly-Tech Indus. v. Insty*Bit, Inc.*, 95 F.3d 663 (1996), *petition for cert. filed*, 65 U.S.L.W. 3531 (U.S. Jan. 17, 1997) (No. 96-1153), *Petition for Writ of Certiorari*, at 19-20 (petition on file with author), *cert. denied*, 117 S. Ct. 9085 (1997); *Imagineering, Inc. v. Van Klassens, Inc.*, *petition for cert. filed*, 64 U.S.L.W. 3020 (U.S. July 21, 1995) (No. 95-127), *Petition for Writ of Certiorari* at 17-21 (petition on file with the author), *cert. denied*, 116 S. Ct. 277 (1995); *RMC Int'l, Ltd. v. Sengoku*, *petition for cert. filed*, 65 U.S.L.W. 3587 (U.S. Feb. 11, 1997) (No. 96-1294), *Petition for Writ of Certiorari*, at 10-18 (petition on file with author), *cert. denied*, 117 S. Ct. 2478 (1997).

208. See, e.g., Bell, *supra* note 74, at 411 (noting concerns of evading Congressional intent and providing no competitive balance); Groff, *supra* note 205, at 98 (proposing a solution that effectively provides no protection of product design in order to encourage "bare-knuckled competition among producers of unpatented products").

209. See 15 U.S.C. § 1091 (1994). Marks that are insufficiently distinctive to obtain registration upon the Principal Register, but which are capable of becoming distinctive, may be registered on the Supplemental Register. See *id.* For the advantages of registration on the Supplemental Register, see 3 MCCARTHY, *supra* note 18, § 19.09[1][d].

210. See, e.g., Dabney, *supra* note 205, at 146-47 (arguing that "Congress knew how to legislate with respect to [product configurations] when it intended to").

211. See, e.g., Dabney, *supra* note 205, at 146 (arguing that "between 1976 and

gued that denying trade dress protection to product design would render the competitive climate more predictable by eliminating the complexity of evaluating the protectability of product design, and would better serve the goals of free competition underlying our economic system.²¹²

Each of these arguments is seriously flawed. The statutory definition of "trademark" (and the term "device" in particular) read literally admits of a broad interpretation of protectable subject-matter.²¹³ As the Supreme Court recognized in *Qualitex*, the statute places greater emphasis on the role that a mark plays in identifying the source of goods than on its inclusion in a remarkably unconfined list of trademark subject-matter.²¹⁴ An examination of Congressional intent only bolsters this conclusion. Congress clearly assumed in its 1988 revision of the trademark statute that product

November 1994, the federal Courts of Appeals had gradually expanded the concept of 'trade dress' under section 43(a) of the Lanham Act so that it encompassed product configurations of the very sort which the Supreme Court in *Sears* and *Compco* had held were in the public domain under federal patent law and could thus be made and sold by whoever pleases"); Dowell, *supra* note 107, at 168-71 (invoking the "right to copy" cases to support the denial of protection to product designs under federal statute); Groff, *supra* note 205, at 87 (arguing that *Sears-Compco* and *Bonito Boats* weigh against protection of product design under federal statute). For some writers, this inconsistency is (at least with respect to many designs) of constitutional significance. See, e.g., Jan P. Weir & Alan P. Block, The Constitutional Issues Involved in the Protection of Product Shapes Under Both the Patent and Trademark Laws (Paper Presented to Los Angeles Intellectual Property Law Association, Jan. 15, 1998) (copy of paper on file with author); Dowell, *supra* note 107, at 137; James W. Dabney, *State Law Protection of Intellectual Creations: Privacy and Preemption*, 38 SYRACUSE L. REV. 653, 654 n.13 (1987) (suggesting that *Sears-Compco* is a limitation on the power of Congress).

212. See Bell, *supra* note 74, at 411 (arguing that because product design trade dress protection has "such vague boundaries" and is largely unregistered, it will cause uncertainty and stifle innovation). Bell includes in his reasons for treating trademarks and trade dress differently the fact that it is more difficult to provide a precise drawing or verbal description of the configuration for which protection is sought, thus frustrating competitors' attempts to ascertain from text-bound federal records what designs it must avoid in order to prevent infringement litigation. *Id.* at 391. Indeed, this has prompted some litigants to suggest that protection should not be available for unregistered product design trade dress. See, e.g., *Decor Grates, Inc. v. Fararo*, Civ. No. 92-6395, 1995 WL 548571, at *6 (N.D. Ill. Sept. 12, 1995) (rejecting this argument); Gleiberman, *supra* note 100, at 2043-44 (noting greater anti-competitive threat of protection for unregistered designs because of lack of notice).

213. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 162 (1995). But see *Brown*, *supra* note 56, at 1384 (suggesting that it is remarkable that the text of section 43(a) can "sustain its proliferation of application").

214. See *Qualitex*, 514 U.S. at 162 (describing source-identification requirement as "the more important part of the statutory definition").

designs would be amenable to trade dress protection.²¹⁵ To be sure, because Congressional deliberation in 1988 dealt only with trademark law in isolation, there is no explicit indication how Congress would balance the respective interests of patent and trade dress law. An absolute exclusion of product designs from the scope of trademark protection is, however, clearly inconsistent with Congressional intent as revealed during the last major revision of the trademark statute.²¹⁶

Nor does Supreme Court case law on the "right to copy" support an exclusionary categorical model. The cases from which the bar on product design trade dress protection is said to be drawn involve either the preemption under Supremacy Clause principles of state law rights in unpatented designs or trade dress protection claimed for designs covered by an expired utility patent. While the concerns underlying those decisions warrant accommodation in the scope of trade dress protection afforded certain designs,²¹⁷ that line of case law cannot sustain an absolute bar on federal protection for all unpatented source-identifying designs.²¹⁸ Moreover, an absolute denial of protection to product design trade dress is inconsistent with the tenor of more recent Supreme Court trademark jurisprudence, which assumes that product designs can be protected as source-

215. See S. REP. NO. 100-515, at 40 (1988), reprinted in 1988 U.S.C.C.A.N. 5577, 5603.

216. It is unlikely in 1946, upon the enactment of the Lanham Act, that Congress explicitly foresaw the protection of product design trade dress. And the legislative intent behind the 1946 legislation is not altered by the views of the later Congress. See *United States v. Price*, 361 U.S. 304, 313 (1960) ("[T]he views of a subsequent Congress form a hazardous basis for inferring the intent of an earlier one.") (citation omitted); see also Richard A. Posner, *Statutory Interpretation in the Classroom and in the Courtroom*, 50 U. CHI. L. REV. 800, 809-10 (1983) (arguing for adherence to purpose of enacting legislature rather than current legislature). It is also clear, however, that the 1946 Congress did intend to protect source-identification, which, as Congress and the courts have acknowledged in the intervening 50 years, now requires the protection of certain product designs. See *Two Pesos*, 505 U.S. at 783-84 n.17 (Stevens, J., concurring) (noting that "when several acts of Congress are passed touching the same subject-matter, subsequent legislation may be considered to assist in the interpretation of prior legislation upon the same subject") (quoting *Tiger v. Western Investment Co.*, 221 U.S. 286, 309 (1911)); see also *Qualitex*, 514 U.S. at 172-73 (using legislative history of 1988 Act to support registerability of color per se as a trademark).

217. See *infra* text accompanying notes 378-86.

218. See Davis, *supra* note 74, at 67-68 (describing the limits of Supreme Court case law); see also *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1363 (Fed. Cir. 1999) (noting that the Supreme Court has not read this line of cases expansively and permitting both federal and state trade dress claims to proceed notwithstanding the fact that the design was disclosed and claimed in a utility patent).

identifiers under the Lanham Act.²¹⁹ Indeed, trade dress law has developed well beyond the point where that proposition can be seriously questioned.²²⁰ Finally, as discussed below in analyzing the second variant of the categorical model, a plenary vision of competitive concerns supports rather than undermines the availability of product design trade dress protection.

A second categorical model, which has proved more popular with the courts and purports to accommodate the criticisms of the exclusionary categorical model, is a "discriminatory categorical" model.²²¹ Under this model, the protectability of product design would be evaluated under different (stricter) tests than those applied to product packaging. These discriminatory restraints, which are being formulated primarily, but not exclusively, by the Second, Third, Tenth and (to a lesser extent) Seventh and Federal Circuits,²²² are appearing in a variety of doctrinal contexts: in assess-

219. See *Qualitex*, 514 U.S. at 163.

220. See *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 31 (2d Cir. 1995) ("['T]rade dress' has taken on a more expansive meaning and includes the design and appearance of the product as well as that of the container and all elements making up the total visual image by which the product is presented to customers."); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 517 (10th Cir. 1987) ("['T]rade dress in its more modern sense [may] refer to the appearance of the [product] itself.").

221. See *Barrett*, *supra* note 195 at 478 (endorsing exclusion of the "most competitively important product features from protection [and] subject[ing] competitively significant, but less important, product features to a secondary meaning requirement"); *Brown*, *supra* note 56, at 1380 (accepting the possibility of inherently distinctive packaging but not design); *Gleiberman*, *supra* note 107, at 2043 (noting the need for different legal standards for packaging and design); *David Klein, The Ever-Expanding Section 43(a): Will the Bubble Burst?*, 2 U. BALT. INTELL. PROP. L.J. 65, 84-86 (1993) (advocating stricter tests of distinctiveness of product designs); *Reichman*, *supra* note 55, at 118 n.750 (advocating a secondary meaning requirement for product designs).

222. Some district courts in the Sixth Circuit would appear to be following the stricter approach of the Second and Third Circuits. In *Herman Miller Inc. v. Palazzetti Imports & Exports, Inc.*, 998 F. Supp. 757 (E.D. Mich. 1998), the court rejected an argument of inherent distinctiveness of the design of the famous chair and ottoman designed by the late Charles Eames because the plaintiff did not "even suggest that the primary purpose of the design was source identification". *Id.* at 761. Instead, the court (in language parallel to that of the Second Circuit in *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir. 1995)) found that the design was not inherently distinctive where the objective of the design was primarily aesthetic (enhancing the furniture's ornamental appeal). See *Herman Miller*, 998 F. Supp. at 761; see also *Libby Glass, Inc. v. Oneida Ltd.* No. 3:98 CV 7439, 1999 WL 649771, at *6 (N.D. Ohio July 12, 1999) (following tests used by Second and Third Circuits, and treating producer's intent as relevant but not dispositive). The court also declined to draw a conclusion of secondary meaning from plaintiff's sales success, accepting the reasoning of the Third Circuit in *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431, 1453 (3d Cir. 1994) that the "sales success may well be attributable to many factors other

ing the distinctiveness of product design trade dress;²²³ in determining the likelihood of confusion upon which infringement is premised;²²⁴ in applying the doctrine of aesthetic functionality;²²⁵

than secondary meaning, the most likely being purchases resulting from the aesthetically pleasing nature of the product, rather than the source-designating capacity of the allegedly distinguishing feature or combination of features." *Herman Miller*, 998 F. Supp. at 762.

223. See, e.g., *Duraco*, 40 F.3d at 1442; *Knitwaves*, 71 F.3d at 1008; see generally *Dinwoodie*, *Reconceptualizing*, *supra* note 89, at 533-52 (discussing the stricter tests of distinctiveness used in the Second and Third Circuits). This has occurred both in developing a test for inherent distinctiveness and in assessing the existence of secondary meaning. See *id.* at 554 (canvassing inherent distinctiveness cases); *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 661 n.8 (7th Cir. 1995) (discussing stricter test for secondary meaning); *Duraco*, 40 F.3d at 1452 (noting that sales success is not as probative of secondary meaning in product design cases as in traditional trademark cases). Even some courts that have been generally more supportive of product design trade dress protection have adopted some of these restraints. For example, the Court of Appeals for the Fifth Circuit has followed other courts in suggesting that certain indirect indicia of secondary meaning—such as a long period of exclusive use—are less likely give rise to a conclusion of secondary meaning in the context of product design because of the lesser likelihood that consumers will identify a product by its design features. See *Sunbeam Prods, Inc. v. West Bend Co.*, 123 F.3d 246, 254 n.15 (5th Cir. 1997). Courts may be particularly reluctant to attach weight to periods of exclusive use in product design cases if that exclusivity is the result of plaintiff's ownership of a utility patent on the invention embodied in the product. See, e.g., *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 294 (7th Cir. 1998).

224. See, e.g., *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 382 (2d Cir. 1997); *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 383 (7th Cir. 1996) (discussing the use of stricter likelihood of confusion analysis in product configuration cases); *Versa Prods. Co. v. Bifold Co.* 50 F.3d 189, 203 (3d Cir. 1995) (noting that consumers are less likely to be confused as to the source of two products by their similar configurations than by similar packaging or labeling); *Libbey Glass*, 1999 WL 649771, at *12 n.9 (following *Versa Prods.*); see also *Libman Co. v. Vining Indus.*, 69 F.3d 1360, 1363-64 (7th Cir. 1995) (imposing stricter evidentiary standards on producers seeking to establish a likelihood of confusion); *Thomas & Betts*, 65 F.3d at 663 (noting reluctance to infer secondary meaning from intentional copying in product design cases); *Chrysler Corp. v. Vanzant*, 44 F. Supp.2d 1062, 1082 (C.D. Cal. 1999) (same in Ninth Circuit).

Again, courts other than those adhering to a categorical model have also accepted that "[p]articularly in product configuration litigation, where consumers are less likely to rely on the configuration as a source identifier, labels and packaging may eliminate confusion." *Sunbeam Prods*, 123 F.3d at 259; see also *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1134 (Fed. Cir. 1993) (readily accepting use of labeling to dispel confusion between design trade dress); *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp.2d 112, 123 (D. Mass. 1998) (explaining that prominent housemarks supported finding of no confusion), *aff'd in relevant part*, 163 F.3d 27 (1st Cir. 1998); *DCNL Inc. v. Almar Sales Co.*, 47 U.S.P.Q.2d 1406, 1416 (N.D. Cal. 1997); see also J.H. Reichman, *Past and Current Trends in the Evolution of a Design Protection Law—A Comment*, 4 FORD. INTELL. PROP. MEDIA & ENT. L.J. 387, 395 (1993) (noting that one response to *Two Pesos* was to reinstate "stricter tests of potential

and in denying trade dress protection to a product design that has been disclosed by or claimed in a utility patent.²²⁶ The result under this second variant would be to permit design trade dress protection in theory, but to restrict it significantly in practice.²²⁷

confusion at the infringement stage and [rediscover] the corrective power of proper labeling, especially labeling in the form of a competing trademark"). The use of corrective labeling is an essential component of the balanced approach to functionality advocated in Part V.

225. See, e.g., *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1336-37 n.11 (C.D. Cal. 1989) (noting that aesthetic functionality doctrine applied only to product design and not to packaging), *vacated*, 767 F. Supp. 1036 (C.D. Cal. 1991). Some courts have also applied stricter tests of utilitarian functionality to product design than to packaging. See Theodore H. Davis, Jr., *Copying in the Shadow of the Constitution: The Rational Limits of Trade Dress Protection*, 80 MINN. L. REV. 595, 624-25 (1996) (discussing courts' approaches to trade dress consisting of both functional and nonfunctional components).

226. See *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1503-04 (10th Cir. 1995). Rather than attempt to balance the competing values of different forms of intellectual property that protect design, the categorical approach endorses bright line tests to prioritize patent law over trade dress protection when the two meet. See, e.g., Kevin E. Mohr, *At the Interface of Patent and Trademark Law: Should a Product Configuration Disclosed in a Utility Patent Ever Qualify for Trade Dress Protection?*, 19 HAST. COMM. & ENT. L. J. 399, 429 (1997) (proposing strict subordination of trade dress to patent where conflict arises); Dowell, *supra* note 107, at 172-73 (outlining "hierarchy" of competing policy concerns).

227. See *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379 (2d Cir. 1997); *Nabisco, Inc. v. PF Brands*, 50 F. Supp.2d 188, 199 (S.D.N.Y. 1999) (noting that "after *Landscape Forms* and *Knitwaves*, there was doubt in the Second Circuit as to whether a product's design could ever be protectable trade dress"), *aff'd*, 1999 WL 672575 (2d Cir. Aug. 31, 1999). There have been some recent indications of a returning receptivity to product design trade dress protection in the Second Circuit in particular, prompted by unannounced relaxation of some of the inherent distinctiveness standard announced in *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996 (2d Cir. 1995), namely whether the design is likely to serve primarily as a source-indicator. See *id.* at 1008. District courts in the Second Circuit have read the later Second Circuit decision in *Landscape Forms, Inc. v. Columbia Cascade*, 113 F.3d 373, 378 (2d Cir. 1997) (inherent distinctiveness inquiry involves asking whether design is likely to be understood as source-indicator without "primary" requirement), as reinterpreting and relaxing the appropriate test. See *Tough Traveler, Ltd. v. Outbound Prods.*, 989 F. Supp. 203, 207-08 (N.D.N.Y. 1997) (noting "reinterpretation" and "relaxing" of test); see also *Samara Bros. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 128-29 (2d Cir. 1998) (finding design of children's clothing inherently distinctive under *Knitwaves/Landscape Forms* test); *Telebrands Corp. v. E. Mishan & Sons.*, No. 97 Civ. 1414, 1997 WL 232595, at *17 (S.D.N.Y. May 7, 1997) (concluding that the design of can opener is inherently distinctive); *P.E. Guerin, Inc. v. Nanz Custom Hardware, Inc.*, 45 U.S.P.Q.2d 1524, 1526 (S.D.N.Y. 1997) (protecting the design of doorknob as inherently distinctive). But see *Ann Howard Designs L.P. v. Southern Frills, Inc.*, 46 U.S.P.Q.2d 1784, 1786-87 (S.D.N.Y. 1998) (applying original *Knitwaves* test and emphasizing aspect of *Knitwaves* relaxed by later courts); cf. *Nabisco*, 50 F. Supp.2d at 198 (applying original *Knitwaves* test, but finding product design distinctive based on evidence typically used to establish secondary meaning). The Seventh Circuit has

The justifications for this model overlap significantly with those invoked in support of an exclusionary categorical model.²²⁸ The following criticisms overlap too: both categorical models are premised upon an unduly narrow vision of the competitive arena, will create unmanageable doctrinal complexity, will adversely affect the creative environment, and will fossilize a version of social and competitive conditions that may soon be outdated.²²⁹

As seen above, trade dress protection generates both competitive costs and competitive benefits. The Supreme Court's decision in *Two Pesos* may properly have had the (unintended) sobering effect of sensitizing courts to the potentially overbroad effects of product

also softened its language, if only slightly. Compare *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir. 1998) (rejecting an absolute rule denying trade dress protection to design features disclosed in a utility patent) with *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 659-60 (7th Cir. 1995) (hinting at such a rule in earlier appeal and remanding to District Court). See also *Northwestern Corp. v. Gabriel Mfg. Co.*, 48 U.S.P.Q.2d (BNA) 1902, 1906 n.7 (N.D. Ill. 1998) (limiting stricter infringement test announced in *Dorr-Oliver* and *Versa* to the design of "high-priced, single purchase" products); *Sara Lee Corp. v. Am. Leather Prods.*, Civ. No. 97-C4158, 1998 WL 433764 (N.D. Ill. Jul. 29, 1998) (protecting the design of luggage as inherently distinctive and granting injunctive relief).

228. Courts and commentators endorsing this approach have paid particular attention to the perceived conflict between product design trade dress and patent protection for useful inventions: the Second Circuit, like the Seventh before it, appears heavily driven in *all* areas by the alleged patent/trade dress conflict. See *Land-scape Forms*, 113 F.3d at 373; *Fun-Damental Too Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 1001 (2d Cir. 1997); see also Dinwoodie, *Reconceptualizing*, *supra* note 89, at 571 n.292 (discussing the concerns motivating recent Seventh Circuit case law). In addition, courts have cited the inability of linguistically-rooted analyses to assist in evaluating design trade dress issues and, in the context of distinctiveness analysis, by the current lesser likelihood that consumers will rely upon product design as source-identifiers. Although this last justification accurately reflects current reality, it embeds static current assumptions regarding consumer behavior into trademark analysis.

229. The discriminatory model carries greater legitimacy than its exclusionary cousin. It rests upon the largely undisputed proposition that at present product packaging more readily acts as a means of source-identification than does product design. See *Duraco Prods. Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1448 (3d Cir. 1994); *Knitwaves*, 71 F.3d at 1007-08. And, although the *Qualitex* Court declined to exclude a mark from registration upon categorical grounds, Justice Breyer's opinion hints at one class of subject-matter (color *per se*) being required to demonstrate secondary meaning to obtain protection. See Landau, *supra* note 133, at 220-21 (discussing ambivalence in the opinion); see also *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1328 (Fed. Cir. 1999) (noting that color alone cannot be inherently distinctive). Putting aside the possible inconsistency between this exception to a wholly teleological form of analysis and the Court's endorsement of a unitary trademark philosophy in *Two Pesos*, see Dinwoodie, *Reconceptualizing*, *supra* note 89, at 526 n.152, the implicit thrust of Justice Breyer's opinion lends greater room for a discriminatory (rather than exclusionary) categorical approach.

design trade dress protection dispensed without regard to trademark law's immanent limits.²³⁰ Minimalist courts and scholars endorsing categorical analysis may now, however, have become equally desensitized to the anti-competitive consequences that will flow from denying protection to designs legitimately acting as source-identifiers.²³¹ These courts and scholars have adopted a myopic approach to the competitive effect of trademark protection by advocating a system premised on wholly unregulated competition²³² without sufficient regard for the value of fair competition as a fundamental prerequisite to free competition.²³³ Competition is not furthered by countenancing the confusion that flows from uncontrolled copying of source-identifying designs. While denying protection to a product design feature may ensure a competitive environment in cases involving basic or essential product features, as a systemic matter it will be trademark protection that preserves and promotes competition. A balanced approach to product design trade dress recognizes the competitive costs and gains of protection.²³⁴ It

230. See Reichman, *supra* note 224, at 394 (noting the resistance to product design trade dress paradoxically stirred up in lower courts by *Two Pesos*).

231. For example, Mitchell Wong has argued for a functionality doctrine (which he calls the "identification" theory of functionality) that would limit protection to designs that "only served to identify source." Wong, *supra* note 202, at 1163. This approach effectively excludes (categorically) trade dress protection for designs, but Wong argues that "[b]ecause the identification theory prevents monopolization of even more features than the competition theory, the identification theory protects competition equally well, if not better than, the competition theory." *Id.* at 1162. Such an approach certainly protects competitors better than the competitiveness test of functionality, but it ignores the anti-competitive effects of consumer confusion. See *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995) ("[T]he competitive benefits of protecting the source-identifying aspects of the feature under the Lanham Act may outweigh the competitive costs of precluding competitors from using the feature."); see also Swann, *supra* note 91, at 264 ("[I]t may be just as inimical to competition and to consumers to deny protection to a differentiating design as it is to protect a common one."). Less protection does not automatically equate with enhanced competition.

232. See, e.g., Wong, *supra* note 202, at 1162 (arguing for a broad functionality doctrine that would effectively deny protection for most designs because "free market competition . . . requires that every design be sold at the lowest price possible").

233. See Derenberg, *supra* note 205, at 1213 (arguing "that too much concern for free competition tends to overlook . . . the interest in . . . the maintenance of lawful competitive relationships . . ."); *Sunbeam Prods., Inc. v. The West Bend Co.*, 39 U.S.P.Q.2d 1545, 1554 (S.D. Miss. 1996) ("[T]he issue of competition in this case must be tempered when one attempts to compete unfairly."), *aff'd on other grounds*, 123 F.3d 246 (5th Cir. 1997).

234. See Litman, *supra* note 204, at 96-97 (arguing that "both product distinguishability and the doctrine of functionality are pro-competitive policies. . ."); see also *Fabrication Enters.*, 64 F.3d at 58 (discussing the risks to competition from both

may be that the anti-competitive costs of not protecting true source-identifying designs was a small price to pay for the certainty of non-interference with free competition premises and patent law principles when almost no product designs were viewed as serving a source-identification function. That anti-competitive cost becomes significant, however, when as is now the case, consumers increasingly come to rely on product design to identify and distinguish a product. If consumers typically identify and distinguish the source of competing food mixers by their distinctive design features,²³⁵ permitting a cottage industry of knock-off mixers erodes the competitive landscape by confusing consumers—precluding efficient purchasing decisions and eliminating the ability to sustain markets of products of different but constant quality.²³⁶

Moreover, the competitive windfall that is claimed to flow from the certainty of denying protection is illusory. Restricting protection of product designs superficially removes from the courts some of the most difficult intellectual property issues with which they are currently confronted.²³⁷ But the categorical approach would create new difficulties of classification because the distinction between product design and product packaging is not self-implementing. Moreover, it jars with the realities of the modern market, where lines between marketing and production, between product and package, and between creativity and commerce, are disappearing.²³⁸ Categorical

under-protection and over-protection).

235. See *Sunbeam Prods. v. West Bend Co.*, 123 F.3d 246, 257 (5th Cir. 1997) (protecting design of Sunbeam® food mixer as distinctive).

236. See *Fabrication Enters.*, 64 F.3d at 58 ("If such confusion occurs, meaningful competition is frustrated because without some . . . method of product identification, informed consumer choice, and hence meaningful competition in quality, could not exist.").

237. See, e.g., *Publications Int'l Ltd. v. Landoll, Inc.*, 164 F.3d 337, 338 (7th Cir. 1998) (noting the courts' struggle to establish a distinctiveness standard for trade dress and suggesting that efforts to define concepts such as distinctiveness might be "futile"); *Ashley Furniture Indus., Inc. v. Sangiacomo N.A., Ltd.*, 11 F. Supp.2d 773, 778 (M.D.N.C. 1998) (noting the difficulty of determining inherent distinctiveness of product design trade dress because law is in flux), *rev'd*, 1999 WL 598485 (4th Cir. 1999); *Chrysler Corp. v. Vanzant*, 44 F. Supp.2d 1062, 1069 (C.D. Cal. 1999) (commenting that "the doctrine of functionality can at times be difficult to define and apply"). One of the reasons for Ralph Brown's suggestion in 1964 to deny trade dress protection to designs was that it would avoid the need to apply the functionality doctrine, which he regarded as "full of difficulties." Brown, *supra* note 205, at 1220.

238. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 573-85 (discussing the difficulties of drawing a design/package distinction); see also Paula Deitz, *Finnish Modern: Defining a Nation By Its Designers*, N.Y. TIMES, Mar. 1, 1998, at B37 (noting that "the packaging [for Finnish products] . . . themselves became household com-

analysis would require litigants to establish demarcations that do not exist in the minds of producers or consumers. Social and market realities are remarkably resilient. Pretending or deeming that the market is something else is not only normatively unsettling for trademark law, but also will prove practically useless in generating commercial certainty.²³⁹ Formalistic tests that become virtually self-defining leave litigants at the whim of legal developments that take no predictable course. Requiring parties to litigate ontological issues divorced from reality is not conducive to creating the predictability of legal rules that ultimately lends itself to efficient conduct of commerce and resolution of disputes.

Indeed, with the discriminatory categorical model, the opaque doctrinal complexity (and attendant uncertainty) transcends matters of classification. In order to mask the social and legal revisionism underlying the purported implementation of the Supreme Court's mandate,²⁴⁰ the doctrinal tests newly introduced for product designs are barely comprehensible.²⁴¹ The use of both ontological apartheid and formalistic complexity are not without historical antecedent as tools of those advocating raw competition in preference to effective trademark protection. In the early twentieth century, trademark protection was strictly limited to "technical trademarks" (such as invented words) that were less likely to implicate the monopoly concerns of trademark detractors.²⁴² Similarly, Daniel

modities").

239. Different types of subject-matter will continue, depending upon developments in consumer comprehension and competitive capacity, to attract different degrees of protection. But a non-categorical approach minimizes the importance of preliminary classification that might determine all subsequent issues. Observation of reported decisions and of consumer behavior will continue to reveal which classes of subject-matter most easily carry meaning to consumers and attract trademark protection, but trademark litigation will not be reduced to fighting a battle of false dichotomies.

240. See Dratler, *supra* note 58, at 484 n.180 (arguing that *Duraco* resurrects for product design trade dress the secondary meaning requirement disapproved for all trade dress by the Supreme Court in *Two Pesos*).

241. See *Krueger Int'l, Inc. v. Nightingale Inc.*, 915 F. Supp. 595, 606 (S.D.N.Y. 1996) (describing *Knitwaves* test as "neither helpful nor logical"); Swann, *supra* note 91, at 264 (commenting that the Third Circuit's "twenty-two page attempt [in *Duraco*] to formulate a general rule for dispensing with proof of secondary meaning is so tortured as to tax even the intellectual property specialist"); Dratler, *supra* note 58, at 483-84 (finding *Duraco* test flawed and noting that it included elements that had previously wreaked judicial havoc in copyright law); Isidro, *supra* note 192, at 849 (complaining that "the *Duraco* test does nothing to help courts determine whether configurations identify their producers, and the *Knitwaves* test is grounded only tenuously in the law").

242. See McClure, *supra* note 86, at 318.

McClure has observed that each effort to enhance protection against consumer confusion historically has given rise to a "new doctrinal formulation by jurists, [which] rather than sweeping away older formulations, merely added a new layer to the old problem, resulting . . . in an unstable situation where incongruous conceptions and doctrines exist side-by-side."²⁴³ Courts employing categorical models are piling unhelpful complexity upon a mountain of trademark doctrine, and this complexity is causing trade dress law to become increasingly baroque.²⁴⁴ Absent an appreciation of the intended revisionist conclusion, the tests would be wholly incapable of application; and with that insight, they are exposed as a thin subterfuge.

Furthermore, both categorical approaches would, because of the manner in which they constrict the options for producers seeking to differentiate their goods from those of their competitors, adversely affect the creative environment. By affording greater protection to certain forms of source-identification, trademark law incidentally incentivizes particular producer behavior. For example, we encourage the creation of neologisms by providing coined terms with the strongest trademark protection.²⁴⁵ Under the categorical model of trademark law, the attachment of supplementary means of source-identification (such as labels, packaging or arbitrary design appendages) would be privileged over efforts to integrate functional, aesthetic and source-identifying features in a single design. Producers seeking to develop brand identity could be expected to adjust their branding and design strategies accordingly.

That this effect will ensue is not challenged by advocates of categorical models; indeed, it is encouraged.²⁴⁶ If trademark law has

243. *Id.* at 308.

244. *See supra* note 224; *cf.* Easterbrook, *supra* note 163, at 118.

245. The enhanced protection for neologisms can be explained as recognition of the increased likelihood that such terms will act for consumers as a means of source-identification and are thus distinctive. *See* Dinwoodie, *Reconceptualizing*, *supra* note 89, at 590.

246. *See, e.g.,* Brown, *supra* note 56, at 1385-86 (suggesting that the plaintiff seeking to differentiate its products should use a trademark and not rely on the appearance of her goods for source-identification); Mohr, *supra* note 226, at 429 (arguing that subordinating trade dress protection to patent principles would not trample on trademark goals because the producer would still be free to identify the source of its product by traditional words, or symbols, or packaging); Bell, *supra* note 74, at 429 n.276 (responding to the argument that the source-identifying design of a product might convey hidden information about the product by suggesting that conventional trademarks and trade dress suffice to identify these traits at the point of sale); John B. Pegram, *Trademark Protection of Product and Container Configurations*, 81 TRADEMARK REP. 1, 27 (1992) (suggesting that the solution to the problem of consum-

a dynamic or constitutive capability, so the argument goes, we should harness that potential by explicitly disfavoring those forms of source-identification (i.e., product design) that cause the difficulties addressed in this Article. That is to say, if trademark law can influence producers to identify their wares by means such as labeling or packaging that do not implicate such strong competitive concerns or risk intrusion with the patent system, then it should consciously do so. As a result, fewer producers will use design features as source-identifiers²⁴⁷ and consumers will come to rely less on such features, thus minimizing the problems caused by product design trade dress.²⁴⁸

But these arguments fail to recognize the limits of trademark law's dynamic capability or to address the broader non-trademark effects of adopting such an approach.²⁴⁹ Even were it desirable that

ers being confused by similar designs is "public education" such that the public looks at labeling and does not rely upon designs to identify source); Wong, *supra* note 202, at 1166 (sugar-coating reality of lesser protection for designs with the observation that "a manufacturer that seeks to identify itself could do so using any mark, name, or feature from a boundless universe of such devices"); David S. Welkowitz, *Trade Dress and Patent—The Dilemma of Confusion*, 30 RUTGERS L.J. 289, 367 (1999) (arguing that "[l]abeling and packaging should be encouraged as the primary means of promoting product differentiation"); Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1509 (10th Cir. 1995); Duraco Prods. v. Joy Plastic Enters., 40 F.3d 1431, 1451 (3d Cir. 1994); Publications Int'l Ltd. v. Landoll, Inc., 164 F.3d 337, 343 (7th Cir. 1998) ("[W]e don't wish to seem wise after the event . . . [but] publishers who want to distinguish their lookalikes from their competitors . . . can easily do so by adopting a distinctive logo, imposing a uniform design, typeface, or color on the cover of their books, printing their name prominently on the covers . . .").

247. These arguments rest upon the false premise that producers can always use forms of source-identification other than design. For many products, this is not true. See Dinwoodie, *Reconceptualizing*, *supra* note 89 at 558-60. And, even if producers can do so at the point of sale, they have no control over the means by which the product is presented to the public in the post-sale context. See *id.* at 560.

248. See Welkowitz, *supra* note 246, at 367 (arguing that encouraging labeling and packaging as the primary means of product differentiation will encourage consumers to look at labels and may make consumers "more careful and encourage more attention to quality"). Proponents of this argument might also support the categorical model by hypothesizing alternative producer responses to broad design trade dress protection: the competitive "dangers" of product design trade dress protection might be viewed as anti-competitive "opportunities" by an aggressive producer, who might intentionally use product design over words as a means of source-identification, hoping not only to develop and protect goodwill but also to erect a barrier to fair competition by appropriating the best means of producing a particular product. This concern is misplaced, however. The aggressive competitor who seeks to abuse the trademark system will be thwarted by the doctrine of functionality outlined in Parts IV-V of this Article.

249. Moreover, these arguments do not consider the threshold questions of the extent to which, and for what reasons, trademark law should use its dynamic or

producers be able to control the means by which consumers draw meaning from products,²⁵⁰ it is not possible to constrain the means by which consumers identify the source of products merely by incentivizing the producers of those goods. Unlike patent or copyright law, where protection depends wholly upon the level of creativity or novelty demonstrated by the producer, obtaining trademark protection is not within the exclusive control of the producer; the producer's conduct is ultimately subordinate to consumer understanding. If consumers identify a product by its design, the purposes of trademark law are implicated by confusing imitation of the design regardless of a producer's objectives.

More importantly, however, the broader, non-trademark effects of incentivizing the use of supplementary means of source-identification also caution against the effort to influence and constrain producer behavior. Encouraging the use of neologisms as source-identifiers has the incidental, but beneficial, effect of enriching our vocabulary. In the context of product design trade dress, however, the incentive sought by advocates of the categorical model may inhibit both producers' branding and production strategies. Although it is not the role of trademark law to provide incentives to creation, it is folly (particularly in the context of design, which structures our social environment) to generate rules built on distinctions that constrain artistic choice or privilege one artistic choice over another. This is especially so where the drawing of those categorical distinctions prejudices the genre of functionalist design that modern practice values most highly.²⁵¹ This is not to argue that trademark law should serve as a surrogate design law and encourage the development of creative designs. But intellectual property law should liberate rather than constrain the creative scope of producers to embody the artistic, functional and identifying aspects of their products as they wish; otherwise the doctrines of trademark

constitutive quality to create or shape behavior. Is it the appropriate role of trademark law to discourage use and reliance upon source-identifying subject matter that proves problematic for traditional principles of trademark law to accommodate? Product design trade dress raises difficult issues but, as this Article seeks to show, these issues are not irresolvable. Is jurisprudential angst an appropriate motivating concern?

250. See Hughes, *supra* note 114 (discussing the circumstances in which the public might have lesser or greater interests than producers in stable meanings attaching to cultural products).

251. For a discussion of functionalist design, see Dinwoodie, *Federalized Functionalism*, *supra* note 103, at 626-30.

law will encourage orthodoxy.²⁵²

The impact of product design trade dress protection on production as well as marketing choices (*i.e.*, on the traditional domain of patent law) is properly acknowledged in analyzing functionality, in order to recognize the competing interests of patent law in regulating design.²⁵³ Yet, the effect of trade dress rights upon the integrity of the patent system is not the sole point of contact with other forms of intellectual property. Design is ubiquitous, inhabiting all major intellectual property regimes, including copyright law.²⁵⁴ Copyright law encourages a wide range of creative activity by according protection based upon (facially) aesthetically neutral rules.²⁵⁵ Others have noted that copyright protection for the design of useful articles, and in particular the separability test that sets the limits of that protection, might itself be accused of perpetuating artistic preferences.²⁵⁶ Indeed, the inevitability of such judgments has persuaded some commentators to argue that courts should dispense with formal adherence to the principle of aesthetic neutrality espoused by Justice Holmes in *Bleistein v. Donaldson Lithographing Co.* and explicitly acknowledge that copyright cases involve the rendering of aesthetic judgments.²⁵⁷ Although it may be too demanding of

252. Insisting upon supplementary means of identification—on pain of ceding any initial control that a producer has over the creation of brand identity—would almost certainly interfere with the ability to implement functionalist design, because this is a significant penalty in a brand-conscious economy. Even if the market demands products that fuse form and function, this may provide insufficient incentive to forego trademark protection.

253. See *infra* text accompanying notes 378-86 (discussing the accommodation of patent-related concerns into functionality analysis).

254. See Deitz, *supra* note 238, at B37 (noting the relation between design and each of identity, economic success in the product market, and national history).

255. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) (Holmes J.) (remarking that "it would be a dangerous undertaking for persons trained only in the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits").

256. See *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 996 (2d Cir. 1980) (Weinstein, J., dissenting) (noting that courts tend to favor copyright protection for "representational art as opposed to non-representational artistic forms which are embodied in, and part of the structure of, a useful article"); see generally Perlmutter, *supra* note 103, at 376.

257. See James H. Carter, *They Know It When They See It: Copyright and Aesthetics in the Second Circuit*, 65 ST. JOHN'S L. REV. 773, 794 (1991) (suggesting that we should not be concerned about judicial judgment of aesthetics provided that judges explain those judgments); Alfred C. Yen, *Copyright Opinions and Aesthetic Theory*, 71 S. CAL. L. REV. 247, 298-301 (1998) (arguing that copyright opinions inevitably involve the declaration of a judicial preference for one aesthetic theory over another, and that aesthetic subjectivity is best managed by acknowledging that such a prefer-

trademark law to require adherence to a copyright principle to which copyright law barely feigns adherence, the liberating value underlying Holmes' statement remains worthy of reference. At the very least, it suggests caution before adopting approaches that unnecessarily constrict design choices and mainstream our creative environment by privileging one type of design over another.²⁵⁸

Finally, any categorical foundation embeds in trademark law a static notion of consumer understanding or competitive need. The development of meaning is a dynamic process, as the increasing use of product designs as source-identifiers demonstrates.²⁵⁹ As a system premised upon the meaning of symbols, trademark analysis must reflect that dynamism. More concretely, if (or perhaps when) product design assumes a far greater role as a means of consumer identification, or when visual forms can more easily deviate from a norm without imperiling competitiveness, trademark law should not

ence is inevitably being expressed).

258. See *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3d Cir. 1981) ("As our ambience becomes more mechanized and banal, it would be unfortunate were we to discourage use of a spark of originality which could transform an ordinary product into a thing of grace."). Indeed, some courts, perhaps unknowingly, have reflected such inter-regime balance in the demands placed upon plaintiffs seeking protection under one regime for a product whose protection also implicates a rival form of intellectual property. For example, a fundamental proposition of patent law is that a patentee's rights are determined by what is precisely set forth in the patent claims. The value of public notice underlying that rule is clearly implicated by the grant of unregistered trade dress or copyright protection to marks or works that might also be affected by patent protection, such as product design or software. Consistent with that value (but clearly not imposing the patent rule) the Court of Appeals for the Second Circuit has required that a plaintiff provide specific identification of its product design trade dress. See *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 381 (2d Cir. 1997); see also *Regal Jewelry Co. v. Kingsbridge Int'l Inc.*, 47 U.S.P.Q.2d 1074, 1081 (S.D.N.Y. 1998) (concluding that the plaintiff's trade dress action should fail where it failed to consistently define the elements of the product design claimed as trade dress). Indeed, an insistence upon clear demarcation of the elements of a claimed trade dress has become one of the most common grounds upon which courts have rejected plaintiffs' claims in the last two years. See, e.g., *Indonesian Imports, Inc. v. B.H. Smith Indonesian Imports, Inc.*, No. C97-3534 FMS, 1999 WL 183629, at *4-6 (N.D. Cal. Mar. 30, 1999); *Whimsicality, Inc. v. Battat*, 27 F. Supp.2d 456, 464 (S.D.N.Y. 1998). As a consequence, it is being raised frequently by defendants. See *Samara Bros. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 125-27 (2d Cir. 1998) (explaining the level of specificity required of trade dress plaintiffs).

259. See Swann, *supra* note 91, at 254 n.11 (suggesting that the status of product design as source-identifiers was evolving and consolidating in strength, much as did the protection of packaging); see also *id.* at 260 (but noting that "until . . . marketers inculcate, either in a product category or more universally, the same reflexive responses to configuration variances that consumers have developed for suggestive or coined words, findings of inherent distinctiveness for designs should be limited and often market-specific").

be based upon outdated notions of that role or that latitude. Tests that institutionalize current understanding and current competitive practices will disserve trademark law by failing to recognize such evolution when it occurs.²⁶⁰ Current outcomes should not dictate future premises. Trademark law must accept the present, but it must also accommodate the future.

D. THE ADVANTAGES OF THE TELEOLOGICAL MODEL

A preliminary word regarding my systematization of these models is in order. These competing models necessarily suggest greater coherence than is in fact exhibited by courts. Courts frequently exhibit characteristics that smack of different models. This may be because courts are simply unaware of how a decision on a particular issue fits within a larger conceptual scheme of trademark; my systematization and conceptualization of court decisions attributes a conscious judicial approach to the relation between words and shapes that rarely appears on the surface of an opinion, but rather lies beneath the surface in the implicit assumptions of a court.²⁶¹

The problems of the assimilationist and categorical model arise in the fixed assumptions upon which they are based. The assimilationist model assumes that words are no different from shapes; the categorical model assumes (or presumes) that shapes do not serve the same social or competitive role as words. Each assumption misses the nuanced and contingent reality that shapes are in many respects different from words but can (in certain circumstances) engender a similar social and competitive effect to that produced by words. By adhering to their polar positions, these two models fail (among other things) to reflect the convergence concerns identified in Part II. The assimilationist pays scant attention to the conflict with patent law; the categoricalist fails properly to value the source-identifying capacity of product design trade dress in reconciling the two. The competitive concerns unique to product design trade dress are ignored by the assimilationist; the categoricalist permits those concerns to overwhelm the competitive benefits that flow equally from trade dress rights as from trademark protection for words. And

260. See *id.* at 263-65 (cautioning against premature formulation of rules of general application and calling instead for fact-sensitive, market-specific analyses).

261. Alternatively, it may be that such courts are trying to compensate adherence to an overprotectionist philosophy on one issue by applying a coarser filter in the form of an underprotectionist model at another stage. See *infra* text accompanying notes 456-57 (discussing the approach of the Eighth Circuit).

because each model fails to recognize *both* the similarities and the differences between words and shapes, each falls back on formalistic analysis to compensate for its deviation from contemporary reality. The assimilationist hides behind superficial simplicity, while the categorical models are founded on an unhelpful combination of doctrinal complexity and false metaphysical certainty. Finally, by embedding any current assumptions (let alone false ones) in analytical devices, each model ensures that it remains static and unable to accommodate evolutions in society.

The teleological model, focusing on individualized, contextualized, analysis of distinctiveness and functionality, enables judicial and scholarly attention to the convergence concerns. It accepts the more subtle reality that words are both the same as, and different from, shapes by examining the way in which particular matter claimed as a trademark actually behaves. By thus refusing to assign any fixed value to matter, it tethers trademark analysis to social and marketplace realities; and individualized, purposive analysis checks the growing formalism of trademark law and engenders transparency.²⁶² Neutral concepts implementing the limited purposes of trademark law will continually reinvent themselves, imbued with the societal and competitive realities of the day rather than burdened by the blanket assumptions of yesterday that underlie alternative models. This enables trademark law to accommodate evolutions in consumer understanding and competitive necessities. And particularized analysis permits courts to counterpoise competitiveness costs and gains,²⁶³ and weigh the different concerns of trade dress and patent law; in short, the teleological model recognizes the gray area that separates trading on goodwill from securing improper monopolies.

The value of the teleological model can be seen by considering the following hypothetical situation.²⁶⁴ Mahler is the leading manufacturer of domestic water faucets, and recently commenced production of a new brand of faucet (the "Downstream" faucet) that

262. See *supra* notes 163-64 and accompanying text (discussing the growing formalism in this area of law).

263. See McClure, *supra* note 86, at 330 ("Without a detailed inquiry into the structure of a given market, the likelihood of product differentiation, and an analysis of entry barriers, it would be difficult to know whether giving protection in a specific case was anti-competitive.").

264. The hypothetical draws in part (with significant license) from *Kohler Co. v. Moen Inc.*, 12 F.3d 632 (7th Cir. 1993) and *Lund Trading v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998).

supplies water from a single spout protruding from the wall rather than a spout mounted on the horizontal vanity. At the time that the Downstream faucet is first marketed, Mahler's reputation is as a high volume manufacturer of "value" products of inferior workmanship made from material of limited durability. These "value" faucets consisted of a variety of nondescript product designs, generating profit from low production costs and high sales volume; their design was not unlike that of value faucets marketed by many rival low-end market oriented producers, and did not serve to distinguish the Mahler product from other value products. The Downstream faucet, in contrast, was designed to appeal to the luxury product market. Rather than emphasize the Mahler name in packaging and advertising or on the product, Mahler relied upon the uniqueness of the wall protruding spout design to establish brand identity for the Downstream product. The high end of the faucet market has (largely for reasons of snobbery) foresworn use of brand names imprinted on the faucet; indeed, two other longstanding high-end producers have obtained trademark registrations on their respective designs based upon acquired distinctiveness.

Several months after the Downstream faucet enters the market, a rival manufacturer offers for sale a cheaper wall-mounted faucet. Can Mahler obtain relief under trademark law against any consumer confusion that this rival design might engender? The first question is whether the Downstream design is distinctive. The assimilationist philosophy would focus on the fact that the design, like newly coined words, was unique in the U.S. market and rest a finding of inherent distinctiveness thereon.²⁶⁵ Yet, many faucet designs currently on the market clearly do not identify their source; the assimilationist conclusion flows from the (overbroad) assumption that new designs, like new words, will be seen to identify the source of a product. In contrast, a court adopting a categorical philosophy, designed largely to forestall protection of designs as inherently distinctive, is unlikely to offer trade dress protection within months of first production (notwithstanding that many high-end faucet designs are understood as identifying source).²⁶⁶ The teleological model would take account of, among other things, both the general lack of consumer attention to faucet design as a source-identifier and the exceptional reliance upon design in the high-end market. By asking a question directly tethered to the purpose of

265. See *supra* note 191.

266. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 554.

trademark protection—are consumers likely to identify and distinguish the Downstream faucet by reference to its design—the teleological model effectuates the contextual reality that some but not all faucets may be identified by consumers by their design.²⁶⁷ It thus avoids the anti-competitive consequence of permitting consumer confusion if such might exist²⁶⁸ without protecting a non-source-identifying design merely because of its uniqueness.²⁶⁹ Moreover, if the design of the Downstream faucet were inherently distinctive, the teleological model would require courts to provide a reasoned analysis of their conclusion. Unlike the conclusory basis upon which the assimilationist might reach the same conclusion,²⁷⁰ this would contribute to a new transparency and thus permit the internalization of these parameter-setting rationales.²⁷¹

The contextualized analysis of the teleological approach also offers the advantage that it would reflect the evolving marketplace. If wall-mounted spouts became the social norm and thus commonplace, the ability of the Downstream design to identify and distinguish the Mahler product might be diminished. The teleological approach would prevent free competition only where necessary to protect goodwill that truly existed. This dynamic aspect of the teleological model is even more important in applying the functionality doctrine discussed in detail in the next part of this Article. If, for example, after the Downstream design becomes distinctive, the Environmental Protection Agency issued regulations requiring that (for health reasons) water faucets must provide water from above rather than below,²⁷² it may become competitively necessary that a competitor use the principal Downstream design feature.²⁷³ An as-

267. For the considerations and evidence that might assist in answering this question, see *id.*, at 585-95.

268. See *supra* text accompanying note 234.

269. See *supra* text accompanying note 191.

270. See *supra* text accompanying note 190-95.

271. See *infra* note 347.

272. The reader should not be alarmed; this is wholly hypothetical, without any basis in modern scientific understanding of water delivery systems.

273. Similarly, if the Downstream faucet had, by virtue of a new and nonobvious functional advance, warranted the grant of an utility patent, the teleological model would, in defense of the integrity of the patent system (as described below), seek to effectuate the right of rivals to practice that patent upon its expiry even if that involved the necessary copying of the distinctive Mahler design. See *infra* text accompanying notes 378-403. The assimilationist model dismisses such concerns by treating the systems of trademark and patent as wholly exclusive. See *supra* text accompanying notes 197-99. The categorical model accommodates those concerns by the unsatisfactorily blunt device of denying protection notwithstanding any evidence

simulationist may deny the functionality defense by virtue of the availability of alternatives, and thus validate an effective restraint on competition.²⁷⁴ The teleological model recognizes the fluidity of the competitive environment by a contextual analysis of feasible commercial alternatives.²⁷⁵ But, as discussed more fully in Part V, the teleological model would—through the availability of limited regulatory relief—balance the fact that consumers identified the Mahler Downstream product by that design with the competitive need of others; the categorical model, which would also permit competitively necessary copying, would deny any protection to the goodwill that Mahler generated. In short, the teleological model grounds trademark law in evolving social and commercial reality.

IV. APPLYING THE TELEOLOGICAL MODEL (I): FUNCTIONALITY

In this Part, I illustrate the operation of the teleological model by analyzing the concept of functionality. Functionality is perhaps the most appropriate subject through which to explore further the teleological model.²⁷⁶ It is a doctrine directly cast by courts and scholars in terms of confining trademark protection to its limited purposes, and the Supreme Court in *Qualitex* and *Two Pesos* rested its willingness to adopt expansive notions of trademark subject-matter upon the doctrine. Moreover, its historical development suggests an existing capacity to address all three convergence concerns: it is aimed at ensuring competition and avoiding interference with patent; and its origins lie outside the analysis of trademark protection for words.²⁷⁷

of source-identification in support of an absolute "right to copy." See *supra* text accompanying notes 211, 217-20.

274. See *supra* text accompanying note 196.

275. See *infra* text accompanying note 418-42.

276. The term "functional" as used in trademark analysis does not denote merely that the feature serves a utilitarian function in the composition or operation of the product. See *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (10th Cir. 1987). Absent such a distinction between the utilitarian nature of the product and the *de jure* functionality of the product, trade dress protection for product designs would be ephemeral.

277. For courts stressing the avoidance of conflict with other regimes by the grant of perpetual rights in useful functions, see, e.g., *In re Morton-Norwich Prods.*, 671 F.2d 1332, 116 (C.C.P.A. 1982). For courts stressing competitive effect, see, e.g., *Fabrication Enters. v. Hygenic Corp.*, 64 F.3d 53, 55 (2d Cir. 1995); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (Fed. Cir. 1994). For scholars stressing avoidance of conflict with patent law, see Dratler, *supra* note 199, at 949. Professor Dratler acknowledges that although the original purpose of the doctrine was to protect the integrity of utility patent law, the doctrine has assumed the purpose of protecting

Through the years, a significant group of scholars has addressed the question of functionality.²⁷⁸ The single point upon which these scholars agree is that neither courts nor jurists have successfully formulated a consistent or workable approach to functionality.²⁷⁹ When functionality was addressed at the state level, the approaches were legion;²⁸⁰ the federalization of product design trade

competition in general. See *id.* at 940.

278. See, e.g., M.A. Cunningham, *Utilitarian Design Features and Antitrust Parallels: An Economic Approach to Understanding the Functionality Defense in Trademark Litigation*, 18 HASTINGS COMM. & ENT. L.J. 569 (1996); Davis, *supra* note 74; Davis, *supra* note 225; Dratler, *supra* note 199, at 938-75; Bradford J. Duft, *Aesthetic Functionality*, 73 TRADEMARK REP. 151 (1983); Anthony L. Fletcher, *The Defense of "Functional" Trademark Use: If What Is Functional Cannot Be a Trademark, How Can a Trademark Be Functional?*, 75 TRADEMARK REP. 249 (1985); Erin M. Harriman, *Aesthetic Functionality: The Disarray Among Modern Courts*, 86 TRADEMARK REP. 276 (1996); Isidro, *supra* note 192; Christopher J. Kellner, *Rethinking the Procedural Treatment of Functionality: Confronting the Inseparability of Useful, Aesthetically Pleasing, and Source-Identifying Features of Product Designs*, 46 EMORY L.J. 913 (1997); Deborah J. Krieger, Note, *The Broad Sweep of Aesthetic Functionality: A Threat to Trademark Protection of Aesthetic Product Features*, 51 FORDHAM L. REV. 345 (1982); Litman, *supra* note 204; Mims, *supra* note 99; Mohr, *supra* note 226; Samuel Oddi, *The Functions of Functionality in Trademark Law*, 76 TRADEMARK REP. 308 (1986); Opderbeck, *supra* note 192; Peroff & Deckinger, *supra* note 203; Diana Elzey Pinover, *Aesthetic Functionality: The Need for a Foreclosure of Competition*, 83 TRADEMARK REP. 571 (1993); Jerre B. Swann, *The Design of Restaurant Interiors—A New Approach to Aesthetic Functionality*, 76 TRADEMARK REP. 408 (1986); Wong, *supra* note 202; Beth F. Dumas, Note, *The Functionality Doctrine in Trade Dress and Copyright Infringement: A Call for Clarification*, 12 HASTINGS COMM. & ENT. L.J. 471 (1990); A. Danielle 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).

279. See, e.g., 1 MCCARTHY, *supra* note 18, ¶ 7.69 ("there are as many definitions of what is 'functional' as there are courts"); Cunningham, *supra* note 278, at 571 (noting the courts' struggles to define the parameters of functionality); Dratler, *supra* note 199, at 939 (suggesting that functionality has been stretched so far that "it virtually ceases to have any meaning"); Dumas, *supra* note 278, at 471-72 (describing the functionality doctrine as "elusive"); Isidro, *supra* note 192, at 825 (noting inconsistent results among courts applying functionality doctrine); Litman, *supra* note 204, at 88 (noting the inconsistency in definitions of functionality); Wong, *supra* note 202, at 1119 ("[T]he functionality doctrine is one of the least understood concepts in intellectual property. Indeed, there is not even a workable definition for 'functionality'."). The doctrine of aesthetic functionality has only exacerbated these problems. See, e.g., Duft, *supra* note 278, at 202 (commenting that "aesthetic functionality is a game with no rules"); Fletcher, *supra* note 278, at 268 (describing tests of aesthetic functionality as "meaningless"); Harriman, *supra* note 278, at 266 (noting "disarray" in circuits); Oddi, *supra* note 278, at 348 (observing that aesthetic functionality is "a controversial and ill-defined concept").

280. The precise scope and application of the doctrine varied among states. See *Developments in the Law—Competitive Torts*, 77 HARV. L. REV. 888, 919 (1964) ("Despite use of the functionality concept for approximately sixty years there is still no

dress protection beginning in 1976 has only increased these disparities. Each circuit has developed its own formulation of the concept, and several circuits have employed different versions (sometimes using more than one at the same time). The crux of functionality has variously been described as whether the feature is "superior or optimal",²⁸¹ "essential to the use or purpose of the article,"²⁸² or an "important ingredient in the product's success,"²⁸³ to identify but a few formulations.²⁸⁴ Courts have openly acknowledged their role in engendering inconsistency,²⁸⁵ and one must therefore not accept courts' own labels unquestioningly, nor read semantic differences in formulations too profoundly.²⁸⁶ In each case, however, a design feature found to be functional under the operative standard was denied trade dress protection.²⁸⁷

Other scholars have carefully chronicled these diverse approaches; indeed, some have bravely attempted to rationalize and to conceptualize them.²⁸⁸ My purpose here is more focused; I am analyzing the functionality doctrine to highlight the essential principles of the teleological model.²⁸⁹ My aim is also more prospective. Although I discuss the past tribulations of the functionality doctrine insofar as those identify the problems that are likely to be encountered, I argue that the Supreme Court's adoption of a new (teleologi-

judicial agreement as to its present or proper scope.").

281. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 344 (7th Cir. 1985).

282. *Inwood Lab., Inc. v. Ives*, 456 U.S. 844, 850 n.10 (1982).

283. *Aromatique, Inc. v. Gold Seal, Inc.* 28 F.3d 863, 873 (8th Cir. 1994) (quoting *Prufrock Ltd. v. Lasater*, 781 F.2d 129, 133 (8th Cir. 1986)).

284. For a more complete sampling, see Dratler, *supra* note 199, at 939 n.280.

285. See *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 876 F.2d 1176, 1188-89 (7th Cir. 1989) (noting the use of different verbal formulations, even in the same opinion); see also Gleiberman, *supra* note 107, at 2044 (noting that "often [courts'] discussion of functionality is so confused that it is difficult to determine which test a court is really applying").

286. See Wong, *supra* note 202, at 1142, n.142 (noting confusing use by courts of terminology).

287. The few exceptions to this statement are discussed *infra* Part V, where I explore the effect of a finding of functionality.

288. See, e.g., Wong, *supra* note 202, at 1133, 1144 (identifying at least ten principal tests and classifying approaches under headings of "identification" theory and "competition" theory of functionality); Dumas, *supra* note 278, at 480-89 (identifying nine existing standards for functionality); Dratler, *supra* note 58, at 508 (identifying four "general variants" of the requirement).

289. For example, overbroad protection of product design under Commerce Clause-based legislation may raise interesting constitutional questions of congressional legislative authority. See Graeme B. Dinwoodie, *The Clash of Non-Absolutes: Patent and Trademark* (Aug. 4, 1998) (work in progress) (on file with author).

cal) approach to trademark law provides the springboard for a (new) more conceptually coherent approach to functionality.²⁹⁰ The elaboration of the teleological model thus permits me to develop the basic aspects of that approach.

To address the convergence concerns, the concept of functionality must accommodate the purposes of both patent law and trade dress protection; it must reflect the competitive gains of trade dress protection as well as its costs; it must be sufficiently transparent to reveal reasoned judgment, and sufficiently dynamic to mirror social and competitive evolution. And the teleological model suggests that trademark law will best achieve these goals by eschewing blanket assumptions based upon ontological essence, and engaging instead in a contextual, individualized analysis of whether protection serves, and would not transgress, the limited purposes of trademark law.

From these basic starting points, I advocate an animated doctrine of functionality applicable to a broad range of features without regard to their classification as mechanical or aesthetic. This doctrine would be based upon an intentionally open-textured and overriding test of competitive need that enables attention to be focused on changing commercial realities. Although such a skeletal test would inevitably be fleshed out by the accretion of case law (and would be given greater direction by attention to the central question of competitive alternatives) the most important lesson of the teleological approach is that it would be guided most significantly by the limited purpose of trademark law rather than any particular doctrinal formulation. Purpose should not become hostage to stagnant doctrine. I argue that a "competitive need"-based concept of func-

290. Other scholars have expressed less hope that *Qualitex* will greatly assist in the development of a coherent functionality doctrine. See, e.g., Davis, *supra* note 74, at 97 (commenting that the "Supreme Court's two modern pronouncements on functionality have done little to clarify the proper standard for determining whether a particular configuration is functional"); Harriman, *supra* note 278, at 266 (arguing that *Qualitex* does little to settle the split among the circuits on the question of aesthetic functionality); see also Wong, *supra* note 202, at 1119 (complaining that the definitions endorsed by the Supreme Court have "not proven usable in practice"). Professor Davis has no more faith in recent legislative efforts. See Davis, *supra* note 74, at 97 (describing the proposed legislative definition of functionality as being "longer on doctrinal buzzwords than actual substance"). Several writers have expressed little confidence in the main test endorsed by the Court as a guiding principle. See, e.g., Wong, *supra* note 202, at 1132 (noting that, "[u]sing the [*Inwood*] definition, the courts have formulated an arcane assortment of tests and sub-definitions, seemingly without any consistent methodology"); Lisa Oratz, *User Interfaces: Copyright vs. Trade Dress Protection*, 13 COMPUTER LAW. 1, 5 (Jan. 1996) (commenting that the *Inwood* test provides no guidance).

tionality should accommodate, within its four corners, the right to practice expired patents because the integrity of the patent system is central to a competitive environment. And I demonstrate the dynamic capacity of the doctrine by explaining the role of alternative designs in evaluating functionality. Each of these conclusions, and the forms of limited relief discussed in Part V, flow from application of the teleological model.

A. AVOIDING FALSE CLASSIFICATIONS IN DETERMINING THE SCOPE OF THE DOCTRINE: FROM TECHNICAL NECESSITY TO COMPETITIVE NECESSITY

One of the most controversial issues in delineating the functionality doctrine has been its scope of application. In particular, courts and scholars have disagreed over whether the doctrine should be applied to restrict protection for aesthetic (or ornamental) as well as utilitarian (or mechanical) features. And some have argued that different versions of the doctrine should apply to aesthetic and utilitarian features. This debate is significantly affected by the teleological principles discussed above. To place the issue in context, however, it is worth recalling briefly the different means by which courts and commentators have come to the question of the doctrine's scope.²⁹¹

Most early applications of the functionality rule involved denial of protection to mechanical or utilitarian features of a product's trade dress.²⁹² Protection of mechanical features most acutely piqued concerns about competition because it was with respect to those features that competitors' production choices were most severely restricted. And it was the potential protection of mechanical

291. Different courts (even within the same circuit) have at different (and even the same) times applied different tests of functionality to design features. *See supra* text accompanying notes 280-87. This account necessarily presents a more systematic evolution than occurred, but the evolution is more important than every detour through which particular courts traveled.

292. *See, e.g.,* Keene Corp. v. Paraflex Indus., Inc., 653 F.2d 822, 825 (3d Cir. 1981) (holding that a design is not functional if it "not significantly related to the utilitarian function of the product, but is merely arbitrary"); *In re Penthouse Int'l Ltd.*, 565 F.2d 679, 682 (C.C.P.A. 1977) (finding shape of jewelry was not functional where shape was "nonessential" to functioning piece of jewelry); *In re Deister Concentrator Co., Inc.*, 289 F.2d 496, 506 (C.C.P.A. 1961) (holding the outline shape of deck of shaking table functional when it was "in essence utilitarian"); *see also In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1338 (C.C.P.A. 1982) ("From the earliest cases, 'functionality' has been expressed in terms of 'utility.'"); Dratler, *supra* note 199, at 938-39 ("[T]he fundamental meaning of the word 'function' in the doctrine's name is not merely any purpose, but a useful or utilitarian purpose in the utility patent sense.").

features that impacted the other articulated rationale for the doctrine, namely, the avoidance of any conflict with utility patent law.²⁹³ Accordingly, many federal courts simply adopted existing state law formulations of functionality and held that "a feature dictated solely by 'functional' (utilitarian) considerations" would not be protected under the Lanham Act.²⁹⁴ This relatively narrow notion of functionality soon expanded in two closely related ways: to deny protection to certain design features that were not utilitarian in the mechanical sense (i.e., were aesthetic); and, to permit copying of utilitarian features that were not dictated by the product's function but which a rival needed to copy in order to compete. Functionality was no longer simply a matter of technical or mechanical necessity.

The expansion of the scope of the functionality exclusion beyond its roots in mechanically necessary features can be explained under either of the prevailing rationales for the doctrine. Proponents of functionality as a safety-valve against anti-competitive effects justified its extension by arguing that anti-competitive consequences might equally flow from protecting non-mechanical, aesthetic features.²⁹⁵ Commentators accentuating the doctrine's role in mediating an alleged conflict between trademark and patent reasoned that there was a need to prevent a conflict with the exacting standards of design patent (and copyright) law as well as with utility patent law.²⁹⁶ Recognition of the potential functionality of non-mechanical features took two primary forms: the doctrine of aesthetic functionality, and the expansion of the concept of necessity to

293. See 1 MCCARTHY, *supra* note 18, § 7.26[3][a] ("If one accepts the premise that the primary policy supporting the functionality doctrine is to maintain the competitive balance embodied in utility patent law, then one will define functionality in a strictly utilitarian sense."); Dratler, *supra* note 199, at 940 (arguing that the doctrine permits manufacturers freely to copy features that are proper subject-matter for utility patent protection).

294. See, e.g., *Deister Concentrator Co.*, 289 F.2d at 502; see also Litman, *supra* note 204, at 86 nn.73-74 (collecting cases).

295. See, e.g., Dowell, *supra* note 107, at 189-90 (arguing for a strong doctrine of aesthetic functionality because both functional and aesthetic designs are essential to competition).

296. See, e.g., Groff, *supra* note 205, at 85; Kellner, *supra* note 278, at 932 (explaining that utilitarian functionality avoids conflict with utility patent and aesthetic functionality performs a parallel role with design patent); Wong, *supra* note 202, at 1159-60 (arguing that aesthetic functionality doctrine "cleaves a rift" between trademark protection and copyright or design patent protection); see also Dratler *supra* note 199, at 928 n.220 (suggesting that for some courts the doctrine of aesthetic functionality is an attempt to avoid conflict with design patent law); Welkowitz, *supra* note 246, at 334 (suggesting aesthetic functionality as a "gatekeeper between trademark and design patent").

include competitive necessity. Both of these expanded approaches, developed to address non-mechanical features, would eventually come to inform all functionality analysis.

1. Aesthetic Functionality

In order to address the potential overprotection of non-mechanical features many courts and scholars endorsed (and continue to advocate) a companion doctrine that flowered under the oxymoronic title of aesthetic functionality.²⁹⁷ This doctrine has bloomed and withered periodically over the last half-century. At the height of its power, it prohibited protection for any feature of a product or packaging that had become "an important ingredient in the commercial success of the product," in which case "the interest in free competition permit[ed] its imitation in the absence of a patent or copyright."²⁹⁸ Although the doctrine is derived from commentary to the first Restatement of Torts,²⁹⁹ the opinion regarded as the starting point for aesthetic functionality emanated from the Ninth Circuit in 1952 in *Pagliero v. Wallace China Co.*³⁰⁰ In *Pagliero*, the decorative design of hotel china was held to be aesthetically functional because it was "an essential selling feature" of the product.³⁰¹ Thus conceived, the notion of functionality as a bar to trademark protection extended well beyond the mechanically utilitarian features to which it traditionally had been addressed.

The aesthetic functionality doctrine as first articulated can be, and was, subjected to telling criticism. In its original form, the doc-

297. See, e.g., Dowell, *supra* note 107, at 187; Groff, *supra* note 205, at 85 (calling on courts to reconsider the doctrine); Reichman, *supra* note 55, at 120 (endorsing the modified aesthetic functionality doctrine); Wong, *supra* note 202, at 1120 (arguing that trademark law should adopt an "identification" test of aesthetic functionality); see also Dratler, *supra* note 199, at 941 (commenting on relationship between design patent and doctrine of aesthetic functionality); Harriman, *supra* note 278, at 277 (arguing for the standard of aesthetic functionality found in the Restatement); Pinover, *supra* note 278, at 606 (finding positive uses for the doctrine if a "relevant market" for the competitiveness analysis is carefully defined).

298. *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952).

299. See RESTATEMENT OF TORTS § 742, cmt. a (1938) ("When goods are bought largely for their aesthetic value, their features may be functional because they definitely contribute to that value and thus aid the performance of an object for which the goods are intended.").

300. See *Pagliero*, 198 F.2d. at 343 (articulating the rule that a design that was "an important ingredient in the commercial success" of a product was de jure functional and thus unprotected even if that feature was aesthetic).

301. *Id.* The Ninth Circuit has retreated from its standard in *Pagliero*. See *infra* note 312.

trine possessed the potential to emasculate trademark protection for designs, particularly for successful designs. It rewarded fruitless designs with unnecessary protection, but exposed successful designs to unchecked imitation.³⁰² Partly because of these criticisms, few courts continue to apply the doctrine of aesthetic functionality precisely in the manner outlined in *Pagliero*.³⁰³

More significantly for current purposes, the *Pagliero* formulation is starkly at odds with the teleological model. The fuller recitation from the Ninth Circuit opinion includes the following statement:

Functional . . . might be said to connote other than a trademark purpose [W]here the feature or, more aptly, design is a mere arbitrary embellishment, a form of dress for the goods primarily adopted for purposes of identification and individuality and, hence, unrelated to basic consumer demands in connection with the product, imitation may be forbidden.³⁰⁴

This explanation of the doctrine reveals the presumption³⁰⁵ that

302. See *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3d Cir. 1981) ("As our ambience becomes more mechanized and banal, it would be unfortunate were we to discourage use of a spark of originality which could transform an ordinary product into one of grace."); *Krueger, Int'l Inc. v. Nightingale Inc.*, 915 F. Supp. 595, 606 (S.D.N.Y. 1996) (criticizing the doctrine of aesthetic functionality because it denied protection to design features "whose only sin was to delight the senses").

303. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995) *Reporters' Note*, at 182 (noting numerous decisions rejecting *Pagliero*); Robert Unikel, *Better By Design: the Availability of Trade Dress Protection For Product Design and the Demise of "Aesthetic Functionality"*, 85 TRADEMARK REP. 312, 320 (1995) ("[V]irtually every circuit to consider the issue in the past ten years has rejected the restrictive *Pagliero* standard which focuses exclusively on consumer demand, in favor of standards emphasizing the competitive effect of affording trade dress protection to product design features."). The Eighth Circuit still applies the *Pagliero* formulation, although apparently as a general test of functionality; the Ninth Circuit has applied a slightly modified version that may itself now be discarded. See *infra* notes 311-12.

304. *Pagliero*, 198 F.2d at 343; see also *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1028 (9th Cir. 1985) ("Functional" . . . might be said to connote other than a trademark purpose.").

305. Even if the design actually did identify source, it would be treated as not doing so if it fell within the rubric of *Pagliero*. See *Pagliero*, 198 F.2d at 343-44. This is akin to the so-called doctrine of de facto secondary meaning developed by the Court of Customs and Patent Appeals: secondary meaning that in fact existed would not be recognized by trademark law, and this presumption trumped the reality. See *infra* text accompanying notes 447-48 (discussing de facto secondary meaning). *Pagliero* placed all ornamental designs in jeopardy; the doctrine of de facto secondary meaning applied only to certain designs held functional under a standard far more generous to plaintiffs.

ornamental designs cannot identify source (or will not be recognized as identifying source) in addition to pleasing the consumer's aesthetic tastes.³⁰⁶ Only a design that does nothing other than identify source can act as a trademark.³⁰⁷ Thus exposed, the *Pagliero* version of aesthetic functionality is merely a categorical exclusion of design features from trademark protection,³⁰⁸ indeed, its language is not unlike that used by courts in implementing more explicit, contemporary categorical approaches.³⁰⁹ It violates the basic tenets of the teleological model not only in its reliance on categorical assumptions (here, of the capacity of ornamental designs to identify source) rather than individualized analysis, but also in ignoring the reality of dual capacity to please and to identify source.³¹⁰ Thus, if

306. One critic of broad trade dress protection unintentionally highlights this "distinctiveness" aspect of *Pagliero* by describing it as part of an "identification" theory of functionality. See Wong, *supra* note 202, at 1132. The difference between *Pagliero* and current versions of the aesthetic functionality doctrine is also demonstrated by the different attitudes to the availability of alternatives. The *Pagliero* court regarded that factor as irrelevant to its analysis, see 198 F.2d at 344, while it is central to modern analysis. See *Qualitex*, 514 U.S. at 168-69 (noting the importance of the number of alternatives).

307. See Wong, *supra* note 202, at 1141 (characterizing the collective goal of so-called "identification" theories of functionality, such as *Pagliero*, as seeking "to [deny] trade dress protection to features that accomplish more than source-identification").

308. See *Aromatique, Inc. v. Gold Seal, Inc.* 28 F.3d 863, 885 (8th Cir. 1994) (Gibson, J., dissenting) (noting that a "broad reading of this aesthetic functionality language would eviscerate the protection afforded by a trademark").

309. Compare *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431, 1448-49 (3d Cir. 1994) (holding that in order to be inherently distinctive a design must, among other things, be likely to serve primarily as a source-identifier); *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1008 (2d Cir. 1995) (same); *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 658 (7th Cir. 1995) (discussing the "primary significance" test for secondary meaning), with Wong, *supra* note 202, at 1141 (characterizing the philosophy of an "identification" theory of functionality as seeking to deny protection to design features that accomplish more than source-identification). Indeed, those implementing the categorical approach via this version of functionality were imposing a higher hurdle, because they insisted on no other role (not even a secondary one) for the design feature if it were to be protected. Those courts employing a categorical analysis to shape tests of inherent distinctiveness appear to impose the lesser standard that the design serve a primary role in order to obtain protection. But cf. Barrett, *supra* note 195, at 489 (suggesting that in the Third Circuit, the distinctiveness test excludes more in the name of competition, based upon explanatory language in *Duraco* to the effect that "any significant purpose other than source-identification" would prevent a finding of inherent distinctiveness). Moreover, under present case law, a finding of functionality absolutely bars relief; a finding of no inherent distinctiveness leaves open the possibility of proving distinctiveness through secondary meaning (although that test too is being made stricter for product designs). See *supra* note 223.

310. Cf. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 341-42 (7th Cir. 1985) (Posner

trademark law is to retain a doctrine of aesthetic functionality, it must be rooted in some value other than an exclusion of source-identifying design features that serve no other role or that do not primarily serve a source-identifying role.

Despite these criticisms, the influence of *Pagliero* is still felt. The broad definition of unprotectable marks articulated by the Ninth Circuit was adopted by many courts not merely as a standard for a supplementary category of aesthetically functional designs, but as the test for functionality generally and thus applied to mechanical and aesthetic features alike. This development occurred most notably in the Eighth Circuit,³¹¹ and with some variation, in the Ninth Circuit itself.³¹² Moreover, although courts have recognized the deficiencies of *Pagliero* and largely curtailed reliance upon the "important ingredient" test it announced, a modified aesthetic functionality doctrine has been adopted by many courts to exclude trade dress protection for aesthetic designs where such protection would significantly hinder competition.³¹³ This reincarnation has, however,

J.) (criticizing focus on whether feature primarily identified the manufacturer because, in light of dual capacity of designs, that would rule out trademark protection for design features). Similar biases of a categorical nature inconsistent with the dual capacity reality can be detected in standards that purport to revise the *Pagliero* standard. The Third Circuit, for example, while rejecting the *Pagliero* standard has endorsed an approach to functionality that suffers from this same flaw. *See, e.g., Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 826 (3d Cir. 1981) ("Proof of nonfunctionality generally requires a showing that the element of the product serves no purpose other than identification" of source) (quoting *SK&F Co. v. Premo Pharm. Labs., Inc.*, 625 F.2d 1055, 1063 (3d Cir. 1980)); *see also Disc Golf Ass'n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1007 (9th Cir. 1998) (applying the same test).

311. *See, e.g., Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976); *see also Aromatique*, 28 F.3d at 873 ("Trade dress is nonfunctional 'if it is an arbitrary embellishment primarily adopted for purposes of identification and individuality. But if the trade dress is an important ingredient in the commercial success of the product, it is clearly functional.'") (citing *Prufrock Ltd. v. Lasater*, 781 F.2d 129, 133 (8th Cir. 1986)).

312. *See, e.g., Int'l Order of Job's Daughters v. Lindeburg and Co.*, 633 F.2d 912, 917-18 (9th Cir. 1980). The Ninth Circuit has significantly limited the "important ingredient" test. *See First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 n.3 (9th Cir. 1987); *see also Porsche AG v. Universal Brass Inc.*, 34 U.S.P.Q.2d 1593, 1596-97 (W.D. Wa. 1995) (citing cases). The alternative "actual benefit" test that it instituted is also problematic. *See Vuitton et fils S.A. v. Young Enters., Inc.*, 644 F.2d 769, 774 (9th Cir. 1981) ("Functional features . . . are features which constitute the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product."). The actual benefit test ignores the role of trademarks in a merchandized economy, where marks (including designs) can constitute the benefit sought by consumers and identify source. *See supra* text accompanying note 93.

313. *See, e.g., Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1530-31

unlike the original *Pagliero* form, been largely unobjectionable; indeed, the notion, also underlying *Pagliero*, that overprotection might equally flow from affording trade dress rights in aesthetic designs, is valuable.³¹⁴

2. Expanded Scope by Explicit Recourse to Competitiveness Analysis

Other courts and scholars addressed the potential overprotection of aesthetic design features not by the addition of a supplementary doctrine of aesthetic functionality but instead by enlarging the scope of the existing test. Rather than inquiring only whether a design feature was dictated by a product's function, these courts rested analysis more directly upon the purpose of the functionality inquiry—to seek out protection that would be anti-competitive—and from that broad base considered the effects of protecting product features.³¹⁵ Once a general competitive role is assigned to the doctrine of functionality, there is little reason to confine its remit to utilitarian design features. Protecting features that are primarily aesthetic or a combination of various influences might also cause anti-competitive consequences.

Over time, these two avenues to an expanded notion of functionality—the doctrine of aesthetic functionality and a broad-based competitiveness analysis—have converged. This is perhaps unsur-

(Fed. Cir. 1994); *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1188 (7th Cir. 1989); *IKO Chicago, Inc. v. Certainteed Corp.*, 29 U.S.P.Q.2d 1953, 1955 (N.D. Ill. 1993). Some Second Circuit decisions in the early 1980s had appeared to reject aesthetic functionality altogether, see *Warner Bros Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 332 (2d Cir. 1983), but the Second Circuit has since drawn back from that position and adopted a test for aesthetic functionality grounded in competitive need and available alternatives. See *infra* text accompanying notes 317-22.

314. See Landes & Posner, *supra* note 99, at 297 (noting that the "concept of 'aesthetic' functionality gives recognition, highly appropriate from an economic standpoint, to the fact that utility in an economic sense includes anything that makes a good more valuable to consumers"); *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 648-49 (7th Cir. 1993) (Cudahy, J., dissenting) (commenting that ornamental design features can be "as essential to competition" as utilitarian features); cf. Reichman, *supra* note 55, at 120 (commenting that while the *Pagliero* formulation was a "crude method" of subordinating trademark to copyright and design patent, to rid trademark law of all means of restraining trade dress law from subsuming other regime is "even cruder").

315. See, e.g., *Stormy Clime Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 977 (2d Cir. 1987) (functionality inquiry asks whether providing protection would "hinder competition or impinge upon the rights of others to compete effectively in the sale of goods"); *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984) (same).

prising. The primary concern of the first Restatement of Torts, to which the doctrine of aesthetic functionality articulated in *Pagliero* can ultimately be traced, was largely that of maintaining competition.³¹⁶ And an explicit competitiveness orientation can now be found even in courts that once denied protection to aesthetic designs under the discredited *Pagliero* standard.³¹⁷ The Second Circuit, for example, rejected the *Pagliero* formulation but adopted a modified test of aesthetic functionality (drawn from the new Restatement (Third) of Unfair Competition), to the effect that a design is "functional because of its aesthetic value only if it confers a significant benefit that cannot practically be duplicated by the use of alternative designs."³¹⁸ Although the language of this test is less explicit in its competitiveness orientation than is the parallel Second Circuit test for utilitarian or mechanical functionality,³¹⁹ the alternatives-based formulation is clearly rooted in the same competitive

316. See RESTATEMENT OF TORTS § 742 cmt. a (1938) ("The determination of whether or not such features are functional depends upon the question of fact whether prohibition of imitation by others will deprive the others of something which will substantially hinder them in competition."). Despite this competitiveness undergirding, most courts applying *Pagliero*-based tests tend not to examine competitive effect, and instead focus on the role being played by the design. See, e.g., *Vuitton*, 644 F.2d at 773-75. This highlights the suggestion that the "important ingredient" test of aesthetic functionality is essentially a categorically influenced test of distinctiveness, consisting of a near blanket denial of protection for ornamental designs. The modified test now applied by many courts is more explicitly driven by competitive need. See *infra* text accompanying notes 321-22 (discussing Second Circuit approach in *Villeroy & Boch*). Indeed, to the extent that restrictions are now being imposed upon protection for aesthetic designs, it is through stricter categorical tests of inherent distinctiveness. See, e.g., *Knitwaves Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir. 1995) (finding designs not inherently distinctive because their primary purpose was aesthetic rather than source-identifying). While the capacity of aesthetic designs to identify source is properly considered as a matter of distinctiveness, the *Knitwaves* test is problematic, see Dinwoodie, *Reconceptualizing*, *supra* note 89, at 543-52, and is based upon the categorical approach criticized in Part III.

317. See Mohr, *supra* note 226, at 429 n.177 (concluding that "most courts that recognize the doctrine of aesthetic functionality now define it in terms of the aesthetic feature's effect on competition").

318. *Knitwaves*, 71 F.3d at 1005; see also *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 171 (2d Cir. 1991); *Landscape Forms, Inc. v. Columbia Cascade Co.*, 70 F.3d 251 (2d Cir. 1995).

319. See *Fabrication Enters. v. Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995) (reading *Qualitex* as endorsement of *Stormy Clime* multi-factor, industry-sensitive approach); *Stormy Clime*, 809 F.2d at 976-77, 979 (noting that the functionality inquiry asks whether providing protection would "hinder competition or impinge on the rights of others to compete effectively in the sale of goods" and providing factors that assist that inquiry); cf. *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., Inc.*, 916 F.2d 76, 81 (2d Cir.) (explaining that the aesthetic functionality doctrine asks whether "protection would significantly hinder competition").

analysis that anchors the test of utilitarian functionality.³²⁰ Thus, for example, in *Villeroy & Boch v. THC Sys., Inc.*,³²¹ the Second Circuit reversed the district court's application of *Pagliero* in a case involving trade dress rights in the design of hotel china, a factual pattern similar to *Pagliero* itself. Instead, the Court remanded the case for a determination of the functionality of the aesthetic design under the proper standard, i.e., whether the defendant needed to copy the plaintiff's aesthetic design in order to compete.³²²

3. A Unitary Test of Functionality

Courts have thus largely moved, whether through the intermediate doctrine of aesthetic functionality or through generalized analysis of competitive effect, to the position where both mechanical and aesthetic features can be regarded as functional and excluded from trade dress protection. And while there remains a variety of textual formulations, competitive effect has become the overriding watchword in the majority of jurisdictions.³²³ Some commentators

320. See *Wallace*, 916 F.2d at 81 ("Where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies protection."); see also *Landscape Forms*, 70 F.3d at 253 (discussing aesthetic functionality and noting that "in order for a court to find a product design functional, it must first find that certain features of the design are essential to effective competition in a particular market").

321. 999 F.2d 619 (2d Cir. 1993) (holding that hotel china designs are not *per se* functional as a matter of law, and noting that a trade dress is functional if its use is necessary for effective competition).

322. See *id.* at 622. Similarly, the Third Circuit rejected the "important ingredient" test in *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822 (3d Cir. 1981), and purports to apply only a utilitarian test of functionality. See, e.g., *Keene*, 653 F.2d at 825 ("[T]he functionality [analysis] should focus on the extent to which the design feature is related to the utilitarian function of the product or the feature."); *Standard Terry Mills, Inc. v. Shen Mfg. Co.*, 803 F.2d 778, 781 (3d Cir. 1986) (same). But despite the apparently limited nature of that doctrine, the Third Circuit applies it broadly. If the design serves a utilitarian role of any significance (and the Court appears willing to interpret "utility" very broadly), the Third Circuit appears to regard it as functional. See, e.g., *American Greetings Corp. v. Dan-Dee Imports, Inc.*, 807 F.2d 1136, 1142 (3d Cir. 1986); *Standard Terry Mills*, 803 F.2d at 781; *Keene*, 653 F.2d at 825 (defining the utilitarian purpose of an outdoor light not only as to provide light but also to blend in with the architectural surroundings). Indeed, in *Keene*, after rejecting aesthetic functionality the court found a design feature functional based upon architectural compatibility. Importantly, the Court's conclusion rested on the lack of alternatives available, leading to a stifling of competition. See *Keene*, 653 F.2d at 827; see also *Merchant & Evans, Inc. v. Roosevelt Bldg. Prods.*, 963 F.2d 628, 634 (3d Cir. 1992) (suggesting that the functionality inquiry must be addressed in light of the policy favoring competition).

323. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995), at 176

continue, however, to advocate the application of separate standards for determining the functionality of aesthetic and utilitarian features,³²⁴ and others have suggested that the functionality doctrine should be applied only to utilitarian features.³²⁵ Similarly, some courts cast the doctrine in exclusively utilitarian terms,³²⁶ or

(noting that the "ultimate test" of both aesthetic and utilitarian functionality is whether "recognition of the trade dress rights would significantly hinder competition"); Wong, *supra* note 202, at 1142 (noting that the competition theory of functionality is currently the prevailing theory in the courts). As examples of the varying formulations, compare those used in the Second and Seventh Circuits (as applied to aesthetic features). See *Landscape Forms*, 70 F.3d at 253 (noting that the test of functionality is whether design features are "essential to effective competition in a particular market"); *Villeroy & Boch v. THC Sys., Inc.* 999 F.2d 619, 621 (2d Cir. 1993) ("significant competitive disadvantage"); *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1188 (7th Cir. 1989) (standard of whether the design feature is necessary to "compete effectively"); see also *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 255-57 (5th Cir. 1997). Some authors have tried to tease meaning out of the differences. See Harriman, *supra* note 278, at 295 (comparing the test of aesthetic functionality in the Second and Seventh Circuits). Given the general level of the test, this is fruitless, especially as courts (including the Supreme Court in *Qualitex*) may use different formulations within the same opinion. It is more important, consistent with the teleological model, to focus on the overall test and the guiding considerations.

324. See, e.g., Kellner, *supra* note 278, at 946, 958 (noting differences and proposing different tests); Harriman, *supra* note 278, at 302 (calling for different standards because "aesthetic feature serving nonutilitarian purposes will always be held to be nonfunctional" under the utilitarian standard); Duft, *supra* note 278, at 152 (calling for resting protection of ornamental designs largely on secondary meaning analysis); see Dumas, *supra* note 278, at 494 (arguing that courts should adopt different functionality tests for "mechanical" and "nonmechanical" products).

325. See, e.g., Dratler, *supra* note 199, at 942, 949 (arguing that the functionality rule be restricted to utilitarian features); 1 MCCARTHY, *supra* note 18, ¶ 7.81 ("[T]he notion of 'aesthetic functionality' is an unwarranted and illogical expansion of the functionality policy, carrying it far outside the utilitarian rationale that created the policy."); Krieger, *supra* note 278, at 385-86 (endorsing test of functionality linked exclusively to utilitarian benefits); Fletcher, *supra* note 278, at 268 (arguing that aesthetic functionality "serves no useful or necessary purpose" and "should be buried."); Peroff & Deckinger, *supra* note 203, at 150 (arguing that the functionality analysis is not relevant to ornamental designs because there is never a competitive need to copy an ornamental design); see also Duft, *supra* note 278, at 202 (suggesting that concerns underlying aesthetic functionality are better served through secondary meaning requirement).

326. See, e.g., *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 55 (2d Cir. 1995) (the doctrine of functionality responds to the need to ensure that the "public [is not] deprived of the benefits of robust competition by precluding use of *utilitarian product features*") (emphasis supplied); *Service Ideas, Inc. v. Traex Corp.*, 846 F.2d 1118, 1123 (7th Cir. 1988); *American Greetings*, 807 F.2d at 1142 (arguing that a feature is not functional unless it has a "significant relation to the utilitarian function of the product"). Some of these statements must be parsed in light of the particular court's interpretation of "utility." For example, the Third Circuit has a functionality rule that focuses "on the extent to which the design feature is related to the utilitar-

have developed separate bodies of case law revolving around the distinction between "mechanical" functionality and "aesthetic" functionality.³²⁷

This desire to perform a separate analysis of aesthetic functionality (if at all) is in part attributable to the difficulties that courts confronted in applying early doctrines of aesthetic functionality,³²⁸ in part due to a belief that other trademark doctrines already address the same concerns as the functionality analysis of aesthetic features,³²⁹ and in part driven by a conception of the functionality doctrine as mediating conflicts with utility patent law rather than performing any general watch on competition.³³⁰ And protection of utilitarian features is more likely to raise competitive concerns. As a general rule, there are fewer competitive ways by which a product can perform its intended function than the number of non-function

ian function of the product or feature," *Keene*, 653 F.2d at 825, but then interprets "utilitarian function" sufficiently broadly to capture aesthetic features. See *supra* note 322 (discussing Third Circuit). Other courts employ supplementary aesthetic functionality doctrines that to differing degrees mirror the utilitarian standard. Finally, some reject an aesthetic functionality doctrine outright. See, e.g., *Devan Designs Inc. v. Palliser Furniture Corp.*, 25 U.S.P.Q.2d 1991, 2002 (M.D.N.C. 1992), *aff'd*, 988 F.2d 1008 (4th Cir. 1993); *Sicilia De R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984) (rejecting important ingredient test and instituting competitive need test apparently just for utilitarian features).

327. See *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1336 n.11 (C.D. Cal. 1989), *vacated by consent of parties*, 767 F. Supp. 1036 (C.D. Cal. 1991) (noting that the Ninth Circuit applies two different tests, with aesthetic functionality applicable only to product design, but not packaging, trade dress claims) (citing *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 (1987)).

328. See, e.g., *Dratler*, *supra* note 199, at 939 (criticizing the courts that have extended aesthetic functionality so "that it virtually ceases to have any relevant meaning, [and, as] a result, what in principle is a simple concept has become problematic in theory and difficult in application").

329. See, e.g., *id.* at 952 (arguing that a competitive balance can be preserved by other features of trademark law, such as alternatives test of "aesthetic distinctiveness"); 1 MCCARTHY, *supra* note 18, ¶ 7.26[5] (suggesting that the policy concern underlying aesthetic functionality can be served by the "merely ornamental" rule, which excludes protection for designs that are merely ornamental rather than source-identifying). The approach that Professor Dratler characterized as one of "aesthetic distinctiveness" corresponds in many ways with the version of aesthetic functionality endorsed by the Supreme Court in *Qualitex*, especially with its focus on alternatives. Compare *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 170 (1995) (discussing aesthetic functionality in terms of available alternatives) with *Dratler*, *supra* note 199, at 952-53 (analyzing distinctiveness in terms of alternatives).

330. See, e.g., *Dratler*, *supra* note 199, at 941 (noting problems when the doctrine is not anchored to the issue of conflict with utility patent law); 1 MCCARTHY, *supra* note 18, ¶ 7.26[1] (identifying avoidance of conflict with utility patent as the primary rationale for the functionality doctrine).

related appearances the product can competitively assume.³³¹

Attention to the teleological model of trademark law suggests that the advice of these scholars and courts should be resisted. Calls for separate tests are founded on classifications (and assumptions based thereon) that are increasingly divorced from modern market realities. Identifying and separating the aesthetic and utilitarian features of a particular design is problematic both practically and philosophically, particularly with the ascendancy of functionalist design.³³² Instead, the basic tenets of the teleological model support a unitary test of functionality tied to individualized market realities and applied without regard to the classification of a feature as mechanical or aesthetic.³³³ Although utilitarian features will typically raise greater competitiveness concerns, that determination can be arrived at on an individualized basis. The conclusion would then depend not on artificial demarcation as ornament or function, but rather on competitive realities.

Moreover, an animated doctrine of functionality is necessary to ensure that recent liberal attitudes to trademark subject-matter do not result in overbroad trade dress protection. The legitimacy of product design trade dress protection rests upon the ability of func-

331. See Peroff & Deckinger, *supra* note 203, at 150 (arguing that there never exists a competitive need to copy ornamental designs); Kellner, *supra* note 278, at 944 (suggesting that protection of aesthetically pleasing features will "deflect rather than hinder" competition).

332. See, e.g., Thomas and Betts Corp. v. Panduit Corp., 34 U.S.P.Q. 2d 1545, 1560-61 (N.D. Ill. 1994) (noting evidentiary conflicts over whether the product was of its shape for appearance or functional considerations), *rev'd on other grounds*, 65 F.3d 654 (7th Cir. 1995); *In re DC Comics, Inc.*, 689 F.2d 1042, 1045 (C.C.P.A. 1982) (noting PTO's erroneous labeling of a claimed ornamental feature as utilitarian); see also Publications Int'l, Inc. v. Landoll, Inc., 164 F.3d 337, 339 (7th Cir. 1998) (noting the philosophical merger of the aesthetic and the utilitarian); Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 377-78 n.3 (2d Cir. 1997) (commenting that if the prevailing test "required us to decide whether a manufacturer's purpose was to create either something of beauty or something indicative of source, we agree that the task would often prove impossible"). For a discussion of functionalist design, see Dinwoodie, *Federalized Functionalism*, *supra* note 103, at 626-30.

333. See RUDOLF CALLMAN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES*, § 19.35, at 322 (4th ed. 1994) (suggesting that rather than talk of functionality "which in its ordinary sense refers only to engineering features, we should speak more broadly of 'primary purchaser desiderata,' and recognize that such features, whether utilitarian or aesthetic, are all to be treated alike"); Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527, 1533 (Fed. Cir. 1994) (declining to apply separate test of aesthetic functionality and instead applying "traditional trademark principles, including consideration of competitive factors, in assessing de jure functionality"); Gleiberman, *supra* note 107, at 2066-67 (questioning the value of distinguishing between aesthetic and utilitarian functionality).

tionality to root out anticompetitive forms of protection without arbitrary limit. Restricting the doctrine to utilitarian features, or institutionalizing a more limited test for the (likely less anticompetitive) aesthetic features threatens that legitimacy. A unitary approach recognizes the reality that each type of design may, if over-protected, restrict competition.

The approach of addressing both mechanical and aesthetic functionality with a test of competitive consequences is endorsed by the recently published Restatement (Third) of Unfair Competition.³³⁴ The Restatement contains a single definition of functionality:

A design is 'functional' . . . if the design affords benefits in the manufacturing, marketing or use of goods or services with which the design is used, apart from any benefits attributable to the design's significance as an indication of source, that are important to effective competition by others and that are not practically available through the use of alternative designs.³³⁵

Although the Restatement comments separately on "aesthetic" functionality,³³⁶ it notes that the "ultimate test of aesthetic functionality, as with utilitarian functionality, is whether the recognition of trademark rights would significantly hinder competition."³³⁷ This approach comports with that adopted by the Supreme Court in *Qualitex*.³³⁸ There, the Court excluded from protection aesthetic designs that "confer a benefit that cannot be practically duplicated by the use of alternative designs."³³⁹ Despite casting the exclusion of aesthetically functional designs in different language, the Court also emphasized that it intends for the ultimate test of aesthetic functionality to be whether "the recognition of trademark rights would

334. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995), at 175-76.

335. *Id.* § 17.

336. See *id.* § 17 cmt. c, at 176 ("A design is functional because of its aesthetic value only if it confers a significant benefit that cannot practically be duplicated by the use of alternative designs.").

337. *Id.*

338. See *Qualitex*, 514 U.S. at 170 ("[T]he ultimate test of aesthetic functionality . . . is whether the recognition of trademark rights would significantly hinder competition." (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION (1995), at 176)); cf. Unikel, *supra* note 303, at 329 n.82 (acknowledging that the Supreme Court articulated an approach that is "similar" to a unitary inquiry).

339. See *Qualitex*, 514 U.S. at 170 (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt c (1995), at 175-76).

significantly hinder competition."³⁴⁰ A discrete analysis of the discussion of functionality in *Qualitex* thus supports the conclusion reached by application of the tenets of the teleological model it employs: a unitary test of functionality that encompasses the competitive effects of protecting both aesthetic and utilitarian designs is to be preferred. A design will be functional where recognition of trademark rights in it would significantly hinder competition; this is the overarching test, whether the design is aesthetic, utilitarian or ontologically androgynous.

B. DEVELOPING A COMPETITIVENESS-BASED INQUIRY

1. Elevating Purpose and Policy

The teleological model articulated in Part III suggests that the most effective means to address the convergence concerns is to develop trademark law by direct reference to the limited purposes of protection. Defining the outer boundaries by reference to competitive effect would appear to comport well with this lesson; but its use as the test of functionality has met with opposition.³⁴¹ Several scholars have criticized the competitive consequence standard as a statement of a general policy rather than a workable test.³⁴² They

340. See *Qualitex*, 514 U.S. at 170.

341. One writer has criticized the competitiveness need-based test on the grounds that it is too narrow, and instead proposed a test of functionality that would effectively exclude designs from protection. See *supra* note 231 (discussing Wong's arguments). The aspersions that Wong casts on the competitiveness test, however, serve only to highlight the congruence of a competitiveness test with the teleological model. Wong correctly notes that "the competition theory assumes that any aspect of a product's appearance has the ability to designate origin." Wong, *supra* note 202, at 1164. But this is precisely the holding of the Court in *Qualitex*; efforts to derogate from that principle, whether by strict tests of distinctiveness or broad tests of functionality, are inconsistent with the Supreme Court's teleological approach to trademark subject-matter. Moreover, those efforts are also inconsistent with postmodern reality. See *supra* text accompanying notes 1-4. Other commentators have noted that a test founded simply on an analysis of competitive consequences, if it empowered the courts too broadly and without legislative guidance, might also foster fears of political appropriateness (and the judicial performance of a regulatory role more fittingly conducted by the competition authorities). See McClure, *supra* note 86, at 343 (arguing that "the unwillingness of courts to respond to the realist critique by opening up the law application process to either broad equitable considerations or to pure economic analysis can perhaps best be explained in terms of what has been called the 'institutional competence and political question gambits'").

342. See, e.g., 1 MCCARTHY, *supra* note 18, ¶ 7.81; see also *id.* ¶ 7.26[4]; Brown, *supra* note 56, at 1367 (describing the test of whether a competitor needs a design to "compete effectively" as "imprecise"); Dratler, *supra* note 58, at 509 (describing the competitive need test as "little more than a statement of the doctrine's purpose" and

insist on specific doctrinal language to generate what they hope will be greater certainty.³⁴³

The last thing that trademark law needs is more doctrine.³⁴⁴ A candid acknowledgment of the real calculus being performed in functionality analysis might bring some transparency to trademark litigation, and reduce purported reliance on increasingly obtuse doctrinal distinctions and tests that consume the attention of litigants and courts to no great effect on the outcome of a case. The text of the various formalistic tests of functionality does not permit of deductively reasoned conclusions reached without regard to broader concerns. These tests should not be employed to truncate analysis, and telescope what should be a multi-faceted question into a deceptively simple but truly unfathomable equation.

A transparent notion of functionality might thus herald the arrival of the legal realist revolution in trademark law.³⁴⁵ The concep-

"policy masquerading as doctrine"); Harriman, *supra* note 278, at 295 (criticizing the "ability to compete effectively" test as too "broad and indefinite to be useful"); Dumas, *supra* note 278, at 480 (complaining that courts engage in discussions sprinkled with "policy platitudes"); Wong, *supra* note 202, at 1149 (arguing that "the effective competition test is simply a direct application of the competition theory of functionality in the form of a test"); see also Duft, *supra* note 278, at 202 (criticizing the test of whether others would be substantially hindered in competition as unhelpful); Barrett, *supra* note 195, at 510 (criticizing proposed legislation using similar competitiveness based language as being too general to unify circuits). This concern has also been expressed by the judiciary. See, e.g., *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 649 (7th Cir. 1993) (Cudahy, J., dissenting) (complaining that "the attempt to categorize product features as 'essential' or 'nonessential' for competition is perplexing and ultimately vain"). Professor Dratler ascribes the divergence in trade dress decisions to the unbounded nature of the competitive need test. See Dratler, *supra* note 58, at 509-10. In light of the wide array of different tests, which of necessity give rise to different results, this would seem an unfair attribution of fault. The inconsistencies might also be attributable to understandable but unhelpful judicial impulses to restrain free-riding. See *infra* text accompanying notes 465-73 (discussing pressures to protect against copying).

343. See, e.g., Dratler, *supra* note 58, at 509 (arguing that "if the law is not to render trade dress protection uncertain and increase the uncertainty and the cost of litigation, the policy of avoiding impairment of competition must be elaborated in specific doctrine"). Professor Dratler implicitly acknowledged in his earlier work, however, that his alternative approach does not itself provide simple answers. See Dratler, *supra* note 199, at 953 ("[T]he answer [to Dratler's proposed test of aesthetic distinctiveness] must depend upon the facts of each case, including the type of product, the structure of the industry, and the shape of competition in that industry.").

344. One need not ascribe without exception to realist principles to recognize the futility (and, the realist might argue, the false and deceptive objectivity) of doctrinal complexities introduced by cases such as *Duraco*, *Knitwaves* and *Vornado*. See *supra* note 241 (discussing complexities).

345. See McClure, *supra* note 86, at 340 ("The history of trademark doctrine since passage of the Lanham Act is basically the story of how the legal realist revolution

tual structure suggested by this Article to some extent constrains the full force of the realist endeavor; I advocate instead, consistent with the tenets of the teleological model, a form of transparency through reasoned elaboration that will announce and develop a set of guiding principles upon which competitors can judge competitiveness concerns and base their conduct.³⁴⁶ Courts increasingly are conducting functionality analysis by reference to the competitive effects of according protection. It is neither efficient nor appropriate to dress such interest balancing decisions in formalistic garb. Doing so prevents competitors or their advisors from developing a collective understanding of the principles by which the propriety of competitive conduct will be evaluated, precluding the efficient internalization of those standards and inducing unnecessary and unpredictable litigation.³⁴⁷ Although resting functionality on varying fact-sensitive determinants may lead to initial uncertainty, elaboration of the true basis for such determinations will trigger the formation and maturation of new bodies of understanding around these considerations. Criticism of the open-ended nature of the test emphasizes, however, the need to articulate in some greater detail the ways in which one might expect courts to determine when a rival must be able to copy a design in order to be able to compete.

2. Guidance from the Supreme Court

Like its formalistic cousins, an inquiry into competitors' needs does not lend itself to immediately evident answers,³⁴⁸ and lower

never arrived."); see also McClure, *supra* note 164, at 14 ("The ultimate legacy of the 1930s legal realist critique of trademarks as 'monopolistic' is the 1990s 'law and economics' defense of trademark doctrines as promoting economic efficiency.").

346. See *Qualitex*, 514 U.S. at 169 (courts should make "careful and reasoned" application of the functionality doctrine with "sensitivity to the effect on competition" in the particular case); cf. McClure, *supra* note 86, at 342 (noting the role of legal realism in forcing trademark thought, like other private law doctrine, beyond formalism to a position of "reasoned elaboration") (quoting HENRY HART & ALBERT SACKS, *THE LEGAL PROCESS* 166 (tent. ed 1958)).

347. See generally George L. Priest & Benjamin Klein, *The Selection of Disputes for Litigation*, 13 J. LEGAL STUD. 1 (1984); Daniel Kessler et al., *Explaining Deviations from the Fifty-Percent Rule: A Multimodal Approach to the Selection of Cases for Litigation*, 25 J. LEGAL STUD. 233 (1996). Reasoned articulation of how trademark standards are applied in particular factual settings would be internalized by the trademark bar, and the consequently clearer understanding of trademark law would find expression primarily in the form of clearance and registrability opinions issued by counsel, and consent to use agreements negotiated between competitors.

348. See Kellner, *supra* note 278, at 932 (arguing that functionality tests based upon effects on competition "merely restate[] the economic and legal problems associated with protection of product configurations under trademark law").

courts and commentators have developed a myriad of different sub-tests to guide their analysis.³⁴⁹ The Supreme Court has only briefly engaged in detailed discussion of functionality.³⁵⁰ The Court's relatively full exposition of functionality in *Qualitex* should therefore be helpful in several regards. It provides a particular application of the teleological model adumbrated more generally in Part III of this Article; it should reduce the number of divergent approaches to functionality in the lower courts by highlighting the nature of the inquiry (and indicating a preference for certain primary inquiries); and it offers a preliminary (albeit undeveloped) response to the concerns of uncertainty voiced by scholars.

a. Exemplifying the Teleological Approach

As an example of teleological analysis, the Court's functionality discussion stresses several essential facets of that approach: an endorsement of individualized analysis,³⁵¹ a repudiation of categorical assumptions,³⁵² an acknowledgment of competitive considerations that pull in both directions,³⁵³ and an over-riding concern that the boundaries of protection reflect and are guided by the limited purposes of trademark rights.³⁵⁴ Accordingly, the Court rejected the argument that a product's color could not be protected as trade dress merely because the limited supply of colors might place other manufacturers at a competitive disadvantage; such an argument relied on an occasional problem to justify a blanket prohibition.³⁵⁵ The conceptual role for the functionality doctrine is not to cut a broad swathe through trade dress protection but rather to facilitate the courts' "careful and reasoned" assessment of the effects that individual instances of protection will have on competition.³⁵⁶ Functionality is to operate as a scalpel, not a scimitar.

Similarly, the first foundational principle of the teleological

349. For a summary of tests used by different courts, see 1 MCCARTHY, *supra* note 18, ¶ 7.69.

350. See, e.g., *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 (1982) (resolving case on procedural grounds); *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111 (1938) (discussing relationship between patent and unfair competition law without explicit development of clear functionality rule).

351. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 168-69 (1995).

352. See *id.* at 164-65.

353. See *id.* at 164.

354. See *id.* at 164-65.

355. See *id.* at 168-69.

356. See *Qualitex*, 514 U.S. at 169.

model will rarely be better exemplified. The purposes of functionality resonate more forcefully from the opinion than the Court's explication of any doctrinal test. The Court devotes almost its entire opinion to a discussion of the purposes of trademark law and of the limits imposed by functionality. Yet, the Court barely endorsed any existing doctrinal test for functionality, making tangential reference only to language from a footnote in Justice O'Connor's opinion in *Inwood Labs., Inc. v. Ives Labs., Inc.*:³⁵⁷

This court . . . has explained that 'in general terms, 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 its 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.³⁵⁸

Although the express endorsement of Justice O'Connor's language by the Supreme Court in *Qualitex* should effect a convergence of sorts among lower courts, Justice Breyer's opinion is sufficiently open-ended to permit further development of the functionality concept. At the very least, the Court apparently does not intend Justice O'Connor's precise language to be a restraint on courts attempting

357. 456 U.S. 844 (1982). The Supreme Court decided *Inwood* on procedural grounds and thus the Court did not need to reach the functionality question. *See id.* at 856. Justice O'Connor's "explanation" in *Inwood* was, therefore, treated by many courts as dicta or merely a statement of one underlying purpose of functionality. In any event, Justice O'Connor's opinion failed to prevent a wide array of alternative tests of functionality from flourishing, which may also reflect the fact that other Justices appeared to embrace different notions of functionality in *Inwood*. *See id.* at 863 (White, J., concurring) ("A functional characteristic is 'an important ingredient in the commercial success of the product,' and, after expiration of a patent, it is no more the property of the originator than the product itself."). Justice White, in whose opinion Justice Marshall joined, appeared receptive to the District Court's conclusion that a generic drug producer had a "legitimate reason" to copy the color of plaintiff's previously patented drugs, but it is unclear whether that reason flowed from the health and safety value of drugs being supplied in standard colors or from the expiration of the plaintiff's patent on the drug in question. *See id.* at 862; *see also* Brown, *supra* note 56, at 1361-62.

358. *Qualitex*, 514 U.S. at 165 (citing *Inwood*); *see id.* at 169 (repeating the *Inwood* test). Justice Breyer also quotes from Justice White's concurring opinion in *Inwood*, where Justice White in turn quoted the *Pagliero* standard in explaining that trade dress rights in a patented product are limited after the expiration of the patent. *See id.* at 165. Justice Breyer quotes the language of Justice White's opinion in the context of discussing the relationship of patent and trade dress law, suggesting that the reference relates to the question of expired patents rather than endorsement of *Pagliero*. In any event, lower courts have attached no weight to the reference to Justice White's opinion, and Justice O'Connor's test has been widely interpreted as that receiving the endorsement of the *Qualitex* Court.

to effectuate through the functionality doctrine the two broad purposes identified by the Court, namely the avoidance of interference with patent law³⁵⁹ and the maintenance of competition.³⁶⁰ The Court's broader articulations of the purpose of functionality doctrine should imbue and animate the inert language of the *Inwood* formulation (and any other relevant inquiries) with greater content.³⁶¹ Lower courts appear to have detected this signal, and have acknowledged the guidance of the Supreme Court in *Qualitex* without limiting the use of considerations not mentioned in (but not inconsistent with) the Supreme Court's opinion.³⁶²

359. See *id.* at 164-65 ("If a product's functional features could be used as trademarks . . . a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).").

360. See *id.* at 169-70 (explaining that the functionality doctrine protects competitors against competitive disadvantages unrelated to reputation or recognition); see also *id.* at 164 ("The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature.").

361. Those broader articulations can also be seen in *Two Pesos*, where the Court describes the focus of the functionality inquiry as being on whether a design 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." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 773, 775 (1992).

362. Lower courts are clearly emphasizing the purposes and primary inquiry discussed by the Supreme Court in *Inwood*. See, e.g., *Disc Golf Ass'n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir. 1998) (quoting purposes and *Inwood* test); *Sunbeam Prods., Inc. v. West Bend Co.*, 123 F.3d 246, 256 (5th Cir. 1997); *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1005-06 (2d Cir. 1995) (quoting purposes and *Inwood* test); *Allfast Fastening Sys. v. Briles Rivet Corp.*, 47 U.S.P.Q.2d 1170, 1174-75 (C.D. Cal. 1998) (quoting *Qualitex* statement of purposes and *Inwood* test); *Leatherman Tool Group Inc. v. Cooper Indus.*, 44 U.S.P.Q.2d 1275, 1277 (D. Or. 1996) (quoting *Inwood* test). But they continue to perform that evaluation using considerations developed in pre-*Qualitex* case law. See, e.g., *Disc Golf Ass'n*, 158 F.3d at 1006 (applying *Clamp* factors); *Sunbeam*, 123 F.3d at 255 (citing *Morton-Norwich* factors); *Fun-Damental Too Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993, 1002 (2d Cir. 1997) (citing *Stormy Clime* factors); *Knitwaves*, 71 F.3d at 1006 (applying *Wallace* dictum on aesthetic functionality); *Allfast Fastening*, 47 U.S.P.Q.2d at 1175 (quoting *Clamp* factors); *Leatherman Tool Group*, 44 U.S.P.Q.2d at 1277 (citing *Clamp* factors). Other courts, particularly those in Circuits previously using a test explicitly driven by competitiveness concerns, have continued to apply existing analysis without reference to *Qualitex*. See, e.g., *Sara Lee Corp. v. Am. Leather Prods.*, Civ. No. 97-C4158, 1998 WL 433764 (N.D. Ill. Jul. 29, 1998). Clearly, the tenor of the *Qualitex* opinion was not such as to persuade courts that the Supreme Court has imposed a single doctrinal test of functionality. Cf. *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 539 (5th Cir. 1998) (refusing to extract and impose a threshold inquiry in the functionality analysis based upon particular language in *Qualitex*, and focusing instead on competitive effect). The Court's greater influence appears to have been in confirming the orientation and purpose of the functionality inquiry. Given that the

b. Effecting a Convergence in Functionality Inquiries

The flexibility of the teleological approach does not, however, prevent the *Qualitex* opinion from contributing to a more unified understanding of functionality. The Court's approach clearly rejects the categorical exclusion of certain designs underlying tests of functionality such as *Pagliero*; the Court indicated that the primary inquiries that assist in evaluating competitive effect are those outlined in *Inwood* and an analysis of available alternatives;³⁶³ and, as discussed above, the Court indicated that both aesthetic and utilitarian designs may be functional and are to be judged by the same standard (of competitive effect).³⁶⁴

Indeed, this last aspect of the Court's opinion merely emphasizes why it is necessary to elevate the purpose and overall aim of the functionality inquiry rather than any particular doctrinal formulation. Some writers have suggested that aesthetic features will almost never be essential to the use or purpose of the article and rarely affect the cost or quality of the article.³⁶⁵ But while the Supreme Court suggests that it would assist an evaluation of competitive effect to inquire whether a design feature is essential to the use or purpose of the article, that formulation would not be the limit of analysis.³⁶⁶ The Court's endorsement of *Inwood* is helpful in that it

Qualitex opinion was the Supreme Court's first authoritative discussion of the role of functionality in federal trade dress litigation, the response of lower courts is notable.

363. Some writers take little comfort from an endorsement of *Inwood*, which they see as unhelpful. See, e.g., Wong, *supra* note 202, at 1119 (complaining that the definition endorsed by the Supreme Court has "not proven usable in practice").

364. Since *Qualitex*, lower courts have tended to set out different verbal formulations of utilitarian and aesthetic functionality, but then apply parallel analysis that focuses in large part upon the existence of feasible alternatives and whether the design is the product of an easier or cheaper manufacturing process. See, e.g., *Knitwaves*, 71 F.3d at 1005-06; *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d 1412, 1419 (S.D.N.Y. 1996).

365. See Wong, *supra* note 202, at 1141 (noting that the *Inwood* test would not address the protection of aesthetic features because they are rarely necessary to any product). But if necessity extends beyond utilitarian necessity to competitive necessity, as the *Qualitex* court if not the strict language of *Inwood* suggests, aesthetic designs may be functional. See, e.g., *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., Inc.*, 916 F.2d 76, 79-81 (2d Cir. 1991) (describing baroque design as "essential" to silverware designs). Wong appears skeptical of the ability to preclude protection for aesthetic features under a competition-based theory, see Wong, *supra* note 202, at 1152, but case law would suggest otherwise. See, e.g., *Wallace*, 916 F.2d at 76.

366. Robert Unikel has hinted at an alternative formulation of *Qualitex*'s approach to functionality that may also accommodate these concerns. Importantly, Unikel also declines to take *Inwood* as a boundary, but frames the test in what I would call a

has placed its imprimatur on what should be the first question to ask. But, as the Court illustrates in its broader discussion of functionality, the matter should not stop there.³⁶⁷ Other questions may reveal competitive effect, most particularly the availability of alternatives. Once *Inwood* is seen as one evidentiary implementation of the competitiveness inquiry, rather than a setting of the outside boundaries of functionality, a unitary test becomes a possibility.³⁶⁸

"combined" (rather than unitary) form:

A feature or design is functional if it is (1) essential to the use or purpose of the article, (2) affects the cost or quality of the article, or (3) affords significant competitive benefits to the person marketing the article (apart from any benefits attributable to the feature's or design's significance as an indication of source) that are unavailable through the use of alternative designs.

Unikel, *supra* note 303, at 322. If this is applied with due regard for the overall goal of rooting out impediments to effective competition and without using the formal language to limit analysis, it would largely address the concerns that motivate the teleological approach. (Although Unikel appears to accept the overarching goal in the abstract, *see id.* at 321, in one concrete example, Unikel erroneously describes the functionality inquiry focusing "exclusively" on whether a feature is necessary for the product to perform its function. *See id.* at 331.) The different inquiries must also be made disjunctively; aesthetic designs are unlikely to fall within the "essential to use or purpose" language. *Cf. Wong, supra* note 202, at 1120 (arguing that a feature that "affects cost of value" will be "essential to the use or purpose" of the article, but that the inverse is not true).

Indeed, Unikel acknowledges that for certain marks, such as aromatic marks or marks consisting of artistic style where the trademark subject-matter is the product's "function," a unitary utilitarian/aesthetic approach will be required. *See Unikel, supra* note 303, at 329 n.82. And, he appears willing to recognize that the Supreme Court is suggesting such an approach in *Qualitex*. *See id.* Where we differ is that I would apply the unitary approach in all instances. This would both obviate the need to determine whether the subject-matter in question is susceptible to separate utilitarian and aesthetic analysis and would prevent having to stretch the notion of a product's "function" to fit nontraditional subject-matter. In contrast, Unikel would apply separate inquiries (what I call his combined test) where the trademark subject-matter is "incidental to the product's intended function." *See id.* I believe that this introduces too many complexities into the analysis at a time when simplification is greatly in order. Moreover, my suggestion (which avoids the need to assign trademark matter to categories) is more consistent with the teleological model, and avoids the need to separate utility from ornament. *See supra* note 332 (discussing difficulties).

367. *Cf. Unikel, supra* note 303, at 328 n.76 (commenting that when functionality is combined into a single inquiry, a court must consider—especially for aesthetic features—not merely whether the feature served the product's function but also the competitive effect of affording protection); *id.* at 329 n.82 (discussing functionality analysis of aromatic marks). *But see id.* at 331 (restricting functionality analysis in discussion of concrete example to whether design is necessary for product to perform its intended function); *Nabisco, Inc. v. PF Brands, Inc.*, 50 F. Supp.2d 188, 197 (S.D.N.Y. 1999) (determining functionality by conclusory application of "essential to the use or purpose" test), *aff'd*, 1999 WL 672575 (2d Cir. Aug. 31, 1999).

368. Many courts already use the various "tests" as evidentiary considerations in

This would not be hugely novel; courts frequently use the different tests as considerations to be weighed rather than tests to be mechanically applied. But it is important. Otherwise, the particular language of the traditionally utility-based doctrinal tests may fail to capture the potentially anti-competitive effects of protecting aesthetic features.

Although this may not satisfy those seeking more concrete solutions,³⁶⁹ it corresponds with the multi-faceted nature of competitiveness analysis. In the increasingly formalistic world of trademark law, this may seem counterintuitive. But the issue has been the subject of great confusion precisely because courts are essentially making these decisions under formalistic cover.³⁷⁰ A mechanical doctrinal test is unhelpful; to pretend that one will work is positively harmful, because it will prevent the proper and open development by courts of relevant considerations in making a determination of competitive effect. Functionality has (not surprisingly) proven incapable of mechanical, doctrinal resolution; it is time to consider a more purposive approach. The Supreme Court in *Qualitex* leaves open that possibility by endorsing a unitary test of competitive need, guided by purpose not doctrine.

c. Identifying Competitive Need

Finally, the *Qualitex* opinion provides some very general guidance that responds to the expressed concerns of uncertainty as to what is meant by a "competitive need." The Court was no doubt aware of concerns that a standard of competitive need would be open-ended, and thus offered several formulations of the circumstances in which the purposes of the doctrine would require denying trade dress protection to design features. First, functionality permits a competitor to copy a product design where granting trade dress rights would "inhibit legitimate competition by allowing a producer to control a useful product feature" and thus interfere with the op-

assessing competitiveness. See Dratler, *supra* note 58, at 508 n.251 (commenting that "some courts, apparently in the interests of thoroughness, mix and match the [different tests]").

369. See, e.g., Wong, *supra* note 202, at 1134 (commenting that it is difficult to identify separate tests because those tests are often used merely as, or to provide, "factors" to be balanced by courts performing functionality analysis).

370. See *supra* text accompanying notes 278-86 (noting the confusion caused by the various approaches to the issue of functionality).

eration of patent law;³⁷¹ second, functionality justifies excluding designs from trade dress protection where to do otherwise would threaten rivals' ability "reasonably to replicate important non-reputation related product features";³⁷² third, the court interpreted the *Inwood* test as excluding protection "if exclusive use of the feature would put competitors at a significant non-reputation related disadvantage";³⁷³ finally, trade dress protection should not "permit one competitor . . . to interfere with legitimate (nontrademark-related) competition through actual or potential exclusive use of an important product ingredient."³⁷⁴

The Court stresses several times that the disadvantages that competitors would otherwise suffer in the event of trademark protection must be non-trademark related.³⁷⁵ In this regard, the Court's third formulation captures the essence of the problem far better than the second. A competitor's ability "reasonably to replicate important non-reputation related product features" (the second formulation) should not be implicated by trademark protection in the first place. If the design feature is non-reputation related, it should not be protected by trademark because it is not distinctive.³⁷⁶ The Court's third formulation of the concept (the functional-

371. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 164 (1995).

372. *Id.* at 169.

373. *Id.* at 165.

374. *Id.* at 170.

375. See *id.* at 169 ("The functionality doctrine thus protects competitors against a disadvantage (*unrelated to recognition or reputation*) that trademark protection might otherwise impose, namely their inability reasonably to replicate important *non-reputation-related* product features.") (emphasis added); *id.* at 170 (noting that functionality requires courts to consider whether use of a feature as a mark would "permit one competitor . . . to interfere with legitimate (*nontrademark-related*) competition through actual or potential exclusive use of an important product ingredient") (emphasis added); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 (1995) ("A design is functional . . . if it affords benefits in the manufacturing, marketing, or use of the goods, . . . *apart from any benefits attributable to the design's significance as an indication of source*, that are important to effective competition by others and that are not practically available through the use of alternative designs.") (emphasis added). A court should not consider the rightful competitive advantage that accrues to the senior user from the development of goodwill attaching to the product dress. The first producer is entitled to the advantages of reputation and recognition achieved through use of its dress in the market. A feature is not functional merely because the defendant would sell more of its product if it could use the plaintiff's source-identifying design.

376. A design feature is non-reputation related, and thus not acting as a trademark, if it is unrelated to consumers' linking of the product of which it is part to a particular source and unrelated to consumers' ability to distinguish between the product in question and competing products. See 15 U.S.C. § 1127 (defining "trade-

ity doctrine is applicable if "exclusive use of the feature would put competitors at a significant non-reputation related disadvantage") is to be preferred. This focuses on the incidental non-trademark *effect* (the disadvantage) of protecting a design that does in fact function as a trademark. As seen in Part II, this is the crux of the concerns generated by converging intellectual property regimes.³⁷⁷

mark"). In contrast, a non-reputation related disadvantage would occur if the inability of others to use a particular distinctive design feature caused a competitive disadvantage unrelated to consumers' association of that feature with the plaintiff producer. For example, if the design of an airplane, although associated with the Boeing Company, was essential to enable an airplane to fly, the disadvantage suffered by competitors by being unable to use that design would be unrelated to Boeing's reputation; it would derive from not being able to offer an airline service.

377. The concept of functionality outlined by the Supreme Court is commendably flexible. Some courts and scholars have, however, adopted a still broader concept of functionality that would encompass other circumstances where the mark or design actually served a function other than (or in addition to) its source-identifying function, be that function social, political, expressive, mechanical, therapeutic, or aesthetic. See, e.g., *International Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918, 920 (9th Cir. 1980) (finding that use of a mark of a fraternal organization on jewelry was "functional" in that "it allow[ed] the wearer to publicly express her allegiance to the organization"); *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F.Supp. 1329, 1335 (C.D. Cal. 1989) (commenting on the functional use of Ford after-market floor mats for cars "to contribute to a harmonious ensemble of accessories and decorate the interior of a car"), *vacated by consent of parties*, 767 F. Supp. 1036 (C.D. Cal. 1991); Paul J. Heald, *Filling Two Gaps in the Restatement (Third) of Unfair Competition: Mixed Use Trademarks and the Problem with Vanna*, 47 S.C. L. REV. 783 (1996) (discussing use of ornamental marks on promotional goods as "mixed use" marks that should be dealt with under functionality doctrine). Thus, under such a conception of functionality, for example, the marks used in sports team merchandizing might be functional in that they permit sports fans to express their support of a particular team; that is, the marks serve a social or communicative "function."

As noted above, see *supra* text accompanying notes 115-16, trademark law needs to develop means of accommodating such (relatively recent) expressive uses of trademarks. Moreover, those means will likely bear conceptual and analytical similarity to the approach to functionality suggested in this Article. See *supra* note 115 and text accompanying note 88. see also *Plasticolor*, 713 F. Supp. at 1337-40 (discussing remedies for infringement of "mixed-use" marks). In particular, scholars addressing the treatment of socially expressive uses have suggested that any solution would involve an individualized case by case balancing of the interests of the mark owner and the expressive interests of the public, see *supra* note 115, and would probably require courts to focus on the relief to which a first producer might be entitled. Cf. Heald, *supra* at 798 (endorsing suggestion of Judge Kozinski in *Plasticolor* that courts require the second-comer to "take all reasonable steps to eliminate post-sale confusion consistent with the functional use of the mark"); see *infra* Part V (advocating limited relief for functional marks). There is, therefore, some superficial attraction to addressing these uses under an expanded notion of functionality. But this should be resisted. Although the use of "affinity" or promotional marks might also give rise to competitiveness concerns, see Heald, *supra*, at 788, these (and other) expressive uses might raise considerations different than those implicated by the

(i) *Copying Design Features Necessary to Practice an Expired Patent*

The Court's opinion offers very little guidance as to how these different formulations are to be applied in concrete instances, although Justice Breyer did provide some hypothetical applications and incidental commentary that might assist in fleshing out the concept of functionality contemplated by the Supreme Court. Most importantly, the Court envisages that the functionality doctrine will extend to address the divergent interests implicated where trade dress rights are sought in useful product features that are unpatented or for which the patent has expired.³⁷⁸ The question of competitive need extends more broadly than this,³⁷⁹ but the avoidance of a conflict with patent law (and the right to copy a design if that is necessary to the practice of an expired patent) is subsumed within that rationale by the Court.

This approach recognizes the historically binary justification for the functionality doctrine. For fifty years, both the avoidance of anti-competitive effect and mediating any dispute with patent law have been invoked by courts and scholars as the reason for the doctrine.³⁸⁰ And courts frequently blend the two purposes with ease.³⁸¹

need to make use of protected design features. Thus, although the teleological construct suggested by this Article would provide guidance as to how to accommodate those additional uses, there may be good reasons to do so other than under the rubric of functionality. *Contra* Heald, *supra*, at 795-96 (criticizing the RESTATEMENT (THIRD) OF UNFAIR COMPETITION for not considering the promotional goods question as part of the functionality doctrine). Moreover, the wholly unconfined interpretation of "functionality" inherent in bringing these uses within the doctrine may tempt courts into the mistake of equating any additional function (such as mechanical functionality) as the basis for a diminution in trademark rights. See Dinwoodie, *Reconceptualizing*, *supra*, note 89, at 541-42 (discussing this error). And it might open the courts to unduly extended (but facially not quite risible) arguments of functionality: for example, might marks used on "status goods" or "designer label" goods be said to serve (for some) the social "function" of permitting self-identification with a particular class or taste?

378. See *Qualitex*, 514 U.S. at 164-65.

379. See *id.* at 166 (mentioning, but dismissing, competitive need flowing from importance of using colors that hide stains on dry cleaning press pads rather than patent-related concerns); *id.* at 169 (referencing the ability of generic drug producers to replicate drug colors); *id.* at 170 (discussing functionality in terms of availability of alternative designs); cf. *Marketing Displays, Inc. v. Traffix Devices, Inc.*, 971 F. Supp. 262, 281 (E.D. Mich. 1997) (observing that "'competitive necessity' is but one element to consider in a determination of functionality" and noting relevance of expired utility patent).

380. See, e.g., *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1578 (Fed. Cir. 1995) (noting both competition and patent-based rationale for functionality doctrine); *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 825 (3d Cir. 1981) ("The purpose of the rule precluding trademark significance for functional features is to prevent the grant

The Supreme Court acknowledged these dual rationales,³⁸² but treated them as linked by characterizing the practicing of an expired patent as a "legitimate" competitive effort.³⁸³ This properly credits the important role of the patent system in creating a climate of competition; the grant of a patent, while a short-term restraint on competition in a particular market, is designed to ensure long-term competition through the encouragement of invention, public disclosure of new ideas, and ultimate public access.³⁸⁴ Preserving the integrity of the patent system is thus logically a pivotal part of a competition-based functionality concept,³⁸⁵ and recognition also that the

of a perpetual monopoly to features which cannot be patented."); *id.* at 827 ("[T]he policy predicate for the entire functionality doctrine stems from the public interest in enhancing competition."); Reichman, *supra* note 55, at 91 (suggesting that utilitarian functionality doctrine prevented trademark laws from undermining the patent system and from hindering free competition); Gleiberman, *supra* note 107, at 2045 (identifying both purposes).

381. For example, the Supreme Court decision in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938), routinely cited as the basis for the right to copy design features included in an expired patent, can equally be explained as a competitiveness-based decision. *See id.* at 122. Indeed, the formulation for functionality endorsed by the Supreme Court in *Qualitex* was derived in part (first by Justice O'Connor in *Inwood*) from the *Kellogg* opinion. *See id.*; *see also* *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982) (citing *Kellogg*). Similarly, a district court in Massachusetts recently upheld the constitutionality of dilution protection for product designs, and described functionality as policing the boundaries between patent and trade dress protection. *See I.P. Lund Trading v. Kohler Co.*, 11 F. Supp.2d 127, 132-34 (D. Mass. 1998), *rev'd on other grounds*, 163 F.3d 27 (1st Cir. 1998). Yet, the test that the court approvingly cited as performing that role was *Inwood*. *Id.* at 134. This may be unsurprising given the parentage of *Inwood* in *Kellogg*, but does reflect a broader notion that the two purposes of the functionality doctrine are not remote.

382. *See Qualitex*, 514 U.S. at 164-65 ("The functionality doctrine prevents trademark law . . . from . . . inhibiting legitimate competition by allowing a producer to control a useful product feature."); *id.* ("If a product's functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever . . ."); *see also* *Atlantis Silverworks, Inc. v. 7th Sense, Inc.*, 42 U.S.P.Q.2d (BNA) 1904, 1910 (S.D.N.Y. 1997) (noting Supreme Court's dual rationale in *Qualitex*).

383. Justice Breyer describes the ability of a rival to practice both an unpatented invention and an invention upon which a patent has expired in terms of "legitimate competition" and "legitimate efforts to produce an equivalent [product]." *Qualitex*, 514 U.S. at 164-65. To permit a producer to obtain rights that would interfere with patent law would be viewed by the court as "inhibiting legitimate competition" or "impeding competition." *Id.*

384. *Cf. I.P. Lund Trading*, 11 F. Supp.2d at 134 (noting that the "patent system reflects a balancing between the need to reward invention and the avoidance of practices which stifle competition"), *rev'd*, 163 F.3d 27 (1st Cir. 1998).

385. *See Atlantis Silverworks*, 42 U.S.P.Q.2d (BNA) at 1910 (explaining that the promotion of free competition is served by protecting the integrity of patent law); *see*

doctrine seeks to protect the climate of competition, not the interests of particular competitors.³⁸⁶ Moreover, if the functionality doctrine is truly to reflect the convergence concerns discussed above, and to implement the limited purposes of trademark as intended by the teleological model, it must address potential conflict with patent law. The Court's characterization of practicing an expired patent as a "legitimate" competitive effort ensures that its notion of functionality does so, and it thus endorses a limited right to copy.

Some lower courts remain doubtful, however, whether the so-called "right to copy" a design is necessary to practice an expired patent can be accommodated within the functionality doctrine. For example, the Tenth Circuit, in *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*,³⁸⁷ concluded that even if the functionality doctrine preserved competition, that did not dissolve the conflict with the Patent Act, which (the court maintained) is not intended to enhance competition.³⁸⁸ Accordingly, the court announced an additional, extra-functionality, rule to effectuate the right to practice an expired patent.³⁸⁹ Some (but not all)³⁹⁰ panels of the Seventh Circuit, while not endorsing the particular rule articulated by the Tenth Circuit, have reached similar conclusions regarding the ca-

also *Fabrication Enters., Inc. v. Hygenic Corp.*, 64 F.3d 53, 59 n.4 (2d Cir. 1995) ("Insuring that Lanham Act protection is not extended to product features that might grant a competitive advantage thus prevents the Lanham Act from interfering with the policies and purposes of patent law."); cf. Dratler, *supra* note 199, at 940 (noting the connection between the two purposes).

386. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. b (1995) (noting that the functionality doctrine is intended to ensure "competition, not just by the defendant, but also by other existing and potential competitors").

387. 58 F.3d 1498 (10th Cir. 1995).

388. See *id.* at 1506-07 (concluding that, despite comments of courts and commentators, the functionality doctrine does not resolve the tension between patent and trademark protection).

389. See *id.* at 1500 (holding that where a design feature is a "significant inventive component" of an invention covered by a utility patent, trade dress rights cannot be claimed in that feature); see also *Mid-America Build. Prods. Corp. v. Richwood Build. Prods., Inc.*, 970 F. Supp. 612, 616 (E.D. Mich. 1997) (finding design unprotectable because, *inter alia*, it was a significant inventive component of a utility patent). The Court of Appeals for the Federal Circuit recently decided that it needed to develop independent Federal Circuit law on this issue, and rejected the Tenth Circuit's approach, preferring instead to resolve the issue within the confines of the functionality doctrine. See *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1364 (Fed. Cir. 1999).

390. Other panels have viewed the functionality doctrine as obviating any conflict. See *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 638 (7th Cir. 1993) ("[P]rovided that a defense of functionality is recognized there is no conflict with patent law' . . .") (quoting *W.T. Rogers v. Keene*, 778 F.2d 334, 337 (7th Cir. 1985)).

capacity of the functionality doctrine alone to ensure the integrity of the patent system.³⁹¹

In large part, whether the functionality doctrine can resolve conflicts with patent law depends upon whether the analysis is reduced to an evaluation of feasible alternatives or consciously seeks also to effectuate the right to practice expired patents. At first blush, this may seem both circular and unduly semantic. However, bringing the patent concern within the functionality doctrine has important ramifications. Locating the "right to copy" the subject-matter of an expired patent outside the four corners of the functionality doctrine and investing it with independent (and, perhaps, constitutional) status frees that right of the limitations imposed by courts upon the scope and effect of the functionality doctrine.³⁹²

Some of these limitations were unhelpful. For example, in recent years several courts³⁹³ interpreted the Lanham Act strictly to prevent the assertion of the functionality doctrine after a registered mark became incontestable.³⁹⁴ Thus, five years after a mark's federal registration, it would be fully protected regardless of whether it was functional, *i.e.*, notwithstanding competitive effect and even if needed to practice an expired patent.³⁹⁵ These decisions were incon-

391. See *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 288 (7th Cir. 1998).

392. Several scholars have cast the so-called "right to copy" in constitutional terms. See Dinwoodie, *supra* note 289, at 25 (listing scholars).

393. See *Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091, 1099 (4th Cir. 1993) (*Shakespeare I*); see also *Kransco Mfg. Inc. v. Hayes Specialties Corp.*, 33 U.S.P.Q.2d 1999, 2001 (E.D. Mich. 1994), *aff'd in part, rev'd in part*, 77 F.3d 503 (D.C. Cir. 1996) (following *Shakespeare I*); cf. *Northwestern Corp. v. Gabriel Mfg. Co.*, Civ. No. 95-2004, 1996 WL 251433, at *4 (N.D. Ill. May 8, 1996) (refusing to cancel a mark on the grounds of functionality after five years, but declining to strike affirmative defense of functionality). But see *Wilhem Pudenz GmbH v. Littlefuse, Inc.*, 51 U.S.P.Q.2d 1045 (11th Cir. 1999) (declining to follow *Shakespeare I*). Some scholars have suggested that the result in *Shakespeare* is unconstitutional. See Davis, *supra* note 126, at 1360 (concluding that *Shakespeare* represents a "constitutional violation because it purports to protect exclusive rights to inventions and discoveries longer than the limited times permitted by the Constitution"); Malla Pollack, *Unconstitutional Incontestability? The Intersection of the Intellectual Property and Commerce Clauses of the Constitution: Beyond a Critique of Shakespeare Co. v. Silstar Corp.*, 18 SEATTLE U. L. REV. 259, 260 (1995) (suggesting that *Shakespeare* is unconstitutional because it grants perpetual, exclusive rights in functional trademarks).

394. See 15 U.S.C. § 1065 (1994) (incontestability provisions); *Shakespeare I*, 9 F.3d 1091 (4th Cir. 1993).

395. The significance of the *Shakespeare* decision was heightened because producers, encouraged by the decisions in *Two Pesos* and *Qualitex*, began, in the mid 1990s, more frequently to seek federal registration for their designs as marks. See David Bucher, Ass't Commissioner for Trademarks, Trade Dress: Common Con-

sistent with the teleological model, which requires an acceptance of changes in competitive needs over time.³⁹⁶ And, if generally adopted, the limitation that those decisions imposed on the functionality doctrine would have threatened the doctrine's capacity to protect the integrity of the patent system and to ensure free competition; indeed, this limitation was cited by the Tenth Circuit as an independent reason to locate the right to copy expired patents outside the functionality doctrine.³⁹⁷ But other courts declined to impose (or circumvented) this limit on the doctrine,³⁹⁸ and in the last session of Congress, legislation was enacted expressly permitting functionality to be asserted as a defense even in an action for infringement of an incontestable mark.³⁹⁹

More strategically, treating the right to copy as independent of the functionality doctrine permits advocates of minimalist categorical protection to set up design trade dress protection as antagonistic to the purposes of trademark law, rather than reflected within the body of trademark law, and thus posit a hierarchy of intellectual property regimes. Under that scheme, it is argued, patent sits atop trademark when the protection of the design of useful features is

structs or Complete Confusion? (remarks at PTO Conference, Washington, D.C., Feb. 12, 1998) (noting increased design registration applications).

396. See *Vornado Air Circulation Sys. v. Duracraft Corp.*, 58 F.3d 1498, 1510 (10th Cir. 1995).

397. See *id.* at 1510 n.20.

398. Some courts outside the Fourth Circuit declined to follow the *Shakespeare I* decision. See, e.g., *Wilhelm Pudenz GmbH v. Littlefuse Inc.*, 51 U.S.P.Q.2d 1045 (11th Cir. 1999) (interpreting new legislation as confirming that the interpretation of the *Shakespeare I* court was erroneous). Within the Fourth Circuit, courts reached similar results by creative (albeit doctrinally indefensible) uses of the fair use doctrine. See *Shakespeare Co. v. Silstar Corp. of Am.*, 110 F.3d 234 (4th Cir. 1997) (*Shakespeare II*) (finding non-infringement based upon fair use notwithstanding inability to cancel registration on functionality grounds under *Shakespeare I*). Finally, the related (and often confused) doctrine of genericism, see Dinwoodie, *Reconceptualizing*, *supra* note 82 at 599-602 (discussing differences), could sometimes be used to deny protection because generic dress is susceptible to cancellation at any time. See *Sunrise Jewelry v. Fred*, 175 F.3d 1322 (Fed. Cir. 1999) (rejecting the argument that while genericism could be a ground for cancellation of an incontestable verbal mark registration it could not provide the basis for cancellation of an incontestable design trade dress registration).

399. The legislation in question added functionality as a defense even to an action for infringement of an incontestable mark, and permits cancellation of a registration of a functional mark at any time. See Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, § 201, 112 Stat. 3064 (amending section 14(3) of the Lanham Act to include functionality as a ground for cancellation of a mark at any time and creating a new section 33(b)(8), which would provide for functionality as a defense in an action for infringement of an incontestable mark).

concerned.⁴⁰⁰ It thus reflects and facilitates the effective reinstitution of categorical significance that the Supreme Court declined to follow in *Qualitex* and *Two Pesos*. In contrast, if the right to copy conferred by the patent laws is addressed within the functionality doctrine, this lends itself to a balancing and accommodation of the divergent but equally important interests of the patent and trade dress systems.

The teleological model, with its call for recognizing the competitive costs and gains of trade dress protection, thus supports the Supreme Court's attempt to address the conflict with patent law within the body of trademark law. Indeed, the leading Supreme Court case on the so-called "right to copy" highlights the congruence of the functionality doctrine with that right. In *Kellogg Co. v. National Biscuit Co.*,⁴⁰¹ the Court acknowledged that trade dress protection for designs covered by expired patents could interfere with the patent system and thus recognized a right to copy designs where to do so was necessary to practice an expired patent.⁴⁰² But the Court recognized the obligation of a copying defendant (satisfied in *Kellogg*) to label and market its goods in such a way as to minimize confusion with the plaintiff's product that was being copied, and thus struck a balance between the goals of trade dress and pat-

400. See *Vorando*, 58 F.3d at 1509 (characterizing the right to copy as a "core" concern of patent law, and product design trade dress protection as a "peripheral" concern of trademark law).

401. 305 U.S. 111 (1938). The Court rested its decision on, among other things, the existence of an expired patent and on the fact that it would have been more expensive to produce the biscuits in another shape (i.e., a traditional competitive-need based notion of functionality). See *id.* at 119-20. Indeed, part of the language now described as the *Inwood* test is derived from the opinion of the Court in *Kellogg*. See *id.* at 122.

402. See *id.* at 118. The precise formulation of any "right to copy" varies among courts and scholars. At its broadest, some scholars claim that there exists a constitutional right to copy both designs that are the subject of an expired patent and those that are unpatented; this right, it is argued, cannot be impinged upon even by federal trade dress rights. Other scholars cast the right in narrower terms: some treat the right as prudentially rather than constitutionally based, and others would restrict the right to copy to designs claimed or disclosed in expired utility patents. I address these different arguments in a forthcoming article, *The Clash of Non-Absolutes: Patent and Trademark*. See Dinwoodie, *supra* note 289. Supporters of a broad "right to copy" argue that *Kellogg* supports a right to copy the subject of expired patents, and *Sears-Compco* endorses the right to copy unpatented designs. I argue that *Sears-Compco* cannot support an absolute constitutional right to copy unpatented designs, but that certain forms of federal protection (such as dilution protection, or a likelihood of confusion premised upon presumptions derived from the act of copying) may become difficult to reconcile with the integrity of the patent system. I also suggest that a generous, but conditional, right to copy is prudentially warranted. See *id.*

ent. The teleological model supports this approach. This limited form of unfair competition relief—an appropriate limitation on the effect of a finding of functionality—is precisely the type of relief that I argue below should be available to designs found to be functional because of competitive need.⁴⁰³

(ii) *Standardization of Design*

The *Qualitex* Court disavowed any significance that might flow from its reference to particular functionality opinions.⁴⁰⁴ But the Court's discussion suggests that it would be willing to use the functionality doctrine to permit rivals to copy design trade dress where standardization of product design makes that competitively necessary. This too fits with the teleological model's focus on social and commercial realities. The causes of product standardization in the cases expressly mentioned by the Court were public health policy and consumer compatibility concerns.⁴⁰⁵ But, prompted by evolving social realities, the notion of standardization may be taken even further. The causes of design standardization are far more varied than those underlying the cases cited by the Court. The demands of global markets, converging technical standards, and increasing consumer homogeneity on a broad scale, each contributes to the standardization of design.⁴⁰⁶

Although standardization raises the prospect for the consumer

403. See *infra* Part V. Indeed, the one court (the Third Circuit) pursuing the approach developed in Part V has reflected the clear congruence between the conditions imposed by *Kellogg* upon the right to copy and the continuing relief available to functional designs under section 43(a). In both *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822, 827-28 (3d Cir. 1981), and *American Greetings Corp. v. Dan-Dee Imports, Inc.*, 807 F.2d 1136, 1144 (3d Cir. 1986), which limited relief against copying of functional features to reasonable labeling measures, the court invoked the need to accommodate patent law in support of their grant of only limited relief.

404. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 169 (1995) (discussing cases without "commenting on [their] merits").

405. See *Qualitex*, 514 U.S. at 169-70 (discussing *Inwood* and *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 88 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983)).

406. See S. Tamer Cavusgil, *Globalization of Markets and Its Impact on Domestic Institutions*, 1 IND. J. GLOBAL LEGAL STUD. 83 (1993):

[A] convergence of lifestyles, consumer preference, and media habits is underway. Segments of consumers exhibit remarkable similarities across national markets. Homogenization of markets appears to be especially strong in more conspicuous consumer products. It is facilitated by increasing standards of living, transnational media, and stepped up multinational company activity.

Id. at 90.

of enhanced product interoperability,⁴⁰⁷ it may also effectively impose constraints upon design and risks the creation of *ex post* monopolies through consumer "lock-in."⁴⁰⁸ And this is true regardless of the cause of the standardization pressure. Trade dress protection for designs should in some measure counteract the standardization tendency by encouraging and protecting differentiation. The ability of a manufacturer to use trade dress law to claim exclusive rights in a market standard does, however, offer significant temptations to that producer. And as manufacturers seek to protect market positions in this manner, we would expect competitors to argue more frequently that the need to offer a standardized product represents a "legitimate" reason to copy a design within the meaning of the *Qualitex* opinion.⁴⁰⁹ In such a circumstance, the analysis of competitive need prompted by standardization will be highly market-specific, as the teleological model would suggest and the *Qualitex* opinion hints.⁴¹⁰ Standardization pressures are greater in certain markets where the nature and (lack of) variety of the consumers requires producers to limit deviations from a particular design. Markets that are driven by competitive bidding processes or by dominant consumers, such as the military, best exemplify this phenomenon.⁴¹¹ But, regardless of the cause, standardization may in

407. See *United States Golf Ass'n v. Saint Andrews Sys.*, 749 F.2d 1028, 1034 (3d Cir. 1984) (noting consumer benefits of standardization in terms of comparability and interchangeability among alternative products).

408. See Joseph P. Farrell, *Standardization and Intellectual Property*, 30 JURIMETRICS J. 35, 38 (1989).

409. Courts interpreting the copyright fair use doctrine have treated compatibility motivations (in certain circumstances) as "legitimate" reasons to engage in otherwise infringing copying. See, e.g., *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1520 (9th Cir. 1993) (finding that disassembly of computer program, where disassembly is necessary to gain access to underlying ideas and thus make rival compatible products, was a "legitimate" interest privileged by the fair use doctrine); *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 843-44 (Fed. Cir. 1992) (recognizing the possibility of a fair use claim based upon compatibility-motivated reverse engineering).

410. See *Fabrication Enters. Inc. v. Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995) (noting that the *Qualitex* opinion makes a "multi-factored, industry-sensitive test even more vital").

411. See, e.g., *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 299 (7th Cir. 1998) (considering whether alternative designs will fit within military specifications when that market is important for industry in question); *Allfast Fastening Sys. v. Briles Rivet Corp.*, 47 U.S.P.Q.2d 1170, 1177 (C.D. Cal. 1998) (considering whether alternative designs that perform the same function could feasibly be approved by the dominant manufacturer as a qualified design under industry procurement practices); *Naso v. Park*, 850 F. Supp. 264, 270 n.3 (S.D.N.Y. 1994) (noting that, where designs of microfilm reels sought to be protected had to conform to standards and specifica-

certain markets ground an argument of functionality.⁴¹²

(iii) *Identifying Other Concrete Instances of "Competitive Need"*

Finally, the Court emphasizes that functionality would be available to address the "depletion" of the limited number of designs (or colors) by which to make or market a product, and not simply the assertion of rights in the sole and exclusive means of production.⁴¹³ This consideration is accommodated most directly in the evaluation of feasible alternatives, and is discussed below in that context.⁴¹⁴

To be sure, these examples only minimally assist in articulating more precisely what are the reasonable, legitimate competitiveness-based justifications for copying a design, or the competitive disadvantages to which a rival should not be subjected. But the skeletal nature of the Court's opinion merely emphasizes that functionality will always be an extremely fact-specific inquiry, appropriately tailored to and reflective of current market conditions.⁴¹⁵ Indeed, perhaps most notable is that the court makes no effort to limit the competitive restraints and realities that might be considered as part

tions set by the American National Standards Institute, it was "doubtful" that distinctiveness could be shown because most microfilms were of that appearance, and it was also likely that defendants may be able to prove functionality); *Acoustics Dev. Corp. v. Phillips & Brooks Gladwin Corp.*, 29 U.S.P.Q.2d 1688 (W.D. Mo. 1993) (concluding that the plaintiff is unlikely to succeed in demonstrating that trade dress for its sit-down telephone booth is not functional, at least with respect to airport project for which architect called for 'similar product' and supplied plans clearly specifying details of plaintiff's product); *see also* *Disc Golf Ass'n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1009 (9th Cir. 1998) (noting defendant's argument that alternative designs could not compete effectively because none were approved by the authority responsible for establishing and maintaining technical standards in sport where product used). *But cf.* *Krueger Int'l v. Nightingale, Inc.*, 915 F. Supp. 595, 598-99 (S.D.N.Y. 1996) (recognizing trade dress rights in designs of stacking chairs that, as a result of initial contract, heavily informed government specifications in competitive bidding process for subsequent contracts for chairs that would "stack" with chairs produced under first contract).

412. In related (but different) circumstances, standardization may be addressed through the exclusion of protection for marks that become generic, i.e., that come to identify a product type rather than a particular brand. *See* *Paddington Corp. v. Attiki Importers & Distribs., Inc.*, 996 F.2d 577, 583-84 (2d Cir. 1993) (discussing use of green can for lime-flavored soda); *see also* *Kendall-Jackson Winery v. E & J Gallo Winery*, 150 F.3d 1042, 1050-51 (9th Cir. 1998) (explaining how claimed trade dress rights in features of so-called "California-look" for wine bottles might, under different arguments, be either generic or functional). For an important theoretical difference, *see infra* note 464.

413. *See* *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 169 (1995).

414. *See infra* Part IV.B.3.

415. *See* *Breyer, supra* note 146.

of this analysis.⁴¹⁶ In *Two Pesos*, the Court offered no doctrinal definition of inherent distinctiveness; in *Qualitex* it firmly endorsed no single doctrinal inquiry into functionality. Nothing in the text or tenor of the opinion suggests an intent on the part of the court to constrain the development of fact-specific analyses of whether protecting a particular design feature places competitors at a significant non-reputation related disadvantage.⁴¹⁷

3. The Leading Example of Market-Responsive Analysis: Evaluating Alternative Designs

Some guidance as to relevant considerations can be gleaned from earlier courts that had developed and applied competition-based tests of functionality, although, for the reasons proffered above, one should not expect this assistance to extend to bright line rules.⁴¹⁸ Of all the considerations examined by courts in performing competitiveness-based analyses prior to *Qualitex*, one stands out as

416. Cf. *Qualitex*, 514 U.S. at 169 (noting without comment scholars' observation that functionality determinations in generic drug cases had "more to do with public health policy").

417. Reliance upon more generalized standards applied on a case by case basis, rather than purportedly bright-line rules of law, will likely reduce the scope of appellate review of product design trade dress jurisprudence. Cf. *Ashley Furniture Indus., Inc. v. Sangiacomo Ltd.*, Civ. No. 98-2228, 1999 WL 598485, at *12 (4th Cir. Aug. 10, 1999) (noting that because distinctiveness questions are heavily fact-dependent, and often intuitive, appellate courts are naturally reluctant to disturb lower court findings); *Publications Int'l Ltd. v. Landoll, Inc.*, 164 F.3d 337, 340 (7th Cir. 1998) ("[W]hile it is true that distinctiveness is not really an issue of fact, but rather an issue of the application of a legal standard to facts, it is classified with issues of fact for purposes of drawing the line between the jury's authority and that of the judge and the reviewing court."). At least one appellate judge has been troubled by the limited scope of review currently afforded jury determinations in trade dress cases. See *Samara Bros., Inc. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 135-36 (2d Cir. 1998) (Newman, J., dissenting) (arguing that appellate courts should reconsider the prevailing approach to jury verdicts on trade dress issues and recognize that the "boundaries in which jury fact finding may permissibly occur are somewhat narrow" because "otherwise we are ceding to juries broad authority to determine the substantive scope of the law on topics such as . . . trade dress").

418. Many different factors have been considered by lower courts. These include: the availability of alternatives; whether the design yields a utilitarian benefit, in terms of durability, enhanced effectiveness, ease of handling; whether the design is the result of a simple or inexpensive method of manufacture; whether industry standards require the use of that shape to compete; the existence of a utility patent disclosing the utilitarian advantage of the design. For a thorough and systematic summary of the different considerations used by lower courts, see Davis, *supra* note 74, at 97-110; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. b (1995); *W.T. Rogers v. Keene*, 778 F.2d 334, 343-44 (7th Cir. 1985) (identifying factors); *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332 (C.C.P.A. 1982) (identifying four factors).

particularly helpful: the availability of feasible alternative designs. This factor provides a good example of a context-responsive consideration and thus comports well with the teleological perspective underlying Justice Breyer's opinion.

The relevance of alternative designs that will permit a product to function in the same way has been part of most functionality analyses,⁴¹⁹ whether as an explicit component to a test⁴²⁰ or as an

419. Professor Dratler would also place an analysis of alternatives at the heart of distinctiveness analysis. See Dratler, *supra* note 199, at 953; Dratler, *supra* note 58, at 492. Courts frequently consider alternatives in assessing distinctiveness. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 504-05. But the use of alternatives in evaluating distinctiveness and functionality should be different. See *id.* at 597-602. In particular, while distinctiveness is harmed by several similar designs currently on the market, functionality is made more probable by the lack of possible different alternatives (real or hypothetical). See *id.* at 602. I thus reject the notion that hypothetical alternatives are relevant to distinctiveness. See *id.* at 601. Professor Dratler agrees with much of my analysis, see Dratler, *supra* note 58, at 494 n. 207 (cataloguing agreements and disagreements), but insists upon the relevance of hypothetical alternatives to distinctiveness. See *id.* I remain unconvinced. Taking Professor Dratler's arguments in turn: as I have explained at length elsewhere, evidence other than alternatives is available to assess inherent distinctiveness, see Dinwoodie, *Reconceptualizing*, *supra* note 89, at 585-95; and I reject the notion that the first design of its kind would be regarded as inherently distinctive, see *id.* at 514 n.120, partly because of my faith in these other items of evidence. Our disagreement would appear to flow from attention to a different set of "alternatives". The alternatives that I find most persuasive in analyzing distinctiveness are *similar* alternative designs, for these will blur distinctiveness; Professor Dratler's focus is on whether there is a wide range of *very different* designs, for these will heighten the likelihood that consumers will regard a design as a source-identifier as opposed to an essential part of the functioning of that product type. See Dratler, *supra* note 58, at 404 n.207. But the availability of "unknown, as yet undeveloped or unmarketed, alternatives" should not be relevant even under Professor Dratler's focus; indeed, his acknowledgment that consumers' awareness of alternatives is more important in the analysis would appear to recognize this. See *id.*; see also *Tough Traveler, Ltd. v. Outbound Prods.*, 989 F. Supp. 203, 210 n.2 (N.D.N.Y. 1997) (emphasizing that the focus of distinctiveness, but not functionality, analysis is on the market as it exists).

420. See Dratler, *supra* note 58, at 513-18. The availability of alternatives is, however, typically but one evidentiary factor in conducting a broader inquiry into whether the features claimed as a trademark are necessary for effective competition. Professor Dratler implicitly acknowledges this in his explanation of how an alternatives-based test would work. See *id.* at 514-15 (noting that analysis considers whether no alternatives are available such that "rivals will have to use the same symbol in order to enjoy their constitutional right to compete"). Alternatives mean nothing in and of themselves; there must be a standard against which the significance of the alternatives can be measured. See *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1580 (Fed. Cir. 1995) (reasoning that availability of alternative designs does not determine the functionality issue where not shown that those alternatives substantially eliminate any competitive need for the claimed features); *Thomas & Betts Corp. v. Panduit Co.*, 34 U.S.P.Q.2d (BNA) 1545, 1558 (N.D. Ill. 1994), *rev'd on other grounds*, 65 F.3d 654 (7th Cir. 1995).

evidentiary means of implementing a test.⁴²¹ The Restatement, for example, states that "[a] design is functional . . . if it affords benefits in the manufacturing, marketing, or use of the goods . . . apart from any benefits attributable to the design's significance as an indication of source, that are important to effective competition by others and that are not practically available through the use of alternative designs."⁴²² In *Qualitex*, the Court placed the existence of alternatives at the core of the functionality inquiry.⁴²³ This is consistent with the purposes of the functionality inquiry, because the existence of alternatives implicates both the degree to which protection would be exclusionary and the extent to which a de facto patent-like monopoly might be conferred by trade dress protection. It also comports with a basic lesson of the teleological model: the notion of available alternatives is a dynamic concept that will mirror technological advances and thus link the scope of protection to real competitive need. The availability of feasible alternatives is a function of real competitive constraints. Current market constraints, whether imposed by technological limits, the limits of human knowledge or training, ergonomic requirements, or changes in health and safety limits on production methods, are rapidly changing.⁴²⁴

As a result of the primacy of alternatives as a consideration in the functionality inquiry, courts have had significant experience in analyzing the effect of alternative designs upon the availability of trade dress protection. This experience gives rise to several important points. First, evaluation of alternative designs must not become mathematical. The functionality test is deceptively simple to apply if analysis progresses no further than whether a single alternative product design might perform the same function. The strong attrac-

421. See, e.g., *Knitwaves Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir. 1995) (rejecting defendant's argument of functionality where no evidence that the number of designs available to compete with plaintiff's product were limited); *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 822-23 (9th Cir. 1993) (including, as one factor in functionality analysis, "whether alternative designs are available in order to avoid hindering competition"); *In re Owens-Corning-Fiberglass Corp.*, 774 F.2d 1116, 1121 (Fed. Cir. 1985) (considering whether "alternative designs are available in order to avoid hindering competition" in applying *Inwood* test). For a demonstration of how the different tests of functionality involve analysis of alternatives, see Dratler, *supra* note 58, at 513, 514 n.266.

422. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 (1995).

423. See *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 170 (1995) (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION (1995)).

424. See *In re Zippo Mfg. Co.*, 50 U.S.P.Q.2d 1852, 1855 (T.T.A.B. 1999) (revisiting a finding of functionality made twenty-five years earlier because circumstances had changed and there was now evidence of alternative competitive designs).

tion of certainty that this appears (illusorily) to offer must be resisted. Such an easily satisfied standard threatens to provide overbroad protection to design features that represent one of only a few possibilities and thus displays insufficient regard for the competitive environment.⁴²⁵ Competition may equally be hindered by the depletion, through serial grants of trade dress rights, of the limited range of alternatives.⁴²⁶ Although the lack of *any* alternative should give rise to a per se finding of functionality, this must be supported by rules of reason searching out more marginal cases where there are non-reputation related competitive consequences that warrant restricting protection.⁴²⁷

Second, functionality seeks to measure not merely whether alternative designs exist, but whether commercially feasible alternatives exist.⁴²⁸ Feasibility requires that a court consider not only that

425. This threat has periodically been encountered in courts applying functionality tests that textually appear to deny protection only to design features that are strictly mandated by the product's function, such as those excluding protection for designs that are "dictated" by the purpose of the product or that are "essential" to the use or purpose of the article. See *Warner Bros. Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 331 (2d Cir. 1983) (elaborating upon the "essential to the use or purpose" test outlined in *Inwood* by defining the test in mandatory rather than causative terms); see also *Rubbermaid Commercial Prods. Inc. v. Contico Int'l Inc.*, 29 U.S.P.Q.2d 1574, 1583-84 (W.D. Va. 1993); *Butterick Co. v. McCall Pattern Co.*, 222 U.S.P.Q. 314 (S.D.N.Y. 1984).

426. The Supreme Court has recognized that competition may be stifled by the exhaustion of a limited number of trade dresses. See *Two Pesos, Inc. v. Taco Cabana*, 505 U.S. 763, 775 (1992); *Qualitex*, 514 U.S. at 168 (framing competitive concerns in terms of the ability of "one, or a few, producers" to deplete the supply of colors). And courts in other intellectual property contexts have recognized that fears of overprotection may be realized by the grant of rights in one of few alternatives as in well as in the only alternative. See *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675, 678-79 (1st Cir. 1967) (discussing the doctrine of merger of idea and expression in copyright law).

427. This should not, however, extend so far as to restrict protection for features that are merely influenced by utilitarian concerns. Otherwise, trade dress protection for useful product features would be ephemeral. See *Warner Bros.*, 724 F.2d at 331 ("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.") (citations omitted).

428. See *Stormy Clime Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 978-89 (2d Cir. 1987) (remanding for determination of feasibility); see also *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 298-300 (7th Cir. 1998) (remanding for consideration, among other things, of whether alternative designs can be "effectively marketed"); *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1191 (7th Cir. 1989) (holding that design was not shown to be functional where no empirical evidence of the cost and availability of alternative design, or of whether the attractiveness of the design is so important to purchasers that protection of that design would effectively destroy competitors' ability to compete effectively); *IKO Chicago, Inc. v. CertainTeed Corp.*, 29

alternatives exist but that a rival could compete in the market with those designs.⁴²⁹ The alternatives must provide performance equal to the feature for which trade dress protection is sought.⁴³⁰ And they must be available. For example, if the alternative designs are covered by patents, they may not be relevant to the functionality analysis.⁴³¹ The focus on feasibility means, however, that the alternatives need not currently have been created, but may still be in development or even be hypothetical.⁴³²

Third, the determination whether alternative designs are in fact available rests in large part upon how one defines the product market for which such a design must exist and in which competition

U.S.P.Q.2d 1953, 1956 (N.D. Ill. 1993) (same).

429. For example, the Court in *Allfast Fastening Systems v. Briles Rivet Corp.*, 47 U.S.P.Q.2d 1170 (C.D. Cal. 1998), refused to consider as an alternative a design that would perform the same function but that would be costly and burdensome for the competitor to have approved under prevailing procurement practices. See *id.* at 1177.

430. See *Marketing Displays, Inc. v. Traffic Devices, Inc.*, 971 F. Supp. 262, 276 (E.D. Mich. 1997) ("If the purported alternatives are not available and equal, then they are not true alternatives.").

431. See *id.* at 275 (declining to consider designs covered by patents as alternatives). But cf. *Goodyear Tire & Rubber Co. v. Interco Tire Corp.*, 49 U.S.P.Q.2d 1705, 1717 (T.T.A.B. 1998) (considering alternative designs that might be available through licensing of patent rights). One court has declined to accept a design patented by the defendant as an available alternative, on the ground that the functionality doctrine requires a court to consider the effect of trade dress protection not merely on the litigants but on other manufacturers, and those other manufacturers would not have access to the defendant's patented alternative design. See *Allfast Fastening*, 47 U.S.P.Q.2d at 1177; see also *Schwinn Bicycle*, 870 F.2d at 1191 (noting that the comparison of cost and efficiency is with any alternative designs not simply those produced by the defendant); *Ann Howard Designs L.P. v. Southern Frills, Inc.*, 46 U.S.P.Q.2d (BNA) 1784, 1787 (S.D.N.Y. 1998) (accepting the functionality defense in light of the impact on the market of independent third party vendors). The functionality doctrine seeks to protect competition, not competitors. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. b (1995) (noting that the functionality doctrine is intended to ensure "competition, not just by the defendant, but also by other existing and potential competitors").

432. See *Thomas & Betts* 138 F.3d at 299 (noting that "[t]he fact that only several shapes are currently on the market . . . does not establish as a matter of law that the . . . shape is functional. . . . [T]he fact that several (or even only one) shape is currently marketed is relevant to, but not dispositive of, the functionality issue"). The District Court in *Thomas & Betts* had refused to consider in its functionality analysis certain alternative designs because they were hypothetical designs that had never been successfully marketed. See *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 1413 (N.D. Ill. 1996). The Court of Appeals rejected that approach. See *Thomas & Betts Corp.*, 138 F.3d at 299 ("There is no requirement that the alternative shapes must have been successfully marketed in order to show that effective competition is possible."). If hypothetical designs are invoked, courts evaluating whether the design is commercially feasible should consider the effect upon retail price and costs that a producer would incur if compelled to use the alternative designs. See *id.*

will be evaluated.⁴³³ As Daniel McClure has noted:

[W]hen these rules [limiting protection] are applied in a vacuum without any consideration of the structure of the industry or of economic policy, the result is not so much to benefit competition as it is to needlessly withdraw protection for the accumulated good will of a business and reward the commercial piracy of infringers.⁴³⁴

A defendant's need to copy a particular design is heightened by a narrow definition of the relevant product market,⁴³⁵ and thus litigants will typically offer widely varying definitions.⁴³⁶ Antitrust law has well-developed notions of the relevant product market for the purpose of evaluating the degree of competition faced by a producer,⁴³⁷ and this body of law can usefully inform trademark law.⁴³⁸

433. Indeed, the manner in which the court casts the product market might be outcome determinative. See *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431, 1452 n.13 (3d Cir. 1994); cf. *In re D.C. Comics*, 689 F.2d 1042, 1053 (C.C.P.A. 1982) (Nies, J., concurring) (noting that it "becomes sophistry if the generic nature of a word or name depends on how broadly or narrowly the board, or a court, defines a 'kind' of 'class' of goods").

434. McClure, *supra* note 86, at 355; see *Fabrication Enters. Inc. v. Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995) (noting that the *Qualitex* Court's focus upon competition renders "multi-factored, industry-sensitive tests even more vital"); *Leatherman Tool Group Inc. v. Cooper Indus.*, 44 U.S.P.Q.2d 1275, 1279 (D. Or. 1996) (considering alternatives in light of the "vigorous competition" in the relevant product market).

435. See *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d 1412, 1418 (S.D.N.Y. 1996) (noting that, because a narrow definition of the relevant product market can circumvent trade dress protection, courts tend to define product markets "rather broadly" for the purpose of determining functionality). But see *Allfast Fastening*, 47 U.S.P.Q.2d at 1177 (analyzing competition in the market for rivets used in a group of 26 airplanes, for which only plaintiff's rivet was approved by the dominant manufacturer, rather than the market for rivets used in 750 different airplane types).

436. See, e.g., *Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1148 (2d Cir. 1987) (defining product market as "bicycle racks generally" and not "one-piece undulating bicycle racks"); *Marketing Displays, Inc. v. Traffix Devices, Inc.*, 967 F. Supp. 953, 962-63 (E.D. Mich. 1997) (noting alternative market definitions of plaintiff and defendant), *later proceeding*, 971 F. Supp. 262 (E.D. Mich. 1997); *Topps Co.*, 41 U.S.P.Q.2d at 1418-19 (discussing alternative product market definitions of parties: "diamond engagement shaped lollipops" and "lollipops").

437. See *United States v. E.I. Du Pont de Nemours & Co.*, 351 U.S. 377, 394 (1956) (defining relevant market for monopolization claims under antitrust law); see generally 2A PHILLIP E. AREEDA, HERBERT HOVENKAMP & JOHN L. SOLOW, ANTITRUST LAW ¶ 530 (rev. ed. 1995).

438. Scholars disagree about the value of permitting the influence of antitrust principles. For examples of writers supporting their use, see Cunningham, *supra* note 278, at 588; Kellner, *supra* note 278, at 955 n.254 (suggesting that reference to data considered in antitrust analysis to determine cross-elasticity of demand might

In antitrust law, the relevant product market is determined by an examination of which products are either identical to or available substitutes for the product in question.⁴³⁹ Similarly, trade dress functionality analysis should explicitly consider product substitutability or cross-elasticity of demand in determining the product market in which feasible alternatives must be found. Market power, and the exclusionary effect of trade dress protection, will vary depending upon the extent to which consumers view other designs as

be "helpful" in the context of aesthetic functionality). Skeptics include Professor Jay Dratler. See Dratler, *supra* note 58, at 519 (questioning whether tests of competitive need that mirror antitrust law will avoid all the "debilitating uncertainty of the broad field of antitrust law"). Justice Breyer has noted the common relevance of economic principles to antitrust law and intellectual property law, but has characterized the relation as "direct" in antitrust law while merely "intermediate" in intellectual property law. See Breyer, *supra* note 146, at 9-11. The difference, according to Justice Breyer, lies in the fact that "the provisions of intellectual property statutes reflect, not simply an overall economic goal, but also a judgment that balances subsidiary and sometimes conflicting economic considerations in an effort to achieve that overall goal." *Id.* at 10; see also MCCARTHY, *supra* note 18, at § 1.23 (commenting that "while antitrust law prohibits 'not enough' competition, unfair competition law forbids 'too much' competition"). In any event, the functionality analysis, although animated by principles of competition, should not be viewed simply as a delegation of authority to antitrust law. The Lanham Act already enables defendants to resist an infringement action on the ground that the trademark owner is using the mark in such a way as to violate the antitrust laws. See 15 U.S.C. § 1083(b)(7) (1994); see also McClure, *supra* note 164, at 25 n.80 (discussing cases in which this defense has been invoked). Functionality analysis accommodates circumstances not necessarily rising to the level of antitrust violations, however, and should involve a broader range of interests than inform an antitrust analysis. A pure antitrust analysis might fail to take account of conflicting concerns that legitimately inform trademark law. In the late 1970s, the Federal Trade Commission engaged in "trademark-free" analysis of the competitive effect of trademark ownership and suggested a typical form of antitrust-driven relief (compulsory licensing) that is repugnant to fundamental principles of trademark law. See *In re Borden*, 92 F.T.C. 669 (1976), *rev'd*, 92 F.T.C. 807 (1978); see generally F.M. Scherer, *The Posnerian Harvest: Separating Wheat From Chaff*, 86 YALE L.J. 974 (1977). And, although compulsory licensing is common in antitrust cases, the supervisory and thus non-rivalrous relationship that trademark law requires between licensor and licensee hardly creates the competitive antagonism that the Federal Trade Commission sought as a matter of competition policy. Instead, the contours of the functionality doctrine must be informed by the policies of trademark law and the objectives of trademark protection. The infusion of these concerns into the competitive analysis might alter the outcome of the appropriate boundaries of competitive conduct, acknowledging that free competition might not always serve as a precise template for fair competition.

439. See *White & White, Inc. v. American Hosp. Supply Corp.*, 723 F.2d 495, 500-01 (6th Cir. 1983) (citing *United States v. E.I. Du Pont de Nemours and Co.*, 351 U.S. 377 (1956), as the source of the "essential test for ascertaining the relevant product market"). For a fuller discussion of the considerations in antitrust analysis, see *United States Healthcare, Inc. v. Healthsource, Inc.*, 986 F.2d 589, 598 (1st Cir. 1993).

adequate substitutes.⁴⁴⁰ If it is not possible to design products that are reasonably interchangeable with the plaintiff's product (for reasons unrelated to reputation) the design feature is almost certainly functional.⁴⁴¹

Explicitly defining the product market will focus analysis, but it does not answer the functionality question. Antitrust law itself highlights the need for evaluations of competitive effect to be highly fact-specific. A mathematical approach would thus not be possible even if it were advisable. Superficially objective measures must be carefully scrutinized.⁴⁴²

V. APPLYING THE TELEOLOGICAL MODEL (II): THE EFFECT OF FUNCTIONALITY

The competitive balance sought by the teleological model also suggests a need to revisit the effect that a finding of functionality has on a trade dress claim. Typically, if a design feature is found to be functional, the plaintiff is denied relief. But if that design feature served to identify the product's source, denying protection (albeit for legitimate reasons) results in consumer confusion and competitive costs. And, as discussed above, in an increasingly visual society those costs are not as insignificant as they once were. In this concluding Part of the Article, I argue that the teleological model, pragmatism and history each supports the possibility of limited "regulatory" relief (such as confusion-minimizing labeling of defendant's similar products or corrective advertising by the defendant) being accorded the owner of a distinctive design trade dress that is found to be functional.⁴⁴³ Such an approach would explicitly assign to

440. See Glynn S. Lunney, Jr., *Reexamining Copyright's Incentives-Access Paradigm*, 49 VAND. L. REV. 483, 521 n.156 (1996) (suggesting that "in some cases, the relevant market may consist of a single work, or the works of a single author, because consumers do not consider any other work to be an adequate substitute for the original(s)").

441. See *Leatherman Tool Group Inc. v. Cooper Indus.*, 44 U.S.P.Q.2d 1275, 1278-79 (D. Or. 1996) (suggesting that alternatives do not require to be "exactly interchangeable," but rather must be "true alternatives" that a purchaser of plaintiff's product might realistically purchase).

442. For example, mere increases in market share should not be regarded as giving rise to an issue of functionality because the goodwill attaching to the mark should cause the products to sell better. Conversely, a small market share is not itself an absolute barrier to a functionality determination. See *Epic Metals Corp. v. Souliere*, 99 F.3d 1034, 1039-42 (11th Cir. 1996). Courts have, however, considered the market share of alternative designs (or lack of evidence thereof) in assessing the feasibility of such alternatives. See also *Disc Golf Ass'n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1009 (9th Cir. 1998).

443. *Accord* *Harriman*, *supra* note 278, at 302-03.

trademark law its proper role as the instrument for regulating symbolic meaning in the marketplace, and would give fullest effect to the demands of the teleological model for balanced, contextualized analysis.

A. REFINING THE RELATIONSHIP BETWEEN FUNCTIONALITY AND
DISTINCTIVENESS

The argument for providing source-identifying, functional designs⁴⁴⁴ with limited relief rests first and foremost on a refined understanding of the relationship between distinctiveness and functionality. Under the teleological model, it is these two purpose-centered concepts, rather than the ontological nature of the mark, that will define the outer boundaries of trademark protection. Two versions of the relationship might be considered. Functionality can be seen to *negate* the reasons for which protection was offered in the first place; alternatively, it might implicate a *countervailing* interest that must be balanced against the concerns that motivate protection. Does the functional nature of a feature vitiate the reasons for protecting distinctive features, or does it trigger alternative concerns to be weighed against the justifications for protecting distinctive features?

Most courts and scholars treat functionality as negating distinctiveness.⁴⁴⁵ Some express the view that functionality in fact excludes source-identifying potential; for a greater number, however, functionality is merely presumed to negate distinctiveness.⁴⁴⁶ For

444. See, e.g., *Allfast Fastening Sys. v. Briles Rivet Corp.*, 47 U.S.P.Q.2d 1170, 1176 (C.D. Cal. 1998) (recognizing that rivet design was distinctive and functional).

445. See, e.g., *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423, 427 n.4 (5th Cir. 1986) (noting that a "design cannot be found both legally functional—that is, not entitled to trademark protection—and 'sufficiently distinctive' to serve as an indicator of source"); John McKie, *Functionality Survives Incontestability As a Type of Constructive Abandonment, Despite Shakespeare*, 86 TRADEMARK REP. 304, 311 (1996) ("The effect of functionality . . . is to negate any legally recognized distinctiveness."). McKie argues that because functionality causes a loss of all significance as a mark, it might be regarded as constructive abandonment of the mark and thus available as a defense in an infringement action at any time. See *supra* text accompanying notes 393-99 (discussing limits on assertion of the functionality defense).

446. The presumption that functionality negates distinctiveness is seen also in the practices of the Patent and Trademark Office. Refusals to register marks because of functionality are officially made on the basis of "sections 1, 2 and 45, on the ground that the matter does not function as a mark." UNITED STATES PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.03(a), at 1202-05 (visited Sept. 3, 1998) <<http://www.uspto.gov/web/offices/tac/tmep>>. The Office acknowledges, however, that "the refusal has more to do with public policy than it has

example, the Court of Customs and Patent Appeals developed the doctrine of "de facto secondary meaning" to recognize the circumstance where, despite actual evidence of consumer association, courts would presume that the finding of (utilitarian) functionality negated distinctiveness:

[A]s to some words and shapes the courts will never apply the "secondary meaning" doctrine so as to create monopoly rights. The true basis of such holdings is not that they cannot or do not indicate source to the purchasing public but that there is an over-riding public policy of preventing their monopolization.⁴⁴⁷

to do with sections 1, 2 and 45 of the Act." *Id.* John McKie argues that constructive abandonment is like functionality in that it does not require that consumers in fact have lost the source-identification with the feature, but rather another policy mandates no protection. The examples of constructive abandonment he provides are naked licensing and assignments in gross. See McKie, *supra* note 445, at 320-21. But in both those cases, the policy warranting denial of protection is the avoidance of consumer deception that those activities engender; in the case of functional marks, avoidance of consumer deception justifies rather than opposes protection.

447. *In re Deister Concentrator Co., Inc.*, 289 F.2d 496, 504 (C.C.P.A. 1961); see generally *I.P. Lund Trading v. Kohler Co.*, 163 F.3d 27, 39 (1st Cir. 1998); *In re Edward Ski Prods.*, 49 U.S.P.Q.2d 2001, 2005 (T.T.A.B. 1999); *Goodyear Tire & Rubber Co. v. Interco Tire Corp.*, 49 U.S.P.Q.2d 1705, 1707 n.9 (T.T.A.B. 1998); *Kasco Corp. v. Southern Saw Serv., Inc.*, 27 U.S.P.Q. 2d 1501, 1505 (T.T.A.B. 1993); *In re North Am. Philips Corp.*, 217 U.S.P.Q. 926 (T.T.A.B. 1983); *In re Water Gremlin Co.*, 635 F.2d 841 (C.C.P.A. 1980); Derenberg, *supra* note 205, at 1202. The late Judge Giles Rich, the author of *Deister*, appeared to premise the presumed negation on different grounds as regards utilitarian and aesthetic functionality. While utilitarian functionality embodied the notion that the public policy of competition over-rode any source identification, see *Deister*, 289 F.2d at 504, Judge Rich explained aesthetic functionality as simply a question of distinctiveness: it is labeled functional because it served "other than a trademark purpose." *In re DC Comics*, 689 F.2d 1042, 1049 (Rich, J., concurring) (C.C.P.A. 1982). For that reason, he later suggested that a demonstration of secondary meaning would be crucial because it could overcome aesthetic functionality. See *id.*; see also Duft, *supra* note 278, at 190 (advocating that ornamental designs could only be legally functional if generic). Despite Judge Rich's observations, however, courts applying aesthetic functionality (including the *Pagliero* court) were not swayed by de facto showings of secondary meaning. See Smith, *supra* note 133, at 436 n.118 (collecting cases in which designs were found to be both aesthetically functional and distinctive). Again, it was presumed not to exist.

Professor Thomas McCarthy has similarly explained that "functionality . . . trumps all evidence of actual consumer identification of source and all evidence of actual consumer confusion caused by an imitator. For functional items, no amount of evidence of secondary meaning or actual confusion will create a right to exclude." 1 MCCARTHY, *supra* note 18, ¶ 7.63, at 7-124 to 7-125. One could argue that Professor McCarthy's formulation does not foreclose the possibility of the relief proposed here. Professor McCarthy states that "no amount of evidence of secondary meaning . . . will create a right to exclude." But the limited relief proposed here would not be exclu-

That is to say, courts will deny protection to "certain design features even if they have become so far identified with the manufacturer of a particular brand that consumers may be confused about the origin of the good if another producer is allowed to adopt the feature."⁴⁴⁸

Under the alternative view, functionality doctrine could be seen not to negate source-identification (or the value of offering legal protection to the same), but as a vehicle to balance countervailing policy concerns. That is to say, functionality merely requires us to temper trademark protection in order to avoid interfering with patent law or disrupting the competitive environment.⁴⁴⁹ This conception of functionality thus seeks to balance the interest in protecting goodwill and the interest in ensuring free competition; it reflects a compromise of trademark's objectives and trademark's potentially adverse consequences.

Although the vast majority of courts suggest that functionality is presumed to negate distinctiveness, and thus prevent any relief, it is time to revisit that issue.⁴⁵⁰ The view that functionality negates the value of source-identification (actually or presumptively) is outdated. It reflects a time when the competitive costs of not protecting source-identifying designs was thought (whether properly or otherwise) not to be as significant. It is important to recalibrate the balance to reflect our more visual environment and to permit the more particularized competitive analysis demanded by the teleological model. The rule that legally functional matter is not a mark is a "shorthand" form for the conclusion that competitive analysis warrants a complete denial of protection notwithstanding likely confusion.⁴⁵¹ But *Qualitex* and the teleological model each discourages use of such short-cuts, and instead asks us to provide careful and reasoned assessment of particular competitive realities. Moreover, because a theory motivated by recognition of countervailing con-

sionary in nature; it would be regulatory in nature.

448. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 338 (7th Cir. 1985).

449. Some courts that treat functionality as a complete bar to relief may still express the doctrine in terms of balancing interests. See, e.g., *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 377 (2d Cir. 1997) (noting that the functionality defense requires a court to "balance the policy of protecting consumers from confusion against that in favor of free competition").

450. Functionality, as a judicially-created doctrine designed to prevent overprotection, is fully capable of judicial revision, see *Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091, 1099 (4th Cir. 1993) (Niemeyer, J., dissenting), particularly in light of the recent evolution in the Supreme Court's trademark jurisprudence.

451. See McKie, *supra* note 445, at 312.

cerns acknowledges the continuing force of why protection is offered in the first place, it is likely to support more balanced outcomes than a theory that collapses all relevant concerns into a single threshold question of eligibility for injunctive relief. The countervailing theory is thus better able to reconcile different values, such as are presented by the clash of trade dress protection and patent protection, or by the comparison of the respective competitive benefits of trade dress protection and mimetic competition. The teleological model is founded on the need to recognize the competitive gains and costs of trade dress protection. The gains of preventing consumer confusion cannot be ignored in the rush to ensure competitors' ability to exercise legitimate imitative freedoms. Allowing consideration of competitive effect to deny the distinctiveness of a truly source-identifying design prevents the more measured balancing of those interests.

Under my proposed scheme, therefore, there are three conceptual types of marks: distinctive and nonfunctional marks; nondistinctive and nonfunctional marks (which are not truly marks because they are not distinctive in the first place); and, distinctive but functional marks. This continuum permits more particularized analysis of the range of competitive situations that confronts courts. It thus matters, however, not only which designs are both distinctive and nonfunctional, but which designs are distinctive and functional. Effective implementation of this scheme is threatened by courts and scholars that collapse the doctrines of functionality and distinctiveness⁴⁵² by telescoping the different concerns of source-identification and competition. These issues are typically conflated by assessing distinctiveness by reference to the effect on competition⁴⁵³ and resting functionality determinations upon whether the

452. Judge Richard Posner has suggested that although "[f]ormally, distinctiveness and functionality are separate issues. . . . [they] are intertwined issues [because] [f]unctional features are by definition those likely to be shared by different producers of the same product and therefore are unlikely to identify a particular producer." *Publications Int'l Ltd. v. Landoll, Inc.*, 164 F.3d 337, 339-40 (7th Cir. 1998); see also *Lund Trading v. Kohler Co.*, 163 F.3d 27, 38 (1st Cir. 1998) (same). Although Judge Posner's observation may overstate the connection, it is to some extent true. See Dinwoodie, *Reconceptualizing*, *supra* note 89 at 588-89 (discussing role of additional utilitarian purpose in determining distinctiveness of design feature). But the question of whether competing products share the same design feature, rendering that feature commonplace and thus probably less likely to identify a single source, can be asked directly as part of the distinctiveness inquiry without regard to concerns that underlie a functionality analysis.

453. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 500-07 (discussing and criticizing this tendency). Professor Barrett has recently expressed support for the

tendency to allow competitiveness concerns to justify and inform stricter inherent distinctiveness tests for product designs than for other source-indicators. See Barrett, *supra* note 195, at 478; see also Dratler, *supra* note 58, at 499-501 (acknowledging that proposed test of distinctiveness overlaps, sometimes to the point of identity, with proposed functionality inquiry); *id.* at 501 (explaining the difference between proposed tests of distinctiveness and functionality). And, as I have previously noted, see Dinwoodie, *Reconceptualizing*, *supra* note 89, at 500-04, this is an approach followed by many courts (especially those pursuing a categorical model). See, e.g., *Landscape Forms*, 113 F.3d at 379-80. I continue to see problems with such an approach. First, the Supreme Court stressed in both *Two Pesos* and in *Qualitex* that there was no need to impose special threshold rules for designs because functionality addressed the competitive concerns. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774-75 (1992) (rejecting the argument that without a secondary meaning requirement competition would be stifled, because functionality would ensure competition); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995) (declining to bar protection for color because of competitive concerns, because any instances of competition would be rooted out by functionality). But cf. Barrett, *supra* note 195, at 496 (arguing that the Supreme Court's discussion was "only suggestive" of the attitude it would take to the infusion of competitiveness concerns into the question of inherent distinctiveness). Second, competitiveness bears no relevance to the purpose of the distinctiveness requirement which, as Professor Barrett notes, is intended to ensure that customers are likely to or in fact do view the design as a source-indicator. See *id.* at 483-94. Absent source-identification, the design merits no trademark protection whatsoever. Doctrinal devices that become separated from their purpose lose their guiding principle and cannot be expected to develop in a manner that permits implementation of that purpose. Finally, this approach treats distinctiveness as the doctrinal portmanteau of all the concerns of trademark law, and a single concept is insufficiently flexible in and of itself to balance those concerns. In particular, this approach prevents the proper demarcation of the group of "distinctive but functional" designs—designs by which consumers identify source but which are needed by competitors—and thus fails to address the competitiveness dilemma presented by that situation. See *infra* text accompanying notes 456-57 (discussing approach of the Eighth Circuit). Professor Barrett notes that the discriminatory approach found in the Third Circuit's distinctiveness analysis, and motivated by legitimate concerns of competition, is essentially a policy decision to require secondary meaning. See Barrett, *supra* note 195, at 488. If the basis for that "policy decision" is simply a concern with competition, however, that should already be reflected in the functionality analysis; it is difficult to see what positive policy objectives are served by infusing distinctiveness analysis with these concerns, particularly in light of the negative consequences that it causes. See *supra* text accompanying notes 450-52. The only policy-based concern expressed by these courts that is relevant to the distinctiveness requirement is whether design features can identify source. See *Landscape Forms*, 113 F.3d at 378; *Knitwaves Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1005 (2d Cir. 1995); *Thomas & Betts Corp. v. Panduit*, 65 F.3d 654, 657 (7th Cir. 1995); *Duraco Prods. Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1434 (3d Cir. 1994). Professor Barrett astutely notes what she calls the Second Circuit's "skepticism" regarding the capacity of designs to identify source. See Barrett, *supra* note 195, at 490. But if that skepticism is well-grounded, a neutral assessment of actual or likely source-identification should bear that out without imposing stricter tests; if it is not well-grounded, then these Canute-like policy dictates will serve only to permit the creation of consumer confusion. As the Supreme Court emphasized in *Qualitex*, and as a teleological model teaches, the boundaries of trademark protection should not

design feature is serving merely source-identifying purposes.⁴⁵⁴ Yet, unless a design is distinctive, no purpose of trademark law warrants restraining a defendant's ability to copy and there is therefore no need to consider functionality by evaluating competitive effect.⁴⁵⁵ And, if a design is distinctive, it does not become a lesser source-identifier merely because others require to copy the design in order to compete.

This discussion highlights the need for both distinctiveness and functionality analysis to be guided by the particular purposes for which they exist: distinctiveness measures source-identification and functionality evaluates competitive effect. Courts that conflate the two inquiries may be trying to compensate for adherence to an overprotectionist philosophy on one issue by applying a coarser filter in the form of an underprotectionist model at another stage. For example, the Eighth Circuit tends in purely formal terms toward an assimilationist position within my scheme when examining distinctiveness;⁴⁵⁶ yet its stricter test of functionality (based on *Pa-*

be set by generalized "skepticism" of the ability of a type of subject-matter to serve the affirmative purposes of trademark without implicating certain countervailing concerns; instead, they are set by individualized analysis of whether a particular design serves to identify source without restraining competition (i.e., first, by whether the design is distinctive, and, second, whether the design is functional).

454. See, e.g., *United States Golf Ass'n v. Saint Andrews Sys.*, 749 F.2d 1028, 1033 (3d Cir. 1984) ("[T]he essence of the question is whether a particular feature of a product or service is substantially related to its value as a *product or service*, i.e., if the feature is part of the 'function' served, or whether the primary value of a particular feature is the identification of the provider.") (emphasis added).

455. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995), Reporters' Notes at 183 ("If the design is not distinctive, however, it is unnecessary to consider functionality."). Infringement standards are also relevant in identifying the range of designs for which the functionality question must be considered. Only conduct that results in a likelihood of consumer confusion warrants being restrained under classical trademark analysis because only that conduct threatens to misappropriate goodwill. See *supra* text accompanying notes 76-78; see also *supra* note 74 (discussing dilution protection). Thus, like the distinctiveness requirement, the test for infringement should serve to filter the number of product designs for which the functionality analysis must be conducted. Some scholars have argued that these doctrinal rules of trademark law "as a group" represent an attempt to compromise the protection of goodwill and the ennoblement of free competition. See McClure, *supra* note 86, at 354. But distinctiveness and likelihood of confusion are not directed at competitive concerns; rather, they are aimed at limiting trademark law to its declared purpose of protecting goodwill associated with source-identifiers and preventing consumer confusion. They contribute toward the maintenance of a properly competitive environment because they confine trademark protection to its limited purposes, but are distinct inquiries that should not be driven by competitiveness questions.

456. Even this statement must recognize that, although the Eighth Circuit for-

gliero) reeks of categoricism. This compensation—applying a coarse filter at one stage and a finer filter at a later stage of analysis—does not lead to acceptable results. Applying too coarse a filter to the initial threshold of distinctiveness leads to overprotection under a system (such as I advocate here) where functional designs may still be eligible for limited relief;⁴⁵⁷ it permits too many designs to enter that group instead of being wholly unprotectable. Similarly, however, applying the finer filter first excludes too many designs from that limited protection. It is thus important to ensure that each of these successive “filters” are properly aligned.

Dealing with functionality (and the competitiveness concerns that it implements) not as a threshold issue but merely as affecting the scope of relief has the arguable disadvantage of creating overbroad *prima facie* rights that could chill competitors’ activities.⁴⁵⁸ Deeper consideration of this concern, however, merely highlights further the advantages of setting the outer scope of trade dress

mally applies *Abercrombie* as a test of distinctiveness, it also makes reference frequently to a test of whether a design is “only tenuously connected with the nature of the product” rather than being “dictated by the nature of the product,” with only the former being susceptible to protection as inherently distinctive. *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 786 (8th Cir. 1995).

457. Anthony Dowell has argued that all product designs should be denied full trade dress protection and instead should be able to require under unfair competition law that a competitor has used “every reasonable means” to avoid confusion.” Dowell, *supra* note 107, at 190. In particular, if the imitator of an unpatented product labels its product, it will be free from liability. *See id.* Dowell suggests that, under this theory, there would be no need to consider question of distinctiveness, functionality or likelihood of confusion. *See id.* This approach is insufficiently protective in applying an emaciated version of the obligations outlined in *Kellogg*, *see infra* text accompanying notes 482-84, to all designs, regardless of whether defendant has a right to copy them, and accepting consumer confusion provided that the defendant engages in some labeling. But it is also overprotective in that it imposes labeling obligations upon defendants in cases where the plaintiff’s design is not a source-identifier and thus no confusion should occur. In this respect, it is like the position reached by the Eighth Circuit’s overcompensation approach: too many designs will receive the benefit of limited relief under the approach proposed. And this is not cost-free. Labeling imposes additional costs upon the defendant that increases prices without good reason; and, particularly for certain goods, the attachment of labels may reduce product value.

458. *See Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996) (noting, as support for interpretation of Seventh Amendment, that a “zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field”) (quoting *United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228, 236 (1942)); *Nash v. CBS, Inc.* 899 F.2d 1537, 1540 (7th Cir. 1990) (noting that the cost of litigation, if plausible claims can be advanced, may discourage the creation or exploitation of new works).

protection by application of the functionality doctrine. Competitors will less likely be chilled from engaging in rivalrous product design if they are able to self-determine (i.e., using information within their control) likely liability under the operative regime. For example, if rights under that regime are restricted to anti-copying rights, competitors can structure their design and manufacturing operations so as to avoid any copying (or claim of copying) of the designs of others. If the rights granted the first producer are in the nature of a monopoly right to exclude others from using similar designs without regard to their independent derivation, the competitor's destiny is less within her own control.

In the context of trademark law, the test of consumer confusion is only partly within the competitor's control. She cannot foreclose a claim through independent creation, but she can limit potential liability through clear differentiation of source in packaging and marketing. A scope of rights set by the competitive need test of functionality is also partly within the capacity of the competitor to assess.⁴⁵⁹ There will be few persons better positioned to evaluate the products necessary to penetrate a market than those who are trying to do so.⁴⁶⁰ And, certainly, a rival producer can more easily self-determine that there is a competitive need to copy a competitor's design than whether the competitor's design is distinctive (the latter

459. *But cf.* *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1507 (10th Cir. 1995) (arguing that competitiveness-based test creates too much uncertainty); *Dratler*, *supra* note 58, at 519 (criticizing the uncertainty of a competitive need test and calling for rules and standards that businesses can use to plan their activities).

460. Courts evaluating functionality frequently rely on documents and information generated by a defendant in connection with product development and marketing feasibility studies. *See, e.g.*, *Truck Equip. Serv. Co. v. Fruehauf*, 536 F.2d 1210, 1218 (8th Cir. 1976). Although the defendant's capacity to make functionality determinations based upon its own knowledge supports use of functionality as the concept determining whether a defendant can copy, the first producer is also frequently in possession of important market and design information from its own entry into the market. *See I.P. Lund Trading v. Kohler Co.*, 163 F.3d 27, 38 (1st Cir. 1998) ("[A] plaintiff's product is best known by plaintiff itself."); *In re Smith, Inc.*, 219 U.S.P.Q. (BNA) 629, 631 (T.T.A.B. 1983) (noting that much of the evidence regarding functionality is in the hands of a trademark applicant), *aff'd*, 222 U.S.P.Q. (BNA) 1 (Fed. Cir. 1984); *cf.* *Publications Int'l Ltd. v. Landoll, Inc.*, 164 F.3d 337, 340 (7th Cir. 1998) (arguing that "evidence of functionality is equally available to both parties"). This may affect the question, on which the circuits are split, as to who has the burden of proof on the issue of functionality. *See I.P. Lund Trading*, 163 F.3d at 38; *see generally* *Rubano*, *supra* note 278 (reviewing circuit court opinions). Pending legislation would place the burden of proving nonfunctionality on a plaintiff where the trade dress is unregistered. *See H.R. 1565*, 106th Cong., 1st Sess. § 5 (1999); *S. 1259*, 106th Cong., 1st Sess. (1999).

of which may involve the evaluation of consumer surveys). This is particularly so if, as the Second and Third Circuit improperly suggest,⁴⁶¹ the plaintiff's primary intent will affect protectability.⁴⁶² On the scale of capacity to self-determine whether to produce a rival design without violating trade dress rights of another, the first producer's intent is most difficult to discern, followed by an objective assessment of consumer association, followed by (and most easy to evaluate) one's own needs as a competitor. Considering countervailing reasons not to protect trade dress only after, and separate

461. See *Knitwaves Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 1005, 1009 (2d Cir. 1995) (denying inherent distinctiveness of product design in light of producer's primarily aesthetic intent in designing product); *Duraco Prods. Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1450 (3d Cir. 1994) (supporting finding that design lacked inherent distinctiveness by reference to intent of plaintiff producer).

462. Cf. *Dowell*, *supra* note 107, at 178 (commenting on the difficulty of assessing distinctiveness absent litigation). For several different views on the relevance of producer's intent to the question of distinctiveness, see *Barrett*, *supra* note 195, at 491 (arguing that intent is relevant circumstantial evidence provided it is not the only factor considered); *Dinwoodie, Reconceptualizing*, *supra* note 89, at 547 n.224 (cautioning against reliance upon producer's intent); *Kellner*, *supra* note 278, at 935 n.135 (rejecting relevance of intent of plaintiff producer to trade dress protection); *Swann*, *supra* note 91, at 267 n.93 (arguing that "[i]ntent is an analytically useful, predictive tool in a noncontrolling context"). Some (but not all) courts in the Second Circuit are placing less weight on intent than the Court of Appeals in *Knitwaves* would suggest. Compare *Tough Traveler, Ltd. v. Outbound Prods.*, 989 F. Supp. 203, 209 (N.D.N.Y. 1997) (noting that plaintiff need not show intent in order to demonstrate inherent distinctiveness) with *Atlantis Silverworks, Inc. v. 7th Sense, Inc.*, 42 U.S.P.Q.2d (BNA) 1904, 1907-08 (S.D.N.Y. 1997) (rejecting claim of inherent distinctiveness, "especially" in the absence of evidence that the plaintiff chose design to identify source). Indeed, the Second Circuit itself appears to have softened its insistence on intent, see *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 378 n.3 (2d Cir. 1997) (noting that objective evidence "will always be relevant and often decisive"), although favorable intent continues to be of assistance in establishing inherent distinctiveness. See *Samara Bros. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 125 (2d Cir. 1998). This retreat is to be applauded because several early cases following *Knitwaves* rejected the plaintiff's claim almost solely because of a primarily aesthetic (as opposed to source-identifying) purpose. See *Dinwoodie, Reconceptualizing*, *supra* note 89, at 548 n.229 (listing cases). Indeed, both *Swann* and *Barrett* would appear to share my concern regarding the use of intent if, as in those early cases, it was regarded as dispositive of inherent distinctiveness. See *Barrett*, *supra* note 195, at 491; *Swann*, *supra* note 91, at 267. Both *Swann* and *Barrett* suggest that courts' attention to intent may reflect a perception that many design trade dress claims are afterthoughts—efforts to obtain protection through what has become the most effective intellectual property regime for designs. See *id.* Undoubtedly, this is correct; but the producer's motivation should not matter. It is the consumer that counts. If the consumer identifies the product by its design, then a confusing imitation causes social and competitive harms. Courts should prevent the misuse of the trademark system as a de facto design law by requiring demonstration of distinctiveness, nonfunctionality and likelihood of confusion, not by peering speculatively inside the minds of producers.

from, determinations of distinctiveness does not therefore give rise to significant problems.⁴⁶³

B. FUNCTIONALITY AS A BALANCE OF COUNTERVAILING CONCERNS

A doctrine of functionality premised upon the prevailing notion that functionality negates distinctiveness should be both narrower in reach but more severe in effect. It should, under such an understanding, extend to fewer design trade dress claims because functionality would only operate where the values it reflects are so dominant that consumers could not view the design as indicative of the product's source (or, to cast it in the language of presumed negation, where the interest in avoiding confusion is wholly outweighed by the value of free competition such that we will presume no source-identification). In contrast, if the invocation of functionality merely reflects a countervailing concern to that of protecting source-identification, that concern (for example, of effects on competition or on the integrity of the patent system) may arise independently without regard to effect on distinctiveness and may be implicated by a broader range of circumstances. Functionality in this instance becomes relevant when it merely comes into contact with, rather than destroys or overwhelms, the basis for protection in the first place. This vision of functionality requires, for example, that the doctrine be invoked if protecting the design of the hypothetical Mahler Downstream water faucet discussed in Part III would adversely affect competition because of the design's mechanical superiority, notwithstanding the affirmative purpose of trademark law being implicated by consumers' continued identification of Mahler as the manufacturer of the product in question; functionality comes into play without the need to demonstrate that the degree of mechanical utility possessed by that design is such that the association of it with Mahler is (or should be presumed to be) reduced to naught. Viewing functionality as the recognition of countervailing concerns should thus permit the doctrine to regulate the protection of a greater number of designs.

The effect of a functionality doctrine premised upon countervailing concerns may, however, be less severe on a plaintiff's rights than a doctrine viewing functionality as negating the initial basis for

463. Cf. *Tough Traveler*, 989 F. Supp. at 210 n.2 (analyzing distinctiveness and functionality separately in order not to reverse defendant's burden of proof on the functionality question and because distinctiveness, but not functionality, considers only the existing marketplace).

protection. If functionality is viewed as negating distinctiveness, the establishment of functionality will result in the denial of any relief to the putative trade dress owner. Functionality has (or is presumed to have) extinguished the basis upon which protection may have been granted.

If, on the other hand, functionality merely reflects a concern that must be weighed against the initial motivation for protection, some form of relief may be appropriate. Such relief will be tailored to accommodate the divergent interests at stake, but is still warranted given the survival of the initial justification for protection. If a design continues to identify a product's source, the policy concerns underlying the grant of trade dress protection to that design still exist, and require to be reflected in the means by which trademark law regulates the marketplace.⁴⁶⁴

Thus, the preferred theoretical relationship between distinctiveness and functionality suggests that a limited form of relief, such as requiring informational labeling or advertising by the defendant, should still be available to functional but distinctive designs. Pragmatism suggests likewise. Scholars have frequently regretted the tendency of courts to use trade dress law to remedy free-riding.⁴⁶⁵ The instinct to favor an originator over an imitator is not unnatural and courts' responses, particularly absent an effective design protection law, are not surprising.⁴⁶⁶ But, as scholars (and several

464. *But cf.* McKie, *supra* note 445, at 316-17 (arguing that both generic and functional marks lack goodwill). Indeed, this consideration helps to distinguish the (often-confused) doctrines of genericism and functionality. Under prevailing law, neither a generic mark nor a functional mark receives trademark protection. A generic design deserves no protection because it no longer serves to identify the source of the product and thus its protection furthers no goal of trademark law. *But see* King-Seeley Thermos Co. v. Aladdin Indus., 321 F.2d 577 (2d Cir. 1963) (providing transitional mandatory injunctive relief, under unfair competition law, with respect to a mark that has become generic); *Forschner Group v. Arrow Trading Co.*, 904 F. Supp. 1409 (S.D.N.Y. 1995), *aff'd*, 124 F.3d 402 (2d Cir. 1997) (same). Functional designs, in contrast, should receive limited protection under the rubric of unfair competition; functionality does not negate its distinctiveness and thus the potential that, if freely copied without restraint, competitive harm would occur as a result of consumer confusion.

465. *See, e.g.*, Reichman, *supra* note 55, at 106-07 (observing that in the 1980s, "fewer and fewer panels that perceived a taint of copying would actually apply the nonfunctionality requirement to narrow the protection afforded product configurations under section 43(a), no matter how much the courts professed to recognize the dangers of overprotecting utilitarian features in the abstract").

466. *See* Pegram, *supra* note 246, at 12 n.61 (noting role of "moral" issues in deciding trade dress cases); Reichman, *supra* note 224, at 392 (remarking that comparative analysis would have predicted judicial development of unfair competition protection for designs when no other avenue of protection was available). This pres-

courts) have pointed out, the act of copying a product design unprotected by copyright or patent does not always warrant wholesale reproach.⁴⁶⁷ It may be competition that we are willing to entertain, either because the design in question does not symbolize goodwill (i.e., is undistinctive), or because competitors legitimately need to copy the design in order to compete or to exercise the right to practice an expired patent.⁴⁶⁸

Functionality is the finding that would effectuate these last two concerns. But courts might understandably be reluctant to bless the activities of what they view as a pirate.⁴⁶⁹ A more explicit understanding that finding a design functional would not deprive the producer of all relief against appropriation of goodwill may embolden courts to apply the functionality test aggressively and to seek out anti-competitive consequences, secure in the knowledge that a finding of functionality and an affirmation of rugged competitive values will not allow consumer confusion and unfair competition to continue unabated. By softening the consequences of the functionality determination at the margins, the influence of extraneous con-

sure is not new. In 1964, Ralph Brown ascribed the inconsistencies in the doctrine of functionality to the pressures felt by courts to offer protection against copiers. See Brown, *supra* note 205, at 1227 (suggesting that shortcomings in functionality case law were due to such pressures rather than ineptitude or judicial obtuseness). Ultimately, these pressures would best be released by the enactment of a balanced design law proper, but the possibility of a less severe consequence flowing from a finding of functionality would also help.

467. See *Fisher Stoves, Inc. v. All Nighter Stoves, Inc.*, 626 F.2d 193, 196 (1st Cir. 1980) (noting the "fact[s] of business life"); cf. Chafee, *supra* note 30, at 1317 (noting that "moral indignation against the defendant and his 'dirty tricks' does not suffice to make relief wise").

468. See *Keene Corp. v. Paraflex Indus.*, 653 F.2d 822, 824 (3d Cir. 1981) (noting that the "natural inclination" to protect against copying "must give way to the public policy favoring competition even by slavish copying, or products not entitled to federal protection").

469. Conversely, they may be hesitant to find for a plaintiff if such a conclusion would erect a barrier to legitimate competition. Courts convinced of the competitive need to permit copying might thus feel compelled (improperly) to find a lack of distinctiveness or no likelihood of confusion where an injunction would be the only possible remedy for infringement. That is to say, an "all or nothing" approach to remedies in contexts where two apposite values collide risks forsaking one of those values by forcing courts to make unnecessary choices. In another intellectual property setting, Judge Pierre Leval has "confessed" that, with hindsight, he suspects that he has made findings of fair use notwithstanding justified findings of copyright infringement because he perceived an unjustified injunction to be the inevitable consequence of finding infringement. See Pierre N. Leval, *Toward A Fair Use Standard*, 103 HARV. L. REV. 1105, 1131 n.114 (1990) (discussing his opinion issued in *Salinger v. Random House, Inc.*, 650 F. Supp. 413 (S.D.N.Y. 1986), *rev'd*, 811 F.2d 90 (2d Cir. 1987)).

siderations is minimized and proper undistracted focus on competition is made more likely.⁴⁷⁰ Indeed, it is unsurprising that the only circuit to have consistently broached such limited redress is the Third Circuit, which applies one of the strictest tests of functionality.⁴⁷¹ Explicitly providing the judiciary with the flexible tools to recognize the values of protecting source-identifying designs should make less troublesome the task of permitting competitively necessary copying.⁴⁷² Affecting the judicial mindset is important because

470. See Dreyfuss, *supra* note 93, at 147 n.137 (noting that with functionality determinations "the stakes are high"). Professor Barrett has also noted the need for flexibility; it was that goal that supports her preference for the current approach of the Second and Third Circuits (which incorporate competitiveness concerns into tests of both distinctiveness and functionality) over the Eighth Circuit's (which arguably reaches similar results through a stricter test of functionality). See Barrett, *supra* note 195, at 496-97. However, Professor Barrett's conclusion rests on the premise that the functionality doctrine itself might not be capable of generating more nuanced solutions. See *id.* at 497 (describing functionality as causing an absolute exclusion from protection); see also Smith, *supra* note 133, at 436 (complaining that functionality alone cannot regulate the graduated continuum of competitive consequences because "under the current approach, a symbol either has too much functionality or none at all"). As I discuss in the text of this Part, sufficient flexibility (tied to the purposes of trademark law) can be obtained from identifying and offering limited protection to a category of distinctive, but functional, designs.

471. See STEPHEN F. MOHR & GLENN MITCHELL, *FUNCTIONALITY OF TRADE DRESS: A REVIEW AND ANALYSIS OF U.S. CASE LAW 71-79* (1997) (summarizing Third Circuit case law).

472. Courts and scholars in other areas of intellectual property law have endorsed more careful attention to remedies, especially at the margins of protection, to ensure a more nuanced balance between property rights and potentially conflicting considerations. See *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 577 n.10 (1994) (noting that "[b]ecause the fair use enquiry often requires close questions of judgment as to the extent or permissible borrowing in cases involving parodies (or other critical works) . . . the goals of copyright . . . are not always served by automatically granting injunctive relief . . ."); *American Geophysical Union v. Texaco, Inc.* 60 F.3d 913, 932 n.19 (2d Cir. 1995) (observing that the "context" of a dispute whether commercial research laboratories can, under copyright fair use doctrine, make extra copies of a scientific journal without taking out additional subscriptions or making additional license payment "appears to be an appropriate case for exploration of the possibility of a court-imposed compulsory license"); Roberta Rosenthal Kwall, *The Right of Publicity vs. The First Amendment: A Property and Liability Rule Analysis*, 70 IND. L.J. 47, 52 (1994) (calling for a "more flexible remedial approach" in publicity rights litigation where "the appropriate degree of public access" to the objects of those rights is implicated); Leval, *supra* note 469 at 1132-34 (suggesting that courts should modify their "customary bias in favor of the injunctive remedy" where there is "a strong public interest in the publication of a secondary work" that fails the fair use test, such as where "historians, biographers, critics, scholars and journalists quote from copyrighted matter to make points essential to their instructive undertakings"); James L. Oakes, *Copyrights and Copyremedies: Unfair Use and Injunctions*, 18 HOFSTRA L. REV. 983, 1003 (1990) (suggesting that "in order to accommodate the universal interests served by the law of intellectual property as well as to do justice or equity in the indi-

the doctrinal tests in this area are so malleable that judicial desire to implement particular policy perspectives is largely unconstrained.⁴⁷³

Finally, a suggestion of limited relief for functional source-identifying designs is both consistent with the historical role of courts in unfair competition cases and not without precedent in the specific context of product design protection. Historically, courts in trademark cases have been willing to entertain creative forms of relief to accommodate the multiplicity of interests that might be operative in a particular competitive context.⁴⁷⁴ This fact-sensitive approach is particularly necessary in a fast-changing commercial environment.⁴⁷⁵ The teleological model reaffirms the value of this his-

vidual case," courts should "look to the remedy [in copyright cases] rather than merely to the substantive rule of law, or at least to the relationship between the two, to see that the law continues to grow commensurate with the times rather than recedes into the past"); Tiffany D. Trunko, Note, *Remedies for Copyright Infringement: Respecting the First Amendment*, 89 COLUM. L. REV. 1940, 1942 (1989) (arguing that courts should bifurcate analysis of liability and remedies in order to further First Amendment values). These conflicting considerations might appropriately extend to the convergence concerns identified in Part II. See David L. Lange, *The Intellectual Property Clause in Contemporary Trademark Law: An Appreciation of Two Recent Essays and Some Thoughts About Why We Ought to Care*, 59 LAW & CONTEMP. PROBS. 213, 244 (1996) ("[I]t may be necessary to tailor Lanham Act remedies anew. Courts very properly have recognized the dubious propriety of injunctive relief against copying when other forms of relief would suffice in cases affected by the [Copyright and Patent] Clause").

473. See Reichman, *supra* note 55, at 120-21 (noting the inability of substantive prerequisites to eradicate the "raw protectionist bias" that was prevalent in courts in the 1980s).

474. See Derenberg, *supra* note 205, at 1213 (arguing that "there will never be a place for inflexible and categorical legal principles in a branch of law which is intended to promote fairness and equity among business competitors"); *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1337-40 (C.D. Cal. 1989) (discussing balancing of conflicting interests), *vacated by consent of parties*, 767 F. Supp. 1036 (C.D. Cal. 1991). This regulatory approach has been followed most notably in cases involving the use by a defendant of a mark of the plaintiff that has become generic. See, e.g., *Forschner Group Inc. v. Arrow Trading Co.*, 124 F.3d 402, 409 (2d Cir. 1997); *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 102 (2d Cir. 1989) (providing relief under unfair competition against misleading use of generic mark); *Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1040-41 (D.C. Cir. 1989); *Metric & Multistandard Components Corp. v. Metrics, Inc.*, 635 F.2d 710, 714 (8th Cir. 1980); *American Thermos v. Aladdin*, 207 F. Supp. 9, 14-15 (D. Conn. 1962). As noted above, the rationale for protection is even greater with functional designs. See *supra* note 464.

475. See Derenberg, *supra* note 205, at 1213 (stressing the need to avoid abstract formulas and use flexible principles of equity because "changing trade conditions evolve situations that cannot always be anticipated") (quoting Yankwich, *Unfair Competition as an Aid to Equity in Patent, Copyright and Trademark Cases*, 32 NOTRE DAME L. REV. 438, 468 (1957)).

torical balance in a postmodern era.

And, more specifically, at common law courts often required the imitator of a functional design to take reasonable steps (such as labeling) to reduce confusion.⁴⁷⁶ The steps at issue were not sufficient to wholly remove the possibility of confusion (because absent likely confusion there would be no trademark liability in the first place) but they did minimize confusion.⁴⁷⁷ This approach has been adopted by a few federal courts in causes of action under section 43(a),⁴⁷⁸ and it is endorsed in the comments to the recently-

476. See, e.g., *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 120 (1938) (holding that defendant was free to use pillow-shaped form "subject only to the obligation to identify its product lest it be mistaken for that of plaintiff"); *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2d Cir. 1917) (noting that the Court "must require such changes in appearance as will effectively distinguish the defendant's wares with the least expense to him"); *Coca-Cola v. Gay-Ola Co.*, 200 F. 720, 725 (6th Cir. 1912); Milton Handler, *Product Simulation: A Right or a Wrong?*, 64 COLUM. L. REV. 1178, 1186 n.28 (1964) (noting that the right to copy functional features that were distinctive was "conditional" upon the copier taking "reasonable steps to inform the prospective purchaser that the goods which he markets are not those" of the original producer); Litman, *supra* note 204, at 81 n.30 ("[T]he common law rule was that if a feature of a product was functional, it could be freely imitated so long as the imitator took such steps as were necessary or such steps as were reasonable to prevent the public from being misled.") . The same position was adopted by the Restatement of Torts in 1938. See RESTATEMENT OF TORTS § 741 (1938).

477. See *Kellogg*, 305 U.S. at 121 ("The obligation resting upon [the defendant] is not to insure that every purchaser will know it to be the maker but to use every reasonable means to prevent confusion."). Confusion could only be wholly avoided by preventing use of the name Shredded Wheat and the form of the biscuit produced by use of the patented machine, and these were restrictions upon the defendant that the court would not countenance given the generic status of the name and the expiration of the patent on the machine and process. See *id.* at 119-21.

478. See, e.g., *Keene Corp. v. Paraflex Indus., Inc.*, 653 F.2d 822 (3d Cir. 1981); *Duraco Prods., Inc. v. Joy Plastic Enters., Inc.*, 40 F.3d 1431, 1445 (3d Cir. 1994) (noting that that doctrine remains intact); *American Greetings Corp. v. Dan Dee Imports, Inc.*, 807 F.2d 1136, 1141, 1145 (3d Cir. 1986) (discussing fashioning of an injunction that would require defendant to differentiate its products by labeling or packaging but permit copying of the product design features); *Fisher Stoves, Inc. v. All Nighter Stoves, Inc.*, 626 F.2d 193, 195 (1st Cir. 1980) (noting obligations of defendant to ensure that consumers are not misled as to source when copying design features). In *W.T. Rogers v. Keene*, 778 F.2d 334 (7th Cir. 1985), Judge Posner also recognized that the conflicting values of source-identification and free competition could be reconciled by requiring one party to use labeling or some other (non-design feature) form of source-identification. See *id.* at 347. Judge Posner would, however, have effectively placed that burden on the first (plaintiff) producer whose design was found to be functional (by the traditional device of denying any relief to such a plaintiff). See *id.*; cf. *Publications Int'l Ltd. v. Landoll, Inc.*, 164 F.3d 337, 343 (7th Cir. 1998) (suggesting how plaintiff publisher could have distinguished book from competitors). But several considerations raise questions about the value (and equity) of allocating to the first producer the responsibility for taking such non-design related

published Restatement (Third) of Unfair Competition.⁴⁷⁹

The Supreme Court does not appear to have foreclosed the possibility of limited relief for functional designs. In *Qualitex*, the Court addressed only the registerability of color per se as a trademark and did not purport to address the remedial measures that might be provided by a court in an infringement action to restrain the continuing "misrepresentation" being made by the defendant in using a similar design.⁴⁸⁰ Indeed, in two earlier cases (frequently cited by jurists seeking to deny trade dress protection to product design), the Court explicitly acknowledged the conditional nature of defendants' right to copy functional design features.⁴⁸¹ In both *Kellogg Co. v. National Biscuit Co.*,⁴⁸² and *Singer Manufacturing Co. v. June Manufacturing Co.*,⁴⁸³ the Supreme Court recognized the right of a defendant to copy a source-identifying design feature to the extent necessary to practice an expired patent. In both cases, however, the Court conditioned that right upon the obligation to market the competing product in a way that minimized confusion with the plaintiff's

source-distinguishing measures: because producers cannot wholly control the means by which consumers identify the source of products, the second producer may, as a result of nothing more than the benefit of hindsight, be in a better position to assess the meaning that the first producer's design feature has acquired, and thus to develop a brand strategy that avoids confusion; and, as an equitable matter, the first producer has likely made a greater investment in the goodwill from which both will benefit. Thus, provided that the costs of labeling or its effect on marketability do not prevent effective competition, the burden should ordinarily be placed on the second producer seeking to copy.

479. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. d (1995) (noting that "the general proscription against misrepresentations of source may require subsequent users of functional but distinctive designs to take reasonable precautions to minimize the risk of confusion"); *id.* § 17 cmt. a ("[T]he public interest in avoiding confusion [of functional designs] must then be pursued through requirements relating to labeling and other precautionary measures rather than through prohibitions against copying."). A similar strategy was advocated as the primary rule by (now Professor) Jessica Litman in her 1982 student note. See Litman, *supra* note 204, at 90-94 (arguing that the functional nature of features be considered not in determining liability but in setting the type and scope of relief); see also Kellner, *supra* note 278, at 915 (advocating limited injunctive relief—labeling—even for functional product designs).

480. But see *Inwood Labs. v. Ives Labs.*, 456 U.S. 844, 862-63 (1982) (White, J., concurring) ("[A] finding of functionality offers a complete affirmative defense to [an] . . . infringement claim predicated solely on the reproduction of a functional attribute of the product.").

481. See Paul Bender, *Product Simulation: A Right or a Wrong?* 64 COLUM. L. REV. 1178, 1235 (1964) (noting efforts of *Kellogg* Court to "respond both to the federal right to copy the plaintiff's product and to the common law rule against palming off").

482. 305 U.S. 111 (1938).

483. 163 U.S. 169 (1896).

product. In *Kellogg*, for example, the Supreme Court's analysis of whether the defendant was making "reasonable efforts to distinguish [its] product lest it be mistaken for that of the plaintiff" involved comparing the manner of the packaging of the respective products and the labels used on the packaging, as well as the degree of difference between the product designs (when presented without packaging), the extent to which consumers would view the product alone without differentiating packaging, and the "commercial possibility" of marking the product itself.⁴⁸⁴

This approach attempts to reflect the competitive balance found in trademark law, which has never been better stated than by Learned Hand:

[T]he plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy the plaintiff's good slavishly down to the minutest detail; but he may not represent himself as the plaintiff in their sale. When the appearance of the goods has in fact come to represent a given person as their source, and that person is in fact the plaintiff, it is impossible to make these rights absolute; compromise is essential⁴⁸⁵

The search for compromise endorsed by Judge Hand in 1917 has been retrofitted for the postmodern era in the teleological model. That search leads to the conclusion that, where society increasingly uses a product's design to identify its source, competitive balance requires efforts to preserve goodwill as well as to facilitate competitively necessary imitation. Developing a broader set of remedial measures will enable courts to strike the necessary balance and

484. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 121 (1958). The same occurred in *Singer*. See *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 186-87 (1896). Similarly, in *Compco v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), the Supreme Court vacated the state court's injunction against copying distinctive lamp designs, but recognized that the distinctiveness of the lamp design may have been relevant in determining the application of any state laws requiring labeling of the products. See *id.* at 238; see also *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 1410-11 (N.D. Ill. 1996) (noting that the defendant exercising the right to copy a design covered by an expired patent was obliged to "identify its own product, packaging and advertising to ensure that the public would not mistake the source of its [product]"), *rev'd on other grounds*, 138 F.3d 277 (7th Cir. 1998).

485. *Crescent Tool v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2d Cir. 1917).

thus effectuate the limited purposes of trademark protection.⁴⁸⁶

C. FORMS OF LIMITED RELIEF

Typically, in trademark cases, like all intellectual property cases, courts readily presume that irreparable injury will ensue from continued infringement and grant injunctions with relative ease.⁴⁸⁷ If functionality is found, no relief is granted. It may therefore seem, at first blush, somewhat inconsistent with competitiveness concerns to be advocating relief in circumstances currently giving rise to none. But this strategy must be viewed in light of two other considerations: the availability of limited relief may encourage courts to find functionality concerns present in a greater number of cases; and, this approach accommodates the competitiveness concerns implicated in permitting confusion.

Providing any relief to the plaintiff, however, imposes some costs on the second-comer, and burdens the exercise of the defendant's right to copy. Labeling or corrective advertising is not cost-free; nor are the various other confusion-reducing steps upon which courts might condition a right to copy. Obligations on the defendant may also make its product less attractive and thus less competitive. For example, in the high-quality furniture market, supplementary labeling or packaging may, because of the means by which such furniture is presented to the public, be ineffective to reduce confusion between similarly designed products. But were a court, aware of this ineffectiveness, to compel a defendant manufacturer to employ more invasive confusion-reduction measures (such as etching a brand name in the frame of the chair) that might make the defendant's product significantly less marketable.⁴⁸⁸ Whether such an

486. See Breyer, *supra* note 146, at 26 (noting that although courts "are not particularly well-suited to perform the kind of balancing [of different economic objectives] required, . . . it seems necessary that they do so").

487. Indeed, the injunctive relief is frequently cast in anti-copying language. See *Samara Bros., Inc. v. Judy-Philippine, Inc.*, 969 F. Supp. 895, 901 (S.D.N.Y. 1997) (enjoining defendant from distributing dresses copied from plaintiff's garment). On appeal, the Second Circuit in *Samara* affirmed the district court's conclusion but remanded to the district court with instructions to narrow the scope of the injunction. See also *Samara Bros. v. Wal-Mart Stores, Inc.*, 165 F.3d 120, 128-29 (2d Cir. 1998).

488. Cf. *Ashley Furniture Indus., Inc. v. Sangiacomo*, No. 98-2228, 1999 WL 598485 (4th Cir. Aug. 10, 1999) (noting practice of mid-level furniture manufactures not to carve or emboss trademarks on the furniture exterior); *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1337 (C.D. Cal. 1989) (noting effects on consumers of stitching disclaimer onto merchandise such as Seattle Seahawks' foot-

effect would ensue depends upon the nature of the product market in question and the attitudes of consumers in that market. The approach suggested in this Article is a compromise of competing values; market-specific considerations of competitive need must be accommodated along with the concerns of protecting the value of reliable source-identification. As a general guide, therefore, in devising the different forms of relief that a plaintiff should obtain, there is a need to impose upon the defendant an obligation that, while minimizing the appropriation of goodwill, does not require the defendant to make a commercially unmarketable product. It may be that, in some cases, in balancing the interests, those of the defendant may warrant the complete denial of relief on the basis of functionality.⁴⁸⁹ For example, if the product market in question is very price-sensitive and profit margins extremely small, the imposition of any significant remedial obligations may put the defendant in a competitively impossible position.

Moreover, courts and plaintiffs must recognize the reality that this approach will not avoid all confusion targeted by trademark law.⁴⁹⁰ This reality will be most stark in the context of post-sale confusion; it is here, when the product may be devoid of advertising, packaging, labels and the like, that the inability to secure an injunction against copying will result most easily in confusion. And, even at the point of sale, if consumers typically use design to identify that type of product,⁴⁹¹ the alternative means of dispelling

ball jersey), *vacated by consent of parties*, 767 F. Supp. 1036 (C.D. Cal. 1991).

489. If requiring such precautions would interfere with the right to copy the functional features, the right to copy will prevail over the obligation to take steps to identify. See *Shredded Wheat Co. v. Humphrey Cornell Co.*, 250 F. 960 (2d Cir. 1918); see also *American Greetings Corp. v. Dan Dee Imports, Inc.*, 807 F.2d 1136, 1149 (3d Cir. 1986); *Flagg Mfg. Co. v. Holway*, 59 N.E. 667, 667 (Mass. 1901) (suggesting that "the plaintiff's rights can be protected sufficiently by requiring the [defendant's] products to be clearly marked so as to indicate unmistakably that they are the defendant's and not the plaintiff's goods").

490. The limited capacity of textual labeling, disclaimers or corrective advertising to minimize confusion is particularly true in the contemporary environment described in this Article, where visual forms of communication are increasingly important. But these devices—labeling, disclaimers and advertising—need not be textual in nature, and remedial measures designed to dispel confusion in this environment need to take this consideration into account.

491. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 591-94 (discussing the effect of consumer propensity to identify products of that type by shape in evaluating inherent distinctiveness). But cf. Dratler, *supra* note 58, at 583 n.508 ("It is hard to imagine a circumstance in which labels, tags or similar devices could not cure a likelihood of confusion at the point of sale.").

source confusion may be ineffective.⁴⁹²

The principal form of limited relief will ordinarily be informational requirements imposed upon a defendant. Indeed, various courts and scholars have recently emphasized the need for greater use of such relief, rather than the reflexive grant of an injunction, even where a design is nonfunctional.⁴⁹³ If the competitive harm of confusion can be dispelled by labeling, there is no reason to generate greater competitive restraints in the form of an injunction.⁴⁹⁴ For

492. And, if labeling is likely to be effective, it suggests a reliance upon labels that should have been considered in determining inherent distinctiveness. See Dinwoodie, *Reconceptualizing*, *supra* note 89, at 591-93. Labeling may also be less effective in cases of reverse confusion. See Davis, *supra* note 74, at 125 (discussing labeling in reverse confusion context).

493. See Brown, *supra* note 56, at 1385 (calling for greater attention in framing injunctions to the remedial potential of better labeling); Dratler, *supra* note 58, at 573 (arguing that "full-on injunctions against product distribution, based upon claims that an unpatented product configuration infringes the plaintiff's trade dress, should be relatively rare"); Gleiberman, *supra* note 107, at 2051 (arguing that courts should grant only such relief necessary to avoid confusion, which may be achieved by remedies less drastic than an injunction). But see Dratler, *supra* note 199, at 971 (arguing that because disclaimers can be ineffective and are difficult to frame, they should not be a preferred remedy even in design trade dress cases). The courts are split on the effectiveness of labeling in the context of a product design trade dress claim. Some courts regard it as ineffectual because consumers in a design trade dress claim are by definition focused on the design, rather than on other indicia of origin. See *Ferrari S.p.A. Esercizio v. Roberts*, 944 F.2d 1235, 1248 (6th Cir. 1991); *T & T Mfg. Co. v. A.T. Cross Co.*, 449 F. Supp. 813, 822 (D.R.I.), *aff'd*, 587 F.2d 533 (1st Cir. 1978). Others start from the premise that in all circumstances consumers are more likely to identify source by packaging and labels than a product design, and thus attribute greater weight to labeling in the design context. See, e.g., *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 383 (2d Cir. 1997); *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382-84 (7th Cir. 1996); *Versa Prods. Co. v. Bifold Co.*, 50 F.3d 189, 203-04 (3d Cir. 1995); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1134 (Fed. Cir. 1993). Yet again, neither extreme coheres with the teleological approach. The effectiveness of particular forms of confusion-avoidance cannot be assessed across the board based upon metaphysical categories of mark; it requires careful fact-sensitive analysis. See *Black & Decker Inc. v. North Am. Philips Corp.*, 632 F. Supp. 185, 193 (D. Conn. 1986) ("While labeling by itself may not in every case be sufficient to overcome the likelihood of confusion, other factors, such as the prominence of the label, the type of product involved, the cost of the product and the level of sophistication of the buyers may support the strength of the label in avoiding confusion."); see, e.g., *Body Support Sys., Inc. v. Blue Ridge Tables, Inc.*, 934 F. Supp. 749, 757 (N.D. Miss. 1996) (finding labeling insufficient); *Empi v. Iomed, Inc.*, 923 F. Supp. 1159, 1169 (D. Minn. 1996); *Kompan A.S. v. Park Structures, Inc.*, 890 F. Supp. 1167, 1179 (N.D.N.Y. 1995).

494. As trademark law recognizes different types of actionable confusion, it will become more difficult to justify mere labeling as sufficient to dispel all confusion. And the value of disclaimers as means of dispelling confusion is not without controversy. See Jacob Jacoby & Robert Raskopf, *Disclaimers in Trademark Infringement Litigation: More Trouble Than They Are Worth?*, 76 TRADEMARK REP. 35 (1986).

some such courts and scholars, use of relief that does not prevent copying of the product design is part of the essential balance between patent and trade dress rights.⁴⁹⁵

In the context of distinctive but functional designs, as in other contexts, the types of informational obligations imposed upon the defendant would require affirmative differentiation, including by means of disclaimers⁴⁹⁶ of any connection, between the parties' products. This could be effected, and thus required by courts, in a variety of settings, such as: product labeling, packaging, marketing, store displays, the format of invoices and correspondence, mail order procedures, or point of sale statements. Any one, or a combination, of these devices (or any other that a situation admits) may be used. For example, if the hypothetical Mahler Downstream water faucet discussed in Part III of this Article were found to be functional because it was competitively necessary (as a result of EPA regulations) to copy the wall-mounted design⁴⁹⁷—notwithstanding the existing consumer association of that design with Mahler and no other manufacturer—a court might consider limited regulatory relief. This relief would be designed to protect consumer understanding of Mahler as the source of the Downstream faucet while permitting rivals to copy the design necessary to comply with EPA regulations and thus compete in the market. This might include, for example, mandatory injunctive relief requiring those rivals to label or package their wall-mounted products with house marks or disclaim association with the Mahler product at point of sale or in packaging inserts. It might also—with any eye toward the post-sale context—require the rivals to impress a verbal mark on their wall mounted product. But a court contemplating this final form of relief, which is far more invasive in nature, would need to consider whether it would have the effect of making the rivals' product uncompetitive as a result of consumer attitudes to the presence of brand names.⁴⁹⁸ Here again, the dynamic, market-responsive nature of the teleological model is important; the presence of an imprinted brand name might be a commercial death knell when only luxury products are wall mounted, but that conclusion may change when all ranges of products must (by virtue of EPA regulations) be wall mounted.

In addition to these efforts to ensure prospective reduction of

495. See *Dorr-Oliver*, 94 F.3d at 383; Dratler, *supra* note 58, at 456.

496. For examples of disclaimers ordered in cases of nonfunctional designs, see 1 MCCARTHY, *supra* note 18, ¶ 8.16.

497. See *supra* text accompanying notes 272-75.

498. See *supra* text accompanying note 488.

confusion, a court may seek to correct misimpressions that have been created. Normally, this would take the form of corrective advertising (under court order) by defendants. Alternatively, courts may award a plaintiff damages in the amount required for the plaintiff itself to undertake the remedial measures.⁴⁹⁹ While compensation does nothing to remedy likely confusion (and is typically only available in instances of actual confusion), this lesser monetary relief could be imposed to provide the plaintiff with the financial ability to pay the costs of dispelling confusion if that is a more feasible reconciliation of interests.⁵⁰⁰ In different circumstances, it might be easier, cheaper, fairer, or more effective for one party rather than the other (or for both) to label and disclaim.⁵⁰¹

A recast notion of remedies might also consider whether other forms of monetary distribution provide an appropriate alternative. For example, Professor Brown has suggested that the design protection dilemma may best be attacked by denying an injunction but requiring a defendant to contribute to the plaintiff's development costs.⁵⁰² But this solution is aimed at the problem of free-riding and concomitant chill on creation that are the concerns of the patent and copyright laws, not trademark and unfair competition law.⁵⁰³ Instead, any regulatory redistribution must be targeted at the concerns of trademark law—without which relief would not be justified—and thus revolve around the minimizing of confusion.⁵⁰⁴

499. For examples of each procedure (in the context of nonfunctional marks), see Dratler, *supra* note 58, at 571 n.473.

500. See Dreyfuss, *We Are Symbols*, *supra* note 115, at 155. Imposing monetary damages as such on the defendant generates deterrence value against the assertion of competitive need without some justification; conditioning the right to copy upon payment to a plaintiff gives the defendant a choice of whether it wishes to compete upon those terms.

501. Cf. *supra* note 478 (discussing allocation of confusion avoidance responsibilities).

502. See Brown, *supra* note 56, at 1394.

503. Indeed, Professor Brown does not suggest otherwise; he raised this suggestion in connection with the more generalized problem of design protection. One might argue that the divide between the two regimes should not obscure similarities. See *id.* at 1386. In particular, the competitive need underlying trademark functionality may approximate the competitive balance that the copyright and patent laws seek to embody. At the very least, they should hopefully not conflict. Such an overt assimilation threatens, however, to subvert the purpose of trademark law. And the overprotectionist results of prior dalliances between trademark law and de facto design protection caution against further blending of the purposes.

504. Cf. Dratler, *supra* note 58, at 592 n.550 (proposing temporally limited injunction but noting that duration must be linked to time necessary to correct misimpression rather than recoup investment).

The approach proposed here will possibly involve (at least initially)⁵⁰⁵ greater judicial intervention in monitoring compliance with regulatory injunctions. Courts may wish to reduce the workload precipitated by this enhanced regulatory role by requesting initial drafts of regulatory orders from parties once a finding of functionality is entered. Indeed, it behooves courts to encourage parties (who know the marketplace) to reach such agreements without the intervention of the court.⁵⁰⁶ Trademark owners and their counsel—both within litigation and outside—frame agreements on a regular basis allocating the responsibilities and costs of minimizing confusion. Such “consent to use” agreements are a staple of trademark practice.⁵⁰⁷ Trademark litigation would benefit greatly from approximating the marketplace measures upon which commercial rivals agree as sufficient to reduce confusion.

CONCLUSION

Trademark law is a law of the marketplace. Its social value rests upon its concordance with the realities of that marketplace. At the end of the twentieth century, these realities include a society that draws meaning from a wide range of non-verbal symbols, and a deeper understanding (prompted by postmodern thought) that meaning is contextually created. Ontological classification of subject-matter, and particularly the primacy of verbal matter, cannot serve as a reliable guide for the development of modern trademark law because it does not reflect the diversity or particularities of the modern marketplace.

505. The extent of this involvement would reduce as trademark lawyers internalized the new approach to product design trade dress. See *supra* note 347 (discussing means by which the trademark bar would effect internalization of costs). For this to occur, however, courts must provide carefully reasoned explanations of their conclusions.

506. See *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 551 (5th Cir. 1998) (noting that the district court's initial injunction provided for the parties to negotiate a solution to reduce confusion, and that it was only after those negotiations failed that the Court detailed its own mandatory injunctive relief); *Liquid Glass Enters., Inc. v. Porsche AG*, 8 F. Supp.2d 398, 404 (D.N.J. 1998) (rejecting laches defense where reason was attempt by plaintiff to resolve matter through negotiated agreement). This approach is consistent with the strong federal policy favoring settlements. See generally Stephen McG. Bundy, *The Policy in Favor of Settlement in an Adversary System*, 44 HASTINGS L.J. 1 (1992).

507. As an example of the type of discussions that regularly occur, see *Liquid Glass Enters.*, 8 F. Supp.2d at 399-404, where the district court recounts efforts by the defendant (ultimately found liable for trade dress infringement) to have the plaintiff share the cost of certain remedial efforts.

Trademark protection does, however, require boundaries if it is not to engender anti-competitive effects. This Article suggests that, in an age of ontologically unbounded meaning, those boundaries will best be established by tethering trademark law directly to its intentionally limited purposes. Its analysis of functionality provides a concrete illustration of how such a teleological approach can reconcile the limitless meaning found in our contemporary society with the necessarily limited nature of trademark rights.