Trade Dress Protection of Product Designs: Stifling the Progress of Science and the Useful Arts for an Unlimited Time

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Trade dress protection of product designs is anticompetitive, unconstitutional, and poor public policy. Trade dress originally encompassed only the packaging and labeling of a product. Under unfair competition law, firms were prohibited from falsely packaging and labeling their products in order to pass them off as the products of another. However, over the last twenty years, federal courts have broadened the concept of trade dress to include the shape and design of the product itself. Courts have recently relaxed the standards for trade dress protection and, consequently, expanded the protection of product designs as trade dress. In doing so, federal courts have pioneered a new form of intellectual property in product designs. Armed with trade dress rights, a firm may prevent competitors from marketing products with similar designs. Federal courts have thus created a powerful form of intellectual property that requires little or no standards for protection, affords monopoly rights, lasts forever, and eliminates rightful competition.

Although courts protect product designs as trade dress under the guise of preventing consumer confusion, many opinions reveal a belief that competition through imitation is inherently wrong. In what one commentator describes as a “fear and loathing of copycats,” courts have protected product designs from “pirates,” “unscrupulous competitors,” “rip-off artists,” and “average thieves.”

By focusing on the ethics of copying, courts have ignored the procompetitive aspects of imitation. Imitators increase the supply of popular products and provide consumers with goods at competitive prices. Imitators may also supply aesthetically compatible products or replacement products. In sum, imitators break a firm’s monopoly hold on a particular market. Moreover, the Supreme Court has repeatedly held that, in the absence of a patent or

In addition, the Patent Clause of the United States Constitution mandates that Congress grant monopolies only to inventions or designs that meet specific standards of patentability and then only for limited times. Federal courts grant the equivalent of design patent protection when protecting product designs as trade dress. However, designs qualifying for trade dress protection need not meet the standards of patentability required for a design patent and this protection can potentially last forever.

Lower federal courts have ignored clear Supreme Court holdings and the Constitution to protect product designs as trade dress. Courts grant trade dress protection to designs that cannot qualify for patent protection, designs that are already covered by a design patent, and designs on which a design patent has expired. In doing so, courts protect designs that the patent laws mandate should be in the public domain and available for copying. These decisions clearly conflict with design patent law and the Patent Clause of the Constitution.

In contrast to patent law's specific statutory scheme rooted in the Constitution, trade dress rights have evolved from the common law of unfair competition. Accordingly, the standards for trade dress protection are uncertain and vary from court to court. Courts have developed various multi-factor tests that make trade dress rights utterly unpredictable. In contrast to patent law's statutory scheme for resolving priority disputes and issuing patents, competitors have no way to know if and when a firm acquires trade dress rights. Trade dress protection of product designs is the antithesis of national uniformity and certainty in intellectual property rights.

Part I of this Note compares design patent law with trade dress protection of product designs. Part II examines the policies of patent law and analyzes the Supreme Court cases that have formulated these policies. In addition, this section details the conflict between design patent law and trade dress protection of product designs. Part III responds to the common arguments for the continued validity of trade dress protection. Part IV addresses four potential solutions to the problems with trade dress protection of product designs. This note concludes with the proposal that no firm should be liable for trade dress infringement of a product design if that firm takes "every reasonable means" to prevent confusion.
I. PROTECTION OF INDUSTRIAL DESIGNS - PATENT V. TRADEMARK

A. Subject Matter Protected

Under patent law, a designer may obtain a design patent on the "ornamental" features of a utilitarian product. Ornamental features are those that contribute to the look or appearance of a product rather than the use of the product. A designer may not obtain a design patent on the functional features of a product. Only utility patent law may protect a product's functional features. Although individual features of a product may be functional, a design patent may cover the overall appearance or design of a product if the design is not "dictated by" or "essential to the use of" the product. In close cases, courts look to whether the design is primarily functional or primarily ornamental.

Similarly, under trademark and unfair competition law, a designer may obtain protection for a product's trade dress. A product's trade dress is the total image and overall appearance of the product. Trade dress is an expansive concept that may include a product's size, shape, color, packaging, and advertising material. Although trade dress traditionally referred to the packaging and labeling of a product, courts have broadened the concept to include the shape and design of the product itself.

Like design patent protection, courts do not protect product designs under trade dress if those designs are functional. A feature is functional and unprotectable if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." Although individual features may be functional, the overall appearance of a product design may be nonfunctional. The purpose of the nonfunctionality requirement is to prevent a con

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4 Id.
7 Inwood Lab., Inc. v. Ives Lab., Inc., 456 U.S. 844, 850 n.10 (1982).
Conflict between trademark/unfair competition law and utility patent law.  

**B. Authority for Protection**

The Patent Clause of the United States Constitution grants Congress 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.  

Pursuant to this authority, Congress enacted the Patent Act.  

The Patent Act provides for two primary types of patents—utility and design patents. Utility patents cover products and processes, while design patents cover ornamental designs on manufactured products.  

Pursuant to the Patent Act, the Patent and Trademark Office ("PTO") may grant patent rights to the first inventor of a product design. The Patent Act requires that a potential patentee satisfy certain standards of patentability before a patent is granted. An inventor must submit a patent application to the PTO claiming the invention within one year of the public use or sale of the design. If the patent applicant satisfies the standards of patentability, the PTO will issue a patent on the claimed design.  

In contrast to patent law's specific statutory scheme and clear constitutional mandate, courts protect product trade dress under the federal trademark and unfair competition statute, the Lanham Act of 1946. The Lanham Act defines a trademark to include any "word, name, symbol, or device . . . used . . . to identify and

9 See W.T. Rogers Co., Inc. v. Keene, 778 F.2d 334, 338 (7th Cir. 1985) ("a defense of functionality [heads] off a collision between section 43(a) and patent law"); Keene Corp. v. Paraflex Indus., Inc., 653 F.2d 822, 824 (3d Cir. 1981) ("The purpose of the rule precluding trademark significance [for functional features] is to prevent the grant of a perpetual monopoly to features which cannot be patented. . . . Products or features which have not qualified for patent protection but which are functional are in the public domain and are fair game for imitation and copying.").  

10 U.S. CONST. art. I, § 8, cl. 8.  


12 Id. § 101 ("process, machine, manufacture, or composition of matter").  

13 Id. § 171 ("ornamental design for an article of manufacture").  

14 Id. § 102(b).  

distinguish . . . goods . . . from those manufactured by others.\textsuperscript{16} Courts have interpreted this definition to include the shape of the product itself and have allowed registration of product designs as trademarks.\textsuperscript{17} Before registering a trademark, the PTO reviews trademark applications for distinctiveness, truthfulness, content, and novelty.\textsuperscript{18} A registered trademark may be enforced under section 32 of the Lanham Act.\textsuperscript{19}

However, in contrast to patent rights, trade dress rights may arise without registration or application to the PTO. A firm may acquire rights in a product's trade dress merely through use of that trade dress. Courts recognize unregistered trade dress under section 43(a) of the Lanham Act. Section 43(a) codifies the federal law of unfair competition and provides:

Any person who, on or in connection with any goods or services . . . uses any word, term, name, symbol, or device, or any combination thereof . . . which . . . is likely to cause confusion, or to cause mistake . . . as to the origin, sponsorship, or approval of his or her goods . . . shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.\textsuperscript{20}

Although a product's trade dress may be registered under section 32, courts most often protect unregistered trade dress under section 43(a). Protection under either section is the same. Courts interpret both section 43(a) and section 32 to prohibit the marketing of similar product designs that are "likely to cause confusion."\textsuperscript{21}

Although the statute says absolutely nothing about product

\textsuperscript{16} 15 U.S.C. § 1127 (1991). Similarly, a service mark is a mark used to identify services. \textit{Id.}

\textsuperscript{17} See, e.g., Kohler Co. v. Moen Inc., 12 F.3d 632, 635-36 (7th Cir. 1993) (upholding registration of faucet design). Registration offers several benefits. A registered trademark becomes incontestable on the grounds of distinctiveness and anticipation after 5 years. 15 U.S.C. §§ 1064, 1065, 1115(b) (1991). Registration also provides national notice of trademark rights.

\textsuperscript{18} For example, a trademark may not be deceptive, immoral, or scandalous. \textit{Id.} § 1052(a). Also, a person's surname is not immediately registrable as a trademark without a showing of secondary meaning. \textit{Id.} § 1052(c)(f). Descriptive marks are also not immediately registrable. \textit{Id.} Finally, a mark must not be likely to cause confusion with an earlier mark. \textit{Id.} § 1052(d).

\textsuperscript{19} \textit{Id.} § 1114.


\textsuperscript{21} See Joseph P. Bauer, \textit{Federal Law of Unfair Competition}, 31 UCLA L. Rev. 671, 708 n.169 (1984) (standard of consumer confusion is the same under both § 32 and § 43(a)).
designs or copying, product designs have found protection in section 43(a) under a variety of theories. Some courts protect unregistered product designs as trademarks.\textsuperscript{22} Alternatively, some courts view copying of product designs as unfair competition and prohibited under section 43(a).\textsuperscript{23} Still other courts read a cause of action for trade dress infringement into section 43(a).\textsuperscript{24} “Attempts to incorporate protection for a product’s overall design or appearance into section 43(a) have come under a variety of guises.”\textsuperscript{25}

C. Standards for Protection

To obtain a design patent, a patent applicant must show the design is novel and nonobvious.\textsuperscript{26} To satisfy the novelty requirement, a design must not be anticipated by prior patents, printed publications, or public use by others.\textsuperscript{27} An obscure publication, unknown to the inventor, may bar patentability.\textsuperscript{28} Also, where two or more designers claim a design, the first to have made the design generally prevails.\textsuperscript{29} In sum, a design must be original to qualify for patent protection.

In addition, the design must be nonobvious.\textsuperscript{30} A design is not patentable if, at the time the design was made, the design

\textsuperscript{22} See, e.g., Blau Plumbing v. S.O.S. Fix-it, 781 F.2d 604, 608 (7th Cir. 1986); Keene Corp. v. Paraflex Industries, 653 F.2d 822, 825 (3d Cir. 1981) (“design trademark”).

\textsuperscript{23} See, e.g., Truck Equip. Serv. Co. v. Fruehauf Corp., 536 F.2d 1210, 1220 (8th Cir.) (finding infringement under § 43(a) of shape of semitrailer), cert. denied, 429 U.S. 861 (1976).

\textsuperscript{24} See e.g., Qualitex Co. v. Jacobson Prods. Co., 13 F.3d 1297, 1305 (9th Cir.), petition for cert. filed, (Apr. 4, 1994).

\textsuperscript{25} American Greetings Corp. v. Dan-Dec Imports, Inc., 807 F.2d 1136, 1140 n.2 (3d Cir. 1986).

\textsuperscript{26} With the exception of the ornamentality requirement, the standards for utility patents and design patents are the same. “The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.” 35 U.S.C. § 171 (1991).

\textsuperscript{27} Id. § 102 (1991). The inventor must also show timely application for the patent and, in the event of a priority dispute, diligence in reducing the invention to practice.

\textsuperscript{28} For an extreme example, see In re Borst, 345 F.2d 851 (C.C.P.A. 1965) (patent claims on nuclear reactor anticipated by classified government document), cert. denied, Borst v. Brenner, 382 U.S. 973 (1966). However, a prior publication must generally be disclosed to the public to bar patentability.

\textsuperscript{29} 35 U.S.C. § 102(g) (1991). An invention is “made” when it is reduced to practice. To take priority, an inventor must have first made and not abandoned, suppressed, or concealed the invention. In addition, an inventor can take priority by proving prior conception and diligence in reducing the invention to practice. Diligence is measured from a time prior to conception by the other party. Id.

\textsuperscript{30} Id. § 103.
would have been obvious to a designer of ordinary skill in the field.  

A design must not only be new, it must also represent an advance over the prior designs in the field. As an aid in determining whether a design is an advance over prior designs, courts sometimes consider if the design is a commercial success. This secondary consideration presumes that if an invention was obvious, someone else would have discovered it sooner. Obvious advances are not patentable because they do not demonstrate the skill and ingenuity which justifies the limited monopoly of a patent. Similarly, obvious advances are in the public domain and free for the use of all. These standards of patentability, novelty and nonobviousness, distinguish patentable designs from designs that may be freely copied by all.

Courts do not require that a product design be novel or nonobvious to be protected as trade dress. The design must merely be capable of distinguishing the product from products sold by others. A design is capable of distinguishing the source of the product if the design has acquired secondary meaning or, under the modern trend in trade dress infringement cases, if the design is inherently distinctive.

The doctrines of secondary meaning and inherent distinctiveness are borrowed from the distinctiveness spectrum of traditional word trademarks. The distinctiveness spectrum includes: fanciful

32 Id. For utility patents, the "secondary considerations" of commercial success, long felt but unsolved need for the invention, and the fact that others have tried and failed to make the invention, indicate nonobviousness. See Graham v. John Deere Co., 383 U.S. 1, 17 (1966).
33 See Hotchkiss v. Greenwood, 52 U.S. (11 How.) 248, 267 (1851) ("[U]nless more ingenuity and skill . . . were required . . . than were possessed by an ordinary mechanic acquainted with the business, there was an absence of that degree of skill and ingenuity which constitute essential elements of every invention. In other words, the improvement is the work of a skillful mechanic, not that of an inventor.").
34 See Bonito Boats Inc. v. Thunder Craft Boats Inc., 489 U.S. 141, 156 (1989) ("Both the novelty and the nonobviousness requirements of federal patent law are grounded in the notion that concepts within the public grasp, or those so obvious that they readily could be, are the tools of creation available to all.").
35 In other words, the design must serve as a trademark. "The term 'trademark' includes any word, name, symbol, or device . . . used . . . to identify and distinguish . . . goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127 (1991).
36 Fanciful marks are words that are coined for the purpose of identifying a good or service. Examples are RX-7 cars, KODAK cameras, and XEROX copiers. See McCarthy, supra note 5, at § 11.03.
or arbitrary\textsuperscript{37} marks; suggestive marks;\textsuperscript{38} descriptive marks;\textsuperscript{39} and generic terms.\textsuperscript{40} Arbitrary, fanciful, and suggestive marks are considered inherently distinctive and may immediately serve as a trademark.\textsuperscript{41} Inherently distinctive words have little or no connection to the products they mark. Competitors, therefore, have no need to use the words to describe their products.

Competitors may need to use descriptive marks to describe the products they mark. Therefore, one firm may not exclusively use a descriptive term as a trademark unless consumers associate that term with the firm. Hence, the term then has a secondary meaning that identifies the source of the product and the term becomes distinctive.\textsuperscript{42} In the case of generic terms, all firms need the generic term to adequately describe their product because the generic term is the name of the product.

A product design acquires secondary meaning when consumers associate a particular product design with a single source.\textsuperscript{43} Courts examine several factors to determine if a design has acquired secondary meaning including: 1) the length and exclusivity of the design's use;\textsuperscript{44} 2) direct testimony that consumers associate a design with a single source;\textsuperscript{45} 3) consumer surveys;\textsuperscript{46} 4) unso-

\textsuperscript{37} Arbitrary marks are words that are in common use but have no connection with the goods they identify. Examples are SATURN cars, PIONEER stereos, and MACINTOSH computers. \textit{Id.} \textsection 11.04.

\textsuperscript{38} Suggestive marks are words that suggest some quality of the good that they identify but require some thought to connect the mark with the product. Examples are CHUNKY MONKEY banana/walnut ice cream, IVORY soap, LIFE cereal, and GREYHOUND bus lines. \textit{Id.} \textsection 11.20-23.

\textsuperscript{39} Descriptive marks are words that describe the goods or service they identify. Examples are EVERREADY batteries, SUPREME crackers, and RAISIN-BRAN cereal. \textit{Id.} 11.05-08.

\textsuperscript{40} Generic terms are words that have come to identify the product itself and therefore have no value in identifying the source of the product. Examples are thermos, aspirin, and lite beer. \textit{Id.} \textsection 12.01-18.

\textsuperscript{41} \textit{See} 15 U.S.C. \textsection 1052 (1991) (allowing registration for any mark "by which the goods of the applicant may be distinguished from the goods of others").

\textsuperscript{42} \textit{See id.} \textsection 1052(f) (allowing registration for mark "which has become distinctive"). The Lanham Act presumes distinctiveness upon five years of continuous and exclusive use of a mark. \textit{Id.}

\textsuperscript{43} \textit{See} Kramer Mfg. Co. v. Andrews, 783 F.2d 421, 449 (4th Cir. 1986) (secondary meaning is established when "in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.").

\textsuperscript{44} "[W]hile not impossible, it is difficult for a product to acquire secondary meaning during an 18-month period." Braun Inc. v. Dynamics Corp., 975 F.2d 815, 826 (Fed. Cir. 1992) (finding that blender design had not acquired secondary meaning).

licited media coverage of a product's design;\textsuperscript{47} 5) sales success;\textsuperscript{48} and 6) advertising expenditures.\textsuperscript{49} If these factors indicate that consumers associate the design with a single firm, the firm may protect the design as a trademark.

Until recently, a firm that claimed trademark rights in a product design was required to show that the design had established secondary meaning. Secondary meaning was established when consumers came to associate a particular design with a single manufacturer.\textsuperscript{50} However, the Supreme Court recently held that trade dress may be inherently distinctive and secondary meaning need not be shown.\textsuperscript{51} The Court found that a restaurant's decorations, exterior design, and overall atmosphere could be inherently distinctive. Because this case dealt with trade dress in general and not product design specifically, it arguably does not apply to the shape of a product. In fact, many courts and commentators have stated that the shape and design of a product may never be inher-

\textsuperscript{47} See LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71, 78 (2d Cir. 1985).
\textsuperscript{48} Id.
\textsuperscript{49} Id.
\textsuperscript{50} See Kramer Mfg. Co. v. Andrews, 783 F.2d 421, 449 (4th Cir. 1986) (secondary meaning is established when "in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.").
\textsuperscript{51} In Two Pesos, Inc. v. Taco Cabana, Inc., 112 S. Ct. 2753 (1992), one Southwestern style restaurant had copied the decorations (paintings, decorations, artifacts, exterior neon painting, awnings, etc.) of another restaurant. At trial, a jury found that the trade dress of the restaurant had not acquired secondary meaning but was inherently distinctive. In other words, consumers did not associate the decorations with any particular restaurant, but the decorations themselves were so unique that they obviated any need to show this association. The jury also found a likelihood of confusion and that the decorations were nonfunctional. On appeal, the Fifth Circuit upheld the lower court's finding of trade dress infringement based on inherent distinctiveness without a showing a secondary meaning. Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113 (5th Cir. 1991), aff'd, 112 S. Ct. 2753 (1992). In contrast, the Second Circuit had previously held that secondary meaning was required to protect a product's trade dress. Vibrant Sales, Inc. v. New Body Boutique, Inc., 652 F.2d 299, 308 (2d Cir. 1981), cert. denied, 455 U.S. 909 (1982).

The Supreme Court resolved the dispute in favor of the Fifth Circuit. The Court unanimously held that a showing of secondary meaning is not required if inherent distinctiveness is shown. The Court found no difference between a standard trademark (i.e., a word or symbol) and trade dress that serves as a trademark. "We see no basis for requiring secondary meaning for inherently distinctive trade dress under 43(a) but not for other distinctive words, symbols, or devices capable of identifying a producer's product." Two Pesos, 112 S. Ct. at 2760.
ently distinctive.\textsuperscript{52} Regardless, most courts considering this issue have applied the Supreme Court's holding to the shape of a product and found that the shape could be inherently distinctive.\textsuperscript{53} Courts may therefore protect product designs absent a showing of secondary meaning.

To determine if a product design is inherently distinctive, courts examine whether the design is "unique or unusual in a particular field" and not a "common' basic shape or design."\textsuperscript{54} Also, a court may consider whether "a buyer will immediately rely on [a product's design] to differentiate the product from those of competing manufacturers'."\textsuperscript{55} Accordingly, a product design may acquire trademark status based on a court's intuitive judgment of

\textsuperscript{52} In Sicilia Di. R. Biebow & Co. v. Cox, 792 F.2d 417, 426 n.7 (5th Cir. 1984), the Fifth Circuit found that the packaging of a product was inherently distinctive but restricted its holding to the packaging and not the shape of the product itself. "Unlike a product's configuration, which may acquire trademark value over time and by exposure to consumers, arbitrary and nonutilitarian trade dress or packaging usually is designed to act immediately as an identifier of source." Id.

Similarly, the Sixth Circuit has recognized that the distinctive shape of a product does not instantly establish secondary meaning. Ferrari s.p.a. Esercizio Fabbriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1240 (6th Cir. 1991) ("Ferrari's vehicles would not acquire secondary meaning merely because they are unique designs or because they are aesthetically beautiful. The design must be one that is instantly identified in the mind of the informed viewer as a Ferrari design."). cert. denied, 112 S. Ct. 3028 (1992).

Some commentators recognize that the inherent distinctiveness analysis is inappropriate for product designs. \textit{See} Restatement (Third) of Unfair Competition \S16, comment b (Tentative Draft No. 2, 1990) ("Product features are more likely to be seen merely as utilitarian or ornamental aspects of the goods. In addition, the competitive interest in copying product designs is more substantial than in the case of packaging, containers, labels, and related subject matter. Product designs are therefore not considered inherently distinctive; such designs are protectable only upon proof of secondary meaning.").

However, Professor McCarthy would apparently protect a product design upon a showing of inherent distinctiveness. McCarthy notes that the source-identifying requirement of a product's shape "could be accomplished either if the shape is so unusual and unique as to be inherently distinctive or if not, by evidence of secondary meaning." McCarthy, supra note 5, at \S 7.23 n.29. In addition, McCarthy states that the \textit{Two Pesos} opinion resolved the issue and that a product shape can be inherently distinctive. Id. at \S 8.02[3].

\textsuperscript{53} \textit{See}, e.g., Braun Inc. v. Dynamics Corp., 975 F.2d 815, 825 (Fed. Cir. 1992) (remanding trade dress infringement claim on hand-held blender for determination of inherent distinctiveness in absence of secondary meaning). \textit{But see} Kohler Co. v. Moen Inc., 12 F.3d 632 (7th Cir. 1993) ("The only distinction courts make between trade dress generally and product configuration cases in particular is to require plaintiff[s] ... to prove secondary meaning because a product's shape is never inherently distinctive.").


\textsuperscript{55} Tone Brothers Inc. v. Sysco Corp., 28 F.3d 1192, 31 U.S.P.Q.2d (BNA) 1321, 1331 (Fed. Cir. 1994).
the design itself.\textsuperscript{56}

More importantly, some courts discard the secondary meaning and inherent distinctiveness requirements entirely. The Second Circuit does not require proof of secondary meaning if intentional copying is shown.\textsuperscript{57} Other courts establish a rebuttable presumption of secondary meaning upon proof of intentional copying.\textsuperscript{58} These courts reason that a competitor would not copy another's design unless it hoped to benefit from the good will associated with the design.

Similarly, courts have dispensed with the requirement of secondary meaning under the doctrine of "secondary meaning in the making."\textsuperscript{59} Under this doctrine, courts protect trade dress while secondary meaning is being established, but before consumers associate a product with a unique source.\textsuperscript{60} The rationale of the doctrine, similar to the presumption of secondary meaning, is to prevent intentional copiers from capitalizing upon the efforts of others. Most courts have rejected the doctrine of secondary meaning in the making.\textsuperscript{61}

\textbf{D. Scope of Protection}

Upon receipt of a design patent, the patentee enjoys the exclusive right to make, use, and sell the design.\textsuperscript{62} The term of a

\textsuperscript{56} To say that the overall design of a useful article is "inherently distinctive" of a particular source merely through examination and perhaps dissection seems to me an impermissible exercise of intuitive judging. It substitutes an impression that the design is outstanding, or eccentric, or clever, or something, for the proof of association with a source, gained in the marketplace, that add up to a showing of secondary meaning.


\textsuperscript{60} See MCCARTHY \textit{supra} note 5, at § 15.21.


design patent is fourteen years. In a design patent application, the design is claimed by a drawing. Written claims are normally not required. Much as metes and bounds define real property, the drawing in a design patent application defines the invention and determines the scope of protection. A patentee may prevent competitors from using the patented design “or any colorable imitation.”

A design patent is infringed:

[I]f, in the eye of the ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive the ordinary observer, inducing him to purchase one supposing it to be the other.

Alternatively stated, a design patent is infringed if an accused design is “substantially the same” and “one design would be confused with the other.

Similarly, trade dress is infringed if a similar design is “likely to cause confusion, or to cause mistake, or to deceive.” The primary, and often exclusive, test for determining likelihood of confusion is the similarity of the designs. Thus, under both design patent and trademark law, a firm may prevent competitors from using confusingly or deceptively similar designs.

Unlike design patents, trade dress rights may last forever. A trademark is valid as long as it is used. Moreover, unregistered trade dress rights are not defined absent litigation. A firm will often not know that a competitor claims trade dress rights in a particular design until confronted with a lawsuit for trade dress infringement.

63 Id. § 173.
64 “No description, other than a reference to the drawing, is ordinarily required . . . More than one claim is neither required nor permitted.” 37 C.F.R. § 1.153(a) (1993).
66 Gorham Co. v. White, 81 U.S. (14 Wall.) 511, 528 (1872).
69 “Similarity of products, however, does become actionable [under trademark law] when the similarity leads to consumer confusion as to source and the public cares who the source of that product is.” Ferrari s.p.a. Esercizio Fabbriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1243 (6th Cir. 1991), cert. denied, 112 S. Ct. 3028 (1992).
70 Trademark registration must be renewed every ten years. See 15 U.S.C. §§ 1058-59 (1991). However, trade dress need not be registered to be protected under § 43(a).
II. THE POLICIES OF PATENT LAW

A. The Origins of Patent Law

The original purpose of statutory patent law was to protect the public from unwarranted monopolies. In England prior to 1623, the King or Queen granted patent monopolies to favored individuals. The Crown often abused this power by awarding patents for inventions that were already in the public domain. Free competition was burdened with unnecessary patents. In response to public outrage over this practice, Parliament, in 1623, enacted the Statute of Monopolies which voided and prohibited all monopolies. The statute allowed future patent monopolies only to the "true and first inventor" of "new manufactures" for a limited term of fourteen years. Thus, the Statute of Monopolies recognized that standards of invention would protect the public from unwarranted monopolies.

The framers of the United States Constitution adopted a similar balance between free competition and government sponsored monopoly. Originally, Thomas Jefferson opposed all forms of government sponsored monopoly. Jefferson argued that an individual has no natural right to an idea or invention:

If nature has made any one thing less susceptible than all others of exclusive property, it is the action of the thinking power called an idea . . . . He who receives an idea from me, receives instructions himself without lessening mine; as he who lights his taper at mine, receives light without darkening me. That ideas should freely spread from one to another over the globe, for the moral and mutual instruction of man, and improvement of his condition, seems to have been peculiarly and benevolently designed by nature, when she made them, like fire, expansible over all space, without lessening their density in any point, and like the air in which we breathe, . . . incapable of confinement or exclusive appropriation. Inventions then cannot, in nature, be a subject of property.

Jefferson recognized that the free flow of ideas and inventions would benefit both consumers and market participants. Competi-

72 Id. at 68.
tors would benefit from the free access to markets. Consumers would benefit from the increased choices and lower prices resulting from healthy competition. Accordingly, "the benefit of even limited monopolies is too doubtful to be opposed to that of their general suppression."\textsuperscript{74}

James Madison, in contrast, advocated natural rights in ideas and inventions. Because invention was the fruit of individual labor, the individual should reap the reward. Also, society benefited by rewarding the inventor. Through the reward of a government sponsored monopoly, invention was encouraged. "The right to useful inventions . . . belong[s] to the inventors. The public good fully coincides . . . with the claims of individuals."\textsuperscript{75}

Jefferson acquiesced, but not on a natural rights theory. Jefferson eventually recognized and supported the social utility of rewarding inventors for disclosing new inventions. Jefferson saw the patent grant as a contract. In exchange for the exclusive right to the profits of an invention, the patente must provide a useful invention to society. Before granting a monopoly, the government must ensure that a corresponding benefit is provided to society. This bargain is an essential element of patent law and is embodied in the Patent Clause of the United States Constitution.

Although Congress is empowered to grant monopolies, it may do so only "To promote the Progress of Science and the useful Arts" and then only for "limited Times." Thus, the Patent Clause is both a power grant and a limitation on Congress. Congress may not grant patent rights to inventions or designs that do not meet specific standards of patentability.

\begin{quote}
[Congress may not] enlarge the patent monopoly without regard to the innovation, advancement or social benefit gained thereby. Moreover, Congress may not authorize the issuance of patents whose effects are to remove existent knowledge from the public domain, or to restrict free access to materials already available. Innovation, advancement, and things which add to the sum of useful knowledge are inherent requisites in a patent system which by constitutional command must "promote the Progress of . . . useful Arts."\textsuperscript{76}
\end{quote}

The standards of patentability ensure that society benefits from the grant of a patent. In order for society to benefit from a

\textsuperscript{74} 5 \textsc{Writings of Thomas Jefferson} 47 (Ford ed., 1854).
\textsuperscript{75} \textsc{The Federalist} No. 43, at 309 (James Madison) (B. Wright ed., 1961).
\textsuperscript{76} \textit{Graham v. John Deere Co.}, 383 U.S. 1, 5-6 (1966).
design or invention, it must be a new and nonobvious innovation. An invention or design that is not new is already in the public domain and not susceptible to private monopoly. The nonobviousness requirement ensures that patents are not granted for trivial or obvious advances. The novelty and nonobviousness requirements are necessary, according to Thomas Jefferson, for "drawing a line between the things which are worth to the public the embarrassment of an exclusive patent, and those which are not."^77

The Constitution also mandates that patent rights be limited in duration. Upon expiration of a patent, the rights in the patented invention or design pass to the public. As the Supreme Court stated in *Scott Paper Co. v. Marcalus Manufacturing Co.*:

> The public has invested in such free use by the grant of a monopoly to the patentee for a limited time. Hence, any attempted reservation or continuance in the patentee or those claiming under him of the patent monopoly, after the patent expires, *whatever the legal device employed*, runs counter to the policy and purpose of the patent laws.\^78

### B. The Conflict between Trade Dress Protection and the Patent Clause of the Constitution

Trade dress protection of product designs conflicts with the Patent Clause by offering patent-like protection to designs that do not meet the standards of patentability. In addition, trade dress rights may last forever, in violation of the "Limited Times" provision of the Patent Clause. As the Supreme Court has repeatedly held, protection of product designs outside of patent law is unconstitutional.

The Supreme Court has established the policies of patent law in a series of decisions analyzing the conflict between the federal patent laws and state laws. The decisions discuss whether the patent laws conflict with and therefore "preempt" the state law under the Supremacy Clause. The Supreme Court has also addressed the conflict between state trade dress protection and the Patent Clause of the Constitution. The Patent Clause applies equally to state law and common law doctrine grafted onto the federal trademark

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77 *Id.* at 9.
78 326 U.S. 249, 256 (1945) (emphasis added)
A federal law preempts a state law if the state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." It also recognizes that Congress may expressly preempt state law by delineating the permissible area for state action in a federally regulated area of law. Congress has adopted the latter approach under the copyright laws. In contrast, the patent laws do not contain an express provision for preemption of state law. Preemption doctrine under the patent laws has evolved in a series of Supreme Court decisions analyzing whether particular state laws conflict with federal patent law. In the course of these decisions, the Supreme Court has amplified the goals and purposes of federal patent law.

In early cases, the Supreme Court did not state that federal patent law "preempted" a conflicting common law doctrine. Instead, the Court spoke in terms of the public rights guaranteed by the patent laws. Specifically, the Court found a public right in the subject matter of expired patents. The Court then determined whether or not the common law doctrine in question usurped this public right.

C. Early Supreme Court Cases

In Singer Manufacturing Co. v. June Manufacturing Co., the plaintiff, claiming unfair competition and trademark infringement, attempted to prevent the defendant from copying the design of its distinctive sewing machine. The sewing machine was the subject of expired utility patents. The Court dismissed the complaint based on mere copying of the machine.

It is self evident that on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property. It is upon this condition that the patent is granted. It follows, as a matter of course, that on the termination of the patent


81 163 U.S. 169 (1896).

82 The Court noted that the plaintiff failed to distinguish its trademark infringement and unfair competition claims. Recognizing the similarities of the two doctrines, the Court restated the plaintiff's claims as unfair competition claims. Id. at 184.
there passes to the public the right to make the machine in the form in which it was constructed during the patent. We may, therefore, dismiss without further comment the complaint, as to the form in which defendant made his machines.\textsuperscript{83}

The Court recognized that the configuration of the Singer sewing machine served as a trademark. The Court noted that the prior patent monopoly had given the Singer machines "a distinctive character and form which caused them to be known as Singer machines, as deviating and separable from the form and character of machines made by other manufacturers."\textsuperscript{84} Nonetheless, the Court refused to recognize an exclusive right to this trademark because, to do so, would conflict with the public's right to the subject matter of an expired patent. However, the defendant was required to adequately label its machines to prevent consumer confusion as to the source of a machine.\textsuperscript{85}

Similarly, in \textit{Kellogg Co. v. National Biscuit Co.},\textsuperscript{86} the Court found no unfair competition where the defendant copied the plaintiff's pillow-shaped shredded wheat biscuit. The pillow shape was the subject of a design patent which had been declared invalid one year prior to expiration.\textsuperscript{87} While the pillow shape was produced by patented machines, the patents on these machines had expired. Therefore, the right to make pillow-shaped shredded wheat biscuits "was dedicated to the public" upon expiration of the patents.\textsuperscript{88}

Two significant aspects of the pillow-shaped biscuit have weakened the holding of \textit{Kellogg}. First, in contrast to the Singer sewing machine, the shape of the biscuit was "primarily associated with the article rather than a particular producer."\textsuperscript{89} Since the shape did not serve to identify the source of the biscuit, the shape could not serve as a trademark. Second, the shape was functional because the pillow shape affected the cost and quality of the bis-

\begin{itemize}
\item \textsuperscript{83} \textit{Id.} at 185.
\item \textsuperscript{84} \textit{Id.} at 179.
\item \textsuperscript{85} \textit{Id.} at 204.
\item \textsuperscript{86} 305 U.S. 111 (1938).
\item \textsuperscript{87} A district court declared the design patent invalid because the design had been in use, presumably by the patentee, more than two years prior to the application for a patent. \textit{Id.} at 119 n.4. A patent applicant must apply for a patent within one year of the public use or sale of a product. 35 U.S.C. § 102(b) (1991).
\item \textsuperscript{88} \textit{Kellogg}, 305 U.S. at 119-20.
\item \textsuperscript{89} \textit{Id.} at 120. In other words, the shape lacked secondary meaning.
\end{itemize}
Since the shape was not ornamental, it should not have originally been eligible for design patent protection. These factors have weakened the holding of *Kellogg* because the shape of the biscuit was unprotectable without resort to the policies of patent law.

In *Brulotte v. Thys Co.*, the patentee sold a patented hop picking machine and exacted a license fee for its use. The term of the licenses extended beyond the term of the patents on the machine. The Court refused to enforce the licenses beyond the term of the patents. The Court reasoned that a patentee could "leverage" its monopoly power and "the free market visualized for the post-expiration period would be subject to monopoly influences that have no proper place there." Like unfair competition law, contract law could not be used to extend the life of the patent.

### D. Sears and Compco - The Right to Copy

In later cases, the Supreme Court more specifically examined the conflict between federal patent law and a state law. In a series of cases, beginning with the seminal *Sears/Compco* decisions and culminating with the recent *Bonito Boats* decisions, the Court analyzed the purposes of the federal patent laws and whether they preempted specific state laws.

In *Sears, Roebuck & Co. v. Stiffel Co.* and *Compco Corp. v. Day-Brite Lighting, Inc.*, two cases decided on the same day, the Court held that an Illinois unfair competition statute could not prevent the copying of an unpatented product.

In *Sears*, the plaintiff had secured both design and utility patents on an interior pole lamp. The defendant copied the plaintiff's lamp and sold substantially identical lamps at discount prices. The plaintiff sued the defendant for patent infringement and unfair competition under Illinois law.

The district court declared the patents invalid "for want of invention." The defendant was therefore not liable for patent infringement.

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90 *Id.* at 122.
92 *Id.* at 32.
93 See also *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945) (doctrine of estoppel does not foreclose public rights to subject matter of expired patent; assignor of patent, accused with infringement of assigned patent, not estopped from arguing that allegedly infringing device is subject of expired patent).
95 376 U.S. 234 (1964).
infringement. However, the district court found the defendant guilty of unfair competition under the Illinois unfair competition law. According to the court, the defendant competed unfairly by selling lamps "identical to or confusingly similar to" the plaintiff's lamp.\(^6\) The Seventh Circuit affirmed because consumers were likely to confuse the similar lamps.\(^7\)

The Supreme Court reversed and held that state unfair competition law could not prevent the copying of an unpatentable product.\(^8\) The Court likened an unpatentable article to an article on which a patent has expired and, in doing so, expanded the scope of the public rights doctrine. Just as the public has a right to the subject matter of an expired patent, the public has a right to unpatentable subject matter. "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."\(^9\)

Also, the Court found that state protection of unpatentable subject matter undermined federal patent law. The federal patent system "promote[s] invention while at the same time preserving free competition."\(^10\) States would upset this balance by "extend[ing] the life of a patent or giv[ing] a patent on an article which lacked the level of invention required for federal patents. To do either would run counter to the policy of Congress of granting patents only to true inventions, and then only for a limited time."\(^11\)

The Court saw no difference between patent protection and

\(^6\) Sears, 376 U.S. at 226.

\(^7\) The Seventh Circuit did not require proof of actual confusion nor evidence that the defendant had actively "palmed off" its lamps as those of the plaintiff. Id. at 227.

\(^8\) Id. at 231-33. The Court did not distinguish between unpatented and unpatentable articles and used the terms interchangeably. There is a difference because an unpatented article may be patentable. The Court would later distinguish these terms in Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470 (1974). See discussion infra notes 128-30 and accompanying text.

\(^9\) Id. at 231; see also Coats v. Merrick Thread Co., 149 U.S. 562, 572 (1893) ("[P]laintiff's right to the use of the [invention] expired with their patent, and the public had the same right to make use of it as if it had never been patented.").

\(^10\) Id. at 230-31.

\(^11\) Id. at 231.

The result would be that while federal law grants only 14 or 17 years' protection to genuine inventions, States could allow perpetual protection to articles too lacking in novelty to merit any patent at all under federal constitutional standards. This would be too great an encroachment on the federal patent system to be tolerated.

Id. at 232 (citations omitted).
the prohibition on copying. Although copying could lead to consumer confusion, the right to copy prevailed.

Of course there could be ‘confusion’ as to who had manufactured these nearly identical articles. But mere inability of the public to tell two identical articles apart is not enough to support an injunction against copying or an award of damages for copying that which the federal patent laws permit to be copied.102

However, as it had in earlier cases, the Court noted that a state may require that goods “be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods.”103

The facts in Compco were nearly identical and the Court reached the same conclusion.104 In addition, the Court cited the Patent Clause of the Constitution as support for the federal policy of free competition.105 However, one statement in Compco was later interpreted to narrow the holding of the Sears/Compco decisions.

The Court noted that the district court had found the plaintiff's lamp design could serve as a trademark. The plaintiff's lamp had distinctive ribbing which allowed consumers to identify the lamp with the plaintiff. In response to this fact, the Court

102 Id.
103 Id.
104 The plaintiff sued the defendant for patent infringement and unfair competition for copying its lamp design. The district court held the design patent invalid but found the defendant guilty of unfair competition. Compco, 234 U.S. at 235.

The Court's opinion in Compco analyzed the design of the lamp at issue in detail. The plaintiff's lamp employed distinctive ribbing which the defendant copied. The district court found this ribbing nonfunctional because other choices were available to meet the functional needs of the product. Id. at 236. On this point, the Court noted:

That an article copied from an unpatented article could be made in some other way, that the design is “nonfunctional” and not essential to the use of either article, that the configuration of the article copied may have a “secondary meaning” which identifies the maker to the trade, or that there may be “confusion” among purchasers as to which article is which or as to who is the maker, may be relevant evidence in applying a State's law requiring such precautions as labeling; however, and regardless of the copier's motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.

Id. at 238.
105 “To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.” Id. at 237.
stated: "But if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will." Lower courts have read "other statutory protection" to mean the federal trademark act, which was subsequently interpreted to protect unpatentable product designs under trademark law. Under this reading, the Sears/Compco decisions have been applied only to state law, evading the conflict between federal patent law and federal trademark law.

E. Later Cases - The Narrowing of Sears and Compco

In Lear, Inc. v. Adkins, the Supreme Court considered the doctrine of patent licensee estoppel and confronted a conflict between federal patent law and common law contract. Adkins, under contract with Lear, Inc., developed a method for manufacturing accurate gyroscopes. While Adkins' patent on the method was pending, Adkins licensed the technology to Lear. However, Lear terminated payments on the license and argued that the patent was anticipated. After Lear stopped payments, Adkins' patent issued. Adkins sued for his royalties.

Under the doctrine of licensee estoppel, Lear was estopped to deny the validity of the licensed patent. In short, a licensee could not refuse to pay royalties on the basis that the patent was not valid because, under contract law, a purchaser may not repudiate a bargain upon becoming dissatisfied with the bargain. Patent law, however, "requires that all ideas in general circulation be dedicated to the common good unless they are protected by a valid patent." By restricting challenges to the validity of patents, the public right to unpatentable ideas may be thwarted. Finding that the demands of patent law supersede the common law of contracts, the Court repudiated the doctrine of patent licensee estoppel.

In Goldstein v. California, the Supreme Court considered the preemptive effects of the federal copyright laws. The defen-
dants were convicted under California law of "pirating" musical tape recordings. The defendants purchased commercial tapes or records, copied them to tape, and sold them in competition with the original artists. At the time the defendants were prosecuted, federal copyright law did not protect sound recordings. The defendants argued that Sears/Compco allowed them to copy any work not protected by federal copyright.

The Court distinguished Sears/Compco. Under the patent laws, the Court reasoned, Congress had carefully balanced the need to encourage invention against the freedom to copy certain articles. This balance was struck according to the standards of patentability. Those articles that did not meet the standards of patentability were free for all to use. A state, by protecting articles that did not meet these standards, upset the balance drawn by Congress.

The California law, in contrast, did not create such a conflict with federal copyright law because Congress had left sound recordings unregulated. At the time, sound recordings did not fall within the subject matter of federal copyright. Since Congress had yet to draw a balance between copyrightable and uncopyrightable sound recordings, a state law did not pose a risk of upsetting this balance. Therefore, the federal copyright laws did not preempt the California statute which protected sound recordings.

In making this distinction, the Court differentiated the preemptive effect of Congress's failure to protect specific subject matter and Congress's denial of protection based on specific qualitative criteria. Where, as in Goldstein, Congress had declined to protect specific subject matter (sound recordings not copyrightable), this congressional decision did not preempt state laws protecting the excluded subject matter. At the time of the Goldstein decision, the subject matter of federal copyright was specifically defined and strictly observed. The California law covered subject matter that fell outside the enumerated list. Therefore, the state was free to regulate the federally unregulated subject matter.

However, where Congress had affirmatively denied protection.

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113 In 1971, the Copyright Act was amended to include sound recordings created after February 15, 1972. Pub. L. No. 92-140, 85 Stat. 391 (1971); see also 17 U.S.C. § 102(a)(7) (1991) (including sound recordings in the subject matter of copyright). However, the statute did not apply retroactively to sound recordings created before this date. The defendants were prosecuted for record piracy occurring before February 15, 1972.

114 Goldstein, 412 U.S. at 569-70.

115 Id.

116 Prior to 1972, sound recordings were not copyrightable subject matter.
based on specific qualitative criteria (nonnovel and obvious articles not patentable), this congressional decision did preempt state laws protecting unworthy subject matter. The Goldstein Court characterized the issue in Sears/Compco as whether a state could protect "mechanical configurations" that lacked the "qualities required" for patent protection.\footnote{Goldstein, 412 U.S. at 569.} Although this reading narrowed Sears/Compco,\footnote{In separate dissents, Justices Douglas and Marshall saw a clear conflict with the policy announced in Sears/Compco. Both acknowledged a retreat from the policy of free competition in the absence of patent or copyright. Justice Douglas also stressed that the need for national uniformity in intellectual property required preemption. \textit{Id.} at 572-75. Justice Marshall argued that Congress had exercised its full authority in the area and its silence should be "taken to reflect a judgment that free competition should prevail." \textit{Id.} at 578.}
The central holding of Sears/Compco was not disputed. A state could not give patent-like protection to "an article which lacked the level of invention required for federal patents."\footnote{Goldstein, 412 U.S. at 569 (emphasis added) (quoting Sears, 376 U.S. at 231).}

The Court also noted that the durational limit in the Patent and Copyright Clause of the Constitution was not a limit on state action.\footnote{U.S. CONST. art. I, § 8, cl. 8 (providing Congress power to grant patents and copyrights "for limited Times").}
Although California had granted perpetual rights to sound recordings, the Patent Clause limited only Congress's power.\footnote{Goldstein, 412 U.S. at 560.}

In Kewanee Oil Co. \textit{v.} Bicron Corp.,\footnote{416 U.S. 470 (1974).} the Supreme Court considered the conflict between federal patent law and state trade secret law. The plaintiff alleged that the defendant stole its secret manufacturing process for growing large crystals. The defendants were former employees of the plaintiff and had started a competing business. The district court, applying Ohio trade secret law,
found that the plaintiff's process was a legitimate trade secret and enjoined the defendants from using or disclosing the secret process.\textsuperscript{123} The Sixth Circuit reversed, holding that the state trade secret law was preempted by patent law. The court reasoned that the state law protected patentable subject matter, a process, that was ineligible for patent protection because it had been in use for over one year.\textsuperscript{124}

The Supreme Court reversed and held that patent law did not preempt state trade secret law. The Court listed the purposes of patent law and examined whether trade secret protection conflicted with each of those purposes. The Court stated that the purposes of the patent laws were to: 1) encourage invention; 2) encourage full disclosure of inventions; and 3) deny protection to

\begin{itemize}
\item 123 Ohio had adopted the Restatement definition of trade secrets. A trade secret may be "any formula, pattern, device or compilation or information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." \textsc{Restatement of Torts} § 757 cmt. b (1939); \textit{see also Uniform Trade Secrets Act} § 1(4) (1985).
\item To qualify as a trade secret, information must not be common knowledge in the trade or business and it must not be easily ascertained by proper means. Information discovered through independent development or reverse engineering is not protected. However, independent development does not deprive a trade secret of protection if other knowledgeable parties are not too numerous and also keep the matter secret.
\item The secrecy requirement is not absolute. A trade secret may be disclosed to employees and licensees. However, the trade secret holder must make "reasonable efforts" to keep the information secret. The adequacy of safeguards are judged on a case-by-case basis and determined by the nature of the information to be protected and the conduct of the parties. Typically, employees and licensees must sign nondisclosure agreements. \textit{See USM Corp. v. Marson Fastener Corp.}, 393 N.E.2d 895, 902 (Mass. 1979). A trade secret holder must also make reasonable efforts to prevent inadvertent disclosure and industrial espionage. \textit{See E.I. DuPont deNemours & Co. v. Christopher}, 431 F.2d 1012 (5th Cir. 1970) (protecting plaintiff's trade secrets from aerial photography; plaintiff not required to cover unfinished plant to protect against disclosure).
\item A trade secret must be commercially valuable information. A simple secret, that offers no competitive business advantage, is not a trade secret. \textit{See Religious Tech. Ctr. v. Wollersheim}, 796 F.2d 1076 (9th Cir. 1986) (Church of Scientology's religious materials not a trade secret), \textit{cert. denied}, 479 U.S. 1103 (1987).
\item Even if information qualifies as a trade secret, it must be improperly acquired, disclosed, or used before the conduct is actionable. This improper conduct is usually either breach of a nondisclosure agreement or tortious conduct, such as a trespass or misrepresentation, to obtain the secret. "In general they are means which fall below the generally accepted standards of commercial morality and reasonable conduct." \textit{Restatement of Torts} § 757 cmt. f (1939). A trade secret holder is not protected if the information is obtained through proper means such as reverse engineering. \textit{See Chicago Lock Co. v. Fanberg}, 676 F.2d 400, 405 (9th Cir. 1982) (reverse engineering of lock and publication of serial number key codes not improper).
\item 124 \textit{Kewanee Oil}, 416 U.S. at 474. A patent applicant must apply for a patent within one year of the public use or sale of an invention. 35 U.S.C. § 102(b) (1991). In the case of a process, public use occurs upon sale of a product of the process.
inventions already in the public domain.\textsuperscript{125}

First, the Court noted that trade secret protection of unpatentable subject matter, such as customer lists, does not conflict with patent law.\textsuperscript{126} Just like the sound recordings in \textit{Goldstein}, Congress had drawn no balance with regard to unpatentable information. However, the crystal growing process was clearly patentable subject matter.

With regard to patentable subject matter, the Court found no conflict with the policies of encouraging invention and denying protection to items in the public domain. The patent policy of encouraging invention was not disturbed by a second incentive to invent. Also, by definition, trade secrets are not in the public domain. Therefore, the patent policy of denying protection to inventions in the public domain did not apply.\textsuperscript{127}

However, the policy of encouraging disclosure posed greater problems. If inventors opted for trade secret protection over patent protection, inventions would not be disclosed. To assess this possibility, the Court divided potentially patentable trade secrets into three categories: 1) a trade secret the inventor knows is not patentable; 2) a trade secret the inventor believes may or may not be patentable; and 3) a trade secret the inventor believes is patentable.

In the first case, abolishing trade secrets would not lead to disclosure of an invention the inventor knows is not patentable. The inventor would still have no incentive to file a patent application which would ultimately be rejected. Instead, trade secret laws protect inventions that could not otherwise be exploited. An inventor could not license a secret or efficiently work with employees if the licensee and employee could not be bound to secrecy. Therefore, trade secret protection of inventions that do not meet the standards of patentability offers a benefit without detracting from the patent policy of disclosure.\textsuperscript{128}

In the second case, abolishing trade secrets might lead to disclosure of inventions of doubtful patentability. However, many disclosures would lead to rejection by the PTO. In these cases,

\textsuperscript{125} See \textit{id}. at 480-81. The Court discussed the policies of promoting invention and disclosure and then stated: "The Court has also articulated another policy of the patent law: that which is in the public domain cannot be removed therefrom by action of the States." \textit{Id}. at 481.

\textsuperscript{126} \textit{Id}. at 482-83.

\textsuperscript{127} \textit{Id}. at 484.

\textsuperscript{128} \textit{Id}. at 485-86.
society would be temporarily denied the benefits of the licensing of the invention. Also, even if a patent is granted, the patent could ultimately be invalidated in court. Because of the problems associated with patents of doubtful validity, the Court saw no reason to encourage their disclosure.\textsuperscript{129}

In the third case, the Court struggled with the danger of discouraging disclosure of clearly patentable inventions by allowing trade secret protection. The Court noted that it would be compelled to preempt the state law if it created a "substantial risk" that inventors would not seek patents for patentable inventions.\textsuperscript{130} However, the Court found that trade secret law did not create such a risk because of the limits of trade secret protection. First, trade secret law does not protect against independent creation or reverse engineering. Second, a trade secret holder may be unable to discover or prove theft of a trade secret or breach of a confidentiality agreement. Therefore, because of these inadequacies in trade secret protection, the possibility that the holder of a patentable invention would forgo patent protection "is remote indeed."\textsuperscript{131} Because trade secret law was not a realistic alternative

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\textsuperscript{129} Id. at 487-89.

\textsuperscript{130} Id. at 489.

\textsuperscript{131} Id. at 490. The Court gave little weight to a major advantage of trade secret protection over patent protection—perpetual protection. In apparent response to this benefit of trade secrets, the Court noted that the "rare inventor" who chose trade secret protection would not likely impede technological progress. "The ripeness-of-time concept of invention, developed from the study of the many independent multiple discoveries in history, predicts that if a particular individual had not made a particular discovery others would have, and in probably a relatively short period of time." Id.

Although the Court's holding was correct, its factual conclusions were flawed. Discussions with patent counsel reveal that the availability of trade secret protection does, in fact, present a "substantial risk" that inventors will forgo patent protection. When advising clients on a comprehensive plan for intellectual property protection, patent attorneys outline the benefits, disadvantages, and costs of patent and trade secret protection. Inventors routinely opt for trade secret protection over patent protection for obviously patentable processes. The primary reason for selecting trade secret protection is the fear of disclosure upon patent expiration or that a patent will be declared invalid in litigation.

Consider the most famous trade secret—the formula and process for manufacturing Coca-Cola. The Coca-Cola Co. has successfully protected its formula as a trade secret since an Atlanta pharmacist first created Coca-Cola in 1886. See, e.g., Coca-Cola Bottling Co. v. Coca-Cola Co., 563 F. Supp. 1122 (D. Del. 1983). Under present law, Coca-Cola could have patented its process and probably the product. See Procter & Gamble Co. v. Nabisco Brands, Inc., 711 F. Supp. 759 (D. Del. 1989) (considering the patentability of a cookie that was "crispy on the outside and chewy on the inside"). However, if Coca-Cola had patented the process, it would have long ago passed into the public domain.

Despite the flaws in the Court's factual basis, the holding is correct. However, the Court did not need to examine the potential conflicts between trade secret and patent policy to reach this conclusion. Congress has implicitly, if not expressly, approved trade
to patent protection, the Court found no conflict.\textsuperscript{132}

In Aronson \textit{v.} Quick Point Pencil Co.,\textsuperscript{133} the Court held that federal patent law did not preempt state enforcement of a licensing agreement on an unpatentable article. Aronson invented a novel keyholder and applied for a patent on the invention. During prosecution of the patent, Aronson licensed Quick Point to manufacture the keyholder. The royalty agreement provided for reduced royalty payments if the patent did not issue within five years. The patent was ultimately rejected and Quick Point, after making reduced royalty payments for fourteen years, sued for a declaratory judgment that enforcement of the agreement under state contract law was preempted by federal patent law.\textsuperscript{134}

The Court reiterated the patent policies listed in \textit{Kewanee} and found no conflict with these policies. Enforceable licensing agreements both encouraged invention and promoted disclosure of the invention. With regard to the patent policy against withdrawing ideas from the public domain, the invention entered the public domain when manufactured by the licensee. Competitors were free to copy the invention. The agreement merely required the licensee to pay for the competitive advantage of being the first to market the invention.\textsuperscript{135}

In \textit{Brulotte}, the Court had held that state contract law could not extend the life of a patent.\textsuperscript{136} The patentee was forbidden

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\textsuperscript{132} Justice Douglas again dissented and declared the Court's decision "at war with the philosophy" of \textit{Sears/Compco}. \textit{Kewanee Oil}, 416 U.S. at 495. Justice Douglas did not object to adequate damages for breach of a secrecy agreement. However, an injunction against future use of a trade secret was too patent-like to survive preemption. \textit{Id.} at 498-99.

\textsuperscript{133} 440 U.S. 257 (1979).

\textsuperscript{134} \textit{Id.} at 259-60.

\textsuperscript{135} \textit{Id.} at 262-63

\textsuperscript{136} See supra text accompanying notes 91-93.
from "leveraging" a patent monopoly beyond expiration. The Aronson Court distinguished the decision because the royalty agreement had provided for the possibility that a patent might not issue. Although the patent application might provide greater bargaining power, the application "played no part" in the reduced royalty agreement.\textsuperscript{137}

In Lear, the Court had held that state contract law could not be used to prevent challenges to the validity of a patent.\textsuperscript{138} Further, a licensee that successfully challenged a patent was relieved of liability for royalty payments. The Court feared that the public rights in unpatentable ideas could be restricted. The Aronson Court distinguished the decision because it rested on the policies of encouraging challenges to invalid patents and of not withdrawing unpatentable inventions from the public domain. "Accordingly, neither the holding nor the rationale of Lear controls when no patent has issued, and no ideas have been withdrawn from public use."\textsuperscript{139}

\textbf{F. Bonito Boats - The Rebirth of the Right to Copy}

After Goldstein, Kewanee Oil, and Aronson, the continued validity of Sears/Compco was questionable. Certainly, the decisions eroded the "federal policy . . . of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain."\textsuperscript{140} Under Goldstein, states could prohibit the copying of uncopyrightable subject matter and, by analogy, unpatentable

\textsuperscript{137} Aronson, 440 U.S. at 265. The result in Aronson seems clearly at odds with Brulotte. The Court's distinction is one only of degree. Just as a patentee can leverage the patent monopoly, a patent applicant can leverage the potential monopoly. Moreover, the parties in Brulotte had contracted for rights that entered the public domain upon patent expiration. The Brulotte Court held these rights were not negotiable, although only the licensee was restricted. The parties in Aronson had contracted for rights that entered the public domain upon patent rejection. The Aronson Court held these rights were negotiable because, although the licensee was restricted, the rights were sufficiently dedicated to the public.

\textsuperscript{138} See supra text accompanying notes 108-111.

\textsuperscript{139} Aronson, 440 U.S. at 264. Lear is clearly not distinguishable on the basis of whether ideas are withdrawn from public use. The public access is the same for an invalidated patent and a rejected patent application on an invention in public use. Under both, only the licensee is argued restricted in the use of the invention. Otherwise, the invention is in the public domain. Under Lear, a licensee may stop royalty payments on an invalidated patent although only the licensee is restricted in its use. Under the reasoning of the Aronson Court, the invention would be sufficiently dedicated to public use to enforce the original contract if it provided for the contingency that the patent might be invalidated.

\textsuperscript{140} Compro, 234 U.S. at 237.
subject matter. *Kewanee* and *Aronson* had extended this encroachment on the *Sears/Compco* policy to patentable subject matter. These decisions allowed state protection of patentable subject matter if the protection did not conflict with the patent policies of encouraging invention, promoting disclosure, and not removing ideas from the public domain. However, despite their erosion, the Supreme Court refused to discard *Sears/Compco*.

In *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, the Court acknowledged that *Sears/Compco*’s "absolutist terms" could not be read literally. Certainly, all state protection of potentially patentable subject matter was not preempted. However, the Court re-stated and reaffirmed the central holding of *Sears/Compco*, that "the efficient operation of the patent system depends upon substantially free trade in publicly known, unpatented design and utilitarian conceptions."

The Florida Supreme Court had struck down a Florida statute which protected boat hull designs. The Florida statute prohibited the copying of boat hull designs by the direct molding process. A divided Florida Supreme Court held that, under *Sears/Compco*, the statute was preempted by the patent laws. In a different case, the Federal Circuit had recently upheld a similar California direct molding statute. The Federal Circuit found no conflict with federal patent laws because the California statute prohibited only one type of copying engaged in by "unscrupulous competitors." The Supreme Court affirmed the Florida Supreme Court’s holding and expressly rejected the reasoning of the Federal Circuit.

Most importantly, the Court reaffirmed the *Sears/Compco* policy of the right to copy. "From their inception, the federal patent laws have embodied a careful balance between the need to promote innovation and the recognition that imitation and refinement through imitation are both necessary to invention itself and the

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142 *Id.* at 154.
143 *Id.* at 156.
144 *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 515 So. 2d 220 (Fla. 1987).
145 The direct molding process, or plug molding, allows a competitor to copy an existing product by creating a mold from the product itself. The existing product is used to form a mold from which duplicates can be made. The direct molding process is the most efficient method for duplicating a physical product. *Id.* at 163-64.
146 Interpart Corp. v. Italia, 777 F.2d 678 (Fed. Cir. 1985).
147 *Id.* at 685.
148 *Bonito*, 489 U.S. at 163.
very lifeblood of a competitive economy."\textsuperscript{149} The Court criticized the Federal Circuit’s characterization of imitators as “unscrupulous.”\textsuperscript{150} Also, the Court repudiated the Federal Circuit’s statement that “the patent laws ‘say nothing about the right to copy or the right to use, they speak only in terms of the right to exclude.’”\textsuperscript{151}

For almost 100 years it has been well established that in the case of an expired patent, the federal patent laws do create a federal right to “copy and to use.” \textit{Sears} and \textit{Compco} extended that rule to potentially patentable ideas which are fully exposed to the public.\textsuperscript{152}

The Court drew a line at the public disclosure of an invention. Both \textit{Kewanee} and \textit{Aronson} had considered undisclosed inventions. Therefore, state protection was acceptable. However, where the invention was public, the patent laws guaranteed access to all.

\textit{W}e have consistently reiterated the teaching of \textit{Sears} and \textit{Compco} that ideas once placed before the public without the protection of a valid patent are subject to appropriation without significant restraint. . . . Both the novelty and the nonobviousness requirements of federal patent law are grounded in the notion that concepts within the public grasp, or those so obvious that they readily could be, are the tools of creation available to all. They provide the baseline of free competition upon which the patent system’s incentive to creative effort depends. A state law that substantially interferes with the enjoyment of an unpatented utilitarian or design conception which has been freely disclosed by its author to the public at large impermissibly contravenes the ultimate goal of public disclosure and use which is the centerpiece of federal patent policy.\textsuperscript{153}

The Court also declared that national uniformity is a goal of the federal patent laws. The Court feared that states might attempt to protect local industries from outside competition. “Given . . . the great power [intellectual] property has to cause harm to the competitive policies which underlay the federal patent laws, the demarcation of broad zones of public and private right is ‘the

\textsuperscript{149} \textit{Id.} at 146.
\textsuperscript{150} \textit{Id.} at 164.
\textsuperscript{151} \textit{Interpart}, 777 F.2d at 685 (citing Mine Safety Appliances Co. v. Electric Storage Battery Co., 405 F.2d 901, 902 n.2 (C.C.P.A. 1969)).
\textsuperscript{152} \textit{Bonito}, 489 U.S. at 165.
\textsuperscript{153} \textit{Id.} at 156-57.
type of regulation that demands a uniform national rule."

The Court viewed the direct molding statute as a form of protection against unfair competition. However, the direct molding statute exceeded the proper bounds of unfair competition law because the statute was directed at protecting the product itself and not protecting consumers from confusion. In making this distinction, the Court offered some guidance on the proper scope of unfair competition law as applied to product designs.

Unfair competition law is properly directed at protecting consumers from confusion as to source. Absent confusion, the product itself is not protected. The Court repeated Judge Learned Hand’s statement of this distinction:

[T]he plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy plaintiff’s goods slavishly down to the minutest detail; but he may not represent himself as the plaintiff in their sale.

In contrast, the Florida statute was “aimed directly at preventing the exploitation of the design and utilitarian conceptions embodied in the product itself.” Thus, the Court clarified that trade dress infringement requires a showing of a likelihood of confusion.

The Court made clear that its decision did not entirely preempt state unfair competition law. It reiterated the statement from 
Sears
that states may place “limited regulations” on product designs in order to prevent consumer confusion. Also, Congress has given no indication that unfair competition law is inconsistent with patent law. In fact, in section 43(a) of the Lanham Act, Congress has “given federal recognition to many of the concerns that underlie the state tort of unfair competition, and the application of 
Sears
and 
Compco
to nonfunctional aspects of a product which have been shown to identify source must take account of competing federal policies in this regard.”

154 Id. at 163 (citing Ray v. Atlantic Richfield Co., 435 U.S. 151, 179 (1978)).
155 Id. at 157-58.
156 Id. at 157 (citing Crescent Tool Co. v. Kilborn & Bishop Co., 247 F. 299, 301 (2d Cir. 1917)).
157 Id. at 158.
158 Id. at 165.
159 Id. at 166. Commentators disagree on the meaning of this passage. See discussion infra note 166.
III. FEDERAL TRADE DRESS PROTECTION OF PRODUCT DESIGNS
CONFLICTS WITH FEDERAL PATENT LAW

The Supreme Court's patent preemption cases considered conflicts between patent laws and various state laws. The Singer, Kellogg, Sears, Compco, and Bonito Boats decisions considered state laws that prohibited copying of unpatented articles. In every case, the Supreme Court held that the state law impermissibly conflicted with federal patent law. Federal unfair competition law does not differ from state unfair competition law. If state trade dress protection of product designs conflicts with design patent law, federal trade dress protection of product designs must also conflict with design patent law.

Many courts have held that the patent preemption cases, having considered only the intersection of state and federal law, apply only to state law. Therefore, because the Lanham Act is coequal to the Patent Act, the federal patent policy declared in Sears and Compco is irrelevant and product designs may be protected under section 43(a). These decisions are wrong.

The policy of the patent preemption cases may not be dismissed so easily. These cases adjudicated constitutional principles that apply to all federal laws. For example, the Patent Clause limits Congress's power to grant monopolies. Congress may grant monopolies only for a limited time. Also, the right to copy unpatented inventions is rooted in the Patent Clause. Accordingly, the federal trademark and unfair competition law may conflict with not only the coequal patent laws but also the Constitution.

Also, the patent preemption cases did not deal exclusively with the interface between state and federal law. In Brulotte and Lear, the Court struck down a patent licensing clause and the doctrine of patent licensee estoppel. Both of these were based on the federal common law of contracts. Both were contract doctrines that applied only to patents and were therefore adjudicable only in federal court. Regardless, the policies of federal patent law superseded the policies of federal common law contract.

Federal trademark law is no different from state trademark law. The standards for federal and state trade dress infringement

161 See supra notes 91, 108 and accompanying text.
NOTE-PROTECTION OF PRODUCT DESIGNS

claims are the same. The Lanham Act merely federalizes the common law of trademarks and unfair competition. As applied to product designs, section 43(a) of the Lanham Act prohibits "any false designation of origin" that is "likely to cause confusion, or to cause mistake, or to deceive." Courts have read into this general prohibition all of the technical requirements for trademark protection of a product design. The doctrines of secondary meaning/inherent distinctiveness, functionality, and the multifactor confusion test are entirely judge-made and a product of the common law. Because federal and state trademark law are the same, any conflict between federal patent law and state trademark law must also exist between federal patent law and federal trademark law.

Moreover, courts recognize the conflict between federal patent and trademark law in the functionality doctrine. Under the doctrine, functional features of a product are not accorded trademark status. The doctrine exists only to prevent conflict between the coequal federal patent and trademark acts. The functionality doctrine "head[s] off a collision between section 43(a) [of the Lanham Act] and patent law."

There is no reason intrinsic to trademark law not to accord these features trademark status. A functional feature may acquire secondary meaning. For example, a particular type of metal roof was held to have acquired secondary meaning. Consumers associated the design with the manufacturer. Regardless, the roof design was functional and ineligible for trademark protection. Similarly, a competitor may cause confusion by copying the functional aspects of a product. For example, the similarity of two stoves caused consumers to believe that two manufacturers were affiliated. Regardless, this confusion was not actionable because the stoves were functional.

162 See, e.g., Polo Fashions, Inc. v. Craftex, Inc., 816 F.2d 145 (4th Cir. 1987):

The [state] common law of unfair competition in the context of trademarks and tradenames is similar to the federal law of trademark infringement. Unfair acts of a defendant are actionable when they damage a plaintiff's legitimate business. Such damages are suffered when a rival adopts for his own goods a sign or symbol in an apparent imitation of another's that would likely mislead prospective purchasers and the public as to the identity of the goods.

Id. at 148 (citations omitted).

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


165 See Fisher Stoves, Inc. v. All Nighter Stove Works, 626 F.2d 193, 195 (1st Cir. 1980).
In both cases, the functionality doctrine prevented a conflict with utility patent law. Although functional features could serve to identify the source of the goods, according such protection would conflict with the patent policy of the right to copy unpatented articles. Also, courts do not protect functional features because to do so would grant patent monopoly rights without proof of novelty and nonobviousness. It is clear, then, that the Patent Act and the Lanham Act may conflict.

Courts often ignore the conflict between federal trademark and patent law by relying on the statement in *Compco* that "if a the design is not entitled to a design patent or other statutory protection, then it can be copied at will." Courts interpret "other statutory protection" to mean the Lanham Act. This interpretation is wrong. If the Supreme Court meant "the Lanham Act," it could have said "the Lanham Act." A more reasonable interpretation of the phrase is that the Supreme Court simply acknowledged that Congress could grant limited protection to product designs that do not meet the standards of patentability, as it has considered doing under the Copyright Act.

Clearly, federal patent and unfair competition law may conflict: The brief statement in *Compco* does not simply invalidate the patent policies expressed elsewhere in the opinion.

Finally, based on the conflict, principles of statutory construction require that federal patent law control federal trade dress law. Federal patent law is a specifically defined statutory scheme enacted under a specific clause of the Constitution (the

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166 376 U.S. at 238 (emphasis added). Professor McCarthy has attached similar significance to the sentence in *Bonito Boats* that stated:

> Congress has thus given federal recognition to many of the concerns that underlie the state tort of unfair competition, and the application of *Sears* and *Compco* to nonfunctional aspects of a product which have been shown to identify source must take account of competing federal policies in this regard.

*Bonito Boats*, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 166 (1989). "Although not stated with great clarity, this passage does indicate that the Supreme Court recognizes that the preemption rationale of *Sears-Compco* has no relevance to the use of Lanham Act § 43(a) as the vehicle to assert a federal claim for protection against product copying." *McCarthy*, supra note 5, at § 7.25[4]. Others disagree. See John B. Pegram, *Trademark Protection of Product and Container Configurations*, 81 TRADEMARK REP. 1, 1 (1991) (arguing that *Bonito Boat's* reference to § 43(a) "may reflect an unwillingness to accept the extent to which design protection has been extended by lower courts in the name of that statute").


168 See Kohler v. Moen, 12 F.3d 632, 651 (7th Cir. 1993) (Cudahy, J., dissenting).
NOTE-PROTECTION OF PRODUCT DESIGNS

Patent Clause). In contrast, federal trade dress law is a judicial doctrine interpreting a general statutory section (section 43(a) of the Lanham Act) enacted under a broad constitutional power grant (the Commerce Clause). "Where there is no clear intention otherwise, a specific statute will not be controlled or nullified by a general one, regardless of the priority of enactment." Therefore, patent law prevents trade dress protection for unpatentable product designs.

IV. THE CONFLICT IS NOT RESOLVED BY THE STANDARDS FOR TRADE DRESS INFRINGEMENT

A. The Conflict between Trade Dress Protection of Product Designs and Design Patent Law is not Resolved by the Functionality Doctrine

The functional features of a product design are not eligible for trade dress protection. Courts acknowledge that trademark protection of functional product designs would conflict with utility patent law. The functionality doctrine prevents this conflict by denying trademark protection to functional designs. The rationale of Sears and Compco supports the functionality doctrine:

The purpose of the rule precluding trademark significance [for functional features] is to prevent the grant of a perpetual monopoly to features which cannot be patented. . . . Products or features which have not qualified for patent protection but which are functional are in the public domain and are fair game for imitation and copying.170

If trade dress protection of functional designs conflicts with utility patent law, trade dress protection of nonfunctional designs conflicts with design patent law. Although courts and commentators recognize the conflict between trademark protection of functional designs and utility patent law, they fail to recognize the same conflict between trademark protection of nonfunctional designs and design patent law.171 Utility patents protect the functional fea-

170 Keene Corp. v. Paraflex Indus., Inc., 653 F.2d 822, 824 (3d Cir. 1981).
171 To the extent that there is any clash between the two systems, the competing concerns can be reconciled by according protection only to nonfunctional features. Since by definition these features do not contribute to the utility of the product, but merely to its desirability, and since they do have the ability to
tures of a product. Therefore, trade dress law may not protect functional features. Design patents protect the nonfunctional features of a product. Therefore, trade dress law should not protect nonfunctional features.

There is no basis for distinguishing utility and design patents for the purpose of granting trademark protection to design features but not functional features. Both are created by and administered under the same law. The standards of patentability apply to both. "The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided."172 Both serve the same policy of encouraging invention.

The distinction between functional and nonfunctional features for trademark purposes was made in Application of Honeywell, Inc.173 The underlying reasoning for the distinction was seriously flawed. In Honeywell, the court recognized trademark rights in a round thermostat design. The thermostat had been the subject of a design patent. Although the design patent had expired, the court allowed the patentee to extend its patent rights indefinitely.

The court acknowledged that trademark law could not extend monopoly rights in a utility patent. "[T]he acquisition of such rights will not be allowed in view of the overriding public policy of preventing their monopolization."174 However,

the public interest—protection from confusion, mistake, and deception in the purchase of goods and services—must prevail over any alleged extension of design patent rights, when a trademark is non-functional and does in fact serve as a means to distinguish the goods of the trademark owner from those of others.175

The court thus established a hierarchy of competing concerns, in the following order of importance: 1) prevent monopolies in functional features, 2) prevent consumer confusion, 3) prevent monopolies in design features.
This hierarchy is clearly at odds with the Supreme Court's decision in *Sears*. The Court specifically subordinated the trademark policy of preventing consumer confusion to the patent policy of allowing free competition in product designs.

Of course there could be 'confusion' as to who had manufactured these nearly identical articles. But mere inability of the public to tell two identical articles apart is not enough to support an injunction against copying or an award of damages for copying that which the federal patent laws permit to be copied.\(^\text{176}\)

Moreover, the trademark policy of preventing consumer confusion is adequately served by requiring labeling of products. Monopolies in design features may be prevented while, at the same time, preventing consumer confusion.

In addition, utility patents may not be placed on a higher plane than design patents. Courts readily recognize that functional features should not be monopolized absent a patent because functional features are essential for competition. Competitors must copy functional features in order to compete effectively. Product designs are also essential to competition and must often be copied to compete effectively.

For example, the design of the 1957 Cadillac was a huge success because, for some reason, consumers loved its large tail fins.\(^\text{177}\) Competitors imitated the fins and cars with large tail fins were soon common. Under present law, Cadillac could obtain a trademark in the fins because the fins were certainly not functional.\(^\text{178}\) Then, without a patent, Cadillac would enjoy a monopoly right and could prevent other firms from making cars with fins. Competition in cars with fins would be eliminated.

The effect on consumers would be no different than if competition was eliminated in cars with seat belts, power steering, or automatic transmissions. Cadillac would enjoy a monopoly in cars

\[^{176}\text{Sears, 376 U.S. at 232.}\]
\[^{177}\text{"The extension of copyright protection to the fins would not have the collateral effect of granting Cadillac a monopoly in a technological innovation." Raymond M. Polakovich, }\textit{Should the Bauhaus be in the Copyright Doghouse? Rethinking Conceptual Separability,}\ 64 U. COLO. L. REV. 871, 893-94 (1993). However, the extension of either copyright or trade dress protection to the fins would have had the effect of granting Cadillac a monopoly in a design innovation.}\]
with fins and could, accordingly, charge a monopoly price and reap a monopoly profit. In the absence of trade dress rights, competitors entered the market for cars with fins. Accordingly, consumer demand was satisfied. In 1957, consumers wanted cars with fins. Because trademark law was not available to stifle competition, consumers got fins.

The replacement part market provides another useful example. An original equipment manufacturer may not monopolize the after market for a replacement part unless the part is patented. Thus, independent companies may compete in the after-market for replacement parts. However, if the product has a nonfunctional design, it may be trademarked and the after-market monopolized. In *Kohler v. Moen*, 179 for example, the Seventh Circuit recognized trademark rights in the shape of Moen’s faucets. Now, only Moen may supply replacement faucets to consumers, such as hotels, hospitals, and restaurants, who desire matching faucets. If consumers want a Moen faucet, they are forced to also take a Moen replacement. Competitors are foreclosed from the market for replacement parts. Accordingly, Moen may sell its original faucets below market price and recover the loss with monopoly profits in the after-market.

Chrysler may not monopolize the after-market in any unpatented functional car component, such as spark plugs. Alternative suppliers may manufacture spark plugs and compete with Chrysler when a Grand Cherokee’s spark plugs need replacement. Under the same reasoning, Moen should not be able to monopolize the after-market in faucets.

Similarly, trademark protection of product designs allows a manufacturer to leverage sales in aesthetically compatible products. For example, Apple Computers markets Macintosh computers and peripheral devices that share a common, aesthetically pleasing design. Apple could produce a low priced computer that sets the standard for technological innovation. Apple could then produce overpriced keyboards, monitors, disk drives, printers, and mice. If trademark rights are recognized in Apple’s designs, a competitor is impeded in the peripheral market. To avoid trade dress infringement, the competitor must design products that do not match Apple’s design. Apple’s overpriced peripheral devices will enjoy a competitive advantage because they match the low priced computer. Therefore, under the guise of trade dress protection, Apple

179 12 F.3d 632 (7th Cir. 1993).
could effectively tie the sales of its peripheral devices to its successful computer. 180

As these examples show, nonfunctional product designs are essential to competition and a free economy. The functional-nonfunctional distinction is meaningless from the standpoint of encouraging competition. Both the functional and nonfunctional features of a product may contribute to a product's desirability.

B. The Conflict Between Trade Dress Protection of Product Designs and Design Patent Law is not Resolved by the Requirements of Secondary Meaning and Likelihood of Confusion

Many courts find no conflict because a trade dress plaintiff must show secondary meaning and a likelihood of confusion:

[C]ourts that have considered the issue have concluded, rightly in our view, that [the design patent laws do] not prevent the enforcement of a common law trademark in a design feature. The trademark owner has an indefinite term, it is true, but in an infringement suit must also prove secondary meaning and likelihood of confusion, which the owner of a design patent need not do; there is therefore no necessary inconsistency between the two modes of protection. 181

Courts imply that a trade dress plaintiff must prove more than a design patent plaintiff. A design patent plaintiff need not prove that consumers are likely to confuse the patented design with the accused design or that consumers associate the design with the patentee. However, in many cases, neither must a trade dress plaintiff.

Many courts have eliminated the secondary meaning requirement if a design is inherently distinctive. 182 Also, several circuits have eliminated the requirement, or adopted a presumption, of secondary meaning if intentional copying is shown. 183 In these cases, secondary meaning cannot serve to distinguish trade dress protection from design patent protection because secondary

180 Of course, the same result will occur under patent law if each device is patented. Apple does, in fact, obtain design patents on its products. However, the patent monopoly and concomitant burden on competition are possible only if the products are worthy of a government sponsored monopoly.


182 See supra Part I.C.

183 Id.
meaning need not be shown.

To prove infringement, a trade dress plaintiff must show that the defendant's similar product is likely to cause confusion as to the source of the products.\textsuperscript{184} Despite the similarity of products, many courts hold that confusion is not possible if an imitator's product is adequately labeled.\textsuperscript{185} However, some courts eliminate the confusion requirement by protecting a product's "good will" absent confusion.\textsuperscript{186} Other courts eliminate the requirement of confusion entirely if intentional copying is shown.\textsuperscript{187}

The Sixth Circuit has eviscerated the confusion requirement by expanding the scope of relevant confusion. Most courts analyze only the confusion of current and potential customers of similar products, and then only at the point of sale. In this group, a firm can easily control confusion. However, in \textit{Ferrari s.p.a. Esercizio Fabbriche Automobili E Corse v. Roberts},\textsuperscript{188} the Sixth Circuit expanded the target group to include the public at large.

The accused infringer manufactured relatively inexpensive replicas of Ferrari bodies that were sold as kits and mounted on cheaper car frames. No purchasers were confused about the source of the imitations. They did not believe they were actually getting a Ferrari. In addition, the replicas displayed no Ferrari markings. Regardless, the court found that confusion was likely. The court noted that survey evidence showed that "members of the public, not necessarily purchasers, were actually confused by the similarity of the products. . . . [Trade dress] protection is not

\textsuperscript{184} See Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513, 521-22 (10th Cir. 1987).
\textsuperscript{185} See L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1132-34 (Fed. Cir.) (labeling of imitation athletic shoes dispelled consumer confusion), \textit{cert. denied}, 114 S. Ct. 291 (1993); Litton Sys., Inc. v. Whirlpool Corp., 728 F.2d 1423, 1446 (Fed. Cir. 1984) ("the most common and effective means of apprising intending purchasers of the source of goods is a prominent disclosure of the manufacturer's or trader's name [and when] that is done, there is no basis for the charge of unfair competition"); Bose Corp. v. Linear Design Labs, Inc., 467 F.2d 304, 309 (2d Cir. 1972) ("The presence of [defendant's] name on the product goes far to eliminate confusion of origin" of similar speakers).
\textsuperscript{186} See Osem Food Indus. Ltd. v. Sherwood Foods, Inc., 917 F.2d 161, 164-65 (4th Cir. 1990) ("When a newcomer to the market copies a competitor's trade dress, its intent must be to benefit from the goodwill of the competitor's customers by getting them to believe that the new product is either the same, or originates from the same source as the product whose trade dress was copied.").
\textsuperscript{187} See Perfect Fit Indus., Inc. v. Acme Quilting Co., 618 F.2d 950, 954 (2d Cir. 1980) ("If there was intentional copying the second comer will be presumed to have intended to create a confusing similarity of appearance and will be presumed to have succeeded"); AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 354 (9th Cir. 1979) (same).
\textsuperscript{188} 944 F.2d 1235 (6th Cir. 1991), \textit{cert. denied}, 112 S. Ct. 3028 (1992).
The court was obviously concerned with protecting Ferrari's reputation and the exclusivity of its product. In other words, the court protected Ferrari's good will in its car design. For most types of trademarks, the protection of trademark good will absent consumer confusion may be warranted. For example, Notre Dame has established substantial good will in its trademarks "Notre Dame," the interlaced "ND" design, the leprechaun, and the slogan "Fighting Irish." Consumers are clamoring to purchase these trademarks on products such as shirts, posters, and hats. Competitors are prevented from usurping Notre Dame's rights in these marks even if confusion is not present.

Arguably, the shape of a Ferrari automobile is no different. Consumers seek to affiliate themselves with the image and prestige embodied in the Ferrari name and product design. Protection of good will in a trademark is a legitimate goal of trademark law. However, when a firm's good will in a product design obviates the need to show consumer confusion, trademark law affords monopoly rights in product designs. Trademark law then conflicts with the purposes of patent law.

Also, although a design patent plaintiff need not show likely confusion, the similarity of an accused design to the patented design may prove infringement. However, in evaluating similarity, courts consider whether "one design would be confused with the other." Although not an express element of design patent infringement, likelihood of consumer confusion is relevant for determining infringement. Accordingly, the tests for trade dress infringement and design patent infringement are, for all practical purposes, equivalent.

In Comco, the Supreme Court determined that the secondary meaning and likelihood of confusion requirements do not resolve the conflict between design patent law and trade dress protection of product designs:

[T]hat the configuration of the article copied may have "secondary meaning" which identifies the maker to the trade, or that there may be "confusion" among purchasers as to which article is which or as to who is the maker, may be relevant

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189 Id. at 1245.
190 See supra Part I.D.
evidence in applying a State's law requiring such precautions as labeling; however, and regardless of the copier's motives, neither these nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.\textsuperscript{192}

In addition, "[o]ne of the fundamental purposes behind the Patent and Copyright Clauses of the Constitution was to promote national uniformity in the realm of intellectual property."\textsuperscript{193} To "provide national uniformity in patent law," Congress created the Court of Appeals for the Federal Circuit and vested it with exclusive jurisdiction of all patent appeals.\textsuperscript{194} Although the doctrines of nonfunctionality, nonobviousness, and infringement are complex, the Federal Circuit has added consistency in these areas of design patent law.

Trademark protection of product designs, in contrast, is inconsistent from circuit to circuit and wholly unpredictable. To become a trademark, a product design must be nonfunctional and have either acquired secondary meaning or be inherently distinctive. To prove infringement, a trademark holder must show that a similar design is likely to cause confusion. Each of these three doctrines is unpredictable and applied inconsistently in different federal circuits.

Because courts have difficulty determining if a design may serve as trade dress, practitioners cannot offer reliable advice to a firm that seeks to compete with a popular design. Since trademark rights may vest under common law, a practitioner cannot determine which aspects of a design the competitor considers a trademark. Also, it may be impossible, short of litigation, to determine if the design has established secondary meaning. Finally, a practitioner must consider not only the designs at issue, but also the possible forums in which the action may be brought. Because of the different tests under trademark law, a trade dress infringement action is particularly susceptible to forum shopping.

Under patent law, in contrast, rights arise when a patent issues. A design patent issues only after a determination by the PTO that the design is new, nonobvious, and nonfunctional. Although these administrative decisions may be questioned in litigation, a

\textsuperscript{192} Compro, 376 U.S. at 238.
\textsuperscript{193} Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 162 (1989) (citing \textit{The Federalist} No. 43, at 309 (B. Wright ed. 1961)).
practitioner may review the reasoning and references relied on by the PTO. In addition, a patent is presumed valid in litigation.\footnote{195}{35 U.S.C. § 282 (1991).}

Trade dress protection of product designs frustrates the national uniformity and predictability of intellectual property law. Design patents facilitate predictability and, therefore, competition in product designs. Trade dress rights breed litigation.

V. POSSIBLE SOLUTIONS

A. Reexamine the Standards for Design Patent Protection

In an effort to justify trade dress protection of product designs, many commentators lament that the design patent laws are ineffective in protecting product designs.\footnote{196}{See, e.g., Pegram, supra note 166, at 1 ("It is widely acknowledged that the copyright and patent laws do not provide adequate protection for product designs . . ."); Brown, supra note 56, at 1356 ("design patent remains a Cinderella who never goes to the ball."); Thomas B. Lindgren, The Sanctity of the Design Patent: Illusion or Reality? Twenty Years of Design Patent Litigation Since Compco v. Day-Brite Lighting Inc. and Sears, Roebuck & Co. v. Stiffel Co., 10 OKLA. CITY U. L. REV. 195 (1985).}

Commentators object that the standards for patentability are too high, the costs and delay are unacceptable, and design patents are rarely enforced.\footnote{197}{"For most designs, standard of invention is too high, the time required to obtain protection too long, and the expense and bother of doing so too great in view of the probable returns." Jay Dratler, Jr., Trademark Protection for Industrial Designs, 1988 U. ILL. L. REV. 887, 891-95.}

However, the standards of patentability are essential for the operation of the patent system in a free economy.

The first objection, that the standards of patentability are too high, strikes at the heart of patent law. A primary purpose of the patent laws is to protect the public from monopoly. Only new and nonobvious inventions or designs "promote progress" and warrant the grant of a monopoly. Other purposes of design patent law are to stimulate innovative designs and reward designers. A design patent stimulates good design by allowing a designer to market a product design free from competition for a limited time. The economic rewards of a monopoly provide the incentive for investment in personnel or technology that produce quality designs. The standards of patentability are fully consistent with these purposes of design patent law.

Design is not encouraged for its own sake. Only innovative design is encouraged and rewarded. The standards of patentability recognize that there is no need to encourage commonplace des-
signs. First, ordinary designs will be produced without encouragement. After all, a product must have some design. The government does not need to grant a reward for activity that will take place without reward. Second, the standards of patentability deter unnecessary research costs. If a design is already disclosed in a prior product, publication, or patent, a designer may be wasting resources by independently developing the same design. Accordingly, a designer should not be encouraged to expend resources in developing a design that is already available. The novelty requirement ensures that duplicative research is not rewarded.

The standards of patentability are essential to the operation of the patent system within a free economy. However, the standards of novelty and nonobviousness do not render the design patent laws ineffective for protecting industrial design. Admittedly, a misunderstanding of the nonobviousness requirement has led courts to invalidate design patents in litigation on obviousness grounds. However, the Federal Circuit, with exclusive jurisdiction over patent appeals, continues to clarify the proper tests for patentability and, consequently, strengthen the rights of design patent holders.

Some commentators have dismissed the effectiveness of design patent protection at least partly based on an overly restrictive understanding of the nonobviousness requirement. For example, one commentator has stated: "In design patent law, the standard of invention is what is nonobvious to a designer of ordinary skill. Thus, by definition, design patent law excludes the product of the ordinary designer's skill." The test is not so simple nor so exclusive.

In reality, the obviousness requirement is simply a means of determining if a design is truly different from the prior art. When applying for a design patent, the applicant must disclose all prior

198 Copyright law grants a monopoly on works of authorship with low qualitative standards. However, the type of monopoly provided under copyright law is less of a threat to free competition.

199 In 1982, the Court of Appeals for the Federal Circuit obtained exclusive jurisdiction over all patent infringement appeals. 28 U.S.C. § 1295(a)(1) (1993). Prior to this, all patent appeals went to the various circuit courts. Due to the complexity of patent law, many conflicting interpretations of patent validity and infringement developed prior to these considerations. The Federal Circuit has greatly contributed to consistency in application of the patent laws.

200 See In re Harvey, 12 F.3d 1061, 1064-65 (Fed. Cir. 1993) (reversing PTO determination that vase design was obvious).

201 Dratler, supra note 197, at 891-95.
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publications, products, or patents that are similar to the subject of the design patent application. The proposed design is then compared to this "prior art." In addition, the commercial success of the design may weigh in favor of patentability. For example, the Federal Circuit recently considered the obviousness of an athletic shoe design. The design elements of the shoe included mesh siding, a "delta wing" side, and a "mustache" back ankle support, among others. All of the design elements were disclosed in the prior art. However, the court concluded that the prior art did not teach the shoe's particular combination of elements such that the combination would have been obvious to a designer of ordinary skill. The court also noted that the commercial success of the design and a competitor's copying of the design contributed to a finding of nonobviousness. The shoe was not simply evaluated to determine if it was the work of the average designer. Accordingly, the nonobviousness requirement is not as great a hurdle to patentability as the detractors of design patents assert.

The detractors of design patent protection also object that the costs and delay of obtaining a design patent are prohibitive. The cost of obtaining a design patent may be several thousand dollars and the time from filing to issuance is normally one to two years. These costs and delays are also a necessary component of the patent system. In contrast to a permissive registration system, a design patent application must be reviewed by the PTO. This review ensures that unnecessary monopolies are not granted and is a further step toward protecting free competition. In most cases, a few thousand dollars is not a prohibitive investment for a product

202 The duty to disclose all relevant prior art is known as the Duty of Candor. See 37 C.F.R. § 1.56 (1993). The penalty for failing to disclose material prior art is often invalidation of the patent.

203 "Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobvious of the subject matter is determined." Graham v. John Deere Co., 383 U.S. 1, 17 (1966).

204 "Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." Id. at 17-18.


206 Id. at 1123.

207 Id. at 1124.

208 See Brown, supra note 56, at 1356; Dratler, supra note 197, at 894.
that, once patented, will return monopoly profits. However, the costs may prevent some patentable designs from receiving protection. The costs may deter designers from applying for patents on questionable designs. Also, individuals and small companies may find the costs prohibitive. However, if these are truly problems, we can expect the market to solve them. If a market solution is unworkable, the government could establish subsidies for needy small businesses and individuals to seek patents. A direct subsidy would be preferable to scrapping an otherwise sound system. However, it is doubtful that the costs of applying for a design patent are truly a problem.

The delay in obtaining a design patent also does not render the system ineffective. Although patent protection does not begin until issuance, most competitors will be deterred from incurring start up costs without an assurance of long term profit. If the competitor can be enjoined from selling the product upon issue of a patent, the competitor will not likely invest in copying and manufacturing a product on which a patent is pending. Despite any short term copying, the promise of long term monopoly profits provides sufficient incentive for designers to obtain design patents. Some argue that design patents are ineffective in industries with short or seasonal product life cycles. Admittedly, products with short life spans receive less return in the form of monopoly profits. However, such products offer greater returns for being the first on the market. Any imitator must take time to copy, manufacture, and distribute a product. The economic advantage of being the first on the market is greater for a product with a ten month life cycle than a product with a ten year life cycle. Accordingly, design patent protection is probably unnecessary to stimulate creativity in these types of markets. The natural advantage of being first on the market may be its own reward.

209 One commentator suggests that the delay may render design patents ineffective in the furniture and luggage industries. Dratler, supra note 197, at 894 n.33. However, these industries can and do obtain design patents. In the furniture industry, a LEXIS search of the DESIGN patent file in the PATENT library reveals that 3,069 design patents were awarded in the broad class of furniture (classification D06) from 1990 to May, 1994. Although this number includes industrial fixtures, home furnishings comprised a considerable portion of the patents. For example, 41 design patents for sofas, couches, or love seats were awarded; 51 design patents were awarded for dressers, and 145 patents were awarded for beds. As for luggage, 112 design patents were awarded for luggage, suitcases, and luggage accessories. During this period, Samsonite alone obtained 41 patents on its luggage related designs. Obviously, someone believes that design patents are effective for protecting these products.
Further, the problems of costs and delay are also faced by inventors seeking utility patents. These complaints are not unique to design patents. However, unlike designs, functional products are less likely to become obsolete in a short time period. Therefore, functional products can potentially return greater profits in the long run, making the costs and delay of obtaining a utility patent worthwhile. This distinction between the functional and ornamental features of a product may support an expedited review process for design patents. However, the distinction does not support scrapping the review process. Product designs certainly deserve protection. However, this protection must not be afforded to unworthy designs.

Finally, the detractors of design patents object that design patents are rarely enforced. In one often cited statistic from the years 1964 to 1983, courts invalidated 70% of design patents in litigation. Of the 30% held valid, courts found less than half infringed.\(^{210}\) Alternatively stated, once a design patent is issued, only about 10% are successfully enforced in an infringement suit. Although this record appears dismal, the statistic says little about the effectiveness of design patents. The vast majority of design patents are never litigated.\(^{211}\) Most patented designs are simply not copied and litigation never occurs. Accordingly, design patents, once obtained, offer effective protection to product designs. Moreover, utility patents were also frequently invalidated in litigation during the same time period. The problem of invalidity in litigation was not unique to design patents and was not an indication that design patents are ineffective overall. Regardless, the Federal Circuit appears to have reversed this trend for both utility and design patents. With regard to design patents, the court has recently indicated its willingness to enforce design patents.\(^{212}\)

Design patents are a viable means of protecting innovative industrial designs. Design patents are obtained on products ranging from shoes to computers. There is no crisis. However, the proponents of design protection under copyright or trademark principles basically advocate protection with little or no showing of

\(^{210}\) See Lindgren, supra note 196, at 209.

\(^{211}\) See Drafer, supra note 197, at 893 n.28 (noting that from 1968 to 1977 less than 0.5% of all patents were litigated).

innovation. Lower standards would certainly lead to more designs qualifying for protection. Arguably, the increased availability of protection would lead to better designs. The guarantee of protection would offer greater incentive to invest in design and, consequently, an increase in quality design. However, such a system would come at too great a cost to society.

The forces advocating design protection without standards are evidence of the potential cost of such a system. The primary proponents of lower standards are original equipment manufacturers (OEMs).\(^{213}\) OEMs face competition in the market for replacement parts for their equipment. With a design patent on various parts, this competition could be eliminated. On the other side, insurance companies and consumers groups have fought the proposed legislation. Insurance companies fear that expansive design protection will lead to increased costs for automobile replacement parts.\(^{214}\) This conflict reflects the true purpose behind lowering the standards for design protection. OEMs do not seek greater incentives for innovative design—they seek a government-sponsored monopoly. Our design patent laws are inadequate only because they withhold that monopoly until a corresponding benefit to society is shown.

**B. Protect Product Designs under Copyright Law**

Because of the standards of patentability, designers have looked to the copyright laws for protection. The copyright laws require little in the way of inventiveness. In contrast to patent law, the criteria for copyright protection are minimal. A work of authorship must merely be original and fixed in tangible form.\(^{215}\) Originality requires only a "modicum of creativity."\(^{216}\) A work need not be new or novel to be original. An author must simply not copy from another to satisfy the originality requirement.\(^{217}\)


\(^{214}\) See Dralier, *supra* note 197, at 906-08.


\(^{216}\) See Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991) (finding that compilation of names and phone numbers in alphabetical order lacked originality); *see also* Goldstein, 412 U.S. at 561 (constitutional requirement of a "writing" satisfied by "any physical rendering of the fruits of creative, intellectual, or aesthetic labor").

\(^{217}\) As Judge Learned Hand stated: "if by some magic a man who had never known it were to compose anew Keats's *Ode on a Grecian Urn*, he would be an 'author,' and, if he copyrighted it, others might not copy the poem, though they might of course copy Keats's." Sheldon v. Metro-Goldwyn Pictures Corp., 81 F.2d 49, 54 (2d Cir.), *cert. denied,*
Similarly, copyright is not available for discoveries because the discovered work is not an original work of the finder. Also, a work must be fixed in tangible form. Fixation may take any physical or electronic form and requires only that a person be able to experience the work at a later time. Under these minimal requirements, a copyright professor’s scribblings of a stickman are as copyrightable as John Grisham’s latest book.

Copyright in a work “subsists from its creation.” A work need not be published or registered with the Copyright Office to be copyrighted. However, before enforcing a copyright in an infringement suit, an author must register the copyright and deposit copies of the work with the Library of Congress. Unlike a patent application, a copyright application is not reviewed qualitatively. Although the Copyright Office will deny registration for obviously uncopyrightable material, the lower standards for copyright allow permissive registration in most cases. The primary purpose of the registration and deposit requirement is to facilitate the Library of Congress’s role as the repository of this nation’s art and literature.

As presently applied, copyright does not protect industrial design. The artistic elements of a useful article may be protected “only if, and to the extent that . . . [the artistic elements] can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” Under the separability doctrine, copyright may protect an element of a useful article that separately qualifies as works of art. For an industrial product, the ornamental features are usually not separable from the product itself. In fact, successful designs intentionally combine

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298 U.S. 669 (1936).
218 The fixation requirement excludes from protection extemporaneous speeches, acts, or musical performances unless they are being simultaneously recorded. 17 U.S.C. § 101 (1991) (defining “‘fixed’ in a tangible medium of expression”).
219 17 U.S.C. § 302 (1991). The 1909 Copyright Act distinguished published and unpublished works. Only published works were eligible for federal copyright protection. Common law protected unpublished works. The 1976 Copyright Act abolished common law copyright in unpublished works by defining copyright as beginning from creation. See also id. § 301(a) (preempting state copyright law).
220 Id. § 408(a).
221 Id. § 411.
222 See I PAUL GOLDSTEIN, COPYRIGHT § 3.8 (1989).
224 See GOLDSTEIN, supra note 222, at § 2.5.3 (“Of the many fine lines that run through the Copyright Act, none is more troublesome than the line between protectable . . . works and unprotectable elements of industrial design.”).
form and function. Also, Congress has specifically stated that "although the shape of an industrial product may be aesthetically satisfying and valuable, the Committee's intention is not to offer it copyright protection under the bill."225

The copyright laws are ill suited for industrial design protection. Currently, a copyright poses little danger of monopoly. Under copyright law, an artist receives a monopoly only in a particular expression of an idea. Although the first artist may have created a market for the idea itself, other artists are free to express the same idea in other ways and enter the market. The risk of monopoly is not present because the forms of expression are unlimited.

For example, Nirvana pioneered the modern idea of grunge rock—harsh guitars, grating vocals, twentysomething angst. However, they could copyright only their expression of this idea in particular songs. Other groups, such as Pearl Jam and Stone Temple Pilots, and were free to enter this market with their individual expressions of the same idea. Similarly, a copyright on an antitrust treatise poses no danger of monopoly. Others are free to opine on antitrust topics and compete for the dollars that consumers are willing to spend on antitrust treatises.

In contrast, the protection of industrial designs under copyright law creates a great risk of monopoly. Once an idea is pioneered in a new design, the forms of its expression are limited. For example, curved shapes for consumer products are popular.226 Everything from electronics to housewares are being manufactured with a curved shape. If one firm is allowed a copyright on a curved VCR, for example, competitors will be foreclosed from manufacturing a similar VCR. Of course, firms would be free to sell differently curved VCRs. However, the functional demands of a VCR constrain its potential designs. The designs that are both curved and allow a device to record television programs are limited.

In copyright terms, the forms of expressing the idea of a curved VCR are limited. Courts withhold copyright protection

225 Copyright Law Revision, H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 55 (1976). Proponents of design protection have attempted to amend the copyright laws to include industrial design protection. These efforts have failed. See PAUL GOLDSTEIN, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES 922-23 (1993) (detailing one legislative proposal).

226 See Gaile Robinson, Pandora's Box is Passé, L.A. TIMES, April 2, 1994, at N1 (For consumer products: "Curves are cool. Rectangles are square.").
when an underlying idea may only be expressed in limited ways.\textsuperscript{227} When an idea may only be expressed in a limited number of ways, the expression may not be protected without also protecting the underlying idea. In other words, idea and expression merge. By withholding copyright protection upon the merger of idea and expression, copyright law limits the danger of monopoly.

Of course, a VCR manufacturer that obtains a design patent on a curved VCR would also eliminate competition. This is the essential bargain of the patent laws. The copyright laws do not embody such a bargain because the standards for copyrightability are low. Instead, copyright freely grants individual monopolies because the risk of market foreclosure is not present. However, copyright protection is withheld when an underlying idea may only be expressed in limited ways. For industrial designs, idea and expression would often merge and the dangers of monopoly are great. Therefore, copyright protection for industrial designs is inappropriate.

\section*{C. Embrace the Concept of Aesthetic Functionality}

The doctrine of “aesthetic functionality” eliminates much of the conflict between trade dress protection of product designs and design patent law. The aesthetic functionality doctrine offers a broadened concept of functionality that may encompass the ornamental features of a product. Utilitarian functionality precludes trade dress protection for functional features and prevents conflict with utility patent law. Similarly, aesthetic functionality precludes protection for aesthetic features that must be copied to compete effectively and, accordingly, may prevent some conflicts with design patent law.

A nonutilitarian design can be considered functional under the doctrine of aesthetic functionality. In \textit{Pagliero v. Wallace China Co.},\textsuperscript{228} the Ninth Circuit refused to prohibit copying of the arbitrary designs on hotel china. The court adopted a broad definition

\textsuperscript{227} See \textit{Goldstein, supra} note 222, at \S 2.3.2 (Merger of Idea and Expression); \textit{Rosenthal Jewelry Corp. v. Kalpakian}, 446 F.2d 738, 742 (9th Cir. 1971) (bee shaped pin not copyrightable; when “the ‘idea’ and its ‘expression’ are . . . inseparable, copying the ‘expression’ will not be barred, since protecting the ‘expression’ in such circumstances would confer a monopoly of the ‘idea’ upon the copyright owner free of the conditions and limitations imposed by the patent laws.”).

\textsuperscript{228} 198 F.2d 339 (9th Cir. 1952).
of functionality and, consequently, freedom of competition: "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." The court emphasized that the design on the china was its primary selling advantage and was not adopted for the purposes of identification. China "satisfies a demand for the aesthetic as well as for the utilitarian." Since consumers demanded a particular design, imitation of the design was necessary for free competition. The china design was therefore functional. The doctrine advanced in Pagliero came to be known as aesthetic functionality.

Several circuits have rejected the doctrine of aesthetic functionality and commentators, noting that the term is an oxymoron, generally criticize the doctrine. Professor McCarthy claims that the majority of courts have rejected the doctrine and chronicles its death in several circuits. However, such reports of its death are greatly exaggerated.

In the Third Circuit, for example, the court expressly rejected and criticized the aesthetic functionality doctrine. The court then went on to declare that the design of an outdoor lighting fixture was functional because the design was architecturally compatible with the buildings on which it was mounted. The aesthetics, not the function, of the design dictated architectural compatibility.

Apparently adopting the concept of aesthetic functionality, the Second Circuit has also refused to protect some aesthetic designs. Using the Pagliero test, the court found the design of an Italian sofa functional. In Wallace International Silversmiths, Inc. v.

229 Id. at 343.
230 Id. at 344.
231 See also RESTATEMENT OF TORTS § 742, cmt. a (1938) (“When goods are bought largely for their aesthetic value, their features may be functional because they definitely contribute to that value and thus aid the performance of an object for which the goods are intended.”).
233 Id. at § 7.26[4][b].
235 Id. at 827.
Godinger Silver Art Co., Inc.,\textsuperscript{238} the court rejected the Pagliero test but endorsed another definition of aesthetic functionality. "[W]here an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection."\textsuperscript{239} The court thus adopted the aesthetic functionality doctrine on the condition that protection of the design would hinder competition. Under this test, the court refused to protect the plaintiff's baroque design on silverware.

In Schwinn Bicycle Co. v. Ross Bicycles, Inc.,\textsuperscript{240} the Seventh Circuit apparently endorsed the concept of aesthetic functionality. Using the same test as Wallace, the court vacated the lower court's finding that the design of an exercise bicycle was nonfunctional. The lower court "erred as a matter of law in not considering whether the design and placement of the large front wheel was aesthetically functional."\textsuperscript{241} The court emphasized that the "pleasing" aspects of a design "may, at some point, become functional" because the aesthetic features are "so important to the value of the product to consumers that continued trademark protection would deprive them of competitive alternatives."\textsuperscript{242} To prove that an aesthetic design is functional, a defendant must show that the design is "so attractive that trade dress protection deprives consumers of competitive alternatives."\textsuperscript{243} In other words, a design is functional, even when aesthetic and nonutilitarian, so long as a competitor must copy the design in order to compete in the market that the original manufacturer created.

Despite some suggestions, aesthetic functionality will not eliminate protection for all trademarks.\textsuperscript{244} Admittedly, many trademarks are an "important ingredient in the commercial success" of the product they mark. However, no one advocates the right to copy every successful trademark in an effort to promote competition. The doctrine of aesthetic functionality is properly limited to only product designs.

Although the term aesthetic functionality is an oxymoron, the

\begin{thebibliography}{9}
\bibitem{238} 916 F.2d 76, 80 (2d Cir. 1990), \textit{cert. denied}, 499 U.S. 976 (1991).
\bibitem{239} \textit{Id.} at 81.
\bibitem{240} 870 F.2d 1176, 1190 (7th Cir. 1989).
\bibitem{241} \textit{Id.}
\bibitem{242} \textit{Id.} at 1191.
\bibitem{243} \textit{Id.}
\bibitem{244} \textit{See} McCarthy, \textit{supra} note 5, at § 7.26[5].
\end{thebibliography}
The doctrine recognizes that a competitor may need to copy a product's nonfunctional features as well as its functional features. If product features must be recognized as trademarks, the aesthetic functionality doctrine diminishes the threat to free competition.

**D. No Liability if a Firm Takes “Every Reasonable Means” to Prevent Confusion**

The protection of product designs under unfair competition law has its place. As the *Sears* decision noted, courts may require labeling of products to prevent confusion. The labeling requirement is consistent with the primary purpose of unfair competition law—preventing consumer confusion. Moreover, a labeling requirement would not threaten the right to copy. The right to copy should be recognized, coupled only with an obligation to avoid confusion through labeling.

To prevent trade dress law from exceeding its proper scope in the protection of product designs, courts should scrutinize only an imitator's efforts to label its product. The secondary meaning/inherent distinctiveness, functionality, and likelihood of confusion tests should be discarded for product designs. Instead, a court should simply analyze whether an imitator has utilized "every reasonable means" to avoid confusion.

To meet this requirement, a competitor that copies an unpatented product must label its product. If a product is labeled, the competitor should be free from liability under unfair competition law. Normally, a competitor must place its name or trademark directly on the product. However, adequate labeling will vary from product to product. For products that are not suitable for direct labeling, such as food, services, or aesthetically appealing products, the competitor must label the packaging or provide full and accurate information at the point of sale.

For example, the Supreme Court noted in *Kellogg* that a copier could not directly label a shredded wheat biscuit. Since these biscuits were served in restaurants, diners would be confused about whose biscuit they received. Regardless, the Court found that the imitator had adequately labeled its packaging. "The obligation resting upon [the imitator] is not to insure that every pur-

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245 *See supra* note 103 and accompanying text.
chaser will know it to be the maker but to use *every reasonable means* to prevent confusion.” 247

This standard retains liability for firms that intentionally pass off their goods as another’s. The every reasonable means test will also give predictability to this confused area of the law. If an imitator labels, the imitator is safe from liability. To copy, the imitator must simply labels its products. In most cases, firms already label their products.

Under this test, courts would have no reason for distinguishing between the functional and nonfunctional aspects of a product. Both may be confusingly similar to another firm’s trade dress. Both may be labeled to prevent confusion. Accordingly, the manufacturer of a purely functional product should also utilize every reasonable means to label products and avoid confusion.

VI. CONCLUSION

Industrial design is an important ingredient of our economy. The design of a product contributes to its appeal and can be a major factor in the commercial success of a product. We should encourage and reward innovative design. To encourage innovative design, we should grant designers the exclusive right to profit from their innovative design for a limited term. Without this encouragement, society would be denied the benefits of quality design.

Fortunately, the means for protecting innovative designs are in place. Design patents provide effective protection for the designs of the vast majority of products. Manufacturers can and do obtain design patents. In the vast majority of cases, these design patents are respected and a firm is able to reap its rightful profits from the design. Firms have found design patents a wise investment for products including automobiles, computers, electronics, shoes, luggage, kitchen utensils, and furniture, to name a few.

Admittedly, the PTO does not simply bestow a design patent on every product that rolls off the assembly line. A product design must meet certain standards before receiving a design patent. These standards ensure that society reaps a corresponding benefit when it grants a monopoly. That is only fair.

Although increased protection for designs could result from lower standards, this protection is unwise. The proposals for copy-

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247 *Id.* (emphasis added).
right protection of industrial designs would award monopolies with little or no showing of a corresponding benefit to society. The current protection of industrial designs under trademark and unfair competition law produces the same effect. These systems impose costs on society in the form of unnecessary monopolies. Consumers are forced to pay higher prices for goods that would otherwise sell at a competitive price.

The current protection of industrial designs under unfair competition law is misguided. Courts have condemned copying as an unethical business practice. Instead, and as the Supreme Court has repeatedly stated, courts should recognize copying as a beneficial practice that results in lower priced products and the increased availability of goods to consumers. Copying should not be blindly prohibited. Courts that prohibit copying product designs run afoul of the Constitution and its mandate of free competition.

Courts should limit the application of unfair competition law to product designs. If the present system is maintained, courts should expand the functionality doctrine to include aesthetic functionality. More significantly, courts should adopt the "every reasonable means" test. If a firm copies a competitor's product, the firm must only use all reasonable means to eliminate confusion. If the firm refuses to label or intentionally passes off its goods as another's, then a court should find liability. However, if the product is adequately labeled, courts should find no liability. Only then will the constitutional right to copy be realized.

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