Virtual Trade Dress: A Very Real Problem

Tom W. Bell
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INTRODUCTION

A tragedy looms for trade dress. Encouraged by bad case law and tempted by new technologies, trade dress law threatens to assume a role properly reserved for other forms of intellectual property. Trade dress should aim primarily at protecting the public from confusing the features that identify goods and services. Current trends, however, risk expanding trade dress until it constitutes the very commodities that it once merely identified. Superficially genuine but fundamentally artificial, this is virtual trade dress.1

Virtual trade dress stakes out rights more enduring, and in many respects more broad, than either copyright or patent would provide. Though already evident in case law, virtual trade dress poses a particular threat of overrunning its ideal habitat: virtual reality.2 Despite its potential impact, virtual trade dress has largely escaped the notice of commentators and courts.3 Commentary on trade dress law, flowing down two separate channels, has left unexplored the issues raised by

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1. As used herein, “commodities” stands for goods, or services, or both.
2. As used herein, “virtual trade dress” refers to a distinct type of trade dress, the exact scope of which will become clear in the discussion to follow.
3. This Article uses as synonyms “virtual reality” and “virtual environments.”
4. Only two cases directly concern trade dress protection of virtual environments—specifically, software user interfaces—and these cases fail to offer much legal analysis. See Interactive Network, Inc. v. NTN Communications, Inc., 875 F. Supp. 1398, 1407 (N.D. Cal. 1995) (denying trade dress protection on functionality grounds); Engineering Dynamics, Inc. v. Structural Software, Inc., 785 F. Supp. 576, 583 (E.D. La. 1991) (denying trade dress protection on grounds that confusion was not likely), aff’d in relevant part, 26 F.3d 1385 (5th Cir. 1994).
virtual trade dress. On the one hand, a good many articles have discussed trade dress protection of computer interfaces. These articles regard trade dress as merely another tool, of greater or lesser utility, for protecting the “look and feel” of computer software. On the other hand, a smaller number of articles have noted the encroachment of trade dress on territory properly reserved for other forms of intellectual property. These articles, however, fail to recognize that virtual trade dress poses a disproportionate threat to digital services.

5. See, e.g., Lauren Fisher Kellner, Computer User Interfaces: Trade Dress Protection for “Look and Feel,” 84 TRADEMARK REP. 337 (1994) [hereinafter Kellner, Computer User] (arguing that trade dress law offers adequate protection for the “look and feel” of user interfaces); Lauren Fisher Kellner, Comment, Trade Dress Protection for Computer User Interface “Look and Feel,” 61 U. CHI. L. REV. 1011 (1994) [hereinafter Kellner, Trade Dress] (same); H. Dale Langley, Jr., Tamale Sales and Carburetor Tune-Ups: The Implications for Computer Software Developers and Owners—A Trade Dress Analysis, 8 TEX. INTELL. PROP. L.J. 9 (1994) (concluding that recent trade dress decisions indicate the applicability of the doctrine to computer software); Ken Liebman et al., The Shape of Things to Come: Trademark Protection for Computers, 9 No. 12 COMPUTER LAW 1 (1992) (examining trademark and unfair competition law’s protection of hardware and software designs); Lisa T. Oraz, User Interfaces: Copyright vs. Trade Dress Protection, 13 No. 1 COMPUTER LAW 1 (1996) (discussing whether trade dress protection is a viable alternative to copyright protection of user interfaces); Rhoda L. Rudnick, Window Dressing: Trademark Protection for Computer Screen Displays and Software, 80 TRADEMARK REP. 382 (1990) (suggesting that trade dress protection of operating system software might include the graphic elements of the system); Steven Schortgen, Note, “Dressing” up Software Interface Protection: The Application of Two Pesos to “Look and Feel,” 80 CORNELL L. REV. 158 (1994) (arguing that graphic user interfaces should be protected under the trade dress doctrine); Matthew E. Watson, Trade Dress Theory and the Software Graphic User Interface: Sorting Through the Gooey Mess, 34 JURIMETRICS J. 251 (1994) (arguing that trade dress law is not a viable alternative to copyright and patent law for the protection of graphic user interfaces); Gregory J. Wrenn, Comment, Federal Intellectual Property Protection for Computer Software Audiovisual Look and Feel: The Lanham, Copyright, and Patent Acts, 4 HIGH TECH. L.J. 279, 281 (1990) (proposing that the Lanham Act’s functionality doctrine “be adopted for analyzing the ideal expression dichotomy in copyright law, as well as the functional/nonfunctional distinction of design patent protection”); Mitchell Zimmerman, Trade Dress Protection for User Interfaces Revisited and Interred?, 15 No. 2 COMPUTER LAW 4 (1996) (arguing that recent cases threaten efforts to protect user interfaces as trade dress).

Virtual trade dress has slipped past courts most frequently when embodied in goods mistakenly protected as trade dress.\(^7\) Courts have also unwittingly granted virtual trade dress rights to services—restaurants in particular.\(^8\) Only rather recently have courts begun to recognize the hazards of trade dress that, however traditional it appears, radically upsets intellectual property’s time-tested order.\(^9\)

Cases establishing virtual trade dress rights in services, though facially less egregious than those establishing similar rights in goods, set an especially troubling precedent. Virtual trade dress in goods cannot expand too far before it clearly transgresses copyright and patent law. These sorts of intellectual property have relatively little sway over services, however, leaving virtual trade dress free to take over the field. Being primarily interactive and service-based, rather than fixed and concrete, virtual environments will prove especially vulnerable to virtual trade dress.

Advocates of virtual reality predict that it will provide computer simulations that effectively duplicate our perceptions of the real world.\(^10\) Better yet, virtual reality will provide convincing experiences not available in real space, such as walking through fifteenth-century Rome or viewing cellular machinery from the inside out. At present, virtual reality offers more promise than profit.\(^11\) Trends indicate,

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\(^10\) See, e.g., NATIONAL RESEARCH COUNCIL, VIRTUAL REALITY: SCIENTIFIC AND TECHNOLOGICAL CHALLENGES 13 (1995) (“In virtual reality (VR) or virtual environment (VE) systems, the human operator is connected to a computer that can simulate a wide variety of worlds, both real and imaginary.”); HOWARD RHEINGOLD, VIRTUAL REALITY 17 (1991) (“In the future, less intrusive technologies will be used to create the same experience, and the computers will be both more powerful and less expensive, which means the virtualities will be more realistic and more people will be able to afford to visit them.”); Brenda Laurel, Virtual Reality, Sci. Am., Sept. 1995, at 90, 90 (“The important thing about VR is what it does rather than how its effects are achieved: it permits people to behave as if they were somewhere they are not.”).

\(^11\) Analysts calculate that virtual reality games and accessories total about $90 million in consumer sales a year at present, but that the same market will generate about $6 billion in annual consumer sales by 2001. See Howard Wolinsky, Cyberspace Poised for 3-D; Industry Crafts a New ‘Reality,’ CHI. SUN-TIMES, June 16, 1996 (Connected), at 45, available in 1996 WL 6750864.
however, that virtual reality will eventually support a wide array of entertainent, information, and communication services.\textsuperscript{12}

Nothing this good comes cheaply. To build convincing and effective virtual realities will consume much time, effort, and money. Those who develop virtual realities will want protection against copying that aims at skimming the cream off of their creative efforts. These developers—or, rather, their attorneys—will undoubtedly seek protection through all possible means. Given current case law, they will find trade dress protection all too useful.

Why consider now the impact of trade dress law on a technology still far from everyday use? As so often happens with new technologies, we may find ourselves deep into virtual reality sooner than we expect. We will then probably regret not having addressed the legal issues earlier, at our leisure. More important, virtual reality provides an imaginary laboratory for examining current law. As an environment constituted solely of information, virtual reality submits intellectual property law to something akin to “white room” conditions. Thus, well before it comes to fruition—or even regardless of whether it does—virtual reality can help to detect and amplify existing legal problems. This examination satisfies more than merely theoretical interests. Much of what one concludes about virtual environments will hold true of other artificial environments, such as conventional computer interfaces, restaurants, theme parks, and architectural spaces. In questioning whether trade dress should protect future virtual environments, therefore, this Article provides new grounds for questioning trade dress protection here and now.

By reviewing conventional notions of trademark and trade dress law, Part I of this Article lays the groundwork for the text that follows. Part II gives a brief description of virtual trade dress, contrasting it with real trade dress. Part III discusses how courts have created, and on at least one occasion criticized, virtual trade dress rights in goods and services. Part IV contends that standard justifications for trade dress fit virtual trade dress poorly. Part V sets forth a variety of economic, legal, and policy arguments against creating virtual trade dress rights. Projecting current trends, Part VI explores how virtual trade dress might come to protect virtual environments. This Article con-

\textsuperscript{12. See National Research Council, supra note 10, at 3 (concluding that the potential for practical uses of virtual reality is especially evident in training; hazardous operations; medicine and health care; and design, manufacturing, and marketing); see also Rheingold, supra note 10, at 171 (discussing virtual reality projects, such as public access virtual entertainment parlors, surgical simulations, and financial systems visualization).}
eludes that not checking virtual trade dress now, while it remains a mere anomaly, would give it license to grow into a very real problem.

I. TRADEMARK vs. TRADE DRESS

Although often treated as a subcategory of trademark law, trade dress in fact represents a unique sort of intellectual property. The Supreme Court has defined trade dress as the "total image and overall appearance" of a good, further specifying that it "may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques." Trade dress thus encompasses a more diffuse set of intellectual properties than does trademark law. The scope of trade dress protection includes subjects as concrete as decorative tiles and as abstract as restaurant service. Moreover, trade dress covers various combinations of these concrete and abstract subjects.

Even though courts have not hesitated to apply the Lanham Act to trade dress, they lack readily apparent authority to do so. The term "trade dress" appears nowhere among the terms defined in section 1127 of the Lanham Act, nor does it appear in any of the Act's other provisions. Yet the Supreme Court recently confirmed that this lacuna will not prevent the Lanham Act from applying to trade dress.

Did the Court thereby usurp Congress? Hardly. Judicial construction of the Lanham Act has long established its applicability to trade dress, and Congress appears to have accepted this interpretat-

14. Id. (quoting John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980 (11th Cir. 1983)).
15. See infra notes 86-88 and accompanying text.
17. See Two Pesos, 505 U.S. at 776 (holding that inherently distinctive trade dress falls within the protection of the Lanham Act, regardless of that it acquired a secondary meaning).
tion.\textsuperscript{19} The broad reach of trademark's common law roots also justifies extending it to trade dress.\textsuperscript{20} Most decisively, trade dress easily fits into the Lanham Act's generous definition of "trade-mark": "any word, name, symbol, or device, or any combination thereof" used to identify goods.\textsuperscript{21}

Whether due to the Lanham Act's inclusive language or the general preeminence of trademark law, most authorities treat trade dress as a proper subset of trademark law.\textsuperscript{22} The wiser view, however, recognizes that trade dress and trademark merely overlap. In \textit{Vision Sports, Inc. v. Melville Corp.},\textsuperscript{23} the United States Court of Appeals for the Ninth Circuit noted some distinctive features of trade dress:

Trade dress protection is broader in scope than trademark protection, both because it protects aspects of packaging and product design that \textit{cannot} be registered for trademark protection and because evaluation of trade dress infringement claims requires the court to focus on the plaintiff's \textit{entire selling image}, rather than the narrower single facet of trademark.\textsuperscript{24}

Furthermore, trade dress may cover not only a selling image, but a selling \textit{method}.\textsuperscript{25}

\begin{itemize}
  \item \textsuperscript{20} \textit{See Two Pesos}, 505 U.S. at 778-83 (Stevens, J., concurring); \textit{see also} 20th Century Wear, Inc. v. Sanmark-Stardust Inc., 747 F.2d 81, 90 (2d Cir. 1984) ("At common law, of course, trademark or tradename infringement was only one form of tort encompassed under the concept of unfair competition, a concept that also included 'passing off one's goods as those of another' and imitation of the trade dress of another.") (citations omitted).
  \item The common law of most states affords similar protection to trade dress, but it is doubtful that those laws provide any broader protection than claims brought under section 1125(a) of the Lanham Act. See Liebman et al., \textit{supra} note 5, at 5. This Article thus pays little heed to state laws.
  \item \textsuperscript{22} \textit{See, e.g.}, \textit{Two Pesos}, 505 U.S. at 773 (stating that "§43(a) provides no basis for distinguishing between trademark and trade dress").
  \item \textsuperscript{23} 888 F.2d 609 (9th Cir. 1989).
  \item \textsuperscript{24} \textit{Id.} at 613 (citation omitted) (emphasis added).
  \item \textsuperscript{25} \textit{See Two Pesos}, 505 U.S. at 764-65 n.1; \textit{see also} Fuddruckers, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837, 841 (9th Cir. 1987) (protecting trade dress that included the offer of a restaurant "newspaper" and free bones for customers' dogs). But \textit{see} Prufrock Ltd. v. Lasater, 781 F.2d 129, 131-32 (8th Cir. 1986) (holding that "method and style of doing business" is excluded from the definition of trade dress).
\end{itemize}
The fact that trade dress may take too vague a form to permit registration deserves emphasis. The Lanham Act requires an applicant for registration to provide the Patent and Trademark Office (PTO) with a “drawing” of the mark (or, by extension, trade dress) submitted for application. An applicant would find it impossible to draw the aggregate effect of a restaurant’s “decor, menu, layout and style of service,” to cite one example of federally protectable trade dress, nor will such a collection of appearances and actions readily submit to a verbal description. If such vagueness keeps a trade dress claim off the principal register, imagine what it does to parties trying to avoid an unfair competition suit brought under section 43(a) of the Lanham Act. These parties can neither search federal registrations for similar trade dress, nor benefit from similarly text-bound state and commercial records, nor ascertain with certainty the scope of the trade dress that they happen to locate.

These differences between trade dress and trademark call for treating them differently. Nevertheless, courts tend to treat trade dress like any other form of intellectual property covered by the Lanham Act. This failure to account for the unique features of trade dress has helped give rise to the problem at hand: virtual trade dress.

II. Virtual Trade Dress vs. Real Trade Dress

Before examining how courts have created virtual trade dress rights, and the theoretical objections to their having done so, it may prove helpful to highlight the differences between virtual trade dress and real trade dress. Consider the following contrasts: Virtual trade dress arises when a court gives trade dress protection to exactly the same commodity that consumers value. Real trade dress has little intrinsic value. Consumers value virtual trade dress for its own qualities, purely for the aesthetic experience that it provides. Consumers value real trade dress primarily because it reveals the otherwise hidden qualities of a

26. See Vision Sports, 888 F.2d at 613. Some trade dress claims do, of course, qualify for the principal register. See, e.g., Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 868 (8th Cir. 1994) (“Indeed, trade dress may now be registered on the Principal Register of the PTO.”).
28. Fuddruckers, 826 F.2d at 841.
30. See Horta, supra note 6, at 132-33 (stating that either courts should retain the secondary meaning requirement so as to compensate for the lack of notice afforded by unregistered trade dress, or the PTO should create a registry for trade dress).
31. See supra note 17 and accompanying text.
good or service, whereas virtual trade dress points to other qualities only incidentally, if at all.

These contrasts between virtual and real trade dress push their definitions to extremes, of course. The line dividing them blurs a bit in the real world. Just as the existence of dawn and dusk does not prove that night equals day, however, virtual trade dress and real trade dress remain distinct. Far from hiding similarities, theoretically pure definitions help to categorize the fuzzy facts that pervade actual practice. Fortunately, case law provides both mixed and unalloyed examples of virtual trade dress.

III. CASE LAW ON VIRTUAL TRADE DRESS

Virtual trade dress has already surfaced in case law. To best illustrate judicial recognition of virtual trade dress rights, the cases analyzed in this Part—Hartford House, Ltd. v. Hallmark Cards, Inc., Romm Art Creations Ltd. v. Simcha International, Inc., Fuddruckers, Inc. v. Doc’s B.R. Others, Inc., and Two Pesos, Inc. v. Taco Cabana, Inc.—necessarily present extreme results. Nonetheless, these cases have proven influential, and they help bring to the fore factors implicit in other cases. Case law contrary to virtual trade dress rights runs a bit thin. Even courts that have denied suspect claims have generally failed to do so for the right reasons. The recent decision in Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd. represents a notable exception to this rule.

A. Virtual Trade Dress in Goods

1. Hartford House, Ltd. v. Hallmark Cards, Inc.—Hartford House stands out as the single best example of a court’s creating virtual trade

32. For an explanation and justification of such reasoning, see ALBERT R. JONSEN & STEPHEN TOULMIN, THE ABUSE OF CASUISTRY (1988).
33. 674 F. Supp. 1533 (D. Colo. 1986), aff’d, 846 F.2d 1268 (10th Cir. 1988).
35. 826 F.2d 837 (9th Cir. 1987).
37. Examining Hartford House, Romm Art, Fuddruckers, and Two Pesos as a group, moreover, invites original observations. Few commentators tie all of the product and service cases together. One treatise even ignores the relation between Hartford House and Romm Art. See J. THOMAS MCCARTHY, 1 TRADEMARKS AND UNFAIR COMPETITION § 6.04[2], at 6-27 n.20; § 7.26[7], at 7-151 n.143 (3d ed. 1996). But see Gifford, supra note 6, at 789 (examining the combined effect of the Fuddruckers and Hartford House decisions).
38. See, e.g., American Greetings Corp. v. Dan-Dee Imports, Inc., 807 F.2d 1136, 1143 (3d Cir. 1986) (denying trade dress protection on grounds of functionality to emotive “tummy graphics” on stuffed “Care Bears”).
39. 40 F.3d 1431 (3d Cir. 1994).
dress. Hartford House, together with others, manufactured and distributed greeting cards under the name Blue Mountain Arts (Blue Mountain). Blue Mountain sued rival Hallmark Cards (Hallmark) for infringing the trade dress of two lines of Blue Mountain’s cards—“AireBrush Feelings” and “Watercolor Feelings.” The district court found inherently distinctive and highly uniform features in these two card lines, features that combined in an overall appearance consumers could recognize and attribute to Blue Mountain. The United States Court of Appeals for the Tenth Circuit affirmed. The list of inherently distinctive and highly uniform features included:

1. A two-fold card containing poetry on the first page and the third page.
2. Unprinted surfaces on the inside three panels.
3. A deckle edge on the right-side of the first page.
4. A rough edge stripe of color, or wide stripe, on the outside of the deckle edge of the first page.
5. A high quality, uncoated and textured art paper for the cards.
6. Florescent ink for some of the colors printed on the cards.
7. Lengthy poetry, written in free verse, typically with a personal message.
8. Appearance of hand-lettered calligraphy on the first and third page with the first letter of the words often enlarged.
9. An illustration that wraps around the card and is spread over three pages, including the back of the card.
10. The look of the cards primarily characterized by backgrounds of soft colors done with air brush blends or light watercolor strokes, usually depicting simple contrasting foreground scenes superimposed in the background.

This collection of features qualifies as virtual trade dress because it constitutes the very good that consumers value. Taking these features away leaves only plain paper.

Although a competitor would not have to forego copying all of these features to avoid infringing Blue Mountain’s supposed trade

41. Id. at 1537.
42. Id. at 1544.
43. Hartford House, 846 F.2d at 1275.
44. Hartford House, 647 F. Supp. at 1539.
dress, the scope of Blue Mountain's rights remained vague. At any rate, together or apart, the listed features qualify as virtual trade dress. They constitute the very goods that consumers value; taking them away leaves only plain paper. As this analysis demonstrates, Blue Mountain would earn no profit without selling the features covered by its trade dress claim.

Such virtual trade dress does not fit well within the rubric of real trade dress law. The district court in Hartford House adopted the standard trademark framework for judging trade dress infringement. It required Blue Mountain to show that its trade dress was (1) nonfunctional, (2) distinctive, and (3) likely to be confused by consumers with the defendant's trade dress. In each of these steps, however, the court's failure to recognize the virtual trade dress at issue led it astray.

a. Functionality.—The district court in Hartford House defined as functional a feature "essential to the use or purpose of the article or that affects the cost or quality of the article." In the de jure, if not in the de facto sense, the functionality test boils down to asking whether protecting the trade dress in question "will hinder competition or impinge on the right of others to compete in the sale of goods." The district court found Blue Mountain's card design nonfunctional because competitors had access to alternative designs. The appellate court affirmed that finding. More careful consideration, however, reveals that this standard analysis of functionality goes awry when applied to virtual trade dress.

With virtual trade dress, what counts as an "alternative" design depends on the definition of the relevant market. Define the market

45. The Tenth Circuit claimed that because "the district court specifically listed the combination of features that comprise Blue Mountain's protected trade dress, Hallmark is guided as to what features combined may create a confusingly similar product." Hartford House, 846 F.2d at 1275. The court confused the issue, however, by stating that "some or all" of the features listed by the district court comprised the overall look of the Blue Mountain product. Id. at 1270. This ambiguous determination leaves the scope of Blue Mountain's trade dress rights quite vague.

46. This being prior to Two Pesos, the court required Hartford House to prove the distinctiveness of its trade dress through a showing of secondary meaning. Two Pesos opened the door to showing simply that trade dress has inherent distinctiveness. See infra notes 101-108 and accompanying text.

47. Hartford House, 647 F. Supp. at 1537.

48. Id. (quoting Inwood Lab., Inc. v. Ives Lab., Inc., 456 U.S. 844, 850-51 n.10 (1982)).

49. Id. at 1540 (quoting Sicilia Di R. Biebow & Co. v. Cox, 732 F.2d 417, 429 (5th Cir. 1984)).

50. Id. at 1541.

51. Hartford House, 846 F.2d at 1275.
broadly—as all cards—and the reasoning in Hartford House stands. Define it narrowly—as nonoccasion, emotionally expressive greeting cards characterized by a hand-crafted appearance and free verse—and it becomes evident that the Hartford House court protected not simply trade dress, but an entire line of products.

In Hartford House, the record demonstrated that Hallmark copied Blue Mountain's designs only after Hallmark had failed at wholly original attempts to enter the market for the type of cards in question. 52 The district court interpreted Hallmark's intentional copying as proof that Blue Mountain's trade dress had achieved secondary meaning and, thus, qualified as distinctive. 53 Because Blue Mountain's trade dress covered the very good that consumers valued, however, Hallmark's copying demonstrated only that Blue Mountain had created a profitable design scheme 54—one that it either could not or would not protect through a design patent or copyright. 55

Judges tend to frown on intentional copying. 56 Yet in its zeal to protect the David-sized Blue Mountain, the Hartford House court actually gave Goliath, Hallmark, new means to monopolize the card market. With its vast resources to generate and test card designs, Hallmark can now seize virtual trade dress rights to the best new goods on the market. Furthermore, Hallmark's relatively vast litigation resources will cow lesser competitors that dare to probe the amorphous boundaries of its claims. Thus, while Hallmark lost the battle in Hartford House, it won the war for broad and perpetual monopolies on its most profitable card designs.

53. Id. at 1542-43.
54. See Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1453 (3d Cir. 1994) ("[T]he copier may very well be exploiting a particularly desirable feature, rather than seeking to confuse customers as to the source of the product.") (citations omitted).
55. Blue Mountain could undoubtedly have asserted a copyright against substantially similar copies of its cards, though Hallmark presumably made its cards too dissimilar to support such a claim. As an alternative to copyright or trade dress protection, could Blue Mountain have won a design patent? The United States Patent and Trade Office apparently regards a greeting card as an "article of manufacture" under 35 U.S.C. § 171 (1994). See Pioneer Photo Albums, Inc. v. Holson Co., 654 F. Supp. 87, 88 (C.D. Cal. 1987) (invalidating design patent in greeting card on other grounds). Blue Mountain's hypothetical design patent would cover only its designs as embodied in its cards. Cf. Ex parte Tayama, 24 U.S.P.Q.2d 1614, 1616 (Bd. Pat. App. & Int'f. 1992) ("[A] picture standing alone is not protectable by a design patent."); In re Schnell, 46 F.2d 203, 209 (C.C.P.A. 1931) ("[D]esign must be shown not to be the mere invention of a picture ... but ... should be required to show ... the manner of its application.").
56. See, e.g., A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1044 (Fed. Cir. 1992) (finding that intentional copying should be deemed misconduct for purposes of summary judgment); Bott v. Four Star Corp., 807 F.2d 1567, 1576 (Fed. Cir. 1986) (finding that conscious copying and accelerating infringing sales constitutes egregious conduct).
b. Distinctiveness.—The district court in Hartford House also employed a definition of functionality that relied on distinctiveness: "A non-functional feature is one whose primary value is to identify the source of the particular goods or services." On this measure, Blue Mountain's putative trade dress fails miserably. Blue Mountain almost certainly did not design its cards primarily to identify their source; its trademark on the back of the cards served that function. Presumably, Blue Mountain designed its cards primarily to satisfy consumer demand.

In evaluating whether Blue Mountain's trade dress qualified as distinctive, and thus protectable, the district court correctly observed that "'[t]rademark strength is measured by its tendency to identify the goods sold under the mark as emanating from a particular source, although possibly [an] anonymous source.'" This test works poorly, however, on trade dress that constitutes exactly what consumers value.

Courts ought not use trade dress law to grant perpetual copyrights. Yet a widely marketed copyright could give rise to exactly the same sort of association with a particular source that the Hartford House court cited as proof of distinctiveness. By failing to first ask whether Blue Mountain's putative trade dress constituted virtual trade dress, the court turned a distinctive good into a protected good. Of course, if courts persist in protecting the types of design that consumers value, consumers will eventually learn to associate a particular style

57. Hartford House, 647 F. Supp. at 1541.
58. Id. at 1538-39 (quoting Beer Nuts, Inc. v. Clover Club Foods Co., 711 F.2d 934, 939 (10th Cir. 1983)).
59. For example, in Duraco, 40 F.3d at 1431, the Third Circuit stated: "[W]e do not think it helpful or proper to transplant the categorical distinctiveness inquiry developed for trademarks to product configurations, where the alleged trade dress lies in the very product itself." Id. at 1440. The court reasoned:

[I]nsofar as consumer motivation to purchase a product will much more likely be predicated on an appreciation of a product's features than on an appreciation of a product's name, assuming no secondary meaning attached to either, one cannot automatically conclude from a product feature or configuration—as one can from a product's arbitrary name, for example—that, to a consumer, it functions primarily to denote the product's source.

Id. at 1441.
60. See infra Parts VI.B.2-C.
61. See infra Part VI.C.1.
62. The United States Court of Appeals for the Tenth Circuit instead asked whether Blue Mountain had been granted exclusive rights in an artistic style or in some concept, idea, or theme of expression.” Hartford House, Ltd. v. Hallmark Cards, Inc., 846 F.2d 1268, 1274 (10th Cir. 1988) (footnote omitted). Having framed the issue in such bloated terms, the court concluded: "This protection does not extend the protection available under trademark law and does not conflict with the policy of copyright law." Id.
with a particular source. That merely demonstrates the risk of a vicious cycle of monopolization; it does not justify leaping into it.\textsuperscript{63}

The district court also erred in citing Hallmark’s intentional copying as proof that Blue Mountain’s trade dress had achieved secondary meaning.\textsuperscript{64} Hallmark did not copy Blue Mountain’s design so that it could pass off Hallmark cards as Blue Mountain cards. Hallmark’s cards retained their trademarks. Furthermore, Hallmark did not copy the card designs to free ride off of Blue Mountain’s goodwill. Blue Mountain had no goodwill to steal. Because, through inspection, a customer can perceive all of a card’s qualities immediately, there is no residual hidden value that a trademark or trade dress could help to disclose.\textsuperscript{65} What you see is what you get.\textsuperscript{66} Hallmark copied Blue Mountain’s cards solely to compete in offering consumers a particular type of commodity, demonstrating that when it comes to virtual trade dress, courts should not assume that intent to copy indicates secondary meaning.\textsuperscript{67}

c. Confusion.—The Hartford House courts, both higher and lower, noted that consumers could not distinguish the two competing card lines by reference to their stylistic features.\textsuperscript{68} That observation, however, proves nothing about the validity of a trade dress claim, because the courts erred in judging the stylistic features as being non-functional and distinctive. Consumers generally cannot distinguish products protected by the same copyright or design patent, either.

\textsuperscript{63} See Duraco, 40 F.3d at 1447 (“We believe that courts should exercise restraint so as not to undermine Congress’s repeated determinations not to afford virtually perpetual protection to product configurations with an expansive construction of section 43(a).”).

\textsuperscript{64} Hartford House, Ltd. v. Hallmark Cards, Inc., 647 F. Supp. 1533, 1543 (D. Colo. 1986), aff’d, 846 F.2d 1268 (10th Cir. 1988).

\textsuperscript{65} One might argue that Blue Mountain’s trade dress identifies the cards from a distance, allowing shoppers to zero in on the card rack holding their favorite brand. Trade dress would thus reveal the value hidden by distance. This argument fails, however, because it (1) assumes that Blue Mountain deserves a monopoly in its product and (2) disregards the fact that consumers still have ample opportunity to inspect the cards prior to purchase.

\textsuperscript{66} See infra Part V.A.-B. (discussing the economic justifications for trade dress protection).

\textsuperscript{67} See supra note 54 and accompanying text; see also William F. Gaske, Note, Trade Dress Protection: Inherent Distinctiveness As an Alternative to Secondary Meaning, 57 Fordham L. Rev. 1123, 1136 (1989) (“A product’s trade dress may be copied because of its attractive or innovative design without any intention of taking advantage of consumer recognition, or competitors may copy functional features that lack secondary meaning.”) (footnote omitted).

\textsuperscript{68} Hartford House, 846 F.2d at 1273; Hartford House, 647 F. Supp. at 1542.
d. Breadth of the Virtual Trade Dress Protected.—Lastly, the district court in Hartford House gave Blue Mountain a potentially immortal right to a particular style of visual (not just card) design. Trade dress claims can jump across product lines. The district court noted, for example, that a ceramics manufacturer had purchased “a license to replicate the Blue Mountain look on mugs and other ceramic products.”

As this parade of horribles indicates, Hartford House represents an egregious example of how virtual trade dress can violate established categories of intellectual property and wreak havoc on traditional legal doctrines. Romm Art Creations Ltd. v. Simcha International, Inc., however, follows close behind.

2. Romm Art Creations Ltd. v. Simcha International, Inc.—In Romm Art, as in Hartford House, a court created rights to virtual trade dress by giving trade dress protection to the actual products that consumers valued. Plaintiff Romm Art held a license to sell limited editions and posters copied from works in the “Women and Cafes” collection of Israeli artist Itzchak Tarkay. Defendant Simcha distributed limited editions and posters of the work of artist Patricia Govenzensky, which supposedly resembled Tarkay’s work in terms of patterns of color and shading, placement of figures, physical attributes and clothing of women portrayed, and depiction of women sitting and reclining. Romm Art accused defendant Simcha of distributing art “slavishly similar and entirely derivative of” Tarkay’s work, and brought suit for trade dress infringement.

Simcha raised no objection to the magistrate’s finding that the Lanham Act provides relief for infringing the trade dress of commercial reproductions of particular art works. This proved fatal to the defense. Relying heavily on Hartford House, the Romm Art court found the trade dress nonfunctional and likewise upheld the magistrate’s finding of secondary meaning and likelihood of confusion.
In *Romm Art*, as in *Hartford House*, the court cited absolutely no feature of the artwork that consumers would value other than those constituting the supposed trade dress.\(^79\) Intent on applying trade dress law, the *Romm Art* court downplayed the real purpose of the artwork, stating: "Other than aesthetic gratification, these images serve no other purpose than to identify their source/creator."\(^80\) Of course, this claim also holds true of the paintings of Van Gogh. Other than representing some of Western civilization's most compelling artworks, Van Gogh's paintings do no more than identify the source of a particular consumer good.

Perhaps the *Romm Art* court's emphasis on identification would have made sense if the works in question had been unique collector items, valuable regardless of their aesthetic value. As poster reproductions of the originals, however, these works held no special cachet. The court could have bolstered its reasoning with a showing that the works lacked labels clear enough to counteract any confusion caused by their similar styles. Although the court observed that "[t]he general public's confusion is only increased when the name of the artist is eliminated or covered up in the matting and/or cropping process,"\(^81\) it cited no evidence that this did or would actually occur.

Furthermore, that the products in question had no value besides their virtual trade dress arguably makes attribution of source or origin irrelevant. The prints, like the cards at issue in *Hartford House*, represented inspection goods. Failing to identify their source would not have left any residual quality hidden.\(^82\) Consumers got exactly what they perceived, label or not. Here again, virtual trade dress contravened the established taxonomy of intellectual property by providing rights of indefinite duration to a particular style of design.\(^83\)

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\(^79\). *Id.* at 1136.
\(^80\). *Id.* at 1137 (emphasis added).
\(^81\). *Id.* at 1138.
\(^82\). See infra Part V.A. (discussing the role of trade dress in helping consumers identify otherwise hidden values).
\(^83\). McCarthy says of *Romm Art*: "This is a unique result that seriously impinges on the policy of copyright law that artistic style is no one's exclusive property." McCarthy, *supra* note 37, § 6.04[2], at 6-27 n.20. Curiously, as his use of "unique" indicates, McCarthy exempts *Hartford House* from similar criticism. See *id*. Both cases, however, leapfrog copyright by giving trade dress protection to visual styles. In similar fashion, McCarthy cites *Hartford House* in his brief discussion under "'Hard Cases': Words That Are the Product," without citing *Romm Art*. *Id.* § 7.26[7], at 7-151 n.143.
B. Virtual Trade Dress in Services

The two trade dress cases that apply most directly to virtual environments—Fuddruckers, Inc. v. Doc's B.R. Others, Inc.84 and Two Pesos, Inc. v. Taco Cabana, Inc.85—involves claims to the design and decor of restaurants. The reason for this seemingly odd coincidence becomes clear on reflection: restaurants sell not just food but dining experiences. They aim to offer their customers artificial environments having both entertaining and useful features. Those that develop virtual realities will no doubt aim at similar goals.

Virtual reality developers will also share with restaurant owners the desire to wield intellectual property laws to foreclose effective competition. Everybody, it seems, wants a monopoly. Not everyone deserves one, though. Fuddruckers and Two Pesos create undeservedly broad intellectual property rights. The plaintiffs in each of these cases won virtual trade dress rights to their restaurant services, though in contrast to Hartford House and Romm Art, this virtual trade dress came mixed with the real thing. Had the Fuddruckers and Two Pesos courts recognized the risks of granting virtual trade dress rights, they might have tailored their remedies accordingly.

I. Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.—The plaintiff in Fuddruckers alleged infringement of trade dress it had established in its restaurants’ decor and services.86 The claimed decor included large condiment and appetizer bars, two-by-four white tiles, neon signs, mirrors, and director’s chairs.87 The claimed services included making food preparation and storage readily visible, offering a free restaurant newspaper, and selling bones to customers for their dogs.88 Denied a franchise, the defendants borrowed these and other elements of the alleged trade dress for their rival restaurant, Doc’s B.R. Others.89 Fuddruckers sued for trade dress infringement, lost at trial, and appealed.90 The appellate court approached the problem largely as it would have approached a trademark infringement claim, holding that “trade dress may be protected if it is nonfunctional and has acquired secondary meaning and if its imitation creates a likelihood of con-

84. 826 F.2d 837 (9th Cir. 1987).
86. Fuddruckers, 826 F.2d at 841.
87. Id. at 839-40.
88. Id.
89. Id. at 840.
90. Id. at 841.
sumer confusion." Yet the Fuddruckers court could not ignore certain quirks unique to the case.

First, the nature of Fuddruckers's claim ensured that its trade dress would include many unquestionably functional elements, such as counters, cups, and lights. The court thus took pains to stress that "functional elements that are separately unprotectable can be protected together as part of a trade dress." Like the court in Hartford House, the Fuddruckers court asked whether the elements created a distinctive impression when taken together as a whole and agreed that a combination of elements can qualify for trade dress protection even if the individual elements cannot.

The court in Fuddruckers also faced the question of whether one who makes a trade dress claim can, like one making a trademark claim, escape the burden of showing secondary meaning by establishing that the intellectual property in question has inherently distinctive qualities. The court complained that Fuddruckers "has not offered this court a definition of what 'inherently distinctive' in the trademark sense might mean in the absence of secondary meaning." Perhaps to its relief, the Fuddruckers court found that it did not need to decide whether trade dress could ever be inherently distinctive per se. Final resolution of that question would have to wait for Two Pesos.

The Fuddruckers court overlooked the real oddity in the plaintiff's trade dress claim: the claim included the very commodity that the restaurant offered and sold to consumers. As Professor Gifford has explained, the trade dress in Fuddruckers represents "not packaging, but rather a constituent part of that which is being purchased. Restaurant customers buy more than the food; they buy ambience and at-

91. Id. at 842.
92. Id. at 839-40, 840 n.1.
93. Id. (citing LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71, 76 (2d Cir. 1985)).
94. Id.
95. Id. at 842-43. Conversely, functional features may combine into a nonfunctional whole. See Hartford House, Ltd. v. Hallmark Cards, Inc., 846 F.2d 1268, 1272 (10th Cir. 1988).
96. Fuddruckers, 826 F.2d at 843.
97. Id.
98. Id. at 844 ("Fuddruckers claims trade dress protection for the impression created by a collection of common or functional elements of restaurant decor. Such an overall impression may receive protection, but it is simply not the sort of arbitrary or uncommon trade dress that might qualify as inherently distinctive.").
99. Id. at 839.
mosphere. It is the latter over which Fuddruckers sought protection."¹⁰⁰

2. Two Pesos, Inc. v. Taco Cabana, Inc.—As in Fuddruckers, Two Pesos involved two restaurants wrestling over the rights to shared trade dress. The plaintiff, Taco Cabana, claimed that the defendant, Two Pesos, had copied its building’s exterior, sign, kitchen floor plan, decor, menu, serving equipment, uniforms, and other features reflecting the restaurant’s Mexican theme.¹⁰¹ Like the court in Fuddruckers, the Two Pesos Court overlooked the particular problems raised by the virtual trade dress at issue.

Unlike the court in Fuddruckers, the Court in Two Pesos addressed whether the same tests for determining a trademark’s inherent distinctiveness and secondary meaning also apply to trade dress.¹⁰² The Court held: “There is no persuasive reason to apply to trade dress a general requirement of secondary meaning which is at odds with the principles generally applicable to infringement suits under § 43(a) [of the Lanham Act].”¹⁰³ In broad terms, the Court found that section 43(a) “provides no basis for distinguishing between trademark and trade dress.”¹⁰⁴ For better or worse, Two Pesos signaled that the Supreme Court will probably treat trade dress as it does any other form of intellectual property covered by the Lanham Act.

The Supreme Court in Two Pesos neglected, however, to prepare courts for this brave new world of federal trade dress law. It provided no standard for detecting inherent distinctiveness in trade dress,¹⁰⁵ nor did it criticize the trial court’s clearly erroneous finding that the plaintiff’s trade dress qualified as distinctive.¹⁰⁶ As a later court noted of the trade dress protected by Two Pesos, “the product itself is the room and its furnishings as well as whatever food is served.”¹⁰⁷ Such trade dress should not slip past the test for inherent distinctiveness, because

¹⁰⁰ Gifford, supra note 6, at 789; see also Prufrock Ltd. v. Lasater, 781 F.2d 129, 134 (8th Cir. 1986) (denying trade dress protection to a restaurant on the grounds that “consumer demand for the concept of ‘down home country cooking’ includes the demand for the trade dress that creates the concept”).


¹⁰² Id. at 774.

¹⁰³ Id. at 770.

¹⁰⁴ Id. at 773.

¹⁰⁵ The Court declined to consider whether the plaintiff’s trade dress in fact qualified as distinctive. Id. at 770. On a related note, the Court also declined to address the question of functionality. Id. at 767 n.6.

¹⁰⁶ The trial court had somewhat unhelpfully instructed the jury that “to be found inherently distinctive, the trade dress must not be descriptive.” Id. at 766 n.3.

¹⁰⁷ Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 788 (8th Cir. 1995) (emphasis added).
trade dress that constitutes part of a commodity cannot fail to describe it.\textsuperscript{108}


\textit{Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.}\textsuperscript{109} represents the most thoroughly reasoned, and almost the only, case in which a court has refused to grant trade dress protection on the grounds that it represents the very commodity that consumers value.\textsuperscript{110} The plaintiff in \textit{Duraco} manufactured and sold plastic planters resembling Grecian stone urns.\textsuperscript{111} Plaintiff brought suit under section 43(a) of the Lanham Act\textsuperscript{112} against parties that made and marketed planters of similar shape, appearance, and texture.\textsuperscript{113} The United States Court of Appeals for the Third Circuit affirmed, on different grounds, the trial court's refusal to grant the plaintiff a preliminary injunction.\textsuperscript{114}

The Third Circuit's reasoning followed a number of interesting and insightful steps. The court launched its discussion with a distinction that would, however, prove controversial. The court claimed that the case concerned "trade dress said to inhere in the product itself, rather than trade dress alleged in a product's packaging."\textsuperscript{115} It termed the former type of trade dress "product configuration," the latter type "product packaging," and explained that "the legal doctrines in these two very different situations will substantially diverge."\textsuperscript{116}

This distinction allowed the court to avoid the reach of \textit{Two Pesos}, a case in which the \textit{Duraco} court found no guidance on how to treat product configuration.\textsuperscript{117} The court in \textit{Stuart Hall Co. v. Ampad Corp.}\textsuperscript{118} criticized this maneuver, observing that "[w]e, however, read \textit{Two Pesos} as resting on a presumption that 'trade dress' is a single

\textsuperscript{108} See Gleiberman, supra note 6, at 2043 ("When the mark being protected is the configuration of the product itself, to say that the design feature is not descriptive of the product is simply inaccurate in the large majority of cases.") (footnote omitted).
\textsuperscript{109} 40 F.3d 1431 (3d Cir. 1994).
\textsuperscript{110} Id. at 1453-54; see also Prufrock Ltd., Inc. v. Lasater, 781 F.2d 129, 134 (8th Cir. 1986) (denying trade dress protection on grounds that "consumer demand . . . includes the demand for the trade dress that creates the concept").
\textsuperscript{111} Duraco, 40 F.3d at 1434.
\textsuperscript{113} Duraco, 40 F.3d at 1433.
\textsuperscript{114} Id. at 1433-34.
\textsuperscript{115} Id. at 1439.
\textsuperscript{116} Id.
\textsuperscript{117} Id. at 1440.
\textsuperscript{118} 51 F.3d 780 (8th Cir. 1995).
concept that encompasses both product configuration and packaging." The criticism gives too little credit to the finesse with which the Duraco court sidestepped Two Pesos. The Duraco court in fact argued that Two Pesos did not decide whether trade dress—particularly trade dress in a product configuration—can ever actually qualify as inherently distinctive. Rather, "for purposes of that case, the Court assumed that the restaurant decor at issue was . . . inherently distinctive." Justified or not, the distinction made by the Third Circuit in Duraco freed it to approach the problem of virtual trade dress from a new, and ultimately better, angle.

The Duraco court next criticized the plaintiff's routine application of the generic-descriptive-suggestive-arbitrary-or-fanciful scale of ascending distinctiveness first set forth in Abercrombie & Fitch Co. v. Hunting World, Inc., and afterward applied indiscriminately to trademark and trade dress cases alike. The Third Circuit's exceptional statement of the issue bears quoting at length:

[W]e do not think it helpful or proper to transplant the categorical distinctiveness inquiry developed for trademarks to product configurations, where the alleged trade dress lies in the very product itself. . . . [A] product configuration differs fundamentally from a product's trademark, insofar as it is not a symbol according to which one can relate the signifier (the trademark, or perhaps the packaging) to the signified (the product). Being constitutive of the product itself and thus having no such dialectical relationship to the product, the product's configuration cannot be said to be "suggestive" or "descriptive" of the product, or "arbitrary" or "fanciful" in relation to it. The very basis for the trademark taxonomy—the descriptive relationship between the mark and the product, along with the degree to which the mark describes the product—is unsuited for application to the product itself.

The Duraco court continued with the observation that trade dress qua product befuddles attempts to discern whether consumers buy a product because of the goodwill associated with its trade dress or sim-

119. Id. at 787.
120. Note, however, that the Duraco court probably did err insofar as it relied on the claim that "Two Pesos dealt with a restaurant's decor, more akin to product packaging than product configuration." Duraco, 40 F.3d at 1442.
121. Id. at 1440.
122. Id. (emphasis added).
123. 537 F.2d 4 (2d Cir. 1976).
125. Duraco, 40 F.3d at 1440-41 (citations omitted) (emphasis added).
ply because they like its trade dress.\textsuperscript{126} Courts should thus not assume that a unique product configuration, which they might mistakenly regard as “distinctive” in the trademark sense, necessarily identifies the product’s source. To make that mistake may well result in a world in which, thanks to courts having created virtual trade dress rights, consumers assume that a product’s features identify the product’s source. That merely signifies the circularity of the problem. As the \textit{Duraco} court explained: “[A] ny perceptible product feature or combination or arrangement of features can distinguish goods, and perhaps is likely to do so if, as a rule, nobody else were allowed to copy it.”\textsuperscript{127} Such an unseemly result would by no means excuse creating trade dress rights in product configurations.

Despite its skepticism about trade dress claims to product configurations, the \textit{Duraco} court did not rule them out entirely. Indeed, it read \textit{Two Pesos} to require recognition of some such claims.\textsuperscript{128} The Third Circuit conditioned its acceptance, however, on the following test: “[T]o be inherently distinctive, a product configuration . . . for which Lanham Act protection is sought must be (i) unusual and memorable; (ii) conceptually separable from the product; and (iii) likely to serve primarily as a designator of origin of the product.”\textsuperscript{129} In applying this test to the product configuration before it, the court noted that neither the product’s success nor the defendant’s intentional copying established secondary meaning,\textsuperscript{130} rather, both could have resulted merely from the intrinsic value of the trade dress in question.\textsuperscript{131}

As this review indicates, \textit{Duraco} provides a probing and far-reaching examination of the problems presented by trade dress that itself constitutes what consumers value. The opinion offers promising solutions to those problems. There are two limitations on the court’s otherwise comprehensive treatment, however. First, \textit{Duraco} expressly declined to address the difficult question of how to evaluate the \textit{functionality} of trade dress that itself constitutes a consumer’s \textit{desideratum}.\textsuperscript{132} Not having the court’s freedom to resolve the virtual trade dress problem on other grounds, this Article will address the problem of functionality below.\textsuperscript{133}

\textsuperscript{126}. \textit{Id.} at 1441.
\textsuperscript{127}. \textit{Id.} at 1447 (citation omitted).
\textsuperscript{128}. \textit{Id.} at 1446 (reading \textit{Two Pesos} “as giving an imprimatur to finding trade dress in a product configuration to be inherently distinctive under certain narrow circumstances”).
\textsuperscript{129}. \textit{Id.} at 1448-49.
\textsuperscript{130}. \textit{Id.} at 1452-53.
\textsuperscript{131}. \textit{Id.}
\textsuperscript{132}. \textit{Id.} at 1434.
\textsuperscript{133}. \textit{See infra} Part VI.B.2.
Second, although Duraco concerned trade dress having per se value, that trade dress mingled with a product having independent value.\textsuperscript{134} Had the court metaphorically peeled the trade dress off the urns in question, a product having some residual value—an ordinary plastic planter, for example—would have remained. The trade dress in Hartford House, Romm Art, and more pointedly in hypothetical cases from virtual environments, examined below, differs in a crucial regard: it comes unattached to any independently valuable product. Peeling away such purely virtual trade dress leaves behind absolutely nothing of value. This consideration renders much of the Duraco court’s test of inherent distinctiveness irrelevant, as pure virtual trade dress should never merit protection as an indicator of source.

IV. Why Protect Trade Dress?

The justifications for protecting trade dress, as distinct from trademark, have not received much scholarly attention. Arguments in defense of trademarks fit trade dress quite well, and would have done so even if Two Pesos had not essentially equated the two areas of law.\textsuperscript{135} Trade dress and trademarks share common roots and serve common ends. Section A argues that trademark law has as its fundamental goal revealing otherwise hidden information about the quality of goods and services. Section B explains why free riders threaten this informative function and how granting property rights to marks that identify commodities inhibits free riding. Section C concludes that these same arguments hold true in virtual environments.

A. Revealing Hidden Qualities

To put the matter in fundamental terms, trademark law aims at providing information about the otherwise hidden qualities of particular goods or services.\textsuperscript{136} Economists classify goods with hidden qualities as “experience” goods or “credence” goods.\textsuperscript{137} Experience goods

\textsuperscript{134} Duraco, 40 F.3d at 1437.
\textsuperscript{135} See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 763 (1992) (“There is no textual basis for applying different analysis to [trademarks and trade dress].”).
\textsuperscript{137} See Michael R. Darby & Edi Karni, Free Competition and the Optimal Amount of Fraud, 16 J.L. & ECON. 67, 68-69 (1973) (referring to characteristics of a purchase as “experience” qualities when they “can be discovered only after purchase as the product is used,” and as “credence” qualities, which cannot be determined even in normal use after purchase). A third category of goods, “search” goods, possesses qualities that consumers can detect prior to purchase. See Phillip Nelson, Information and Consumer Behavior, 78 J. POL. ECON. 311,
(and, by extension, services) possess qualities that consumers can detect only after purchase. Examples of experience commodities include boxed products, medicine, and new employees. Credence goods and services, in contrast, possess qualities that might never become apparent. Consumers purchase these based on authoritative advice. Examples of credence commodities include vitamins, legal advice, and a good education.138

At least with regard to experience commodities, protectable marks and trade dress help consumers to perceive immediately qualities that would otherwise remain hidden until after purchase.139 Trademarks reduce consumers’ search costs by making it easier for them to identify goods.140 This, in turn, encourages producers that hold trademarks to invest in the quality of their products because they can develop valuable goodwill by maintaining consistent quality over time and across consumers.141 Both of these effects—reducing consumers’ search costs and encouraging producers’ consistency—stem from the fundamental purpose of trademark law: to reveal information about the hidden qualities of goods and services.142

312 (1970) (defining “search” as any way of evaluating price or quality options open to the consumer, when the consumer inspects the option prior to purchasing the brand). Even here, trademarks and trade dress can help to lower information costs. The present discussion, however, primarily concerns a subclass of search goods for which information costs approach zero: inspection goods.


139. Trademarks help define credence goods only indirectly and only insofar as they get packaged as experience goods. Suppose an authority reports that vitamin E extends life span, making it a credence good, and a manufacturer puts vitamin E capsules in opaque bottles. The manufacturer’s trademark on the opaque bottles identifies not vitamin E per se, but rather only its capsules, which qualify as experience goods relative to other manufacturers’ capsules.


141. See id. at 269.

142. It bears noting that this function has nothing to do with encouraging innovation, fundamentally distinguishing trademark law from patent and copyright law. Courts have sometimes overlooked this distinction. See, e.g., Keene Corp. v. Paraflex Indus., Inc., 653 F.2d 822, 825 (3d Cir. 1981) (criticizing the aesthetic functionality doctrine on the grounds that it discourages imaginative and attractive marks); Hartford House, Ltd. v. Hallmark Cards, Inc., 647 F. Supp. 1533, 1540 (D. Colo. 1986) (“One salutary purpose of the Lanham Act . . . is to protect a creative artist’s [sic] right in his or her creation and thus provide incentive to be creative.”), aff’d, 846 F.2d 1268 (10th Cir. 1988). The court in Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd., 40 F.3d 1441, 1446 (3d Cir. 1994), among others, recognized the fault in such views. See supra Part III.C; see also Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1900, 1904 (1995) (“It is the province of patent law, not trademark law, to encourage invention . . . .”); Gleiberman, supra note 6, at 2056-57 (noting that trademark law is not designed to encourage creativity in product design).
Trademarks thus add no value to goods that have no hidden qualities.\(^\text{143}\) Consumers can perceive the qualities of such “inspection goods” immediately, before paying anything more to consume them.\(^\text{144}\) Examples of inspection goods include nonoccasion greeting cards, paintings, and screen savers. A similar analysis applies to inspection services; a simple street performance, for example, wears its value on its face. Certain contexts can, of course, obscure the otherwise apparent value of inspection commodities. A retailer ordering cards in bulk may thus benefit from reference to the “Blue Mountain” mark. Consumers browsing through a card rack, however, will find the same mark useless.\(^\text{145}\) They need only inspect a card to determine its worth.

This same analysis applies to trade dress. In its usual, proper role, trade dress informs consumers about the hidden qualities of goods and services. Trade dress runs the peculiar risk, however, of constituting the very commodity that consumers value and, thus, becoming virtual trade dress. Virtual trade dress can do nothing to inform consumers of its own hidden qualities. The proof of its value, like that of the proverbial pudding, is in its consumption. Virtual trade dress thus cannot serve the primary goal of trademark law: to inform consumers about the hidden qualities of goods and services.\(^\text{146}\)

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143. To speak more comprehensively, trademarks add less value to goods that have fewer hidden qualities. This pragmatic hedge accommodates an argument that Dan L. Burk made when commenting on an earlier draft of this Article: Every commodity has some hidden qualities; inspection, experience, and credence goods thus differ only in how rapidly consumers can assess them. Even granting Burk’s argument, however, it remains true that the costs of protecting trademarks in inspection goods almost always outweigh the benefits.

144. See Landes & Posner, supra note 138, at 284. Landes and Posner equate inspection goods with search goods generally, commenting that in the nineteenth century, a consumer could detect the qualities of such goods at low cost. See id. They correctly note, however, that now some search goods reveal their qualities only at high cost (albeit prior to purchase). See id. at 285 (explaining that “[t]he growth in the technical complexity of products” and consumers’ lack of technical knowledge has increased search costs); see also Nelson, supra note 137, at 312 (noting that if search procedures are too costly, consumers might employ experience procedures). The present text thus reserves “inspection” for goods that reveal their qualities at little or no cost, prior to purchase.

145. Why, then, does Hallmark advertise the significance of its mark? To draw consumers to its racks and to suggest slyly that recipients can use its mark as a proxy for the senders’ expenses.

146. This analysis suggests an interesting way to regard the purpose of trademarks, service marks, and, by extension, trade dress: by revealing hidden qualities, they aim at making all goods more functionally equivalent to inspection goods.
B. Preventing Free Riders from Copying

Competitors have a powerful incentive to copy the trademarks that identify successful goods and services. Landes and Posner explain that "[t]he free-riding competitor will, at little cost, capture some of the profits associated with a strong trademark because some consumers will assume (at least in the short run) that the free rider’s and the original trademark holder’s brands are identical."\(^{147}\) A tragedy of the commons thus threatens trademark law. If not prevented, free riding will corrupt the information about hidden qualities that trademarks send to consumers. Unable to trust trademarks, consumers will ignore them. With no way to convince consumers about the hidden quality of their commodities, producers will let that quality fall.

As with other problems arising out of common ownership, assigning property rights to the contested resource provides a workable solution. In this commons problem, trademarks represent the contested resource, and property rights thereto provide their holders with the power to bar other parties from using the marks in manners likely to confuse consumers. This property right could theoretically vest in consumers themselves, who would bring class action misrepresentation claims against infringing parties.\(^{148}\) Such a scheme would give rise to large administrative costs, however.\(^{149}\) In practice, therefore, trademark rights vest in those who create the products to which the trademarks attach.

C. Copying in Virtual Reality

Free riding would pose no risk to intellectual property rights if the inherent costs of copying always outran the benefits. In the real world, however, copying intellectual property almost always costs relatively less than creating it from scratch.\(^{150}\) This holds as true for trademarks and trade dress as it does for copyrights and patents. In each case, therefore, the law tries to make up the difference by imposing additional costs for unauthorized copying.\(^{151}\)

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147. Landes & Posner, supra note 136, at 270.
149. See Colligan, 442 F.2d at 693.
150. Copying can prove quite expensive in absolute terms. Consider for example, the costs of copying a restaurant’s architecture, decor, and service.
151. See Landes & Posner, supra note 136, at 270.
As in real space, it will usually prove cheaper to copy a computer interface or virtual environment than to produce a competing one from scratch. Copying a marketable setting, be it real or virtual, always avoids the costs of creative design. If accomplished by duplicating the relevant software, copying a virtual setting would in addition avoid “construction” costs. Technical devices such as encryption, and legal doctrines such as copyright, patent, or trade secret law, would presumably protect the software itself from duplication. Copyright law—and to some extent trade dress law—would protect the output of that software. These considerations merely go to show that nothing about computerization automatically cures the problems that have always plagued intellectual property. To the contrary, valid trade dress continues to require legal protection, while virtual trade dress continues to require legal censure.

V. Why Not Protect Virtual Trade Dress?

A. The Economic Case Against Virtual Trade Dress

Virtual trade dress does not fare well under a cost/benefit analysis. Rather than adding value to an associated commodity, it is the very good or service that consumers desire. It thus does little or nothing to lower the cost of identifying a commodity’s source or affiliation. On the other hand, protecting virtual trade dress has a considerable downside cost.

As an immediately perceptible desideratum, virtual trade dress represents an inspection commodity. Lacking residual hidden value, such a good or service gains little from affiliation with a trademark or trade dress. Consumers can identify the qualities of an inspection commodity without further purchase and can thus choose whether to consume it without the help of marks indicating hidden qualities. To the extent, if any, that virtual trade dress identifies a product’s source, it does so needlessly.

Granting rights to virtual trade dress threatens to create, in effect, a new intellectual property regime protecting product designs as well as the design of services. Those who have called for legislative protection of product design argue that it would efficiently reward innovation. That Congress has consistently refused such entreaties says at

152. See supra Part IV.A. This analysis leaves room for traditional trademarks or trade dress to operate prior to consumption—a point at which virtual trade dress by definition cannot operate.

153. See, e.g., Jay Dratler, Jr., Trademark Protection for Industrial Designs, 1988 U. Ill. L. Rev. 887, 949-62 (proposing that the doctrine of distinctiveness offers the flexibility required for industrial design innovation); Gifford, supra note 6, at 791-92 (“[T]hat a trade-
least something about the merits of those arguments.\textsuperscript{154} Beyond the concern that courts have evaded congressional intent by creating rights to virtual trade dress, it seems unlikely that virtual trade dress would protect product design efficiently. The potentially limitless life span of virtual trade dress strikes a poor balance—or, rather, no balance—between encouraging innovation in product designs and opening them to public access.\textsuperscript{155}

Even apart from the legal and policy arguments against creating rights to virtual trade dress, defending rights to virtual trade dress would give rise to large transaction costs. Claimants typically find it difficult to capture their diffuse trade dress in a description sufficiently concrete to qualify for registration.\textsuperscript{156} Thanks to the broad reach of section 43(a), however, claimants find registration largely unnecessary.\textsuperscript{157} Not being registerable or registered, virtual trade dress usually will remain hidden from parties that search the prior art in an effort to avoid liability for infringement. Those parties will no doubt rue the fact that section 43(a) does not excuse innocent infringement.\textsuperscript{158}

Because virtual trade dress has such vague boundaries, the exact scope of claims to it will resist definition. This will make it hard to assign value to infringement claims and, thus, to settle litigation.\textsuperscript{159} The diffuse nature of virtual trade dress and the difficulty in resolving infringement claims will more than deter parties that consider adopting new trade dress. Far from \textit{encouraging} innovation in product design, virtual trade dress thus threatens to have a net effect of \textit{stifling} it.

\textsuperscript{154} See Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1446 (3d Cir. 1994) ("[D]esign protection laws (which have repeatedly been introduced in Congress during virtually every session since 1917) have not once been enacted."); see also Brown, supra note 6, at 1395-96 (outlining Congress’s sporadic attempts to enact design protection statutes since 1914); Gleiberman, supra note 6, at 2070 (noting that industrial design bills have not been enacted by Congress).

\textsuperscript{155} In response to the claim that trade dress rights prohibit much less than copyright or patent law, see infra Part VI.C.

\textsuperscript{156} See supra Part II.

\textsuperscript{157} See supra notes 20-30 and accompanying text.

\textsuperscript{158} See supra notes 27-30 and accompanying text.

B. The Legal Case Against Virtual Trade Dress

1. Distinctiveness.—Courts traditionally classify marks and trade dress on the Abercrombie scale of distinctiveness, which ascends through generic, descriptive, suggestive, arbitrary, or fanciful levels of distinctiveness. To win legal protection from copying, a mark or trade dress must either possess inherent distinctiveness (by qualifying as suggestive, arbitrary, or fanciful) or acquire it through secondary meaning (by showing long and effective use of the descriptive element). As the Duraco court noted, this taxonomy fits product configurations awkwardly. Nonetheless, inquiry into the fundamentals of the Abercrombie scale shows that it disqualifies virtual trade dress as inherently nondistinctive. As the very product that consumers value, virtual trade dress cannot help but remain indistinct from that product.

At root, the Abercrombie scale measures the metaphorical distance between the "sense" of a mark or trade dress and its "reference." The sense of a symbol lies somewhere between the wholly subjective impressions that it arouses in each observer and the objective, external thing to which it refers. Thus, "morning star" has a different sense from "evening star" even though both names refer to the same object: Venus. This abstract notion casts new light on the Abercrombie scale.

A fanciful mark, like KODAK, makes no sense as a word standing alone. It functions solely to refer to KODAK goods and services. This demonstrates that with fanciful marks the distance between sense

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161. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 776 (1992) (holding that secondary meaning is not necessary if trade dress is inherently distinctive).
162. Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1434 (3d Cir. 1994) ("[A] product configuration . . . is not a symbol according to which one can relate the signifier (the trademark, or perhaps the packaging) to the signified (the product.").
163. See id. at 1452; Brown, supra note 6, at 1380 (arguing that a distinctive design does not automatically imply a secondary meaning); see also Dratler, supra note 158, at 903 (noting that the requirement of most courts that there be a showing of distinctiveness for trade dress would also apply to industrial designs).
165. See id. at 162; see also John Stuart Mill, A System of Logic Ratiocinative and Inductive, reprinted in VII Collected Works of John Stuart Mill 34 (J.M. Robson ed., 1973) ("[W]henever the names given to objects convey any information, that is, whenever they have properly any meaning, the meaning resides not in what they denote, but in what they connote. The only names of objects which connote nothing are proper names; and these have, strictly speaking, no signification.").
166. See Eastman Kodak Co. v. Rakow, 739 F. Supp. 116 (W.D.N.Y. 1989) (enjoining a street performer from using the name "Kodak" as a stage name or for any other commercial purpose).
and reference reaches from nothing at all to something concrete—a maximum level of distinctiveness. An arbitrary mark like NOVA, in contrast, has some sense (a stellar explosion) independent of its referent (a particular television program).\textsuperscript{167} NOVA still does not refer to a competing commodity, however. With regard to arbitrary marks, sense and reference approach each other but stay far enough apart to make such marks inherently distinctive.

Sense and reference draw still nearer in a suggestive mark, such as HABITAT, because it has a sense (living space) that hints at its referent commodity (home furnishings).\textsuperscript{168} A descriptive mark like COCO-QUININE paints its referent (a combination of chocolate and quinine) in bald terms, bringing sense and reference quite close together.\textsuperscript{169} A generic word, such as CEREAL, can never win trademark protection because its sense (cereal) comes as close to its referent (cereal) as a word can get to a thing.

Virtual trade dress carries this trend to its logical extreme, merging sense and reference completely. As the very product that consumers value, virtual trade dress signifies itself. To the extent that it has any sense as a signal of value, it points only at the value found within its own scope. The court in Duraco thus erred when, in grudgingly trying to fit virtual trade dress on the Abercrombie scale, it said that “one could at best say that a product configuration is descriptive of (because identical with) the product itself.”\textsuperscript{170} As the above analysis demonstrates, trade dress constituting a product does not describe the product, nor does it qualify as generic of the product; rather, it merges sense and reference to become the product.

2. Functionality.—Judicial interpretation of the Lanham Act has established conclusively that the Act grants no protection to “functional” goods or services,\textsuperscript{171} even though the Act itself nowhere defines the term. Courts have interpreted the term “functional” in a

\begin{itemize}
\item \textsuperscript{168} See Habitat Design Holdings Ltd. v. Habitat, Inc., 436 F. Supp. 327 (S.D.N.Y. 1977) (enjoining Habitat England from operating in any location where it would infringe on Habitat, Inc.’s trademark), modified, 573 F.2d 1290 (2d Cir. 1978).
\item \textsuperscript{169} See William R. Warner & Co. v. Eli Lilly & Co., 265 U.S. 526 (1924) (recognizing the use of a similar name by a competitor, even if the public will mistake the origin or ownership of the product, so long as the product is clearly labeled).
\item \textsuperscript{170} Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1441 (3d Cir. 1994).
\item \textsuperscript{171} See Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1301 (1995) (noting that this doctrine is one of the “underlying principles of trademark law”).
\end{itemize}
variety of ways.\textsuperscript{172} The same court will sometimes even advance several definitions together with the admonition that none applies in a mechanical fashion.\textsuperscript{173} Virtual trade dress violates any of these various tests of functionality, however, as well as the fundamental policy that unifies them.

The Supreme Court recently explained that a mark or trade dress will qualify as functional “‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,’ that is, if exclusive use of the feature would put competitors at a significant nonreputation-related disadvantage.”\textsuperscript{174} This definition of functional was previously applied at trial,\textsuperscript{175} and affirmed on appeal,\textsuperscript{176} in Hartford House. The test’s general use thus invites the same analysis that applied above to its particular use in Hartford House.\textsuperscript{177}

To apply this test of functionality properly, however, a court must define the relevant market narrowly. In the case of virtual trade dress, the court must recognize that trade dress itself constitutes the product at issue, the desideratum of the relevant market.\textsuperscript{178} As such, the trade dress “‘is essential to the use or purpose of the article’” and its exclusive use “would put competitors at a significant nonreputation-related disadvantage.”\textsuperscript{179} Therefore, virtual trade dress qualifies as functional.

Despite quoting this particular test, the Court in Qualitex Co. v. Jacobson Products Co.\textsuperscript{180} did not rule out using other tests of functionality.\textsuperscript{181} It implicitly endorsed the “primary value” test.\textsuperscript{182} The court in

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  \item \textsuperscript{172} McCarthy wryly observed, “It seems that there are as many definitions of what is ‘functional’ as there are courts.”\textsuperscript{172} McCarthy, supra note 37, § 7.26[3][a], at 7-122.
  \item \textsuperscript{173} See, e.g., United States Golf Ass’n v. St. Andrews Sys., Data-Max, Inc., 749 F.2d 1028, 1033-34 (3d Cir. 1984) (“[T]he essence of the question is whether a particular feature . . . is part of the ‘function’ served, or whether the primary value . . . is the identification of the provider.”).
  \item \textsuperscript{174} Qualitex, 115 S. Ct. at 1304 (quoting Inwood Lab., Inc. v. Ives Lab., Inc., 456 U.S. 844, 850 n.10 (1982)); see also Interactive Network, Inc. v. NTN Communications, Inc., 875 F. Supp. 1398, 1407 (N.D. Cal. 1995) (applying the same test to find a software user interface to be functional).
  \item \textsuperscript{175} Hartford House, Ltd. v. Hallmark Cards, Inc., 647 F. Supp. 1533, 1537 (D. Colo. 1986) (quoting Inwood Lab., 456 U.S. at 850 n.10).
  \item \textsuperscript{176} Hartford House, Ltd. v. Hallmark Cards, Inc., 846 F.2d 1268, 1273 (10th Cir. 1988) (“Although the determination of functional . . . may be difficult, the decision should nevertheless rest on whether alternative appealing designs or presentations of the product can be developed.” (quoting Brunswick Corp. v. Spinit Reel Co., 882 F.2d 513, 519 (10th Cir. 1987))).
  \item \textsuperscript{177} See supra Part IV.A.1.a.
  \item \textsuperscript{178} Qualitex, 115 S. Ct. at 1304 (quoting Inwood Lab., 456 U.S. at 850 n.10).
  \item \textsuperscript{179} Id.
  \item \textsuperscript{180} 115 S. Ct. 1300 (1995).
  \item \textsuperscript{181} Id. at 1304-05.
  \item \textsuperscript{182} Id. at 1308.
\end{itemize}
Hartford House misapplied this test, but recited it correctly: “A non-functional feature is one whose primary value is to identify the source of the particular goods or services.” Although the Supreme Court in Qualitex did not explicitly adopt this test, it approved registration of the mark in question—a green-gold color—with the observation that it “serves no other function” than to identify its source. The Qualitex Court further observed that, in general, color “can act as a symbol that distinguishes a firm’s goods and identifies their source, without serving any other significant function.” This test of functionality plainly bars virtual trade dress, which primarily serves not to identify source, but rather to embody the very commodity that consumers value.

A more powerful version of the “primary purpose” test appears especially well suited to detecting virtual trade dress. This test, popular in the Third Circuit, frames the issue in negative terms: “Proof of nonfunctionality generally requires a showing that the element of the product serves no purpose other than identification.” This test works, however, only if the party claiming rights to a mark or trade dress bears the burden of proving it nonfunctional. It will thus not apply universally, as circuits have split on the question of who bears the burden of proving functionality. Moreover, the Third Circuit, which

183. Hartford House, 647 F. Supp. at 1541 (emphasis added) (citing United States Golf Ass'n v. St. Andrews Sys., Data-Max, Inc., 749 F.2d 1028 (3d Cir. 1984)). Although the appellate court affirmed the trial court's functionality analysis in general, and in particular so far as that analysis relied on the "available alternatives" test, it did not comment on the trial court's (mis)use of the "primary value" test. Hartford House, 846 F.2d at 1273; see also U.S. Golf, 749 F.2d at 1033 (stating that the question of the functionality of a feature is determined by asking "whether a particular feature of a product or service is substantially related to its value as a product or service . . . or whether the primary value of a particular feature is the identification of the provider").

184. Qualitex, 115 S. Ct. at 1305. The Court observed: "[The color in question] identifies the press pads' source. And, the green-gold color serves no other function." Id.

185. Id. at 1304 (citations omitted).


187. Compare Merchant & Evans, 963 F.2d at 633 (holding that a party asserting infringement bears the burden of proving nonfunctionality), and Woodsmith Publ’g Co. v. Meredith Corp., 904 F.2d 1244, 1247 (8th Cir. 1990) (same), and Rachel v. Banana Republic, Inc., 831 F.2d 1503, 1506 (9th Cir. 1987) (same), with Computer Care v. Service Sys. Enters., Inc., 982 F.2d 1063, 1068 (7th Cir. 1992) (holding that a party seeking to invalidate a mark must prove functionality), and Hartford House, Ltd. v. Hallmark Cards, Inc., 846 F.2d 1268, 1271 n.3 (10th Cir. 1988) (same), and LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71, 76 (2d Cir. 1985) (same). See also Fisher Stoves, Inc. v. All Nighter Stove Works, Inc., 626 F.2d 193, 195-96 (1st Cir. 1980) (stating in dicta that the trial court did not err in placing the burden of proof on the plaintiff; record rendered issue moot). The Federal Circuit has staked out an intermediary position. See Textron, Inc. v. United States Int’l
has been distinguished for applying so narrow a test, has not employed it to the exclusion of less restrictive tests.

Despite their various formulations, all functionality tests aim at the same fundamental policy goal: balancing monopoly rights against public access. As the Supreme Court explained in *Qualitex*: "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." Typical of such discussions, however, the Court went on to express concern solely about the impact of functional marks on patent law, ignoring the conflict with copyright: "It is the province of patent law, not trademark law, to encourage invention . . . . 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 . . . ."

However well intentioned the Court's concern, it appears, on reflection, strangely parsimonious. Utility patents no doubt aim to en-

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188. See, e.g., Sicilia Di R. Biebow & Co. v. Cox, 732 F.2d 417, 425 (5th Cir. 1984) ("[M]any designs and features have both functional and identifying aspects . . . . Thus, protection may be accorded a distinctive or identifying design, even though that design is also related to function.").


190. *Qualitex*, 115 S. Ct. at 1304; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 (1995) ("The rule excluding functional designs from the subject matter of trademark law is an attempt to identify situations in which the public and private interest in avoiding confusion is outweighed by the anticompetitive consequences of trademark protection."); *McCARTHY*, supra note 37, § 7.26[1], at 7-118 to -119 ("[T]he 'right to compete' is the ultimate policy goal of the functionality doctrine . . . .").

191. *Qualitex*, 115 S. Ct. at 1304; see also *McCARTHY*, supra note 37, § 7.26[1], at 7-116 ("Thus, the primary rationale behind the public policy requirement of non-functionality is the need to accommodate trademark and unfair competition law with utility patent law . . . ." (emphasis added)).
encourage innovation by granting limited monopolies in functional inventions. Does not copyright law also aim to encourage creativity? Congress has power to legislate in each area under the grace of the same constitutional provision: Article I, Section 8, Clause 8.\textsuperscript{192} This provision specifies that both patents and copyrights shall persist “for limited Times.”\textsuperscript{193} Surely, no one doubts that both utility patents and copyrights constitute valuable monopolies and that competitors without such monopolies suffer considerable disadvantages. It seems reasonable to conclude that if courts bar trade dress claims that would interfere with Congress’s carefully balanced scheme of utility patent rights, they ought likewise to bar trade dress claims that interfere with copyright law.\textsuperscript{194} The same holds true of trade dress claims that interfere with the law of design patents because it, no less than the law of utility patents and copyright law, derives from the Constitution’s Intellectual Property Clause.\textsuperscript{195}

This plea for equal treatment will not get far if it turns out that trade dress simply cannot interfere with copyrights and design patents in the way that it interferes with utility patents. The next section will show that it can. For the present purpose of measuring virtual trade dress against the fundamental test of functionality, it suffices to observe that virtual trade dress allows one competitor among many to seize a potentially eternal monopoly on subject matter more properly covered by the Intellectual Property Clause.

Suppose, for example, that a court gave one publisher an immortal copyright, or one manufacturer an immortal design patent, while limiting competitors to conventional limited rights. Would we not say, in each case, that the court was “inhibiting legitimate competition”?\textsuperscript{196} Virtual trade dress has a similar effect. With regard to goods and services that resemble real trade dress enough to fall under its aegis, virtual trade dress offers a potentially eternal right to market the very commodity that consumers value. It thus upsets the balance that legislators have struck between encouraging innovation and freeing access to ideas. In sum, virtual trade dress violates the policy at the heart of the functionality doctrine.

\textsuperscript{192} U.S. CONST. art. I, § 8, cl. 8 (providing that Congress shall have the power “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries” (emphasis added)).
\textsuperscript{193} Id.
\textsuperscript{194} See infra Part VI.C.
\textsuperscript{195} See infra Part VI.C.
\textsuperscript{196} Qualitex, 115 S. Ct. at 1304.
C. The Policy Case Against Virtual Trade Dress

Virtual trade dress threatens the coherency of federal intellectual property policy because it transgresses the established boundaries and usurps the traditional roles of trademark, copyright, and patent law. Such an impact certainly renders virtual trade dress unwelcome. It may, furthermore, render it unconstitutional. This provides yet another reason, in addition to those arising out of its violation of trademark law proper, for questioning the propriety of virtual trade dress.

Though they contain damning dicta, the familiar Sears, Roebuck & Co. v. Stiffel Co., Compco Corp. v. Day-Brite Lighting, Inc., and Bonito Boats, Inc. v. Thunder Craft Boats, Inc. line of cases does not directly address the constitutionality of trade dress qua desideratum. Those cases relied on the Constitution’s Supremacy Clause to overturn state laws that interfered with federal intellectual property policy. Virtual trade dress, in contrast, risks unconstitutionality on far less familiar grounds: its grant of potentially eternal rights in intrinsically valuable intellectual property may violate the limits set forth in the Constitution’s Intellectual Property Clause. These constitutional questions will remain moot, however, if virtual trade dress does not grant rights that conflict with those offered by the copyrights or design patents. Whether it does so poses a nice question, addressed forthwith.

1. Virtual Trade Dress vs. Copyright Law.—Consider first the potential conflict between virtual trade dress and copyrights. Federal law bars the unauthorized duplication of trade dress only if it confuses consumers, misrepresents a commodity, or dilutes a mark, whereas it bars the unauthorized duplication of copyrighted material in a wide variety of contexts, confusing, misrepresentative, or otherwise. Considering the “substantial similarity” standard for a showing of

197. See infra Part VI.B.
201. U.S. Const. art. VI, cl. 2 (providing that “the Laws of the United States ... shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby”).
202. Bonito Boats, 489 U.S. at 168; Compco, 376 U.S. at 237; Sears, 376 U.S. at 231.
203. See supra note 192.
205. See 17 U.S.C. § 106 (1994) (giving the owner of the copyright in a work the exclusive right to reproduce, prepare derivative works based on, distribute copies of, perform, or
copyright infringement to be broader than the “confusing similarity” required for trademark claims, courts have refused to consider trademark claims to material for which copyright claims have already failed.\textsuperscript{206} This suggests that trademarks generally provide rights narrower in scope than copyrights and, therefore, that immortal trade dress rights would not unconstitutionally broaden the congressional power enumerated in the Intellectual Property Clause.

Nonetheless, a trademark generally does not cover the same subject matter as a copyright. The more it nears doing so, the more it risks overextending the effective life of the associated copyright. Consider\textit{ Hartford House}, in which granting trade dress rights in subject matter more appropriately covered by copyright gave rise to an infringement claim reaching beyond substantially similar copies.\textsuperscript{207} Thanks to the virtual trade dress at work,\textit{ Hartford House} contradicts the general rule that the absence of an infringement claim under copyright law will bar an infringement claim under trademark law.\textsuperscript{208}\textit{ In re DC Comics, Inc.},\textsuperscript{209} in which the trademark in question correlated exactly to the copyrighted image of Superman,\textsuperscript{210} likewise proves instructive. Judge Nies, specially concurring, questioned “whether the quid pro quo for the protection granted under the copyright statute has been given, if, upon expiration of the copyright, the design cann-
not be used at all by others." Examples such as these demonstrate that, because it covers the same intrinsically valuable intellectual property that copyright covers, virtual trade dress effectively threatens to render a privileged class of copyrights immortal.

2. Virtual Trade Dress vs. Design Patent Law.—Does trade dress similarly threaten to prolong the life of design patents? Again, case law suggests that, in general, it does not. Rather than barring trade dress protection in the same subject matter, a design patent offers rebuttable proof that its sibling trade dress is not functional. More pointedly, despite broad language to the contrary in Supreme Court cases like Sears, Compco, and Kellogg Co. v. National Biscuit Co., courts have held consistently that trademark protection does not conflict with design patent protection. The court in Kohler Co. v. Moen Inc. justified its willingness to allow overlapping design patent and trademark rights by observing that while a patent gives "the exclusive right to make and sell the innovation, a trademark gives the owner

211. Id. at 1052 n.6 (Nies, J., specially concurring). Because the copyright had not yet expired, Judge Nies left the problem for a future court. See id. The issue thus remains unlitigated.

212. See In re R.M. Smith, Inc., 734 F.2d 1482, 1485 (Fed. Cir. 1984) (holding that a design patent provides some evidence of nonfunctionality, but is not alone sufficient proof thereof); In re Morton-Norwich Prods., Inc., 671 F.2d 1332, 1342 n.3 (C.C.P.A. 1982) ("[D]esign patent ... indicates that the design is not de jure functional."); In re Honeywell, Inc., 187 U.S.P.Q. 576, 578 (T.T.A.B. 1975) ("[T]he criteria utilized to determine the patentability of a design patent are in no way determinative of the registrability of the same design as a trademark ... ."); aff'd, 532 F.2d 180 (C.C.P.A. 1976).

213. Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 291 (1964) ("An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so.").

214. Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 237-38 (1964) ("Day-Brite's fixture has been held not to be entitled to a design or mechanical patent. Under the federal patent laws it is, therefore, in the public domain and can be copied in every detail by whoever pleases.").

215. 305 U.S. 111, 119-20 (1938) ("[U]pon expiration of the patents the form ... was dedicated to the public.").

216. See, e.g., Kohler Co. v. Moen Inc., 12 F.3d 632, 637 (7th Cir. 1993) (holding that the availability of design patent protection for a faucet and handle does not bar suit for infringement of trademark in same); Esercizio v. Roberts, 944 F.2d 1235, 1241 (6th Cir. 1991) (holding that the availability of design patent protection for an auto body does not bar protection of trademark in same); In re World's Finest Chocolate, Inc., 474 F.2d 1012, 1015 (C.C.P.A. 1973) (holding that an expired design patent in candy bar packaging does not bar the registration of trademark in same); In re Mogen David Wine Corp., 328 F.2d 925, 980 (C.C.P.A. 1964) (holding that a design patent in a wine bottle does not bar registration of trademark in same).

217. 12 F.3d 632 (7th Cir. 1993).
only the right to preclude others from using the mark when such use is likely to cause confusion or to deceive."\textsuperscript{218}

Although this distinction holds up well in product \textit{packaging} cases,\textsuperscript{219} it falters in product \textit{configuration} cases.\textsuperscript{220} Trade dress in product configuration cases comes uncomfortably close to constituting the very commodity that consumers value.\textsuperscript{221} The protection that such trade dress grants against confusingly similar copies thus provides a far more valuable right than mere protection from confusingly similar packaging.

That a design patent theoretically prohibits \textit{all} substantially similar copies—whether they confuse consumers or not—offers scant practical advantage. In the first place, design patents, arguably, only protect against unauthorized copies embodied in the same type of product.\textsuperscript{222} Because they aim at preventing consumer confusion,\textsuperscript{223} trade dress rights have a similar scope. Nevertheless, even if design patent rights spread across product boundaries, it would matter little. Few people want to copy a faucet’s design for anything other than a faucet, for example, nor would a patent holder especially \textit{care} if someone applied the design to a tennis racquet. Furthermore, if such use offends, trade dress seems at least as likely to offer relief as does a design patent. After all, courts have found a likelihood of confusion sufficient to give rise to trademark infringement between such apparently unrelated products as magazines and girdles,\textsuperscript{224} flashlights and locks,\textsuperscript{225} pipes and Scotch whiskey,\textsuperscript{226} and groceries and real estate.\textsuperscript{227} The recent creation of a federal right against trademark dilution

\textsuperscript{218} Id. at 637 (citation omitted).
\textsuperscript{219} See, e.g., \textit{In re World’s Finest Chocolate}, 474 F.2d at 1012 (candy bar packaging).
\textsuperscript{220} See, e.g., \textit{Kohler}, 12 F.3d 632 (faucet and handle); \textit{Esercizio}, 944 F.2d 1235 (autobody).
\textsuperscript{221} In other words, it comes uncomfortably close to virtual trade dress. As long as the products in question retain value independent of their trade dress, however, they avoid falling all of the way into virtual trade dress status.
\textsuperscript{222} See 35 U.S.C. § 171 (1994), which specifies that only a “new, original and ornamental design for an article of manufacture” will qualify for design patent protection. Id. (emphasis added). Design patent claims thus typically read: “The ornamental design for [a particular object], as shown and described.” \textit{Ex parte Strijland}, 26 U.S.P.Q.2d 1259, 1260 (Bd. Pat. App. & Int’l. 1992). Courts likewise read section 171 to bar claims to free-floating designs: “The factor which distinguishes statutory design subject matter from mere pictures or surface ornamentation per se (i.e., abstract designs) is the embodiment of the design in an article of manufacture.” \textit{Id.} at 1262.
\textsuperscript{224} See \textit{Triangle Publications, Inc. v. Rohrlich}, 167 F.2d 969 (2d Cir. 1948).
\textsuperscript{225} See \textit{Yale Elec. Corp. v. Robertson}, 26 F.2d 972 (2d Cir. 1928).
\textsuperscript{227} See \textit{Safeway Stores, Inc. v. Safeway Properties, Inc.}, 307 F.2d 495 (2d Cir. 1962).
makes it even easier for a court to find that trade dress rights travel across product boundaries. 228

Although a design patent theoretically offers unique protection against copies too clearly labeled to allow consumer confusion 229—and, thus, an infringement claim for nonfamous trade dress 230—this supposed benefit evaporates in practice. A disclaimer made clear enough to ward off confusion may so mar the design in question that it negates the benefits of honest copying. Hallmark would have won little in the Hartford House litigation, 231 for example, had the court allowed it to compete only on the condition that it stamp disclaimers across the front of the suspect cards. The risk of trade dress dilution claims 232 and the willingness of courts to bar even clearly labeled cop-


The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

(A) the degree of inherent or acquired distinctiveness of the mark;
(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
(C) the duration and extent of advertising and publicity of the mark;
(D) the geographical extent of the trading area in which the mark is used;
(E) the channels of trade for the goods or services in which the mark is used;
(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;
(G) the nature and extent of use of the same or similar marks by third parties; and

(H) whether the mark was registered under the [Trade-Mark] Act of March 3, 1881, or the [Trade-Mark] Act of February 20, 1905, or on the principal register.

Id. § (c)(1).

229. See Kohler Co. v. Moen Inc., 12 F.3d 632, 637 (7th Cir. 1993) (asserting that a patent gives the owner an exclusive right to an innovation whether or not its use by others would cause confusion).


ties of trade dress further whittle away at the supposed advantages of design patent protection. Virtual trade dress rights thus come very close, in practice, to creating potentially immortal design patents.

3. Virtual Trade Dress vs. The Constitution.—Suppose that virtual trade dress rights conflict with rights granted under copyright and patent law. Does that render virtual trade dress unconstitutional? In dicta, courts have often stressed that Article I, Section 8, Clause 8 empowers Congress to provide exclusive rights only of limited duration. The court in Marx v. United States directly grappled with the issue. To avoid the unconstitutional alternative of an everlasting copyright, the Marx court interpreted the 1909 Copyright Act to impose a twenty-eight-year limit on the works in question. "It is not to be assumed that a more extended measure of protection was intended," the court explained, because "[l]egislative enactments are to be construed, if possible, in such way as to render them constitutional."

233. See, e.g., Esercizio v. Roberts, 944 F.2d 1235, 1250 (6th Cir. 1991) (Kennedy, J., dissenting). Judge Kennedy criticized the majority for not allowing the use of the trade dress together with adequate labeling. Id. He added that "[t]he majority's remedy goes well beyond protection of consumers against confusion as to a product's source. It protects the design itself from being copied." Id.

234. See Gifford, supra note 6, at 786. "When the design is an important factor in marketing the product, the protection of product design under the rubric of trademark law creates a new substantive area of protection in which it performs functions essentially similar to copyright, patent, and other substantive areas of intellectual property protection." Id.

235. See supra note 192.

236. See, e.g., Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984). The court stated:

The monopoly privileges that Congress may authorize are neither unlimited nor primarily designed to provide a special private benefit. Rather, . . . [they serve] to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.

Id. at 429 (emphasis added). See also, e.g., Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975) ("The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest . . . ."); Classic Film Museum, Inc. v. Warner Bros., Inc., 597 F.2d 13, 14 (1st Cir. 1979) (arguing that granting the holder of a perpetual common law copyright unending rights over derivative works in the public domain would "swallow the rule of limited monopoly found in the constitution and copyright statutes"); Fashion Originators Guild of Am., Inc. v. FTC, 114 F.2d 80, 88 (2d Cir. 1940) (holding that the Constitution gave Congress the power to secure authors' rights "only for limited Times,' and did not allow a perpetual copyright"), aff'd, 312 U.S. 457 (1941).

237. 96 F.2d 204 (9th Cir. 1938).


239. Marx, 96 F.2d at 206.

240. Id. (citation omitted).
In a related vein, the court in *Varnado Air Circulation Systems, Inc. v. Duracraft Corp.*

241 barred trade dress protection of a product configuration on the grounds that to hold otherwise would effectively—and unconstitutionally—render a patent immortal. 242 Commentators likewise agree that the Constitution prohibits Congress from passing statutes, or courts from giving effect to statutes, so as to create potentially unending copyrights or patents. 243

4. Virtual Trade Dress vs. Congressional Intent.—Beyond the fact that virtual trade dress violates a federal policy of assigning specific rights to and limitations on existing categories of intellectual property, 244 and may even violate the Constitution, 245 virtual trade dress contravenes the implied intent of Congress not to protect product designs. Congress has consistently and repeatedly refused to enact legislation to protect the same subject matter that, thanks to judicial fiat, virtual trade dress has come to protect. 246 As typically proves true in questions of policy, the several arguments against virtual trade dress still leave room for spirited public debate. That virtual trade dress runs counter to so many general policy considerations, however, in addition to legal doctrines specific to trade dress, amounts to damning criticism indeed.

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241. 58 F.3d 1498 (10th Cir. 1995).
242. *Id.* at 1500 (holding that trade dress cannot prolong the life of a utility patent so as to prevent a product configuration from falling into the public domain).
244. *See supra* Part VI.C.1-2.
245. *See supra* Part VI.C.3.
D. Virtual Trade Dress and Aesthetic Functionality

Grappling with the doctrine of “aesthetic functionality” gives courts and commentators headaches. Fortunately, the present analysis need not inflict similar discomfort. It suffices here to show that virtual trade dress does not represent simply another formulation of the aesthetic functionality problem. As the very commodity that consumers value, rather than mere ornamentation on something independently valuable, virtual trade dress merits condemnation on other, less controversial, grounds.

The United States Court of Appeals for the Ninth Circuit set forth the most well-known test for aesthetic functionality: “If the particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a patent or copyright.” Other courts have criticized this doctrine. The Ninth Circuit has thus partially retreated, explaining that it will not find an identifying mark functional, and, consequently, will not bar protection, solely on the grounds that the mark “contributes to the consumer appeal and saleability of the product.”

Virtual trade dress looks suspect under either the original or revised version of the Ninth Circuit’s test of aesthetic functionality. Virtual trade dress goes much further than constituting an “important ingredient in the commercial success of the product” or contributing “to consumer appeal and . . . the sale of the products.” As the very commodity that consumers value, virtual trade dress represents the most important ingredient in a product’s commercial success and saleability. Considering the strength of the doctrines discussed earlier, however, courts need not rely on aesthetic functionality to rule out virtual trade dress.

247. See, e.g., McCarthy, supra note 37, § 7.26[5], at 7-152.4 to -152.5 (stating that the doctrine “is much too open-ended and vague to be a useful rule of law,” is based on “misleading semantics” and “an oxymoron,” and “may be a theory in search of a rationale”).
248. Pagliero v. Wallace China Co., 198 F.2d 339, 343 (9th Cir. 1952).
249. See, e.g., Keene Corp. v. Paraflex Indus., Inc., 653 F.2d 822, 825 (3d Cir. 1981) (arguing that defining aesthetic functionality based on its commercial desirability “provides a disincentive for development of imaginative and attractive design”); In re DC Comics, Inc., 689 F.2d 1042, 1045 (C.C.P.A. 1982) (arguing that the test “obscures the distinction between utilitarian and aesthetic functionality”).
251. Pagliero, 198 F.2d at 343.
252. Vuitton, 644 F.2d at 774.
253. See supra Part VI.A-C.
It bears noting that McCarthy's suggested alternative to the aesthetic functionality doctrine—the traditional “merely ornamental” test—may in practice fail to sort out virtual trade dress. McCarthy would have courts ask: “Is the disputed feature in fact perceived by customers as a trademark or not?” If properly applied, this test might detect virtual trade dress in its infancy. Once it takes root, though, virtual trade dress resists extermination. As McCarthy notes elsewhere, courts sometimes mistake the popularity of an established design as evidence that it has acquired secondary meaning. The merely ornamental test would thus feed a vicious cycle of monopolization by failing to condemn virtual trade dress that has, by dint of use under legal sanction, acquired secondary meaning. As argued earlier, however, trade dress protection of an intrinsically valuable commodity merits condemnation because it violates established law and wise public policy.

Although not responsible for encouraging abuse, the merely ornamental test does too little to prevent it. Courts need an independent arbiter of valid trade dress status. Courts should thus ask not only whether a design constitutes mere ornamentation on a commodity, but also whether the design constitutes the commodity itself. Only by taking this additional step can courts ward off the hazards of virtual trade dress.

E. Virtual Trade Dress and Autographic Trade Dress

Virtual trade dress raises issues similar to, though distinct from, a trademark or trade dress valued because it indicates affiliation with an independent good or service. Examples of the latter type of mark include the insignia of a fraternal organization or the emblem of a sports team. Judge Alex Kozinski has whimsically labeled such marks “unplugged” because they have “certain functional characteristics that are different from—and sometimes inconsistent with—their

254. McCarthy, supra note 37, § 7.2b[5], at 7-152.5.

255. Id.

256. See id. § 7.26[4][b], at 7-142.2 (criticizing finding of court in Wallace International Silversmiths, Inc. v. Godinger Silver Art Co., 916 F.2d 76 (2d Cir. 1990), that consumers' appreciation of a popular design as "classiest" showed that it had acquired secondary meaning).

257. See Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1447 (3d Cir. 1994) (arguing that "any perceptible product feature" could distinguish goods if "nobody else were allowed to copy it").

258. See supra Part VIA-C.


260. See Boston Prof'l Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg., Inc., 510 F.2d 1004 (5th Cir. 1975) (trademark emblem of sports team).
traditional role as identifiers of source."261 Calling these marks "autographic" sheds more light on their nature because, like a celebrity’s signature, they both identify a source and establish positive associations with a related good or service.262

Although the case law addresses only autographic trademarks,263 nothing bars trade dress from also acting in an autographic capacity. It need merely have sufficient secondary meaning to remind consumers of an affiliated good or service. Such (hypothetical) autographic trade dress would share some, but not all, of the features of virtual trade dress. Each has value without referring to the source of the particular commodity to which it attaches or that it embodies. In the case of autographic trade dress, for example, warm-up suits that mimic those worn by the University of Chicago football team would sell (assuming they did) not because consumers think that the sweats come from the Maroons, but rather because consumers want to look like the (original) “Monsters of the Midway.” In other words, autographic trade dress, like virtual trade dress, does not identify residual hidden qualities. Furthermore, each type of trade dress risks invalidation on functional grounds because it has features that satisfy consumer demand.264

261. Alex Kozinski, Trademarks Unplugged, 68 N.Y.U. L. Rev. 960, 962 (1993) (footnote omitted). In W.T. Rogers Co. v. Keene, 778 F.2d 334 (7th Cir. 1985), the court stated:

In an age when fashion-conscious consumers wear T-shirts emblazoned with the trademarks of consumer products and owners of Volkswagens buy conversion kits to enable them to put a Rolls Royce grille on their car, it is apparent that trade names, symbols, and design features often serve a dual purpose, one part of which is functional in the sense of making the product more attractive, and is distinct from identifying the manufacturer or his brand to the consumer.

Id. at 340.

262. Celebrity signatures can also attain value by merit of their scarcity, however. The metaphor thus works best if one understands the term “autograph” to include copies of signatures, which often appear in advertisements touting celebrity endorsements.

263. See, e.g., Job’s Daughters, 633 F.2d 912; Kentucky Fried Chicken Corp. v. Diversified Packaging Corp., 549 F.2d 368 (5th Cir. 1977) (trademark in chicken franchise’s container); Boston Prof’l Hockey Ass’n, 510 F.2d 1004 (trademark emblem of professional sports team); University of Pittsburgh v. Champion Prods., Inc., 566 F. Supp. 711 (W.D. Pa. 1983) (trademark in university insignia). But see Dallas Cowboys Cheerleaders, Inc. v. PussyCat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) (treating as trademarks features better described as trade dress).

264. See, e.g., Job’s Daughters, 633 F.2d at 917 (finding that a feature is functional if it constitutes “the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product”); Champion, 566 F. Supp. at 720-21 (finding that the university’s insignia is a functional element of shirts). But see, e.g., Boston Prof’l Hockey Ass’n, 510 F.2d at 1012 (“The argument that confusion must be as to the source of the manufacture of the emblem itself is unpersuasive, where the trademark, originated by the team, is the triggering mechanism for the sale of the emblem.”).
Autographic trade dress differs from virtual trade dress in vital respects, however. The value of autographic trade dress depends crucially on its affiliation with a particular source. People wore the once ubiquitous Batman T-shirt, for example, not to benefit from its intrinsic elegance but rather to associate themselves with the movie marketed under the same black and yellow symbol. Virtual trade dress, on the other hand, represents the very commodity that consumers desire. Autographic trade dress finds its analog in a celebrity’s signature, desired for the cachet of fame. Virtual trade dress, in contrast, calls to mind a map scrawled by a helpful stranger for a lost traveler. The map proves helpful despite its anonymous source, whereas the stranger’s signature counts for nothing. Virtual trade dress, unlike autographic trade dress, has intrinsic value.

This distinction between autographic trade dress and virtual trade dress has legal repercussions. Autographic trade dress ultimately draws its value from trademarks or trade dress operating in conventional manners in other contexts. Autographic trade dress thus raises a question of dilution. Virtual trade dress bypasses these issues because its value does not rely on associations with conventional trademarks or trade dress.

VI. THE FUTURE OF VIRTUAL TRADE DRESS

A. A Virtual Disaster

If current trends continue, we may find courts awarding overbroad trade dress rights to computer-user interfaces and virtual environments. The designers of such software outputs have very strong incentives to protect their work and will aggressively seek out all possible means of doing so. Because virtual trade dress upsets existing categories of intellectual property, it threatens to throw off the present balance between rewarding creation and allowing competition. The following three hypothetical examples, drawn from After Dark (a screen saver program), Myst (a CD-ROM game), and Snow Crash266 (a fictional account of a virtual reality), demonstrate the unjustifiably broad monopolies that trade dress might come to defend.

265. See, e.g., Kentucky Fried Chicken, 549 F.2d at 388-89 (explaining that, despite Boston Prof’l Hockey Ass’n, past cases “demonstrate unbroken insistence upon likelihood of confusion, and by doing so they reject any notion that a trademark is an owner’s ‘property’ to be protected irrespective of its role in the operation of our markets”); see also 15 U.S.C.A. § 1125(c) (West Supp. 1997) (creating a federal right against trademark dilution).

I. After Dark.—A screen saver program projects changing images on a computer’s video output after a predetermined length of time has passed since the computer user’s most recent input.\footnote{267} Originally, these programs aimed at protecting computers’ video tubes from image “burn-in.”\footnote{268} Although technological advances have since rendered this function unnecessary, screen savers remain a popular source of entertainment.\footnote{269} “‘A screen saver isn’t a protective device anymore; it’s a delivery method for content.’”\footnote{270} Those that create screen saver images view them, with some justification, as “‘computer poetry.’”\footnote{271}

The most famous screen saver program, After Dark, features whimsical flocks of flying toasters.\footnote{272} Suppose that the creator of After Dark, Berkeley Systems, Inc., claimed trade dress rights in the distinctive images\footnote{273} generated by its screen saver program. The claim seems quite plausible given precedent like Hartford House.\footnote{274} Its success would give Berkeley Systems potentially eternal rights over the use of these or similar images in potentially confusing contexts—that is, on computer screens.\footnote{275} Does that seem like a bit much? Blame virtual trade dress.

An up-and-running screen saver program provides little or no residual hidden value.\footnote{276} Take away the images that the program puts on the computer screen and you take away the very commodity that

\footnote{268. See id.}
\footnote{269. See id.}
\footnote{270. Id. (quoting Josef Zankowicz, spokesperson for a company that produces screen savers based on comic strips).}
\footnote{271. Id. (quoting Stephen Linhart, an artist who has created works appearing in Berkeley Systems, Inc.’s screen saver, After Dark).}
\footnote{272. See id.}
\footnote{273. In truth, the images are perhaps not so distinctive. In October 1994, representatives of the defunct rock group Jefferson Airplane sued Berkeley Systems, Inc. for copyright infringement, claiming that the image of flying toasters came from the cover of the group’s 1973 album, \textit{Thirty Seconds over Winterland}. The federal district court hearing the suit dismissed it on grounds that the group’s copyright covered only its sound recording. \textit{See Corp. Legal Times}, Jan. 1995, at 34.}
\footnote{274. 649 F. Supp. 1533 (D. Colo. 1986), aff’d, 846 F.2d 1268 (10th Cir. 1988).}
\footnote{275. The new federal right against dilution of famous marks would, of course, merely increase the opportunity for obtaining such monopolies. \textit{See} 15 U.S.C.A. § 1125(c) (West Supp. 1997).}
\footnote{276. Tom G. Palmer has argued, in conversation with the Author, that screen saver programs can possess residual hidden values, such as operating system compatibility and providing freedom from computer viruses. Conventional trademarks and trade dress suffice to identify these traits, however, at the program’s point of sale. Images generated during the screen saver’s operation thus offer very little additional information.}
consumers value. Giving Berkeley Systems the sole right to those images (or confusingly similar or diluting variations of them) would thus give it the sole right to market a valuable product. Basing that right in trade dress would render it potentially immortal. No software manufacturer deserves so broad a claim to intellectual property.

Berkeley Systems may deserve some other sort of intellectual property rights in its flying toastes, of course. Current case law might bar it from obtaining a design patent in its images. Berkeley Systems has already successfully asserted its copyright, however, to enjoin a rival screen saver that featured a cartoon character, Opus the Penguin, from firing a rifle at flying toastes. Copyright should continue to protect the images in After Dark from substantially similar imitations for many—though fortunately not countless—years.

2. Myst.—Could Broderbund and Cyan win virtual trade dress rights to the CD-ROM game Myst? Myst does offer a residual hidden commodity: a vast, maddening puzzle laced with clues. A great portion of the pleasure of playing Myst comes from unraveling its mysteries, a commodity that remains very well hidden indeed. Myst also offers purely sensual delights, such as exotic, detailed images and haunting music. Myst thus mixes experience commodities and inspection commodities, rather like the restaurants in Two Pesos and Fuddruckers. Those cases, as well as Romm Art, suggest that Broderbund and Cyan could get trade dress protection in their software’s purely sensual aspects. As the analysis above argues, however, this would represent not real trade dress but rather virtual trade dress. Myst’s creators should thus get no more trade dress protection than that on the outside of their product’s box or, perhaps, in the

277. See Ex parte Strijland, 26 U.S.P.Q.2d 1259, 1263 (Bd. Pat. App. & Int’f. 1992) (holding that an applicant for a design patent in a computer icon must show that the claimed element constitutes an active component in the operation of the computer, and not merely a “displayed picture,” by showing, for example, that clicking on or otherwise manipulating the element initiates functional operations). But see Ken Liebman et al., The Shape of Things to Come: Design-Patent Protection for Computers, 9 No. 11 COMPUTER LAW. 1, 4 (1992) (criticizing the approach in Ex parte Strijland as effectively rendering the claimed element functional and thus unworthy of design patent protection).

278. See Reidy, supra note 267. After having lost to Berkeley Systems, the defendant avoided the injunction by having Opus shoot at toastes held aloft by helicopter rotors rather than by wings. See id.


280. See id.

281. See id.


283. See supra Part II.
opening screens of their game. 284 Granting any more trade dress protection than this would give Broderbund and Cyan trade dress rights to the very product that consumers value.

3. Stephenson’s Metaverse.—Virtual reality has yet to see wide use or defining litigation, so we can only imagine how existing trade dress law would apply to this new technology. Neal Stephenson’s science fiction novel, Snow Crash, 285 provides an especially useful tool for this exercise. It portrays several sorts of computer environments and thus serves as something like a virtual virtual reality. 286 Snow Crash includes descriptions of the Metaverse (an entirely on-line world) 287 and the Black Sun (a bar in the Metaverse). 288

The Metaverse assumes the form of a huge black sphere. 289 Because the Metaverse serves as a common meeting ground for all manner of visitors, its dimensions were “fixed by a protocol, hammered out by the computer-graphics ninja overlords of the Association for Computing Machinery’s Global Multimedia Protocol Group.” 290 The characteristics of the Metaverse affect its function, supporting standards that allow a wide range of different types of software to interface in its environment. 291

Because this packaging defines standards that serve a functional purpose, it would probably not win trade dress protection. 292 As one commentary states: “Features that make a product easier to use, or even those that users might become accustomed to as a ‘standard,’ appear likely to be deemed functional and thus unprotectable.” 293 Of course, the shape and appearance of the Metaverse may embody some other sort of intellectual property. 294

284. But see Kellner, Computer User, supra note 5, at 359-60 (arguing that trade dress protection of software extends beyond the point of sale to encompass user interface); Kellner, Trade Dress, supra note 5, at 1031-33 (arguing that trade dress protects consumers against the likelihood of confusion beyond the point of sale).
285. Stephenson, supra note 266.
286. Id.
287. Id. at 23-25.
288. Id. at 23, 37-48.
289. Id. at 23.
290. Id.
291. Id. at 25.
292. See, e.g., Digital Equip. Corp. v. C. Itoh & Co., 229 U.S.P.Q. 598 (D.N.J. 1985) (finding that keyboard layout, though initially aesthetic and nonfunctional, had become a standard and thus was disqualified from trade dress protection by merit of its functionality).
293. Liebman et al., supra note 5, at 5.
294. Note that as a standard format it may also fail to win protection under copyright law. See, e.g., Lotus Dev. Corp. v. Paperback Software Int’l, 49 F.3d 807, 816 (1st Cir. 1995) (holding menu command hierarchy an uncopyrightable method of operation), aff’d per
More relevant to present purposes, this example demonstrates that virtual packaging may serve functional purposes more frequently than real-space packaging does. Thus, the former type of packaging should more frequently fail to qualify for trade dress protection. In a world built solely of information, containers may serve as interfaces rather than as mere wrappers. In the Metaverse, for example, people swap databases by handing each other virtual hypercards.

This confusion between appearances and functions also surfaces in a second example from Snow Crash: the Black Sun. The Black Sun ranks as the hippest bar in the Metaverse, with a trade dress that tends toward the austere. Its exterior presents a simple, squat, black pyramid. Inside, “the decor consists of black, square tabletops hovering in the air (it would be pointless to draw in legs), evenly spaced across the floor in a grid.”

If the Black Sun’s architecture and design served solely as decoration, it would probably win the same trade dress protection as its real-space counterparts, the Two Pesos and Fuddruckers restaurants. It would likewise raise the same questions about overextending trade dress rights. It looks as if the Black Sun’s architecture says more about economics than aesthetics, however. Stephenson explains that the hackers who “wrote” the Black Sun “didn’t have enough money to hire architects or designers, so they just went in for simple geometric shapes.” Likewise, the interior decor of the Black Sun appears to serve a functional purpose: “Everything is matte black, which makes it

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295. The bar on functional trade dress represents not a statutory doctrine, but rather a judicial one. See In re Morton-Norwich Prods., Inc., 671 F.2d 1332, 1336 (C.C.P.A. 1982) (“This requirement of ‘nonfunctionality’ is not mandated by statute, but ‘is deduced entirely from court decisions.’”).

296. STEPHENSON, supra note 266, at 102-03.

297. Id. at 50.

298. Id. at 37, 50-51.

299. Id. at 37.

300. Id. at 50.

301. Id. at 37.
a lot easier for the computer system to draw things in on top of it—no worries about filling in a complicated background.\textsuperscript{302} The simple interior and exterior design of the Black Sun thus does more than merely create a cyberpunk atmosphere.\textsuperscript{305} It also reduces the computational burdens of creating and running the Black Sun, and, presumably, the proprietors’ costs.\textsuperscript{304} Does this render trade dress law inapplicable? Probably not.

The Black Sun’s competitors would have many alternative geometric shapes and matte color backgrounds from which to choose. The Black Sun’s owners also could argue forcefully that, as in \textit{Two Pesos} and \textit{Fuddruckers}, these individually functional elements combine to create a nonfunctional whole. Furthermore, like the restaurants in \textit{Two Pesos} and \textit{Fuddruckers}, the Black Sun offers more than mere decor; its built-in software expels disruptive and infectious guests, making the Black Sun a popular and safe meeting place.\textsuperscript{305}

Nevertheless, any claim to the Black Sun’s trade dress would still cover a good deal of the same product—the hip noir atmosphere—that its customers value. The proprietors of the Black Sun could thus win virtual trade dress rights to intrinsically valuable features of their service and wield those rights against competing hot spots. Indeed, the rush to grab rights to the Black Sun’s trade dress has already started; Viacom New Media has announced a forthcoming CD-ROM action-adventure game based on Stephenson’s \textit{Snow Crash}.\textsuperscript{306} Viacom claims that it has “attempted to retain the book’s flavor by keeping core elements of the Metaverse—such as the Black Sun,”\textsuperscript{307} and prerelease screen shots from the game indicate that it aims to recreate Stephenson’s imagery.\textsuperscript{308} Arguments that these types of game environments operate as trade dress should soon follow.

\textbf{B. A Real Improvement}

These examples from After Dark, Myst, and \textit{Snow Crash} illustrate that the brave new world of virtual reality holds significant potential for the abuse of trade dress law. In any circumstance in which consumers value a virtual environment for its aesthetic qualities, overbroad trade dress claims threaten to provide unduly expansive and

\textsuperscript{302} Id. at 50-51.  
\textsuperscript{303} Id. at 37, 50-51.  
\textsuperscript{304} Id.  
\textsuperscript{305} Id. at 51.  
\textsuperscript{307} Id.  
\textsuperscript{308} See id.
long-lived intellectual property rights. These circumstances will surely increase as computer interfaces and virtual environments become more detailed, realistic, and beautiful. We should expect to see virtual environments evolve into something like architecture: pleasant and universally accessible backdrops for the more active pursuits of work and play. In this capacity, virtual environments will, like the cards in Hartford House or the prints in Romm Art, stand alone as desiderata and identify no other commodity. These virtual environments should not win trade dress protection.

1. Intrinsic Limits on Virtual Trade Dress.—Despite the risks it poses, virtual trade dress does not threaten to entirely consume intellectual property rights in virtual reality. First, rights to a particular trade dress might fail to protect individual functional elements that combine to create it. It seems likely that many aspects of on-line environments will serve as standards or functional interfaces, thus disqualifying them from trade dress protection. Of course, trade dress does cover unique configurations of individually functional elements. Virtual trade dress could thus provide a monopoly on a particular style of World Wide Web page, for example, if not the particular buttons built into it.

Second, virtual trade dress would not protect in their entirety digital environments that qualify as functional. Increasingly, people work as well as play on-line. Commercial services will find it difficult to claim trade dress rights in the same environments that they tout as functional. In advertising, “You’ll access data faster in our DigitalLibrary™!”, for example, a service provider would undermine its trade dress rights to the very features of which it boasts.

Finally, some commentators have argued that trade dress protection suffers comparative disadvantages to copyright protection. Moreover, in some circumstances, the likelihood of confusion test of trade dress infringement might offer less coverage than the substantial similarity test of copyright infringement. The defendant in a copyright infringement suit gains little, for example, by having affixed

309. See, e.g., Fuddruckers, Inc. v. Doc’s B.R. Others, Inc., 826 F.2d 837, 842 (9th Cir. 1987) (“[F]unctional elements that are separately unprotectable can be protected together as part of a trade dress.”).
310. Jake Kirchner, Inside, PC Mag., Oct. 8, 1996, at 4. This entire issue is devoted to articles about tools for performing work on the Internet.
311. See, e.g., Liebman et al., supra note 5, at 7-8 (arguing that “copyright protection for software is easier to obtain and affords broader protection” than trade dress or trademarks).
312. But see supra Part VI.C.1.
disclaimers to inform consumers of the actual source of offending copies.\(^{313}\) In a similar vein, the same derivative work that infringes a copyright could pose too low a risk of confusion to support a trade dress infringement claim.\(^{314}\) Note, however, that copyright protection might fail to cover the most important aspects of virtual environments; it looks increasingly doubtful that copyright law protects the “look and feel” of computer interfaces.\(^{315}\)

2. Curbing Virtual Trade Dress.—Despite some inherent limitations, virtual trade dress remains a problem. Courts can curb it, however, through a variety of measures. Courts should simply refuse to recognize claims to pure virtual trade dress. They can detect it by asking if the claimed trade dress in fact constitutes the commodity that consumers value and then disallow it as either functional, inherently nondistinctive, or both.\(^{316}\)

In many cases virtual trade dress will come mixed with the real thing. Given the importance of free competition, courts should avoid foreclosing all access to the trade dress in question. Courts should thus force competitors to apply just enough disclaimers and labeling to ward off consumer confusion.\(^{317}\) Furthermore, courts should demand less labeling from defendants as the trade dress in question falls more heavily on the virtual side of the scale. Requiring disclaimers not only hinders competition by increasing defendants’ costs, in the case of virtual trade dress, it can hinder competition by rendering the commodity in question less valuable. For example, had Hallmark es-

\(^{313}\) See Liebman et al., supra note 5, at 7. This same defense would not ward off a trade dress dilution claim, either. See, e.g., Imagineering, Inc. v. Van Klasek, Inc., 53 F.3d 1260 (Fed. Cir. 1995) (affirming the verdict of trade dress dilution under New York law of furniture having a nautical look); Dallas Cowboys Cheerleaders, Inc. v. Pussy Cat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) (affirming a preliminary injunction barring dilution under New York law of cheerleader uniform).

\(^{314}\) Again, such a derivative work may give rise to a trade dress dilution claim. See 15 U.S.C.A. § 1125(c) (West Supp. 1997).

\(^{315}\) See supra note 294; see also John Hornick, Computer Program Copyrights: Look and Feel No Evil, 8 SOFTWARE L.J. 355, 355 (1992) (“[T]he extent to which copyright protection extends to its nonliteral elements, such as . . . its so-called look and feel, is still unclear.”); Jack Russo & Jamie Nafziger, Software “Look and Feel” Protection in the 1990s, 15 HASTINGS COMM. & ENT. L.J. 571, 577 (1993) (describing the “conflicting judicial opinions” regarding the copyright protection of the “look and feel” of computer software).

\(^{316}\) See supra Part VI.B.1-2.

\(^{317}\) See, e.g., Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 232-33 (1964) (holding that a state may make appropriate labeling laws to “prevent customers from being misled as to the source,” but may not prohibit the copying of unpatented or uncopyrighted articles); Esercizio v. Roberts, 944 F.2d 1285, 1250 (6th Cir. 1991) (Kennedy, J., dissenting) (“The proper remedy is to require identification of the source of the replica, not prohibit copying of the product.”).
caped the Hartford House litigation with only a disclaimer requirement, forcing Hallmark to stamp a disclaimer in bold, red letters across the face of offending cards would have effectively foreclosed competition.

In product design cases mixing real and virtual trade dress, courts should also require the plaintiff to show secondary meaning.\textsuperscript{318} Although Two Pesos allows courts to find trade dress inherently distinctive,\textsuperscript{319} these courts should not seize on this option with regard to trade dress that includes the very commodities that consumers value. To the extent that trade dress itself represents a \textit{desideratum}, consumers cannot distinguish it from what the trade dress supposedly identifies,\textsuperscript{320} nor will any amount of use in commerce change that fact.\textsuperscript{321}

**Conclusion**

Virtual reality offers exciting new worlds not only for people, but also for legal doctrines. Its liberating and disorienting sweep will challenge us—and our laws—to adapt quickly. The sooner that we can identify and prevent potential problems, the better. On these grounds alone, virtual trade dress qualifies for eradication. Even apart from its dark potential, however, virtual trade dress poses problems right now.

Despite its pedigree in influential cases, virtual trade dress stands on shaky ground. Not one of the economic justifications that support conventional trade dress rights applies to trade dress that has intrinsic value. Moreover, virtual trade dress fails to meet the traditional legal standards of nonfunctionality and distinctiveness. Policy considerations leave such trade dress looking unwise; legal considerations might even render it unconstitutional.

\textsuperscript{318} See Gaske, \textit{supra} note 67, at 1139 (arguing that finding secondary meaning is the only appropriate test in these cases because the inherent distinctiveness test “improperly expands trade dress protection into areas reserved for copyrights and patents”).


\textsuperscript{320} See \textit{supra} Part VI.B.1.

\textsuperscript{321} Note, however, the Supreme Court’s statement in Two Pesos that “the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).” \textit{Two Pesos}, 505 U.S. at 768 (citations omitted). Section 1052(f) of 15 U.S.C. provides that in considering a mark for registration “[t]he Commissioner may accept as prima facie evidence that the mark has become distinctive . . . proof of substantially exclusive and continuous use thereof . . . for the five years before the” registrant’s claim of distinctiveness. 15 U.S.C. § 1052(f) (1994). Perhaps a trade dress claimant could cite \textit{Two Pesos} and section 1052(f) in an argument to force a court to consider secondary meaning. A counterargument: The Commissioner and courts routinely read into the preamble to section 1052 a bar on generic marks. As noted \textit{supra} Part VI.B.1., virtual trade dress qualifies, in some sense, as even less distinctive than generic.
Virtual environments no doubt qualify for protection from theft and copying. Copyrights, licenses, design patents, and various technological fixes can do most of that work. Even trademark law has a role, albeit one far smaller than a few errant courts have allowed. In virtual reality, as elsewhere, trademarks and trade dress ought to do no more than identify a commodity’s source, and not do so much as to unduly limit competition. Virtual trade dress thus already represents an aberration of trademark law. If current legal and technological trends continue, moreover, virtual trade dress could become a very real problem.