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THE SCOPE OF INDUSTRIAL DESIGN PROTECTION UNDER TRADEMARK AND UNFAIR COMPETITION LAWS

John B. Pegram†

I. INTRODUCTION

Perhaps it was the absence of an effective design¹ protection statute which led to the development in the United States of a mode of protection under trademark and unfair competition law. Perhaps it was simply the desire to maximize both the manner and term of protection. Whatever the cause, it is clear that today, some of the most utilized forms of product configuration protection are based on trademark law and are found in the Trademark Act of 1946 (Lanham Act).²

This Article addresses in four parts the scope of industrial design protection under trademark and unfair competition laws. In part one, some fundamentals of trademark law are reviewed. Part two provides an overview of trademark and unfair competition protection of product configurations. Part three examines the Supreme Court's recent decision in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*³ The Article concludes with a commentary on the appropriateness of protecting product configurations under trademark law.

II. SOME FUNDAMENTALS OF TRADEMARK LAW

The concepts underlying trademark law and the relevant judicially formulated law of unfair competition⁴ are similar. Both bodies of law apparently originated in England where purchasers could bring suit against a seller of goods for misleading them as to their source. This theory of recovery developed into the tort of "passing off" the goods of one party as those of another.⁵

The purpose of both trademark and unfair competition law is to protect the public, as well as the source of goods identified by the trademark.⁶ The test for determining infringement in both cases is the likelihood of

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1. The term "design" is used here in the sense of product configuration and not in the broad sense of any symbol or device.
2. 15 U.S.C. §§ 1051-1127 (1988).
3. 489 U.S. 141 (1989).
4. Other aspects of unfair competition law, such as false advertising and antitrust law, are beyond the scope of this Article.
5. See *Bonito* 489 U.S. at 157-58; see also Burrell, *Two Hundred Years of English Trade Mark Law*, in *TWO HUNDRED YEARS OF ENGLISH AND AMERICAN PATENT, TRADEMARK AND COPYRIGHT LAW*, 35, 38-42 (1976) [hereinafter *TWO HUNDRED YEARS*].
6. But see *Bonito*, 489 U.S. at 154.

confusion. An underlying issue in each is to identify the borderline between that which may be appropriated and protected for the exclusive use of a single party, and that which should be free for use by all.

A trademark is a word, name, symbol, device, or any combination thereof, which serves to indicate the source of the product with which it is used.⁷ The specific source need not be known to the purchasers of the trademarked product. Instead, it is sufficient that a single entity exists which controls use of the trademark.⁸ The ability of a mark⁹ to indicate the source, and to distinguish that source from the source of goods made or distributed by others, is called distinctiveness.

A. *Trademark Rights Arise Through Use*

In the United States, trademark rights were traditionally based upon priority of appropriation of the mark and were developed through use. In that regard, a term¹⁰ was not a trademark until it had been adopted and used as an indication of source or origin of the product with which it was used.¹¹ Unlike patents and copyrights, creativity is not a prerequisite to trademark rights, and there are no specific provisions for protection of trademarks in the United States Constitution. Following the Supreme Court's rejection of legislation as being unconstitutionally broad,¹² laws providing for federal registration of trademarks were adopted under the commerce clause, permitting the federal government to regulate commerce with foreign nations, between the states, and with the Indian tribes.¹³ Use of a term as a mark in

7. 15 U.S.C. § 1127 (1988). In reviewing the definition of "trademark" in this section, the United States Trademark Association's Trademark Review Commission "determined that the terms 'symbol, or device' should not be deleted or narrowed to preclude registration of such things as color, shape, smell, sound, or configuration which functions as a mark." *USTA Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 421 (1987) [hereinafter *TRC Report*].

Further, S. REP. NO. 515 specifically states that "the words 'symbol or device,' " in the Trademark Revision Act of 1988's revised definition of trademark, are intentionally retained "so as not to preclude the registration of colors, shapes, sounds or configurations where they function as trademarks." S. REP. NO. 515, 100th Cong. 2d Sess. 44 (1988).

8. 15 U.S.C. §§ 1055, 1127 (1988).

9. "Mark" is a generic term for trademarks which relate to goods or products, service marks, certification marks, and collective marks. 15 U.S.C. § 1127 (1988). Because this Article deals with configurations of goods, "mark" is used here as an abbreviation for trademark.

10. Trademark attorneys use the word "term" to refer to words or names without indicating whether trademark rights exist.

11. 15 U.S.C. § 1127 (1982). This definition was changed slightly when the Trademark Revision Act of 1988 came into effect one year from its approval. 15 U.S.C. § 1127 (1988).

12. *United States v. Steffens*, 100 U.S. 82 (1879).

13. U.S. CONST. art. I, § 8, cl. 3. See generally Pattishall, *The Constitutional Foundation of American Trademark Law*, in *CELEBRATING THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION* 63 (1988).

commerce of the type regulated by the United States government is a prerequisite to federal registration of marks.¹⁴ Federal registrations on the "Principal Register" are prima facie evidence of validity, registration, ownership, and exclusive rights.¹⁵

B. *The Spectrum of Protectability*

Although several different categories of terms are recognized in the field of word marks, not all are protectable as marks. In fact, protectability of terms varies and is primarily dependent upon the degree of distinctiveness, ranging from arbitrary and fanciful to suggestive, and then, "not merely" descriptive.

A term which is "merely" descriptive or generic cannot be appropriated by a single entity as its mark. Merely descriptive and generic terms are available for use by all because they describe or constitute the common name for the subject product. For example, one commentator differentiates the categories of terms as follows:

APPLE for Apples—generic
 TOMAPPLE for tomato and apple juice—descriptive
 APPLE-A-DAY for vitamin tablets—suggestive
 APPLE computers—fanciful
 KODAK for film—arbitrary¹⁶

As one can readily see, there exists a peculiar dividing line between descriptive terms which are protected, and those which are not protected because they are "merely" descriptive. The location of a term with respect to that dividing line depends upon whether the term has acquired "secondary meaning." The dividing line marks the boundary of distinctiveness. If a term is not distinctive, it is not recognized as a trademark.¹⁷

The "primary meaning" of a descriptive term is what it describes. The "secondary meaning" of that term indicates the source of the goods, developed over a period of time, through substantially continuous and exclusive use. If one entity makes exclusive use of that term to identify its products over a period of time, that term may develop a "secondary meaning." In that case, the term becomes distinctive and is recognized as a trademark. Evidence of exclusive and continuous use of a descriptive term as a mark for five years may be accepted by the Patent and Trademark Office (PTO) as prima facie evidence of the existence of distinctiveness.¹⁸ The doctrine of

14. 15 U.S.C. § 1051 (1988). See generally Pegram, *Trademark Law Revision: Section 44*, 78 TRADEMARK REP. 141 (1988); Sacoff, *The Trademark Use Requirement in Trademark Registration, Opposition and Cancellation Proceedings*, 76 TRADEMARK REP. 99 (1986).

15. 15 U.S.C. §§ 1057(b), 1072 (1988).

16. 1 J.T. McCARTHY, TRADEMARK LAW §§ 11.3, 11.22 (2d ed. 1984). See generally *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).

17. 15 U.S.C. § 1052(e) (1988).

18. *Id.* § 1052(f).

secondary meaning, however, does not apply to generic terms because such terms cannot be appropriated for use as marks.

C. *The Role of the Courts*

Design protection cases under trademark and unfair competition law reach the courts in three principal ways: (1) appeals to the Court of Appeals for the Federal Circuit from a PTO refusal to register a mark; (2) cases involving infringement of registered trademarks brought directly to either state or federal courts; and (3) cases involving unregistered trademarks and similar unfair competition claims under federal law brought directly to either state or federal courts. Appeals from decisions of the federal district courts in trademark cases usually are appealable to the appropriate regional court of appeals, not to the Federal Circuit.¹⁹

III. AN OVERVIEW OF TRADEMARK AND UNFAIR COMPETITION PROTECTION OF PRODUCT CONFIGURATIONS

Prior to 1964, some configurations of goods were protected under state unfair competition laws. Although some of those designs may have been so arbitrary that distinctiveness was not an issue, in most cases, secondary meaning was the test used to determine whether the design performed as a mark to indicate the source of the goods. This test was analogous to the test for determining whether trademark rights had developed in a descriptive word or group of words, such that they qualified as "not merely" descriptive.²⁰ Functional designs, like generic words, were not protected but were free for all to use. The test for infringement was likelihood of confusion.

A. *What Designs Should Be Free for All to Use?*

The principal subject of product and container design litigation has been the scope of functionality, that is, whether a particular configuration should be free for all to use. In the 1938 decision of *Kellogg Co. v. National Biscuit Co.*,²¹ the Supreme Court denied design protection to the pillow-like shape of Shredded Wheat cereal, explaining the underlying proposition as follows:

Where an article may be manufactured by all, a particular manufacturer can no more assert exclusive rights in a form in which the public has become accustomed to see the article and which, in the minds of the public, is primarily associated with the article rather than a particular producer, than it can in the case of

19. The exception is that an appeal in a case which also involves an issue under the patent laws is to the Federal Circuit. 28 U.S.C. § 1295 (1988).

20. *Cf. In re Deister Concentrator Co.*, 289 F.2d 496, 503 (C.C.P.A. 1961).

21. 305 U.S. 111 (1938).

a name with similar connections in the public mind. Kellogg Company was free to use the pillow-shaped form, subject only to the obligation to identify its product lest it be mistaken for that of the plaintiff.²²

In 1964, two cases reached the Supreme Court involving protection against copying of product appearance under state unfair competition laws. These cases were *Sears, Roebuck & Co. v. Stiffel Co.*,²³ involving a popular "pole lamp," and *Compco Corp. v. Day Brite Lighting, Inc.*,²⁴ involving a fluorescent lighting fixture of a type often found on office ceilings. In both cases, the district court held that the products were not protected by federal patent or copyright law, but instead protected by a state prohibition of copying.²⁵

Sears and *Compco* both reversed injunctions against copying on the basis of federal preemption by the patent laws. Objecting to state prohibition of copying for an unlimited term of an article representing too slight an advance to be patentable, the Court in *Sears* stated:

Sears has been held liable here for unfair competition because of a finding of likelihood of confusion based only on the fact that *Sears'* lamp was copied from *Stiffel's* unpatented lamp and that consequently the two looked exactly alike. Of course there could be "confusion" as to who had manufactured these nearly identical articles. *But mere inability of the public to tell two identical articles apart is not enough to support an injunction against copying or an award of damages for copying that which the federal patent laws permit to be copied.* Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods. But because of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying.²⁶

In *Compco*, the Court acknowledged the trial court's finding of secondary meaning in the ribbing which associated the design with the plaintiff,²⁷

22. *Id.* at 120.

23. 376 U.S. 225 (1964).

24. 376 U.S. 234 (1964).

25. *Sears*, 376 U.S. at 232-33; *Compco*, 376 U.S. at 238.

26. *Sears*, 376 U.S. at 232-33 (emphasis added).

27. *Compco*, 376 U.S. at 238.

and further, that actual confusion had existed between purchasers.²⁸ Nonetheless, as in *Sears*, the Court held that when the design is not entitled to a design patent or other federal statutory protection, it can be copied at will.²⁹

The elimination by *Sears* and *Compco* of industrial design protection under state unfair competition law was considered a devastating loss by practitioners seeking design protection for clients. It appeared that the *Sears* and *Compco* decisions precluded protection of product configurations under state unfair competition law, and the potential for configuration protection under existing federal law was as yet unrecognized.

B. A Federal Law of Unfair Competition

In the wake of *Sears* and *Compco*, practitioners sought "other federal statutory protection," and turned to the Lanham Act, particularly section 43(a).³⁰ Literally, section 43(a) addresses false designations of origins and false descriptions, and does not appear applicable to protection of unregistered trademarks and the configurations of goods. Nonetheless, the section has been widely interpreted by the lower courts to create, in essence, a federal law of unfair competition and now provides relief against infringement of unregistered trademarks, and unfair competition arising from copying of trade dress and certain configurations of goods.³¹

C. The Standard of Functionality

The key issue in determining the registrability of product configurations as trademarks, and their protectability under section 43(a), has been functionality. A leading case on the procedure for determining functionality of product configurations is *In re Deister Concentrator Co.*,³² which was decided by the Court of Customs and Patent Appeals (CCPA) in 1961, before the *Sears* and *Compco* decisions.

Deister involved an application to register a rhombic shape, representing the outline of the working surface of a table used for ore concentrating and coal cleaning. The table was what is known as a shaker table as shown in Figure 1 below.³³

28. *Id.* at 237.

29. *Id.* at 238.

30. See generally McCarthy, *Important Trends in Trademark and Unfair Competition Law During the Decade of the 1970s*, 71 TRADEMARK REP. 93 (1981) [hereinafter McCarthy, *Important Trends*].

31. TRC Report, *supra* note 7, at 426; see also S. REP. NO. 515, 100th Cong., 2d Sess. 40 (1988); H.R. REP. NO. 1028, 100th Cong., 2d Sess. 14 (1988) (citing TRC Report, *supra* note 7).

32. 289 F.2d 496 (C.C.P.A. 1961). Regarding functionality, see generally Oddi, *The Functions of "Functionality" in Trademark Law*, 76 TRADEMARK REP. 308 (1986); Zelnick, *The Doctrine of "Functionality"*, 73 TRADEMARK REP. 128 (1983).

33. *Deister*, 289 F.2d at 497.

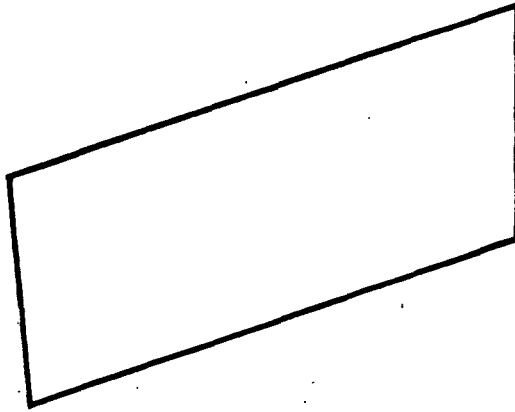


Figure 1

The *Deister* court set forth four “truisms” as applicable to product configuration cases:

(1) Trademarks enable one to determine the existence of common source; but not everything that enables one to determine source is a trademark.

(2) A trademark distinguishes one man’s goods from the goods of others; but not everything that enables goods to be so distinguished will be protected as a trademark.

(3) Some trademarks are words or configurations which are protected because they have acquired a “secondary meaning”; but not every word or configuration that has a de facto “secondary meaning” is protected as a trademark.

(4) 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.³⁴

The court distinguished between “functional shapes that are never capable of being monopolized, even if they become ‘distinctive of the applicant’s goods,’ and shapes which can be monopolized because they are of such an arbitrary nature that the law does not recognize a right in the public to copy them, even if some incidental function is associated with them.”³⁵ The problem in determining the registrability and protectability of product configurations as trademarks under section 43(a), however, lies between the

34. *Id.* at 502.

35. *Id.* at 503, 506.

two groups of configurations suggested by the court's fourth truism. While *Deister* made reference to the existence of these types of configurations in that truism, it had no need to examine this area, and its references to it are dicta. Moreover, the court found no indication in the record that the shape was either arbitrary or intended to indicate origin, and in fact found that the rhombic shape at issue "perfectly exemplif[ed] . . . a functional or utilitarian shape which is incapable of acquiring a legally recognizable 'secondary meaning.'"³⁶ As such, the court affirmed the refusal of registration of the rhombic shape.

The 1976 decision of the Court of Appeals for the Eighth Circuit in *Truck Equipment Service Co. v. Fruehauf Corp.*³⁷ represents a major milestone in the development of federal trademark-type protection of product configurations. In that case, Fruehauf claimed the right to copy the exterior of a competitor's trailer, the "Cornhusker 800" (see Figure 2 below), relying primarily upon *Sears and Compco*.³⁸ The Eighth Circuit reasoned that neither case was controlling, and that the law of trademarks and the issues of functionality and secondary meaning had not been before the Supreme Court in the *Sears* and *Compco* cases.³⁹



Figure 2

Following the *Deister* analysis, at least in part, the *Truck Equipment* court relied upon the defendant's own engineering report, which described the characteristic sloping end walls of the trailer as useless, and held that those walls were nonfunctional.⁴⁰ The court's decision represents a case near the other extreme from *Deister*, because the design at issue was considered arbitrary.

In 1982 the CCPA decided *In re Morton-Norwich Products, Inc.*,⁴¹ which further clarified the law applicable to registration of product

36. *Id.* at 505.

37. 536 F.2d 1210 (8th Cir. 1976).

38. *Id.* at 1214.

39. *Id.*

40. "Moral" issues are often found in configuration cases and may affect the outcome. In *Truck Equipment*, photographs of plaintiff's trailer had been used in defendant's sales literature. *Id.* at 1221.

41. 671 F.2d 1332 (C.C.P.A. 1982).

configurations as trademarks, and appeared to liberalize that law. *Morton-Norwich* involved the shape of a spray container used for cleansers, for which the applicant owned both a design and utility patent.⁴² This design fell in the middle of the range between one entirely determined by function, as in *Deister*, and an arbitrary one, as in *Truck Equipment*. For a diagram of the spray container, see Figure 3 below.

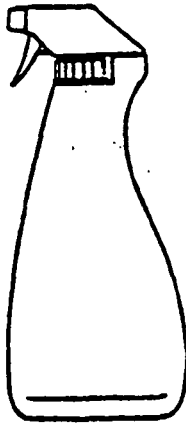


Figure 3

In an opinion written by Judge Rich, also the author of the *Deister* opinion, the *Morton-Norwich* court reversed a Trademark Office holding that the design was functional and remanded the application for a finding on the issue of distinctiveness.⁴³ The court undertook to define functionality, first by distinguishing between *de facto* and *de jure* functionality, a distinction suggested by the fourth *Deister* truism. In that regard, the court indicated that *de facto* functionality amounts to functionality in the layman's sense, being "the normal or characteristic action of anything."⁴⁴ Functional, in the lay sense, indicates that "although the design of a product, a container, or a feature of either is directed to the performance of a function, it *may* be legally recognized as an indication of source."⁴⁵ *De jure* functionality was the term applied in *Morton-Norwich* to indicate that a design—as a legal consequence—could not be protected as a trademark, and served as a basis for the court's remand.⁴⁶

Morton-Norwich made two additions to the *Deister* truisms. First, the court indicated that "a discussion of 'functionality' is *always* in reference to

42. *Id.*

43. *Id.* at 1334.

44. *Id.*

45. *Id.* at 1337.

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

the *design* of the thing under consideration (in the sense of its *appearance*) and *not* the thing itself."⁴⁷ Next, the court noted that "a nondistinctive design does not necessarily equal a 'functional' design."⁴⁸ The court also redefined "arbitrary" in connection with the second truism, distinguishing it from the typical trademark (distinctiveness) use of the word.⁴⁹

The key to an understanding of the *Morton-Norwich* decision is that the effect on competition issue was viewed by the court as the crux of its analysis.⁵⁰ The court resolved the question of *de jure* functionality by determining whether the "plastic spray bottle . . . [was] . . . the best or one of a few superior designs available."⁵¹ No evidence was found in the record that "the shape of appellant's bottle was *required* to be as it [was] for any *de facto* functional reason, which might lead to an affirmative determination of *de jure* functionality."⁵² The court explained that competitors' bottles for similar products demonstrated that "the same functions can be performed by a variety of other shapes with no sacrifice of any functional advantage."⁵³ As a result, the court concluded that "[c]ompetitors have apparently had no need to simulate appellant's trade dress, in whole or in part, in order to enjoy all of the *functional* aspects of a spray top container."⁵⁴

The design protection bar had hoped that the Supreme Court would address the applicability of section 43(a) to product appearance in a 1982 case, *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*⁵⁵ *Inwood* involved colored drug capsules which several generic drug manufacturers began copying after the drug patent expired.⁵⁶ The court of appeals had addressed only a claim under Lanham Act section 32⁵⁷ that the defendants had induced pharmacists to infringe upon plaintiff's registered trademark, CYCLOSPASMOL, and did not reach the section 43(a) claim.⁵⁸ Thereafter, the Supreme Court reversed the lower court on procedural grounds, and remanded for consideration of the section 43(a) and state unfair competition claims.⁵⁹ Given this reversal, a discussion of appearance was limited to a concurring opinion by Justice White, joined by Justice Marshall, which addressed the district court's express finding that the capsule color was functional in helping patients and physicians identify the drug.⁶⁰

47. *Id.* at 1338 (emphasis in original).

48. *Id.* at 1343.

49. *Id.*

50. *Id.* at 1341.

51. *Id.*

52. *Id.* at 1342 (emphasis in original).

53. *Id.*

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

55. 456 U.S. 844 (1982).

56. *Id.* at 846-47.

57. 15 U.S.C. § 1114 (1988).

58. *Inwood*, 456 U.S. at 853.

59. *Id.* at 858-59.

60. *Id.* at 859, 862-64. On remand, the court of appeals affirmed the judgment of the district court dismissing the § 43(a) and state law claims based on that court's findings of

D. *The Honeywell Cases*

The shift toward greater federal protection of designs under trademark law is best illustrated by two cases, both captioned *In re Honeywell*.⁶¹ In 1968, Honeywell applied to register the configuration of a round thermostat cover as a trademark for thermostats.⁶² At that time Honeywell had a design patent on the thermostat as well as two utility patents. The design patent expired on schedule in 1970 while the trademark application⁶³ was under examination.⁶⁴ On the second and final appeal to the CCPA regarding that application, the court quoted from the Trademark Trial and Appeal Board's (TTAB) decision under review, as stating well the basis for refusing registration:

There are only so many basic shapes in which a thermostat or its cover can be made . . . namely, squares, rectangles, or "rounds" with the latter probably being the most utilitarian configuration of them all This is demonstrated by the widespread use over the years of round-shaped control devices for appliances and similar equipment. The fact that thermostat covers may be produced in other forms or shapes does not and cannot detract from the functional character of the configuration here involved. In sum, the overall configuration of applicant's thermostat cover, as presented for registration, is essentially functional in character and, as such, it does not possess the necessary attributes of a proprietary trademark necessary for registration. A registration thereof with the presumption afforded under Section 7(b) of the Trademark Statute would be inconsistent with the avowed and desired purpose of preserving the freedom to copy functional features of a device long protected both under common law and by statutory interpretation of what constitutes a registrable trademark.⁶⁵

Later, in 1986, Honeywell applied for trademark registration of a slightly different round thermostat cover configuration.⁶⁶ This application was refused by the examiner on the basis of the *res judicata* effect of the earlier determination of functionality. On appeal, the TTAB noted that the applicant never had an opportunity to introduce additional evidence in the prior case, and that the new record reflected events in the marketplace during the seventeen years since the original application record was closed. The TTAB further noted that the mark in the new application differed from

functionality and lack of secondary meaning. 72 TRADEMARK REP. 117 (1982).

61. 532 F.2d 180 (C.C.P.A. 1976) (*Honeywell I*); 8 U.S.P.Q.2d (BNA) 1600 (T.T.A.B. 1988) (*Honeywell II*).

62. *Honeywell I*, 532 F.2d at 181.

63. *Id.* at 181 n.3.

64. *Honeywell II*, 8 U.S.P.Q.2d (BNA) at 1603.

65. *Honeywell I*, 532 F.2d at 182-83.

66. *Honeywell II*, 8 U.S.P.Q.2d (BNA) at 1601 n.1.

the earlier one because it disclaimed the transparent window and, therefore, lacked the issue of visibility of the temperature controlling and indicating mechanism.⁶⁷ Thus, the TTAB concluded that res judicata did not bar consideration of the new application. For a diagram of the thermostat dial, see Figure 4 below.

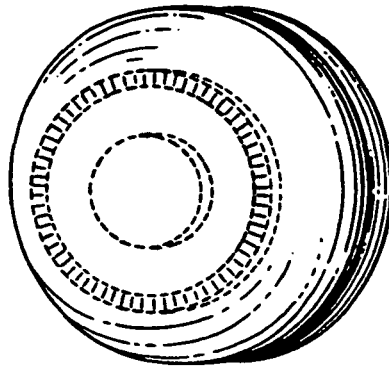


Figure 4

The TTAB then considered factors discussed in *Morton-Norwich*, and concluded that although the number of alternative designs is limited, the Examining Attorney for the PTO had not demonstrated by a preponderance of the evidence that the cover was de jure functional. Accordingly, the PTO's refusal to register was reversed.⁶⁸

E. Aesthetic Functionality

"Aesthetic functionality" is based upon the theory that when goods are bought largely for their aesthetic value, the aesthetic features may be considered functional because they contribute to that value. The determination of de jure functionality under this theory appears similar to other functionality tests, namely, whether or not prohibition of imitation by others will substantially hinder them in competition.⁶⁹

67. *Id.* at 1601-03.

68. *Id.* at 1603-05.

69. See generally Fletcher, *The Defense of "Functional" Trademark Use: If What Is Functional Cannot Be a Trademark, How Can a Trademark Be Functional?*, 75 TRADEMARK REP. 249 (1985); Duft, *"Aesthetic" Functionality*, 73 TRADEMARK REP. 151 (1983).

In *Pagliero v. Wallace China Co.*,⁷⁰ the Court of Appeals for the Ninth Circuit refused protection against copying of floral designs on dinner plates sold to restaurants as replacements for broken dishes. The court stated: "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."⁷¹

The aesthetic functionality theory has not been widely accepted in other circuits.⁷² Moreover, the theory was restricted by the Ninth Circuit in *Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*,⁷³ wherein the court affirmed the protection of Vuitton's VL and floral logo design, which was repeated over the surface of luggage and handbags.

IV. THE *BONITO* DECISION

The recent unanimous Supreme Court decision in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*⁷⁴ confirms the vitality of the *Sears* and *Compco* decisions. Like those earlier decisions, *Bonito* held that federal patent law preempted a state law which removed from public use something the public would have been free to use under the patent law. The Florida statute which the Court struck down in *Bonito* prohibited the knowing sale of boat hulls made by direct molding, also known as plug molding.⁷⁵

The dicta in *Bonito* is relevant to the present discussion in several respects. First, *Bonito* holds that "Congress may not create patent monopolies of unlimited duration . . ."⁷⁶ In addition, *Bonito* explains that federal patent law, including design patent law, embodies "a careful balance between the need to promote innovation and the recognition that imitation and refinement through imitation are both necessary to invention itself and the very lifeblood of a competitive economy."⁷⁷ Finally, *Bonito* emphasizes the policy that "the ultimate goal of the patent system is to bring new designs and technologies into the public domain through disclosure."⁷⁸ The Court stated, "We have long held that after the expiration of a federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law."⁷⁹ In the context of the balance struck in the patent laws over 200 years, the Court noted that "[a]t the heart of *Sears* and *Compco* is the conclusion that the efficient operation of the federal patent system depends upon substantially free trade in publicly known, unpatented design and utilitarian conceptions."⁸⁰

70. 198 F.2d 339 (9th Cir. 1952).

71. *Id.* at 343.

72. See J.T. McCARTHY, *supra* note 16, § 7.26(D) (2d ed. 1984 & Supp. 1988).

73. 644 F.2d 769 (9th Cir. 1981).

74. 489 U.S. 141 (1989).

75. *Id.* at 145.

76. *Id.* at 146.

77. *Id.*

78. *Id.* at 151.

79. *Id.* at 152.

80. *Id.* at 156.

The boat hull in *Bonito* was characterized by the Court as standing "in the same stead as an item for which a patent has expired or been denied: it is unpatented and unpatentable."⁸¹ The Court explained that the protection provided by the Florida statute "conflicts with the federal policy 'that all ideas in general circulation be dedicated to the common good unless they are protected by a valid patent.'"⁸²

Unlike *Sears* and *Compco*, *Bonito* recognizes the existence of a federal law of unfair competition. Nevertheless, the references in *Bonito* to *Sears* and *Compco* do not appear to include the "other federal statutory protection" language of *Compco*⁸³ on which practitioners and lower courts have relied in applying the Lanham Act to protection of product configurations. For example, *Bonito* relies upon *Sears* for the proposition that states "may protect business in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods."⁸⁴ However, the *Bonito* Court exhibited a narrow view of the common law of unfair competition's ability to limit use of a product configuration, stating:

We believe that the Florida statute at issue in this case so substantially impedes the public use of the otherwise unprotected design and utilitarian idea embodied in unpatented boat hulls as to run afoul of the teaching of our decisions in *Sears* and *Compco*. It is readily apparent that the Florida statute does not operate to prohibit "unfair competition" in the usual sense that the term is understood. The law of unfair competition has its roots in the common-law tort of deceit: its general concern is with protecting consumers from confusion as to source. While that concern may result in the creation of "quasi-property rights" in communicative symbols, the focus is on the protection of consumers, not the protection of producers as an incentive to product innovation. Judge Hand captured the distinction well in *Crescent Tool Co. v. Kilborn & Bishop Co.* where he wrote:

"[T]he plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy plaintiff's goods slavishly down to the minutest detail: but he may not represent himself as the plaintiff in their sale."⁸⁵

81. *Id.* at 159.

82. *Id.* (quoting *Lear, Inc. v. Adkins*, 395 U.S. 653, 668 (1969)).

83. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238 (1964).

84. *Bonito*, 489 U.S. at 154 (quoting *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232 (1964)).

85. *Id.* at 157 (citation omitted).

Bonito's lack of acknowledgement of the current extent of design protection under unfair competition law is perhaps best reflected by the next paragraph of its opinion:

With some notable exceptions, including the interpretation of the Illinois law of unfair competition at issue in *Sears and Compco*, the common-law tort of unfair competition has been limited to protection against copying of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source. The "protection" granted a particular design under the law of unfair competition is thus limited to one context where consumer confusion is likely to result; the design "idea" itself may be freely exploited in all other contexts.⁸⁶

While the *Bonito* opinion did refer to section 43(a) of the Lanham Act, it did so in a way that reflects either a naivete, or perhaps, an unwillingness to accept the extent to which design protection has been extended in the name of that statute:

Indeed, there are affirmative indications from Congress that both the law of unfair competition and trade secret protection are consistent with the balance struck by the patent laws. Section 43(a) of the Lanham Act creates a federal remedy for making "a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same" Congress has thus given federal recognition to many of the concerns which underlie the state tort of unfair competition, and the application of *Sears and Compco* to nonfunctional aspects of a product which have been shown to identify source must take account of competing federal policies in this regard.⁸⁷

It should be noted that *Bonito* reached the Supreme Court because of a conflict between the Florida Supreme Court's holding that federal law preempted the state plug mold statute and the Federal Circuit's conclusion in *Interpart Corp. v. Italia*,⁸⁸ that a similar California law posed no threat to the federal patent laws.⁸⁹ The Supreme Court's *Bonito* decision implicitly rejects the *Interpart* decision, and expressly rejects the Federal Circuit's proposition that the patent laws " 'say nothing about the right to copy or the right to use.' "⁹⁰ Moreover, the *Bonito* Court's decision emphasized the

86. *Id.* at 157-58 (citations omitted).

87. *Id.* at 166 (citations omitted). It is doubtful that Congress intended the scope of protection now extended to designs under § 43(a). See *supra* notes 30-31 and accompanying text.

88. 777 F.2d 678 (Fed. Cir. 1985).

89. *Bonito*, 489 U.S. at 143-44.

90. *Id.* at 163 (quoting *Interpart*, 777 F.2d at 685).

federal power over patent law, characterizing the federal standards as an expression of a congressional determination that the states simply could not ignore.⁹¹

V. COMMENTARY ON THE APPROPRIATENESS OF PROTECTING PRODUCT CONFIGURATIONS UNDER TRADEMARK LAW

Attention now turns from what the law is, to where the law is going. Primarily at issue is whether federal trademark registrations and unfair competition law are appropriate methods to protect product configurations. Relevant to such an inquiry are three principal problem areas: the absence of any limitation of term of protection, the uncertainty regarding where the line of protectability should be drawn, and problems relating to secondary meaning.

A. *Limited Term*

It is clear that the founders of our nation intended to limit monopolies, since the federal government was granted only the power to secure to authors and inventors the exclusive right to their respective writings and discoveries for "limited times."⁹² A sense of the meaning of "limited times" in our Constitution may be determined by inspection of the patent and copyright laws in force in Great Britain when our Constitution was written, and of those which were first adopted in this country.

The British Statute of Monopolies of 1624⁹³ provided a patent term of fourteen years.⁹⁴ The 1709 Statute of Queen Anne⁹⁵ had set the term of British copyright at fourteen years, with the possibility of a fourteen-year renewal if the author was living at the end of the first term.⁹⁶ The first United States patent⁹⁷ and copyright⁹⁸ statutes, both adopted in 1790, provided the same periods of protection as their British counterparts.⁹⁹

91. *Id.* at 164-65.

92. "Congress shall have Power . . . to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. CONST. art. I, § 8, cl. 8.

93. Great Britain, *Statutes at Large*, 21 Jac. I, ch.3 (1624).

94. *Id.* This was the term for new patents. The term for patents in effect at the time of enactment was 21 years. See generally Armitage, *Two Hundred Years of English Patent Law*, in *TWO HUNDRED YEARS*, *supra* note 5, at 4; B.W. BUGBEE, *THE GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW* 39, 54-55 (1967).

95. Great Britain, *Statutes at Large*, 8 Anne, ch.19 (1709).

96. *Id.* See generally Stewart, *Two Hundred Years of English Copyright Law*, in *TWO HUNDRED YEARS*, *supra* note 5, at 81; B.W. BUGBEE, *supra* note 94, at 53-55.

97. Act of Apr. 10, 1790, 1 Stat. 109.

98. Act of May 31, 1790, 1 Stat. 124.

99. See generally Forman, *Two Hundred Years of American Patent Law*, in *TWO HUNDRED YEARS*, *supra* note 5, at 28-29; Ringer, *Two Hundred Years of American Copyright Law*, in *TWO HUNDRED YEARS*, *supra* note 5, at 127; B.W. BUGBEE, *supra* note 94, at 144, 146. Some have speculated that the multiples of seven years were based on seven-year apprenticeships, which were common in the 17th and 18th centuries. Thus, a reason-

The Supreme Court has strictly construed the "limited times" provision. For example, in 1829, the Court held that one cannot obtain a patent after the public has been permitted to freely use the subject of the patent.¹⁰⁰ Later, in 1896, the Court held that "'on the expiration of a patent the monopoly granted by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property. It is upon this condition that the patent is granted.'"¹⁰¹ *Bonito* continues this strict construction,¹⁰² by stating: "*Sears and Compco* extended that rule to potentially patentable ideas which are fully exposed to the public."¹⁰³

In the case of trademarks, there is no limitation of term, and protection continues for as long as use does.¹⁰⁴ Although this unlimited term is admittedly appropriate for most conventional trademarks, it is doubtful whether an unlimited term is appropriate for industrial design configurations which have a de facto functional aspect, albeit perhaps less than the de jure functionality defined in *Morton-Norwich*.¹⁰⁵ The ultimate answer to this issue may depend upon where the line of protection is drawn.

B. *Where Should the Line Be Drawn?*

The usual justifications for extending federal trademark protection to product configurations include those stated in *Truck Equipment*. One justification is that the language of *Sears and Compco* regarding permissible state regulation of labeling is mere dicta.¹⁰⁶ Another is to distinguish the types of protection, as was done in *Truck Equipment*:

The protection accorded by the law of trademark and unfair competition is greater than that accorded by the law of patents because each is directed at a different purpose. The latter protects inventive activity which, after a term of years, is dedicated to the public domain. The former protects commercial activity which, in our society, is essentially private.¹⁰⁷

Some proponents of section 43(a) and trademark registration protection of product configurations classify those provisions of the Lanham Act within

able term of an exclusive right granted in exchange for disclosure of intellectual effort was the length of two to four apprenticeships.

100. *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1 (1829). Current law provides a one year grace period before filing is required. 35 U.S.C. § 102(b) (1982).

101. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 120 (1938) (quoting *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896)).

102. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 165 (1989).

103. *Id.* But see *McCarthy, Important Trends*, *supra* note 30, at 96 nn.7-8.

104. In the case of registrations, the formality of a declaration of use and renewal applications is required. 15 U.S.C. §§ 1058-1059 (1988).

105. See *supra* notes 40-53 and accompanying text.

106. *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1214, 1215 n.6 (8th Cir. 1976).

107. *Id.* at 1215.

the "design patent or other federal statutory protection" without which, *Compco* explains, a design can be copied at will.¹⁰⁸

When evaluating cases involving claims of unfair competition under state law, the Supreme Court has repeatedly examined whether the subject matter is of the type addressed by the patent and copyright laws. In *Sears*, *Compco*, and *Bonito*, the Court held that state protection was preempted by the federal patent and copyright laws.¹⁰⁹ Is there any reason to believe that the Court would not consider the relative scope of the patent and copyright laws in evaluating a claim to trademark law protection of a design?

The *Sears*, *Compco*, and *Bonito* decisions constitute dicta insofar as they go beyond their preemption holdings. Nevertheless, it would be unwise to ignore any of the language in those Supreme Court decisions when attempting to determine where the Supreme Court would draw the line delineating permissible protection of product and container configurations. *Sears* and *Compco* appeared to focus on the use of traditional " 'trademarks, labels, or distinctive dress in the packaging of goods.' "¹¹⁰ While recognizing the existence of section 43(a) and other unfair competition protection related to designs, *Bonito* also takes this restrictive position.

In discussing section 43(a), *Bonito* appears to have used "nonfunctional" in a de facto sense in referring to nonfunctional aspects of a product which have been shown to identify source. Similarly, when discussing the justifications offered for plug mold statutes, the Court stated, "Where an item in general circulation is unprotected by patent, '[r]eproduction of a functional attribute is legitimate competitive activity.' "¹¹¹ Such references, directed to the functional aspect or attribute of a product rather than the product as a whole, do not reflect the type of evaluation involved in a determination of de jure functionality as found, for example, in *Morton-Norwich*.¹¹² In fact, the *Bonito* Court expressly notes Congress' refusal to enact legislation in the area of design protection stating:

Congress has considered extending various forms of limited protection to industrial design either through the copyright laws or by relaxing the restrictions on the availability of design patents. Congress explicitly refused to take this step in the copyright laws, and despite sustained criticism for a number of years, it has declined to alter the patent protections presently available for industrial

108. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238 (1964).

109. *Bonito* distinguished the contractual protection of trade secrets which was approved in *Kewanee Oil Co. v. Bicron*, 416 U.S. 470 (1970) and *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257 (1979) as regulation not inconsistent with the patent law. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 155-57 (1989).

110. *Bonito*, 489 U.S. at 154 (quoting *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232 (1964)).

111. *Bonito*, 489 U.S. at 164 (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 863 (1982) (White, J., concurring)).

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

design. It is for Congress to determine if the present system of design and utility patents is ineffectual in promoting the useful arts in the context of industrial design.¹¹³

C. *The Problems with Developing Secondary Meaning*

The final problems regarding trademark protection of product configurations to be discussed in this Article are two relating to secondary meaning. In order to obtain trademark law protection for a design which is not totally arbitrary, secondary meaning must be shown through substantially continuous and exclusive use over a period of time, usually measured in years.¹¹⁴ Unless there is some other form of protection, the design will be unprotected while that secondary meaning develops. Thus, trademark protection is less than satisfactory for most new product configurations, and, without protection at the outset, copiers can prevent the creation of secondary meaning.¹¹⁵

That leads to the principal problem with secondary meaning: trademark protection of a design following a period of protection of another kind, for example, a design patent. What happens to the right to freely copy at the expiration of a patent, which was emphasized in *Bonito*, is unclear.¹¹⁶ If secondary meaning is meant to represent the lack of competitors' need to use a design, it is unclear whether someone can develop secondary meaning during a period when the lack of competition is due to some other form of intellectual property protection.¹¹⁷

VI. CONCLUSION

The *Bonito* opinion reminds us that Congress has yet to enact a design law based on registration and that, should a case of product configuration protection under federal trademark law reach the Supreme Court, the scope of protection granted may be considerably less than that afforded by *Morton-Norwich*. In sum, trademark protection of product configuration is not a sure thing.

113. *Bonito*, 489 U.S. at 167-68 (citations omitted).

114. See *supra* note 8 and accompanying text.

115. Problems such as this have led some courts to protect "secondary meaning in the making." See generally Scagnelli, *Dawn of a New Doctrine?—Trademark Protection for Incipient Secondary Meaning*, 71 TRADEMARK REP. 527 (1981).

116. See *Bonito*, 489 U.S. at 154-56.

117. This question was involved in the *Honeywell* cases. See *supra* notes 61-68 and accompanying text.