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## Consumer Motivation in Trademark and Unfair Competition Law: On the Importance of Source

A. Samuel Oddi

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## CONSUMER MOTIVATION IN TRADEMARK AND UNFAIR COMPETITION LAW: ON THE IMPORTANCE OF SOURCE

A. SAMUEL ODDI†

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### I. PSYCHOLOGICAL AND LEGAL OVERVIEW

**M**OTIVATION—as a psychological construct of human behavior—has been the subject of considerable interest, study,

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† Professor of Law, Northern Illinois University. The author wishes to express his appreciation for the research assistance of Maura Hurlless, J.D. 1985, Northern Illinois University, College of Law, in the preparation of this article, particularly with respect to researching and digesting the psychological literature; and also for the assistance of his wife, Lorys F. Oddi, Ed. D., in reviewing and commenting on the material in this article relating to motivation as a psychological construct. No attempt has been made to review in any comprehensive manner the huge body of research regarding human motivation in general, or as it relates to consumers in particular. Such is well beyond the scope and purpose of this article. It has been estimated that as many as ten thousand articles dealing with consumer psychology have been published during the time period 1967-1976 alone. See D. SCHULTZ, *PSYCHOLOGY & INDUSTRY TODAY* 435 (1978) (citing Jacoby, *Consumer Psychology: An Octennium*, 27 *ANN. REV. OF PSYCHOLOGY* 331 (1976)). The explication of the psychological construct of consumer motivation has been provided only in an attempt to supply a broad analytical framework for a comparison of the psychological construct with the legal construct of consumer motivation as seen in trademark and unfair competition law.

(1)

and disagreement as to its nature and operation.<sup>1</sup> Within the

1. Littman provides a detailed description of motivation as a psychological construct of human behavior:

Motivation refers to processes or conditions which may be physiological or psychological, innate or acquired, internal or external to the organism which determine or describe how, or in respect of what, behavior is initiated, maintained, guided, selected or terminated; it also refers to end states which such behavior frequently achieves or is designed to achieve whether they are conditions of the organism or environment; it also refers to the behavior engaged in, or aspects of that behavior, in respect of its organization, occurrence, continuation, reorganization, or termination with regard to past or present or future organic or environmental conditions; further, it refers to the fact that an individual will learn or remember or forget certain material, as well as the rate or manner in which these processes occur and the ease or difficulty with which they are altered, as well as to some of the processes or conditions which are responsible for this behavior; similarly, it determines how and what perceptual and judgmental activities and outcomes will occur, as well as some of the conditions and determinants of such activities and outcomes; similarly, it also refers to the fact of and the determinants of the occurrence and fate of affective process; finally, it describes and accounts for various individual differences which appear in respect of the various behaviors, processes, conditions, and outcomes referred to above.

Littman, *Motives, History and Causes*, 6 NEBRASKA'S SYMPOSIUM ON MOTIVATION 136-37 (M. Jones ed. 1958). Psychology is not a field of study characterized by a body of theory that is internally consistent and accepted by all psychologists. Rather, the field is characterized by the existence of several schools of thought. Current ideas about why people do what they do, i.e., the nature of motivation, can be classified within two broad and seemingly incompatible categories: the stimulus-response conditioning theories of behaviorism and the cognitive theories of the Gestalt-field family. M. BIGGE, *LEARNING THEORIES FOR TEACHERS* 49 (3d ed. 1976). See generally B. WOLMAN, *CONTEMPORARY THEORIES AND SYSTEMS IN PSYCHOLOGY* (1960) (presenting comprehensive picture of modern psychological theory reflecting two schools of thought). An explanation of these two categories, although greatly oversimplified, may be helpful. Adherents of behaviorism tend to view the human organism as a type of machine, in that humans tend to respond to environmental stimuli on the basis of built-in organic drives or basic emotions (or by prior conditioning of these drives and emotions), resulting in behaviors that are predictable and irresistible. These responses operate more or less automatically. Motivation, for the behaviorist, is the urge to act that results from this stimulation. M. BIGGE, *supra*, at 65-68. See also generally D. HEBB, *A TEXTBOOK OF PSYCHOLOGY* (1958) (discussing mechanisms of behavior in learning, perception, and emotion in stimulus-response behaviorism manner).

Gestalt-field theorists tend to avoid the emphasis on concepts such as drive and reinforcement and view behavior as a function of the individual's total situation: people act within a field of psychological forces, including perception of events and objects, memories, expectations, purposes, and goals. Thus, for the Gestalt-field theorist, motivation is not merely a mechanical impulse to act in response to a stimulus, but a desire to do something emerging from a dynamic consultation of psychological forces. M. BIGGE, *supra*, at 68-71. Individual variations in theory within each school of thought are illustrated by Bigge. *Id.* at 8-9. Bigge's work also contains a comprehensive look at the two major schools of contemporary learning theory. *Id.* at 49-83. See also generally M. WERTHEIMER, *PRODUCTIVE THINKING* (1959) (analysis of Gestalt psychology and discussion of close relationship between Gestalt psychology and reflective thinking).

overall psychological construct, consumer motivation in particular has been intensively investigated from both theoretical and practical viewpoints.<sup>2</sup> The practical investigations have been primarily concerned with identifying techniques for effectively marketing goods and services. In the context of consumer psychology, motivation has been defined as follows: "Motivation, thus, refers to a state of need-arousal—a condition exerting 'push' on the individual to engage in those activities which he anticipates will have the highest probability of bringing him gratification of a particular need-pattern."<sup>3</sup> As with motivation in general, there is no universally accepted theory of what motivates consumers to purchase a particular product in preference to another. Broadly speaking, however, it may be said that consumers are motivated to purchase particular products in an attempt to satisfy one or more needs.

The needs that motivate consumer behavior may be either biogenic or psychogenic or some pattern of the two. If psychogenic, the needs may be rational or irrational or some pattern of the two. The consumer may be keenly aware of the need or needs to be satisfied or such need or needs may be buried in the unconscious mind. The need-pattern of a given consumer could be quite complex and constantly changing over time.<sup>4</sup>

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2. See generally G. DAY, BUYER ATTITUDES AND BRAND CHOICE BEHAVIOR (1970); DIMENSIONS OF CONSUMER BEHAVIOR (J. McNeal ed. 1965); J. ENGEL, CONSUMER BEHAVIOR (1982); J. ENGEL, D. KOLLAT & R. BLACKWELL, CONSUMER BEHAVIOR (2d ed. 1973); G. FOXALL, CONSUMER BEHAVIOR: A PRACTICAL GUIDE (1980); J. HOWARD & J. SHETH, THE THEORY OF BUYER BEHAVIOR (1969); H. KASSARJIAN & T. ROBERTSON, PERSPECTIVES IN CONSUMER BEHAVIOR (1973); G. KATONA, THE POWERFUL CONSUMER (1960); F. NICOSIA, CONSUMER DECISION PROCESSES (1966); F. REYNOLDS & W. WELLS, CONSUMER BEHAVIOR (1977); D. SCHULTZ, PSYCHOLOGY AND INDUSTRY TODAY (1978); C.G. WALTERS, CONSUMER BEHAVIOR: THEORY AND PRACTICE (1974).

3. Bayton, *Motivation, Cognition, Learning—Basic Factors in Consumer Behavior*, in DIMENSIONS OF CONSUMER BEHAVIOR, *supra* note 2, at 24. Professor Bayton continues:

Human behavior can be grouped into three categories—motivation, cognition, and learning. Motivation refers to the drives, urges, wishes or desires which initiate the sequence of events known as "behavior." Cognition is the area in which all of the mental phenomena (perception, memory, judging, thinking, etc.) are grouped. Learning refers to those changes in behavior which occur through time relative to external stimulus conditions. Each broad area is pertinent to particular problems of consumer behavior. All three together are pertinent to a comprehensive understanding of consumer behavior.

*Id.* at 21.

4. See *id.* at 22. As stated by Professor Maslow: "Man is a wanting animal and rarely reaches a state of complete satisfaction except for a short time. As one desire is satisfied, another pops up to take its place. . . . It is a characteristic

A hypothetical may be illustrative at this point. Suppose the observed consumer behavior is the purchase of a teapot.<sup>5</sup> We may speculate on the need or needs to be satisfied by this purchase, i.e., why was the consumer motivated to buy this particular teapot? Our speculation might lead to the following conclusions concerning that consumer's motivation.

First, it seems quite logical that this consumer has a need for an implement for brewing tea.<sup>6</sup> We could carry this back further and postulate a basic physiological need for food and drink. Also the consumer presumably has reached the conclusion that tea would better satisfy his or her need than a competing beverage, e.g., coffee or cocoa.

Second, once the class (genus) "teapot" has been arrived at, the next step in the consumer behavior would logically involve a cognitive process,<sup>7</sup> such as a cost-benefit analysis, to select a particular teapot out of the various teapots available for purchase.<sup>8</sup> Price may be the primary rational consideration for the selection. On the other hand, the consumer may find the size of the teapot an important factor. If the consumer normally desires to brew eight cups of tea, it would be quite inefficient to purchase a pot that is capable of brewing only two cups at a time.

Certainly the durability of the pot would be a consideration, particularly if rough handling were anticipated. There could also be certain features of the teapot which would bear upon the consumer's decision to purchase a particular teapot over others, e.g., the presence of a filter between the brewing chamber and the spout that blocks tea leaves from escaping when pouring tea into a cup.<sup>9</sup>

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of the human being throughout his whole life that he is practically always desiring something." A. MASLOW, *MOTIVATION AND PERSONALITY* 69 (1954).

5. The teapot hypothetical was brought to mind by Justice Holmes' famous property justification for the "tie-in" sale of tea with a patented teapot. See *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 520 (1917) (Holmes, J., dissenting).

6. Of course, a teapot is not the only implement available for brewing tea. Any vessel capable of holding hot water will do, but if a teapot is purchased, presumably the other implements would be less likely to satisfy that consumer's needs.

7. Professor Cropley defines "cognition" as a "procedure through which people actively seek out, organize and interpret, store, and subsequently reuse information." Cropley, *Some Psychological Reflections on Lifelong Education*, in *FOUNDATIONS OF LIFELONG EDUCATION* 209 (R. Dave ed. 1976).

8. Although a consumer may not be entirely satisfied by any of the teapots available in a given store, one may still be selected because of the time and expense involved in going to other stores.

9. This feature may be valueless to a consumer who only intends to use

Third, there is the possibility that a consumer buys a particular teapot not for its obvious utilitarian function of brewing tea but rather because the consumer intends only to display the teapot, perhaps in a china cabinet. If that is the case, the primary consideration for selecting a particular teapot would seem to be its appearance and the desirability of adding such a teapot to the collection.<sup>10</sup>

Fourth, even though its primary function is to brew tea, the appearance of the teapot may be the primary consideration in its selection over others by the consumer. Thus, the color, shape, style, or decoration of a particular teapot may lead to its purchase because of its compatibility with presently owned dinnerware, or because of other stylistic reasons.<sup>11</sup>

Fifth, if we further pursue our speculation we may theorize that a consumer may have acted irrationally in purchasing a particular teapot. One type of such irrational behavior is commonly referred to as "impulse" buying.<sup>12</sup> The "affective"<sup>13</sup> appeal of the product itself may initiate impulsive behavior such as the purchase of a teapot. The impulse buyer is primarily affected by the physical attributes of the product—the color, shape, style, or decoration of the teapot—rather than by its function.<sup>14</sup>

Another type of irrational consumer behavior involves "emotional" buying.<sup>15</sup> Such consumer behavior may be described as "emotional" in that the motivation to purchase is primarily based upon the "symbolic"<sup>16</sup> appeal of the product as perceived by the

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teabags rather than loose tea. On the other hand, an insulated handle may be the feature that triggers the purchase.

10. The motivation to purchase would, of course, depend on the type of collection involved—teapots in general or teapots from a particular source. Price may also play a factor as it does in most purchasing decisions.

11. Presumably the consumer here is making a rational choice to match design, style, or other characteristics.

12. For a further discussion of "impulse" buying, see *infra* note 198 and accompanying text.

13. "Affective" is used in the sense that the product affects the consumer in such a way that the consumer is driven (impulsively to act) to satisfy a need generated by its affective appeal. See Woods, *Psychological Dimensions of Consumer Decisions*, in DIMENSIONS OF CONSUMER BEHAVIOR, *supra* note 2, at 33. For a further discussion of affective functionality and impulse buying, see *infra* notes 197-202 and accompanying text.

14. The affective appeal of the product may also involve the other senses—the smell of roses or leather, the feel of silk or fur, or the sound of "quality."

15. One commentator has suggested that "[r]esponse to symbolic appeals might best be termed 'emotional' behavior . . . . [I]t refers to behavior which is generated by thinking about the meaning of a product purchase rather than the function of the purchase." Woods, *supra* note 13, at 33.

16. The term "symbolic" is used in the sense that a product may be per-

consumer as satisfying an ego-need (e.g., the perceived status associated with owning a Wedgwood teapot) rather than upon its function.

Sixth, whether a consumer desires a teapot for brewing tea or for display purposes, a particular teapot may be selected over others because of the reputation of its manufacturer as a desirable source of teapots.<sup>17</sup> Motivation to purchase a teapot because of its source may be a learned response (positively reinforced from prior satisfactory use) or may even be habitual behavior.<sup>18</sup> It is also quite possible, even without prior satisfying use, that advertising has made the consumer aware of a teapot marketed by a particular source, and the consumer may be motivated to purchase that teapot on the basis of representations made in the advertisement as to the desirability of teapots from that source.<sup>19</sup>

Finally, although our speculations have been made on the basis of a particular need primarily motivating the consumer to purchase a given teapot, the consumer may be motivated by a complex of needs. The motivational pattern for a particular purchase at a particular time could involve the satisfaction of the utilitarian need for a teapot to brew and the impulsive need to buy a particular teapot because of its affective appeal based upon color or shape. Hence, the consumer, on balance, may purchase a teapot of a particular color even though more expensive than others of superior quality.<sup>20</sup>

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ceived by the consumer as external evidence of the consumer's desired self-image, e.g., by the product symbolized to its owner's affiliation with a particular group or a desired status. See Levy, *Symbols by Which We Buy*, in DIMENSIONS OF CONSUMER BEHAVIOR, *supra* note 2, at 58-64. For a discussion of symbolic functionality, see *infra* notes 220-94 and accompanying text.

17. It may be said that the consumer is motivated to purchase this particular "brand" of teapot because of the "goodwill" that the consumer associates with its source, i.e., the reputation of the source as a supplier of need-satisfying products.

18. Professor Schultz states that "[h]abits represent routine and easy ways of responding to complex situations. Decisions do not have to be made, and alternative behaviors or products do not have to be examined or considered." D. SCHULTZ, *supra* note 2, at 461. The market implications of habit on consumer behavior have been indicated by Professor Bayton: "If the purchase is largely a habit, there is little cognitive activity available for the competitor to 'work on.'" Bayton, *supra* note 3, at 29.

19. The advertising may, of course, go well beyond information concerning the product's desirable features to stress a nonutilitarian value such as its affective value or symbolic value.

20. Professor Walters suggests that producers exploit both rational and irrational consumer response:

The very fact that the concept of rationality has pervaded the marketer's thinking for so long has led to some common misconceptions about normal, consumer decision making. The problem is that instead

As may be seen by the rather cursory speculations outlined above, consumer motivation concerning even the purchase of a simple product such as a teapot by one consumer may become quite complex. Moreover, it is one thing to speculate on consumer motivation; it is yet another to ascertain individual or group motivation with respect to the purchase of a particular genus of products or a particular species within a given genus.

In psychological and marketing research, consumer surveys are used to investigate consumer motivation.<sup>21</sup> Assuming that consumer surveys are devised and executed according to scientifically recognized research techniques, a fundamental limitation on the use of such surveys is that they are based on the premise that consumers accurately report or are capable of reporting their actual motivation in making particular purchases.<sup>22</sup>

Accuracy in reporting becomes even more speculative when hypothetical consumers are asked to report what would be their motivation in making hypothetical purchases.<sup>23</sup> In an attempt to avoid the shortcomings of consumer survey techniques, other approaches have been used in consumer motivation research such as in-depth procedures, including interviews and projective techniques, which seek to ascertain the underlying psychological motivation of the individual.<sup>24</sup> In-depth techniques, however, are known to have low reliability and validity.<sup>25</sup> Thus, given the pres-

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of simply accepting the decision for what it is, labels of rational or non-rational have to be placed on each decision. It is felt that this tendency is not only incorrect, it is a disservice to the marketing practitioner who must appeal to these consumers. Rational appeals do not necessarily work sometimes and emotional appeals at other times. The soundest course for the businessman is to appeal to the emotions but provide a rational reason for buying.

C.G. WALTERS, *supra* note 2, at 460.

21. For further discussion of psychological research, see D. SCHULTZ, *supra* note 2, at 438-39.

22. As indicated by Professor Schultz: "The basic premise underlying the use of surveys is simple: most people can and will articulate their feelings, reactions, opinions and desires, when asked about them." *Id.* For example, a consumer may be embarrassed to admit that Brand A was selected because of its elegant packaging and, therefore, the quality of Brand A may be given as the reason for its purchase. In fact, the consumer may not be consciously aware that it was the appearance of the packaging that motivated the purchase.

23. *Id.* One might expect a difference in response if a consumer is asked why a particular product was purchased as compared to which product he or she would purchase if in the market.

24. *Id.* at 439. For a further discussion of in-depth research methods, see *id.* at 439-42.

25. Professor Schultz summarizes the effectiveness of in-depth research techniques as follows:

Theoretically, the in-depth approach offers . . . the ability to reach un-



ent understanding of the psychological construct of motivation and the attendant limitations of research techniques, considerable care must be exercised in drawing conclusions and making generalizations concerning consumer motivation.<sup>26</sup>

Nonetheless, as a legal construct, consumer motivation in a number of different contexts affects whether the copying of a particular product may be proscribed on the basis of either trademark or unfair competition law. In product simulation cases, consumer motivation is involved—explicitly or implicitly—in the doctrines of “functionality,”<sup>27</sup> “secondary meaning,”<sup>28</sup> and “aesthetic functionality.”<sup>29</sup> Recently, consumer motivation was approved as a test for determining the “genericness”<sup>30</sup> of a trademark although the test was quickly disavowed in legislation by Congress.<sup>31</sup> Broadly, each of these doctrines may be seen as a

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conscious levels of motivation, to determine feelings and desires that could not be reached by direct objective tests and questionnaires. However, many psychologists suggest that this does not work in reality. Further, projective tests have a record of low reliability and validity.

*Id.* at 441.

26. The problem of predicting consumer behavior may further be exacerbated by the diversity of consumers in the market place. For example, one commentator has categorized consumers into six groups:

1. *A habit-determined group* of brand-loyal consumers, who tend to be satisfied with the last purchased product or brand.
2. *A cognitive group* of consumers, sensitive to rational claims and only conditionally brand-loyal.
3. *A price-cognitive group* of consumers, who principally decide on the basis of price or economy comparisons.
4. *An impulse group* of consumers, who buy on the basis of physical appeal and are relatively insensitive to brand name.
5. *A group of “emotional” reactors*, who tend to be responsive to what products symbolize and who are heavily swayed by “images.”
6. *A group of new consumers*, not yet stabilized with respect to the psychological dimensions of consumer behavior.

Woods, *supra* note 13, at 34.

27. For a further discussion of the doctrine of “functionality” (in its “utilitarian” sense) as it relates to consumer motivation, see *infra* notes 33-100 and accompanying text.

28. For a further discussion of the doctrine of “secondary meaning” as it relates to consumer motivation, see *infra* notes 101-44 and accompanying text.

29. For a further discussion of the doctrine of “aesthetic functionality” as it relates to consumer motivation, see *infra* notes 145-294 and accompanying text.

30. See *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc. (Anti-Monopoly III)*, 684 F.2d 1316, 1319 (9th Cir. 1982), *cert. denied*, 459 U.S. 1227 (1983); see also *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc. (Anti-Monopoly I)*, 611 F.2d 296, 302 (9th Cir. 1979) (case in which consumer motivation test was suggested). For a further discussion of the doctrine of “genericness” as it relates to consumer motivation, see *infra* notes 295-335 and accompanying text.

31. Trademark Clarification Act of 1984, Pub. L. No. 98-620, 98 Stat. 3335 (1984) (amending § 14(c) of Lanham Act, 15 U.S.C. § 1064(c) (1982)). The Trademark Clarification Act provides in part: “The primary significance of the

balance between "free" competition theory of free access to products in the public domain and "fair" competition theory of excluding competition deemed "unfair."<sup>32</sup>

This article will consider the relevance of consumer motivation to the trademark and unfair competition doctrines of functionality, secondary meaning, aesthetic functionality, and genericness. Its usage within these doctrines will be analyzed in an effort to ascertain any underlying presumptions concerning consumer behavior and competition. Concomitantly, this article will examine the value of consumer motivation, with reference to the psychological construct of consumer motivation, as a construct for resolving the legal issue of whether protection against copying a product or "word, name, symbol or device" should be afforded. This will be attempted, in the light of preserving the "right to copy" as a basic tenet of free competition theory, without seriously eroding established fair competition principles of trademark and unfair competition law.

## II. CONSUMER MOTIVATION AND FUNCTIONALITY (UTILITARIAN)

In trademark and unfair competition law, certain presumptions are made concerning consumer motivation and competition which ideally should be consistent with free competition and fair competition theories, as well as with consumer behavior in the market place. A basic principle of free competition theory is the "right to copy" products in the public domain (i.e., unprotected by patent or copyright); indeed, this principle is mandated by *Sears, Roebuck & Co. v. Stiffel Co.*<sup>33</sup> and *Compco Corp. v. Day-Brite Lighting, Inc.*<sup>34</sup> on a federal preemption basis.<sup>35</sup>

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registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used . . . ." *Id.* For a further discussion of the Trademark Clarification Act of 1984, see *infra* notes 332-33 and accompanying text.

32. See Goldstein, *The competitive Mandate: From Sears to Lear*, 59 CALIF. L. REV. 873 (1971). See also Oddi, *Product Simulation and Contributory Infringement: A Right Suggests a Wrong*, 25 ARIZ. L. REV. 601, 606-09 (1983).

33. 376 U.S. 225 (1964).

34. 376 U.S. 234 (1964).

35. The full preemption impact of the *Sears* and *Compco* decisions has been eroded over the years. See *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257 (1979); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974); *Goldstein v. California*, 412 U.S. 546 (1973). However, the right to copy products and ideas in the public domain was reaffirmed by the Supreme Court in *Aronson*, 440 U.S. at 264; *Kewanee*, 416 U.S. at 480-81; and *Goldstein*, 412 U.S. at 568. For a further discussion of *Sears*, *Compco* and related cases, see generally Arnold & Goldstein, *Life Under Lear*, 48 TEX. L. REV. 1235 (1970); Brown, *Publication and Pre-emption in*

The right to copy is reflected in the common law's abhorrence of monopolies in the absence of a patent. As early as 1870, the Illinois Supreme Court stated:

[The originators of a particular design of plow] have no patent upon any portion of their plows; anyone, therefore, has a perfect right to make plows in their exact similitude, even to "the curve of the mould board" and "the tip of the handles"—in the minutest, as well as in the most important points. . . .<sup>36</sup>

This dictum proved too broad for general adoption, and courts began to draw a distinction between the copying of "functional" and the copying of "nonfunctional" product features.<sup>37</sup>

Hence, it was found tortious to copy a nonfunctional product (or the features thereof), where the product was recognized as coming from a particular source, had acquired secondary meaning, and the imitation was likely to cause confusion as to the product's true source.<sup>38</sup> The latter two requirements implement the policy considerations of proscribing diversion of trade from the original source and deception of consumers. Thus, unfair competition limitations were placed on the right to copy products that were nonfunctional, had acquired meaning, and were likely to confuse as to source. According to the first *Restatement of Torts*, copying such products constituted the tort of "unprivileged

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*Copyright Law: Elegiac Reflections on Goldstein v. California*, 22 UCLA L. REV. 1022 (1975); Dannay, *The Sears-Compro Doctrine Today: Trademarks and Unfair Competition*, 67 TRADE-MARK REP. 132 (1977); Goldstein, *The Competitive Mandate: From Sears to Lear*, 59 CALIF. L. REV. 873 (1971); Leeds, Handler, Deneberg, Brown & Bender, *Product Simulation: A Right or a Wrong?*, 64 COLUM. L. REV. 1178 (1964); Milgrim, *Sears to Lear to Painton: Of Whales and Other Matters*, 46 N.Y.U. L. REV. 17 (1971); Zammit, *The Ghost of Sears-Compro is Finally Laid to Rest (Or Is It?)* 3 HOFSTA L. REV. 37 (1975).

36. *Candee, Swan & Co. v. Deere & Co.*, 54 Ill. 439, 461 (1870). In *Candee, Swan*, a plow manufacturer branded the words "John Deere," in large heavy black capitals, on the segment of a circle on the beams of his plows. *Id.* at 446. The words "Moline, Ill." were branded in small black capitals in a straight horizontal line underneath. *Id.* The brand on the other plows which constituted the alleged violation of trademark was the words "Candee, Swan & Co." in small capital letters, on a segment of a circle that was two inches longer than that of the complainant's, and the address, "Moline, Ill.," in still smaller capital letters in a straight horizontal line underneath. *Id.* at 447. The court held that while there was some resemblance between the two brands, there was not enough similarity between the plows to show that Candee, Swan & Co. intended to sell their plows as manufactured by John Deere. *Id.* at 468.

37. See generally Note, *Unfair Competition and the Doctrine of Functionality*, 64 COLUM. L. REV. 544, 551-58 (1964).

38. See *Developments in the Law—Competitive Torts*, 77 HARV. L. REV. 888, 908-23 (1964) [hereinafter cited as *Competitive Torts*].

imitation.”<sup>39</sup>

The characterization of a product or its features as functional or nonfunctional was a mandatory step in the determination of whether the copying was privileged or not. At an early date, two types of functionality were recognized. In *Marvel Co. v. Pearl*,<sup>40</sup> the United States Court of Appeals for the Second Circuit refused to enjoin the copying of a syringe on the grounds that a particular design was essential to its practical use and operation as a syringe.<sup>41</sup> The court stated:

In the absence of protection by patent, no person can monopolize or appropriate to the exclusion of others elements of mechanical construction which are essential to the successful practical operation of a manufacture, or which primarily serve to promote its efficiency for the purpose to which it is devoted . . . “where such similarity” . . . appears to result from an effort to comply with the physical requirements essential to commercial success and not to be designed to misrepresent the origin of such articles, the doctrine of unfair competition cannot be successfully invoked to abridge freedom of trade competition.<sup>42</sup>

Hence, a competitor was allowed to copy product features that had “utility” (“essential to the successful practical operation”) or that promoted the product’s “efficiency” of use (because such features were “essential to its commercial success”). A competitor was not, however, permitted to copy features “designed to misrepresent” origin. In our teapot hypothetical, the filter blocking tea leaves from passing into the spout of the pot would be an example of a feature having “utility” functionality, and the eight-cup sized teapot would be an example of “user efficiency” functionality.

In addition to utility and user efficiency functionality, a third type—“maker efficiency” functionality—was also recognized at an early date. The United States Court of Appeals for the Seventh Circuit, in *Pope Automatic Merchandising Co. v. McCrum-Howel Co.*,<sup>43</sup> held that copying the design of a vacuum cleaner was privileged,

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39. RESTATEMENT OF TORTS § 741 (1938). For the full text of § 741, see *infra* note 48.

40. 133 F. 160 (2d Cir. 1904).

41. *Id.* at 161.

42. *Id.* at 161-62.

43. 191 F. 979 (7th Cir. 1911).

stating that “[i]n short [the originator] uses the most efficient and most economically manufactured form into which the mechanical combination can probably be embodied. Not a line, nor a curve, not a mark, not a bit of superfluous material, for embellishment or distinction.”<sup>44</sup> Although it seems unlikely that a consumer would know and then be motivated to buy a particular product over others because it was the most efficiently manufactured one, presumably this efficiency would be reflected in a lower product cost. Lower cost is likely to be a matter of vital interest to the consumer.

For convenience these three types of functionality—“utility,” “user efficiency,” and “maker efficiency”—will be grouped together here under the term “utilitarian functionality.”<sup>45</sup>

The first *Restatement of Torts* has been and continues to be influential in the development and application of the overall doctrine of functionality by the various courts.<sup>46</sup> In a topic designated “Imitation of Appearance” (within the chapter on “Confusion of Source”), the *Restatement* sets forth the competing interests involved: “The public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers.”<sup>47</sup> Section 741 of the *Restatement* specifies the elements of the tort of “unprivileged imitation,”<sup>48</sup> as outlined above. Further, section

44. *Id.* at 981.

45. This is the usage proposed by Judge Rich in *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1338 (C.C.P.A. 1982), with the understanding that “user efficiency” would also be included under the definition of “utilitarian.”

46. The *Restatement (Second) of Torts* was published in 1977. The American Law Institute, however, made the decision not to include a part on “Interference by Trade Practices,” which contained Chapter 35 (Confusion of Source), giving as a reason therefor: “The law of Unfair Competition and Trade Regulation is no more dependent upon Tort law than it is on many other general fields of the law and upon broad statutory developments, particularly at the federal level.” *RESTATEMENT (SECOND) OF TORTS* Division 9 introduction note (1977).

47. *RESTATEMENT OF TORTS* ch. 35, topic 3 introductory note (1938).

48. *Id.* § 741. Section 741, entitled “Elements of Unprivileged Imitation,” provides:

One who markets goods, the physical appearance of which is a copy or imitation of the physical appearance of the goods of which another is the initial distributor, markets them with an unprivileged imitation, under the rule stated in § 711, if his goods are of the same class as those of the other and are sold in a market in which the other's interest is protected, and

- (a) he copied or initiated the appearance after obtaining access to or procuring the goods, or their labels, wrappers, containers, styles or designs by improper means or on his promise not to copy or imitate them, or
- (b) the copied or imitated feature has acquired generally in the

742 defines “functional” as follows: “A feature of goods is functional, under the rule stated in § 741, if it affects their purpose, action or performance, or the facility or economy of processing, handling or using them; it is nonfunctional if it does not have any of such effect.”<sup>49</sup> Unfortunately, the text of section 742 and the elaborating comment do not have that degree of lucidity with which the *Restatement* is normally favored. The verb “affects” in the definition is an extremely broad and ambiguous one.<sup>50</sup> Although the *Restatement* definition, reflecting the policy balance referred to above, goes beyond the long recognized doctrine of utilitarian functionality,<sup>51</sup> product features having utilitarian functionality clearly fall within the *Restatement* definition, and courts continue to cite and rely upon the definition in this context.

The Court of Customs and Patent Appeals (CCPA)—now the United States Court of Appeals for the Federal Circuit (CAFC)<sup>52</sup>—has been highly critical of the *Restatement* definition of functionality in general, and of the inclusion of aesthetic functionality, in particular. Prior to the Lanham Act, the registration of

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market a special significance identifying the other's goods, and

- (i) the copy or imitation is likely to cause prospective purchasers to regard his goods as those of the other, and
- (ii) the copied or imitated feature is nonfunctional, or, if it is functional, he does not take reasonable steps to inform prospective purchasers that the goods which he markets are not those of the other.

*Id.*

49. *Id.* § 742.

50. Judge Rich is critical of the *Restatement* terminology:

Further, it appears to us that “affects” and “contributes to” are both so broad as to be meaningless, for every design “affects” or “contributes to” the utility of the article in which it is embodied. “Affects” is broad enough to include a design which *reduces* the utility or the economy of manufacture.

*In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1340 (C.C.P.A. 1982).

51. The United States Court of Appeals for the Eighth Circuit elaborated on this extension, shortly after the publication of the first *Restatement*, in *J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949 (8th Cir. 1941). In *J.C. Penney*, the court, in reference to the § 742 definition, concluded that a design need not be “utilitarian in the technical sense,” and may be functional “[i]f . . . the public believes generally that a certain feature adds a utilitarian value to the goods—whether it actually does or not—and will be materially influenced to purchase them on that basis.” *Id.* at 954. See also *Ainsworth v. Gill Glass & Furniture Co.*, 26 F. Supp. 183, 187 (E.D. Pa. 1938) (holding that the “attractive appearance [of a lighting fixture] is part of its performance”), *aff'd*, 106 F.2d 491 (3d Cir. 1939).

52. The CCPA was abolished and the CAFC created by the Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 36 (1982). On October 1, 1982, jurisdiction over appeals from the Patent and Trademark Office (PTO) was assumed by the CAFC. 28 U.S.C. § 1295(a)(4)(A) (1982).

three-dimensional goods, including the product itself and its container, was denied as not being the proper subject matter of a trademark.<sup>53</sup> Under the Lanham Act, registration of three-dimensional objects was permitted by the Patent and Trademark Office (PTO)<sup>54</sup> and such practice affirmed by the CCPA.<sup>55</sup> As a conse-

53. See, e.g., *Sparklets Corp. v. Walter Kidde Sales Co.*, 104 F.2d 396 (C.C.P.A. 1939) (grooved band on capsule designed to carry liquified gas was not proper subject for trademark); *In re National Stone-tile Corp.*, 57 F.2d 382 (C.C.P.A. 1932) (registration denied of trademark consisting of shallow indentation on edge of webs and end walls of hollow tire); *In re Dennison Mfg. Co.*, 39 F.2d 720 (C.C.P.A. 1930) (urn-shaped figure forming patch for tag denied registration). This approach followed early infringement cases holding that goods themselves were not the proper subject matter of trademark protection. See, e.g., *Adams v. Heisel*, 31 F. 279 (C.C.N.D. Ohio 1887) (chewing gum manufacturer could not obtain trademark of form of sticks into which gum was made, nor for shape and decoration of package, nor for arrangement of gum within package); *Davis v. Davis*, 27 F. 490 (C.C.D. Mass. 1886) (method of arranging soap in box was not trademark that could be registered); *Fairbanks v. Jacobus*, 8 F. Cas. 951 (C.C.S.D.N.Y. 1877) (No. 4608) (words "Fairbanks' Patent" cast on scales was not a trademark that could be registered).

54. *Ex parte Haig & Haig*, 118 U.S.P.Q. (BNA) 229 (Comm'r Patents 1958) ("pinch" bottle registrable as "distinctive"). Cf. *Ex parte Minn. Mining & Mfg. Co.*, 92 U.S.P.Q. (BNA) 74 (Comm'r Patents 1952) (sleigh-shaped holder for adhesive tape not registrable because not within definition of trademark).

These cases relied on § 2 of the Lanham Act in determining which goods are subject to registration. The pertinent language of § 2 provides: "No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature . . ." Lanham Act § 2, 15 U.S.C. § 1052 (1982).

55. Some early cases implied registrability of three dimensional objects. See, e.g., *In re McIlhenny Co.*, 278 F.2d 953 (C.C.P.A. 1960) (capped bottle of pepper sauce denied trademark registration because general public had not accepted applicant's unlabeled bottles per se as identifying applicant's product); *In re Bourns*, 252 F.2d 582 (C.C.P.A. 1958) (configuration of article cannot be registered as trademark unless it is intended primarily to indicate origin of goods and ordinary purchaser would be likely to consider that it indicates such origin). The registrability of three-dimensional goods was made clear in *In re Mogen David Wine Corp. (Mogen David I)*, 328 F.2d 925 (C.C.P.A. 1964) (design patent owner could obtain registration of its bottle configuration trademark during life of its design patent covering the bottle). See also *In re Mogen David Wine Corp. (Mogen David II)*, 372 F.2d 539 (C.C.P.A. 1967) (denying registration of configuration of decanter bottle as trademark for wine because configuration had not acquired secondary meaning). The registration on the secondary register of a three-dimensional chemical cake was authorized in *In re Minn. Mining and Mfg. Co.*, 335 F.2d 836 (C.C.P.A. 1964). Cf. *Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co.*, 247 F.2d 730 (3d Cir. 1957) (denying protection to "blue dot" on flash bulbs as not being proper subject matter of trademarks); *Alan Wood Steel Co. v. Watson*, 150 F. Supp. 861 (D.D.C. 1957) (denying registration of metal floor plate as not being proper subject matter of trademark protection).

For further consideration of the registrability of three-dimensional goods, see Oddi, *The Functions of Functionality in Trademark Law*, 22 HOUS. L. REV. 925 (1985); see also Fletcher, *Buildings as Trademarks*, 69 TRADE-MARK REP. 229 (1979); Lunsford, *The Protection of Packages and Containers*, 56 TRADE-MARK REP. 567 (1966); Whann & Clevenger, *A Look Behind the Labels "Functional" and "Nonfunctional"*—*A Rebuttal*, 69 TRADE-MARK REP. 246 (1979); Note, *Trademark Protection of*

quence, the tension between granting trademark protection to three-dimensional goods and recognizing the right to copy products in the public domain became manifest.

The doctrine of functionality, in the context of trademark registration, was addressed in 1961 by the CCPA in *In re Deister Concentrator Co.*<sup>56</sup> As one of the “truisms” of trademark law, Judge Rich posited: “A feature dictated solely by ‘functional’ (utilitarian) considerations may not be protected as a trademark; but mere possession of a function (utility) is not sufficient reason to deny protection.”<sup>57</sup> The court refused to permit the registration of the rhomboidal shape of a coal cleaning table (that was shown by various publications to provide a highly efficient cleaning surface), “because the shape is *in essence* utilitarian.”<sup>58</sup> The rationale was that, with respect to such functional features, “there is an overriding public policy of preventing their monopolization, of preserving the public right to copy. A certain amount of purchaser confusion may even be tolerated in order to give the public the advantage of free competition.”<sup>59</sup> Hence, even if the product’s shape did in fact distinguish the applicant’s goods from others (i.e., had acquired *de facto* secondary meaning), public policy would not permit the registration of a product that was “*in essence* utilitarian.”

A number of courts thought that a public policy balance between free and fair competition should be struck to condemn the intentional copying of another’s product—irrespective of whether it is functional or nonfunctional—if consumers were likely to be confused as to the product’s source.<sup>60</sup> Such intentional copying

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*Objects and Configurations: A Critical Analysis*, 59 MINN. L. REV. 541 (1975); Note, *Promotional Goods and the Functionality Doctrine: An Economic Model of Trademarks*, 83 TEX. L. REV. 679 (1984); Note, *The Protectability of Package, Container and Product Configuration* (pts. 1 & 2) 5 U.S.F.L. REV. 451 (1971), 6 U.S.F.L. REV. 172 (1971); Note, *Lanham Act Registration of a Container or Product Shape as a Trademark*, 3 U.S.F.L. REV. 327 (1969).

56. 289 F.2d 496 (C.C.P.A. 1961).

57. *Id.* at 502.

58. *Id.* at 506.

59. *Id.* at 504.

60. The now classic example of this condemnation is *Stiffel Co. v. Sears, Roebuck & Co.*, 313 F.2d 115 (7th Cir. 1963), *rev'd*, 376 U.S. 225 (1964). In *Sears*, a comparison of the Stiffel pole lamp with the Sears pole lamp showed a remarkable likeness in appearance. The functionality of the copied pole lamp was not considered. The testimony showed that the likelihood of consumer confusion as to the lamp’s source existed. Under Illinois law, proof of the likelihood of confusion as to the product’s source was sufficient to make a case of unfair competition. Furthermore, secondary meaning was held not to be required by Illinois law. 313 F.2d at 118. For other cases ignoring the functionality issue,



was a form of "commercial immorality."<sup>61</sup> It would seem to be the logical extension of the "appropriation" theory of *International News Service v. Associated Press*<sup>62</sup> to recognize a "quasi property" right in the "goodwill" of the product created by the investment of time and money in it by its originator; hence, the copier was seeking to "reap where it has been sown."<sup>63</sup> Under this reasoning, the wrong was the intentional copying that resulted in the likelihood of confusion, and the originator would receive an "entitlement" as an incentive for investing in the creation of the production.<sup>64</sup>

Whether states could enjoin the copying of products otherwise in the public domain on an appropriation/entitlement rationale was brought to a head in *Sears, Roebuck & Co. v. Stiffel Co.*<sup>65</sup>

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see Note, *supra* note 37, at 568 n.166. See also *American Safety Table Co. v. Schreiber*, 269 F.2d 255, 277 n.14 (2d Cir.) (features copied were functional and simulation was otherwise privileged except for defendant's "commercially immoral" practices), *cert. denied*, 361 U.S. 915 (1959); *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir.) ("[the copier's] intention thus to reap financial benefits from poaching on the reputation of the Atmos clock is of major importance"), *cert. denied*, 350 U.S. 832 (1955).

61. For a discussion of the "commercial morality" rationale of protection, see McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADE-MARK REP. 350, 336-40 (1979). A frequently quoted passage dealing with justification on fairness grounds comes from Judge Hough's opinion in *Margaret Steiff v. Bing*: "What makes the fight unfair is always the borrowing by the newcomer from the first maker of something not necessary to excellence of product, not required for functional perfection, yet almost invariably cleverly calculated to attract and fix the attention, or please the eye of the careless." 215 F. 204, 207 (S.D.N.Y. 1914). Cf. *B.H. Bunn Co. v. AAA Replacement Parts*, 451 F.2d 1254, 1259 (5th Cir. 1971) ("Outright copying is often a civilizing rather than a cannibalizing folkway. The world would be a duller place without the originators, but it would not work without copyists.").

62. 248 U.S. 215 (1918).

63. *Id.* at 239. The complete quotation is:

In doing this defendant, by its very act, admits that it is taking material that has been acquired by complainant as a result of organization and the expenditure of labor, skill, and money, and which is salable by complainant for money, and that defendant in appropriating it and selling it as its own is endeavoring to reap where it has not sown . . . .

*Id.*

64. For a discussion of the "entitlement" rationale and the incentive provided, see McClure, *supra* note 61, at 336-40. The protection of trademarks in non-competitive situations and under dilution rationales has long been advocated. See Pattishall, *Dawning Acceptance of the Dilution Rationale for Trademark-Trade Identity Protection*, 74 TRADE-MARK REP. 289 (1984); Pattishall, *The Dilution Rationale for Trademark—Trade Identity Protection, Its Progress and Prospects*, 71 NW. U.L. REV. 618 (1977); Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

65. 376 U.S. 225 (1964).

and *Compco v. Day-Brite Lighting, Inc.*,<sup>66</sup> both decided by the United States Supreme Court in 1964. In *Sears* and *Compco*, the Supreme Court held that the constitutionally based federal patent statute had preempted individual states from protecting unpatented products on the basis of unfair competition, because the opposite result would “give protection of a kind that clashes with the objectives of the federal patent laws.”<sup>67</sup>

Since *Sears* and *Compco* were based on the supremacy clause of the Constitution and federal preemption, this would still leave open the possibility that other federal laws, not specifically preempted, could protect against product simulation. Mr. Justice Black appears to have recognized this possibility in *Compco*, where he stated that “if the design is not entitled to a design patent *or other statutory protection*, then it can be copied at will.”<sup>68</sup> By “other statutory protection” he may have meant utility patents or copyrights. This phrase, however, was later interpreted to include federal trademark and unfair competition protection under the Lanham Act.<sup>69</sup>

Anticipating *Sears* and *Compco*, the CCPA asserted the independence of trademark protection from patent protection. In *In re Mogen David Wine Co. (Mogen David I)*,<sup>70</sup> decided a few days after the *Sears* and *Compco* decisions but without the benefit of them, the CCPA held that the ownership of a design patent on a wine decanter by the applicant did not, as a matter of law, preclude the registration of the “ornamental design” as a trademark.<sup>71</sup> Judge Rich concurred to address the issue of the functional nature of the wine decanter. He maintained that the public’s right to copy involved the “essential distinction between engineering function and ornamental function.”<sup>72</sup> The table in *Deister* served the engineering function of increasing efficiency of operation because of its shape; in contrast, the shape of the decanter was “not in the

66. 376 U.S. 234 (1964).

67. 376 U.S. at 231.

68. 376 U.S. at 238 (emphasis added).

69. For a further discussion of the interpretation of “other statutory protection,” see *infra* notes 70-77 & 82-95 and accompanying text.

70. 328 F.2d 925 (C.C.P.A. 1964).

71. *Id.* at 929. The majority stated that “the law recognizes that the protection accorded to a design under the patent laws and that accorded to what amounts to a trademark under the common law doctrine of secondary meaning are separate and distinct, and that the rights conferred by law in the one in no way exclude the rights confined by law in the other.” *Id.*

72. *Id.* at 933.

least essential . . . in order to have a fully functioning bottle.”<sup>73</sup> Hence, Judge Rich concluded, to prohibit its copying would “not hinder competition and . . . [would] not take away from the goods [bottled wine] something of *substantial* value.”<sup>74</sup>

Several years later, in *Mogen David II*,<sup>75</sup> the second appeal of this application to the CCPA, the court held that the applicant was not precluded from registering a three-dimensional good as a trademark, provided the other requisites for trademark registration were met.<sup>76</sup>

The definition of functionality for the purpose of registration becomes highly important in view of the CCPA’s position (now the CAFC’s position) recognizing the registrability of three-dimensional goods that are either distinctive or have acquired secondary meaning.<sup>77</sup> The “*in essence* utilitarian” standard of “functionality” in *Deister* proved to share the ambiguity of the *Restatement* and was applied with eclectic results for two decades in registration cases.<sup>78</sup> Finally, in 1982, the definition was reconsidered by the CCPA in *In re Morton-Norwich Products, Inc.*<sup>79</sup>

In an opinion by Judge Rich, the court in *Morton-Norwich* equated “functional” with “utilitarian” and then defined “utilitarian” to mean “*superior in function (de facto) or economy of manufacture, which ‘superiority’ is determined in the light of competitive necessity to copy.*”<sup>80</sup> Elaborating on this definition, Judge Rich stated:

Thus, it is clear that courts in the past have considered the public policy involved in this area of law as, not the *right* to slavishly copy articles which are not protected

73. *Id.*

74. *Id.* (emphasis in original).

75. *In re Mogen David Wine Corp. (Mogen David II)*, 372 F.2d 539 (C.C.P.A. 1967).

76. 372 F.2d at 541-42. *But cf.* *Price Food Co. v. Good Foods, Inc.*, 400 F.2d 662 (6th Cir. 1968) (holding that non-distinctive and reusable plastic containers for cheese spread were functional).

77. For a list of three-dimensional products denied and accepted for registration by the CCPA and the PTO, see Oddi, *supra* note 55, at 933-44.

78. Although cases concerning the registration of three-dimensional products have generally involved proof of secondary meaning (see, e.g., *Mogen David II*, 372 F.2d 539 (C.C.P.A. 1967)), registration would seem to be required if the three-dimensional designs were “distinctive.” See, e.g., *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1344 (C.C.P.A. 1982) (Rich, J.) (spray bottle registrable as distinctive); *Ex parte Haig & Haig*, 118 U.S.P.Q. (BNA) 229 (Comm’r Patents 1958) (“pinch” bottle registrable as distinctive). *But see In re DC Comics*, 689 F.2d 1042, 1050-51 (C.C.P.A. 1982) (Niles, J., concurring) (proof of secondary meaning required in all cases involving three-dimensional products).

79. 671 F.2d 1332 (C.C.P.A. 1982).

80. *Id.* at 1339 (emphasis in original).

by patent or copyright, but the *need* to copy those articles, which is more properly termed the right to compete *effectively*.<sup>81</sup>

The *Morton-Norwich* rationale seems to indicate that for a product to be “utilitarian,” and hence not registrable, it must be superiorly “utilitarian functional” (presuming user efficiency would also fall within the definition). It is not apparent why inferior designs would not also be in the public domain.

With respect to unfair competition law, it was not until twelve years after the *Sears* and *Compco* decisions that a federal basis for the tort of unprivileged imitation was recognized by the courts. This occurred in *Truck Equipment Service Co. v. Fruehauf Corp.*<sup>82</sup> on the basis of section 43(a) of the Lanham Act.<sup>83</sup> The copied product in the *Truck Equipment* case was a semi-trailer for hauling grain.<sup>84</sup> The United States Court of Appeals for the Eighth Circuit read into section 43(a) the common law requirements for the tort of unprivileged imitation, namely, nonfunctionality, secondary meaning, and likelihood of confusion. The court of appeals affirmed the district court’s finding that the trailer features copied were nonfunctional in that they were “arbitrarily designed for the purpose of identification, [and] were no more than merely incidentally functional.”<sup>85</sup> The court then concluded that “[t]he prohibition against copying of [those features] will not affect Fruehauf’s competitive position in the marketplace.”<sup>86</sup>

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81. *Id.* (emphasis in original).

82. 536 F.2d 1210 (8th Cir.), *cert. denied*, 429 U.S. 861 (1976).

83. 15 U.S.C. § 1125(a) (1982). Section 43(a) provides:

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

*Id.*

84. 536 F.2d at 1213.

85. *Id.* at 1218. It is interesting to note that the court did not read into § 43(a) the broad definition of functionality adopted on a state common law basis some 34 years earlier. See *J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949 (8th Cir. 1941).

86. 536 F.2d at 1218.

All of the circuits which have addressed the issue have followed *Truck Equipment* in reading into section 43(a) the common law requirements for the tort of unprivileged imitation. The courts have agreed that utilitarian functionality at least will preclude protection. The courts, however, have not always agreed as to the definition of utilitarian functionality.<sup>87</sup>

While not addressing the issue directly, the United States Supreme Court, in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*,<sup>88</sup> by implication approved reading the common law criteria into section 43(a). The court rather cryptically held that functionality may be relevant to the issue of direct trademark infringement

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87. See *W.T. Rogers Co., Inc. v. Keene*, 228 U.S.P.Q. (BNA) 148 (7th Cir. 1985) (stacking office trays protectable, if nonfunctional); *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984) (citrus juice bottle design, if found to be functional, could not be registered); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966 (11th Cir. 1983) (nonfunctional elements of blank checks could be protected under Lanham Act); *Keene Corp. v. Paraflex Indus.*, 653 F.2d 822 (3d Cir. 1981) (design of petitioner's light fixture was functional and could not be registered); *Vibrant Sales, Inc. v. New Body Boutique, Inc.*, 652 F.2d 299 (2d Cir. 1981) (copied features of petitioner's "waist away" belt were functional and thus unprotectable), *cert. denied*, 455 U.S. 909 (1982); *Vuitton et Fils S.A. v. J. Young Enter.*, 644 F.2d 769 (9th Cir. 1981) (if fabric design on luggage was found to be nonfunctional, then it may be protected under Lanham Act); *SK&F Co. v. Premo Pharmaceutical Laboratories*, 625 F.2d 1055 (3d Cir. 1980) (maroon and white color of gelatin capsule containing diuretic was nonfunctional); *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366 (1st Cir. 1980) (cylindrical design of container holding crackers was functional); *Ives Laboratories v. Darby Drug Co.*, 638 F.2d 538 (2d Cir. 1981) (color of capsules was nonfunctional), *rev'd sub nom.* *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982) (district court's finding that capsule color was functional was not clearly erroneous); *Black & Decker Mfg. Co. v. Ever-Ready Appliance Mfg.*, 518 F. Supp. 607 (E.D. Mo. 1981) (petitioner failed to show that trade dress of its stool was primarily nonfunctional and was denied protection), *aff'd*, 684 F.2d 546 (8th Cir. 1982). See also Note, *The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act*, 82 COLUM. L. REV. 77 (1982).

88. 456 U.S. 844 (1982). In *Ives*, the Supreme Court held that generic drug manufacturers could not be held liable as contributory infringers under the Lanham Act for selling a product designed to duplicate the appearance of a competitor's product that was protected under a trademark when pharmacists mislabeled the generic drugs with the competitor's trade mark. *Id.* at 854-55. For a further discussion of *Ives*, see Germain, *The Supreme Court's Opinion in the Inwood Case: Declination of Duty*, 70 KY. L.J. 731 (1982); Kronzow, McCarthy, Palladino, Patteshall & Swann, *An Analysis of the Ives Case: A TMR Panel*, 72 TRADE-MARK REP. 1 (1982); Oddi, *supra* note 32; Palladino, *Trademarks and Competition: The Ives Case*, 15 J. MAR. L. REV. 319 (1982); Rogers & Kahan, *Recent Developments Regarding Look-Alike Drugs*, 35 FOOD DRUG COSM. L.J. 4 (1980); Swenson, *Property Rights in the Color and Shape of Capsules*, 32 FOOD DRUG COSM. L.J. 361 (1977); Note, *Lanham Act Protection From the Copying of Trade Dress by Generic Drug Manufacturers*, 38 WASH. & LEE L. REV. 1225 (1981); Case Comment, *Generic Drug Laws and Unfair Competition Claims Under the Lanham Act—An Uneasy Alliance: Ives Laboratories, Inc. v. Darby Drug Co.*, 33 RUTGERS L. REV. 227 (1980).

under section 32 of the Lanham Act.<sup>89</sup> In passing, the Court, relying on *Sears and Kellogg Co. v. National Biscuit Co.*,<sup>90</sup> offered a definition of functionality: "In general terms, a product feature is functional if it is *essential* to the use or purpose of the article or if it *affects* the cost or quality of the article."<sup>91</sup>

The source of the "essential to the use" language is not evident. Such language does not appear in the *Sears* decision on the page referred to by the Supreme Court in *Ives*<sup>92</sup> or, for that matter, anywhere else in the case. Ironically, the phrase "essential to the use" appears in Justice Black's much maligned "summation" in *Compco*<sup>93</sup> on the page cited in the first-appearing unofficial reports of the *Ives* case.<sup>94</sup> The *Kellogg* case does not use the verb "affect" of the *Restatement* definition but states that the shape of the biscuits at issue in the case was functional because if made in another form, this would increase their cost and lower their quality.<sup>95</sup> It is far from apparent why the Supreme Court definition separates the elements of functionality and would require the use

89. 456 U.S. at 857-58 n.20. See 15 U.S.C. § 1114 (1982). Cf. 456 U.S. at 862-63 (White, J., concurring) (suggesting that functionality should be viewed as complete affirmative defense to § 32 claim).

90. 305 U.S. 111 (1938).

91. 456 U.S. at 850 n.10 (citing *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232 (1964); *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122 (1938)) (emphasis added).

92. The *Ives* Court cites to page 232 of the *Sears* opinion. 456 U.S. at 851 n.10.

93. 376 U.S. at 238. Justice Black stated in *Compco*:

That an article copied from the 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.* (emphasis added). For a summary of the controversy over this quotation, see Oddi, *supra* note 32, at 602-03 nn. 5-8.

94. The *United States Law Week* page citation to *Sears* [sic *Compco*] is "376 U.S. 225, 238 (1964)." 50 U.S.L.W. 4593, 4594 n.10 (U.S. June 2, 1982) (Nos. 80-2182, 81-11). The same citation appears in *United States Patent Quarterly*. 214 U.S.P.Q. (BNA) 1, 4 n.10 (1982). Seemingly taking an intermediate ground, is *Supreme Court Reports*, the citation being "376 U.S. 225, 232 (1964)," which falls within the *Sears* case but does not include any reference to functionality or "essential to the use or purpose" as a definition. 102 S. Ct 2182, 2187 n.10 (1982).

95. 305 U.S. at 122. The complete statement from *Kellogg* is: "The evidence is persuasive that this form is functional—that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape." *Id.*

or purpose to be *essential*, while the cost or quality need merely be *affected*.

In 1984, the United States Court of Appeals for the Fifth Circuit, in *Sicilia Di R. Biebow & Co. v. Cox*,<sup>96</sup> adopted a restrictive definition of "functional" along the lines of *Morton-Norwich*:

To achieve the status of "functional," a design or feature must be superior or optimal in terms of engineering, economy of manufacture, or accommodation of utilitarian function or performance. . . . A particular design . . . may serve functions demanded by the product's manufacturer, but it is not thereby rendered legally functional—and thus unprotectable—unless the design is only one of a limited number of equally efficient options and free competition would be unduly hindered by according that design trademark protection.<sup>97</sup>

The court acknowledged that its "narrower" definition of functionality was reminiscent of an earlier day<sup>98</sup>—indeed perhaps before *Sears and Compco*. The court in *Cox* concluded that "[a] finding of nonfunctionality . . . will mean that a wide array of choices remain available to prospective competitors even though the plaintiff producer acquires a *property right* in a particular design or configuration."<sup>99</sup> Presumably, whether competition is hindered would be measured by the availability of at least equally efficient alternatives or by direct evidence on that issue. It is not clear from the decision which party has the burden of proving availability of alternatives.<sup>100</sup>

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96. 732 F.2d 417 (5th Cir. 1984). The Seventh Circuit rejected this narrow formulation in *W.T. Rogers Co., Inc. v. Keene*, 228 U.S.P.Q. (BNA) 148, 151 (7th Cir. 1986) as proposed for use in a jury instruction as being ambiguous in its use of the word "utilitarian." Judge Posner states that "[b]eauty is function," *id.* at 150, but that a design can be protected as a trademark "even though it is pleasing," *id.* at 152, with the ultimate test of functionality being whether without this feature "other producers could not compete effectively." *Id.*

97. *Id.* at 429.

98. *Id.* at 429 n.8.

99. *Id.* at 430 (emphasis added).

100. The burden of proving nonfunctionality has generally been placed on the party asserting the § 43(a) violation for unprivileged imitation. See *Vibrant Sales, Inc. v. New Body Boutique, Inc.*, 652 F.2d 299 (2d Cir. 1981), *cert. denied*, 455 U.S. 909 (1982); *Leisurecraft Prods., Ltd. v. International Dictating Equip., Inc.*, 210 U.S.P.Q. (BNA) 193 (D.C. Cir. 1981); *Damn I'm Good, Inc. v. Sakowitz, Inc.*, 514 F. Supp. 1357 (S.D.N.Y. 1981). In *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193 (1st Cir. 1980), the court indicated that it was not clear that it was error to place the burden on the plaintiff to prove "nonfunctionality." *But cf. LeSportsac, Inc. v. K-Mart Corp.*, 754 F.2d 71 (2d

In light of the foregoing overview of utilitarian functionality and its application within trademark and unfair competition law, what presumptions, if any, do the courts appear to be making concerning consumer motivation and competition? Consumer motivation and competition are, of course, intimately interrelated. If, for whatever reason, consumers are motivated to purchase a product from a particular source rather than another, competition in that generic product is affected.

Permitting the copying of utilitarian functional features of a product—even though this may result in some likelihood of confusion as to the source of that product—has important free competition consequences. If the copying of utilitarian functional features of a product were enjoined, the consuming public would be denied access to the function performed by that product except from its original source. This would create a product (utilitarian functional) monopoly of theoretically perpetual duration.

In contrast, enjoining the use of a confusingly similar trademark (other than one represented by the appearance of the product itself) would not seem to have the same anti-competitive effects; it would merely require competitors to adopt a trademark that is not confusingly similar. In theory, at least, the effect of enjoining the copying of nonfunctional features should be the same. Competitors of the nonfunctional features of a product would not be placed at a competitive disadvantage by being barred from copying source-identifying nonfunctional features used by the originator. They would still have free access to the utilitarian functional features of the product. All that would be required of them would be to refrain from copying the source identifying nonfunctional features of the originator. This, however, presumes certain consumer behavior.

In terms of consumer motivation, it is presumed (indeed conclusively) that consumers are motivated to purchase products having utilitarian functionality because they wish to satisfy a need for the product's utility, efficiency of use, or efficiency of manufacture (as reflected in its lower cost), and moreover, that consumers would exercise a rational, cognitive process in selecting the product which is perceived as having the greatest probability of satisfying such a need. This conclusive presumption seems justified in terms of free competition principles, provided a reasonable, objective—product-centered—standard is adhered to for determin-

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Cir. 1985) (placing burden on copier to prove functionality). For a further discussion of *LeSportsac*, see *infra* notes 166-70 and accompanying text.



ing utilitarian functionality. The fact that some consumers may be motivated to buy a particular product to satisfy needs other than its utilitarian functionality—including a need for a product from a particular source—would not rebut this conclusive presumption because of the overriding policy interest in free competition in the utilitarian functions of such products.

On the other hand, if a distinguishing product design is found to be nonfunctional, i.e., *not* utilitarian functional, the presumption appears to be that consumers are motivated to purchase that product *because of its source*, i.e., a product from a particular source has, in the consumer's perception, the highest probability of satisfying the consumer's needs. If that is the case, it is then presumed that competition in that product would not be adversely affected if competitors were barred from using those source-identifying nonfunctional features. The operation of this latter presumption is evident in *Truck Equipment* and *Mogen David I*, where the conclusion was drawn that competitors would not be hindered if copying were prohibited, although there does not appear to be any factual basis for that conclusion. In *Morton-Norwich*, the presumption appears to be that, unless the design is "superior in function (de facto) or economy of manufacture," permitting the copying of a "nonsuperior" design is conclusively not "essential to effective competition." In *Sicilia*, the presumption may be made on the basis of the availability of equally efficient alternative designs.

If consumers are, in fact, primarily motivated to purchase products found to be *not* utilitarian functional for reasons other than desiring a product from a particular source, is it consistent with the concept of free access to products in the public domain to deny competitors the "right to copy"? In other words, is the presumption of no hindrance of competition justified, if consumer motivation to purchase that product is not based on a desire for a product from a particular source? Even though source association may be shown, it is, of course, possible that consumers are indifferent as to source and are motivated to purchase that product because of non-source related reasons, in addition to—or even regardless of—the product's utilitarian function to them, e.g., on the basis of the product's "aesthetic," or "emotional" appeal. In terms of fair market theory, there would be no diversion of trade or consumer deception if consumers were motivated to buy the product for other than source-related reasons.

### III. CONSUMER MOTIVATION AND SECONDARY MEANING

The significance of consumer motivation in product simulation cases was, at the turn of the century, recognized by Justice Holmes. While Chief Justice of the Massachusetts Supreme Court, Justice Holmes, in *Flagg Manufacturing Co. v. Holway*,<sup>101</sup> articulated the important different legal consequences arising from copying a source-identifying mark and from copying the appearance of the product:

But the label or ornament . . . would not exist at all, or at least not exist in that shape but for the intent to deceive; whereas the instrument sold is made as it is, partly at least, because of a supposed or established desire of the public for instruments in that form. The defendant has the right to get the benefit of that desire even if created by that plaintiff. The only thing it has not the right to steal is the goodwill attaching to the plaintiff's personality, the benefit of the public's desire to have goods made by the plaintiff.<sup>102</sup>

Justice Holmes, in these few sentences, captured the critical balance between free and fair competition. In essence, anyone is free to share in the goodwill of a product<sup>103</sup> (including its "form") but not in the goodwill associated with the product's source. In cases where the plaintiff's trademark (in the form of a label or ornament) is copied, the intent to deceive (i.e., to trade on the goodwill of plaintiff) will be presumed. Where the plaintiff's product is itself copied, however, this same presumption will not be exercised because of the ambiguity or potential ambiguity of the copier's intent, which may include, at least in part, the desire to satisfy the public's demand for a product in that form. Thus, in such cases it would be presumed that the copier intends

101. 178 Mass. 83, 59 N.E. 667 (1901). In *Flagg*, the plaintiff sued to restrain the defendant from selling an exact copy of the plaintiff's zither. *Id.* at 90, 59 N.E. at 667.

102. *Id.* at 83, 59 N.E. at 667.

103. As stated by Justice Brandeis in *Kellogg Co. v. National Biscuit Co.*:

Kellogg Company is undoubtedly sharing in the goodwill of the article known as "Shredded Wheat"; and thus is sharing in a market which was created by the skill and judgment of plaintiff's predecessor and has been widely extended by vast expenditures in advertising persistently made. But that is not unfair. Sharing in the goodwill of an article unprotected by patent or trade-mark is the exercise of a right possessed by all—and in the free exercise of which the consuming public is deeply interested.

305 U.S. 111, 122 (1938). For a further discussion of *Kellogg*, see *infra* note 139.

to trade on the goodwill of the product and not the goodwill of the plaintiff, with the understanding that the copier must properly indicate itself as a source of the copied product. By stating that the plaintiff was entitled to the "benefit of the public's desire to have goods made by the plaintiff," Justice Holmes seems to suggest that, if a plaintiff could show that the public desired goods made by it, some protection against the copying (at least with regard to source-identifying ornamentation) would be justifiable.

The balance struck by Justice Holmes in *Flagg Manufacturing* did not satisfy many courts. Relief was granted—seemingly on an appropriation/entitlement rationale—in cases involving the slavish copying of the entire product including details not "essential" to the operation of the product.<sup>104</sup> Early examples of products copied where at least preliminary relief was granted include: a coffee mill,<sup>105</sup> a padlock,<sup>106</sup> a loaf of bread,<sup>107</sup> an automobile light,<sup>108</sup> and an automobile horn.<sup>109</sup>

The United States Court of Appeals for the Second Circuit was the leader in providing protection against copying. In *Lovell-McConnell Manufacturing Co. v. American Ever-Ready Co.*,<sup>110</sup> the court

104. For a further discussion of product simulation, see *Competitive Torts*, *supra* note 38, at 912; see also Note, *supra* note 37, at 554-55.

105. *Enterprise Mfg. Co. v. Landers, Frary & Clark*, 124 F. 923 (C.C.D. Conn. 1903), *aff'd*, 131 F. 240 (2d Cir. 1904). In *Landers, Frary*, the defendant manufactured a coffee mill identical to the plaintiff's. 124 F. at 924. The court enjoined the defendant's practice stating that while the defendant was generally free to produce coffee mills, it could not manufacture products that were likely to create a misapprehension in the minds of the purchasing public, or that would tend to lead the ordinary consumer to mistake the mills for those of the plaintiff. *Id.* at 928.

106. *Yale & Towne Mfg. Co. v. Alder*, 154 F. 37 (2d Cir. 1907). In *Yale*, the Second Circuit reversed a finding of no unfair competition where the defendant had copied the same size, coloring, and lettering of the plaintiff's padlock. *Id.* at 38. The court noted that while dealers might be able to distinguish the two products, consumers probably would not be able to do so. *Id.*

107. *George G. Fox Co. v. Best Baking Co.*, 209 Mass. 251, 95 N.E. 747 (1911); *George G. Fox Co. v. Hathaway*, 199 Mass. 99, 85 N.E. 417 (1908); *George G. Fox Co. v. Glynn*, 191 Mass. 344, 78 N.E. 89 (1906) (Massachusetts courts enjoined various defendants from manufacturing bread of the same general shape, size, and appearance as plaintiff's bread).

108. *Rushmore v. Manhattan Screw & Stamping Works*, 163 F. 939 (2d Cir. 1908). In *Rushmore*, the court sustained a preliminary injunction against the defendant, who was manufacturing an automobile lamp similar to the plaintiff's. *Id.* at 941. This was despite the fact that the defendant had prominently displayed its own name on the lamp. *Id.* at 942.

109. *Lovell-McConnell Mfg. Co. v. American Ever-Ready Co.*, 195 F. 931 (2d Cir. 1912). In *Lovell-McConnell*, the Second Circuit affirmed a preliminary injunction preventing defendant from copying an automobile horn that greatly resembled the plaintiff's. *Id.* at 932.

110. 195 F. 931 (2d Cir. 1912).

held that the defendant copier had the burden of proving that a commercially successful product could not be made unless it had the copied features.<sup>111</sup> Under the leadership of Judge Learned Hand, the Second Circuit then began to retreat from this original position.

While still a member of the United States District Court for the Southern District of New York, Judge Hand developed the doctrine of "source motivation" for use in product simulation cases. In *Champion Spark Plug Co. v. A.R. Mosler & Co.*,<sup>112</sup> the defendant had copied the appearance of the plaintiff's automobile spark plugs.<sup>113</sup> Judge Hand drew a distinction between situations where the consumer's decision to buy a particular product is motivated by its source and those situations where the appearance "may well be a part of the reason why the buyer chooses"<sup>114</sup> a particular product. He observed that in the case of spark plugs, there would be no danger of losing sight of the distinction, "because a buyer would not choose a spark plug because its appearance pleases his fancy."<sup>115</sup> However, in criticism of the *Lovell-McConnell* line of cases, he asserted that it was only safe to disregard the consumer's motivation in buying a particular product on the basis of its appearance when the "mechanical operativeness" of the product mandated the consumer's choice.<sup>116</sup>

Judge Hand continued the development of his "source motivation" theory in *Crescent Tool Co. v. Kilborn and Bishop Co.*<sup>117</sup> Sitting by designation to the United States Court of Appeals for the Second Circuit, Judge Hand began his opinion in *Crescent Tool* with the statement: "The cases of so called 'nonfunctional' unfair competition . . . are only instances of the doctrine of 'secondary' meaning."<sup>118</sup> Judge Hand continued:

It will not be enough only to show how pleasing they are, because all the features of beauty or utility which commend them to the public are by hypothesis already in the

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111. *Id.* at 932.

112. 233 F. 112 (S.D.N.Y. 1916).

113. *Id.* at 115.

114. *Id.* at 116.

115. *Id.*

116. *Id.*

117. 247 F. 299 (2d Cir. 1917).

118. *Id.* at 300. Judge Hand equated the term "nonfunctional" with "nonessential" elements in the mechanical sense. *Id.* at 301. Under this equation, it appears that if a particular feature is essential to the mechanical operation of a product, it is functional; if nonessential to such operation, it is nonfunctional.

public domain. The defendant has as much right to copy the "nonfunctional" features of the article as any others, so long as they have not become associated with the plaintiff as manufacturer or source. The critical question of fact at the outset always is whether the public is moved in any degree to buy the article because of its source and what are the features by which it distinguishes that source.<sup>119</sup>

Thus, Judge Hand would not only require that the features distinguish the product as coming from a particular source ("source association"), but in addition he would require that the consumer be motivated to buy it because of its origination from a particular source ("source motivation").<sup>120</sup>

In sum, the Hand approach in product simulation cases (he did not appear to rely upon source motivation in ordinary word mark cases)<sup>121</sup> has two parts. First, the product must be objectively evaluated to determine if the features copied are "essential" to the product's operation; and if not, a second determination must be made whether consumers are motivated to buy the product because of its source.

Shortly after the *Crescent* case, Judge Hand had the opportunity to apply his source motivation theory of secondary meaning in *Shredded Wheat Co. v. Humphrey Cornell Co.*,<sup>122</sup> involving the copying of the pillow shape of cereal biscuits. On the question of proof in *Humphrey-Cornell*, Judge Hand was willing to presume (or at least draw an inference of) source motivation from the plaintiff's long monopoly position (based upon patents) as the single source of the product.<sup>123</sup> Judge Hand concluded that "when one has for a long time bought from a single source some article that one likes, either through conscious reflection or through mere conservative habit, one is apt to impute to its source a part of its putative value."<sup>124</sup> This statement clearly indicates that mere

119. *Id.* at 300.

120. For a further discussion of source association, see *Competitive Torts*, *supra* note 38, at 913-14. See also Stern, *Buyer Indifference and Secondary Meaning in Unfair Competition and Trademark Cases*, 32 CONN. B.J. 381 (1958).

121. See *American Brake Shoe & Foundry Co. v. Alltex Prods. Corp.*, 117 F.2d 983, 984 (2d Cir. 1941). In *American Brake Shoe*, the plaintiff sought to bar the defendant from marketing its brake design under a similar name. *Id.* at 983. The court's affirmance of the trial court's finding that the plaintiff had failed to prove secondary meaning did not discuss source motivation. *Id.* at 984.

122. 250 F. 960 (2d Cir. 1918).

123. *Id.* at 963.

124. *Id.* *Humphrey Cornell* is consistent with *Kellogg* in the sense that neither

source association of the pillow-shaped biscuits with the Shredded Wheat Co. would not have been sufficient to establish secondary meaning, but it was necessary that consumers, through extensive purchases over time of the product from a single source, attribute part of the value of the product to that source. Hence, the presumption was justified that consumers were motivated to buy the cereal because of the value (i.e., the goodwill) associated with the source of the cereal.

Although the importance of consumer motivation as a safeguard to free competition was recognized in product simulation cases by two most eminent jurists, Holmes and Hand, the concept received less than overwhelming acceptance among the courts in the context of secondary meaning and has most recently been either disregarded or repudiated.

Although the United States Court of Appeals for the Seventh Circuit, as early as 1939, adopted source motivation as a requirement for secondary meaning in product simulation cases,<sup>125</sup> the

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would *enjoin* copying upon a showing of secondary meaning but only would require that the copier properly identify its product. See *Kellogg*, 305 U.S. at 118-19.

*Wesson v. Galef*, 286 F. 621 (S.D.N.Y. 1922), would seem to be an anomalous decision with regard to the source motivation theory of *Crescent* and *Humphrey Cornell*. While sitting on the district court, Judge Learned Hand in *Wesson* enjoined the defendant from selling a slavish copy of the plaintiff's revolver. Judge Hand went so far as to say:

We usually confine relief to "nonfunctional" elements, because the defendant will suffer nothing by abandoning them; but it does not inevitably follow that only these may be included. If the function be trivial, possibly these are cases where it might have to yield to a predominant injury which its continuance might inflict upon the plaintiffs.

*Id.* at 623. There is no reference in the opinion to a requirement that consumers be motivated to purchase plaintiff's revolver to establish secondary meaning. *Wesson* can perhaps be reconciled with *Crescent* and *Humphrey Cornell* on the basis of a finding that defendants deliberately intended to pass off their product as plaintiff's. *Id.* at 625.

125. *Sinko v. Snow-Craggs Corp.*, 105 F.2d 450, 452-53 (7th Cir. 1939) (defendant copied color and marking of plaintiff's steering wheel knobs); see also *Zangerle & Peterson Co. v. Venice Furniture Novelty Mfg. Co.*, 133 F.2d 266, 270 (7th Cir. 1943) (defendant copied lamp design but clearly affixed its own trademark).

The United States Court of Appeals for the Sixth Circuit also adopted the source motivation requirement of secondary meaning in *West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F.2d 581 (6th Cir.), *cert. denied*, 350 U.S. 840 (1955). In *West Point*, the court held that the plaintiff failed to prove that the public could be confused about who manufactured its tables, which the defendant had copied, where the defendant clearly affixed its own trademark to its product and advertising. 222 F.2d at 596. The court suggested that proof of source motivation would also be required, stating: "To acquire a secondary meaning in the minds of the buying public, an article of merchandise when shown to a prospective customer must prompt the affirmation, 'That is the article I want because I

court ignored this requirement in the *Sears*<sup>126</sup> and *Compco*<sup>127</sup> cases prior to the Supreme Court's reversal on preemption grounds.<sup>128</sup> In a 1982 decision, *Processed Plastic Co. v. Warner Communications, Inc.*,<sup>129</sup> the Seventh Circuit ignored consumer motivation in a product simulation case involving the copying of the version of the "General Lee" car as seen in the television series, "The Dukes of Hazard."

In a case involving the same toy car, the United States Court of Appeals for the Second Circuit itself repudiated source motivation as a requirement for secondary meaning. In *Warner Brothers, Inc., v. Gay Tools, Inc.*,<sup>130</sup> the court rejected the source motivation requirement of *Crescent*, as well as other Second Circuit cases purporting to apply source motivation<sup>131</sup> where there had been no proof of source association.<sup>132</sup> Accordingly, the court limited what it perceived to be ambiguous use of the term "motivation" in those cases to equate it with "source association."<sup>133</sup> It would seem that the Second Circuit would limit *Crescent* to the first part of a negative disjunctive—"it nowhere appears that . . . the general appearance of [a] plaintiff's [product] ha[s] come to indicate to the public any one maker as its source. . . ."<sup>134</sup> The second part of the disjunctive is ignored—"or that the [product] ha[s] been sold in any part *because of its source*, as distinct from its utility

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know its source,' and not the negative inquiry as to 'Who makes that article?'" *Id.* at 595 (citing *Zangerle & Peterson Co. v. Venice Furniture Novelty Mfg. Co.*, 133 F.2d 266, 270 (7th Cir. 1943)).

126. 313 F.2d 115 (7th Cir. 1963), *rev'd*, 376 U.S. 225 (1964). In *Sears* the Seventh Circuit upheld the district court's finding of unfair competition based solely on the likelihood-of-confusion standard. 313 F.2d at 118.

127. 311 F.2d 26 (7th Cir. 1963), *rev'd*, 376 U.S. 234 (1964).

128. For a further discussion of the Supreme Court's decisions in the *Sears* and *Compco* cases, see *supra* notes 65-68 and accompanying text.

129. 675 F.2d 852 (7th Cir. 1982).

130. 724 F.2d 327 (2d Cir. 1983).

131. *Id.* at 332-33. The court cited to the following cases: *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655 (2d Cir. 1979) (plaintiff failed to prove source motivation in manufacture of children's sneakers), *cert. denied*, 445 U.S. 951 (1980); *Hygienic Specialities Co. v. Salzman, Inc.*, 302 F.2d 614 (2d Cir. 1962) (source motivation not proved in design of soap dish); *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694 (2d Cir. 1961) (court would not enjoin copying of polyethylene pitcher where plaintiff failed to prove source motivation in regard to design); *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299 (2d Cir. 1917). For a further discussion of *Crescent Tool*, see *supra* notes 117-20 and accompanying text.

132. 724 F.2d at 333.

133. *Id.*

134. *Crescent*, 247 F. at 300.

or neat appearance.”<sup>135</sup> Evidently, the court had not been referred to *Humphrey Cornell*, where Judge Hand seemed to make clear that proof of source motivation was required,<sup>136</sup> although this requirement could be satisfied by long, exclusive use of a product’s particular design or appearance.<sup>137</sup>

Eliminating the source motivation language from *Crescent* and apparently reversing *Humphrey Cornell*, *sub silentio*, the Second Circuit now evidently will apply only the source association requirement in both word mark cases and product simulation cases. Indeed, the court drew its definition of secondary meaning from Judge Nies’ concurring opinion in *In re DC Comics, Inc.*,<sup>138</sup> which involved the use of a two-dimensional representation of comic book characters as a trademark for three-dimensional dolls of the same characters. In this regard, Judge Nies’ discussion of consumer motivation is not in reference to the question of secondary meaning, but is undertaken to refute its use as a test for “genericness,” as first suggested by the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group (Anti-Monopoly I)*.<sup>139</sup>

The elimination of the source motivation requirement for proof of secondary meaning in product simulation cases imposes a seemingly conclusive presumption of consumer motivation to purchase a nonutilitarian functional product because of its source if source association is established, even though, in fact, consumers may be primarily motivated to purchase the product for non-source related reasons. If a narrow definition of “functionality” is adopted—such as “essential”<sup>140</sup> to a product’s operation, or “utilitarian superiority” as required by Judge Rich<sup>141</sup> and the Fifth Circuit,<sup>142</sup> or even “utilitarian functionality” as defined in

135. *Id.* at 300-301 (emphasis added).

136. 250 F. at 963.

137. *Id.* at 963. See also *Zippo Mfg. Co. v. Rogers Imports, Inc.*, 216 F. Supp. 670, 688 (S.D.N.Y. 1963). In *Zippo*, source motivation as a type of secondary meaning was established on the basis of consumer survey evidence. Somewhat paradoxically, the *Zippo* court indicated that the design of a cigarette lighter might possibly be functional if a broad (“affects the consumer’s choice because of its pleasing appearance”) standard were applied. *Id.* at 696.

138. 689 F.2d 1042 (C.C.P.A. 1982). For a further discussion of Judge Nies’ opinion in *DC Comics*, see *infra* notes 325-27 and accompanying text.

139. 611 F.2d 296 (9th Cir. 1979). For a further discussion of *Anti-Monopoly I*, see *infra* notes 302-312 and accompanying text.

140. This was the first step in Judge Hand’s two part analysis. For a further discussion of this analysis, see *supra* notes 117-20 and accompanying text.

141. For a further discussion of Judge Rich’s approach, see *supra* notes 79-81 and accompanying text.

142. For a further discussion of “functionality” in the Fifth Circuit, see *supra* notes 96-100 and accompanying text.



Part II<sup>143</sup>—the balance between “free” and “fair” competition as set by Holmes and Hand appears to have been readjusted in favor of the latter. It is true that the *Restatement of Torts* approach only requires proof of source association to establish secondary meaning.<sup>144</sup> However, because of the extremely broad definition of functionality in section 742, the inquiry into whether a feature is functional does not end upon a determination that the feature is not utilitarian functional, for, as will be seen in Part IV of this article, the *Restatement* subsumes the relevancy of source motivation under the functionality element of the tort of unprivileged imitation.

#### IV. CONSUMER MOTIVATION AND AESTHETIC FUNCTIONALITY

The doctrine that has come to be known as “aesthetic functionality,”<sup>145</sup> recognizes that consumers may be motivated to purchase products for reasons other than or in addition to utilitarian or source-related ones. Hence, even though consumers may associate the appearance of a product with a particular source, production against copying will be denied if it is found that the product is being purchased because of, for example, its aesthetic value to consumers. The underlying rationale appears to be that of Justice Holmes and Judge Hand that “form” or “beauty” as

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143. For a definition of “utilitarian functionality,” see *supra* note 45 and accompanying text.

144. According to the *First Restatement*, a trade name is any designation which

- (a) is adopted and used by a person to denominate goods which he markets . . . , and
- (b) through its association with such goods . . . has acquired a special significance as the name thereof. . . .

RESTATEMENT OF TORTS § 716 (1938). The *Restatement* distinguishes “trade-marks” from “trade names,” in part on the basis of the “acquired special significance” required of the latter. Compare § 715 (Definition of Trade Mark) with § 716 (Definition of Trade Name). “But a designation is not a trade name until it has in fact become in the market the name for goods . . . coming from or through a particular source . . . .” *Id.* § 716 comment a. This acquired secondary significance replaces its former (primary) non-source associated significance to the public. *Id.*

145. See generally Duft, “Aesthetic” Functionality, 73 TRADE-MARK REP. 151 (1983); Fletcher, *The Defense of “Functional” Trademark Use: If What is Functional Cannot be a Trademark, How Can a Trademark Be Functional*, 75 TRADE-MARK REP. 249 (1985); Zelnick, *The Doctrine of “Functionality”*, 73 TRADE-MARK REP. 128 (1983); Note, *supra* note 87; Note, *supra* note 37; Note, *The Broad Sweep of Aesthetic Functionality: A Threat to Trademark Protection of Aesthetic Product Features*, 51 FORDHAM L. REV. 345 (1982); Note, *The Public Interests and the Right to Copy Nonfunctional Product Features*, 19 WM. & MARY L. REV. 317 (1977); *Competitive Torts*, *supra* note 38.

well as the utility of a product are in the public domain and may be freely copied.

In a rather sweeping interpretation<sup>146</sup> of the definition of section 742 of the *Restatement*, the comment to that section treats a feature as functional “when goods are bought largely for their aesthetic value . . . because they definitely contribute to that value and thus aid the performance of an object for which the goods are intended.”<sup>147</sup> “Performance” is thus not limited to utilitarian performance but includes aesthetic performance.

The comment to section 742 posits the following test for ascertaining whether product features (including aesthetic features) are functional: “The determination of whether or not such features are functional depends upon the question of fact whether prohibition of imitation by others will deprive the others of something which will substantially hinder them in competition.”<sup>148</sup> In the negative form, the comment defines a “nonfunctional feature” as one having such effect that, “when omitted, nothing of substantial value in the goods is lost.”<sup>149</sup> Presumably this would include “aesthetic value.”

In further elaboration, the *Restatement* comment is careful to exclude from the definition of functional those features which “merely associate goods with a particular source.”<sup>150</sup> Thus, although a feature of a product that acts as a trademark “may be a substantial factor in increasing the marketability” of that product,

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146. The case authority supporting a broad interpretation of § 742 is rather thin. See RESTATEMENT OF TORTS § 3-35 (Tentative Draft No. 17 1938) (predecessor of § 742 of official draft). The following cases, with the functional feature indicated parenthetically, are cited in the Tentative Draft: *Keystone Type Foundry v. Portland Pub. Co.*, 186 F. 690 (1st Cir. 1911) (distinctive printing type face); *Smith v. Krause*, 160 F. 270 (C.C.S.D.N.Y. 1908) (ribbon with “Merrie Christmas” woven on it), *aff’d*, 166 F. 1021 (2d Cir. 1909); *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.) (bi-colored match tip), *cert. denied*, 203 U.S. 589 (1906); *In re American Circular Loom Co.*, 28 App. D.C. 446 (1906) (sparkling finish for insulating tubes). Reference is also made in the Tentative Draft to the cases cited to § 3-34, clause (b), which comprise Judge Hand’s decisions in *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299 (2d Cir. 1917), and *Shredded Wheat Co. v. Humphrey Cornell Co.*, 250 F. 960 (2d Cir. 1918). Of these cases, only *Smith v. Krause* would clearly appear to support an interpretation that the words “Merrie Christmas” affect the “performance” of the ribbon in the sense of its aesthetic (more specifically, “symbolic”) value: “The truth is the words, when put on the ribbon, are not a trade-mark, but are an integral part of the ribbon adding to its value.” 160 F.2d at 271 (emphasis added).

147. RESTATEMENT OF TORTS § 742 comment a (1938).

148. *Id.*

149. *Id.*

150. *Id.*

such a feature is nonfunctional if its "entire significance . . . lies only in a demand for goods associated with a particular source rather than for goods of a particular design."<sup>151</sup> Hence, protection as a trademark is warranted if consumers are motivated to buy the product because of source-related reasons, but copying is privileged if consumers are motivated to purchase the product because of its appearance rather than because of its association with a particular source.

The term "aesthetic functionality" would appear to be too narrow if restricted purely to "aesthetics."<sup>152</sup> Indeed, the important concept for Holmes and Hand would appear to be what was in the public domain, rather than whether the product was a zither or a wrench as compared to wearing apparel or dinnerware. The intent of the *Restatement* does not appear to be so limiting but, instead, gives an example of a feature which may affect "performance" because of aesthetic value. Courts accepting the doctrine of aesthetic functionality do not appear to impose any standard of beauty, objective or subjective.<sup>153</sup>

In contrast to utilitarian functionality, which may be determined on an objective factual basis, aesthetic functionality does not lend itself to such a direct determination. The *Restatement* indicates two approaches for determining whether a feature (admittedly *not* a utilitarian functional one) still may affect the product's performance and be functional within section 742. One approach is motivational: whether consumer demand is based on the aesthetic value. The other approach is market-directed: whether competition will be hindered by barring the copying. Neither of these approaches presents the degree of certainty that may be expected with regard to utilitarian functionality, where the court may, on the basis of documentary evidence and expert testimony, draw a conclusion of fact as to whether the copied feature in question has utility or serves user or maker efficiency.

Difficulty of proof alone, however, need not lead to the rejection of the entire doctrine of aesthetic functionality. In certain

151. *Id.*

152. Webster's New Collegiate Dictionary defines "aesthetics" as "a branch of philosophy dealing with the nature of the beautiful and with judgments concerning beauty." WEBSTER'S NEW COLLEGIATE DICTIONARY 19 (1981).

153. See, e.g., *Bliss v. Gotham Indus.*, 316 F.2d 848 (9th Cir. 1963) (plastic pitcher); *J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949 (8th Cir. 1941) (overall pocket); *Deere & Co. v. Farmland, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982) (color of farm tractor accessory), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983); *Famolare, Inc. v. Melville Corp.*, 472 F. Supp. 738 (D. Hawaii 1979) (wavy shoe soles), *aff'd*, 652 F.2d 62 (9th Cir. 1981).

instances, there may be reasonably reliable evidence of either consumer motivation, effect on competition, or both. One of these instances would seem to be where consumers can normally be expected to exercise a rational, cognitive process<sup>154</sup> in selecting a particular product primarily because of aesthetic (appearance) reasons.

#### A. *Cognitive Aesthetic Functionality*

As illustrated in the *Restatement* and, generally, as applied by those courts recognizing the doctrine of aesthetic functionality, a presumption seems to be made that a cognitive decision-making process is undertaken by consumers to purchase a particular product because of its aesthetically pleasing characteristics. This can be seen in the teapot hypothetical where a particular teapot was purchased because of its aesthetic compatibility with the consumer's existing dinnerware. The term "cognitive aesthetic functionality" will be used here to describe products whose purchase is motivated to satisfy a need for aesthetic compatibility in design, color, shape, or style, and where the consumer exercises a cognitive process in satisfying this need.

The leading case in the development of the doctrine of aesthetic functionality, *Pagliari v. Wallace China Co.*,<sup>155</sup> exemplifies the cognitive form. In *Pagliari*, the United States Court of Appeals for the Ninth Circuit in 1952 followed and, arguably, extended the *Restatement* definition of functionality. The quotation of the following passage from *Pagliari* appears to be *de rigueur* for both the originator and copier in product simulation cases:

"Functional" in this sense might be said to connote other than a trade-mark purpose. 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. On the other hand, where the feature of, more aptly, design is a mere arbitrary embellishment, a form

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154. This is presumed to be the "normal" case on the basis of the factual setting; however, it is, of course, possible that the purchase may be made irrationally, e.g., "impulsively" or "emotionally". See *infra* notes 197-294 and accompanying text.

155. 198 F.2d 339 (9th Cir. 1952). See also *Bliss v. Gotham Indus.*, 316 F.2d 848 (9th Cir. 1963) (copied plastic pitcher was found functional under *Pagliari*). *But cf.* *Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551 (9th Cir. 1960) (phonograph record jacket was nonfunctional as trade dress; court distinguished *Pagliari* on basis that record jacket was not part of product itself).

of dress for goods primarily adopted for purposes of identification and individuality, and hence, unrelated to basic consumer demands in connection with the product, imitation may be forbidden where the requisite showing of secondary meaning is made. Under such circumstances, since effective competition may be undertaken without imitation, the law grants protection.<sup>156</sup>

The copier, of course, argues that the particular feature copied is an important ingredient in its commercial success and that effective competition cannot be undertaken without that feature. On the other hand, the originator of the product copied argues that it is primarily an embellishment adopted solely for the purpose of identifying and distinguishing its product from those of competitors.

In *Pagliero*, the defendant had intentionally copied designs used by the plaintiff on its china dinnerware.<sup>157</sup> Based upon affidavits submitted by the plaintiff, the court found that "one of the essential selling features of hotel china, if indeed, not the primary, is the design."<sup>158</sup> The court thus concluded that purchasers were motivated to buy the china not only for its utilitarian function as china but also for its aesthetic value. Granting protection would therefore be anticompetitive.<sup>159</sup> The motivation here logically would involve a cognitive process. An important consideration of hotel china would seem to be the compatibility of the china with existing dinnerware and accessories, as well as the decor of the hotel dining facilities. It seems unlikely that a significant quantity of hotel china would be purchased as a result of irrational behavior.

Under one interpretation, the language used in *Pagliero* would seem to go beyond cognitive aesthetics to include any feature that was "an important ingredient in the commercial success of the product." Most courts of appeals that have addressed the issue have rejected this interpretation as being too broad,<sup>160</sup>

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156. 198 F.2d at 343. The Ninth Circuit has noted the tendency of the parties to rely upon the different aspects of this passage. *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 773 (9th Cir. 1981).

157. 198 F.2d at 340.

158. *Id.* at 343.

159. *Id.* at 344.

160. *See, e.g.*, *W.T. Rogers & Co., Inc. v. Keene*, 228 U.S.P.Q. (BNA) 145 (7th Cir. 1985) (stacking office trays); *Sicilia Di R. Biebouw & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984) (plastic citrus juice bottle); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966 (11th Cir. 1983) (commercial checkbook); *Farbrica, Inc. v. El Dorado Corp.*, 697 F.2d 890 (9th Cir. 1983) (display folder)

although the Eighth Circuit, Second Circuit (for a short time), and a number of district courts have adopted it.<sup>161</sup> Indeed, the Ninth Circuit itself has refused to hold as a matter of law that any feature “which contributes to the consumer appeal and saleability” is functional.<sup>162</sup> However, in the context of a case where cognitive aesthetics would seemingly play a significant role in motivating a consumer to make a particular purchase, the Second Circuit recently applied the broad interpretation in *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*<sup>163</sup>

*Charles Craig* involved a sofa of modular design that was copied after the originator’s design patent expired.<sup>164</sup> The court, after quoting the “important ingredient in the commercial success” test, stated that the design need not be dissected to show functionality and concluded that the overall design was functional. The court stated: “This overall design makes the sofas attractive to buyers despite enormously expensive price tags, and there is no arbitrary embellishment or label which might be considered a trademark.”<sup>165</sup>

The acceptance of the sweeping “commercial success” formulation of *Charles Craig* was, however, short-lived. In *LeSportsac, Inc. v. K-Mart Corp.*,<sup>166</sup> the Second Circuit, although stopping short of outrightly rejecting this formulation, argued against its

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for carpet samples); *Keene Corp. v. Paraflex Indus.*, 653 F.2d 822, 825 (3d Cir. 1981) (commercial lighting fixture); *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769 (9th Cir. 1981) (fabric design of luggage); *In re DC Comics, Inc.* 689 F.2d 1042 (C.C.P.A. 1982) (in context of registration of comic book figures).

161. *Prufrock Ltd., Inc. v. Lasater*, 31 PAT. TRADEMARK & COPYRIGHT J. (BNA) 252 (8th Cir. 1986) (restaurant interior design); *Industria Arredamenti Fratelli Saporiti v. Charles Craig, Ltd.*, 725 F.2d 18 (2d Cir. 1984) (sofa); *Gemveto Jewelry Co. v. Jeff Cooper, Inc.*, 568 F. Supp. 319 (S.D.N.Y. 1983) (jewelry design); *Damn I’m Good, Inc. v. Hanover House Indus.*, 514 F. Supp. 1357, 1362 (S.D.N.Y. 1981) (distinctive label attached to jewelry); *Famolare, Inc. v. Melville Corp.*, 472 F. Supp. 738 (D. Hawaii 1979) (wavy soled shoes), *aff’d*, 652 F.2d 62 (9th Cir. 1981).

162. *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 773 (9th Cir. 1981). *See also* *Fabrica Inc. v. El Dorado Corp.*, 697 F.2d 890 (9th Cir. 1983) (carpet display folder).

163. 725 F.2d 18 (2d Cir. 1984).

164. *Id.* at 18.

165. *Id.* at 20 (footnote omitted). In, perhaps, an overly broad interpretation of *Charles Craig*, the Southern District of New York applied the “commercial success” test to an orange juice squeezer, where one could only surmise that cognitive aesthetics would play a significant role in consumer motivation. *Metro Kane Imports, Ltd. v. Rowaco, Inc.*, 618 F. Supp. 273, (S.D.N.Y. 1985). *See also* *Morex S.P.A. v. Design Institute of Am., Inc.*, — F. Supp. —, (S.D.N.Y. 1985) (applying “commercial success” formulation of *Charles Craig* to copied etagère), *rev’d*, 31 PAT. TRADEMARK & COPYRIGHT J. (BNA) 184 (1986).

166. 754 F.2d 71 (2d Cir. 1985).

overly inclusive application, because the “[t]rade dress associated with a product that has accumulated goodwill . . . will almost always be ‘an important ingredient’ in the ‘saleability’ of the product” and denying protection would be a disincentive to the creation of attractive designs.<sup>167</sup> The granting of a preliminary injunction against the simulation of LeSportsac’s line of light-weight luggage bags was affirmed on the ground, *inter alia*, that a finding of nonfunctionality was not clearly erroneous.<sup>168</sup>

The court did not, however, reject the doctrine of aesthetic functionality, for it concluded that the trial judge should answer the question: “Are consumers likely to purchase a LeSportsac bag rather than that of a competitor principally because they find LeSportsac’s particular combination of design features aesthetically pleasing, or will they buy principally because the product features service to identify or distinguish the goods as genuine LeSportsac Products?”<sup>169</sup> The court thus recognized that aesthetic considerations may, at least in part, create demand for such bags, but would not foreclose protection against copying unless appearance was the principal motivation for purchase.

Importantly, the court in *LeSportsac* also concluded that in an action under section 43(a) of the Lanham Act, functionality was a defense; hence, the burden was on the copier to prove that the copied product was functional. Although not at issue in the case, if functionality were to be treated as a defense by implication, the copier would have the burden of proving not only aesthetic functionality but also utilitarian functionality.<sup>170</sup>

The CCPA (now CAFC) has rejected the doctrine of aesthetic functionality as a ground for refusing the registration of a three-dimensional product. The latest review of the doctrine was in *In re DC Comics, Inc.*,<sup>171</sup> involving the registration of a two-dimensional rendition of comic book characters (Superman, Batman, Joker) as the trademark for three-dimensional toy dolls of the

167. *Id.* at 77. Most recently the Second Circuit, in a *per curiam* decision, noted that *LeSportsac* impliedly rejected the *Charles Craig* “commercial success” standard. *Morex S.P.A. v. Design Institute of American, Inc.*, 31 PAT. TRADE-MARK & COPYRIGHT J. (BNA) 184, 185 (1986).

168. 754 F.2d at 78.

169. *Id.*

170. If that is the case, this would be inconsistent with the common law tort of “unprivileged imitation” as set forth in RESTATEMENT OF TORTS § 741 (1938). See *supra* note 48. See also Judge Learned Hand’s approach, *supra* text accompanying notes 112-24. For a discussion advocating the rejection of placing the burden on the copier to prove utilitarian functionality, see *infra* note 346.

171. 689 F.2d 1042 (C.C.P.A. 1982).

same characters.<sup>172</sup> The CCPA rejected the broad “commercial success” test of *Pagliari* and concluded that the two-dimensional rendition was nonfunctional in the utilitarian sense.<sup>173</sup>

Judge Rich concurred in the result, observing: “With respect to the notion that a design is aesthetically functional if it is ‘an important ingredient in the commercial success of the product,’ it is noted that many trademarks hold such a place . . . .”<sup>174</sup> Moreover, his analysis of the cases led him to conclude: “Thus, it is arguable that there is no ‘doctrine’ of aesthetic functionality which stands alone, without consideration of the more traditional source identification principles of trademark law.”<sup>175</sup> Yet, in terms of consumer motivation, this presumes that consumers purchase comic book character dolls because of the source of those dolls rather than because of the appearance of those dolls as cognitively assessed or because of “affective” or “symbolic” appeal of those characters. As will be considered below, the symbolic appeal—in the sense of a need to show affiliation with those characters—could well play a significant role in the demand for such dolls.<sup>176</sup>

In *Truck Equipment Service Co. v. Fruehauf Corp.*,<sup>177</sup> involving unfair competition under section 43(a) of the Lanham Act, the Eighth Circuit quoted with approval the *Pagliari* formulation of functional and nonfunctional features.<sup>178</sup> The court then, however, affirmed the district court’s finding that the copied features of a semi-trailer were nonfunctional on the basis of utilitarian considerations alone.<sup>179</sup> The court concluded that “[t]he prohibition against the copying of [the features in question] will not affect [the copier’s] competitive position in the marketplace.”<sup>180</sup>

In *Truck Equipment*, this conclusion may logically be justified, for there seems little likelihood that consumers would be motivated to purchase a semi-trailer on the basis of its appearance. Using the words of Judge Learned Hand in *Champion Spark Plug* and substituting “semi-trailer” for “spark-plug,” this would be

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172. *Id.* at 1043.

173. *Id.* at 1045.

174. *Id.* at 1049.

175. *Id.* at 1050.

176. For a further discussion of the emotional basis of consumer behavior, see *infra* notes 224-59 and accompanying text.

177. 536 F.2d 1210 (8th Cir.), *cert. denied*, 429 U.S. 861 (1976).

178. 536 F.2d at 1217-18 (quoting *Pagliari v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir 1952)).

179. *Id.* at 1218.

180. *Id.*



“because a buyer will not choose a [semi-trailer] because its appearance pleases his fancy.”<sup>181</sup>

The presumption—at least a conclusive one—that the consumer is only interested in the utilitarian functionality of a product, however, may not always be warranted, even in cases involving heavy equipment. For example, in *Deere & Co. v. Farmhand, Inc.*,<sup>182</sup> the plaintiff sought to enjoin the defendant from copying a piece of farm equipment called a front-end loader.<sup>183</sup> The defendant had copied the loader, including the plaintiff’s distinctive “John Deere green” color, which was used on all of the plaintiff’s farm machinery.<sup>184</sup> The United States District Court for the Southern District of Iowa analyzed the features copied and found the design to be utilitarian functional, because alternative designs “would have sacrificed function, cost or appearance considerations.”<sup>185</sup> With regard to appearance, the court refused to enjoin the use of the same color, for it found, as a matter of fact, that farmers desired to match the color of the loader with that of their tractors.<sup>186</sup> This finding was based upon statements by the plaintiff’s employees, dealers and farmers.<sup>187</sup> Interestingly, the *Deere* court also found, as a fact, that no farmer would purchase a front-end loader on impulse or based upon color alone.<sup>188</sup>

Thus, it is clear that the court believed cognitive—in the matching of colors—was involved. Hence, the court drew the legal conclusion that the color was aesthetically functional, for competitors would be hindered in selling such loaders if barred from using the color desired by farmers.<sup>189</sup> Although there appeared to be no direct finding that the defendant could not effectively compete without painting its equipment “John Deere green,” the court took special note of the plaintiff’s assertion that the defendant was better able to compete by using that color.<sup>190</sup>

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181. See 233 F. 112, 116 (S.D.N.Y. 1916). On the other hand, consumers may perceive certain status value to be associated with the ownership of a semi-trailer of a certain appearance. For a further discussion of aesthetic appeal in consumer purchasing, see *infra* notes 284-304 and accompanying text.

182. 560 F. Supp. 85 (S.D. Iowa 1982), *aff’d per curiam*, 721 F.2d 253 (8th Cir. 1983).

183. 560 F. Supp. at 88.

184. *Id.*

185. *Id.* at 91.

186. *Id.*

187. *Id.*

188. *Id.* at 92.

189. *Id.* at 98.

190. *Id.*

Another recent example of cognitive aesthetic functionality is found in the Third Circuit case of *Keene Corp. v. Paraflex Industries*.<sup>191</sup> In *Keene*, the court refused to adopt the broad *Pagliari* “important ingredient in the commercial success” standard and instead stated that the “inquiry should focus on the extent to which the design feature is related to the utilitarian function of the product or feature.”<sup>192</sup> On this basis the Third Circuit affirmed the district court’s finding of aesthetic functionality with regard to the copied wall-mounted luminaire, because “part of its function includes its architectural compatibility with the structure or building on which it is mounted.”<sup>193</sup> The finding that architectural compatibility was needed by consumers was based upon advertising brochures, including those of the plaintiff, and the testimony of engineers and architects and an officer of defendant corporation.<sup>194</sup> The conclusion that competition would be hindered if copying were to be enjoined was supported by the fact that there was a limited number of alternative designs available that would satisfy the need for architectural compatibility.<sup>195</sup>

The *Keene* court’s definition of aesthetic functionality may be contrasted with the Fifth Circuit’s narrow definition of functionality in *Sicilia*. The definition in *Sicilia* would appear only to permit consideration of alternatives on the basis of “superiority” in terms of utility, or user or maker efficiency.<sup>196</sup>

In sum, although the cases of cognitive aesthetic functionality can not be decided on the same objective basis as those involving utilitarian functionality, admissions by a plaintiff (in advertising or otherwise) coupled with evidence of consumer motivation and market conditions, often give objective assurances as to the competitive necessity to privilege copying.

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191. 653 F.2d 822 (3d Cir. 1981). In *Keene*, the copied product was an exterior wall-mounted lamp used on commercial buildings. *Id.* at 823.

192. *Id.* at 825.

193. *Id.* at 826.

194. *Id.*

195. *Id.* at 827.

196. 732 F.2d 417 (5th Cir. 1984). In *Sicilia* the defendant had marketed citrus juice in a plastic bottle similar in shape and color to the plaintiff’s product. The court in *Sicilia* seemed to admit that in *Keene* there were limited design options but that such options were essentially unlimited with respect to the copied bottle at issue. *Id.* at 428. Of course, the design options available for wall-mounted lamps are considerably diminished if the inquiry is limited to “superiority” in utilitarian considerations.

### B. *Affective Functionality—Impulse Buying*

Purchases of products by consumers are not always the result of a rational process involving cognition by consumers,<sup>197</sup> motivated to satisfy utilitarian needs or even cognitive aesthetic needs. Consumer research indicates that a significant amount of purchases are "impulse" purchases.<sup>198</sup> Such buying behavior is irrational and appears to be primarily based upon the "affective" or "hedonistic" appeal of the product itself.<sup>199</sup> Such appeal is primarily associated with characteristics of the product that appeal to the senses of the consumer rather than to reason.<sup>200</sup> Advertising that appeals to the senses seeks to exploit this type of irrational

197. See *supra* note 7. Professor Woods has identified two types of irrational consumer behavior:

The cognitive-habit dimension does not explain all purchasing behavior. Purchasing decisions may be made on the basis of other forces. Two such types of behavior may be identified: behavior in response to *affective* appeal and behavior in response to *symbolic* appeal. Although these behavior types are often loosely grouped together as "irrational," they do differ.

Woods, *supra* note 13, at 33 (footnote omitted) (emphasis in original). "Affective" appeal or value will be considered in this section, and "symbolic" appeal or value in the next.

198. Four types of impulse buying have been suggested:

1. *Pure impulse buying*. The "novelty or escape purchase which breaks a normal buying pattern."

2. *Reminder impulse buying*. "A shopper sees an item and remembers that the stock at home is exhausted or low, or recalls an advertisement or other information about the item and a previous decision to buy."

3. *Suggestion impulse buying*. A shopper sees a product for the first time and visualizes a need for it, even though he or she has no previous knowledge of the item. . . .

4. *Planned impulse buying*. "The shopper enters the store with some specific purchases in mind, but with the expectation and intention to make other purchases that depend on price specials, coupon offers and the like."

F. REYNOLDS & W. WELLS, *supra* note 2, at 345. These authors conclude that studies show that American homemakers are:

increasingly transferring their purchase planning from the home to the store, entering the store with a general set of expectations but making a great number of the actual buying decisions at the point of purchase. Studies of this kind have sometimes been interpreted as showing that consumers are becoming less rational in their decision making—that instead of being guided by the intrinsic merits of the products, the modern American consumer is frequently trapped into bad decisions by such superficial lures as attractive packaging and inviting displays.

*Id.* at 345-46.

199. For a further discussion of the affective appeal of products, see *supra* note 13. See also Woods, *supra* note 13, at 33-36.

200. Hence, the shade, color, texture, smell, feel, and even the sound of a product (e.g., the effervescence of a carbonated soft drink) may play a part in the consumer's selection process. See *supra* note 13.

behavior in emphasizing the sensual characteristics associated with the product rather than its utilitarian function.<sup>201</sup>

Often it would appear that the consumer does have at least a nominal utilitarian need for the product in question, but in discriminating among products, the one that has the highest affective (hedonistic) appeal is selected over others, even though other products serve the same utilitarian function and may be more cost-efficient. In the teapot example, the purchaser may select a teapot of a particular color or style over a less expensive and more durable model. In certain instances, impulse buying may occur without even a nominal utilitarian need for a product—where the product has so great an affective appeal on a given consumer that it is purchased regardless of any need for its utilitarian function. Hence, a particular teapot is purchased because the consumer attempts to satisfy an irrational need for a product of a particular color or style even though he or she already has one or more teapots.

The more broadly based the affective appeal of a particular product, the greater demand it will have in the marketplace. Thus, from a marketing standpoint it becomes highly desirable to design a product having a substantially universal affective appeal rather than having only limited idiosyncratic appeal. This may, of course, be affected greatly by custom, affiliation, trends, fashion, socialization, etc., which may lead to the acquisition of certain products because of the symbolic value of certain colors, designs, styles, etc., as will be considered below.<sup>202</sup>

The appearance or other sensual characteristics of products having affective functionality may be seen as having “tertiary” meaning to the consumer, that is, a separate meaning in addition to its primary meaning as indicative of the product itself and its possible secondary meaning as a product associated with a single source. As in the cases of utilitarian functionality and cognitive aesthetic functionality, it would appear that the source of a particular product with affective appeal, which results in an impulse purchase, would be relatively unimportant, if not irrelevant, to the consumer. If it is, indeed, the product itself which motivates its purchase in order to satisfy an irrational need, a basic question is raised as to the proper balance between “free” and “fair” com-

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201. The Chanel “live your fantasy” advertisements would seem to be a vivid example of this.

202. For a complete discussion of the relationship between symbolic functionality and emotional buying, see *infra* notes 220-94 and accompanying text.

petition. Should the creator of a product with affective appeal and which is associated with a single source be rewarded with a monopoly in that particular product, or, in the converse, should the affective appeal of that product (just as its utilitarian and aesthetic value) be deemed to be in the public domain, free for anyone to copy? Further, should an incentive be provided for the creation of a product design satisfying an irrational need in the absence of source motivation?

If protection is granted, it would appear to be on an appropriation/entitlement basis. Essentially, the affective appeal of the product—its “tertiary” meaning—would be treated as property, which then, by reason of its property status, would give its creator standing to assert exclusive rights in that appeal. Its exclusivity presumably would be recognized upon proof of source association and likelihood of confusion.

It is difficult to isolate cases involving affective functionality from cases involving products that may also involve cognitive aesthetic functionality, as discussed above, or symbolic functionality, as discussed below. Of course, in most, if not all instances, these arbitrary classifications may overlap and constantly change as need patterns change.

One case that could be categorized as involving affective functionality is *Cheney Brothers v. Doris Silk Corp.*<sup>203</sup> In *Cheney*, Judge Hand asserted that the patterns on silk are “designed to attract purchasers by their novelty and beauty. Most of these fail in that purpose, so that not much more than a fifth catch the public fancy.”<sup>204</sup> The affective appeal of the product itself would be seen to induce an impulse purchase. Protection against copying was denied in *Cheney*, with Judge Hand refusing to extend *International News Service v. Associated Press* to such designs on an “appropriation” basis.<sup>205</sup>

A recent example of the potential involvement of affective functionality was the Third Circuit case of *Freixenet, S.A. v. Admiral Wine & Liquor Co.*<sup>206</sup> In *Freixenet*, the defendant argued that it sold wine in a “frosted black bottle because of ‘the feelings and impressions’ of elegance and sophistication that black evokes in a purchaser of liquor.”<sup>207</sup> The finding that the black bottle was

203. 35 F.2d 279 (2d Cir. 1929), cert. denied, 281 U.S. 728 (1930).

204. 35 F.2d at 279.

205. *Id.* at 280-81 (citing *International News Serv. v. Associated Press*, 248 U.S. 215 (1918)).

206. 731 F.2d 148 (3d Cir. 1984).

207. *Id.* at 150.

nonfunctional was not appealed, however, as the defendant prevailed on other grounds.<sup>208</sup>

A more prosaic example of affective functionality may be found in *Norwich Pharmacal Co. v. Sterling Drug, Inc.*,<sup>209</sup> where the Second Circuit refused to enjoin the copying of the pink color of the stomach medication "Pepto-Bismol."<sup>210</sup> In *Norwich*, the court rejected the trial court's conclusion, based on a narrow definition of functionality, that the pink color had no functional value because it had no healing value, in light of the recognition that the pink color was designed to present a pleasing appearance to the suffering consumer.<sup>211</sup> The appellate court, in a footnote, considered it unnecessary to decide whether the pink color may have had some psychosomatic effect and hence would have had therapeutic value.<sup>212</sup> Yet the court seemed to presume that the medication's pink color had some value to the consumer.<sup>213</sup>

Closely related and probably involving an overlap of affective

208. *Id.* The Third Circuit affirmed the district court's denial of a preliminary injunction because the finding of no likelihood of confusion was not clearly erroneous. *Id.* at 152. The court also dismissed an appeal from a grant of partial summary judgment against the plaintiff that it could not acquire a monopoly on the use of a black bottle. *Id.* at 153. See also *Freixenet, S.A. v. Frank Hartley, Inc.*, No. 82-1095, slip op. (D. Mass. Aug. 26, 1982); *Freixenet, S.A. v. Jose Freixedas*, No. 82-1601, slip op. (E.D.N.Y. Oct. 8, 1982) (granting preliminary injunctions against competing sellers of sparkling Spanish wine in frosted black bottles).

209. 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919 (1960).

210. 271 F.2d at 573.

211. *Id.* at 572.

212. *Id.* at 572 n.7.

213. The conclusion that the color pink presents a pleasing appearance to those with upset stomachs may be contrary to psychological research on color. As stated in a recent study:

But the view that pink induces tranquility is contradicted by a consistently recurrent theme in the literature on the psychology of color—namely, the association of hues at the warm or long end of the visible spectrum (red, orange, pink) with excitation and emotional arousal, and those toward the cool or short end (green, blue, violet) with calm and relaxation.

Pellegrini, Schauss & Miller, *Room Color and Aggression in a Criminal Detention Holding Cell: A Test of the 'Tranquilizing Pink' Hypothesis*, 10 J. ORTHOMOLECULAR PSYCHIATRY 174, 175 (1981). One commentator describes the psychological effect of colors in the red range as follows:

Psychologically, red is exciting and increases restlessness and nervous tension. . . .

Modified forms of red—rose, maroon, pink—are beautiful and expressive, universally appealing, and deeply emotional. Variations of red are preferred by extroverts; therefore the color has a place in psychotherapy to bolster human moods and counteract melancholia. It helps to distract attention from within and to direct it outward.

F. BIRREN, *COLOR PSYCHOLOGY & COLOR THERAPY* 258 (1961).

and cognitive aesthetic functionality is the trademark and unfair competition doctrine of "mere ornamentation," which denies protection to those product features that are merely ornamental and hence not indicative of source. An example of this was the denial of protection to stripes on luggage in *Ventura Travelware, Inc. v. Baltimore Luggage Co.*<sup>214</sup> In *Ventura*, the court stated: "When a customer selects an item because its style or attractiveness is enhanced by ornamentation and decorative symbols the function of the decoration may hardly be regarded as a mark indicating source or origin."<sup>215</sup> It is not apparent on what factual basis the court concluded that customers would be motivated to purchase luggage because of its ornamentation and decorative symbols rather than because of its source. The court, however, was apparently convinced that such symbols contributed materially to the general sale of the luggage.

Mere ornamentation is a long recognized ground for rejecting the registration of a trademark, originally as an absolute ground for rejection,<sup>216</sup> but later as a rebuttable ground upon proof of secondary meaning.<sup>217</sup> There would, however, still appear to be cases where particular ornamentation would be found inherently (de jure) ornamental and hence incapable of being source-indicating. Such inherent ornamentation is alluded to in *In re Penthouse International, Ltd.*,<sup>218</sup> where the CCPA asserted the blanket rule: "Jewelry designs as such are not registrable."<sup>219</sup> Although the court cited no authority for this proposition, it evidently had in mind the concept of an inherently ornamental design for which proof of de facto secondary meaning would not be recognized. If such is the case, it would be argued that the court was recognizing some form of nonutilitarian functionality.

In sum, affective functionality may be viewed as the irrational complement to cognitive aesthetic functionality. In both in-

214. 66 Misc. 2d 646, 322 N.Y.S.2d 93 (Sup. Ct. 1971), *aff'd*, 38 A.D.2d 794, 328 N.Y.S.2d 811 (1972). *But cf.* *LeSportsac, Inc. v. Dockside Research, Inc.*, 478 F. Supp. 602, 608 (S.D.N.Y. 1979) (design elements of travel bag intended to give particular "look" could warrant trademark protection, particularly when alternative designs were available in marketplace).

215. 66 Misc. 2d at 650, 322 N.Y.S.2d at 100.

216. *See In re Burgess Co.*, 112 F.2d 820 (C.C.P.A. 1940) (holding that stripe design on battery casing is not registrable as trademark).

217. *See In re Swift & Co.*, 223 F.2d 950 (C.C.P.A. 1955) (holding that red and white polka dot design on cleanser container is capable of being registered as trademark).

218. 565 F.2d 679 (C.C.P.A. 1977).

219. *Id.* at 682.

stances, the consumer is primarily motivated to purchase the product because of product-centered characteristics of a non-utilitarian nature. If the consumer is using a cognitive process to make the purchase on the basis of the product's appearance, e.g., its compatibility, it then would be, in the suggested categorization, cognitive aesthetic functionality. However, if the consumer is not conscious of the reason for the desirability of the product but reacts to the product in an impulsive manner because of its affective (hedonistic) appeal, then this would be categorized as affective functionality. In either instance, the source of the product does not appear to be a prime concern. It is the product itself and its appearance as either consciously or unconsciously appreciated that would appear to govern the transaction. Of course, the problem still remains one of being able to ascertain whether the consumer is acting in response to the affective appeal of a product to buy it impulsively.

### C. *Symbolic Functionality—Emotional Buying*

A consumer may purchase a product primarily to satisfy an emotional need for what the product represents rather than what it does or how it appears.<sup>220</sup> The product may then be said to have "symbolic value" to the consumer, who perceives its acquisition as a means of satisfying a particular ego need. The ego involvement with the product is that it symbolizes a desired self-image of the consumer.<sup>221</sup> The consumer is driven to the emotional purchase of this product in an attempt to satisfy an ego-centered need, such as a need for "affiliation" with someone or something (a teapot bearing a Chicago Bears<sup>222</sup> emblem); for the "status" perceived to be associated with certain products or brands (a Wedgwood teapot); or perhaps for a direct expression of the consumer's desired self-image (a teapot inscribed "Lovers

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220. Professor Levy observed that "[t]he things people buy are seen to have personal and social meaning, in addition to their functions. Modern goods are recognized as psychological things, as symbolic of personal attributes and goals, as symbolic of social patterns and strivings." Levy, *supra* note 16, at 59.

221. Professor Levy concluded:

[The symbolic] product will be used and enjoyed when it joins with, meshes with, adds to, reinforces, the way the consumer thinks about himself. In the broadest sense, each person aims to enhance his sense of self, to behave in ways that are consistent with a set of ideas he has about the kind of person he is or wants to be.

*Id.* at 59.

222. The reader may, of course, substitute his or her favorite team for "Chicago Bears."



prefer tea").<sup>223</sup> Hence, a product having symbolic functionality provides the consumer with external evidence of the consumer's self-image, and, as in the case of products having affective functionality, those with symbolic functionality may be said to have a "tertiary" meaning (symbolic) to consumers beyond primary meaning (utilitarian) and secondary meaning (source association).

Perhaps the clearest example of consumer motivation to acquire a product on an emotional buying basis is the purchase of products bearing the emblem<sup>224</sup> of organizations, teams, schools, etc., with which the consumer wishes to show affiliation. It seems reasonably certain in such cases that the purchase of the product is primarily for satisfaction of a need for affiliation rather than primarily for utilitarian or aesthetic reasons. In cases involving such emblems, the courts generally have recognized the symbolic value of the emblems in question.<sup>225</sup> However, the courts generally have avoided directly addressing the issue of whether the symbolic value should be in the public domain along with utilitarian value, as generally agreed, or with aesthetic value, as sometimes agreed. In most cases, the primary issue addressed has been whether there is likelihood of confusion in the sense that consumers "believe" or "think" that the *product* bearing the emblem originated from or was sponsored by the source indicated by the *emblem*. The association of the emblem with its source has not been in dispute and the question has been one of association of the product with the source of the emblem. A brief review of representative cases on this issue may be useful.

In *Adolph Kastor & Brothers v. Federal Trade Commission*,<sup>226</sup> the

223. Other categories and categorizations of ego-centered needs may be suggested. See, e.g., Levy, *supra* note 16, at 60-64; Woods, *supra* note 13, at 33. Because the case law suggests the needs of affiliation, status, and direct expression, they have been selected for analysis.

224. For simplicity, "emblem" will be used herein to indicate the generic class of names, emblems, logos, symbols, indicia, etc.

225. See Supreme Assembly, Order of Rainbow Girls v. J.H. Ray Jewelry Co., 676 F.2d 1079 (5th Cir. 1982) (defendant's use of Rainbow mark created no confusion or mistake among purchasers as to source of origin); International Order of Job's Daughters v. Lindeburg & Co., 633 F.2d 912, 918 (9th Cir.) (Job's Daughters organization failed to show that consumers purchasing unofficial jewelry would think it was produced, sponsored, or endowed by the organization), *cert. denied*, 452 U.S. 941 (1981); Boston Professional Hockey Assoc. v. Dallas Cap & Emblem Mfg., Inc., 510 F.2d 1004, 1011 (5th Cir.) (professional hockey team has interest in its own individual symbol and is entitled to legal protection against unauthorized use), *cert. denied*, 423 U.S. 868 (1975). For a further discussion of *Rainbow Girls*, *Job's Daughters*, and *Boston Hockey*, see *infra* notes 233-55 and accompanying text.

226. 138 F.2d 824 (2d Cir. 1943). The Kastor Company and its predeces-

Second Circuit, in an opinion by Judge Hand, upheld the Commission's order enjoining the use of the words "Scout," "Boy Scout" or "Scouting" on pocket knives marketed by Kastor.<sup>227</sup> Judge Hand stated: "At the outset we hold therefore that the word, 'Scout,' when applied to a boy's pocket knife, suggests, if indeed it does not actually indicate, that the knife is in some way sponsored by the Boy Scouts of America."<sup>228</sup> Even though, as indicated, the suggestion of sponsorship may have been vague, such suggestion justified the Commission's injunction as a matter of law.<sup>229</sup> Judge Hand, however, went further to apply a trademark analysis (balancing the hardship of the infringer to forebear against damage to the owner of the mark if infringement persisted) to further justify the injunction.<sup>230</sup> He concluded that "[i]t is not even necessary that the label read 'boy scouts' to buy Kastor knives supposing that they are 'Official Knives'; boys who are not 'Scouts' may be lead to buy them because in their minds they vaguely have the imprimatur of the Boy Scouts of America."<sup>231</sup> This would seem to implicitly recognize the symbolic value of the word "Scout" on the knives, presumably because "official knives" were desired to evidence affiliation with the Boy Scouts of America.<sup>232</sup>

In *Boston Professional Hockey Association v. Dallas Cap & Emblem Manufacturing, Inc.*,<sup>233</sup> the Fifth Circuit recognized that the primary market for patches bearing the emblems of professional hockey teams was the desire "among ice hockey fans . . . to purchase emblems embroidered with the symbols of their favorite teams" to enable those fans "to show public allegiance to or identification with the teams themselves."<sup>234</sup> The court deemed the

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sor had produced cutlery since 1879. *Id.* at 824. The company sold knives marked "Scout" for the Boy Scouts of America. *Id.* at 825.

227. *Id.* at 825.

228. *Id.*

229. *Id.*

230. *Id.*

231. *Id.*

232. In addition to whatever symbolic value "official" knives had, it could also be perceived by consumers that official knives were of a higher quality than "unofficial" ones. Indeed, sponsorship seemingly would impose a duty of quality control. See Lanham Act § 45, 15 U.S.C. § 1127 (1982) (definition of "related company"); see also 1 J. MCCARTHY, TRADEMARKS & UNFAIR COMPETITION §§ 18-13 to -17 (1973 & Supp. 1982).

233. 510 F.2d 1004 (5th Cir.), *cert. denied*, 423 U.S. 868 (1975). In *Boston Hockey*, the hockey league and member teams sought to enjoin an emblem manufacturer from making and selling embroidered cloth emblems embodying the teams' registered trade and service marks. 510 F.2d at 1009.

234. 510 F.2d at 1011.

principal issue for resolution to be one of trademark infringement: "The certain knowledge of the buyer that the source and the origin of the trademark symbols were in plaintiffs satisfies the [likelihood of confusion] requirement of the [Lanham] act."<sup>235</sup> The normal requirement of confusion of source of the product would thus not be imposed "where the trademark, originated by the team, is the triggering mechanism for the sale of the emblem."<sup>236</sup> The Fifth Circuit, therefore, appears to have presumed product source association, at least in the sense of sponsorship of the product on a showing of emblem source identification. Such a broad interpretation would seemingly give *in rem* protection to team emblems used on any product.

The *Boston Hockey* court distinguished *Pagliari v. Wallace China Co.*<sup>237</sup> on the ground that "the embroidered symbols are sold not because of any such aesthetic characteristic but because they are the trademarks of the hockey teams."<sup>238</sup> The court thus seemed to recognize that the primary motivation of consumers to purchase the patches was not the aesthetic value of the hockey team emblem, but rather their emotional need to show affiliation with the hockey teams. In the normal trademark sense, a consumer's purchase of a product by trademark implies that the consumer is motivated because of source-related qualities associated

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235. *Id.* at 1012. The court used the term "trademark," while all of the teams except the Canadian one had United States registration of their emblems as service marks. The question would appear to be whether defendant's use infringed their registered service marks. An alternative ground would be § 43(a) of the Lanham Act as invoked in *Boston Hockey* with respect to the unregistered emblem. *Id.*

236. *Id.* Cf. *National Football League Properties, Inc. v. Consumer Enters.*, 26 Ill. App. 3d 814, 819, 327 N.E.2d 242, 247 (1975) (court recognized ornamental value of emblems but concluded "that the trademarks [sic] of the teams copied by defendant indicate sponsorship or origin in addition to their ornamental value"), *cert. denied*, 423 U.S. 1018 (1975).

237. 198 F.2d 339 (9th Cir. 1952). In *Pagliari*, the Wallace China Company developed four distinct china patterns, created a substantial market for its products, and acquired an excellent reputation in the hotel china industry. *Id.* at 340. The Pagliero brothers used Wallace's plate designs and design names. *Id.* The names were not registered trademarks, nor were the designs patented or copyrighted. *Id.* at 341. The court held that the designs were functional and therefore not protectable. *Id.* at 343. For a further discussion of *Pagliari*, see *supra* notes 155-61 and accompanying text.

238. 510 F.2d at 1013 (citing *Pagliari*, 198 F.2d 339). The *Boston Hockey* court stated that the embroidered symbols sold because they were the teams' trademarks, as contrasted with the china, which sold because of its attractiveness and eye-appeal. *Id.* Products that consumers demand, regardless of their source of origin, are distinguishable from products in cases in which the design or symbol has no value other than its significance as a trademark. *Id.*

with the product bearing the trademark and not because of the affiliation-related qualities of the emblem itself.

The Fifth Circuit has since rejected the *in rem* protection interpretation of *Boston Hockey* in *Supreme Assembly, Order of Rainbow Girls v. J.H. Jewelry Co.*<sup>239</sup> In *Rainbow Girls*, the court refused to enjoin the unauthorized use of the Rainbow Girls emblem on jewelry on the ground that the plaintiff had failed to prove likelihood of confusion as to source or sponsorship.<sup>240</sup> The court distinguished *Boston Hockey* on a factual basis, contrasting the practices of professional teams and fraternal organizations in controlling the use of their emblems.<sup>241</sup>

The Second Circuit followed *Boston Hockey* in adopting an emblem confusion standard in *Dallas Cowboy Cheerleaders, Inc., v. Pussycat Cinema, Ltd.*,<sup>242</sup> in which the court enjoined the unauthorized use of copies of the Dallas Cowboy cheerleading uniforms in the "defendants' sexually depraved film."<sup>243</sup> In accordance with *Dallas Cowboy Cheerleaders*, the Second Circuit, in *Warner Brothers, Inc. v. Gay Toys, Inc.*,<sup>244</sup> enjoined the copying of a toy car (the "General Lee") modeled after one used in the television series,

239. 676 F.2d 1079 (5th Cir. 1982).

240. The court held that there was no historical custom or practice as to fraternal jewelry or Rainbow jewelry which provided a reasonable basis for consumers to assume Rainbow jewelry could only be manufactured with Rainbow's sponsorship or approval. *Id.* at 1083. Secondly, Rainbow's "official jewelry" was well known and the letter "S" on the official jewelry created the "inescapable inference . . . that all other Rainbow jewelry is not endorsed, sponsored, approved or otherwise associated with Rainbow." *Id.*

241. *Id.* at 1083 (citing *Boston Hockey*, 510 F.2d at 1013). The court stated: "[M]ost fraternal associations exercise little control over the manufacture of jewelry bearing their fraternal emblems . . . ." *Id.*

242. 604 F.2d 200 (2d Cir 1979). Dallas Cowboys Cheerleaders objected to Pussycat Cinema's distribution and exhibition of a sexually explicit movie involving cheerleaders performing sexual services for a fee to raise money to travel to Dallas. *Id.* at 202-03. Debbie, the movie's "star," wore a uniform strikingly similar to those of the Dallas Cowboy Cheerleaders while engaging in various sex acts. *Id.* at 203.

243. *Id.* at 205. The *Dallas Cowboys* court held that the characteristics of the cheerleading outfit were not precluded from being designated as a trademark because they also served a functional purpose. *Id.* at 203. The "combination of the white boots, white shorts, blue blouse, and white star-studded vest and belt is an arbitrary design which makes the otherwise functional uniform trademarkable". *Id.* at 204. The court felt that after viewing the film, it would be difficult to disassociate it from the Dallas Cowboy Cheerleaders. *Id.* at 205.

244. 658 F.2d 76 (2d Cir. 1981). Gay Toys unsuccessfully sought a license to produce a toy car utilizing the distinctive features of "The Dukes of Hazzard" car, "General Lee." *Id.* at 78. However, Gay Toys proceeded to manufacture and distribute a toy called the "Dixie Racer" in an attempt to exploit the market created by "The Dukes of Hazzard" television show. *Id.*

“The Dukes of Hazard.”<sup>245</sup> The case was disposed of on the likelihood of confusion issue, which was deemed resolvable on the basis of “public belief” that the car produced by the defendant had been sponsored or otherwise approved by the plaintiff.<sup>246</sup> The district court and the court of appeals both recognized that the symbolic value of the car played a significant role in its sale: “The District Court properly inferred that many children buy the car (or induce their parents to buy it for them) as a prop for play in which they pretend they are the ‘Duke Boys’ of television fame.”<sup>247</sup> The court clearly protected the symbolic value of the “General Lee” as a trademark on the basis of consumer belief of sponsorship even though, as the district court found, purchasers of the car were not concerned about who made it or who may have sponsored it.<sup>248</sup>

The CCPA, in *In re Penthouse International Ltd.*,<sup>249</sup> seemed to recognize the symbolic value of a “stylized key logo” as a trademark for jewelry. The court approved its registration, and stated that “it cannot be said that sales can result only from the attractiveness of the jewelry item, and that sales would not be triggered by recognition of the mark”.<sup>250</sup> Although the Penthouse emblem in the form of a key may have some aesthetic appeal as jewelry, it appears far more likely that its primary appeal is an emotional need to show affiliation with Penthouse rather than the source-related qualities of the key.

In contrast to the foregoing, at least two cases would seem to treat the symbolic value of a product as aesthetically functional, and, hence, in the public domain. In *International Order of Job’s*

245. The “Dixie Racer” is identical to the orange, 1969 Dodge Charger with a Confederate flag emblem on it, as seen on the “Dukes of Hazard,” except that its door decal numerals are reversed from “01” to “10.” *Id.* at 78.

246. The court held that Gay Toys deliberately utilized the distinctive features in order to divert business and increase its sales by misleading consumers as to the source of the “Dixie Racer”. *Id.*

247. *Id.* at 79 (emphasis added).

248. *Id.* at 78. See also *Bi-Rite Enters., v. Button Master*, 555 F. Supp. 1188 (S.D.N.Y. 1983) (emblems of rock music groups are protectable upon proof of likelihood of confusion as to source or sponsorship). The Seventh Circuit, in a case that also involved the sale of a toy model of the “General Lee” car, followed *Warner Brothers. Processed Plastics Co. v. Warner Communications*, 675 F.2d 852 (7th Cir. 1982).

249. 565 F.2d 679 (C.C.P.A. 1977). In *Penthouse*, Penthouse sought to register its established emblem as a jewelry design.

250. *Id.* at 683. Furthermore, the court noted that “[t]he capacity of a mark to indicate origin is not destroyed because the mark appears as a charm on a bracelet, instead of as a symbol on the box which contains the bracelet.” *Id.*

*Daughters v. Lindeburg & Co.*,<sup>251</sup> the Ninth Circuit refused to enjoin the unauthorized use of the name and emblem of a fraternal organization on jewelry because they were “functional aesthetic components of the jewelry, in that they [were] being merchandized on the basis of their intrinsic value, not as a designation of origin or sponsorship.”<sup>252</sup> The court recognized the symbolic value of the emblem, stating: “We commonly identify ourselves by displaying emblems expressing allegiances.”<sup>253</sup>

To avoid denying protection on functional grounds, the court apparently would require that the consumer be motivated to purchase the product because of its source or because of sponsorship by that source: “It would be naive to conclude that the name or emblem is *desired* because consumers believe that the product somehow originated with or was sponsored by the organization the name or emblem signifies.”<sup>254</sup> The decision is, however, ambiguous on this point, because the Ninth Circuit concluded that the plaintiff “did not meet its burden of proving that a typical buyer . . . would *think* that the jewelry was produced, sponsored, or endorsed by the organization.”<sup>255</sup> If mere consumer belief as to source or sponsorship would warrant protec-

251. 633 F.2d 912 (9th Cir. 1980), *cert. denied*, 452 U.S. 941 (1981). Symbolic value could also be seen as protected by the registration of the two-dimensional representations of comic book characters (Superman, Batman, Joker) as the trademarks for the dolls representing those characters. *In re DC Comics, Inc.*, 689 F.2d 1042 (C.C.P.A. 1982). For a further discussion of *DC Comics*, see *infra* notes 267-69 and accompanying text.

252. 633 F.2d at 918 (applying the *Pagliari* distinction discussed *supra*, at notes 237-38).

253. *Id.* The court in *Job's Daughter* further stated: “Our jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, the schools we attend, the landmarks we have visited, the sports teams we support, the beverage we imbibe.” *Id.*

254. *Id.* (emphasis added).

255. *Id.* at 920 (emphasis added). Earlier in its decision the court added to the confusion by stating:

Our holding does not mean that a name or emblem could not serve simultaneously as a functional component of a product and a trademark. That is, even if the Job's Daughters' name and emblem, when inscribed on Lindeburg's jewelry, served primarily a functional purpose, it is possible that they could serve secondarily as trademarks if the typical customer not only purchased the jewelry for its intrinsic functional use and aesthetic appeal but also inferred from the insignia that the jewelry was produced, sponsored, or endorsed by Job's Daughters.

*Id.* at 919 (citations omitted). The United States District Court for the Western District of Washington interpreted this passage as justifying protection upon proof of secondary meaning and likelihood of confusion in an emblem case. *National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc.*, 532 F. Supp. 651, 663 (W.D. Wash. 1982).

tion of the emblem, this would destroy aesthetic functionality as an independent ground for denying protection.

Further, in *University of Pittsburgh v. Champion Products, Inc.*,<sup>256</sup> the United States District Court for the Western District of Pennsylvania recognized the symbolic value of the University of Pittsburgh's emblem and refused to enjoin its use.<sup>257</sup> The court found as a fact that "[t]hese insignia perform the function of allowing the wearer to express identity, affiliation or allegiance to Pitt."<sup>258</sup> The court also found that there was no evidence that the consumer cared who made or sold goods or whether they were sponsored by the source of the emblem.<sup>259</sup>

In sum, *Job's Daughters* and *University of Pittsburgh* arguably would allow protection of the emblems only if it could be shown that consumers were motivated to purchase such products because of sponsorship by the respective organizations and if the other elements of unprivileged imitation or trademark infringement action could be established. In contrast, *Boston Hockey*, *Dallas Cowboys*, and *Kaster* would infer the desire of consumers for officially sponsored products. Somewhere in between would be *Warner Brothers* and *Rainbow Girls*, requiring proof that at least consumers "believe" or "think" that the products are sponsored by the creating organizations before affording protection.

Another category of symbolic functionality identified above is the need for "status" as reflecting the self-image of the consumer.<sup>260</sup> Thus, there is consumer ego-involvement with the product beyond its utilitarian or aesthetic value. The product satisfies the consumer's needs for status by indicating to the consumer and others what kind of person he or she is. Products

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256. 566 F. Supp. 711 (W.D. Pa. 1983). The University sought to stop the manufacturer from using the University's insignia on soft goods. The court held that the Pitt insignia, as used by the manufacturer, was a functional characteristic of the soft goods and not protectable. *Id.* at 720. Furthermore, there was no evidence that the Pitt insignia had taken on a secondary meaning. *Id.* at 721.

257. *Id.*

258. *Id.* at 716.

259. *Id.*

260. Status or prestige is one of the needs identified in Maslow's hierarchy as an "esteem" need. In Maslow, needs were categorized as ranging from "basic" needs—physiological needs, safety needs, belonging and love needs, esteem needs (both self-esteem and esteem of others, i.e., status, prestige, recognition)—to the self-actualization needs. Cognitive needs (desire to know and understand and aesthetic needs) were not included in the hierarchy, but were part of his humanistic theory. See A. MASLOW, *supra* note 4, at 90-106, 150-58; Maslow, *A Theory of Human Motivation*, 50 *PSYCHOLOGICAL REV.* 370 (1943). For a further discussion of consumer psychology, see D. SCHULTZ, *supra* note 2, at 457.

possessing this type of symbolic functionality give external evidence to the consumer of the desired status. The need for status is often interrelated with the need for affiliation; for example, the type of clothes or hair style one wears may indicate affiliation to a group or status within that group to the wearer.<sup>261</sup>

A common example of status value is the prominent display of the designer's emblem on the exterior of a product.<sup>262</sup> The patent display of the emblem may be seen as evidencing the self-image of the consumer as one who has the personal characteristics symbolized by that emblem. The presence of the emblem for all to see is likely to have played a significant role in the motivation to purchase that product.<sup>263</sup>

One example of a case involving the potential status value of a product is *Vuitton et Fils, S.A. v. J. Young Enterprises*.<sup>264</sup> In *Vuitton et Fils*, Vuitton sold a line of luggage, handbags, and related articles where substantially the entire external surfaces were covered with repetitions of the configuration consisting of the initials "LV," surrounded by three fleur-de-lis.<sup>265</sup> Vuitton had registered

261. Professor Foxall defined "group" as a human group involv[ing] several persons who share common goals or purposes and who interact in pursuance of these objectives; each member of the group is perceived by others as a group member and all members are bound together by patterns and networks of interaction over time [which] . . . is made enduring by the evolution of a group ideology which cements the beliefs, values and attributes and norms of the group.

G. FOXALL, *supra* note 2, at 91-92 (footnote omitted). A reference group is that which is used for an individual to compare values and perspectives, and such membership imposes a degree of conformity on the individual. *Id.* at 111. For a further discussion of a consumer's self-image, see Levy, *supra* note 16, at 101-05.

262. *E.g.*, Izod's alligator; Gloria Vanderbilt's swan; Ralph Lauren's polo pony; Countess Mara's initials.

263. Interestingly, in *Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc.*, 428 F. Supp. 689 (N.D. Ga. 1977), the United States District Court for the Northern District of Georgia turned consumer demand for perceived status against the manufacturer of a kit for customizing the grill of a Volkswagen Beetle to simulate the "Classic Grill" and "Flying Lady" hood ornament associated with Rolls-Royce. In rejecting the idea that the attractive nature of the grill and hood ornament should preclude trademark protection, the court stated: "It is tenuous at best to contend that the grill and hood statuette are the motivating factors in the purchase of a \$50,000.00 automobile." *Id.* at 693. In terms of the potential symbolic functionality, it would seem that the question to address would be whether consumers were motivated to purchase the kits to customize their Volkswagons primarily because of the perceived prestige it would afford them or because they were confused that their kits were marketed or sponsored by Rolls-Royce. In addition, the primary motivation could also be because of the "trend" value of the kits. For a further discussion of "trend" value, see *infra* notes 271-82 and accompanying text.

264. 644 F.2d 769 (9th Cir. 1981).

265. *Id.* at 772. Most Vuitton merchandise is covered with dark brown,



this configuration as a trademark for such articles.<sup>266</sup>

The Ninth Circuit, in *Vuitton et Fils*, reversed the district court's determination that the trademark was functional and held that *Pagliero* did not demand such a broad interpretation that any feature which contributed to the commercial success of a product was functional as a matter of law.<sup>267</sup> The court noted that it was not convinced that the Vuitton symbol was that "aspect of its product which satisfies its consumers' tastes for beauty."<sup>268</sup> The court then went on to hypothesize about consumer motivation and stated that consumers "may be willing to sacrifice beauty for durability" or that "the *prestige* afforded by carrying a certain bag may overshadow that person's sense for the purely aesthetic."<sup>269</sup> The court then concluded that "[i]f the Vuitton mark increases consumer appeal only because of the quality associated with Vuitton goods, or because of the prestige associated with owning a genuine Vuitton product, then the design is serving the legitimate function of a trademark."<sup>270</sup>

From the use of the word "only" in the above quotation, one

vinyl-impregnated canvas, bearing an arrangement of the initials "LV" superimposed one upon the other and surrounded by three floral symbols. The design is in a contrasting mustard color. *Id.*

266. *Id.* at 774. The "LV" surrounded by flower-like symbols has been entered on the Principal Register of the United States Patent and Trademark Office since 1979 and has been registered under the same number with the Patent and Trademark Office since 1932. *Id.*

267. *Id.* The court noted that functionality analysis falls short if it stops at aesthetics. Trademarks are always functional in the sense that they help sell goods by identifying the manufacturer. *Id.*

268. *Id.*

269. *Id.* (emphasis added).

270. *Id.* at 776. See also *Rolex Watch U.S.A., Inc. v. Thalheimer Co.*, 217 U.S.P.Q. (BNA) 964 (N.D. Cal. 1982) (copying of external appearance of Rolex watches was enjoined, even though copier's trademark appeared on dial of its watches). The classic example of protecting prestige value is *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464 (2d Cir.), *cert. denied*, 350 U.S. 832 (1955), where Judge Frank stated:

True, a customer examining plaintiff's clock would see from the electric cord, that it was not an "atmospheric" clock. But, as the judge found, plaintiff copied the design of the Atmos clock because plaintiff intended to, and did, attract purchasers who wanted a "luxury design" clock. This goes to show at least that some customers would buy plaintiff's cheaper clock for the purpose of acquiring the prestige gained by displaying what many visitors at the customers' homes would regard as a prestigious article. Plaintiff's wrong thus consisted of the fact that such a visitor would be likely to assume that the clock was an Atmos clock.

221 F.2d at 466. Under this reasoning, the originator would be protected against the copier's selling to consumers who were fully aware of the imitation clock's origin, to prevent those consumers from deceiving their friends.

could draw the conclusion that if a consumer is motivated, at least in part, to purchase the product because of its aesthetic appeal, then trademark protection should be denied. Nonetheless, of interest in the present investigation is the explicit recognition of the value of "prestige" to a consumer as a motivating factor, and in such case, the entitlement of the creator of the prestige value to protect it against copying. The conclusion that protection of prestige value should be afforded to the trademark owner is considerably different from affording protection based on source-related quality value (e.g. durability). The latter as a motivating factor in purchasing the product would seem to involve a cognitive process on the part of the consumer. Such a utilitarian quality could be evaluated objectively. Purchases made because of prestige value, however, would seem to involve an emotional decision that the product was needed to show status in satisfaction of an ego need.

Another category of products in which there would seem to be a high degree of ego involvement are those exploiting the latest style, fashion, or trend. Products that, in the words of Judge Hand, "catch the public's fancy," have a high probability of commercial success over and above their utilitarian or aesthetic values. The purchase of such products gives external evidence of the purchaser's self-image that he or she is sophisticated about style, fashion, or trend, affluent enough to make such purchases, or a leader in setting trends.<sup>271</sup> Therefore, because such products have a high, albeit often short-lived, commercial value, they are a natural target to be copied in an attempt to share in such commercial value.

An example of the style or trend value of a particular design is found in *Famolare, Inc. v. Melville Corp.*,<sup>272</sup> which involved shoes with wavy-bottomed soles. In *Famolare*, the plaintiff conceded that the shoes were being purchased because the distinctive appearance of the wavy-bottomed soles appealed to consumers, and other types of wavy bottom shoes had been a "total flop" in the marketplace.<sup>273</sup> The court found the plaintiff's soles to be functional as a matter of law, applying *Pagliari* and section 742 of the *Restatement of Torts*.<sup>274</sup>

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271. For a further discussion of ego involvement, see Levy, *supra* note 16.

272. 472 F. Supp. 738 (D. Hawaii 1979).

273. *Id.* at 744.

274. *Id.* (citing *Pagliari v. Wallace China Co.*, 198 F.2d 339, 343-44 (9th Cir. 1952); RESTATEMENT OF TORTS § 742 comment a (1938)).

In the same vein, the United States District Court for the Eastern District of Missouri, in *Black & Decker Mfg. Co. v. Ever-Ready Appliance Mfg. Co.*,<sup>275</sup> found that the almond color of a household stepstool was functional because it was the most popular color for kitchen accessories (evidently for that time period) and thus contributed to consumer acceptance of the product.

Other "trendy" products have, however, received more favorable treatment from the courts. In *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*,<sup>276</sup> the Third Circuit affirmed, as modified, the granting of a preliminary injunction barring the use of the same color cubes as used on the "Rubik's Cube" on a puzzle game designated as "Wonderful Puzzler."<sup>277</sup> The court distinguished *Keene Corp. v. Paraflex Industries*,<sup>278</sup> and concluded that the color of the cubes did not present the issue of aesthetic functionality.<sup>279</sup>

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275. 518 F. Supp. 607 (E.D. Mo. 1981), *aff'd*, 684 F.2d 546 (8th Cir. 1982). The plaintiff's (Black & Decker) and the defendant's (Ever-Ready) stepstools looked remarkably similar and both sold exclusively in an almond color. 518 F. Supp. at 612. The defendant's name and trademark were prominently displayed on its stool and the carton. *Id.* The court found that there was nothing to distinguish the stools in the eyes of a reasonable consumer and that there was also no evidence that consumers associated the trade dress of the stools with Black & Decker. *Id.*

276. 685 F.2d 78 (3d Cir. 1982). In *Ideal Toy*, Ideal Toy Corporation was the distributor of the "Rubik's Cube" puzzle—a clear plastic cylinder sealed to a black plastic base by a strip of black and gold tape. *Id.* at 79. The cube was composed of 26 smaller cubes presenting a total of 54 faces colored with six different colors. *Id.* The defendant, Plawner Toy, imported and distributed an identical cube called the "Wonderful Puzzler". *Id.* Plawner Toy sold its cube in a variety of sizes and its packaging was identical to Ideal's. *Id.* See also *Canon U.S.A., Inc. v. Saber Sales Corp.*, 220 U.S.P.Q. (BNA) 1003 (E.D.N.Y. 1983). In *Canon*, Canon began designing its 'Snappy' line of cameras in 1979. The 'Snappy' cameras came in black, red, white, yellow, and blue. *Id.* at 1003. Alfon International Corporation sold cameras that came in all the same colors as the Snappy cameras except white. *Id.* at 1004. The two types of cameras were identical in outward appearance. There were over 70 types of similar cameras sold in the United States; however, only the Alfon camera used the same shades and placement of color as the Snappy. *Id.* The court enjoined the Alfon Company from using the colors red, yellow, blue, or white on their cameras. *Id.* at 1006. Similarly, in *Source Perrier, S.A. v. Waters of Saratoga Springs, Inc.*, Source Perrier marketed the popular mineral water, Perrier, in a distinctive and recognizable bottle (the Indian Club Bottle). — F. Supp. — [217 U.S.P.Q. (BNA) 617, 619] (S.D.N.Y. 1982). The Saratoga Springs' mineral water bottle varied only slightly from the Perrier bottle. *Id.* The court held that the Perrier bottle achieved a secondary meaning and enjoined Saratoga Springs from using the same shape of bottle although it was of a different shade of green and had a different label. *Id.* at 620.

277. 685 F.2d at 79.

278. *Id.* at 81 (citing *Keene Corp. v. Paraflex Indus.*, 653 F.2d 822, 824 (3d Cir. 1981)). For a further discussion of *Keene* in the context of cognitive aesthetic functionality, see *supra* notes 191-96 and accompanying text.

279. 685 F.2d at 81.

One could, however, speculate that those colors used on the very popular "Rubik's Cube" could well have symbolic (trend) value to consumers as compared to other color combinations. As stated by the Second Circuit in *American Footware Corp. v. General Footware Co.*:<sup>280</sup> "[O]ne can capitalize on a market or fad created by another provided that it is not accomplished by confusing the public into mistakenly purchasing the product in the belief that the product is the product of the competitor."<sup>281</sup>

The Eleventh Circuit, in *Original Appalachian Artworks, Inc. v. The Toy Loft, Inc.*,<sup>282</sup> categorized adoption papers and birth certificates sold with toy dolls as trade dress and, hence, not utilitarian, in that such trade dress represented a sales technique designed to make the product readily identifiable to consumers and unique in the marketplace.<sup>283</sup> It can, however, hardly be denied that the inclusion of the adoption papers and birth certificates for the doll significantly added to the commercial value of that doll. Whether or not these papers were categorized as trade dress or part of the product itself, the purchase of the doll with such papers satisfied some need in the consumer—perhaps to have the latest fad as a reflection of self-image, or even more mundanely, because of the utilitarian functional value of those papers in playing with the doll. One would imagine that the inclusion of the adoption papers and the birth certificate satisfied an ego need in being able to show these papers along with the doll to others. Moreover, there were no ready alternatives to the inclusion of such papers with the doll to satisfy this particular consumer desire.

One case that rather blatantly shows the commercial value of the direct expression of desired self-image is *Damn I'm Good, Inc.*

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280. 609 F.2d 655 (2d Cir. 1979), *cert. denied*, 445 U.S. 951 (1980). In *American Footware*, footwear marketed with the trademark "bionic" brought an action against a manufacturer who used "bionic" in the manufacture and sale of inexpensive children's sneakers under a license granted by a television studio. 609 F.2d at 658-59.

281. 609 F.2d at 662.

282. 684 F.2d 821 (11th Cir. 1982). Between May 1977 and January 1978, Xavier Roberts (later incorporated as Appalachian Artworks, Inc.) sold 80 soft-sculpture dolls, of which half contained a copyright notice and half did not contain a notice. *Id.* at 823. By February 1978, Roberts began producing and selling the dolls, and by June 1, 1979, obtained a copyright certificate. *Id.* In November 1979, Lawson (owner of the Toy Loft) began selling similar signed dolls with adoption papers. *Id.* The court held that Lawson infringed on Roberts' copyright. *Id.* at 832.

283. *Id.* at 832. Moreover, the court found that Lawson's use of Roberts' trade dress (the adoption papers and birth certificate) was likely to lead to consumer confusion as to the manufacturer. *Id.*

*v. Sakowitz, Inc.*<sup>284</sup> In *Damn I'm Good*, the plaintiff sought to enjoin the defendant from selling bracelets inscribed with the words "Damn I'm Good," the inscription originated by the plaintiff.<sup>285</sup>

The court refused to enjoin the defendant from using the inscription, finding it to be functional because it was a crucial ingredient in the commercial success of the plaintiff's product, independent of any source-identifying function it might serve.<sup>286</sup> With respect to the ego involvement of the purchaser and the motivation for purchasing a bracelet, the court stated: "A seeker of 'ego-boosting' would find his quest quite unfulfilled by a bracelet lacking the Damn I'm Good inscription."<sup>287</sup>

The conclusion in *Damn I'm Good* is an interesting contrast to the symbolic value of affiliation discussed in *Boston Hockey, Rainbow Girls*, and *Warner Brothers*. The court in *Damn I'm Good* centered not on the public's belief that the use of the emblem on the product was licensed by the emblem's creator, but rather upon the consumer's need to be ego-satisfied by the emblem on the product.

Courts have generally recognized that the symbolic value of a product may provide the primary motivation for its purchase. Indeed, a significantly expanded market or the very existence of a market for that product may depend upon its symbolic value of the consumer.<sup>288</sup> The policy question not directly addressed by the courts is whether the tertiary symbolic meaning of a product should be protected. In other words, is there any justification for

284. 514 F. Supp. 1357 (S.D.N.Y. 1981).

285. *Id.* at 1358. The plaintiff's first application for a trademark for the phrase, "Damn I'm Good," was denied because the mark appeared to be an ornamental design and did not indicate origin of the goods. *Id.* at 1359. The plaintiff was allowed to re-apply after placing the words "Damn I'm Good, Inc." on the tags attached to the jewelry. *Id.*

286. *Id.* at 1362. The *Damn I'm Good* court found that "the role played by the phrase Damn I'm Good in identifying the source of the bracelet is small if any." *Id.*

287. *Id.* See also *PPS, Inc. v. Jewelry Sales Representatives, Inc.*, 392 F. Supp. 375, 384 (S.D.N.Y. 1975) (jewelry bearing inscription "I like you" held to be functional and to lack acquired source-motivation type of secondary meaning).

288. See, e.g., *Processed Plastic Co. v. Warner Communications, Inc.*, 675 F.2d 852, 855 (7th Cir. 1982) (popular TV show created demand for toy car); *Warner Bros., Inc. v. Gay Toys, Inc.*, 658 F.2d 76, 78 (2d Cir. 1981) (replica of automobile shown on TV show developed large market); *Boston Professional Hockey Assn. v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1011 (5th Cir.) (thousands of fans saw team emblems on TV, in magazines, and at games), *cert. denied*, 423 U.S. 868 (1975); *University of Pittsburgh v. Champion Prods., Inc.*, 566 F. Supp. 711, 721 (W.D. Pa. 1983) (University of Pittsburgh had emblems, insignia, and slogans for various teams and school groups).

treating the symbolic value of a product any differently from its utilitarian or, perhaps, its aesthetic value.

In terms of the two fundamental policy rationales for trademark protection, if consumers are indifferent as to the source of the product having symbolic value, then the originator of that symbolic value can not complain that trade is being diverted from it or that consumers are being deceived. On the other hand, one could logically assert that consumers are concerned about the source of products having symbolic value in the form of affiliation and status. Such concern may be presumed, as Judge Hand did in the *Kastor* case. It may also be presumed that consumers desire "official" or "status" products if they believe or think that the product originated or was sponsored by the creator of the symbolic meaning. However, this presumes the answer to the basic question of whether consumers care about source or sponsorship. Without direct proof, this presumption may go beyond the policy grounds of diversion of trade and consumer deception, unless the presumption happens to be correct. The reliance on the appropriation/entitlement rationale is made explicit in *Warner Brothers*: "To deny Warner Bros. injunctive relief would be to enable Gay Toys 'to reap where [i]t has not sown.'"<sup>289</sup>

There would seem to be less justification for the protection of products having symbolic functionality under the appropriation/entitlement rationale than for protection of products having aesthetic functionality. All can sympathize with an incentive for providing more aesthetically pleasing products; however, in order to afford protection, there would need to exist a significant number of equally attractive alternative designs.<sup>290</sup> This is not the case with symbolic functionality; for there, it is the symbol which sells. The great value of having the exclusive right to manufacture or license products having symbolic functionality is shown in the *Warner Bros.* litigation, where retail sales of licensed "General Lee" toy cars were estimated at over \$100 million in 1981.<sup>291</sup>

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289. *Warner Bros., Inc. v. Gay Toys, Inc.*, 658 F.2d 76, 80 (2d Cir. 1981).

290. *Compare Keene Corp. v. Paraflex Indus.*, 653 F.2d 822 (3d Cir. 1981) (limited number of alternatives for architecturally compatible luminaires) with *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78 (3d Cir. 1982) (wide variety of colors, shapes, and markings could be used to differentiate faces of cube puzzle). For a further discussion of the relevance of the availability of alternative designs, see Note, *supra* note 37.

291. *Processed Plastic Co. v. Warner Communications, Inc.*, 675 F.2d 852, 854 (7th Cir. 1982).

Moreover, with respect to emblems and their affiliative value, the matter of protection is of some consequence, because these emblems can be (and are) displayed on substantially any product. If the emblem itself is protected, this grants *in rem* protection to whatever product to which that emblem is affixed if the market for the product depends on the emblem's symbolic value. Some measure of control may be imposed under the likelihood of confusion standard when the type of product in question is not of the type generally licensed. Basing the property right upon how the creator of the emblem enforces it, however, is basically a bootstrap proposition: The greater the insistence upon a property right, the greater the property right that exists. This argument worked to the disadvantage of the plaintiffs in *Job's Daughters*<sup>292</sup> and *Rainbow Girls*<sup>293</sup> where exclusive right to license was lost because of the lackluster control of the usage of their respective emblems.<sup>294</sup> On the other hand, rigorous control by professional sports teams and television producers expands the exclusive right to more products as more licenses are granted, and, of course, the more extensive the right, the greater the incentive for creating such symbolic products, which by their very nature have no substitutes. In short, one would expect that with great incentives being provided for the creation of products having tertiary meaning in the nature of affective or symbolic value, the logical economic consequence would be underinvestment in areas of the economy less sheltered from competition.

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292. *International Order of Job's Daughters v. Lindeburg and Co.*, 633 F.2d 912 (9th Cir. 1981). For a further discussion of *Job's Daughters*, see *supra* notes 251-55 and accompanying text.

293. *Supreme Assembly, Order of Rainbow Girls v. J.H. Ray Jewelry Co.*, 676 F.2d 1079 (5th Cir. 1982). For a further discussion of *Rainbow Girls*, see *supra* note 239-41 and accompanying text.

294. If the stumbling block to protection is the difficulty of proving likelihood of confusion, such as in *Job's Daughters* and *Rainbow Girls*, one might suggest, with some trepidation, resort to state "anti-dilution" statutes, where, in theory, likelihood of confusion is not an element of the statutory tort and under which such well-known and distinctive "marks" might receive more favorable consideration. Twenty-three states have "anti-dilution" statutes. See Pattishall, *supra* note 64, at 289-90 nn.5-6 (citations to anti-dilution statutes and discussion of emerging requirements of protection). Indeed, in *Bi-Rite Enters. v. Button Master*, 555 F. Supp. 1188 (S.D.N.Y. 1983), the New York "anti-dilution" statute was asserted in an attempt to enjoin the sale of buttons bearing the logos and likenesses of rock stars. The court held that the statute did not reach defendants' use on the rather curious ground that such use strengthened plaintiff's marks rather than diluting them. *Id.* at 1196.

## V. CONSUMER MOTIVATION AND GENERICNESS

The most controversial use of consumer motivation has been by the Ninth Circuit in the *Anti-Monopoly* case<sup>295</sup> as a test for genericness. In essence, the Ninth Circuit would declare a name "generic" if consumers were motivated to purchase a product by that name primarily because they desired the utilitarian function of the product rather than because they desired that product from a particular source.

The use of consumer motivation as a test of genericness struck at the very heart of a long cherished presumption in trademark law that, when consumers ask for a product by its trademark, it is presumed (seemingly conclusively) that they desire the product from the associated source and would be deceived if they received otherwise. If this presumption could be rebutted by a survey of consumer motivation, such rebuttal would not only throw into question the validity of trademarks on "unique" products (such as "Monopoly" for a game) but also would cast doubt on well known marks (such as "Tide" for a detergent).<sup>296</sup>

The consumer motivation test of genericness proved so unacceptable that it was with surprising expedition proscribed by

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295. As used herein, and unless otherwise qualified, "*Anti-Monopoly*" will refer to *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc. (Anti-Monopoly III)*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 459 U.S. 1227 (1983). The cases preceding this one, according to the numbering used by the Ninth Circuit in *Anti-Monopoly III*, are *Anti-Monopoly I*, 611 F.2d 296 (9th Cir. 1979) and *Anti-Monopoly II*, 515 F. Supp. 448 (N.D. Cal. 1981), *rev'd*, 684 F.2d 1316 (9th Cir. 1982). For discussions of the *Anti-Monopoly* decisions, see Greenbaum, Ginsberg & Weinburg, *A Proposal for Evaluating Genericism after "Anti-monopoly,"* 73 TRADE-MARK REP. 101 (1983); Hewitt & Krieder, *Anti-Monopoly—Autopsy for Trademarks?*, 11 AM. PAT. L.A.Q.J. 151 (1983); Stern, *Genericide: Cancellation of A Registered Trademark*, 51 FORDHAM L. REV. 666 (1983); Zeisel, *The Surveys that Broke Monopoly*, 50 U. CHI. L. REV. 896 (1983).

296. In an attempt to discredit the *Anti-Monopoly* motivation survey, by *reductio ad absurdum*, General Mills introduced a motivation survey conducted on Tide detergent, where the question was asked: "Would you buy Tide primarily because you like Procter and Gamble's products or primarily because you like Tide detergent?" *Anti-Monopoly III*, 684 F.2d at 1326. Approximately 68% of the respondents answered that they liked Tide detergent. *Id.* The court interpreted this result as not being absurd, but rather stated:

We do not know whether the general public thinks this, or if it does, is correct in thinking this, or whether Procter and Gamble intend them to think it. If the general public does think this, and if the test formulated in *Anti-Monopoly I* could be mechanically extended to the very different subject of detergents, then Procter and Gamble might have cause for alarm.

*Id.*



Congress,<sup>297</sup> thereby legislatively reversing that portion of the *Anti-Monopoly* decision. Even though the point may now be somewhat moot, except for the necessity of construing the term “purchaser motivation” in the statute,<sup>298</sup> a few words concerning the possible interrelationship between consumer motivation and the doctrine of genericness may be useful, at least insofar as such interrelationship bears on any presumptions concerning human behavior or competition.

It seems logical that a consumer who is motivated to satisfy a particular need would first select, from various categories of products, the one category that has, in the consumer’s view, the highest probability of satisfying that need. The selection process then continues with one product within the chosen category being selected, again on the basis of having the highest probability, in the consumer’s view, of satisfying the particular need for the consumer at that time. The first choice by a consumer can be described as a genus selection—categories compete, and one particular genus is selected. The second decision can be described as a species selection—once the genus is selected, a species is selected within this genus, again, on a competitive basis among species.

In the teapot hypothetical, if we stipulate a broad need for food or drink and then particularize this to a need for a hot beverage, genus competition may be seen, for example, between coffee pots and teapots. If tea is perceived as the beverage best satisfying the consumer’s need, the genus “teapot” will be selected. The next step involves the discriminate selection of a species of teapot out of the available species within the genus teapot. The species of teapot selected, as detailed above, would depend upon utilitarian, aesthetic, affective, or symbolic value or a combination of these values associated with a particular species by that consumer, hence affording that species a higher motivational value over others in that genus.

If a consumer perceives that a particular teapot has unique characteristics, the consumer may consider it to be in a class by itself, e.g., an electric teapot. Such a teapot, depending on the perceived needs of the consumer, might not compete with other teapots (non-electric) within the broad genus of teapots.

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297. See Trademark Clarification Act of 1984, Pub. L. No. 98-620, 98 Stat. 3335 (1984), amending Lanham Act § 14(c), 15 U.S.C. § 1064(c) (1982).

298. For the text of the new § 14(c) of the Lanham Act, as amended by the Trademark Clarification Act of 1984, see *infra* text accompanying note 332.

Producers go to great lengths to emphasize the differences between and the unique features of their products and those of competitors, whether in the same or a different genus. From a marketing standpoint, it is highly important that a product be considered unique and hence be a genus unto itself so that there are no other species of that particular product with which to compete. If such is the case, consumers will not think in terms of comparing this product with others performing broadly the same function, but rather will make their selection at the genus level. The selection of a distinctive name and appearance to distinguish this product from others on the market will enhance its consumer recognition as a unique product. In such circumstances, the source of the unique product finds itself in the enviable position of being the only supplier of that genus of product and having only to compete with other genres rather than having to compete on a discriminative species level within a broader genus.

The cultivation, usually at considerable expense, of the public's recognition of a product's uniqueness and identity by name, appearance, or both, is not without risks. When, in the public's mind, the name or appearance primarily identifies the product as a genus rather than indicating a product from a single source (as a species of a broader genus), the name, appearance, or both may be held to be "generic," and hence be in the public domain, freely available to all as a means to identify that genus of product.<sup>299</sup> Thus, when consumers ask for or select such a unique product defining its own genus by name or appearance, there is ambiguity as to their motivation. Are consumers motivated to purchase that product because of a desire for the genus or because of a desire for a species from a particular source of such products?

The *Anti-Monopoly* case raises the issue of the genericness of the trademark "Monopoly" for a board game in factual circumstances quite similar to those in the landmark case of *Kellogg Co. v. National Biscuit Co.*<sup>300</sup> In the *Anti-Monopoly* case, Parker Brothers and its successor, General Mills, enjoyed a monopoly in the real

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299. For a general discussion of the topic of genericness, see 1 J. MCCARTHY, *supra* note 232, ch. 12 (1973 & Supp. 1982). See also Coverdale, *Trademarks and Generic Words: An Effect-on-Competition Test*, 51 U. CHI. L. REV. 686 (1984); Folsom & Teply, *Trademarked Generic Words*, 89 YALE L.J. 1323 (1980).

300. 305 U.S. 111 (1938). In *Kellogg*, Nabisco and its predecessors had a monopoly based upon patents for the marketing of shredded wheat for approximately 30 years before Kellogg entered the market. *Id.* at 113-14. For a further discussion of the *Kellogg* case, see *supra* notes 91-95 and accompanying text.

estate trading game sold under the name "Monopoly" for about thirty years prior to the introduction into the market of a board game sold under the name "Anti-Monopoly."<sup>301</sup>

In *Anti-Monopoly I*,<sup>302</sup> the Ninth Circuit reversed the district court's finding that the trademark "Monopoly" for game equipment was valid and was being infringed by the use of "Anti-Monopoly" on the game marketed by the appellant.<sup>303</sup> The court required application of the *Kellogg* genericness test, stating: "Thus the MONOPOLY trademark is valid only if 'the primary significance of the term in the minds of the consuming public is not the product but the producer.'"<sup>304</sup> To apply this test, the court would inquire into whether usage of the term indicated to consumers a genus of product (generic usage) or one species of that product genus (trademark usage).<sup>305</sup> According to the court of appeals, the fundamental error made by the district court was its apparent assumption that, for "Monopoly" to be a generic term, the term would have to indicate the entire genus of "all board games involving real estate trading."<sup>306</sup> This, the court concluded, did not address the crucial question of whether consumers thought of Monopoly as a unique game, and then differentiated it from other real estate trading games by source-relevant characteristics.<sup>307</sup>

The court did not, however, merely admonish the district court to apply the *Kellogg* "primary significance" test, but suggested an investigation into the motivation underlying a consumer's use of the term "Monopoly" in making a purchase as a means of resolving the genus/species ambiguity in the term's usage.<sup>308</sup> The court reasoned that in asking for Monopoly by name the consumer may mean: "I would like Parker Brothers' version of a real estate trading game, because I like Parker Brothers' products."<sup>309</sup> Such an action would be indicative that the con-

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301. *Anti-Monopoly I*, 611 F.2d 296, 299 (9th Cir. 1979).

302. *Id.*

303. *Id.* at 306.

304. *Id.* at 302 (citing *Kellogg*, 350 U.S. at 118).

305. 611 F.2d at 302, 303.

306. *Id.* at 305.

307. *Id.* at 306. The court stated: "Source identification is the only word function which trademark law is designed to protect. If the primary significance of the trademark is to describe the type of product rather than the producer, the trademark has become a generic term and is no longer a valid trademark." *Id.* at 304.

308. *Id.* at 306, 307.

309. *Id.* at 305-06.

sumer differentiated between the Monopoly game and other games according to source-particular criteria, presumably the quality of Parker Brothers' products, and desired a species of game made by Parker Brothers.

Alternatively, the court reasoned, that, by asking for Monopoly, consumers may mean: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon. I am interested in playing the game of Monopoly. I don't much care who makes it."<sup>310</sup> If the second meaning is the one intended by consumers, source is irrelevant, and the term "Monopoly" defines a genus of game to consumers.<sup>311</sup> Thus, according to the court, the species/genus differentiation may be made on the basis of what motivates consumers in the use of the term.<sup>312</sup>

The suggestion that consumer motivation may be used as the genus/species determining factor was immediately taken up by the successful appellant, who undertook a motivation survey along the lines specified above. This survey was rejected by the district court in *Anti-Monopoly II*,<sup>313</sup> but approved by the court of appeals in *Anit-Monopoly III*.<sup>314</sup>

The results of this survey showed that ninety-two percent of the respondents were aware of "Monopoly," the business game produced by Parker Brothers.<sup>315</sup> Of these, sixty-two percent had purchased the game in the past or intended to do so in the future.<sup>316</sup> These respondents were then asked why they bought or would buy Monopoly. Not surprisingly, eighty-two percent responded that they desired Monopoly for the purpose of playing the game, that is, for its utilitarian functional value, such functionality presumably being the primary motivation for the purchase.<sup>317</sup> These respondents were then given a choice between alternative statements as best explaining their reasons for purchasing the game: "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly', I don't much care

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310. *Id.* at 306.

311. *Id.*

312. *Id.*

313. 515 F. Supp. at 453. The court stated that the *Anti-Monopoly* survey misconstrued the nature of the inquiry mandated by the *Anti-Monopoly I* court in addition to manifesting a number of serious methodological flaws. *Id.*

314. 684 F.2d at 1324-26.

315. *Id.* at 1324.

316. *Id.*

317. *Id.*

who makes it. . . . [or] I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products."<sup>318</sup> The first statement was selected by approximately two-thirds<sup>319</sup> of the respondents, while one-third selected the second statement.<sup>320</sup> The court found that the survey supported the conclusion that the primary significance of Monopoly to consumers was the product rather than its producer.<sup>321</sup>

The survey results reflected common sense that the vast majority (eight-two percent) of consumers were motivated to buy Monopoly to play the game, presumably to satisfy their need for entertainment or perhaps for sociability. The question remains whether the two statements discriminate between genus and species usage of the name Monopoly. The only difference between the first statement and the original one establishing utilitarian motivation is the qualifier "I don't much care who makes it." Approximately two-thirds of the respondents indicated that source was not a primary motivating factor in the desire to purchase the game by the name Monopoly.<sup>322</sup> But respondents were forced to select the first statement or the second one. In this forced choice situation, is the first statement necessarily genus-indicating? At best, the survey shows that playing the game is more important than its source.

The second statement ("I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products")<sup>323</sup> is presumably intended to identify species usage of the world Monopoly. Indeed, approximately one-third of the respondents indicated they were source-motivated to acquire the Parker Brothers' product.<sup>324</sup> The second statement is, however, ambigu-

318. *Id.*

319. *Id.* Sixty-five percent of the people who said that they had purchased the game within the last couple of years or would purchase it in the future chose the first statement. *Id.*

320. *Id.* Thirty-two percent of the people who had purchased the game within the last couple of years or would purchase it in the future chose the second statement. *Id.*

321. *Id.* at 1326.

322. *Id.* at 1324.

323. *Id.*

324. *Id.* It has been argued that the second statement requiring that the consumer desire the product from an identifiable source (Parker Brothers) is inconsistent with the so called "single anonymous source rule," under which, in the context of secondary meaning, the association need not be with a source identifiable by name by the consumer. See Greenbaum, Ginsburg & Weinburg, *supra* note 295, at 112. However, in the context of the survey in *Anti-Monopoly*, all of the respondents asked to select the first or second statement were aware that Monopoly was produced by Parker Brothers. *Anti-Monopoly III*, 684 F.2d at

ous in that it is not clear whether its intent is to exclude consideration of the utilitarian value of the game to the consumer by the elimination of any reference to playing the game. If so, this would be contrary to the common sense notion that a consumer primarily purchases a product for its utilitarian function and secondarily may select a product from a particular source because of source-related reasons—the reputation of its source.

If the second statement is taken literally, it is rather surprising that one out of three respondents was buying primarily because of source regardless of function, rather than because of function plus source or function irrespective of source (as in the first statement). A plausible explanation for this result would be that many of the respondents selecting the second statement presumed the utilitarian function of the game and were source-motivated (not surprisingly, perhaps, because of Parker Brothers being the single source of the game for over thirty years). Had the second statement expressly included the first sentence of the first statement, so that the distinguishing factor was source relevance or irrelevance, the results would seem more credible in terms of consumer motivation. This is particularly so because the motivation survey is asking why consumers bought or would buy the product, not what the term primarily signifies to them according to the *Kellogg* test.

The criticism of the consumer motivation test for genericness was prompt and effective. Judge Nies', in her concurring opinion in *In re DC Comics*<sup>325</sup> denounced the consumer motivation theory introduced in *Anti-Monopoly I*, although not referring to the case by name. She stated:

The board apparently interpreted the truism as imposing a requirement that to indicate 'source,' a word,

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1324. In fact, 92% of all respondents were aware that Monopoly was produced by Parker Brothers. *Id.* The Trademark Clarification Act of 1984 codified the "single anonymous source rule," by amending the definition of a trademark in § 15 of the Lanham Act to read:

The term trade-mark includes any word, name, symbol or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish his goods *including a unique product*, from those manufactured or sold by others *and to indicate the source of the goods, even if that source is unknown.*

Pub. L. No. 98-620, 98 Stat. 3335 (1984), amending 15 U.S.C. § 1127 (1982) (italicized portions were added by amendment). The definition of "service mark" has similarly been amended.

325. 689 F.2d 1042 (C.C.P.A. 1982). In *DC Comics*, the applicant sought to register drawings of fictitious comic book characters as trademarks for toy dolls. *Id.* at 1043.

name, symbol or device must not identify *goods* of anyone. This misunderstanding led the board and has led some courts into an esoteric and extraneous inquiry focusing on what motivates the purchasing public to buy particular goods, the product itself or the source. Once it is understood that a trademark is functioning to indicate 'source' when it identifies *goods* of a *particular* source, the truism then reflects the above-stated objectives of trademark law [protection of trade identity and consumers] and the way trademarks actually function in the market place. *The reason the public is motivated to buy the product . . . is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic.*<sup>326</sup>

Judge Nies, nonetheless, went on to state that "the primary objective of purchasers is to obtain particular goods, not to seek out particular sources or producers, as such. Motivation does not change a . . . term [which has acquired secondary meaning or is arbitrary] into as generic designation."<sup>327</sup>

One may ask, however, if it is not consumer motivation that changes a trademark into a generic designation, what is it? What motivates a consumer to satisfy a need for "aspirin" tablets,<sup>328</sup> a "Thermos" bottle,<sup>329</sup> a "Monopoly" game (or a "Superman" doll in the context of *DC Comics*) by asking for it by that designation? If the primary significance of the name or appearance to consumers is the product, consumers would probably be motivated to ask for it, or select it, by that name or appearance. In other words, there would have to be a mental nexus between "primary significance" and "motivation" as expressed in usage.

Although assertively relying on the trademark policies of protecting trade identity and consumer deception, Judge Nies' analysis impliedly provides incentive for not only aesthetically pleasing designs, as referred to above, but also for uniqueness: "No principle of trademark law requires the imposition of penalties for originality, creativeness, attractiveness, or uniqueness of one's product or requires a holding that the name arbitrarily selected to

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326. *Id.* at 1054 (emphasis added).

327. *Id.*

328. See *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921) (patent for "acetyl salicylic acid" expired and product's name, "aspirin," was then in public domain).

329. See *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 577 (2d Cir. 1963) (majority of public did not know "Thermos" had trademark significance).

identify the product, or a unique product design of a product, cannot also function as an identification of source.”<sup>330</sup> Hence, an incentive should be provided to the producers of unique products as well as attractive ones, even though consumers may primarily desire the attractiveness or uniqueness irrespective of any value associated with its source. The assertion that the way “trade-marks actually function in the market” is to identify “*goods of a particular source*” reflects market reality only when the courts recognize that as “reality” and avail themselves of the fiction that consumers are motivated to purchase “*goods of a particular source*” when they identify goods with that source or ask for goods by a particular word.<sup>331</sup>

To cure the perceived evils of *Anti-Monopoly*, the Trademark Clarification Act of 1984 amended section 14(c) of the Lanham Act by adding:

A registered mark shall not be deemed to be the common descriptive name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used.<sup>332</sup>

The amendment thus proscribes the use of consumer motivation, at least as practiced in *Anti-Monopoly*, as a test for genericness and

330. 689 F.2d 1042, 1053 (C.C.P.A. 1982) (Nies, J., concurring).

331. This reflects the circuitous reasoning admonished by Felix Cohen: The current legal argument runs: One who by the ingenuity of his advertising or the quality of his product has induced consumer responsiveness to a particular name, symbol, form of packaging, etc., has thereby created a thing of value; a thing of value is property; the creator of property is entitled to protection against third parties who seek to deprive him of his property . . . . The vicious circle inherent in this reasoning is plain. It purports to base legal protection upon economic value, when, as a matter of actual fact, the economic value of a sales device depends upon the extent to which it will be legally protected.

Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809, 815 (1935) (footnote omitted). See also *Standard Brands, Inc. v. Smidler*, 151 F.2d 34, 37 (2d Cir. 1945) (Frank, J. concurring).

332. Trademark Clarification Act of 1984, Pub. L. No. 98-620, 98 Stat. 3335. For a further discussion of the Trademark Clarification Act, see *supra* note 324.



mandates the "primary significance" test,<sup>333</sup> as the exclusive test for genericness. Seemingly, the correct survey question to ask consumers under this test is something like: "What is the primary significance of [name of a product] to you? (a) The name of a product from a single source or (b) The name of a product." If the survey shows that the primary significance is (a), this would indicate trademark significance, while if (b), this would indicate genericness.

This interpretation of the significance consumers give to name, however, involves certain assumptions concerning consumer behavior. Hence, when a consumer responds that the primary significance of the name is (a) (a product from a single source), the presumption is that such a consumer, by asking for the product by name, is primarily motivated to purchase it from that source.

Conversely, when a consumer answers that the primary significance of the name is (b) (a product), the presumption is that such a consumer asking for the product by name is primarily motivated to purchase it for its utilitarian function and is indifferent to its source. The amendment precludes the asking of the direct question concerning consumer motivation in making the purchase and avoids the potential embarrassment to trademark owners of consumer indifference to source.

The amendment would also seem to eliminate the use of a "Thermos"-type survey such as the one used in *King-Seeley Thermos Co. v. Aladdin Industries*.<sup>334</sup> In such a survey, respondents are given a description of a product and then asked whether they are familiar with it. Those who answer positively are asked: "If you were going to purchase this kind of product, what would you ask for?" Of course, the more closely the product is described, the more likelihood that respondents will give the name by which they identify the product under investigation. If the product is unique, the description would seemingly by definition describe its uniqueness and virtually insure its identification by name. The amendment, however, precludes a finding of genericness "solely

333. This codifies the *Kellogg* test, 305 U.S. 111, 118 (1938). See *supra* note 309.

334. 321 F.2d 577 (2d Cir. 1963). In *King-Seeley*, King-Seeley Thermos Co. sought to enjoin Aladdin Industries from selling vacuum-insulated containers as "thermos bottles." *Id.* at 578. Aladdin argued that King-Seeley's registered trademark "Thermos" should be cancelled because "Thermos" or "Thermos bottle" was a generic term. *Id.* The court upheld the validity of the trademarks but held that Aladdin's generic and descriptive use of the words would not infringe on the trademark. *Id.* at 581.

because such mark is used as a name of or to identify a unique product or service.”

In sum, the amendment to section 14(c) provides a significant incentive for the creation of so-called unique products not only with respect to the name used to identify that product but also with respect to the appearance of such products. The species/genus dichotomy is rejected. As a matter of law, the unique product is a species of some larger genus, which need not be identified or necessarily considered. This legal conclusion has obvious advantages in the marketplace where a unique product serving as a genus unto itself need not compete with other species in satisfying consumer needs for that generic utilitarian function. Moreover, the incentive is enhanced by the diminished risk that the name or appearance of the unique product will become generic under the statutory test.

The risk is not entirely eliminated and one could speculate on the outcome of a “primary significance” survey on “Trivial Pursuit.”<sup>335</sup> Nonetheless, potential competitors in the unique product would seem to be far less likely to challenge the mark used to name or identify the unique product.

Consumers, of course, pay the cost of this “special pocket” of protection for the unique product, even though consumers may be indifferent to the source of the unique product. With respect to the issue of genericness, the law in its current state has relegated consumer motivation to the market researcher, as espoused by Judge Nies and promulgated by the Trademark Improvement Act of 1984. This may not, however, be without cost in terms of the potential for diminished competition and overinvestment in product differentiation.

## VI. CONCLUSION

In viewing the construct of consumer motivation in the context of the trademark and unfair competition doctrines of functionality (utilitarian and aesthetic), secondary meaning, and genericness, certain presumptions concerning human (consumer)

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335. *Cf. Selchow & Righter Co. v. Decipher, Inc.*, 598 F. Supp. 1489, 1504 (E.D. Va. 1984). In *Decipher*, the court held that “Trivial Pursuit” was not generic where the defendant had failed to conduct any survey and relied only on the testimony of a marketing expert that “Trivial Pursuit” has become or is becoming generic. *See also Horn Abbot Ltd. v. Sarsaparillo Ltd.*, 601 F. Supp. 360 (N.D. Ill. 1984) (genericness issue appears not to have been addressed; “Trivial Pursuit” was used in title of defendant’s book and was identified as registered trademark of plaintiff).

behavior and the concomitant effect on competition have been identified according to the manner in which these doctrines are applied by the courts. With regard to products (or features) found to be utilitarian functional, a conclusive presumption is made that consumers are motivated to purchase such products to satisfy a need for utility or for user or maker efficiency. Under this presumption, actual consumer motivation is irrelevant; free competition theory is promoted by privileging the copying of such products, provided the copier identifies itself as the source of the product in a nonconfusing manner within the mandate of fair competition. The balance between free and fair competition can—with some objective assurance—be established with relative efficiency within the definition of utilitarian functionality as applied.<sup>336</sup>

If a product (or feature) is found to be *not* utilitarian functional, any presumptions made concerning consumer behavior and competition depend upon whether or not such products (or features) are recognized as having a need-satisfying value to consumers beyond serving to indicate source. If the inquiry into functionality is limited to its utilitarian aspect, the presumption (conclusive, it seems) is made, upon proof of source association, that consumers are motivated to purchase such products because of their associated source. On the other hand, if the doctrine of aesthetic functionality (in any of its various formulations) is recognized or if the source-motivation form of secondary meaning is required, the presumption (seemingly rebuttable) is made that consumers may be motivated to purchase the product to satisfy needs beyond utilitarian ones. Thus, denying competitors access to such nonutilitarian features could adversely affect competition in products in the public domain.<sup>337</sup>

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336. If a narrow definition (utilitarian superiority) is applied as in *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982), or *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 429 (5th Cir. 1984), the balance tips toward fair competition, while if a broad definition (consumer perception of utilitarian function) is applied as in *J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949, 954 (8th Cir. 1941), the balance then swings toward free competition.

337. A distinction seems to be recognized—at least implicitly—between whether or not the motivation to purchase a product for other than utilitarian consideration is cognitively motivated. With regard to products as to which consumers are likely to exercise cognition in the selection process (*e.g.*, for reasons of color, style, or design compatibility), free competition theory would appear to require the right to copy on the same basis as utilitarian features, unless public policy justifies providing an incentive for the creation of products satisfying a nonutilitarian need on a cognitive level. When the product is of such a nature that a consumer may be motivated to purchase it irrationally, *i.e.*, in the categorization used here, on the basis of affective or symbolic appeal of the product, the

The 1984 Trademark Clarification Act, in amending the Lanham Act, reverses the *Anti-Monopoly* case and bars the use of consumer motivation as a test for genericness.<sup>338</sup> The amendment further codifies the single anonymous source rule and denies the use of the uniqueness of the product as the basis for determining genericness.<sup>339</sup> Hence, so-called unique products are conclusively established as a species of a larger genus. The presumption imposed by the amendment is that consumers, when purchasing such a product by name, are motivated to purchase it because of the associated source rather than because of the particular unique function provided by the product. This presumption may not comport with the reality of consumer behavior and the reality of the marketplace.

Regarding the importance of source to consumers in their selection process, merely establishing that a particular product (or feature) is not utilitarian does not establish *ipso facto*, upon proof of source association, that consumers are motivated to purchase the product because of source-related reasons. This is recognized by those courts accepting the doctrine of aesthetic functionality, i.e., functionality beyond that which is purely utilitarian in nature. If consumers are purchasing a product because of certain values attributed to that product itself, irrespective of its source, permitting competitors to copy would not then result in the violation of the fundamental trademark and unfair competition principles protecting trade identity and consumers.

Sales are not diverted nor are consumers deceived when consumers are indifferent to source but, rather, are motivated to

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policy question of whether the tertiary meaning of such products should be protected on the basis of source association or deemed to be in the public domain arises. A paternalistic approach would protect those consumers most susceptible to affective or symbolic appeal who act against their own best economic interests in making purchases on an "impulse" or "emotional" basis, at least to the extent of having the opportunity to buy at the lowest competitive price. Moreover, protection grounded upon a finding that consumers "believe" or "think" that the use of the tertiary meaning with respect to a product was authorized by the creation of the tertiary meaning seems justifiable only if public policy warrants providing an incentive for the satisfaction of irrational needs. On the other hand, in view of the large investment which may be required to create products having tertiary meaning, permitting copiers to have a "free ride" would act as a disincentive for their creation. Whether it is in the public interest to provide an incentive for the creation of tertiary meaning is questionable, as is whether the courts should make that determination rather than the legislature.

338. 15 U.S.C. § 1064(c) (1982). For a further discussion of the amendment, see *supra* note 324 and accompanying text.

339. 15 U.S.C. § 1064(c) (1982).

purchase the product because of its inherent (albeit nonutilitarian) value to them, where such value is, in theory, in the public domain. Protection granted against copying such products would appear to be based on appropriation/entitlement rationale. It is far from clear, in the absence of congressional action, that any incentive should be provided for product differentiation, whether on the basis of aesthetics or uniqueness. Nonetheless, it does not seem entirely consistent with fair competition theory to impose a strong disincentive for the creation of products that are aesthetically pleasing or even unique by permitting free access to immediate copying; this is particularly true if one takes into account the amazing speed with which products may be copied using today's modern technology. Within a very short period after the introduction of a new product, the creator is faced with competition from copiers not saddled with developmental and marketing expenses of the creator.

The copier's intent is at best ambiguous in the case of intentional and slavish copying of a successful product, even when the copier clearly identifies itself as the source of that product. The intent of the copier, at least in part, is to trade off the goodwill of the source of the copied product as well as the permissible trading off the good will of the product itself. The dividing line between trading off the goodwill of the source or the goodwill of the product is as murky as the proper balance between free and fair competition. Because of the inherent difficulties in ascertaining consumer motivation, yet bearing in mind the competitive consequences of presuming particular behavior on the basis of source association, the following procedural approach is suggested in product simulation cases.

In product simulation cases brought under section 43(a) of the Lanham Act or under state common law (as far as permissible within the constraints of *Sears and Compco*),<sup>340</sup> it is suggested that a prima facie case of unprivileged imitation should be established upon proof by the plaintiff (creator) that:

- 1) the product (feature) copied is not utilitarian functional;
- 2) the product (feature) copied has acquired secondary meaning in being associated with a single anonymous source; and

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340. See, e.g., *SK&F Co. v. Premo Pharmaceutical Laboratories, Inc.*, 625 F.2d 1055 (3d Cir. 1980) (recognizing tort of unprivileged imitation on basis of New Jersey common law).

- 3) there is likelihood of confusion between the original and copied products.

The defendant (copier) then could offer as affirmative defenses that the primary consumer motivation for the purchase of the product is the product (or features) rather than the source,<sup>341</sup> or that competition is or would be adversely affected by denying it access to the copied product features,<sup>342</sup> or a combination of these.

Under such an approach, the burden would be on the copying defendant to justify its intentional act of copying nonutilitarian product features.<sup>343</sup> If the copier could show, as a matter of fact, by at least a preponderance of the evidence, that consumers are primarily motivated to purchase a product because of particular nonutilitarian features irrespective of its source or, if it could be shown that it can not compete without copying, e.g., because there are no viable alternatives, then the right to copy

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341. This proof could be based on survey evidence or on the particular product and circumstances surrounding its marketing. Cases involving cognitive aesthetic functionality would seem to be instances where consumer motivation could be reasonably ascertainable.

342. A number of cases have taken into account the ability of competitors to market successfully alternative noncopied designs. *Compare* Ives Laboratories, Inc. v. Darby Drug Co., 488 F. Supp. 394, 399 (E.D.N.Y. 1980) (inability of copier to market drug in different colored capsule was relied upon as evidence of functionality of the original colors) with SK&F Co. v. Premo Pharmaceutical Laboratories, Inc., 625 F.2d 1055 (3d Cir. 1980) (competitors successfully marketed drug in different color). See also *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78 (3d Cir. 1982); *Artus Corp. v. Nordic Co.*, 512 F. Supp. 1184 (W.D. Pa. 1981); *LeSportsac, Inc. v. Dockside Research, Inc.*, 478 F. Supp. 602 (S.D.N.Y. 1979) (availability of competing designs was taken into account in finding design functional). For a further discussion of *Ideal Toy*, see *supra* note 276 and accompanying text.

343. In the suggested approach, the burden would still be upon plaintiff to prove that the copied product or feature is nonutilitarian functional as part of its *prima facie* case. This would be more consistent with free competition theory than would be making all forms of functionality a defense, as may be the result under *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71 (2d Cir. 1985). For a further discussion of *LeSportsac*, see *supra* notes 166-70 and accompanying text.

The right to copy, in theory, at least requires free access to utilitarian products in the public domain, i.e., unprotected by utility patents. Hence, the likelihood that utilitarian products would be protected would be increased at the expense of diminished competition in such products if the burden were placed on the copier; originators would be more likely to obtain injunctions and the copier would be less likely to copy. Moreover, requiring a copier to justify the copying of utilitarian products converts the right to copy into a wrong (i.e., a tort) and the tort of unprivileged imitation becomes one in which the copier must prove that it is privileged to copy utilitarian features. In addition, it would appear that the originator of a product would be in a better position to explain why a particular design was selected.

would be established, with the caveat that the copier must identify itself as the source of the particular product.

The same approach should be taken in trademark infringement cases under section 32 of the Lanham Act, with the qualification that, if a three-dimensional product may be validly registered as a trademark for itself, the trademark is entitled to a presumption of validity under the Lanham Act.<sup>344</sup> Hence, it would not be incumbent upon the plaintiff to prove the nonutilitarian nature of its registered mark, but the defendant (copier) would have to rebut the presumption with evidence of utilitarian functionality.

Because jurisdiction over trademark infringement is in the federal district courts, these courts would apply the prevailing standard of functionality within their respective circuits. It may be necessary to resolve any conflict between the circuit standard and that of the CAFC in *Morton-Norwich*. Moreover, a court hearing an infringement case may treat the presumption of validity as a weak one because of the requirement imposed by the CAFC that the PTO register a three-dimensional product as a trademark, unless the PTO proves that the product is *de jure* functional ("utilitarian").<sup>345</sup> In addition, as an affirmative defense, the copier should have the opportunity to establish that consumers are motivated to purchase the product for nonutilitarian reasons and that competition would be adversely affected if copying were barred. Admitting such an affirmative defense would conflict with present CAFC practice in registration cases, but it is consistent with the policy rationale of the Lanham Act—protecting trade identity and consumers—as recently restated by the Supreme Court in *Inwood Laboratory, Inc. v. Ives Laboratories, Inc.*<sup>346</sup> Additionally, on balance

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344. Lanham Act § 33, 15 U.S.C. § 1115 (1982) (registration as defense provision). Compare *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 775-76 (9th Cir. 1981) (registered trademark; burden on copier to overcome presumption of validity) with *International Order of Job's Daughters v. Lindburg & Co.*, 633 F.2d 912, 920 (9th Cir. 1980) (unregistered "common law" mark; burden on creator to prove mark did not comprise "functional aesthetic components of the product"). For a further discussion of *Vuitton et Fils*, see *supra* notes 290-95 and accompanying text. For a further discussion of *Job's Daughters*, see *supra* note 251-55 and accompanying text.

345. *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1342 (C.C.P.A. 1982). The burden on the PTO was somewhat ameliorated in *In re Teledyne Indus.*, 696 F.2d 968 (Fed. Cir. 1982), permitting the PTO to establish a *prima facie* case of functionality by dissecting the design according to its various features. For a further discussion of functionality, see *Oddi*, *supra* note 55.

346. 456 U.S. 844, 861-62 (1982). Requiring the copier to justify copying nonutilitarian features is consistent, in a sense, with the Supreme Court's conclusion that the functionality of the color of the copied drug capsules was "rele-

this approach would still provide a reasonable incentive for the creation of aesthetically pleasing and unique products by placing the burden on the copier to justify its copying on competitive grounds.

Placing the burden on the defendant copier to establish an affirmative defense that consumers are primarily motivated for nonutilitarian reasons or that competition will be adversely affected if copying is denied would provide a proper balance between free and fair competition. This is in contrast to the present dichotomy, where at the free competition end of the spectrum, access is granted to a copier on the basis of a feature providing an "important ingredient in commercial success," while at the fair competition end, copying of a feature in the public domain is denied unless it can be shown that it is the most efficient means for performing a particular function. If protection against copying is afforded products associated with a particular source, yet consumers on the basis of the product and market conditions are indifferent to source, providing incentives for the creation of such products promotes overinvestment in product differentiation. This may circumvent the *quid pro quo* for the incentive of promoting "Science and the Useful Arts" and, moreover, imposes increased costs on consumers through diminished competition.

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vant" to the issue of contributory trademark infringement. For a further discussion of unprivileged imitation, see *supra* notes 88-95 and accompanying text.

The Court reversed *Ives Laboratories, Inc. v. Darby Drug Co.*, 638 F.2d 538 (2d Cir. 1981), because the Second Circuit failed to apply the clearly erroneous standard of review and disregarded the district court's finding of nonfunctionality; the Court would require the copier to provide a "legitimate reason" for the intentional copying of the size, shape, and colors of the capsules. 456 U.S. at 862. Under the approach suggested in this article, after a *prima facie* showing of nonutilitarian functionality by the plaintiff, it would be incumbent upon the copier to justify its copying as an affirmative defense in order to privilege its otherwise tortious conduct, with evidence of consumer motivation and effect on competition being relevant to establishing the affirmative defense.



