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Trademark Product Appearance Features, United States and Foreign Protection Evolution: A Need for Clarification and Harmonization, 34 J. Marshall L. Rev. 947 (2001)

William T. Fryer III

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TRADEMARK PRODUCT APPEARANCE FEATURES, UNITED STATES AND FOREIGN PROTECTION EVOLUTION: A NEED FOR CLARIFICATION AND HARMONIZATION

WILLIAM T. FRYER, III*

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* Professor, University of Baltimore School of Law.

INTRODUCTION

Trademark law has recently undergone a significant evolution both nationally and internationally. In the United States this change resulted from fundamental case law developments, while the creation and establishment of international agreements sparked the international evolution. Trade dress protection also experienced significant change, both in the United States and internationally. This Article focuses on the “product appearance features” aspect of trade dress protection.

Trade dress includes both the product’s packaging and the product’s independent appearance, exemplified by the customized design of the packaging juxtaposed with the product’s appearance and surface designs. The line between packaging and product appearance features is not easily drawn.¹ For example, while a bottle is itself a product by way of functioning as a container, it could also be construed, for trade dress purposes, as a “package” for perfume or liquor.

New terms, concepts, and issues surfaced in product appearance trademark protection, which resulted in a general change in the direction of intellectual property law. Questions arise concerning the propriety of using trademark protection alone, or using trademark law in combination with a design patent on the same product appearance. These questions demand an understanding of the relationship between trademark law and

1. See, e.g., *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 209-215 (2000) (addressing the trade dress protection of product design in infringement actions under the Lanham Act). In the *Wal-Mart* decision, the Court used the term “product design” to separate product packaging analysis from how product appearance would be treated under trademark law. *Wal-Mart Stores, Inc.*, 529 U.S. at 211-213. The term “product design” may be used as a general term that refers to how a product is constructed internally and externally, including functional and aesthetic features. *Id.* at 213. In this Article the phrase “product appearance features” is used to define what a customer sees on a product that may or may not be a mark. Because the phrase “product design” has several possible meanings, this Article uses the phrase “product appearance features” to describe what the customer sees on the product, including its shape and surface features. The term “package” is used to describe that which contains a product. A customer must unwrap or open a package to reach the product. For example, cereal, soft drinks, and dolls all come in packages. Sometimes a product can show through a transparent package, and thus, the product becomes a part of the package appearance. The term “trademark” is used in this Article to include all forms of marks, including product appearance feature marks. For a description of Industrial Design see the Industrial Designers Society of America, *ID Defined: Comprehensive Description of Industrial Design*, at <http://www.ids.org/whatis/definition.htm> (last visited Aug. 29, 2001).

other fields of intellectual property, particularly patent law and especially utility and design patents. Another related issue is whether protection arises at the time of product introduction, as would be the case if inherently distinctive product appearance features receive protection, or whether product appearance features must acquire secondary meaning within the traditional parameters of trademark protection.

While lawyers and judges review the legal issues, the commercial world, primarily industrial designers, continues to create several varieties of product appearance features in an effort to provide more useful and attractive products. The essence of trademark law creates the inherent overlapping of the legal community and the commercial world, and thus, when developing or amending trademark law, the legal community must consider the industrial designers' perspective.

Before analyzing current developments, a brief introduction of basic trademark law terms and concepts is necessary to demonstrate how recent changes in trade dress protection align with prior law. To familiarize the reader with basic trademark concepts, this Article first considers word marks and progresses to product appearance feature marks.

I. BASIC PRINCIPLES OF TRADEMARK LAW FOR WORD AND PRODUCT APPEARANCE FEATURE MARKS

A general introduction to basic trademark law will assist in understanding the more complex issues concerning the trademark protection of product appearance features.² Protection for registered and unregistered marks under the Lanham Act³ will be used in the examples.

The word "Sunkist"⁴ exists as a trademark for citrus fruits, since it is distinctive for such products. While "Sunkist" has a relation to the use of the sunlight that makes an orange grow, it does not describe the process in a commonly articulated manner. The "Sunkist" mark is used to help customers identify oranges grown by a producer organization. Consumers benefit by avoiding confusion in the product selection process. Additionally, the business develops goodwill through the creation of increased sales due to consumer identification with the mark. Economically, the company with the freshest oranges based on consumer experience is recognized and rewarded for its quality products, whereas those

2. For a discussion of the general background of basic trademark law see generally CHARLES R. MACMANIS, *INTELLECTUAL PROPERTY AND UNFAIR COMPETITION IN A NUTSHELL* (West Group 4th ed. 2001); J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION* (4th ed. 2001); JEROME GILSON ET AL, *TRADEMARK PROTECTION AND PRACTICE* (2001).

3. 15 U.S.C. §§ 1051-1127 (2001).

4. U.S. Trademark Reg. No. 0117107 (registered June 19, 1917).

companies with poor quality products are identified and eliminated from the market. Without word mark protection, the aforementioned market conditions and the normal conduct of business would not be possible.

Mere descriptive words do not receive trademark protection.⁵ For example, the words "ripe" or "fresh" could not be marks for oranges because these terms do not identify a product source, which is the essential purpose of a trademark. Over time some words that have general meanings might become marks. For example, "North American" acquired identification with a product source through acquisition of secondary meaning.⁶

Finally, when a word functions as the name for a type of product, it does not receive trademark protection. For example, "generic" terms such as "orange," do not receive trademark protection.⁷ For practical commercial reasons, generic terms must be reserved for general use.

When a word is used with a product, it may be protected immediately from subsequent marks that are likely to cause confusion.⁸ A word that raises no descriptive issues and is not generic for a type of product may receive immediate protection as a mark. A word attaining this status is commonly called "inherently distinctive." Generally, a word is given this important trademark right when its use is associated with a product and consumers consider it to be a mark.⁹

The aforementioned principles define the broad framework of trademark protection for words and other marks. With word marks, each situation is examined on its facts for descriptiveness,

5. See 42 U.S.C. § 1052(e) (2001) (denying trademark protection for merely descriptive terms).

6. *North Am. Aircoach Sys., Inc. v. North Am. Aviation, Inc.*, 231 F.2d 205, 209 (1955). In this famous case regarding the phrase "North American" as a mark for airplanes, the fact that the manufacturer was in the United States did not prevent the primary significance of the geographic phrase from acquiring secondary meaning and functioning as a mark. *Id.* at 210. The secondary meaning for "North American" derived from the extensive publicity of the fighter planes during World War II. *Id.* There are several U.S. trademark registrations for "North American." For example, "North American" is a registered trademark for, among other things, compressed air-oil, torch and blower controls. U.S. Trademark Reg. No. 1292737 (registered Sept. 4, 1984).

7. See *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577 (2nd Cir. 1963) (denying trademark protection for generic terms).

8. See, e.g., *Estee Lauder Inc. v. The Gap, Inc.*, 108 F.3d 1503, 1509-10 (2d Cir. 1997) (discussing trade mark protection in the event of a likelihood of confusion).

9. See *In Re Pennsylvania Fashion Factory, Inc.*, 588 F.2d 1343, 1345 (C.C.P.A. 1978) (holding that the alleged mark was not sufficiently associated with the clothes for which mark protection was sought because it was only on the store bag). Essentially, the alleged mark was not located in a manner that would create trademark identification for customers. *Id.*

mere descriptiveness, generic use, inherent distinctiveness, and secondary meaning. Most situations are not difficult, and the disputes that do require litigation often settle because most parties would rather invest their money in promoting distinctive product marks.

When assessing trade dress marks, the courts try to apply the general principles used for word marks to the product packaging protection.¹⁰ However, product appearance features require further analysis given the dual role (function and appearance) inherent in product design. For example, scissors must have a shape to achieve cutting action, but they also exude the general appearance of the two cross components. Trademark law would deny protection for the appearance since it is *de jure* functional.¹¹ A product appearance, such as the color of a knife, could be denied trademark status because it is merely an aesthetically functional product feature.¹² In litigation, the trademark owner possesses the burden of proof and must establish that the product appearance features are not functional, or more precisely “merely functional,” in terms of technical operation or aesthetics.¹³

Indeed, products have features that are not primarily related to their function. For example, watches come in many shapes and watch faces have a multitude of appearances designed to attract customers.¹⁴ These product appearance features are evaluated under the “distinctiveness doctrine” to determine if they are merely ornamental or if they can serve as a mark. Marks have a dual role in that they attract consumers through appearance while functioning to signify the product’s source. While a product appearance case may involve more issues than a word mark dispute, courts decide product appearance disputes on their particular facts. Historically, except on the general principles mentioned, the courts gave little guidance relating to product appearance protection. However, a recent group of Supreme Court

10. See *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633, 638 (7th Cir. 1999) (holding that a different packaging of nearly identical floral baskets effectively limited any alleged confusion and consequently precluded an alarm for trade dress infringement).

11. See *In re Teledyne Indus., Inc.*, 696 F.2d 968 (Fed. Cir. 1982) (holding that the showerhead appearance was *de facto* functional, and thus, not registrable).

12. See *Forschner Group, Inc. v. Arrow Trading Co., Inc.*, 124 F.3d 402 (2d Cir. 1997) (holding that a Swiss army knife’s red color was aesthetically functional).

13. See 15 U.S.C. § 1125(a)(3) (2001) (stating that a “person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional”).

14. See *Sunrise Jewelry Mfr. v. Fred*, 175 F.3d 1322 (Fed. Cir. 1999) (affirming the U.S. Patent and Trademark Office’s dismissal of a petition to cancel the registration of a “metallic nautical rope design” for clocks, watches, and jewelry made of precious metal).

cases has significantly impacted product appearance feature trademark protection.¹⁵

II. SUPREME COURT PRODUCT APPEARANCE FEATURES CASE LAW DEVELOPMENT

Prior to a recent group of Supreme Court cases, some product appearance features were protected. These rights arose either immediately, if the features were inherently distinctive, or after acquiring secondary meaning. Features that were merely functional, either due to aesthetics or utilitarian function, were not protected. From a competitive viewpoint, these features were considered commercial necessities and, hence, beyond the scope of protection. Before the Supreme Court recently spoke on the issue, the line between merely functional, unprotectable, product appearance features and protectable appearance features was rather gray. One of the initial debates was whether product color could qualify as a mark.¹⁶

A. *Qualitex Co. v. Jacobson Prods. Co., Inc.*

In *Qualitex*, the Supreme Court settled the color debate, at least partially.¹⁷ Specifically, the Supreme Court held that color could be a mark if it is non-functional, but also recognized that color generally had an aesthetic or utilitarian function.¹⁸ In reaching this conclusion, the Court applied the general principles used for marks in the past. In *Qualitex*, the colors white and green were used for pads placed on laundry clothing presses. There was no design shape associated with the mark. The product manufacturer used the colors on press pads for many years, and the Court found that secondary meaning did exist. The only question was whether color could be a mark as a matter of law. Some considered colors unprotectable, because of the limited number of colors available for use and the difficulty in identifying between color shades.¹⁹

15. See *infra* notes 17 to 41 and accompanying text (discussing the relevance and significance of recent Supreme Court decisions that have impacted trademark law).

16. See *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 160-61 (1995) (addressing trademark protection for color under the Lanham Act).

17. *Qualitex*, 514 U.S. at 173. The Court asserted that "color may sometimes meet the basic legal requirements for use as a trademark." *Id.*

18. *Id.* The Court noted that the language of the Lanham Act, which "permits an ordinary word, normally used for nontrademark purposes (*e.g.*, description), to act as a trademark where it has gained 'secondary meaning,'" should logically apply to color as well. *Id.* at 171-72.

19. *Id.* at 167. The Court recognized that courts have traditionally addressed whether word marks require protection when secondary meaning is acquired, finding that protection was warranted. *Id.* The Court applied the word mark analysis to the question of color protection, and maintained that

Qualitex established a broad foundation for the protection of product appearance features. Particularly, it reaffirmed the notion that merely functional marks could not be protected. Thus, colors such as red fire extinguishers or black and white for electrical cable, could not be marks since they were colors used to identify the nature or characteristics of the product. In *Qualitex*, the colors associated with the press pads had no utilitarian function and their aesthetic role was not competitively significant.²⁰

However, in the *Qualitex* decision, the Supreme Court did not address whether protection could be based solely on the colors being inherently distinctive if no secondary meaning was present. If the press pads had been a unique combination of colors for this type of product, they could have been recognized as a mark immediately. Much depended on the circumstances of the business and comparison to prior products in the market. The Court's example of an orange jam jar with a word mark and orange colored label, illustrated the need for an analysis of color effect on the product for trademark determination.²¹ The Court pointed out that, at least initially, the jar's outside color would have no trademark significance. Instead, the focus would be on the word mark. In this example, the Court did not suggest that product color alone could not be an inherently distinctive mark, or that color in other factual situations might not be inherently distinctive. Thus, the Supreme Court did not eliminate the possibility that color could be inherently distinctive.

B. *Two Pesos, Inc. v. Taco Cabanna, Inc.*

The next significant Supreme Court opinion to address trademark product appearance features protection was *Two Pesos, Inc.*²² The district court found that the restaurant décor, a combination of internal and external building features, was inherently distinctive.²³ In affirming, the district court's decision,

color should be treated in the same manner. *Id.*

20. *Id.* at 166. The Court stated that the "green-gold color served no other function," but recognized that it did have a role in making the product attractive by covering up stains. *Id.* The primary significance of the color combination was source identification. *Id.*

21. *Id.* at 163. The Court asserted that "over time, customers may come to treat a particular color on a product or its packaging [] as signifying a brand." *Id.*

22. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

23. *Two Pesos, Inc.*, 505 U.S. at 766. The District Court's jury instructions defined trade dress as the:

total image of the business. Taco Cabanna's trade dress may include the shape and general appearance of the exterior of the restaurant, the identifying sign, the interior kitchen floor plan, the decor, the menu, the equipment used to serve food, the servers' uniforms and other features

the Supreme Court established, as a matter of law, that at least some product appearance features could be inherently distinctive.²⁴ The Court rejected the rule that appearance feature marks require secondary meaning for protection.²⁵ Thus, *Two Pesos, Inc.* appeared to suggest that all product appearance features would be tested against the general principles of trademark law, *i.e.*, there would be no absolute protection bars for certain subject matter. That Court was then left to decide the distinctiveness requirements for product appearance features.

C. Wal-Mart Stores, Inc. v. Samara Brothers, Inc.

In *Wal-Mart*, the Supreme Court's evolution of trademark protection for product appearance features continued when the Court finally addressed the distinctiveness issue.²⁶ However, even though the Supreme Court addressed this issue, the debate on whether the doctrine of inherent distinctiveness should apply to product appearance still continues.²⁷ The Court limited its review to whether, as a matter of law, secondary meaning was required to protect trade dress.²⁸ Unfortunately, the case analysis and conclusions in *Wal-Mart* confuse both scholars and practitioners.²⁹

reflecting on the total image of the restaurant.
Id. at 765 n.1.

24. *Id.* at 776.

25. *Id.* at 772. The Court recognized that section 2 of the Lanham Act only required secondary meaning as a condition to registering descriptive marks; and thus, some marks were registrable without establishing a secondary meaning. *Id.*

26. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 205 (2000).

27. See, e.g., MCCARTHY, *supra* note 2, § 8.13 (preferring a multi-factor test to determine inherent distinctiveness). See also Adam J. Cermak, *Inherent Distinctiveness in Product Configuration Trade Dress*, 3 U. BALT. INTELL. PROP. L.J. 79 (1994) (favoring a flexible approach with several factors proposed). In *Reconceptualizing the Inherent Distinctiveness of Product Trade Dress*, the author, Graeme B. Dinwoodie, generally supported the multi-factor test, originally discussed in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342 (C.C.P.A. 1977). 75 N.C. L. REV. 471 (1997). Specifically, Dinwoodie opposed separate tests for packaging and product configuration marks. Professor Dinwoodie's article is an excellent review of the major trade dress protection literature published prior to the *Wal-Mart* decision. See also Jay Dratler, Jr., *Trademark Protection for Industrial Designs*, 1988 U. ILL. L. REV. 887 (supporting limited trademark protection for industrial designs, but also addressing a concern with respect to the extent that the doctrine of aesthetic functionality should be applied); William F. Gaske, Comment, *Trade Dress Protection: Inherent Distinctiveness as an Alternative to Secondary Meaning*, 57 FORDHAM L. REV. 1123, 1130 (1989) (urging a requirement of secondary meaning for all trade dress protection).

28. *Wal-Mart*, 529 U.S. at 207.

29. See, e.g., Jeffery M. Samuels & Linda B. Samuels, *Trade Dress Undressed: Wal-Mart v. Samara*, 29 AIPLA Q. J. 43 (2001) (asserting that the Supreme Court's decision in *Wal-Mart* was troublesome in several respects).

In *Wal-Mart*, the Court was asked to resolve the question of whether a dress design, with appliqués in several unique places on a dress, was inherently distinctive.³⁰ The appliqués themselves were registered copyrights. However, the overall dress appearance was the product appearance feature on which trademark protection was sought. In reversing the lower court's finding of inherent distinctiveness, the Supreme Court appeared to create new law that acknowledged that no "product design" could be inherently distinctive.³¹ Instead, secondary meaning was required to protect the dress. The Court held that product packaging would be analyzed by the general principles applied to word marks and consequently could be inherently distinctive.

The *Wal-Mart* Court created a separate class of product features called "product design" that were denied market entry protection. The *Wal-Mart* Court found support for this new law in the dicta from *Qualitex*. Essentially, the Court found that color could never be inherently distinctive and required secondary meaning for trademark protection.³² The Court's underlying principle was the notion that product appearance features were not recognized by customers as serving a trademark role.³³ All product appearance features that are not packaging would be subject to this rule. This decision created several new issues for

Specifically, the authors noted that:

[t]he Supreme Court's *Wal-Mart* decision was ill advised. It will render legal protection for new designs more problematic and will create additional uncertainty in the law.[] The application of different tests to packaging and design cases is impractical and unwarranted. The Court's "anti-competitiveness" concerns could be effectively addressed through application of the functionality doctrine.

Id. at 63. See also *infra* note 49 (discussing the American Bar Association's opposition to the Supreme Court's decision in *Wal-Mart*).

30. *Wal-Mart*, 529 U.S. at 207.

31. *Id.* at 212. In addressing this issue, the Court asserted that, "[t]he fact that product design almost invariably serves purposes other than source identification not only renders inherent distinctiveness problematic; it also renders application of an inherent-distinctiveness principle more harmful to other consumer interests." *Id.*

32. *Id.* at 216. The Court stated its findings and held that "in an action for infringement of unregistered trade dress under § 43(a) of the Lanham Act, a product's design is distinctive, and therefore protectible, only upon a showing of secondary meaning." *Id.*

33. *Id.* at 212. In defending the proposition that customers do not recognize product appearance features as serving a trademark purpose, the Court noted that:

[i]n the case of product design, as in the case of color, we think consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs – such as a cocktail shaker shaped like a penguin – is intended not to identify the source, but to render the product itself more useful or more appealing.

Id.

product appearance trademark protection, such as the definitional aspects of “packaging,” “product design,” and “product.”

The *Wal-Mart* Court gave several reasons for its decision. A major concern was the likelihood of protracted litigation over “product design” trademark protection.³⁴ The Court reasoned that lower courts lacked the capacity to deal with the issue of inherent distinctiveness on summary judgments in most cases, therefore ensuring that litigation would become burdensome and protracted. As an alternative, the Court urged protection of product design by other types of intellectual property, noting that in this case copyright law provided significant protection and that design patents might have been obtained.³⁵

While the *Wal-Mart* Court briefly discussed the application of the doctrine of functionality to remove uncertainty in what product designs might be protected, it did not suggest that this analysis would resolve the litigation uncertainty over product design protection.³⁶ However, less than two years after *Wal-Mart*, the Supreme Court addressed the functionality doctrine, the relation of trademark to utility patents, and, by analogy, the use of design patents to provide necessary early protection.

34. *Id.* at 213-214 (discussing the reality that competition would be deterred by a successful suit, or the threat of a successful suit).

35. *Id.* at 214 (noting that the “availability of these other protections [*i.e.*, copyright and design patents] greatly reduces any harm to the producers that might ensue from our conclusion that a product design cannot be protected under § 43(a) without a showing of secondary meaning”). The copyright protection at issue in *Wal-Mart* extended only to the appliquéés, not to the total dress image. The courts and the Copyright Office have seriously limited copyright law protection of product appearance, by exercising a narrow interpretation of the statutory requirement for separability of the protected design from functional product features. *See* 17 U.S.C. § 101 (1) (2001) (defining “useful article” and “pictorial, graphic and sculptural work”); 17 U.S.C. § 113 (2001) (discussing the scope of exclusive rights in pictorial, graphic, and sculptural works); 17 U.S.C. § 102(8) (2001) (providing that copyright law does afford effective copyright protection for architectural works). Design patents require novelty as well as the general patent requirements, 35 U.S.C. § 1 *et seq.* (1998). Design patents provide very good protection for product appearances if they satisfy novelty and prompt filing requirements. Unfortunately, design patents do not have retroactive rights. Only upon issuance of the design patent can one file an action; a design patent is issued approximately one to two years after the date of filing. This delay in filing an infringement suit can be critical. *See* William T. Fryer, III, *Design Patent System for the Twenty-First Century*, 24 AIPLA Q. J. 331, 339-341 (1996) (illustrating statistics on design patent pendency).

36. *See* *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 213 (2000) (noting that the capacity to bring a plausible suit depends, “upon the clarity of the test for inherent distinctiveness, and where product design is concerned we have little confidence that a reasonably clear test can be devised).

D. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*

In *TrafFix*,³⁷ the final Supreme Court case in the recent product appearance features group, the Court determined whether an expired utility patent precluded a mark on the same product appearance features covered in the utility patent claims. Because the *Wal-Mart* holding left many questions unanswered, both practitioners and academics were uncertain about how the Supreme Court would examine the issues in *TrafFix*. The Court could have applied a bright line test, as it did in *Wal-Mart*, by holding that there could be no mark, either during the patent term or after the utility patent expired. This alternative would have simplified the determination of protectable subject matter and reduced frequent litigation on the patent conflict issue.

Instead, the Court unanimously applied the functionality test, including the aesthetic functionality test, to avoid a conflict with utility patent law.³⁸ The Court left open the question of whether the functionality test is sufficient to clearly define the interface between utility patents and trademarks.³⁹ The decision made clear that trademark law should not protect utility patent subject matter or non-patented primarily functional features. This holding has strong implications; one of which being that the courts will now use the doctrine of functionality to maintain the proper relation between product feature trademark protection and patent law.

TrafFix eliminated, to some extent, the test that permitted product feature protection for alternative embodiments of a product.⁴⁰ This previous analysis was a common method of deciding whether a product appearance feature had a competitive impact and consequently could not be protected as a mark. The prior alternative embodiments test resulted in a narrow form of

37. *TrafFix Devices Inc. v. Marketing Displays Inc.*, 121 S.Ct. 1255 (2001).

38. *TrafFix*, 121 S.Ct. at 1261-1263. In discussing the functionality test, the Court noted that "in general terms, a product feature is functional, and cannot serve as a trademark, if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Id.* at 1261.

39. *See id.* at 1263 (stating that, "[i]f, despite the rule that functional features may not be the subject of trade dress protection, a case arises in which trade dress becomes the practical equivalent of an expired utility patent, that will be time enough to consider the matter").

40. *See supra* notes 11 to 15 and accompanying text (discussing the implication of product appearance protection). A Federal Circuit case illustrates the product appearance protection for alternative embodiments of a product. In *In re Teledyne*, the appellant attempted to maintain a trademark for the configuration of a showerhead nozzle. 692 F.2d 968, 969 (Fed. Cir. 1982). The Federal Circuit held that in the absence of evidence showing the existence of commercially feasible alternative showerhead configurations, which others could utilize to successfully compete with appellant on the basis of utility, the appellant had failed to rebut the Patent and Trademark Offices' case of *de jure* functionality. *Id.* at 971.

product appearance trademark protection for function related product appearance features. This test protected essentially the same subject matter as utility patent protection, where there was no significant competitive benefit from the trademark protected alternative embodiment. There was significant value in this protection due to a trademark's perpetual term.

Under the *TrafFix* rule, product appearance features related to significant functional operation will not be protected under trademark law. This new test leaves room for protecting appearance variations that have no essential function. The aesthetic role of a feature will be considered, and if competitive significance from the appearance features exists, there will be no trademark protection.

The new trademark test for product functionality will require a comprehensive study of how an industry uses the alleged trademark product appearance features. For example, the dresses at the center of controversy in *Wal-Mart* would be evaluated to determine the functionality of the alleged trademark appearance features. Under the new *TrafFix* test, the Court would hold that the appliqués are primarily functional as aesthetic features and hence would not grant trademark protection.

In the *TrafFix* opinion, the Supreme Court hinted that perhaps *Wal-Mart* was too strong in its bar of inherent distinctiveness for product appearance features. The *TrafFix* case suggested that there was ample basis for interpreting *Wal-Mart* narrowly or even limiting it to its facts.

III. WAL-MART VIEWED FROM THE INDUSTRIAL DESIGN PROFESSIONAL AND CONSUMER PERSPECTIVES

In the practice of industrial design, professionals make products easier to use and more attractive. A good example of the importance of the industrial designers' role is the recently developed I-MAC computer desktop series. The computer CPU and monitor are one unit, equating to one product. It is immediately indicative of the company making the product, even with several models available. The computer cabinets are not packaging, or are they? From the perspective of an industrial designer, features are added to give products a unique appearance and make them attractive. For example, restaurants such as Pizza Hut have unique roofs that serve both as an immediately recognizable trademark and as an attractive building feature. Label producing machines, such as Casio and Brother, have different and unique appearances both in form and in their respective packaging. It is these distinctive appearances that enable consumers to recognize a given product. Are these machines, found in plastic cases with instructions and advertising, a package or a product?

Package design has its own art and sometimes the product appearance plays an important role in the package design. For example, a picture of the product inside may be shown on the package, or the product may be visible through a transparent window. Thus, the reality of packaging creates questions about just how *Wal-Mart* applies to the real world of the industrial designer.⁴¹

IV. A PROPOSED LOWER COURT INTERPRETATION OF THE WAL-MART DECISION

There *is* ample basis for interpreting *Wal-Mart* narrowly and even limiting it to its facts. Specifically, the *Wal-Mart*⁴² opinion misconstrues dicta found in *Qualitex*,⁴³ and fails to fully consider the role of the functionality doctrine that the Supreme Court later clarified in *TrafFix*.⁴⁴ Lower courts possess a great deal of flexibility when interpreting the *Wal-Mart* decision, and should recognize that *Wal-Mart* introduced several new terms and issues. Instead of following the Court's dicta, *i.e.*, the general package and product test, lower courts should apply the essence of *Wal-Mart* and focus on what customers expect from the particular features and specific products involved. Essentially, courts should focus their analysis on whether the features are serving as a trademark or whether they are merely utilitarian or aesthetic features. This approach recognizes that some product appearance features can be inherently distinctive—a conclusion derived from dicta in the *TrafFix* decision.

In *Wal-Mart*, the Court denied trademark protection without secondary meaning under a test that asked whether customers would generally expect that this type of product appearance had trademark significance. In discussing the issue, the Court used the example of a penguin shaped cocktail shaker as merely aesthetic and not protectable under trademark law.⁴⁵ Apparently, the cocktail shaker users would view the shaker as primarily aesthetic, simply a conversation piece for partygoers. On the other hand, product appearance features exist that consumers could use to help in the identification of a product source.

I-MAC computer and Compaq desktop computers are

41. The Industrial Designers Society of American (IDSA) web site is an informative industrial design source. IDSA, at <http://www.idsa.com> (last visited Aug. 29, 2001).

42. See *supra* text accompanying notes 26 to 36 (discussing the application and analysis of the Supreme Court's decision in *Wal-Mart*).

43. See *supra* text accompanying notes 16 to 21 (discussing the application and analysis of the Supreme Court's decision in *Qualitex*).

44. See *supra* text accompanying notes 37 to 40 (discussing the application and analysis of the Supreme Court's decision in *TrafFix*).

45. *Wal-Mart*, 529 U.S. at 213.

examples of products that probably have inherently distinctive appearances. Customers have learned to expect this type of product to have significant trademark appearances. When an individual enters a large computer store looking for an Apple brand computer product, the appearance of the I-Mac directs the customer to the respective product brand. As discussed earlier, label producing machines are another example of brand focused appearance products. Customers shop visually, initially looking for the product appearance to find their preferred product brand. However, while these products might be attractive, a customer will not buy a product, such as an Apple computer, solely based on appearance. Hence, there is no significant competitive advantage in protecting the appearance of a computer as a trademark. Industrial designers have created a distinctive and attractive product.⁴⁶

These examples demonstrate that the *Wal-Mart* criteria, which requires secondary meaning for product appearance protection, is in reality more limiting than a literal interpretation might indicate. The proper analysis is to evaluate customer expectations in light of whether the product appearance features generally serve as a mark for that type of product. This view is consistent with the *Wal-Mart* holding and leaves the general doctrine of “inherently distinctive” on a firm foundation.

The Supreme Court’s dicta in the *TrafFix* decision supports this narrower interpretation of *Wal-Mart*. Specifically, the Court stated:

In a case where a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs, a different result might obtain.⁴⁷

While merely dicta, the statement suggests that design patent features that have some ornamental aspects,⁴⁸ may fall outside the *TrafFix* case’s “merely functional” exclusion. It also opens the door for the possibility that some product appearance features could be inherently distinctive.

Furthermore, the proposed interpretation of the *Wal-Mart* decision would provide important market entry rights for products that need immediate protection. It would also preserve the conceptual framework of trademark law, which is focused on the facts of each situation. In addition, as will be discussed in the

46. See *supra* note 41 (discussing the role of the industrial designer in the context of trademark law).

47. *TrafFix Devices Inc. v. Marketing Displays Inc.*, 121 S.Ct. 1255, 1262 (2001).

48. Design patents must have ornamental features in order to fall within the scope of protectable subject matter. 35 U.S.C. § 171 (2001).

foreign law section of this Article, this interpretation would provide a proper fit with generally accepted international practice by facilitating harmonization of product appearance trademark protection.

The uncertainty resulting from the *Wal-Mart* decision has generated significant concern,⁴⁹ with a movement urging clarification of the Lanham Act. A proposed legislative revision is presented in the next section.

V. LEGISLATIVE PROPOSAL TO CLARIFY THE EFFECT OF THE WAL-MART DECISION

In addition to the narrow interpretation of the *Wal-Mart* decision, this Article recommends a supportive legislative clarification of the Lanham Act.⁵⁰ One part of the proposed legislation would confirm that the trademark owner has the burden to show that a mark is distinctive, either inherently or through secondary meaning. While the owner's burden currently exists, a statutory change would clarify this point. This proposal follows a recent change in the Lanham Act concerning functionality, which placed the burden to establish that an alleged trade dress is not (merely) functional on the trademark owner.⁵¹ The proposed legislative change and the narrow interpretation of the *Wal-Mart* case would help courts handle product appearance trademark cases more efficiently. Further, many cases could be decided on summary judgments, or otherwise settled more rapidly. The second aspect of the proposed legislation would clarify that product appearance may be inherently distinctive if the general requirements for inherent distinctiveness are met.

A wide spectrum of interest groups would support this

49. See Samuels & Samuels *supra* note 29 and accompanying text (discussing the troublesome aspects and negative implications of the Supreme Court's decision in *Wal-Mart*). The American Bar Association Section of Intellectual Property Law also voiced its concerns about the *Wal-Mart* decision at its 2001 annual business meeting in Seattle, Washington. Action Taken on Resolution 412-1 at the 2001 Summer IPL Conference, *Trade Dress Inherent Distinctiveness for Product Configuration Resolved*, American Bar Association Section of Intellectual Property Law (June 27-July, 1 2001). Specifically, the proposed resolution stated that "the Section of Intellectual Property Law favors in principle the revision of the Lanham Act, 15 U.S.C. §§ 1051-1127, to state that there can be inherent distinctiveness of a non-functional product configuration when the general requirements for inherent distinctiveness applied to all trade dress are met."

50. 15 U.S.C. § 1051-1127.

51. See 15 U.S.C. § 1125(a) (2001) ("the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional."). See also Theodore H. Davis, Jr., *The Burden of Proof in Determinations of Trade Dress*, 88 TRADEMARK RPT. 325, 347-48 (1998) (supporting the proposed legislative change and providing the ground work for the passage of the legislation).

legislative proposal, especially after considering the serious nature of product piracy. For example, sometimes the appearance of a product is copied to gain the benefit of the originating company's product introduction. Protection timing is critical because much of the economic benefit is lost if the copier cannot be stopped immediately. In other words, the potential value of a mark would be weakened if users of similar product appearances were allowed to continue. Use of a different word mark by the copier would not resolve the confusion since consumers would simply assume, given the similarity in product appearance, that the original company is using a different word mark.

While there are other forms of intellectual property protection now applicable to product appearance features, the role of trademark law in this area is unique. Trademark law can develop a sensitive framework with which to identify whether a product has trademark significance upon entering the market, through the inherent distinctiveness principle. The safeguards that are now in place due to the aforementioned recent group of Supreme Court decisions, along with an appropriate narrow interpretation of the *Wal-Mart* decision, offer a necessary means to prevent trademark piracy.

VI. RENEWED EMPHASIS ON FUNCTIONALITY ANALYSIS

The Supreme Court in *TrafFix* sharpened the focus on the role of the functionality doctrine in trademark law.⁵² Before *TrafFix*, there was a serious division in the literature and case law on how to apply this standard.⁵³ A product appearance that has

52. See *supra*, text accompanying notes 37 to 40 (discussing the application and analysis of the Supreme Court's decision in *TrafFix*).

53. Perry J. Saidman in his article, *Kan TrafFix Kops Katch the Kararan Kopy Kats? Or Beyond Functionality; Design Patents are the Key to Unlocking Trade Dress Patent Conundrum*, concluded that:

[s]imply stated, the doctrine of functionality falls short in answering the question of whether granting trade dress rights in the subject matter of an expired patent unduly extends the exclusive rights (i.e., the conundrum), for two reasons: one, the doctrine of functionality fails to distinguish between unexpired and expired utility patents; and two, it cannot be applied in any reasonable objective manner to design patents.

Perry J. Saidman, *Kan TrafFix Kops Katch the Kararan Kopy Kats? Or Beyond Functionality; Design Patents are the Key to Unlocking Trade Dress Patent Conundrum*, 82 J. PAT. & TRADEMARK OFF. SOC'Y 839, 884 (2000). At the present time the Court answered these objections by holding the doctrine of functionality, when properly applied, did substantially resolve the trade dress and utility patent conflict, so the issue of design patent interface did not require a change in the law. See Theodore H. Davis, Jr., *Copying in the Shadow of the Constitution: the Rational Limits of Trade Dress Protection*, 86 TRADEMARK REP. 223 (1986) (finding a constitutional basis for applying the test of merely functional to exclude features); see, e.g., Ronald J. Horta, Comment, *Without Secondary Meaning: Do Product Design Trade Dress*

primarily a utilitarian or aesthetic role will no longer be given trademark protection, and the fact that competitively effective alternative embodiments might exist is not enough to support trademark protection.

The new focus on the merely functional doctrine is supported by the Court's statement in *Traffix* that "[a]s explained in *Qualitex* . . . and *Inwood*, . . . a feature is also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device."⁵⁴ This statement signals that if a product appearance feature has a competitively important function, it cannot be protected under trademark law. Further, the Supreme Court's reference to *Inwood Lab., Inc. v. Ives Lab., Inc.* is a reminder to the lower courts that trademark law cannot protect a merely functional product appearance.⁵⁵ The existence of alternative embodiments with competitively equal utilitarian functions will not be a basis for proving there should be trademark protection. This new test refocuses the functionality doctrine, broadens it, and properly adjusts the balance between utility

Protection Function as Infinite Patents, 27 SUFFOLK U. L. REV. 113, 132-134 (1993) (theorizing that secondary meaning is necessary for trade dress protection as it gives notice of possible rights and reduces conflicts with patents). This solution is consistent with the liberal interpretation of the *Wal-Mart* decision. See Jay Dratler, Jr., *Trade dress protection for product configurations: is there a conflict with patent policy?*, 427 AIPLA Q.J. 427, 594-98 (applying a Kewanee type patent policy analysis, concluding that trade dress and utility patents can coexist). Professor Dratler urged a continuation of the current law and suggested that a strict interpretation of the current standards would most likely create negative effects. *Id.* at 594-598. See also Todd R. Geremia, Comment, *Protecting the Right to Copy: Trade Dress Claims for Configurations in Expired Utility Patents*, 92 NW. U. L. REV. 779, 815-16 (1998) (recommending that trade dress rights end after a utility patent disclosing the trade dress expired, and concluding that the doctrine of functionality does not adequately eliminate unwarranted protection); Willajeanne F. McLean, *Opening Another Can of Worms: Protecting Product Configuration as Trade Dress*, 66 U. CIN. L. REV. 119, 146 (1997) (identifying several problems in protecting product configurations using trademark law); Glynn S. Lunney, Jr., *The Trade Dress Emperor's New Clothes: Why Trade Dress Does Not Belong on the Principle Register*, 51 HASTINGS L.J. 1131, 1195 (2000) (noting that the Lanham Act did not specifically include trade dress, and the courts should follow the precedent set forth in *Wal-Mart*, and limit undue expansion of trade dress protection); Grame B. Dinwoodie, *The Death of Ontology: a Teleological Approach to Trademark Law*, 84 IOWA L. REV. 611, 728 (1999) (analyzing the functionality component of trade dress law and concluding that the protection needed could be reduced significantly by stricter requirements for word mark labeling of the copier's product).

54. *Traffix Devices Inc. v. Marketing Displays Inc.*, 121 S.Ct. 1255, 1261 (2001).

55. See *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 853 (1982) (holding that colored medicine pills were not protectable by trademark law, because the customers identified the content and quality of the pills by these features).

patent law and trademark product appearance protection.

The *Traffix* Court also emphasized another aspect of functionality, the marketing impact of product appearance. The *Traffix* decision explained that aesthetic functionality was a separate part of the functionality test. Specifically, the Court stated that “[i]n *Qualitex*, by contrast, aesthetical functionality was the central question, there having been no indication that the green-gold color of the laundry press pad had any bearing on the use or purpose of the product or its cost or quality.”⁵⁶ The *Qualitex* opinion expanded on this point, stating in essence that color did not play a significant role in the product’s purpose or use.⁵⁷ The colors did make the press pads attractive and covered up stains, but these roles were not significant enough for that product to deny color trademark protection. It is apparent that each case should be decided on a case-by-case factual analysis basis.

A great deal of controversy exists regarding the use of an aesthetic functionality test.⁵⁸ The main criticism centers on the notion that the test is too vague. In view of the *Traffix* and *Wal-Mart* cases, there is little doubt that aesthetic functionality will be used more extensively to limit product appearance protection. The *Traffix* opinion refocused the lower courts on the limits of trademark product appearance protection.

VII. BOOSTING PRODUCT APPEARANCE FEATURES TRADEMARK RIGHTS BY OBTAINING A DESIGN PATENT

The Supreme Court in *Wal-Mart* suggested that a design patent could be an alternative to trademark protection.⁵⁹ While design patents are not the answer for market entry protection, they may be used to boost the effectiveness of product appearance features as trademarks for those marks that require secondary

56. *Traffix*, 121 S.Ct. at 1262.

57. *Qualitex*, 514 U.S. at 166. The Court emphasized that “the green-gold color acts as a symbol,” and “[h]aving developed secondary meaning (for customers identified the green-gold color as *Qualitex*’s), it identifies the press pads’ source. And, the green-gold color serves no other function.” *Id.*

58. See MCCARTHY, *supra* note 2 at §§ 7.79-7.82 (suggesting a merely ornamental test, and expressing the view, held by many, that the aesthetic functional test is too vague and open-ended); Mitchell M. Wong, Comment, *The Aesthetic Functionality Doctrine and the Law of Trade Dress Protection*, 83 CORNELL L. REV. 1116, 1165-67 (1998) (urging trademark protection where there is only trademark significance, and no aesthetical role for a product design); Spencer Davczy, Comment, *Aesthetic Functionality in Trade Dress: Post Secondary Aesthetic Functionality Proposed*, 105 COM. LAW J. 309, 329-30 (2000) (supporting the *Wal-Mart* decision requirement for secondary meaning and other steps using the aesthetic functionality principle to narrow protection of trade dress).

59. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 214 (2000); see *supra* text accompanying note 35 (discussing the significance and function of design patents).

meaning. This step can be taken only if the presence of a design patent does not preclude trademark protection, both upon issuance of the design patent and later when the design patent expires. Notwithstanding the *TrafFix* decision, this subject continues to generate much debate.⁶⁰

The Supreme Court's refusal to establish a blanket rule denying trademark protection for a utility patent protected product appearance suggests that the Court will not rush into the question of design patent protection's overlap with trademark protection. The Court has applied trademark principles that keep the notion of trademark focused on what it should protect.

The fundamental principle that design patents and trademarks do not involve primarily functional features makes the trademark and design patent systems compatible, albeit with different objectives and principles. Product features that are merely ornamental, a design patent requirement,⁶¹ are not trademarks. This indicates that the systems do not conflict, because a trademark requires source identification. These fundamental differences between trademarks and design patents suggest that a conflict would not exist if there were a design patent on a product design that was also a trademark, or was acquiring secondary meaning en route to trademark status.

The use of design patents to boost trademark status for product appearance features should be a useful step for product appearance features that are not inherently distinctive. Nevertheless, the acquisition of trademark distinctiveness is not guaranteed. The design patent would provide some degree of protection against piracy, within the limitations imposed by the delays and restrictions of the design patent system.⁶²

The next section of this Article discusses foreign and international protection of product appearance features. These international developments should influence the legislative decisions that pertain to the United States' protection of product appearance features.

VIII. FOREIGN PRODUCT APPEARANCE FEATURES TRADEMARK PROTECTION

Globally, the concurrent use of trademarks and design patents (or their equivalent registration form) is widely accepted. While national law binds American courts, many national intellectual property laws are controlled, or at least influenced, by

60. See *supra* text accompanying notes 53-59 (discussing the relationship between design patents and the functionality test).

61. 35 U.S.C. 171.

62. See Fryer, *supra* note 35, at 339-41 (discussing design patent statistics with respect to application pendency).

international agreements. Congress and the appropriate governmental offices participate in meetings on proposed treaties and bi-lateral agreements, and continuously review foreign laws to determine if they provide effective protection for American interests abroad.

Many events have significantly influenced the international development of trademark product appearance protection. The most notable are recent events such as the General Agreement on Tariffs and Trade (GATT-TRIPS),⁶³ and the Community Trademark (CMTM).⁶⁴ In the next section of this Article, the international agreements, as well as several foreign laws that were the product of significant trend-setting changes, are reviewed.

*A. International Perspective on Product Appearance Protection—
GATT-TRIPS.*

Internationally, TRIPS is one of the current driving forces with respect to product appearance trademark registration protection⁶⁵ because it includes a requirement for a broad scope of trademark protection. While TRIPS does not specifically refer to trademark registration law product appearance, the expressed language encompasses product appearance.⁶⁶ Particularly, member countries have interpreted TRIPS to include product appearance protection. Article 15(1) of TRIPS does not address the issue of what constitutes inherent distinctiveness or secondary meaning, but it does grant members the freedom to decide if secondary meaning is a requirement for product shape trademark

63. Agreement on Trade-Dress Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, Dec. 15, 1993, art. 15, 33 I.L.M. 81, [hereinafter "TRIPS"], available at http://www.wto.org/english/tratop_e/trips_e/trips_e.htm.

64. Commission Regulation 2868/95 of 13 December 1995 on Implementing Council Regulation (EC) No 40/94 on the Community Trademark, 1995 O.J. (L303/1), available at <http://www.wipo.int> on the Library page in the Collection of Laws for Electronic Archive (CLEA).

65. See generally TRIPS, *supra* note 63, 33 I.L.M. 81.

66. In particular, article 15 of TRIPS states in part that:

[a]ny sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible."

TRIPS *supra*, note 63, art. 15, 33 I.L.M. at 89.

registration protection.⁶⁷

*B. International Perspective of Product Appearance Protection—
Community Trademark (CMTM).*

The European Union Community Trademark (CMTM) Directive and its related CMTM Trademark Regulations are also major influences on international product appearance trademark registration protection. In general, the European Union (EU) Directive requires members to change their national laws to conform to the Directive. Essentially, the CMTM Directive requires protection by trademark registration of product appearance.⁶⁸ The United Kingdom experienced the impact of this Directive, because, up to that time, it had not permitted trademark registration of product shape.⁶⁹

The exclusion from CMTM, which related to product appearance protection, included several important provisions. One of these exclusions was the product shape necessary for a technical result, which takes form in United States law as the purely functional design feature exclusion.⁷⁰

A few years after the Directive, the EU enacted the CMTM Regulation, which established a trademark registration system.⁷¹

67. *Id.*

68. Council Directive 89/104 of 21 December 1988 To Approximate the Laws of the Member States Relating to Trademarks, art. 2, 1989 O.J. (L 40/1), on the WIPO Library page in the Collection of Laws for Electronic Archive (CLEA) <http://www.wipo.int> (last visited Aug. 29, 2001).

Specifically, article 2 of the Council Directive states that:

[a] trademark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Id.

69. International Association for the Protection of Intellectual Property [hereinafter AIPPI], Executive Committee Meeting, Sorrento, Italy (April 8-15, 2000), *Three-Dimensional Marks: The Border Line Between Trade Marks and Industrial Design*, available at <http://www.aippi.org> (last visited Aug. 29, 2001).

70. Council Directive, *supra* note 68, art. 3, 1989 O.J. (L 40/1). Specifically, article 3, Grounds for Refusal or Invalidity, lists several important exclusions that are beyond the scope of this paper, however, it states in part that:

The following shall not be registered or if registered shall be liable to be declared invalid;

(e) signs which consist exclusively of:

the shape which results from the nature of the goods themselves, or
the shape of goods which is necessary to obtain a technical result, or
the shape which gives substantial value to the goods. . . .

Id.

71. Commission Regulation, *supra* note 64, 1995 O.J. (L303/1). See RUTH E. ANNAND & HELEN E. NORMAN, BLACKSTONE'S GUIDE TO THE COMMUNITY TRADE MARK 21-59 (1998) (providing a comprehensive review of the CMTM

The scope of subject matter and exclusions were the same as those set up nationally by the Directive. Using a complex set of laws that retained priority for prior national rights, the registration system provided trademark and service mark rights throughout the community. Analyzing a few of the EU trademark registration office decisions on product shape marks, it appeared that the Board of Appeals was applying a high distinctiveness standard.⁷² This practice transformed the registration issue to a question of whether the product appearance had created distinctiveness, *i.e.*, secondary meaning. This approach applied the distinctiveness standard to effectively minimize product appearance registration without secondary meaning. The CMTM system used an evenhanded approach to trademark registration, retaining consideration of inherent distinctiveness.

A CMTM registration cannot be obtained if it is the same as a nationally protected copyright or industrial design right for the same design that is owned by a third party.⁷³ This feature allows members to use their national laws to settle disputes as to who has the right to protect a design, when a coexisting right exists. The EU is in the process of developing a harmonized approach to product appearance trademark registration protection.

IX. INTERNATIONAL VIEW OF PRODUCT SHAPE PROTECTION - SELECTED NATIONAL TRADEMARK REGISTRATION AND INDUSTRIAL DESIGN REGISTRATION LAWS ON PRODUCT APPEARANCE PROTECTION

Fortunately, the International Association for the Protection of Intellectual Property (AIPPI) recently surveyed thirty-one countries on the relationship between trademark registration laws and industrial design registration laws in an effort to determine their interfaces. The final report contains a wealth of information, and an analysis of this material developed the following points:

1. Product appearance is protected in all of these countries by trademark law, applying the basic trademark law principle of

system, and an excellent in-depth review of the procedures and legal interpretations under the CMTM Regulation).

72. See generally Office for Harmonization in the Internal Market (Trade Marks and Designs), *Decisions of the Boards of Appeal in 2000*, at <http://www.oami.eu.int> (last visited Sept. 23, 2000). Take note of the First Board of Appeal's decision on March 8, 2000, in Case R 512/1999-1, on an application filed by Proctor & Gamble Company for a three-dimensional soap container shape with color features, and the First Board of Appeal's decision on April 14, 2000, in Case R 179/1999-1, on an application filed by Telephone Products, Inc. for the shape of electrical connectors. *Id.* at 50, 86. The result in each cases was the same. *Id.* The Board affirmed the examiner's decision, which held that the product shapes were not distinctive. *Id.*

73. ANNAND & NORMAN, *supra* note 71, at 59; Commission Regulation, *supra* note 64, art. 1, rule 52(2) 1995 O.J. (L303/1).

distinctiveness;

2. Secondary meaning is not necessary in almost all of these countries to protect product appearance. Most countries use a case-by-case analysis to determine if a product shape is distinctive, and if it is not distinctive, then secondary meaning may be sufficient to permit registration.

3. Most countries permit protection of product shape by trademark registration at the same time a product shape is protected by industrial design registration. The trademark protection continues after expiration of the industrial design registration. The reasoning behind this approach, generally, was that the regular exclusions from trademark protection, such as a technical result, the appearance as the natural form of a product, or additions in value, adequately eliminated any major policy conflicts with extending design protection by trademark registration. Also, as mentioned earlier, some countries applied a high level of distinctiveness, essentially requiring secondary meaning for many product shapes to minimize unwanted policy issues. There were some countries, particular the French Group, that expressed concern about extended protection from trademark registration after an industrial design registration expired. All reports indicated that a strong policy argument existed to maintain product shape trademark registration protection, for appropriate subject matter, to prevent customer confusion.

4. The reports revealed general agreement on the concurrent protection by trademark registration and industrial design registration, and the continued trademark registration protection after expiration of the industrial design registration, within the context of each system. There was recognition that the extent of subject matter protected for each system might be different, and the basis for infringement determination might differ, producing unique overlapping protection for each IP form and for each product.

5. While there was considerable agreement on the basic trademark principles and how to apply them, there was expressed a general need for more harmonization on legal and procedural aspects, including what should be excluded from protection. This discussion should be convened soon.⁷⁴

CONCLUSION

The basic trademark law principles that are applied to word marks work effectively for product appearance features with the proper application of the functionality test. Utility patent law and

74. See generally AIPPI, *supra* note 69, Executive Committee Meeting, Sorrento, Italy (April 8-15, 2000), *Summary Report*, available at <http://www.aippi.org>.

trademark law have different criteria, and as long as that separation is carefully maintained, there should be no need to have an absolute bar for inherently distinctive product appearance features. Each case should be reviewed separately on a factual basis.

The principle of inherent distinctiveness is a fundamental aspect of trademark law. Specifically, inherent distinctiveness provides word marks and product appearance feature marks with important protection against copying at the time of market introduction. Product appearance features can serve as marks immediately upon market entry. This deduction is self evident from the success of industrial designers in creating distinctive products.

In *Qualitex*, the Supreme Court did not hold as a matter of law that color could never be inherently distinctive, and in *Wal-Mart* the Court incorrectly relied on *Qualitex* to support the principle that "product design" (product appearance features) is not protectable under the inherently distinctive principle. Lower courts are urged to interpret *Wal-Mart* narrowly and instead focus on the basic principle stated in *Wal-Mart*: the importance of the customer's likely expectation on the role of product appearance. If customers would expect that an appearance might serve as a mark for that type of product, then there should be inherent distinctiveness. Again, this is a factual analysis, and each case should be considered on its own merits.

Congress is urged to enact legislation that will clarify that the Lanham Act does not bar product appearance features from being inherently distinctive. In addition, this clarifying legislation should affirm that the mark owner bears the burden to prove a product appearance feature is inherently distinctive.

Globally, trademark law is becoming more uniform. Countries other than the United States have overwhelmingly adopted the case-by-case analysis, with the same principles applied for word marks and product appearance. The merely functional test is also used to deny protection. The goal of harmonization would not be reached if the United States adopted a bar to inherent distinctiveness in product appearance.

The use of design patents to boost trademark rights, by maintaining exclusive rights for some product appearance features, is a sound approach based on existing American law and is used in most foreign countries. The unique requirements for a mark will justify its existence during design patent protection and after patent expiration. As the Supreme Court stated in *Qualitex* and suggested in *Wal-Mart* and *TrafFix*, aesthetic functionality will play a special role to keep product appearance feature marks on the right course. Where there is no role other than aesthetics or ornamentation, an expired design patent's features are

available for all to use. Only if customers have found trademark significance will there be a trademark that continues after design patent expiration. These principles will balance competition and fair business dealing.

The interpretation of the recent Supreme Court decisions coupled with the current legislation will trigger a reduction in the subject matter scope for trademark product appearance protection. Fewer product appearances will be protectable under trademark law. The protection door has closed significantly. Sharper focus and narrower scope of subject protection for trademark product appearance is a strong incentive to follow the lead of other countries and develop a new market entry design protection law. There is significant support for this type of legislation in the United States, as evidenced by the recently enacted market entry protection of vessel hulls and the history of similar legislative efforts.⁷⁵

75. See 17 U.S.C. §§ 1301 *et. seq.* (2001) (Vessel Hull Design Protection Act). See also William T. Fryer, III, *The Evolution of Market Entry Industrial Design Protection: An International Comparative Analysis*, 21 EUR. INTELL. PROP. REV. 618 (1999) (discussing 17 U.S.C §§ 1301 *et. seq.*, and the international trend with respect to market entry product appearance protection).

