Trade Dress Protection for Product Configurations and the Federal Right to Copy

Margareth Barrett

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Trade Dress Protection for Product Configurations and the Federal Right to Copy

by

MARGRETH BARRETT*

I. The Functionality Doctrine .................................................... 479
II. The Distinctiveness Issue ........................................................ 483
    A. The Two Pesos Decision .................................................... 485
    B. The Aftermath of Two Pesos ............................................ 486
III. The Likelihood of Confusion Issue ........................................ 498
IV. Conclusion ........................................................................... 507

* Professor of Law, University of California, Hastings College of Law. I would like to thank my research assistant, Steve Anderson, for his valuable assistance with this project.
Introduction

The COMM/ENT editors and staff are celebrating the twentieth year of their journal’s excellent service to the legal community. In honor of the occasion, they have asked several of their supporters to write about a current or future trend in the law of communications or intellectual property. In that vein, I would like to comment on the growing tendency of manufacturers to claim trade dress rights in the appearance of their products as a means of insulating them from competition from knock-offs, and more particularly, on some of the United States Courts of Appeals' efforts during the past four years to contain the practice. These courts—particularly the Third and Second Circuits—have expressed skepticism about the legitimacy of such claims in many instances. Moreover, they have voiced considerable concern about the effect of liberal trade dress protection for product features on competition and on the “federal right to copy,” which Congress created as a byproduct of the patent and copyright laws. This article will evaluate the steps these courts have taken in restricting the trade dress cause of action in light of these concerns and explore their implications, particularly in light of the Supreme Court’s decision in Two Pesos, Inc. v. Taco Cabana, Inc.1

U.S. law provides several means by which businesses may obtain intellectual property rights in their products’ features. First, they may apply for a utility patent on useful, inventive aspects of the product, or a design patent for ornamental aspects of its appearance. The standards of patentability in either case, however, are difficult for many product creators and designers to meet. The invention or design must be novel2—which means, for all practical purposes, that the applicant was the first person to make it. Moreover, the invention or design must be non-obvious3—if a person with ordinary skill in the pertinent art and knowledge of previous inventions or designs in the field would think the applicant’s invention or design obvious in light of the earlier ones, then that invention or design will not qualify for a patent.4 It may be difficult to produce a design for a suitcase or a disposable diaper or a tie for plastic bags that will be efficient and will sell, but is a sufficient departure from the previous designs to be non-obvious. Further, even if a patent is available, pursuing one may not be feasible. Patents are expensive and they only provide protection

once they are granted. The application process may last a couple of years, and the commercial life of many consumer product designs is not much longer than the application period.

Copyrights may be available for original “pictorial, graphic or sculptural” works that are embodied in a useful article and mass produced for general consumption.\(^5\) As a general matter, the standards for copyright protection are lower than for patent protection: the work must be “fixed” in a tangible form, and it must be “original.”\(^6\) Originality is much easier to demonstrate than patent law’s novelty requirement: it merely requires that the work be the author's own, and demonstrate a minimal level of creativity.\(^7\) However, copyright protection is further restricted when a “pictorial, graphic or sculptural work” is embodied in a useful article, as is frequently the case when manufacturers seek to prohibit others from copying the appearance of their products. The copyright claimant must demonstrate that the pictorial, graphic or sculptural elements of the product are “physically or conceptually separable” from the utilitarian aspects of the article.\(^8\) For example, the little statue of a leaping jaguar on the hood of a Jaguar car is physically separable, because it would be recognizable as a work of sculpture even if severed from the car. However, most design elements of useful articles are not physically separable, and conceptual separability is much more difficult to prove. Under the leading test from the Second Circuit, the copyright claimant seeking to prove conceptual separability must demonstrate that the alleged copyrightable design elements reflect the designer’s artistic judgment exercised independently of functional influences.\(^9\) Since most designers of useful articles merge form and function, they cannot satisfy this standard.

Omitting protection for product features that are obvious or non-novel, or that lack separability, was hardly an oversight on Congress’ part. The ultimate purpose of the federal intellectual property scheme is to ensure a rich, diverse and competitive marketplace. Congress enacted the patent and copyright laws to

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9. See id. The separability requirement is imposed as a prerequisite to copyright protection for useful articles in part to prevent businesses from using copyright protection as a substitute for a utility patent, thus avoiding the novelty, non-obviousness and usefulness requirements.
provide limited property rights in certain products of the intellect as an incentive to create such products. This facilitates provision of a variety of creative products to the public. However, Congress has always seen patent and copyright protection as an exception to the general rule that business competitors may freely copy one another's products. Congress clearly believed that a competitive marketplace requires free access to innovation, and intended for those creations not qualifying for a patent or copyright, or whose copyright or patent has expired, to remain in the public domain, to "be made and sold by whoever chooses to do so." As the Seventh Circuit has explained: [I]mitation is the life blood of competition. It is the unimpeded availability of substantially equivalent units that permits the normal operation of supply and demand to yield the fair price society must pay for a given commodity. . . . Copying is not only good, it is a federal right—a necessary complement to the patent system's grant of limited monopolies.

Both the novelty and the nonobviousness requirements of federal patent law are grounded in the notion that concepts within the public grasp, or those so obvious that they readily could be, are the tools of creation available to all. They provide the baseline of competition upon which the patent system's incentive to creative effort depends.

Congress intended, in the standards for protection set forth in the Patent and Copyright Acts, to reach the optimal balance between the goals of providing incentives to create and maintaining a broad and vigorous public domain from which all may borrow. For years, however, many American businesses have expressed dissatisfaction with the balance Congress drew in the Patent and Copyright Acts, arguing that they should have the means to prevent competitors from manufacturing and selling knock-offs of those products that fail to qualify for copyright or a patent. They have contended that this form of free-riding is unfair, and places them at a disadvantage vis-a-vis foreign competitors. Bills to create such protection have been introduced in Congress repeatedly over the past several decades.


TRADE DRESS PROTECTION

but Congress has declined to enact them. Presumably, on weighing the resulting cost of such protection to consumers against the claimed injury to businesses, Congress has determined that the existing balance better promotes the overall good.

In recent years, businesses have increasingly turned to the law of unfair competition, and particularly to Lanham Act § 43(a), as a possible alternative means of preventing competitors from copying their products. Section 43(a) of the Lanham Act provides a cause of action against a defendant for use of an unregistered trademark or trade dress that causes a likelihood of consumer confusion about the source, sponsorship, or approval of its goods.14 The term “trade dress” originally was understood to refer to a product’s labeling and packaging, but the concept has been expanded to encompass those physical features of the product itself that may serve to identify its source.15

Unlike the patent and copyright laws, the trademark and unfair competition doctrines codified in § 43(a) were not intended to provide property rights in a business’ products, as such. Rather, their purpose is to promote competition by ensuring that consumers can rely on trademarks, trade dress, and other indicia of product origin to distinguish the products of one supplier from those of others, and thus exercise their purchasing preferences. When purchasers can accurately rely on trademarks and trade dress to distinguish

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Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin . . . which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15. See J.T. McCarthy, Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake, 59 L. & CONTEMP. PROBS. 45, 62 (1996). Throughout this essay, I will use the terms “product feature trade dress” and “product configuration trade dress” interchangeably. This form of trade dress may consist of one or a combination of physical features of a product. It is to be contrasted with the packaging in which the product is sold (which I refer to as “packaging trade dress”), and the verbal or graphic trademarks that appear on the product’s label. The product feature trade dress, packaging trade dress and verbal or graphic trademarks may all serve the purpose of identifying the product’s producer to consumers and distinguishing the product from the products of other producers, and I refer to all of them collectively as “indications of origin.”
competing products, they can reward producers for good quality through repeat patronage. This, in turn, encourages businesses to provide good quality products, and promotes competition. If a defendant copies the plaintiff's trademark or trade dress, this may deceive consumers, leading them to purchase the defendant's goods when they meant to purchase the plaintiff's. In such cases, the purchaser is deprived of the good he or she wanted, the plaintiff is deprived of the benefit of its good reputation, and its incentive to provide quality is undercut.16

Business plaintiffs have increasingly argued that consumers identify and distinguish the goods of one competitor from those of others not only through the parties' trademarks and product packaging, but also through the appearance of the parties' products. Thus, if competitors are permitted to copy the appearance of the plaintiff's product, consumers may be confused, believing that the defendant's product comes from the plaintiff, or is somehow affiliated with or sponsored by the plaintiff, when it is not. Consumers will purchase a product they did not mean to purchase, and the plaintiff will lose sales and risk possible injury to its business reputation by virtue of consumers' mistaken association. This is the very sort of injury Lanham Act § 43(a) is meant to prevent.

However, permitting plaintiffs to rely on § 43(a) to prevent the copying of product features creates a distinct tension with Congress' plan in enacting the patent and copyright laws. If the courts readily accept the plaintiffs' arguments and enjoin the copying, the plaintiffs may be able to avoid the rigors of competition with knock-offs, without the necessity of satisfying the difficult novelty and non-obviousness standards imposed by patent law, or the separability requirement imposed by copyright law. This, in turn, may stifle the robust marketplace competition that Congress intended to maintain in imposing those standards and relegating product designs that are unable to meet the standards to the public domain. It may, in effect, undercut the federal right to copy.17

As the number of § 43(a) product copying cases has escalated in recent years, courts have expressed growing concern about their capacity to undercut the careful balance Congress reached in the Patent and Copyright Acts, and their general anticompetitive potential. In just the past four years, some of the Circuit Courts of

17. See supra note 11 and accompanying text.
Appeals—particularly the Second and Third Circuits—have taken
decisive steps to attempt to ensure that the use of § 43(a) to prohibit
the copying of product features does not become excessive. Review
of the decisions suggests a couple of underlying currents of thought.

The opinions suggest a strong sense that, in the § 43(a) context,
product features are inherently different from other indicia of
origin—marks, trade names and packaging trade dress—and that this
difference may dictate a different set of standards for recognizing
Lanham Act rights and deciding infringement claims. Product
features are inherently different for two reasons. First, the pool of
usable product features is likely to be considerably smaller than the
pool of potential word or symbol marks or packaging trade dress.
Thus, granting a manufacturer rights in a product feature is likely to
have a more detrimental impact on its competitors than is the case
when rights are recognized in other indicia of origin. For example,
there may be an unlimited number of combinations of colors, words,
symbols, designs and other elements available for adoption in a
product's packaging. By contrast, there are only a limited number of
shapes a producer can adopt for a disposable diaper, a park bench, or
a tie for plastic bags that will allow the article to function effectively
and be efficient to manufacture. Thus, allowing one producer to claim
rights in a particular shape, for example, may have a far greater
impact on that producer's competitors than finding that it has rights
in the packaging it employs for the product. 18

Second, while marks and product packaging are generally
understood to represent consumer approbation and loyalty to the
producer of a satisfactory product, it may be unclear whether features
of the product itself represent consumer good will for the producer or
for the product itself. Lanham Act § 43(a) was only intended to
secure good will for the producer as the source of the product. 19
Indeed, the courts have evidenced considerable skepticism for the
proposition that consumers in fact rely on product features as an
indication of product origin in most cases. They have suggested that
the legitimate purposes of Lanham Act § 43(a) can be adequately
effectuated in most cases by enforcing rights in marks and packaging,
without resort to features of the product itself. 20

18. See, e.g., Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 379 (2d
Cir. 1997).
19. See, e.g., Thomas & Betts Corp., 65 F.3d at 658-59.
20. See, e.g., Landscape Forms, 113 F.3d at 379; Versa Products Co. v. Bifold Co., 50
F.3d 189 (3d Cir. 1995).
There are three requirements that must be satisfied in a § 43(a) trade dress infringement case: 1) the plaintiff's trade dress must be distinctive (that is, it must communicate or be likely to communicate the origin of the product to consumers); 2) the trade dress must be non-functional; and 3) the defendant's use of a similar trade dress must lead to a likelihood of consumer confusion about the source, affiliation or sponsorship of the parties' goods. The courts developed the non-functionality requirement to ensure that trade dress rights do not unduly encroach on free competition. However, when trade dress claims involve product features, some of the Circuits have refused to rely solely on the non-functionality requirement to maintain the proper competitive balance. Rather, they have reformulated both of the other substantive requirements to take greater account of competition concerns. In exploring the steps the Circuit Courts have taken, it is useful to begin with an examination of the non-functionality requirement. Thus, Part I provides an overview of the functionality doctrine, then Parts II and III examine the recent decisions relating to the distinctiveness and likelihood of confusion issues, respectively. This article concludes, among other things, that to the extent greater competitive concerns exist in § 43(a) product configuration cases, the Second and Third Circuits' approach can be justified. That approach applies the functionality requirement to exclude the most competitively important product features from protection, and then subjects competitively significant, but less important product features to a secondary meaning requirement as a prerequisite for protection. This may provide better results than would be obtained by imposing a more stringent functionality requirement to exclude all competitively significant design features from protection, as may be done in the Eighth Circuit. This article also concludes that judicial emphasis on label marks and product packaging, rather than product configuration similarities in evaluating the likelihood of confusion is sensible, but may be circumvented through pre- and post-sale confusion arguments.

21. See, e.g., Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996, 1005 (2d Cir. 1995). The burden of proving these elements is on the § 43(a) plaintiff, except, in some circuits, the burden of proof regarding functionality is on the defendant. See 3 J.T. McCarthy, McCarthy on Trademarks and Unfair Competition, § 7.26[3][d] (1997).
I

The Functionality Doctrine

The functionality doctrine provides the most direct means of preventing application of § 43(a) in a manner that undercuts Congress' competitive plan under the Patent and Copyright Acts. In a recent opinion, the Supreme Court described the functionality doctrine as follows:

"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," that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.\(^\text{22}\)

The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature. It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time, after which competitors are free to use the innovation. If a product's functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).\(^\text{23}\)

The Supreme Court's focus on "useful" or "utilitarian" product features reflects the general understanding that competitors usually have a greater legitimate need to copy unpatented utilitarian features of a product than they have to copy features that are simply decorative. While consumers may identify certain utilitarian product features with a particular producer, and view their presence in a product as an indication that the product comes from that producer, the law will tolerate this potential for confusion because the injury to free competition that would result from granting the producer protection from copying would constitute an even greater harm.\(^\text{24}\) When "non-utilitarian" features are at issue, a different balance may be struck. Because prohibiting copying has a lesser impact on competition, the potential consumer confusion may be viewed as the greater harm, justifying trade dress protection.

The Supreme Court's description of the functionality doctrine also suggests the possibility that not all useful or utilitarian product


\(^{23}\) Id. at 164.

\(^{24}\) See, e.g., In re Deister Concentrator Inc., 289 F.2d 496 (C.C.P.A. 1961).
features must fall under the functionality prohibition. Presumably, some product features, while playing a utilitarian role in the product, may not be "essential to the use or purpose of the article," or "affect the cost or quality of the article." This may be the case if there are numerous alternative features that would accomplish the same useful function without significantly increasing the cost or decreasing the quality of the product. Granting trade dress rights in such cases may not have an unduly detrimental impact on competitors.

Both the "useful/non-useful" and "not all useful features" qualifications suggested in the Supreme Court's description have lead to difficulties in the Circuit Courts of Appeal. With regard to the latter, the Circuits have devised a variety of tests to determine which "useful" features will be excluded from trade dress protection. In a 1982 decision, the Court of Customs and Patent Appeals noted that while a product feature may be de facto functional because it is directed to performance of a function, it need not necessarily be deemed de jure functional, and excluded from trade dress protection. The court suggested that the categorization should turn on the effect of protection on competition. The effect on competition will depend in large part upon the availability of equally effective and cost-efficient alternatives. The Court of Customs and Patent Appeals' approach has been influential in the regional Circuit Courts.

However, a general "availability of alternatives" approach to limiting § 43(a) product configuration trade dress claims may draw the lines between competition and protection differently—and more favorably to those seeking to prevent copying—in some cases than Congress intended when it drafted the patent laws. An example of this can be found in Vornado Air Circulation Systems, Inc. v. Duracraft Corp. In that case the Court of Appeals for the Tenth Circuit found it necessary to impose an additional prerequisite to trade dress protectibility. In Vornado, the plaintiff had obtained a utility patent for its household fan, claiming a certain spiral grill configuration as one element of the invention. The plaintiff marketed a commercial version of its patented fan, and subsequently brought a § 43(a) trade dress infringement action seeking to prohibit the defendant from marketing a household fan featuring a similar spiral grill. The defendant's fan did not infringe plaintiff's patent because it lacked other elements of the plaintiff's patented combination. The district court granted § 43(a) relief, finding that the spiral grill design

was non-functional because there were numerous other grill configurations available that would disperse the air just as effectively. The Court of Appeals for the Tenth Circuit reversed, reasoning that providing trade dress protection for product configurations that are claimed in utility patents may directly interfere with the public's ability to practice patented inventions once their patents expire. In the court's view, the interest in making expired patented inventions available to competitors outweighed the interest in preventing consumer confusion in such cases. Thus, the court augmented the functionality requirement, holding that:

[a]though a product configuration must be nonfunctional in order to be protected as trade dress ..., not every nonfunctional configuration is eligible for that protection. Where a product configuration is a significant inventive component of an invention covered by a utility patent, so that without it the invention cannot fairly be said to be the same invention, patent policy dictates that it enter into the public domain when the utility patent [expires]. To ensure that result, it cannot receive trade dress protection ....

The Court of Appeals for the Seventh Circuit, in *dictum*, has expressed general agreement with the Tenth Circuit's reasoning. Courts' dissatisfaction with results under the "availability of alternatives" approach to the functionality doctrine may also have contributed to recent decisions heightening the distinctiveness and likelihood of confusion standards to take greater account of competition interests as will be discussed below.

The distinction between useful and "non-useful" or decorative product features has also troubled the Circuit Courts, because in some instances competitors appear legitimately to need to copy strictly decorative features of a product in order to compete effectively. This consideration led to creation of the highly controversial "aesthetic functionality" doctrine, which in its more acceptable form, is exemplified in the Second Circuit's opinion in *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*
There the court held that "where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection."31

While some of the Circuits have questioned the soundness of an aesthetic functionality doctrine, as such,32 some of them have adopted tests for functionality that are sufficiently flexible to permit a finding that a decorative product feature is functional when it appears necessary to do so in the interest of competition. For example, the Third Circuit has determined that a product feature will be deemed functional if it is "significantly related to the utilitarian function of the product,"33 but has retained flexibility in defining the utilitarian function of the product. In Keene Corp. v. Paraflex Industries, Inc., the court defined the utilitarian purpose of the product at issue—an outdoor lighting fixture with a modernistic design—as not only to provide light but also to blend in with the architectural design of building exteriors. The design configuration at issue was particularly well adapted to contemporary building designs. Thus, even though the appearance of the fixture could be deemed ornamental (it had no apparent bearing on the mechanical operation of the light, or the ease of its manufacture), it could nonetheless be deemed significantly related to the utilitarian function of the product under the Third Circuit's standard, and thus functional.34

nonetheless be deemed de jure functional. There was a large market for baroque style silverware, which competitors would be excluded from serving if the plaintiff were found to have trade dress rights in that style. The style was thus essential to effective competition.

The "less acceptable," or more controversial approach to aesthetic functionality can be found in the Ninth Circuit's opinion in Pagliero v. Wallace China Co., 198 F.2d 339, 343 (9th Cir. 1952):

If the particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a patent or copyright. On the other hand, where the feature . . . is a mere arbitrary embellishment, a form of dress for the goods primarily adopted for purposes of identification and individuality, and hence, unrelated to basic consumer demands in connection with the product, imitation may be forbidden where the requisite showing of secondary meaning is made.

The Ninth Circuit has since retreated from this standard. See First Brands Corp. v. Fred Meyer, Inc., 809 F.2d 1378, 1378 n.3 (9th Cir. 1987). However, the Pagliero test seems to have influenced the Eighth Circuit's functionality standard, which is discussed in the text accompanying note 88,infra.

31. Wallace, 916 F.2d at 81 (citations omitted).
34. Id. See also Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513, 519 (10th Cir.
Each Circuit has developed its own formulation of the functionality doctrine and continues to refine it as new circumstances are presented. Each formulation strives to provide flexibility to review the specific facts of a case with a pragmatic eye, and prohibit trade dress claims that would have a particularly anti-competitive impact. It has been argued that because the courts created the non-functionality doctrine specifically to prohibit unduly anti-competitive uses of § 43(a), and to avoid uses of § 43(a) that undermine the limitations of patent law, concerns about these matters should be confined to consideration of the functionality issue, and should not be carried over to influence development of the other elements of the § 43(a) trade dress cause of action. However, as will be discussed more fully below, the trend in the past three years has been in the opposite direction, suggesting that the courts will not compartmentalize competition concerns in that fashion.

II
The Distinctiveness Issue

The purpose of § 43(a) trade dress protection is to prevent competitors from engaging in acts that lead to a likelihood of consumer confusion about the source, sponsorship, or affiliation of their products. If consumers view a plaintiff's non-functional product configuration as an indication that the product comes from the plaintiff, then a competitor's use of a similar configuration in its own product may confuse consumers, leading them to think that the competitor's product comes from the plaintiff, or at least is somehow sponsored by or affiliated with the plaintiff. The distinctiveness element of the § 43(a) cause of action is meant to ensure that consumers are in fact likely to view the plaintiff's product feature as an indication of the product's origin before protection is afforded.

1987). There, the court stated:

[We] adopt a test whose focus is the effect on competition . . . . If [a] feature must be slavishly copied in order to have an equally functional product, then the feature is not entitled to protection. But if the feature enables the second-comer simply to market his product more effectively, it is entitled to protection.

This interpretation does not limit functional features to those essential to a product's operation. Because a function of certain products is aesthetic appeal, a feature intrinsic to the aesthetic appeal of those products may not be entitled to trademark protection.

Id. (citations omitted).

Trade dress may either be "inherently distinctive" or merely "capable of becoming distinctive." As a general matter, product feature trade dress will be deemed inherently distinctive if it seems likely that consumers will automatically assume that the feature indicates the product’s origin. If the product configuration is not inherently distinctive, but is merely capable of becoming distinctive, it can only be protected as trade dress if its claimant can demonstrate that it has become distinctive through acquisition of "secondary meaning." This entails a showing that, as the result of extensive exposure to the configuration through sales and advertising, consumers have come to view the presence of the feature as an indication that the product comes from a particular source.36

The traditional approach to evaluating the inherent distinctiveness of trademarks is set forth in Abercrombie & Fitch Co. v. Hunting World, Inc.37 In that case, Judge Friendly recognized four categories of generally increasing distinctiveness: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary and fanciful. These categorizations essentially reflect the relationship of the alleged mark to the product or service it is meant to identify. Generic words and symbols constitute the common name of the product or service itself, and thus are incapable of differentiating one producer of the product or service from another. Thus, words and symbols in the generic category can never be protected as marks.38

Marks in the "descriptive" category describe the product or its geographical origin (e.g., “Crunchy” cookies or “California” fume blanc). Consumers may not automatically think that such words or symbols indicate the producer of the product, so they are deemed merely capable of indicating origin. They can only be protected on a showing of secondary meaning.39

The last two of Judge Friendly’s categories constitute inherently distinctive marks, and can be protected without a showing of secondary meaning. Suggestive marks contain only an indirect description of the product, such as “Greyhound” for bus services. Arbitrary marks consist of words or symbols bearing no descriptive relationship to the product, such as “Diamond” as a mark for nuts, or “Tea Rose” as a mark for flour. Fanciful marks consist of words or symbols which were created for the occasion, such as “Kyo-450” ball

37. 537 F.2d 4 (2d Cir. 1976).
38. See id.
39. See id.
bearings or "Kleenex" tissues, and thus have no other meaning at all. In each case, it is assumed that consumers will automatically attach origin-indicating significance to the mark, because there is no other apparent reason for it to appear on or in connection with the product or service.\(^{40}\)

 Particularly in the case of abstract design marks and marks consisting of a combination of elements, courts have augmented the \textit{Abercrombie & Fitch} classification system with the \textit{Seabrook Foods} test, which asks whether the design or combination of elements is commonplace or ordinary in the industry.\(^{41}\) If so, consumers are unlikely to assume that the alleged mark is meant to distinguish the goods of one producer from those of others in the industry, and a showing of secondary meaning will be required in order to satisfy the distinctiveness requirement. If the design or combination of elements is unique, by contrast, consumers will be more likely to attach origin-indicating significance, and the alleged mark will be deemed inherently distinctive.

A. The \textit{Two Pesos} Decision

Prior to 1992, some of the Circuit Courts of Appeals had held that § 43(a) plaintiffs claiming rights in trade dress must demonstrate secondary meaning in all cases, effectively rejecting an "inherently distinctive" status for § 43(a) trade dress claimants.\(^{42}\) In 1992, in the \textit{Two Pesos} case, the Supreme Court rejected this requirement.\(^{43}\) The Court reasoned that the language of § 43(a) made no distinction between trade dress and other indications of origin, and that there was no apparent reason to differentiate the various types of indications of origin in this manner, or to differentiate registered and unregistered indications of origin.\(^{44}\) This liberal decision has undoubtedly encouraged producers to turn to § 43(a) as a means of preventing competitors from copying their products and packaging.

The Supreme Court's decision in \textit{Two Pesos} involved a § 43(a) claim that the defendant had infringed the trade dress of a restaurant. The district court had defined the plaintiff's trade dress as "the total

\(^{40}\) See id.


\(^{42}\) See, e.g., \textit{Murphy v. Provident Life Ins. Co.}, 923 F.2d 923 (2d Cir. 1990); \textit{American Greetings}, 807 F.2d 1136; \textit{Frufrock Ltd. v. Lasater}, 781 F.2d 129 (8th Cir. 1986).


\(^{44}\) For purpose of registration, the Lanham Act subjects trade dress to the same distinctiveness rules as other indications of origin. See 15 U.S.C. § 1052 (1996).
image of the business [including] 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 reflecting on the total image of
the restaurant." 45 The Supreme Court did not directly address
possible differences between this kind of trade dress, product
packaging trade dress, or product feature trade dress. Nor did it
undertake to determine how courts should determine whether trade
dress is inherently distinctive or merely capable of becoming
distinctive.

B. The Aftermath of Two Pesos

In the aftermath of Two Pesos, several Circuit Courts of Appeal
have undertaken to determine the appropriate standard for
evaluating the inherent distinctiveness of trade dress. With regard to
product packaging trade dress, they have had relatively little
difficulty. An illustrative case is the Second Circuit's opinion in
Paddington Corp. v. Attiki Importers & Distributors, Inc. 46 There, the
court noted that producers have a virtually unlimited array of
lettering styles, words, symbols, colors, shapes, and designs to choose
from, and that a producer's particular combination of these elements
in its product packaging was likely to be "arbitrary" or "fanciful"
within the meaning of the Abercrombie & Fitch hierarchy, and thus
inherently distinctive. The court observed that exceptions to inherent
distinctiveness are only likely to arise when the claimant packages its
product in a manner that is customary in a particular industry (for
example, packaging lemon-lime sodas in green containers), or when
the overall impact of the combined features of the claimant's
packaging is to describe the product (for example, when the overall
impression conveyed by the packaging for car wax is a gleaming car).

The Circuit Courts' approaches in the case of product
configuration trade dress, however, have differed. Perhaps the most
controversial approach can be found in the Third Circuit's opinion in
Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd. 47 In Duraco, the
§ 43(a) plaintiff alleged trade dress rights in its plastic planter styled
like a Grecian urn, seeking to enjoin a competitor from marketing a
planter with similar shape and texture. The plaintiff claimed that the
design features of its planter were "suggestive" of the product, within

45. Two Pesos, 505 U.S. at 765 n.1.
46. 996 F.2d 577 (2d Cir. 1993).
47. 40 F.3d 1431 (3d Cir. 1994).
the Abercrombie & Fitch framework, and thus were inherently distinctive. The Third Circuit responded by finding the Abercrombie & Fitch classification scheme irrelevant in the case of product configurations.48

The Third Circuit reasoned that a product's configuration differs fundamentally from its trademark or packaging because it is not a symbol that identifies the product. Rather it is the product itself. It thus has no dialectical relationship to the product which allows one to say that it is "suggestive" or "descriptive" of the product, or "arbitrary" or "fanciful" in relation to it.49 Moreover, while one can assume that consumers will understand that the purpose of an arbitrary word or symbol appearing on the product's label or packaging is to identify the source of the product (why else would it appear there?), one cannot generally assume that consumers will understand product features to serve that purpose. They may assume that the features are present simply to enhance the appeal of the product.50 The Duraco court also noted that product configurations differ from marks and packaging in another important way: because the pool of available product features is generally much less extensive than the pool of available marks and product packaging designs, recognition of exclusive rights in a particular feature is much more likely to hinder competition.51

The court concluded that while product feature trade dress may be deemed inherently distinctive, this finding should only be made when there is a high probability that the product configuration serves a "virtually exclusively identifying function for consumers;" when concerns over "theft" of an identifying feature and the cost to an enterprise of gaining and proving secondary meaning outweigh concerns over inhibiting competition; and where consumers are especially likely to perceive a connection between the product's configuration and its source.52 The Duraco court then stated a three-part test for determining when a product configuration—comprising a product feature or some particular combination or arrangement of product features—can be deemed inherently distinctive. The configuration must be: (i) unusual and memorable; (ii) conceptually

48. Id. at 1439. The court defined "product configuration," for purposes of its decision, as referring to "trade dress alleged in the product itself, whether in a specific feature or in some combination or arrangement of features." Id.
49. Id. at 1440-41.
50. See id. at 1441.
51. Id. at 1448.
52. Id. at 1448-49.
separable from the product; and (iii) likely to serve primarily as a
designator of origin of the product. The "unusual" requirement, set forth in part (i), merely reflects
the generally accepted standard of inherent distinctiveness set forth in *Seabrook Foods.* The "memorable" requirement, while new, seems a sensible limitation—if consumers are unlikely to remember
the product feature, they are unlikely to rely on it as an indication of source in future purchases. Thus, there is no need automatically to extend trade dress protection for the feature, without a
demonstration of secondary meaning.

The conceptual separability requirement, set forth in part (ii) of the *Duraco* test, is new both in nomenclature and reach. The court explained that under this provision, the "product configuration must, at least conceptually, be 'something other than, and separate from, the merchandise.' . . . [I]t must appear to the consumer to act as an independent signifier of origin rather than as a component of the good." This suggests that product features may never serve dual functions as a component of the good and as an indication of origin.

With regard to part (iii) of its test, the *Duraco* court elaborated: "[i]f the configuration itself, separate from the product, is likely to serve some substantial purpose other than as a designation of origin—that is, besides to set it apart from other sources' products in consumers' minds—then it cannot be inherently distinctive . . . ." Part (iii) thus seems to build on the conceptual separability requirement, providing that the conceptually separate product configuration must serve no substantial function other than to indicate origin. The court noted that the producer's intent in adopting the particular configuration would be highly probative. For example, an intent to decorate the product in adopting the particular feature would tend to negate inherent distinctiveness.

The *Duraco* court reasoned that if a product feature is likely to be desirable to consumers for some reason other than its indication that the product comes from a particular source, as a matter of policy it should not be removed from competitors' reach absent a showing of secondary meaning. The court acknowledged that its "primary source-indicating" inquiry was motivated by the same concerns that

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53. *Id.*
54. *See supra* note 41 and accompanying text.
55. *Duraco,* 40 F.3d at 1449-50 (quoting Davis v. Davis, 27 F. 490, 492 (C.C.D. Mass. 1886)).
56. *Id.* at 1450.
motivate the functionality inquiry: "[b]oth are intended to protect competition—and hence consumers—by restricting the types of product features that may be insulated from copying."\(^{57}\) The *Duraco* Court's test for inherent distinctiveness appears to eliminate more product features in the name of competition than does its functionality standard. A product feature will be eliminated for functionality in the Third Circuit if it is "significantly related to the utilitarian function of the product."\(^{58}\) It will be eliminated for lack of inherent distinctiveness, under *Duraco*, if it appears to play any significant purpose other than to indicate the product's origin. Of course, while a finding of functionality disqualifies a product feature from § 43(a) protection altogether, a finding that the feature lacks inherent distinctiveness does not altogether preclude § 43(a) protection: the non-inherently distinctive product feature may still receive § 43(a) protection if its user is able to demonstrate acquisition of secondary meaning.\(^{59}\)

The Court of Appeals for the Second Circuit has likewise emphasized that both the functionality requirement and the inherent distinctiveness determination must reflect the special competition concerns that product configuration claims present.\(^{60}\) The Second

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57. *Id.* at 1451. In highlighting the *Duraco* court's emphasis on competitive concerns in shaping its test for inherent distinctiveness, I do not mean to suggest that courts have never entertained concerns about competition in this context before. Indeed, concerns for competition undoubtedly contributed to the rule (later reversed in *Two Pesos*) that trade dress claims must always be supported by a showing of secondary meaning. See, e.g., Sicilia Di R. Biebow & Co. v. Cox, Inc., 732 F.2d 417, 426 n.7 (5th Cir. 1984). Moreover, the *Abercrombie & Fitch* system of mark classification was motivated to some extent by concerns for competition. The understanding that competitors legitimately needed to use generic and descriptive terms in marketing their goods has always played a role in justifying a denial of rights in generic marks, and a requirement of secondary meaning for descriptive marks. See, e.g., *Abercrombie & Fitch*, 537 F.2d at 4; A.J. Canfield v. Honickman, 808 F.2d 291, 306-07 (3d Cir. 1986); Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc., 781 F.2d 604, 609 (7th Cir. 1986). I would not go so far as Professor Dratler, however, who characterizes the *Abercrombie & Fitch* classification system as "nothing other than a categorization of the number of unconstrained alternatives" available to competitors. Jay Dratler, Jr., *Trade Dress Protection for Product Configurations: Is There a Conflict with Patent Policy?*, 24 AIPLA Q.J. 427, 492 (1996). Considerations other than concerns for competition helped to shape the *Abercrombie & Fitch* classifications.

58. *Keene Corp.*, 653 F.2d at 825. See also *supra* note 33 and accompanying text.

59. The Third Circuit may not be overly receptive to claims of secondary meaning in such cases, however. As will be discussed in the next section, in addition to heightening the standard for inherent distinctiveness, the Third Circuit has recently heightened the standard for infringement in product configuration cases.

60. *Landscape Forms, Inc.*, 113 F.3d at 379-80.
Circuit has also expressed skepticism regarding claims that consumers rely on product features as source indicators.\textsuperscript{61}

In \textit{Knitwaves, Inc. v. Lollytogs, Ltd.},\textsuperscript{62} the Second Circuit undertook to determine whether the decorative autumn leaf and squirrel designs on the plaintiff's children's sweaters constituted inherently distinctive trade dress. The court agreed with the Third Circuit that the \textit{Abercrombie & Fitch} distinctiveness classifications were inappropriate for product features, noting that application of these classifications "would have the unwelcome, and likely unintended, result of treating a class of product features as 'inherently distinctive,' and thus eligible for trade dress protection, even though they were never intended to serve a source-identifying function."\textsuperscript{63} However, while the court admittedly followed the \textit{Duraco} court's reasoning regarding the distinctions between product features and product packaging, and the potentially anticompetitive effects of liberal protection of product feature trade dress, it declined to adopt the \textit{Duraco} three-part test for determining the inherent distinctiveness of product features. This was because the Third Circuit's test was "not rooted in the language of the Lanham Act."\textsuperscript{64}

Rather, the Second Circuit stated that the test for inherent distinctiveness of product feature trade dress should be "whether the feature is likely to serve primarily as a designator of origin of the product."\textsuperscript{65} In making this determination, the court gave particular emphasis to the intent of the producer in adopting the feature. According to the court, the producer's primary intent must have been to indicate the origin of the product, not to accomplish some other purposes, such as to make the product more aesthetically pleasing. The court suggested that the primary purpose of most product features or designs is functional or aesthetic, not source-indicating, and that consumers generally will understand product features to serve other purposes than source identification.\textsuperscript{66} The court made it clear that it would be disinclined to find product features inherently distinctive as a general matter. Indeed, more recently, it has directly

\begin{itemize}
\item \textsuperscript{61} \textit{Id.}
\item \textsuperscript{62} 71 F.3d 996 (2d Cir. 1995).
\item \textsuperscript{63} \textit{Id.} at 1007.
\item \textsuperscript{64} \textit{Id.} at 1008 n.6.
\item \textsuperscript{65} \textit{Id.} at 1008.
\item \textsuperscript{66} \textit{Id}. Other factors the court has suggested are relevant include whether the design is unusual in the field, or is a common, basic shape or design, or a mere refinement on a commonly adopted and well-known form of ornamentation for a particular class of goods. \textit{Landscape Forms}, 113 F.3d at 378, 378 n.3.
\end{itemize}
acknowledged that it is "moving toward a rule that packaging is usually indicative of a product's source, while the design or configuration of the product is usually not so." In *Knitwaves*, the Second Circuit readily found that the plaintiff's primary intent in adding the leaf and squirrel motifs to its children's sweaters was aesthetic, not source-indicating. The court thus denied relief against the defendant's copying, in the absence of secondary meaning.

The Second Circuit's emphasis on the producer's intent has been criticized as "transforming a test of consumer association into one of producer intent." However, the producer's intent is relevant circumstantial evidence of the product feature's likely impact on consumers. A rule that made the producer's intent the only relevant factor would be problematic because a feature intended by the producer to be decorative may nonetheless indicate source to consumers. However, the Second Circuit has held that other factors are relevant in determining inherent distinctiveness.\(^6\) The court's emphasis on the intent factor over others may reflect the court's perception that producers are asserting claims that their product features are source-indicating as an afterthought—attempting to transform § 43(a) into a serviceable substitute for a patent or copyright.\(^7\)

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67. *Landscape Forms*, 113 F.3d at 379.

68. Dinwoodie, *supra* note 35, at 544. See also Dratler, *supra* note 57, at 481-82. It has also been suggested that the finding regarding intent will turn on the producer's self-serving testimony about its subjective intent. Dinwoodie, *supra* note 35, at 547. However, objective evidence, such as typical practices of designers in the field, may also be relevant as circumstantial evidence of the producer of an alleged product configuration trade dress' intent.

69. *See Landscape Forms*, 113 F.3d at 378, 378 n.3. In *Landscape Forms*, the Second Circuit reiterated that the ultimate inquiry is "whether the design [is] likely to be understood as an indicator of the product's source." The court also explained that the *Seabrook Foods* test, which asks whether the design is a common basic shape or design or is unique or unusual in a particular field, would also be a relevant inquiry. The court concluded: "a manufacturer's subjective intentions may be probative of whether its dress is likely to indicate product source. But, as suggested by *Seabrook*, objective consideration of the product and its similarity to others on the market will always be relevant and often decisive." *Id.* at 378 n.3.

70. *See Landscape Forms*, 113 F.3d at 373. The Second Circuit has also recently stressed the need for product feature trade dress claimants to define their alleged inherently distinctive trade dress concretely and specifically, in order to avoid anticompetitively overbroad protection, and has distinguished between unprotectible trade dress concepts (which cannot be protected under § 43(a) because anticompetitively overbroad) and specific expressions of such concepts (which can be protective if distinctive). *Id.* at 381-82; Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27 (2d Cir. 1995).
Other Circuits, while not directly undertaking to determine the standard for inherent distinctiveness in product configuration cases, have expressed some sympathy for the Third and Second Circuits' approach. For example, in the *Thomas & Betts* case, the Court of Appeals for the Seventh Circuit noted the inherent differences between product feature trade dress and other indications of origin, and stated its assumption that a key purpose of the inherent distinctiveness determination is to protect competition. The Seventh Circuit echoed the Third Circuit's discussion in *Duraco*: "when competitors are barred from duplicating features whose value to consumers is intrinsic and not exclusively as a signifier of source, competition is unduly hindered."  

Similarly, in *Sunbeam Products, Inc. v. West Bend Co.*, the Court of Appeals for the Fifth Circuit observed:

> Insofar as product configurations are fundamentally different from trademarks and trade dress, there is some question whether a product configuration can ever be deemed “inherently distinctive.” Unlike traditional trademarks and trade dress, which function primarily to identify the source of a given product, the primary purpose of product configuration is not identification. Accordingly, as the Third Circuit stated, “one cannot automatically conclude from a product feature or configuration—as one can from a product’s arbitrary name, for example—that, to a consumer, it functions primarily to denote the product’s source.”

The Fifth Circuit went on to voice concern about the "finite competitive variations" that are available in the case of product configurations, and the potential impact on competition.

In contrast, the Court of Appeals for the Eighth Circuit has emphatically rejected any difference in the test for inherent distinctiveness of packaging and product feature trade dress. In *Stuart Hall Co., Inc. v. Ampad Corp.*, the district court had adopted a test that product configuration trade dress must be "memorable or

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71. *Thomas & Betts Corp.*, 65 F.3d at 654.
72. *Id.* at 658.
73. *Id.* at 657 (emphasis added). The *Thomas & Betts* court also discussed some of the implications of the “differentness” of product feature trade dress for making a satisfactory showing of secondary meaning.
74. 123 F.3d 246 (5th Cir. 1997).
75. *Id.* at 252-53 (quoting *Duraco*, 40 F.3d at 1441 (footnotes omitted)).
76. *Id.* at 253 n.9. The court found it unnecessary to decide “the controversial question” whether product configurations can ever be considered inherently distinctive because, “assuming arguendo” that the plaintiff’s product configuration could not be deemed inherently distinctive, the district court had not erred in concluding that it had acquired secondary meaning.
77. 51 F.3d 780 (8th Cir. 1995).
striking” in order to be inherently distinctive. The Eighth Circuit reversed, holding that the Abercrombie & Fitch classification system was the appropriate standard to apply. It elaborated that the Abercrombie & Fitch approach to determining inherent distinctiveness examines either: 1) the relationship between the alleged trade dress and the product; or, in conjunction with Seabrook, 2) the relationship between the alleged trade dress and other trade dress in the same field of product. However, there was no precedent for focusing on the trade dress’s “impact on consumers.”

The Eighth Circuit expressly rejected the Duraco test (which measures the trade dress’ likely impact on consumers) as contrary to the Supreme Court’s decision in Two Pesos. The Eighth Circuit read Two Pesos to rest “on a presumption that ‘trade dress’ is a single concept that encompasses both product configuration and packaging.” Thus, to differentiate between the two was inappropriate. In addition, the Eighth Circuit read the Two Pesos decision as approving the Abercrombie & Fitch approach to evaluating the inherent distinctiveness of trade dress.

Finally, the Eighth Circuit argued that a test for inherent distinctiveness that focused on likely impact on consumers and memorableness was inappropriate because it would bear a very close resemblance to the standard for secondary meaning: A showing of secondary meaning requires empirical proof of consumer recognition and identification, but a “likely impact on consumers” test would merely shift the focus from actual consumer recognition to likely consumer recognition. This would undermine Two Pesos, which held that courts may not condition protection of inherently distinctive marks on a showing of secondary meaning.

The Eighth Circuit’s reasoning is open to some criticism. First, it is hard to accept an assertion that there is no precedent for focusing

78. Id. at 786-87.
79. Id. at 787.
80. In Duraco, the Third Circuit distinguished Two Pesos on the ground that it did not directly address the inherent distinctiveness of product configuration trade dress. The Eighth Circuit considered and rejected this argument, finding the restaurant decor at issue in the Supreme Court’s decision to be a kind of product configuration. The Eighth Circuit also rejected the Third Circuit’s suggestion that the Abercrombie & Fitch approach (which evaluates the relationship between the alleged indication of origin and the product) would not work in product configuration trade dress because the alleged indication of origin is the product. The court explained that “because a product’s trade dress is not the entire product itself, but specific features of the product, we find no difficulty in looking at a specific feature of a product and determining whether and to what degree that feature is dictated by the nature of the product.” Id. at 788.
81. Id.
on an alleged indication of origin's likely impact on consumers in evaluating its inherent distinctiveness. The likely impact on consumers is surely the ultimate question to be determined. The tests the Eighth Circuit espoused, which examine the relationship of the alleged trade dress to the product, or the relationship of the alleged trade dress to other trade dress in the same field, are surely directed to answering that ultimate question. Essentially, the arbitrary relationship of a mark or trade dress to the product it identifies, and the uniqueness of the mark or trade dress in a particular field of product are both a form of circumstantial evidence that may allow one to assume that consumers will recognize the mark or trade dress as an indication of origin. That being the case, the Duraco (and, for that matter, the Knitwaves) approach can be viewed as simply an alternative way to evaluate the same ultimate question.

One might likewise question the Eighth Circuit's assertion that examination of a trade dress' likely impact on consumers essentially imposes a secondary meaning requirement. The distinctiveness requirement is intended to ensure that a § 43(a) plaintiff's mark or trade dress indicates the source of the product to consumers, so that it merits protection against competitors' simulation. When the mark or trade dress is inherently distinctive, we assume that consumers will attach a source-indicating meaning to it. When the mark or dress is not inherently distinctive, we cannot make that assumption. Thus we require the plaintiff, through imposition of the secondary meaning requirement, to prove that consumers actually understand its mark or dress to indicate the product's origin. The difference between a finding of inherent distinctiveness and a finding of distinctiveness due to secondary meaning is the difference between finding what consumers are likely to think and finding what they do think. That distinction remains the same, whether one applies the Abercrombie & Fitch approach or the Duraco (or the Knitwaves) approach to determining inherent distinctiveness.

Whether or not the Duraco and Knitwaves approaches are consistent with Two Pesos is a more difficult question. However, the Eighth Circuit seemed to read too much into Two Pesos. While the Supreme Court's decision may fairly be read to say that all kinds of trade dress theoretically may be inherently distinctive, and that all § 43(a) trade dress proprietors should have the opportunity to prove inherent distinctiveness and avoid the secondary meaning requirement, it stretches the opinion too far to say that it approved the Abercrombie & Fitch test for inherent distinctiveness to the exclusion of all others, or that it mandated that the same test for
distinctiveness be applied to all forms of trade dress. The correctness of the lower court's finding of inherent distinctiveness was not before the Court, and the Court assumed, without deciding, that that finding was correct.\textsuperscript{82} The only issue was whether inherently distinctive trade dress could be protected in the absence of a showing of secondary meaning.\textsuperscript{83} Since the lower court had applied the \textit{Abercrombie \& Fitch} classification approach, and that approach was the prevailing test for inherent distinctiveness at the time, it seems logical that the Court should refer to it in the course of its discussion. The Court had no occasion to consider whether an alternative test for inherent distinctiveness, tailored to a specific type of unregistered trade dress, would be appropriate.

It is interesting to note, however, what the \textit{Two Pesos} Court had to say about the effect of trade dress protection on competition. The Court stressed that trademarks and trade dress serve the same purpose—enhancing competition by securing business' consumer good will from competitors' poaching.\textsuperscript{84} The Court reasoned that imposing a secondary meaning requirement on inherently distinctive trade dress would make it harder for businesses to secure their business good will against theft, and thus would undermine competition and frustrate accomplishment of the Lanham Act's purpose.\textsuperscript{85} One might argue that adopting a more stringent test for inherent distinctiveness, as the \textit{Duraco} and \textit{Knitwaves} courts appear to have done, may have the same effect, insofar as it requires more businesses to demonstrate secondary meaning prior to enjoying § 43(a) protection for their product configurations.

Moreover, the \textit{Two Pesos} Court considered and rejected an argument that, absent a secondary meaning requirement, "the initial user of any shape or design [could] cut off competition from products of like design and shape."\textsuperscript{86} The Court noted that the functionality requirement "serves to assure that competition will not be stifled by the exhaustion of a limited number of trade dresses."\textsuperscript{87} This discussion suggests that the Supreme Court may discount one of the chief concerns that has motivated the Third and Second Circuits in adopting their special standards for evaluating the inherent distinctiveness of product configuration trade dress. It might be read

\textsuperscript{82} \textit{Two Pesos}, 505 U.S. at 770.
\textsuperscript{83} \textit{Id.}
\textsuperscript{84} \textit{Id.} at 773.
\textsuperscript{85} \textit{Id.} at 772.
\textsuperscript{86} \textit{Id.} at 774-75.
\textsuperscript{87} \textit{Id.} at 775.
to suggest that all such concerns should be confined to the functionality determination. However, since the appropriate standard for evaluating the distinctiveness of product configurations was not before the Court, the discussion is only suggestive of the Court's attitude, at best.

The Supreme Court will ultimately need to address the split between the Eighth Circuit and the Second and Third Circuits, and clarify the role that concerns about competition should play in the assessment of inherent distinctiveness of product configuration trade dress. Is it necessary to impose a different, or more stringent standard for inherent distinctiveness in the case of product configurations in order to achieve compatibility with patent policy, or should competition concerns that arise in such cases be addressed primarily in the context of the functionality requirement?

It is interesting to note that the Eighth Circuit’s functionality standard is more stringent than the Third and Second Circuits’ and would eliminate from protection many of the same product features that the Third and Second Circuits would eliminate through their standards for inherent distinctiveness. In a recent decision, the Eighth Circuit described its functionality standard as follows:

If the particular feature is an important ingredient in the commercial success of the product, the interests in free competition permit . . . its imitation in the absence of a patent or copyright. On the other hand, where the feature, or more aptly, design, is a mere arbitrary embellishment, a form of dress for the goods primarily adopted for purposes of identification and individuality, and hence, unrelated to basic consumer demand in connection with the product, imitation may be forbidden where the requisite showing of distinctiveness is made. Under such circumstances, since effective competition may be undertaken without imitation, the law grants protection. Thus, trade dress is nonfunctional “if it is an arbitrary embellishment primarily adopted for purposes of identification and individuality.”

As noted above, this standard appears to be stricter, on its face, than the more general “availability of alternatives” standard for functionality adopted by the Second Circuit, or the “significantly related to the utility of the article” standard adopted by the Third. The Eighth Circuit’s functionality standard appears to do much of what the Second and Third Circuits were attempting to do in their standards for distinctiveness: confine trade dress protection to product features primarily adopted for the purpose of identification.

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88. Insty*Bit, Inc. v. Poly-Tech Indus., Inc., 95 F.3d 663, 673 (8th Cir. 1996) (citations omitted).
89. See supra notes 30-34 and accompanying text.
and eliminate features that are likely to be desirable to consumers for reasons other than producer identification, whether the features are "utilitarian" in nature or not. If this more stringent functionality standard were generally applied, it would perhaps alleviate the perceived need to tighten the distinctiveness standard, as has been done in the Second and Third Circuits. However, one might conclude that the result achieved in the Second and Third Circuits is a better one because it provides greater flexibility: when the product features at issue are not significantly related to the utilitarian function of the product, and/or there are alternative features available to competitors, perhaps the interests of competition are better served overall by a rule that permits § 43(a) protection when the claimant is able to demonstrate secondary meaning. When secondary meaning exists, the interest in protection may outweigh the potential injury that protection of the product features would pose for competitors.

Assuming a less restrictive functionality standard than the Eighth Circuit employs, it makes sense for courts to use the functionality and distinctiveness standards together to achieve the proper competitive balance and avoid conflict with patent policy. The functionality requirement may be characterized as playing the leading role in protecting competition in § 43(a) cases, identifying and absolutely refusing protection for those product features that are most essential to competitors—those that lack adequate alternatives or that are significantly related to the utilitarian purpose of the product. The distinctiveness requirement may then be characterized as serving as a further refinement in product configuration cases. Under Congress’ patent and copyright regime, even those features that are not essential to competitors are better left in the public domain if they serve any significant purpose other than source identification. In such cases, protection against copying should be reserved only for those features for which secondary meaning, and thus clear injury to business good will, can be demonstrated. The Duraco test, in particular, seems well tailored to accomplish this two-step approach to fine-tuning the balance between competition and legitimate § 43(a) protection of business good will concerns. However, both the Duraco and the Second Circuit’s Knitwaves approach can be characterized as undertaking this goal.

The justification of the Second and Third Circuits’ approach, of course, rests in large part on the legitimacy of these Courts’ assumption that: 1) protection of product configuration trade dress in fact imposes a significantly greater burden on competition than does protection of other types of indications of origin; and 2) that this
requires greater emphasis on competition concerns in the distinctiveness determination. While these assumptions have been questioned, they seem rational, in the absence of empirical evidence to the contrary.

III
The Likelihood of Confusion Issue

The third element of a § 43(a) product configuration trade dress cause of action requires a plaintiff to show that the defendant’s use of a product configuration similar to the plaintiff’s causes a likelihood of consumer confusion about the source, sponsorship or affiliation of the parties’ goods. Here, too, some of the Circuit Courts of Appeals have differentiated product configurations from other types of indicia of origin in the interest of protecting the competitive scheme Congress created under the patent and copyright laws. Again, the Third Circuit has led the way.

In Versa Products Co. v. Bifold Co., the plaintiff manufactured and sold directional control valves used in control panels of offshore oil-drilling rigs. It claimed that the contoured lines and shaping of its valve were distinctive and non-functional, and that the defendant’s intentional marketing of a valve with similar lines and shaping lead to the requisite § 43(a) likelihood of confusion. The district court held that the plaintiff’s product configuration was distinctive and nonfunctional, and found that the plaintiff had made the necessary showing of likelihood of confusion. On appeal, the Third Circuit expressed “misgivings” about the district court’s distinctiveness and functionality findings, but held it unnecessary to address them specifically because the district court’s findings on the likelihood of confusion issue were clearly erroneous.

90. See Dratler, supra note 57. Professor Dratler argues that “no great changes in existing trade dress doctrine are required in order to accommodate product configurations as trade dress,” and that there is “no need for an abrupt tightening of the evolving standards for inherent distinctiveness.” Id. at 594. He argues that proper application of existing standards of distinctiveness, coupled with the functionality doctrine and likelihood of confusion analysis and judicious tailoring of remedies, will maintain the proper balance of competition and protection, and avoid undue conflict with patent policy. Id. at 595. He contends that altering the standard for determining inherent distinctiveness in product configuration cases will only lead to “confusion and uncertainty and thereby open the floodgates of litigation even wider.” Id. 91. 50 F.3d 189 (3d Cir. 1995). 92. Id. 93. Id. 94. Id. at 198.
In evaluating the likelihood of confusion, the Third Circuit turned to the ten factors normally used in that Circuit for evaluating the likelihood of confusion in trademark and § 43(a) cases: (1) the degree of similarity between the owner's mark and the alleged infringing mark; (2) the strength of [the] owner's mark; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time [the] defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion; (7) whether the goods, though not in competition, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties' sale efforts are the same; (9) the relationship of the goods in the minds of the public because of the similarity of function; (10) other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market.95

These factors are substantively very similar to those used in the other Circuits.96 In Versa, the Third Circuit made it clear that these

95. Id. at 202 (citations omitted).
96. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 21-23 (1995). In relying on these ten factors, the court expressly rejected the district court's finding that a lower, "possibility of confusion" standard was applicable in the Versa case. The Third Circuit had adopted this lower standard in cases in which the plaintiff was well established in the market, and the defendant was a "Johnny-come-lately copier." Versa, 50 F.3d at 200-201. According to the court, the primary reasons for lowering the measure of confusion in such cases were (1) the general lack of legitimate reasons for copying the first user's mark; and (2) the high degree of reliance by consumers on trademarks as indicators of the source of products. In rejecting the lower standard for product configuration trade dress, the Third Circuit noted:

Whether or not these considerations translate to the realm of product packaging, we think that with respect to product configurations the significance of each of the factors is greatly diminished.

First, the mere copying of product configurations does not suggest that the copier was necessarily trying to capitalize on the good will of the source of the original product. A presumption to the contrary would be mandated, if ever, only in the narrow class of cases where both (1) a product configuration is desirable to consumers primarily because of the configuration's inherent or acquired identification with the original source, and (2) the copier adopts affirmatively misleading labeling and/or marketing for the copied product.

Second, although a product's trade dress in the form of its configuration could function as an indicator of the product's source, product configurations in general are not reliable as source indicators, for functional configurations are not protected and thus may be freely copied and inherently distinctive configurations will be rare. Since substantially identical products are often sold by different manufacturers under different names, consumers are accustomed to relying on product packaging and trademarks to identify product sources. Indeed, if any modification of the likelihood of confusion standard is justified in the product configuration context, the standard might well be heightened, perhaps to a "high probability of confusion." Nevertheless, we see no need to adopt such a standard today, preferring for now merely to reject the "possibility of confusion" standard
factors should not be applied to product configurations in the same
manner as they are applied to trade marks and packaging trade dress.

In particular, the court noted that under the first factor, a strong
similarity of appearance should not carry the same kind of weight in
product configuration trade dress cases as it traditionally has in
trademark and packaging trade dress cases:

Unlike in trademark or product packaging trade dress cases, . . . a
finding of substantial similarity of trade dress in a product
configuration does not by itself strongly suggest a likelihood of
confusion. Consumers have grown accustomed to relying on
trademarks as trustworthy indicators of the source of the product:
that is the point of a trademark. Perhaps to a somewhat lesser
extent, consumers also rely on other aspects of product packaging
to identify the manufacturer.

. . .

In a product configuration trade dress infringement case, by
contrast, consumers do not have to rely on a potentially distinctive
configuration to identify the source of the product; rather, they can
generally look to the packaging, trademarks, and advertising used
to market the product, which are typically much less ambiguous.
Consumers therefore have less need, and so are much less likely, to
rely on a product configuration as an indicator of the product's
source. Accordingly, they are less likely to be confused as to the
sources of two products with substantially similar configurations.
Thus, in trade dress infringement suits where the dress inheres in a
product configuration, the primary factors to be considered in
assessing likelihood of confusion are the product's labeling,
packaging, and advertisements . . . .

Indeed, except where consumers ordinarily exercise virtually no
care in selecting a particular type of product (as may be the case
with inexpensive disposable or consumable items . . .), clarity of
labeling in packaging and advertising will suffice to preclude almost
all possibility of consumer confusion as to source stemming from
the product's configuration.\(^9\)

The Versa court's reasoning might strike one as problematic on
first blush: before reaching the issue of confusion, a court must have
found that the plaintiff's product configuration is distinctive. By
definition, a finding of distinctiveness is a finding that consumers do
or are likely to understand the product configuration to be an
indication of the product's origin. If the Versa court meant to suggest

\(^{97}\) for product configuration infringement cases, and adhering to the conventional
"likelihood of confusion" standard.

\textit{Id.} at 201 (citations omitted).

\(^{97}\) \textit{Versa}, 50 F.3d at 202-03 (footnotes omitted). The Versa court also suggested that
the more expensive or important the product, and the more sophisticated the consumer,
the more likely the consumer will rely on trademarks and packaging, as opposed to
product configuration, to identify the source of the product. \textit{Id.} at 204-05.
that consumers will not view the product configuration as an indication of origin, it was undercutting and discounting the earlier distinctiveness finding. However, it is more likely that the Third Circuit meant to say that while consumers may view a product's configuration as an indication of origin, they are likely to rely more heavily on other indications, such as trademarks and packaging. Therefore, to the extent that these alternative sources of information make the source clear, they should be viewed as outweighing the potentially confusing impact of a similar product configuration.

In line with the latter construction, the Versa court held that the second factor—strength of plaintiff's mark—should only count in favor of a likelihood of confusion if consumers rely on the product's configuration to identify the producer of the good. A mere showing that large numbers of consumers are able to identify the configuration as coming from a particular source should not be deemed sufficient. The court reasoned that to hold otherwise would "sanction too much reliance by consumers on product designs that, lacking the protection of a patent, are in large measure copyable at will." Thus, "courts should require evidence of actual reliance by consumers on a particular product configuration as a source indicator before crediting that configuration's 'strength' toward likelihood of confusion."

Finally, the Versa court questioned the appropriateness of considering the fifth factor, the defendant's intent, in product configuration trade dress cases. The court noted that in the Third Circuit, it is the defendant's intent to confuse, not a mere intent to copy, that is generally considered probative of the likelihood of confusion issue. Evidence that the defendant intended to confuse

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98. The strength of plaintiff's mark factor operates on the assumption that widespread and immediate consumer recognition of the plaintiff's mark as an indication of the origin of the product enhances the likelihood that the defendant's use of a similar mark will confuse consumers. Id. at 203.
99. Id.
100. Id. (citations omitted)
101. Id. at 204. The court offered no explanation of what that evidence should be. One might conclude that the court was requiring a showing much along the lines of that required for demonstrating secondary meaning. See supra note 36 and accompanying text. However, in evaluating the particular facts at issue in the Versa case, the court stressed that purchasers ordered the parties' respective valves by multi-digit part and model numbers peculiar to the manufacturer, specifying functional specifications listed in schematic diagrams, specification sheets, and manufacturers' catalogues, rather than specifying the desired appearance of the valve. This suggests that the court would look to objective facts surrounding typical purchases for circumstantial evidence of consumer reliance.
consumers gives rise to an inference that it succeeded in its undertaking. The court observed that in trademark or packaging trade dress cases, the inference can be justified because it serves as a deterrent. However, in the case of product configurations, deterrence is not an appropriate goal, as long as the defendant has provided "appropriate labeling and marketing." The court explained:

Where product configurations are concerned, we must be especially wary of undermining competition. Competitors have broad rights to copy successful product designs when those designs are not protected by (utility or design) patents. It is not unfair competition for someone to trade off the good will of a product, it is only unfair to deceive consumers as to the origin of one's goods and thereby trade off the good will of a prior producer.

Unless very narrowly tailored, deterrents to copying of product designs—as opposed to product packaging or trademarks—would inhibit even fair competition, thus distorting the Lanham Act's purpose. We believe that the best way to further Congress' intent is to limit carefully the scope of any possible deterrence of competition.

Thus, the court held that "in the product configuration context, a defendant's intent weighs in favor of a finding of likelihood of confusion only if intent to confuse or deceive is demonstrated by clear and convincing evidence, and only where the product's labeling and marketing are also affirmatively misleading." This limitation on evidence of the defendant's intent should have a significant impact, since there is often evidence of intentional copying of the product in § 43(a) product configuration cases, and, absent constraints, it may be relatively easy to argue for an inference of an intent to confuse from an intent to copy.

102. Versa, 50 F.3d at 206-07.
103. Id. at 207 (citations omitted).
104. Id. at 208. But cf. Sunbeam Prods., Inc. v. West Bend Co., 123 F.3d 246, 258 (5th Cir. 1997) (holding that district court was reasonable in finding that the defendant intentionally copied the plaintiff's product configuration and in inferring a likelihood of confusion from this unlawful intent).

The Versa court also noted that factors seven through ten—whether the parties market and advertise their goods through similar channels, the extent to which the targets of the parties' sales efforts are the same, the relationship of the goods in the minds of the public because of the similarity of function, and other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market—should be treated as necessary but insufficient conditions in themselves for showing a likelihood of confusion. Versa, 50 F.3d at 208.

105. Indeed, some jurisdictions routinely presume an intent to confuse from an intent to copy. See e.g., Bauer Lamp Co. v. Shaffer, 941 F.2d 1165, 1172 (11th Cir. 1991) ("Intent to copy in itself creates a rebuttable presumption of likelihood of confusion."); Perfect Fit Indus., Inc. v. Acme Quilting Co., 618 F.2d 950, 954 (2d Cir. 1980). In Perfect Fit, the Second Circuit noted:
The Versa court justified all of the limitations discussed above on the reasoning that "the penumbra of the federal patent laws restricts the degree to which courts may grant legal recognition of consumer reliance on product configurations as source indicators." The court stressed the federal policy "of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain."

The Court of Appeals for the Seventh Circuit has voiced similar concerns about the potential conflict between product configuration trade dress protection and patent policy, and has cited Versa with apparent approval for the proposition that the "most important factors in evaluating confusion in product configuration cases are marketing and labeling of products." Likewise, the Court of Appeals for the Fifth Circuit has cited Versa with apparent approval for the proposition that consumers are less likely to rely on product configurations as a source identifier. Thus, "clarity of labeling in packaging and advertising will suffice to preclude almost all possibility of consumer confusion as to source stemming from the product's configuration."

The proposition that consumers are more likely to rely on labeling and packaging than on product features to identify the source of the product makes sense. It also provides some

In assessing the likelihood of confusion to the public, an important factor is whether or not the second comer created the similar trade dress intentionally. If there was intentional copying the second comer will be presumed to have intended to create a confusing similarity of appearance and will be presumed to have succeeded.

Id. at 954.

106. Versa, 50 F.3d at 204.

107. Id. at 204 (quotations and citations omitted). For arguments that these concerns about product configuration trade dress protection interfering with patent law may be overstated, see Dratler, supra note 57.


109. Sunbeam, 123 F.3d at 259. It is interesting to note, however, that the Fifth Circuit qualified this remark: "While we have recognized that labels may dispel consumer confusion, under appropriate circumstances, we have never held that this is an absolute affirmative defense to every trademark infringement claim. To the contrary, we have also observed that the mere labeling of a product will not automatically alleviate a likelihood of confusion." Id. In Sunbeam, the court affirmed the district court's finding that the defendant's electric mixer infringed the plaintiff's distinctive mixer configuration, notwithstanding proper labeling and packaging.

See also Landscape Forms, 113 F.3d at 383 (Second Circuit states that proper identification of the manufacturer in labels and catalogs makes confusion improbable, notwithstanding similar product configurations).

110. It would, of course, be helpful to have some empirical evidence that supported the court's assumptions about consumer perceptions and reliance. Studies on this issue, however, do not seem to be readily available. In the absence of evidence to the contrary,
reassurance that, when courts heighten standards for analyzing likelihood of confusion in product configuration cases to assure compatibility with the patent laws, the purposes of trade dress protection will not be compromised. The only difficulty with this rationale is that it assumes that consumers will have the opportunity to see the product labeling and packaging along with the product configuration. This will generally (though not always) be the case when consumers purchase the product. However, it may not be the case at other times, and in recent years the courts have expanded the reach of trademark and trade dress protection well beyond the point of sale, to prevent consumer confusion both before and after a purchase.\footnote{111}

Thus, one can well imagine a case in which the purchaser of one of plaintiff’s products relies on the plaintiff’s label and packaging in making his purchase, but then removes the label and packaging in order to use the product. At that point, other persons, who are potential purchasers of the product, see the product in use, form a favorable opinion of it, and go to the store to purchase it for themselves. They have only the distinctive, non-functional product configuration to rely on as an indication of origin. They are confused by the defendant’s similar product configuration, and think that the defendant’s product comes from the same source as the product they saw in use and intended to buy. The defendant’s clear labeling and packaging will do nothing to notify them that they are not purchasing that product. In the same vein, a plaintiff might argue that potential consumers seeing the defendant’s unpackaged product in use might form negative impressions of it, and attribute their negative impressions to plaintiff because of the similar configuration. This would injure plaintiff’s reputation and future sales, and is the kind of injury § 43(a) is meant to address.\footnote{112}

The court may justify its conservative approach as dictated by concerns about interference with patent policy.


In addition, a plaintiff might invoke the “initial interest” or “pre-sale” confusion doctrine, which holds that a competitor may not lure potential customers away from the plaintiff by initially passing off its goods as those of the plaintiff, even though confusion about the source of the goods will be dispelled by the time any sales are made. Such “bait and switch” tactics may allow the competitor to make its pitch to consumers when it would not otherwise have had the opportunity to do so, and thus take sales from the
The Seventh Circuit encountered a form of post-sale confusion argument in a recent product configuration case, but was able to avoid it by finding it unsupported by the evidence.\textsuperscript{113} The Eighth Circuit, true to its view that all indications of origin must be treated alike, has recently found infringement of product configuration trade dress on a showing of a likelihood of post-sale confusion.\textsuperscript{114} After the Versa decision, one wonders what the Third Circuit will do when it is squarely faced with a well-made post-sale confusion argument.\textsuperscript{115} A post-sale confusion argument has the potential to circumvent much of

\begin{itemize}
  \item The plaintiff. However, in Dorr-Oliver, 94 F.3d at 382., the Seventh Circuit addressed an "initial interest" confusion argument in a product configuration case and rejected it. The court noted that, in the context of the industrial machine at issue, "the typical consumer will not assume that the two manufacturers are associated in some way. Rather, where product configurations are at issue, consumers are generally more likely to think that a competitor has entered the market with a similar product." Id. (citing Versa, 50 F.3d at 189).

  \item Libman Co. v. Vining Indus., Inc., 69 F.3d 1360 (7th Cir. 1995). In Libman, the plaintiff claimed rights in a color scheme for brooms in which one vertical band or segment of bristles was a color that contrasted with the color of the other bristles. The defendant marketed brooms with a somewhat similar contrasting stripe in its bristles. The defendant packaged its brooms in a manner that did not completely cover the contrasting stripe, but made it unlikely that consumers would notice the stripe. There was no evidence that the wrapper was ever removed before sale to consumers. Moreover, the parties' labels and brand names were different, and the defendant did not display its contrasting bristle scheme in its advertising.

  The plaintiff argued that confusion might arise in the following way: Most outlets only sell one brand of broom, so that there is little opportunity for consumers to do a side-by-side comparison of the parties' brooms. A consumer who purchased plaintiff's broom would remove the label upon use and might not remember the brand name. When the broom was spent, the satisfied customer might seek to purchase another from the same producer, having only the memory of the broom's appearance to rely on as an indication of origin. Upon encountering defendant's broom in a store, and having no sample of plaintiff's with which to compare, the consumer might purchase defendant's broom believing it to be plaintiffs.' The court found this to be a "plausible narrative," but rejected it on the ground that no evidence had been supplied to support it. Id. at 1363.

  \item Insty*Bit, 95 F.3d at 663. Insty*Bit involved the configuration of quick-change drill chucks and related accessories. The plaintiff sold its drill chucks and accessories under its own label and also permitted their sale under the "private label" of several national distributors of woodworking products. The defendant sold its similar appearing drill chucks and accessories with different trademarks and packaging, which lead the district court to find that there was no likelihood of consumer confusion. The Eighth Circuit reversed the grant of summary judgement to the defendant, expressly finding that "the likelihood of post-sale confusion may be considered in trade dress infringement actions." Id. at 672. It noted that the plaintiff had "demonstrated that consumers are often first exposed to its products in use (that is, outside of the package) and then go to a distributor to find these tools by attempting to match the products on the shelves with the ones they are seeking." Id.

  \item Interestingly, the Third Circuit has never expressly adopted the post-sale confusion rationale. See generally Securacomm Consulting, Inc. v. Libengood, 1997 WL 726266 (D.N.J. 1997).
\end{itemize}
the Third Circuit's reasoning in Versa, and open the door to much broader trade dress protection for product configurations than what the Versa opinion appeared to envision.

One might respond to post-sale confusion arguments by noting that in many cases, consumers encountering unlabeled, unpackaged products in use are forming opinions about the type of product, rather than the product's source. Their determination to purchase or refrain from purchase based on their experience thus reflects consumer good will toward the product, rather than consumer good will toward the product's source. § 43(a) is only meant to protect the good will that the plaintiff enjoys as the source of a satisfactory product, not the good will in the product itself, which others may freely take by copying. This argument, of course, rests at least in part on the assumption that consumers are accustomed to encountering similar-appearing products from multiple sources, and will not automatically assume that all similar-appearing products come from the same source. This is an assumption that the Third Circuit seems willing to make.

116. While this distinction between good will for the product and good will for the source may be a difficult one to make, the Third Circuit itself made it in the Versa case. The Third Circuit noted:

Competitors have broad rights to copy successful product designs when those designs are not protected by (utility or design) patents. It is not unfair competition for someone to trade off the good will of a product; it is only unfair to deceive consumers as to the origin of ones' goods and thereby trade off the good will of a prior producer.

Versa, 50 F.3d at 207 (citations omitted). See also Duraco, 40 F.3d at 1445 (exploiting the "goodwill of the article—the attractive features, of whatever nature, that the product holds for consumers—is robust competition; only deceiving consumers, or exploiting the good will of another producer, is unfair competition.").

117. See supra note 10 and accompanying text.

118. The Versa court made this clear in its response to the plaintiff's "private labeling" theory, which would likewise have allowed the plaintiff to circumvent the defendant's different labeling and packaging. The district court had held that, due to the similarity of the plaintiff's and defendant's products, persons in the industry might reasonably assume that the plaintiff had manufactured but privately labelled the defendant's valve. The Third Circuit acknowledged that § 43(a) protects against false suggestions that the parties or their goods are related through private labeling. However, it found that the district court's inference would "potentially subject any new competitor with a product whose appearance resembles that of an established product to an injunction on this private labeling theory." The court noted that it had not been presented with evidence that private labeling occurs "on a scale significant enough to justify such a sweeping extension of the law of unfair competition." Moreover:

[where product configurations are at issue, consumers are not generally likely to jump to the "private labeling" conclusion; consider for example Oreo and Hydrox brand sandwich cookies, which are strikingly similar in appearance. Consumers would not have assumed upon later emergence of one brand that the first producer had marketed a slight variation of its cookie under a private label.]
The Third Circuit might also respond that trade dress law should not attempt to prevent every conceivable possibility of consumer confusion. Given the rather speculative nature of many post-sale confusion arguments, concerns about undermining patent law should generally outweigh concerns about potential post-sale confusion—especially when the defendant has taken proper measures to ensure that its labeling and packaging themselves create no confusion. There is certainly precedent for ignoring certain cases of likely confusion in product configuration cases—the law tolerates potential consumer confusion in the interest of competition when competitors copy functional product features. Nonetheless, a general rejection of post-sale confusion arguments in product configuration cases would be a controversial step, and contrary to the general trend of more readily accepting post and pre-sale confusion arguments.

IV
Conclusion

Clearly the Supreme Court’s opinion in the Two Pesos case has not dispelled concern in the Circuit Courts about the anticompetitive potential of § 43(a) trade dress protection for product configurations. The level of any particular Circuit Court’s concern may be related at least in part to the stringency of the functionality standard that Circuit has adopted. The Second and Third Circuits, in particular, have made it clear that they will cast a critical eye on product configuration claims to ensure that § 43(a) does not become a substitute for patent or copyright protection for product features and does not undermine Congress’ purpose in enacting the patent and copyright laws. These Circuits will not rely on their functionality doctrines alone in doing this. They have adopted restrictive standards for inherent distinctiveness in product configuration cases, and the Third Circuit has adopted special restrictions in assessing the

Rather, as in situations like the present one, consumers generally are more likely to conclude, quite reasonably, that a competitor has entered the market with a substantially identical product. Versa, 50 F.3d at 215. The court also rejected arguments that because the defendant was not known in the American market, valve purchasers might assume that plaintiff had manufactured the defendant’s valve but was selling it under a private label: “A rule sanctioning this inference would tend to strangle competition by adopting what is in essence a presumption that consumers will believe an established business has a greater market share than it really does.” Id. at 216.

119. See supra note 24 and accompanying text.

likelihood of confusion posed by defendants' copying of product features. Some of the other Circuits have expressed sympathy for this approach.

This trend will be curtailed only by new legislation or by a Supreme Court decision that directly confronts the Circuit Courts' concerns about competition and mandates that § 43(a) product configuration trade dress claims be treated under the same standards—across the board—as claims involving other indications of origin. It is by no means clear that such a Supreme Court decision will come. The Supreme Court has expressed its concern, in a series of supremacy clause decisions, about the potential for state unfair competition rights in product features to conflict with federal patent policy.121 Judicial extension of § 43(a) protection to product configuration trade dress claims poses some of the same problems. The Court's more recent opinion in Two Pesos does not purport to provide a full or final resolution of the dilemma.

Nor is recently proposed legislation likely to resolve the conflict. Representative Coble, Chair of the House of Representatives Subcommittee on Courts and Intellectual Property, recently introduced a bill122 "intended to clarify the law with respect to the applicable legal standards for the protection of trade dress."123 The bill defines both inherent distinctiveness and functionality for trade dress. However, the proposed definitions are too general to have the desired effect of unifying the law among the Circuits.

First, the bill would amend Lanham Act § 2124 to state that trade dress will be protected without the need of demonstrating secondary meaning if "the relevant public is likely to identify the source of the product or service by reference to the subject matter claimed as trade dress."125 The bill provides four non-exclusive factors that should be considered in making the inherent distinctiveness determination:

1) whether the trade dress is unique or unusual in the particular field to which the subject matter pertains;

121. See Sears, 376 U.S. 225; Compco, 376 U.S. 234; Bonito Boats, 489 U.S. 141.
124. 15 U.S.C. § 1052 (1996). This definition would undoubtedly extend to § 43(a) trade dress claims, as well. See Two Pesos, 112 S.Ct. at 2757 ("it is common ground that § 43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).")
2) whether the trade dress comprises a common basic shape or design;
3) whether the trade dress is a mere refinement of commonly adopted and well known forms of ornamentation for that particular class of goods or services viewed by the public as a dress or ornamentation for the goods or services; and
4) whether the trade dress is capable of creating a commercial impression distinct from any accompanying words.\(^{126}\)

This provision would notify the Eighth Circuit that a trade dress' likely impact on consumers is the relevant consideration in evaluating inherent distinctiveness.\(^{127}\) However, it is unlikely to do much else. The four non-exclusive factors simply restate the *Seabrook Farms* test verbatim,\(^{128}\) and, as discussed above, the Second, Third, and Eighth Circuits all purport to include the *Seabrook Farms* test as part of their otherwise divergent standards for inherent distinctiveness.\(^{129}\) The bill's express statement that its four factors are non-exclusive would leave the Circuits to continue along the respective paths they selected in the *Duraco, Knitwaves*, and *Stuart Hall* decisions.

Representative Coble's bill would codify the functionality requirement for the first time,\(^{130}\) and amend Lanham Act § 45\(^{131}\) to provide that trade dress is functional if it is “of such superior design for its purpose that to afford it protection under this Act would significantly hinder effective competition.” The bill provides three non-exclusive factors to be considered in making this determination:

1) whether the matter yields a competitive advantage;
2) whether alternative designs are available; and

\(^{126}\) *Id.*

\(^{127}\) *See supra* notes 78, 125 and accompanying text.

\(^{128}\) *See supra* note 41 and accompanying text. In *Seabrook Farms*, the court provided the following factors for determining whether a design is inherently distinctive:

> Whether [the design] was a “common basic shape or design,” whether it was unique or unusual in a particular field, whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as dress or ornamentation for the goods, or whether it was capable of creating a commercial impression distinct from the accompanying words.

*Seabrook Foods*, 568 F.2d at 1344 (citations omitted).

\(^{129}\) *See supra* notes 69, 53-54, 78, and accompanying text.

\(^{130}\) H.R. 3163 §§ 2(a)(1), (b), (c), (d). The bill would also clarify that persons claiming trade dress infringement under Lanham Act § 43(a) bear the burden of proving that their trade dress is nonfunctional. *Id.* § 2(d). *See supra* note 21, and accompanying text.

3) whether the matter achieves economies in the manufacture
or use of the goods or services, or affects their cost or
quality.\textsuperscript{132}

This very broad definition seems consistent with the Supreme
Court's definition of functionality in \textit{Qualitex},\textsuperscript{133} and with most of the
existing decisions in the Circuit Courts of Appeal. The bill's three
non-exclusive factors have routinely been cited in the various Circuits
in connection with their differing functionality standards. However,
once again the very general nature of the definition and non-exclusive
factors renders the bill ineffective in unifying the Circuits' varying
approaches to determining functionality: the bill simply does not
address the issues that have divided the Circuits. For example, when
will protection "significantly hinder effective competition?" When
will the purported trade dress "yield a competitive advantage?" Only
when the product features are significantly related to the utilitarian
function of the product, as provided in the Third Circuit?\textsuperscript{134} Any time
that the features are not primarily adopted for purposes of
identification, as provided in the Eighth Circuit?\textsuperscript{135} Moreover,
making the listed factors non-exclusive leaves the Circuits free to
focus on other, additional factors that may further divide them.

It is interesting to note a possible trend toward enhancing
protection against the copying of unpatentable, uncopyrightable
product features in other parts of the world.\textsuperscript{136} The appropriateness
of this movement is subject to some question.\textsuperscript{137} However, absent
Supreme Court or Congressional intervention, it seems unlikely that
the United States will join this trend through the vehicle of Lanham
Act § 43(a).

\textsuperscript{132} H.R. 3163 § 2(c).
\textsuperscript{133} See supra note 23 and accompanying text.
\textsuperscript{134} See supra note 33 and accompanying text.
\textsuperscript{135} See supra note 88 and accompanying text.
\textsuperscript{136} See, e.g., Graeme B. Dinwoodie, \textit{Federalized Functionalism: The Future of Design
\textsuperscript{137} See supra note 13 and the sources cited therein.