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ARTICLES

IS THIS CONFLICT REALLY NECESSARY?: RESOLVING AN OSTENSIBLE CONFLICT BETWEEN PATENT LAW AND FEDERAL TRADEMARK LAW

THOMAS F. COTTER*

Determining whether a state law conflicts with federal intellectual property law is often a difficult task, as anyone who has ever tried to reconcile the *Sears/Compco* line of cases¹ will attest. But at least when a conflict of this nature is discovered, the resolution is straightforward: the Supremacy Clause of the United States Constitution requires the state law to give way under principles of federal preemption.² When two *federal* laws appear to conflict, however, the proper resolution is much less obvious. In a series of recent decisions, the courts have begun to confront an apparent conflict between

* Associate Professor of Law, University of Florida College of Law. The title of this article may not be very original, *see* Roger J. Traynor, *Is This Conflict Really Necessary?*, 37 TEX. L. REV. 657 (1959), but I trust there will be no likelihood of confusion. I wish to thank a former student of mine, Joseph Fischer, for stimulating debate on this topic (concerning which we have agreed to disagree); Professor Craig Nard for commissioning this article; Professor Nard again and Professors Graeme Dinwoodie and Kenneth Port, for their comments and criticism; and Bryan Gowdy for his expert research assistance. Any errors that remain are mine.

1. *See* *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 140 U.S.P.Q. (BNA) 524 (1964) (holding that federal patent law preempted state law prohibiting unauthorized copying of unpatented industrial design); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 140 U.S.P.Q. (BNA) 528 (1964) (similar); *Goldstein v. California*, 412 U.S. 546, 178 U.S.P.Q. (BNA) 129 (1973) (holding that federal copyright law did not preempt state law prohibiting unauthorized reproduction of sound recordings); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 181 U.S.P.Q. (BNA) 673 (1974) (holding that federal patent law did not preempt state trade secret law); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 9 U.S.P.Q.2d (BNA) 1847 (1989) (holding that federal patent law preempted state law prohibiting unauthorized duplication of boat hulls by use of direct molding process). I discuss these cases *infra* at notes 82-146 and accompanying text.

2. *See* U.S. CONST. art. VI, cl. 2 (stating that laws of the United States "shall be the supreme Law of the Land . . . any Thing in the Constitution or Laws of any State to the Contrary notwithstanding"). For discussions of general preemption principles, *see, e.g.,* *Medtronic, Inc. v. Lohr*, 518 U.S. 470 (1996); *Freightliner Corp. v. Myrick*, 514 U.S. 280 (1995); and *Cipollone v. Liggett Group, Inc.*, 505 U.S. 504 (1992).

federal trademark and utility patent law, which I shall refer to hereafter as the "patent/trademark problem," with decidedly mixed results.³

The patent/trademark problem has arisen in cases in which parties have asserted federal trademark rights in a product configuration⁴—a species of "trade dress"⁵—that is disclosed somewhere within the text of a utility patent, or on which the claims of a utility patent read. Several commentators,⁶ and at

3. Although my principal focus in this article will be upon utility patents, I also will touch briefly upon the potential conflict that can arise between federal trademark and *design* patent law at notes 253-68 and accompanying text. A similar potential conflict also might arise between patent law and copyright law, to the extent that the latter can be used to protect useful articles, *see, e.g.*, *Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1143-44, (2d Cir. 1987) (recognizing that the design of a useful article may qualify as copyrightable pictorial, graphic, or sculptural work, if design is physically or conceptually separable from article), but I have chosen not to address this issue herein.

4. Throughout this article, I shall use such terms as "product configuration," "product feature," and "product design" interchangeably.

5. "The 'trade dress' of a product is essentially its total image and overall appearance," which includes such features as "size, shape, color or color combinations, texture, graphics, or even particular sales techniques." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1, 23 U.S.P.Q.2d (BNA) 1081, 1082 n.1 (1992) (citations omitted).

6. *See, e.g.*, 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 7.68, 7.89 (4th ed. 1998) (arguing that "[t]he existence of a valid functional patent disclosing the utilitarian advantages of the configuration in question is very strong, if not conclusive, evidence of the functionality of the configuration in which trademark significance is alleged"); Jay Dratler, Jr., *Trade Dress Protection for Product Configurations: Is There a Conflict with Patent Policy?*, 24 AIPLA Q.J. 427 (1996) (arguing that features disclosed in claims should be unprotectable as trade dress, and that protectability of features disclosed elsewhere in patent may depend upon specific facts, as well as on judicious application of trademark doctrines of distinctiveness, functionality, and likelihood of confusion, and on flexible approach to remedies); Joseph Fischer, *Harmonization of Federal Patent and Trademark Laws After the Vornado, Zip Dec, and Thomas & Betts Decisions: An Economic Analysis*, 9 FED. CIR. B.J. 29 (1998) (advocating bright-line rule denying federal trademark protection to features disclosed in utility patent); Manotti L. Jenkins, *A Request to the High Court: Don't Let the Patent Laws Be Distracted by a Flashy Trade Dress*, 15 J. MARSHALL J. COMPUTER & INFO. L. 323 (1997) (advocating *Vornado* rule, discussed *infra* at notes 150-73 and accompanying text); Kevin E. Mohr, *At the Interface of Patent and Trademark Law: Should a Product Configuration Disclosed in a Utility Patent Ever Qualify for Trade Dress Protection?*, 19 HASTINGS COMM. & ENT. L.J. 339 (1997) (advocating bright-line rule denying federal trademark protection to features disclosed in utility patent); Judith Beth Prowda, *The Trouble with Trade Dress Protection of Product Design*, 61 ALB. L. REV. 1309 (1998) (advocating intermediate position); Joan E. Schaffner, *Patent Preemption Unlocked*, 1995 WIS. L. REV. 1081, 1082 n.8 (suggesting that Lanham Act "be strictly interpreted" to avoid conflict with patent law); *Recent Case: Intellectual Property—Patent and Trade Dress Law—Tenth Circuit Applies 'Significant Inventive Aspect' Test to Determine Whether Utility Patent Precludes Trade Dress Protection—Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996), 109 HARV. L. REV. 1457 (1996) (advocating so-called "essential elements" test); Anthony E. Dowell, Note, *Trade Dress Protection of Product Designs: Stifling the Progress of Science and the Useful Arts for an Unlimited Time*, 70 NOTRE DAME L. REV. 137 (1994) (arguing in favor of restricted scope of trade dress protection); Todd R. Geremia, Comment, *Protecting the Right to Copy: Trade Dress Claims for Configurations in Expired Utility Patents*, 92 NW. U. L. REV. 779 (1998) (advocating bright-line rule denying federal trademark

least two courts,⁷ have concluded that in such cases federal patent policy requires that some or all of the disclosed features necessarily enter the public domain upon expiration of the patent, regardless of whether they would otherwise qualify for trademark protection. Other commentators⁸ and at least

protection to features disclosed in patent); Kerrie A. Laba, Note, *Have Trade Dress Infringement Claims Gone Too Far Under the Lanham Act*, 42 WAYNE L. REV. 1649, 1675-83 (arguing in favor of strengthening functionality and distinctiveness doctrines in order to avoid conflict); Michael S. Perez, Note, *Reconciling the Patent Act and the Lanham Act: Should Product Configurations Be Entitled to Trade Dress Protection After the Expiration of a Utility or Design Patent?*, 4 TEX. INTELL. PROP. L.J. 383 (1996) (advocating intermediate position); cf. Graeme Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, 84 IOWA L. REV. (forthcoming 1999) (arguing that courts should recognize public right to copy designs when doing so is necessary to practice expired patent, but advocating "obligation to label and market . . . goods in such a way as to minimize confusion with the . . . product that was being copied: in order to accommodate goals of both trade dress and patent law.).

7. See *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1510, 35 U.S.P.Q.2d (BNA) 1332, 1342 (10th Cir. 1995) (concluding that product feature is not protectable under federal trademark law if it "is a described, significant inventive aspect of the invention"); *Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 611 (N.D. Ill. 1996) (concluding that product feature is not protectable under federal trademark law if it is "functional within the context of the utility patent"); see also *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1578-80, 36 U.S.P.Q.2d (BNA) 1417, 1421-23 (Fed. Cir. 1995) (concluding that enforcing trade dress rights in feature that was "essentially coextensive with, and in fact broader than, the patent claim . . . would effectively extend the life of the patent," but that "[i]f the asserted trade dress had been narrowly defined to cover only one of the many product configurations within the scope of the claim, one might have a different case"); *New England Butt Co. v. International Trade Comm'n*, 756 F.2d 874, 878-79, 225 U.S.P.Q. (BNA) 260, 262-64 (Fed. Cir. 1985) (affirming judgment that design disclosed in expired utility patent was functional); *Best Lock Corp. v. Schlage Lock Co.*, 413 F.2d 1195, 1199-1200, 162 U.S.P.Q. (BNA) 552, 555-56 (C.C.P.A. 1969) (holding that expired utility patent was sufficient evidence that configuration was functional); *In re Shenango Ceramics, Inc.*, 362 F.2d 287, 291-92, 150 U.S.P.Q. (BNA) 115, 119-20 (C.C.P.A. 1966) (same); *In re Shakespeare Co.*, 289 F.2d 506, 508, 129 U.S.P.Q. (BNA) 323, 325 (C.C.P.A. 1961) (same); *Atlantis Silverworks Inc. v. 7th Sense Inc.*, 42 U.S.P.Q.2d (BNA) 1904, 1910 (S.D.N.Y. 1997) (concluding that "defendants have proved functionality because plaintiff's ring is the subject of a utility patent"); *Marketing Displays, Inc. v. Traffix Devices, Inc.*, 971 F. Supp. 262, 272-76, 43 U.S.P.Q.2d (BNA) 1865, 1874-77 (E.D. Mich. 1997) (finding that configuration substantially equivalent to feature disclosed in utility patent was functional).

8. See, e.g., Ruby Ann David, Comment, *Federal Preemption of a Federal Statute: The Case of Vornado Air Circulation Systems v. Duracraft Corporation*, 37 SANTA CLARA L. REV. 253 (1996); Timothy W. Gordon, Tenth Circuit Survey, *Intellectual Property*, 73 DENVER U. L. REV. 829 (1996); David W. Opperbeck, *Form and Function: Protecting Trade Dress Rights in Product Configurations*, 20 SETON HALL LEGIS. J. 1 (1996); Andrea Falk, Comment, *Harmonization of the Patent Act and Federal Trade Dress Law: A Critique of Vornado Air Circulation Systems v. Duracraft Corp.*, 21 J. CORP. L. 827 (1996); Michael E. Peters, Note, *When Patent and Trademark Law Hit the Fan: Potential Effects of Vornado Air Circulation Systems, Inc. v. Duracraft Corp. on Legal Protection for Industrial Design*, 15 TEMPLE ENVTL. L. & TECH. J. 123 (1996). My classification of commentators into these two opposing camps may be subject to criticism. The expansive definition of functionality chosen by some of the commentators listed in this footnote, such as Falk, might seem to suggest that the outcomes they advocate are not very different from those advocated by some of the commentators listed *supra* at note 6. See, e.g., Falk, *supra*, at 842 (arguing that "a configuration that alone qualifies for a utility patent would necessarily meet the

one court⁹ take the opposite view, concluding that no good reason exists for denying federal rights against trademark infringement to distinctive and nonfunctional product features, even if those features are disclosed in a patent. To the extent that the former view is correct, it means that the public enjoys a federal "right to copy" features disclosed in patents, and that this right trumps any rights otherwise accruing to those features under federal trademark law. To the extent that the latter view is correct instead, the protection afforded to qualifying trade dress under federal trademark law trumps any so-called right to copy.

In this article, I shall argue that much of the case law and commentary addressing this issue has been based upon the erroneous equation of patents (and trademarks) with "monopolies." Although this view has been long discredited in the economic literature,¹⁰ it continues to arise with depressing frequency—in the writings not only of intellectual property scholars (who might be excused for reflexively adhering to a dictum that has been repeated time and again within their field) but also of current Supreme Court justices (who, given the fact that they also write opinions in antitrust cases, really ought to know better).¹¹ In fact, relatively few patents give rise to monopoly power over any well-defined product market. For this reason, concerns over allowing patent owners to use trademark law to extend their "monopolies" are

definition of functionality").

9. See *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 288-91, 46 U.S.P.Q.2d (BNA) 1026, 1041-44 (7th Cir.), *cert. denied*, 119 S. Ct. 336 (1998); see also *Kransco Mfg., Inc. v. Hayes Specialties Corp.*, 77 F.3d 503, 37 U.S.P.Q.2d (BNA) 1722 (Fed. Cir. 1996) (finding that "sinuous seam" disclosed in patent diagram could serve as trademark, because it had no functional advantage and was only one of many possible embodiments of claimed invention); *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 516-17 (9th Cir. 1989) (affirming judgment that product configuration disclosed in expired utility patent was nonfunctional, and therefore potentially subject to trademark protection); *Gasser Chair Co. v. Infanti Chair Mfg. Corp.*, 943 F. Supp. 201, 214, 40 U.S.P.Q.2d (BNA) 1554, 1565 (E.D.N.Y. 1996) (rejecting argument that chair design disclosed in utility patent was functional); *Dogloo, Inc. v. Daskocil Mfg. Co.*, 893 F. Supp. 911, 919, 35 U.S.P.Q.2d (BNA) 1405, 1410 (C.D. Cal. 1995) (concluding, on motion for preliminary injunction, that product design "referenced in the claim language and . . . depicted in one or more of the figures disclosed in the . . . patent" was nevertheless nonfunctional). The Federal Circuit generally takes the position that the presence of a feature in a *utility* patent is some evidence—though not dispositive evidence—that the feature is functional, and therefore not subject to trademark rights. See *Cable Elec. Prods. Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1029-30, 226 U.S.P.Q. (BNA) 881, 891 (Fed. Cir. 1985); *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1340-41, U.S.P.Q. (BNA) 9, 16-17 (C.C.P.A. 1982). On the other hand, the court generally takes the position that the presence of a feature in a *design* patent is evidence that the feature is *not* functional, and therefore potentially trademarkable. See *Morton-Norwich*, 671 F.2d at 1340-41; 1 DONALD S. CHISUM, CHISUM ON PATENTS § 1.04[6] (1998) (discussing Federal Circuit cases recognizing trade dress rights in features disclosed in design patents); see also *infra* notes 253-68 and accompanying text (discussing design patent issue).

10. See *infra* notes 29-37 and accompanying text.

11. See, e.g., *Pfaff v. Wells Elecs., Inc.*, 119 S. Ct. 304, 310, 48 U.S.P.Q.2d (BNA) 1641, 1645 (1998) (characterizing patents as monopolies).

not very helpful in deciding the proper resolution of the patent/trademark problem.

In Part I, I explain why the conventional belief that patents are monopolies is, in general, false.¹² In Part II, I provide a brief overview of relevant trademark law principles.¹³ In Part III, I discuss the case law relevant to the patent/trademark problem, beginning with some early Supreme Court decisions, moving on to the *Sears/Compco* line of cases, and then on to the more recent case law emanating from the circuit courts.¹⁴ In Part IV, I shall argue that, as long as protection against trademark infringement is afforded to distinctive and nonfunctional trade dress generally, no compelling reason exists to deny protection to distinctive, nonfunctional trade dress that has been disclosed in a patent. Further, contrary to popular belief, denying competitors a right to copy the trade dress would not result in the trade dress owner enjoying or extending a monopoly, in any meaningful sense of that term.¹⁵ I conclude that a recourse to first principles suggests that there really is no conflict between the Patent and Lanham Acts with regard to the proper resolution of the patent/trademark problem.

I. ARE PATENTS MONOPOLIES?

Whatever the merits may be today of referring to patents as monopolies, the practice is not entirely without historical foundation. The practice of awarding inventors the exclusive rights to their inventions for a period of years appears to have developed among several European states during the Renaissance, including the Italian city-states and England.¹⁶ In England, this grant of exclusive rights was expressed in something called a "letter patent"—literally, an "open letter" or public document that bore the sovereign's seal on its face.¹⁷ By the time of Elizabeth I, however, the Crown had begun to

12. See *infra* notes 16-37 and accompanying text.

13. See *infra* notes 38-81 and accompanying text.

14. See *infra* notes 82-222 and accompanying text.

15. See *infra* notes 223-78 and accompanying text. I want to make clear that the bulk of what I have to say below applies to the ostensible conflict between patent law and the federal law of trademark *infringement*. Whether the same reasoning applies when the ostensible conflict lies between patent law and the federal law of trademark *dilution* is much less certain, for reasons discussed below. See *infra* notes 231, 272, 274; see also *infra* notes 48-50 and accompanying text (distinguishing dilution from infringement). Although I will touch upon the dilution issue from time to time, a complete exposition of the patent/trademark issue with regard to antidilution law will have to remain, for the time being, the subject of future research.

16. See Paul E. Schaafsma, *An Economic Overview of Patents*, 79 J. PAT. & TRADEMARK OFF. SOC'Y 241, 244-45 (1997); Edward C. Walterscheid, *The Early Evolution of the United States Patent Law: Antecedents (Part 1)*, 76 J. PAT. & TRADEMARK OFF. SOC'Y 697, 700 (1994).

17. See 2 WILLIAM BLACKSTONE, COMMENTARIES 346.

expand, and to abuse, this power, by granting to favored persons exclusive rights to trade in basic commodities such as iron and salt.¹⁸ The English Parliament put a stop to this latter practice in 1623 by enacting the Statute of Monopolies, which provided that “all monopolies and all commissions, grants, licenses, charters, and letters patents heretofore made or granted, or hereafter to be made or granted . . . are altogether contrary to the laws of this realm, and so are and shall be utterly void and of none effect”¹⁹ The Statute provided certain exceptions to the preceding rule, however, including one that authorized the sovereign to continue granting letters patent for a term of fourteen years or less, to the first inventor of “any manner of new manufactures within this realm.”²⁰ The view expressed in the Statute of Monopolies, that patents are a type of temporary monopoly, to be tolerated only for a period of years and for the purpose of inducing the invention of “new manufactures,” is reflected in the writings of subsequent commentators such as Adam Smith,²¹ William Blackstone,²² James Madison, and Thomas Jefferson.²³

Not surprisingly, then, the monopoly rhetoric has been a part of U.S. patent law from the very beginning.²⁴ To be sure, the Supreme Court’s patent jurisprudence over the years has gone through cycles, with the Court at times taking a more favorable view of the patent system than at others.²⁵ The views

18. See 4 BLACKSTONE, *supra* note 17, at 158-59; Schaafsma, *supra* note 16, at 245.

19. Statute of Monopolies, 1623, 21 Jac. I, ch. 3 (Eng.), reprinted in 9 CHISUM, *supra* note 9, at App. 8-1; see also 4 BLACKSTONE, *supra* note 17, at 159; Schaafsma, *supra* note 16, at 245. Walterscheid notes that the date of enactment is sometimes given as 1624 rather than 1623, and that “the reason for the discrepancy is that there was a change in the English calendar at this time,” so that “depending on whether the old or new calendar is used, the year appears as 1623 or 1624.” Edward C. Walterscheid, *The Early Evolution of the United States Patent Law: Antecedents (Part 2)*, 76 J. PAT. & TRADEMARK OFF. SOC’Y 849, 873 n.98 (1994).

20. Statute of Monopolies, 1623, 21 Jac. I, ch. 3, § 6 (Eng.), reprinted in 9 CHISUM, *supra* note 9, at App. 8-3.

21. See ADAM SMITH, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS 712 (Modern Library ed. 1937) (suggesting that granting inventors a temporary monopoly in new machines, and authors a similar right in new books, recompenses them for undertaking investments that give rise to public benefits).

22. See 4 BLACKSTONE, *supra* note 17, at 158-59 (classifying patents as exceptions to offense of monopolization).

23. See generally Edward C. Walterscheid, *Patents and the Jeffersonian Mythology*, 29 J. MARSHALL L. REV. 269 (1995) (discussing Madison’s and Jefferson’s views on patents).

24. The first United States Supreme Court opinion in which the Court refers to patent rights as monopolies appears to be *Evans v. Eaton*, 20 U.S. 356, 377, 400, 401, 413-14 (1822) (Washington, J.). For a fascinating discussion of Evans’s career, and of his dealings with Thomas Jefferson, see Walterscheid, *supra* note 23, at 298-310.

25. See, e.g., 1 WILLIAM C. ROBINSON, THE LAW OF PATENTS FOR USEFUL INVENTIONS § 23, at 36 n.1 (1890) (noting “remarkable changes in the attitude of our courts towards patentees during the past few years,” as courts moved “[f]rom an extreme liberality, in which the rights of the

of individual justices have been something of a mixed bag as well. Justices Black and Douglas, for example, who seem never to have met a patent they didn't loathe, consistently adhered to the view that patent "monopolies" were something of an embarrassment and that the rights of patentees should be construed as narrowly as possible.²⁶ Probably no justice currently serving on the Supreme Court takes as dim a view of the patent system as did Black and Douglas, but even today the Court on occasion continues to speak of patents as conferring "monopoly" power.²⁷ Plus ça change, plus c'est la même chose.²⁸

public were too often disregarded," toward "a tendency to an equally extreme strictness"), *quoted in* John L. Young, *Recent Developments: Patent Law—The Licensee Estoppel Doctrine*, 14 ST. LOUIS U. L.J. 521, 525 & n.24 (1970); Kenneth W. Dam, *The Economic Underpinnings of Patent Law*, 23 J. LEGAL STUD. 247, 249-50 (1994) (arguing that, from the 1930s to the 1970s, the potential for patents to create market power "captured perhaps too much attention"); Frank H. Easterbrook, *Intellectual Property Is Still Property*, 13 HARV. J.L. PUB. POL'Y 108, 112-18 (1990) (noting shift in emphasis away from strict view of intellectual property as monopoly); Edmund W. Kitch, *Graham v. John Deere Co.: New Standards for Patents*, 1966 SUP. CT. REV. 293, 297-327 (1966) (tracing historical development of novelty and nonobviousness doctrines).

26. *See, e.g.,* *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230, 140 U.S.P.Q. (BNA) 524, 527 (1964) (Black, J.) (expressing view that limitations on patent rights must be "strictly enforced"); *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Co.*, 340 U.S. 147, 154, 87 U.S.P.Q. (BNA) 303,306 (1950) (Douglas & Black, J.J., concurring) (stating that patentable invention must "push back the frontiers of chemistry, physics, and the like . . . make a distinctive contribution to scientific knowledge"); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 617, 85 U.S.P.Q. (BNA) 328, 334 (1950) (Black & Douglas, J.J., dissenting) (dissenting from majority's acceptance of the doctrine of equivalents and noting, *inter alia*, "[a] host of prior cases" treating "the 17-year monopoly authorized by valid patents as a narrow exception to our competitive enterprise system"); *see also* James B. Kobak, Jr., *Running the Gauntlet: Antitrust and Intellectual Property Pitfalls on the Two Sides of the Atlantic*, 64 ANTITRUST L.J. 341, 343 n.7 (1996) (providing several other examples of disfavor towards patent system shown by Justices Black, Douglas, and Brennan); Young, *supra* note 25, at 525-35 (discussing Court's gradual departure from Black/Douglas perspective) *cf.* *Graham v. John Deere Co.*, 383 U.S. 1, 10-11, 148 U.S.P.Q. (BNA) 459, 464 (1966) (Clark, J.) (suggesting that underlying policy of patent system is that "'the things which are worth to the public the embarrassment of an exclusive patent,' as Jefferson put it, must outweigh the restrictive effect of the limited patent monopoly").

27. *See* *Pfaff v. Wells Elecs., Inc.*, 119 S. Ct. 304, 310, 48 U.S.P.Q.2d (BNA) 1641, 1645 (1998). The United States Court of Appeals for the Federal Circuit, which hears all appeals from district courts in cases involving claims of patent infringement, from time to time has tried to put to rest the idea that patents are monopolies. *See, e.g.,* *Carl Schenck, A.G. v. Nortron Corp.*, 713 F.2d 782, 786 n.3, 218 U.S.P.Q. (BNA) 698, 701 n.3 (Fed. Cir. 1983) (stating that "[t]he patent right is but the right to exclude others, the very definition of 'property,'" and that "[i]t is but an obfuscation to refer to a patent as 'the patent monopoly' or to describe a patent as an 'exception to the general rule against monopolies'"). On occasion, however, even the Federal Circuit engages in backsliding. *See, e.g.,* *Engel Indus., Inc. v. Lockformer Co.*, 96 F.3d 1398, 1409, 40 U.S.P.Q.2d (BNA) 1161, 1168 (Fed. Cir. 1996) (holding that license agreement did not "inappropriately extend patent monopoly to unpatented parts of patented system").

28. The more things change, the more they remain the same.

The only problem with this view of patents as monopolies is that it is, for the most part, demonstrably false. Basic economic theory teaches that a monopoly exists when a single firm (or a cartel of firms) in a given market is able to control price and output for a specific product or service.²⁹ For most patented inventions, however, there are a range of substitutes, so that exclusive control over the patent does not give rise to the exclusive power to control prices or output in any market.³⁰ As Frank Easterbrook observes:

Patents give a right to exclude, just as the law of trespass does with real property. Intellectual property is intangible, but the right to exclude is no different in principle from General Motors' right to exclude Ford from using its assembly line, or an apple grower's right to its own crop. A patent *may* create a monopoly—just as an auto manufacturer *may* own all of the auto production facilities—but property and monopoly usually differ. That a patent covers an “entire” idea or product no more implies monopoly than the fact that USX Corporation owns the “entire” South Works in Chicago. Frequently, indeed almost always, differently patented goods and processes compete with each other and with unpatented goods and processes.³¹

29. See, e.g., ROBERT H. BORK, *THE ANTITRUST PARADOX: A POLICY AT WAR WITH ITSELF* 98-101 (1978); FRANK H. COWELL, *MICROECONOMIC PRINCIPLES* § 3.8 (1986); HERBERT HOVENKAMP, *FEDERAL ANTITRUST POLICY* § 1.2(a), at 12-14 (1994).

30. See, e.g., Stephen L. Carter, *Does It Matter Whether Intellectual Property Is Property?*, 68 CHI.-KENT L. REV. 715, 717 (1993) (arguing that “the typical proprietor of intellectual property lacks the market power (and often, as Edmund Kitch has noted, the incentive) to extract monopoly rents”) (footnote omitted); Dam, *supra* note 25, at 249-50 (arguing that it is plausible that few patents confer significant market power); Easterbrook, *supra* note 25, at 109 (arguing that most patents do not confer market power); Edmund W. Kitch, *Patents*, in 3 *THE NEW PALGRAVE DICTIONARY OF ECONOMICS AND THE LAW* 13, 14 (1998) [hereinafter Kitch, *Patents*] (stating that “a patent is not usually a monopoly in the sense of price theory—an exclusive right to sell into a market with a downward sloping demand curve”); Edmund W. Kitch, *Property Rights in Inventions, Writings, and Marks*, 13 HARV. J.L. PUB. POL’Y 119, 122-23 (1990) (arguing that “[t]he claims of most issued patents are so narrow that competitors can devise many ways of achieving the same thing as the subject matter of the claim,” and that “most issued patents are worthless, or very nearly worthless,” having “no market value, much less market power”); Edmund W. Kitch, *Patents: Monopolies or Property Rights?*, 8 RES. L. & ECON. 31, 34 (1986) (arguing that, because most patents cover incremental improvements, such as machine components, few confer monopoly power over an entire product market).

31. Easterbrook, *supra* note 25, at 109. Another commentator observed that:

[I]t is readily apparent that the right to exclude another from “manufacture, use, and sale” may give no significant market power, even when the patent covers a product that is sold in the market. Indeed, without the benefit of empirical research, it is entirely plausible to conclude that in the great bulk of instances no significant market power is granted. We must bear in mind that leading companies may obtain 1,000 or more patents in a single year, and yet many such firms are unlikely ever to obtain even a single monopoly in any market.

Dam, *supra* note 25, at 249-50 (footnotes omitted).

Of course, a commercially successful patent may provide its owner with a supracompetitive return because the available substitutes may be more costly to use than is the patented invention.³² But not every patent is commercially successful, much less the generator of monopoly profits—and the success of those that do confer supracompetitive profits sometimes may be attributable to factors other than the relative advantages of the invention itself.³³ In any event, as Edmund Kitch observes, patent law does “not require a showing that an invention is commercially valuable, or even commercially practicable,” but rather only “that the invention work in a technical sense.”³⁴ Indeed, because patent law encourages inventors to file patent applications promptly,³⁵ “inventors file for patents long before they have been able to ascertain whether the costs of implementing the invention on a commercial scale will result in a competitively successful product.”³⁶ The mere fact that a patent exists therefore guarantees neither monopoly profits nor any other commercial advantage over competing producers.

Nothing in the above discussion should be read as denying the possibility that some patents *do* give rise to monopoly power over a properly defined market. Some patents—for example, patents for new drugs for which there are no close substitutes—surely do. But most probably do not, and thus the description of all patents as monopolies is misleading.³⁷ After a brief

32. See Dam, *supra* note 25, at 250; see also Roger D. Blair & Thomas F. Cotter, *An Economic Analysis of Damages Rules in Intellectual Property Law*, 39 WM. & MARY L. REV. 1585, 1634 n.169 (1998) (noting that “[w]hen substitutes exist, the firm is not a monopolist, but it may still enjoy supracompetitive profits if competition is insufficient to eliminate all profit”).

33. See Dam, *supra* note 25, at 250 n.7 (noting that “the commercial success of a product may be more a result of superior marketing, management, and similar factors than of the invention itself”) (citing Robert P. Merces, *Commercial Success and Patent Standards: Economic Perspectives on Innovation*, 76 CALIF. L. REV. 803 (1988)).

34. Kitch, *Patents*, *supra* note 30, at 14. See also 1 CHISUM, *supra* note 9, § 4.01, at 4-2 (“To comply with the utility requirement, an invention need not be superior to existing products or processes.”).

35. See, e.g., 35 U.S.C. § 102(b) (1994) (stating that inventor loses right to patent if invention is disclosed in another patent or printed publication anywhere in the world, or is in use or on sale in the United States, more than one year prior to filing of patent application).

36. Kitch, *Patents*, *supra* note 30, at 14.

37. Sometimes commentators suggest that the meaning of the word monopoly in patent law is simply different from the meaning of the term in, say, antitrust law. If so, then perhaps the use of the term “monopoly” in patent law is not incorrect; it’s just a term of art. For example, in his recent article on the patent/trademark interface, Professor Dratler on several occasions refers to patents as monopolies, see Dratler, *supra* note 6, at 447 n.70, 531, 532-33, 556-57, even though he also recognizes that “[m]onopolies in an antitrust or economic sense cannot exist where substitute products, i.e., commercially viable alternatives, are available at competitive prices,” *id.* at 454 n.89 (emphasis added). See also *In re Kaplan*, 789 F.2d 1574, 1578 n.3, 229 U.S.P.Q. (BNA) 678, 681 n.3 (Fed. Cir. 1986) (“The difficulty is that ‘monopoly’ is used in different senses in patent and antitrust law, hence its ambiguity.”). The problem, however, with distinguishing two different

digression on some relevant principles of trademark law, I shall demonstrate how the misguided characterization of patents as monopolies has affected the patent/trademark interface and how a more realistic view of patents can eliminate a perceived conflict with trademark law.

II. TRADEMARKS AND UNFAIR COMPETITION

To understand the potential conflict between patent and trademark law requires a brief overview of some relevant principles of the law of trademarks and unfair competition. A trademark is any word, name, device, or other symbol that identifies the unique source of a product or service.³⁸ The owner of a trademark has the exclusive right to use the mark to identify her products or services, and is therefore entitled to exclude others from the commercial use of the same or a similar mark if consumers are likely to be confused as to source, sponsorship, or origin.³⁹ At common law, the first person to make a bona fide,⁴⁰ commercial,⁴¹ greater-than-de minimis⁴² use of a mark to identify

meanings of the word "monopoly"—monopolies "in an antitrust or economic sense" and monopolies in some other (noneconomic?) sense—is that, if the patent-law meaning of the word is nothing more than "exclusive right" it is circular, because all patents (as well as all other property rights) necessarily confer exclusive rights. At best, then, describing patents as monopolies is pointless; at worst, it threatens to mislead observers into thinking that patents really *are* monopolies "in an antitrust or economic sense."

38. See 15 U.S.C. § 1127 (defining "trademark"); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995). To be more precise, a trademark identifies the unique source of a product, while a service mark identifies the unique source of a service. See 15 U.S.C. § 1127 (defining "mark," "trademark," and "service mark"); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995). The same principles govern both trademarks and service marks, however, and the term "trademark" is commonly used to describe identifiers of both products and services. In this article, I will use the words "trademark" and "mark" interchangeably, to refer to attributes that identify the unique source of a product or service.

39. See 15 U.S.C. §§ 1114(1), 1125(a)(1)(A); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 (1995). Among the factors a court will consider in determining whether confusion is likely are the similarity of the marks; the similarity of the plaintiff's and defendant's products or services; the similarity of the channels of trade through which the products or services are marketed; the sophistication of the class of purchasers of the relevant products or services; whether the plaintiff's mark is "famous"; whether it is "inherently distinctive," as discussed *infra* at note 56 and accompanying text; whether the defendant adopted the mark in bad faith; and whether there have been any instances of actual confusion. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 20-23 (1995); Thomas F. Cotter, *Owning What Doesn't Exist, Where It Doesn't Exist: Rethinking Two Doctrines from the Common Law of Trademarks*, 1995 U. ILL. L. REV. 487, 530 n.177.

40. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 cmt. c (1995). Some courts, for example, have held that, because the sale of products that fail to comply with federal or state labeling requirements is unlawful, such sales may be insufficient to give rise to enforceable trademark rights. See *Erva Pharm., Inc. v. American Cyanamid Co.*, 755 F. Supp. 36, 40-41, 19 U.S.P.Q.2d (BNA) 1460, 1463-64 (D.P.R. 1991); *General Mills, Inc. v. Health Valley Foods*, 24 U.S.P.Q.2d (BNA) 1270, 1274-75 (T.T.A.B. 1992).

41. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 & cmts. c, d (1995). Sales of

a product or service acquires the exclusive right to the mark.⁴³ In general, however, her rights will be limited to those product or service markets in which consumer confusion over use of the same or a similar mark would be likely: thus, the owner of the mark PRINCE for spaghetti may have a right to prevent others from using the name PRINCE in connection with the sale of food products, but not with respect to tennis rackets.⁴⁴ Her rights also will be limited, in general, to those geographic areas in which she has actually used the mark to identify products or services, or in which the mark has acquired notoriety through advertising or word-of-mouth.⁴⁵

The federal Lanham Act modifies these common-law rights in several ways. First, the Act allows the owner of a trademark used in commerce to register the mark with the Patent and Trademark Office and thereby effectively acquire nationwide rights to the mark.⁴⁶ Second, the Act provides a federal cause of action for the owners of both registered and unregistered

products exclusively to one's friends or relatives, for example, rather than to the general public, would be insufficient to give rise to enforceable trademark rights. *See* Jaffe v. Simon & Shuster, Inc., 3 U.S.P.Q.2d (BNA) 1047, 1049 (S.D.N.Y. 1987); Florida v. Real Juices, Inc., 330 F. Supp. 428, 433, 171 U.S.P.Q. (BNA) 66, 68 (M.D. Fla. 1971).

42. *See, e.g.,* Wrist-Rocket Mfg. Co. v. Saunders Archery Co., 578 F.2d 727, 732-33, 198 U.S.P.Q. (BNA) 257, 261-62 (8th Cir. 1978) (concluding that state population-to-units-sold ratio of 20,000 to 1 was prima facie evidence of greater than de minimis use). A single bona fide commercial sale, however, that is followed by additional sales can be sufficient to give rise to common-law trademark rights. *See* Allard Enters., Inc. v. Advanced Programming Resources, Inc., 146 F.3d 350, 358 (6th Cir. 1998); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 cmt. c (1995).

43. *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 (1995); 2 MCCARTHY, *supra* note 6, § 16:1.

44. *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21 cmt. j (1995). The more famous the plaintiff's mark is, however, the more likely it is that the owner will be able to prevent others from using similar marks on unrelated products. For example, another's use of the famous mark COCA-COLA on, say, hardware may well give rise to a likelihood of confusion, because consumers would be likely to think that a major corporation had simply expanded into another product line. Coca-Cola also likely would have a cause of action for trademark dilution, discussed *infra* note 48-50 and accompanying text. *See* Blair & Cotter, *supra* note 32, at 1608 & n.109.

45. *See* Cotter, *supra* note 39, at 491-92. There are three exceptions to this rule. First, the owner may be able to exclude others from using her mark within her zone of "natural expansion"—the area within which she can reasonably be expected eventually to acquire goodwill in the mark, even though she has not yet expanded into that territory. *See id.* at 492-93. The modern trend, however, is to permit the owner this right only against a defendant who adopts a confusingly similar mark in bad faith. *See id.* at 505-08. Second, the owner may be able to exclude another from using a confusingly similar mark *anywhere*, if the other has adopted the mark with knowledge of the owner's previous use. *See id.* at 492-94. The modern trend, however, is to consider other factors in addition to the defendant's knowing adoption of the mark, before permitting the owner to assert superior rights in a territory remote from the area in which her mark has acquired a reputation or is likely to expand. *See id.* at 508-13. Third, the owner may acquire nationwide rights under the Lanham Act. *See infra* text accompanying note 46.

46. *See* 15 U.S.C. §§ 1051, 1072, 1115 (1994).

marks, in cases in which the defendant is infringing the mark in interstate commerce.⁴⁷ Third, since 1995, the Act has provided a cause of action for trademark "dilution" as well as for trademark infringement.⁴⁸ Dilution is defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services," even in the absence of competition between the trademark owner and the defendant and in the absence of a likelihood of confusion.⁴⁹ Examples of dilution might include the use of a famous mark in such a way as to "blur" (diminish) its uniqueness (e.g., ROLLS-ROYCE chewing gum) or to "tarnish" it through association with an unwholesome product.⁵⁰

Trademarks consisting of words (e.g., COCA-COLA) are often classified as falling along a spectrum consisting of fanciful, arbitrary, suggestive, and descriptive terms.⁵¹ Fanciful marks are made-up words, such as KODAK or

47. The owner of a registered mark may file suit under section 32 of the Lanham Act, which in relevant part provides that

Any person who shall, without the consent of the registrant . . . use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action.

15 U.S.C. § 1114(1). The owner of an unregistered mark may file suit for infringement under § 43(a). *See* 15 U.S.C. § 1125(a)(1). In relevant part, this provision states:

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 . . . 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.

Id. The federal and state courts have concurrent subject matter jurisdiction over Lanham Act claims. *See* 4 MCCARTHY, *supra* note 6, §§ 27:14, 27:45.

48. *See* 15 U.S.C. § 1125(c) (1994 & Supp. II 1997).

49. *Id.* § 1127. As the quotation above suggests, only famous marks are subject to antidilution protection under federal law. *See id.* § 1125(c)(1). In determining whether a mark is famous, a court may consider factors such as the distinctiveness of the mark, the duration and extent of its use, and the duration and extent of its advertising. *See id.* In determining whether there is a likelihood of dilution, courts sometimes consider factors that are analogous to the likelihood of confusion factors. *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. f (1995). For a discussion of the possible applicability of the dilution cause of action to trade dress, *see* Theodore H. Davis, Jr., *Management and Protection of Brand Equity in Product Configurations*, 1998 U. ILL. L. REV. 59, 127-28.

50. *See* Blair & Cotter, *supra* note 32, at 1612; *see also* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., No. 97-1399, 1999 WL 140600, at *2, 50 U.S.P.Q.2d (BNA) 1065 (4th Cir. Mar. 16, 1999) (discussing competing interpretations of federal antidilution protection).

51. *See* Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9, 189 U.S.P.Q. (BNA) 759, 764 (2d Cir. 1976).

POLAROID.⁵² Arbitrary marks are existing words used in an arbitrary manner to identify a product that has no apparent connection with the word, such as DOVE soap or APPLE computers.⁵³ Suggestive marks conjure up some attribute of the product, but require a bit of imagination to understand.⁵⁴ Examples include GLEEM for toothpaste (the suggestion being that it makes your teeth gleam) or COPPERTONE for suntan oil (suggesting that it turns your skin a coppery color).⁵⁵ Fanciful, arbitrary, and suggestive marks are considered to be "inherently distinctive" of products or services, and are therefore enforceable simply upon use, as discussed above.⁵⁶ Descriptive marks, by contrast, describe some attribute of the product or service, or of its effect upon the user, or of the users themselves.⁵⁷ These words are considered non-inherently distinctive and are capable of serving as trademarks only if the user can prove "secondary meaning," that is, that a substantial number of consumers have come to associate them with a unique source, rather than as merely descriptive terms.⁵⁸ Finally, the generic term for a product cannot serve as a trademark at all.⁵⁹ Several words that once served as trademarks (such as aspirin, yo-yo, and light beer) have become generic over time for a type of product, and therefore may be used by anyone selling that product.⁶⁰

Although word marks are the most obvious examples of trademarks, other symbols or attributes that identify the unique source of a product can also serve as trademarks for products or services.⁶¹ One of the most important of these is trade dress,⁶² and two of the most important types of trade dress are

52. See *id.* at 9, 11 n.12, 189 U.S.P.Q. (BNA) at 764, 766 n.12; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. c (1995).

53. See *Abercrombie*, 537 F.2d at 9 & n.6, 11 n.12, 189 U.S.P.Q. (BNA) at 764 & n.6, 766 n.12; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. c (1995).

54. See *Abercrombie*, 537 F.2d at 10-11, 189 U.S.P.Q. (BNA) at 765-66; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. c (1995).

55. See MARGRETH BARRETT, *INTELLECTUAL PROPERTY: CASES AND MATERIALS* 648 (1995) (suggesting COPPERTONE example); Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759, 771 (1990) (suggesting GLEEM example).

56. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 & cmt. c (1995).

57. See *Abercrombie*, 537 F.2d at 9-10, 189 U.S.P.Q. (BNA) at 765; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 14 & cmt. a (1995).

58. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 13(b), 14 (1995).

59. See *Abercrombie*, 537 F.2d at 9, 189 U.S.P.Q. (BNA) at 764; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 15 (1995). But see *infra* note 92 (noting possibility of reclamation from public domain of once-trademarked word that has become generic).

60. See 2 MCCARTHY, *supra* note 6, § 12:18, at 12-36, 12-41, 12-45.

61. See, e.g., *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162-66, 34 U.S.P.Q.2d (BNA) 1161, 1162 (1995) (holding that colors can serve as trademarks); *In re Clarke*, 17 U.S.P.Q.2d (BNA) 1238, 1239-40 (T.T.A.B. 1990) (holding that fragrance was registrable as trademark for yarn); 1 MCCARTHY, *supra* note 6, § 7:104 (discussing federal registrations for sound marks).

62. See *supra* note 5 (defining trade dress); see also *Two Pesos, Inc. v. Taco Cabana, Inc.*,

product packaging and product configuration.⁶³ Although courts initially were reluctant to recognize trademark rights in trade dress, the modern trend of the case law is to treat trade dress the same as any other potential identifying characteristic.⁶⁴ Thus, in 1992, the Supreme Court held that the owner of an inherently distinctive trade dress may sue for infringement under section 43(a) of the Lanham Act without showing any secondary meaning.⁶⁵ The lower courts have nevertheless struggled to articulate under what circumstances trade dress qualifies as inherently distinctive, with some courts taking the position that product packaging is much more likely to be inherently distinctive than is product configuration.⁶⁶ Even a product

505 U.S. 763, 773-74, 23 U.S.P.Q.2d (BNA) 1081, 1083 (1992) (recognizing that trade dress can serve as trademark); *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 78, 16 U.S.P.Q. (BNA) 1555, 1557 (2d Cir. 1990) (same); *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 608, 228 U.S.P.Q. (BNA) 519, 520 (7th Cir. 1986) (same); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 (1995) (same).

63. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. a (1995).

64. See *infra* notes 65-67 and accompanying text. Some judges and litigants nevertheless have urged that the *Sears/Compco* line of cases, discussed *infra* at notes 109-46 and accompanying text, precludes the extension of trademark protection to product configurations, regardless of whether those configurations are disclosed in utility or design patents. See *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 644-51, 29 U.S.P.Q.2d (BNA) 1241, 1243 (7th Cir. 1993) (Cudahy, J., dissenting); *Ferrari s.p.A. Esercizio v. Roberts*, 944 F.2d 1235, 1252-53, 20 U.S.P.Q.2d (BNA) 1001, 1016 (6th Cir. 1991) (Kennedy, J., dissenting); see also *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 547-49, 48 U.S.P.Q.2d (BNA) 1065, 1071-72 (5th Cir. 1998) (rejecting this argument). Beginning with the Eighth Circuit's decision to recognize federal trademark rights in a product configuration in *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1214-15, 191 U.S.P.Q. (BNA) 79, 82 (8th Cir. 1976), the federal courts generally have rejected the expansive reading of *Sears* and *Compco* expressed in the *Kohler* and *Ferrari* dissents. More recent Supreme Court case law recognizing the existence of federal trademark rights in at least some forms of trade dress, see *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992), may suggest that the current Court as well would agree. My proposed analysis, under which some configurations disclosed in utility patents can be subject to trademark protection, also necessarily rejects this more sweeping view. See *infra* notes 223-78 and accompanying text.

65. See *Two Pesos*, 505 U.S. at 776, 23 U.S.P.Q.2d (BNA) 1081.

66. Compare *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 379, 42 U.S.P.Q.2d (BNA) 1641, 1645-46 (2d Cir. 1997) (stating that "this circuit appears to be 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"); *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1448-51, 32 U.S.P.Q.2d (BNA) 1724, 1743 (3d Cir. 1994) (concluding that product configuration is probably less likely to be inherently distinctive than is product packaging, and that configuration must meet rigorous three-part test in order to qualify as inherently distinctive), with *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 787-88, 34 U.S.P.Q.2d (BNA) 1428, 1434 (8th Cir. 1995) (concluding that same test applies for determining whether product packaging or product configuration are inherently distinctive); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. b (1995) (stating that "[p]roduct designs are . . . not ordinarily considered inherently distinctive").

configuration that lacks inherent distinctiveness, however, can acquire distinctiveness through secondary meaning.⁶⁷

An important limitation upon the enforceability of trademark rights in trade dress is the functionality doctrine. Although the definition of functionality varies a bit from one circuit to another,⁶⁸ the Supreme Court has stated that a product feature is functional if it is “‘essential to the use or purpose of the article, or if it affects the cost or quality of the article,’ that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.”⁶⁹ Because competitors need access to features that are deemed functional under this definition, these features are not protectable as trademarks under the Lanham Act or under the common law of unfair competition, even if some confusion is likely to arise from their copying.⁷⁰ Focusing on the competition-enhancing nature of the doctrine, several courts (as well as the *Restatement (Third) of Unfair Competition*) apply the doctrine not only to configurations that serve a utilitarian purpose, but also (under the oxymoronic-sounding “aesthetic functionality” doctrine) to purely decorative or ornamental features that have become standard in the industry.⁷¹ To classify a feature as functional, therefore, is analogous to classifying a word mark as generic.⁷²

67. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. b (1995).

68. Dratler perceives four distinct views of functionality among the lower courts. Depending on which view prevails, a design may be functional if: (1) it performs a utilitarian function; (2) its exclusive appropriation would impair competition; (3) it ought to be protected, if at all, by a design patent; or (4) available alternatives are so limited that rivals will have to use the same symbol in order to enjoy their constitutional right to compete. See Dratler, *supra* note 6, at 506-20. Dratler advocates the fourth view. See *id.* at 519-20.

69. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, 34 U.S.P.Q.2d (BNA) 1161, 1163-64 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10, 214 U.S.P.Q. (BNA) 1, 8 n.10 (1982)).

70. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 16. & cmt. d, 17 (1995); 1 MCCARTHY, *supra* note 6, § 7.63, at 7-124.

71. Judge Posner recently explained the concept of aesthetic functionality with the following example: “Mink coats are normally sold dyed. The dye does not make the coat any warmer, but it makes it more beautiful, and . . . it could not be claimed as trade dress by the first furrier to have hit on the idea.” *Publications Int’l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 339, 49 U.S.P.Q.2d (BNA) 1139, 1140 (7th Cir. 1998); see also *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 79-81, 16 U.S.P.Q.2d (BNA) 1555, 1558-60 (2d Cir. 1990) (recognizing aesthetic functionality doctrine); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995) (same) (“When aesthetic considerations play an important role in the purchasing decisions of prospective consumers, a design feature that substantially contributes to the aesthetic appeal of a product may qualify as ‘functional.’”); 1 MCCARTHY, *supra* note 6, § 7.80 (surveying adoption and rejection of doctrine in various circuits). But see *id.* § 7.81 (arguing against adoption of doctrine).

72. Professor Dinwoodie argues, however, that courts should view functionality and genericism as distinct concepts. To say that a symbol or other attribute is generic means that it no longer represents a single source, i.e., is not distinctive, whereas to say that it is functional means that it is impossible to compete effectively in the relevant market without that attribute. See Dinwoodie,

Another significant issue for present purposes is that trademark rights last for as long as they serve their purpose of identifying the unique source of a product or service.⁷³ Trademark rights therefore are of potentially infinite duration,⁷⁴ though they can be lost if, for example, the mark becomes generic⁷⁵ or if the owner abandons it.⁷⁶ A possible conflict therefore arises if trademark rights in a product feature threaten (in effect) to extend, indefinitely, a patentee's right to exclude others from making, using, or selling the patented invention beyond the limited period specified in the Patent Act.⁷⁷

A final point to consider before turning to the case law is the policy or policies served by recognizing exclusive rights in marks. One is that trademarks lower consumer search costs, by allowing consumers to distinguish products that, in the absence of the mark, would appear identical but in fact have different qualities.⁷⁸ A second is that brand identification encourages producers to maintain a consistent level of quality in their products, and to develop goodwill in those products.⁷⁹ A third, more controversial policy is that trademarks can serve as vehicles for persuasive advertising and image-building; this latter purpose is served more by the dilution doctrine, however, than by the traditional infringement cause of action.⁸⁰ By contrast, the principal focus of patent law is to induce the

supra note 6; Graeme Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 599-600 (1997) [hereinafter *Reconceptualizing Inherent Distinctiveness*]. Thus, while "similar evidence may impinge upon both the issue of inherent distinctiveness and the analysis of functionality . . . [t]he purpose with which a court views alternative products for the purpose of the inherent distinctiveness test should . . . be quite different from how it regards similar . . . evidence in determining functionality." *Reconceptualizing Inherent Distinctiveness*, *supra*, at 600. In particular, Dinwoodie argues that the genericism doctrine focuses on current (or recent past) consumer perceptions, because the "presence on the market of products of the same shape . . . might suggest a lesser likelihood of consumer reliance on a shape as a source-identifier." *Id.* By contrast, the functionality doctrine focuses on "whether it is competitively possible for the shape of a rival product to be different from the plaintiff's trade dress," and this inquiry requires the court (1) to consider "the chances of an alternative shape being produced and marketed *competitively*," and (2) to focus on "products that *could* be introduced to the market as well as those already on the market." *Id.* at 601-02.

73. See Blair & Cotter, *supra* note 32, at 1609.

74. To retain one's registration under the Lanham Act, however, the registrant must periodically file affidavits of continued use. See 15 U.S.C. § 1058(a) (1994).

75. See *id.* § 1064(3) (1994); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 15(2) (1995).

76. See 15 U.S.C. § 1127 (1994 & Supp. II 1997) (defining abandonment); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 30 (1995).

77. See 35 U.S.C. § 154(a)(2) (1994) (specifying that patent term begins on date patent issues, and ends twenty years from date on which patent application was filed).

78. See Blair & Cotter, *supra* note 32, at 1611.

79. See *id.* at 1611-12.

80. See *id.* at 1612-13.

development and disclosure of new inventions, rather than to reduce search costs or encourage consistent quality.⁸¹

III. CASE LAW CONCERNING TRADEMARK RIGHTS IN PRODUCT FEATURES DISCLOSED IN UTILITY PATENTS

A. Early Supreme Court Case Law

The case law relevant to the patent/trademark problem begins with two old Supreme Court cases, *Singer Manufacturing Co. v. June Manufacturing Co.*⁸² and *Kellogg Co. v. National Biscuit Co.*⁸³ The plaintiff in *Singer* had once owned a number of patents on sewing-machine technology.⁸⁴ Following the expiration of these patents, several competing firms began to manufacture devices that they marketed as "Singer sewing machines."⁸⁵ In response to the competition, the Singer company in 1879 began to cast its trademark on the stand of its machines, along with a warning to buy no machine without the mark.⁸⁶ That same year, the defendant began selling sewing machines "in the exact form and shape" of a line then produced by the Singer firm and stamped, on the same part of the machine stand, an imitation of the Singer mark and the words "Improved Singer."⁸⁷ The Singer firm sued, alleging that the defendant, in order to induce the public to believe that its sewing machines were manufactured by Singer, "was making and selling machines of the exact size, shape, ornamentation and general external appearance as the machines manufactured by" Singer,⁸⁸ and was imitating the trademark Singer had been stamping on the machines since 1879.⁸⁹ The trial court found for the defendant, however, concluding first "that the sewing machine in the form

81. See, e.g., *id.* at 1597-98 (discussing various patent theories). See also *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262, 201 U.S.P.Q. (BNA) 1, 4 (1979), in which the Supreme Court stated that patent law (1) "seeks to foster and reward invention"; (2) "promotes disclosure of inventions to stimulate further innovation and to permit the public to practice the invention once the patent expires"; and (3) "seek[s] to assure that ideas in the public domain remain there for the free use of the public." It is this last policy relating to the public domain that, if taken to its logical conclusion, precludes the use of other laws to protect product features disclosed in patents. See *infra* note 234.

82. 163 U.S. 169 (1896).

83. 305 U.S. 111 (1938).

84. See 163 U.S. at 171-74.

85. See *id.* at 174.

86. See *id.*

87. See *id.* at 175-76.

88. *Id.* at 170.

89. See *Singer*, 163 U.S. at 170.

made by the defendant was public property,"⁹⁰ and second "that the name 'Singer' was also public property," i.e., a generic term for a sewing machine.⁹¹

The Supreme Court affirmed, noting, among other things, that the Singer firm itself had used the word "Singer" as a generic term for the sewing machines covered by its patents.⁹² Of greater interest for present purposes, however, is the Court's suggestion that both the configuration of the machine and the name "Singer" had passed into the public domain because the patents had expired:

It is self-evident that on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property. . . . It follows, as a matter of course, that on the termination of the patent there passes to the public the right to make the machine in the form in which it was constructed during the patent. We may, therefore, dismiss without further comment the complaint, as to the form in which the defendant made his machines. It equally follows from the cessation of the monopoly and the falling of the patented device into the domain of things public, that along with the public ownership of the device there must also necessarily pass to the public the generic designation of the thing which has arisen during the monopoly, in consequence of the designation having been acquiesced in by the owner To say otherwise would be to hold that although the public had acquired the device covered by the patent, yet the owner of the patent or the manufacturer of the patented thing had retained the designated name which was essentially necessary to vest the public with the full enjoyment of that which had become theirs by the disappearance of the monopoly. In other words, that the patentee or manufacturer could take the benefit and advantage of the patent upon the condition that at its termination the monopoly should cease, and yet when the end was reached disregard the public dedication and practically perpetuate indefinitely an exclusive right.⁹³

90. *Id.* at 177.

91. *Id.*

92. *See id.* at 180-83. The name "Singer" has since been reclaimed from the public domain. *See* 2 MCCARTHY, *supra* note 6, § 12:31 (noting that Singer apparently has reclaimed the mark from public domain through extensive advertising); *see also id.* §§ 12:11, 12:30 (noting rarity of such reclamation).

93. *Singer*, 305 U.S. at 185-86; *see also id.* at 186 (stating that public has right, upon expiration of patent, to use patented article and its generic name, and that "to restrict this use . . . would be to admit the right, and at the same time destroy it"); *id.* at 193 (quoting with approval an English case in which the vice chancellor had remarked that "[a] man cannot prolong his monopoly by saying 'I have got a trade-mark in the name of a thing which was the subject of the patent.'"); *id.* at 199 (stating that rule under American, English, and French law is "that where, during the life of a monopoly created by a patent, a name, whether it be arbitrary or be that of the inventor, has become,

Two things in particular stand out from the preceding quotation. The first is that the Court would not allow Singer to assert a claim based upon the defendant's imitation of the configuration of the machine, because to permit such a claim would allow the former patentee to extend its "monopoly" indefinitely.⁹⁴ The second is the Court's suggestion that the expiration of the patent somehow contributed to the genericization of the name "Singer."⁹⁵ Why the expiration of patents should have anything to do with the genericization of the word "Singer" is difficult to understand, inasmuch as a generic term cannot serve as a trademark, period—regardless of the existence or nonexistence of an expired patent.⁹⁶ Yet another interesting aspect of the Court's opinion is its ultimate conclusion that, even though the word "Singer" was generic, the defendant must include "a plain and unequivocal indication of the origin of manufacture" on its machines, in order to prevent consumer confusion as to source.⁹⁷ The fact that consumer confusion was still a concern might lead one to conclude that the word was not generic after all.⁹⁸

The *Kellogg* case involved a similar fact pattern. In 1893, Henry Perky invented the pillow-shaped shredded wheat biscuit, in connection with which he subsequently received several utility patents and at least one design patent.⁹⁹ When Kellogg began marketing a competing shredded wheat cereal after these patents expired, Perky's successor in interest filed suit, claiming rights in the pillow shape and in the name "Shredded Wheat."¹⁰⁰ The Court found that the term "Shredded Wheat" had become generic due, in part, to the

by his consent, either express or tacit, the identifying and generic name of the thing patented, this name passes to the public with the cessation of the monopoly which the patent created").

94. See *id.* at 185.

95. See *id.* at 184-86.

96. See 15 U.S.C. § 1064(3) (1994); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 15 (1995). The same rule applied in the nineteenth century. See, e.g., WILLIAM HENRY BROWN, A TREATISE ON THE LAW OF TRADEMARKS § 134 (2d ed. 1885). Dratler argues that, despite the language cited above, the *Singer* Court probably did not mean to suggest that the name of an invention necessarily becomes generic upon expiration of the patent. See Dratler, *supra* note 6, at 528 n.329.

97. See *Singer*, 163 U.S. at 202-04.

98. But not necessarily. Courts and commentators have recognized that the use of a disclaimer or other modifications sometimes may be necessary to prevent residual confusion, where a minority of consumers still view a mark as nongeneric. See, e.g., *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 577, 581, 138 U.S.P.Q. (BNA) 349, 352 (2d Cir. 1963) (affirming decree ordering defendant to precede generic-but- formerly-trademarked word "thermos" with word "Aladdin"; to spell "thermos" with lower-case "t"; and to avoid placing words "genuine" or "original" before "thermos"); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 15 cmt. d (1995) ("Subsequent users, although protected in their right to use a generic term, may thus be required to take reasonable precautions to avoid a likelihood of confusion"); *id.* § 16 cmt. d (making same point with respect to functional features).

99. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 117, 119 (1938).

100. See *id.* at 113.

absence for many years of any attempt on the part of the plaintiff to use the term as a trademark.¹⁰¹ Citing the above passage from *Singer*, however, the Court concluded in addition that “the name ‘Shredded Wheat’, as well as the product, the process and the machinery employed in making it, has been dedicated to the public” due to the expiration of the Perky patent.¹⁰² The Court also held that the pillow shape of the biscuit (which had been the subject of the design patent) had fallen into the public domain upon expiration of the design patent,¹⁰³ stating:

Where an article may be manufactured by all, a particular manufacturer can no more assert exclusive rights in a form in which the public has become accustomed to see the article and which, in the minds of the public, is primarily associated with the article rather than a particular producer, than it can in the case of a name with similar connections in the public mind.¹⁰⁴

As in *Singer*, however, the Court went on to undercut its holding that the name and shape had entirely entered the public domain, by concluding with the observation that Kellogg nevertheless had an obligation (which it had adequately discharged) “to identify its product lest it be mistaken for that of the plaintiff.”¹⁰⁵

Two further observations concerning *Singer* and *Kellogg* may be relevant to the patent/trademark problem, for reasons to be developed below.¹⁰⁶ First, in neither case was the Court confronted with an apparent conflict between federal patent policy and another federal statute. Until 1947, there was no analogue to the modern-day Lanham Act section 43, which as noted above allows the owner of even an unregistered, common-law mark to sue for infringement in federal court.¹⁰⁷ Second, although in both cases the Court

101. *See id.* at 117.

102. *See id.* at 117-18.

103. *See id.* at 119-20.

104. *Kellogg*, 305 U.S. at 120. Perhaps significantly, the Court also concluded that the pillow-shape was functional, meaning that “the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape.” *Id.* at 122.

105. *Id.* at 120. If you happen to pick up a box of Post Shredded Wheat today, by the way, you will notice that Post (today a sister corporation of Nabisco) asserts common-law trademark rights (symbolized by the “TM” symbol) in the name ORIGINAL SHREDDED WHEAT. Plus ça change

106. *See infra* notes 147, 223-37 and accompanying text.

107. *See supra* note 47 and accompanying text. Both *Singer* and *Kellogg* were federal actions due to the federal courts’ diversity jurisdiction. *See Singer*, 163 U.S. at 169-70; *Kellogg*, 305 U.S. at 113 n.1. *Singer*, being a pre-*Erie Railroad* case, would have involved the application of federal common law. *Kellogg* was a post-*Erie* case, though according to Justice Brandeis no claim was “made that the local law is any different from the general law on the subject,” and the “parties . . . relied almost entirely on federal precedents.” *See Kellogg*, 305 U.S. at 113 n.1.

seemed to view the assertion of trademark rights in the name and shape of the article as an illegitimate attempt to extend the owner's patent, it also stressed the plaintiff's own use of the name as a generic term and, at least in *Kellogg*, the defendant's need to copy the shape of the product in order to compete.¹⁰⁸ Thus, neither *Singer* nor *Kellogg necessarily* governs in cases involving federal trademark rights, or those in which competitors do not require access to a product feature to compete.

B. The Sears/Compco Line of Cases

The next body of Supreme Court case law that may be relevant to the patent/trademark problem is a line of cases beginning with *Sears, Roebuck & Co. v. Stiffel Co.*¹⁰⁹ and *Compco Corp. v. Day-Brite Lighting, Inc.*,¹¹⁰ two opinions handed down on the same day in 1964. In *Sears*, the plaintiff owned design and utility patents relating to a type of lamp;¹¹¹ in *Compco*, a design patent on a reflector for lighting fixtures.¹¹² Both plaintiffs filed suit for federal patent infringement and for unfair competition under Illinois law, based upon the defendants' sales of products identical to those marketed by the plaintiffs.¹¹³ In each case, the district court found the patents to be invalid but entered judgment for the plaintiff on the unfair competition claim, finding the products to be distinctive and purchaser confusion likely.¹¹⁴ In opinions authored by Justice Black, the Supreme Court reversed, finding in each case that federal law preempted the unfair competition claim.¹¹⁵

Justice Black began his analysis in *Sears* with the familiar dictum that patents are grants of statutory monopolies, the limitations on the exercise of

108. See *Singer*, 163 U.S. at 180 (finding "Singer" to be generic); *Kellogg*, 305 U.S. at 119 (noting public's right to call product by its generic name), *Kellogg*, 305 U.S. at 122 (stating that product shape was functional). But see *Singer Mfg. Co. v. June Mfg. Co.*, 41 F. 208, 213 (C.C.N.D. Ill. 1889) (stating "[t]he rule . . . that, if the manufacturer of a patented machine adopts a peculiar style or form in which to embody the working mechanism covered by his patents, or any special mode of ornamentation . . . although not strictly essential to the operation of the mechanical device covered by the patents, still becomes a part of the machine as presented to the world on the expiration of the patents"), *rev'd on other grounds*, 163 U.S. 169 (1896).

109. 376 U.S. 225, 140 U.S.P.Q. (BNA) 524 (1964).

110. 376 U.S. 234, 140 U.S.P.Q. (BNA) 528 (1964).

111. See *Sears*, 376 U.S. at 225-26, 140 U.S.P.Q. (BNA) at 525-26.

112. See *Compco*, 376 U.S. at 234, 140 U.S.P.Q. (BNA) at 529.

113. See *Sears*, 376 U.S. at 226, 140 U.S.P.Q. (BNA) at 526; *Compco*, 376 U.S. at 234-35, 140 U.S.P.Q. (BNA) at 529.

114. See *Sears*, 376 U.S. at 226, 140 U.S.P.Q. (BNA) at 526; *Compco*, 376 U.S. at 235-36, 140 U.S.P.Q. (BNA) at 529-30.

115. See *Sears*, 376 U.S. at 229-32, 140 U.S.P.Q. (BNA) at 527-28; *Compco*, 376 U.S. at 237-39, 140 U.S.P.Q. (BNA) at 530-31.

which must be "strictly enforced."¹¹⁶ Among these limitations are that a patent must be "strictly construed";¹¹⁷ that it "cannot be used to secure any monopoly beyond that contained in the patent";¹¹⁸ that it "may not be used in disregard of the antitrust laws";¹¹⁹ and (citing *Singer* and *Kellogg*) that "when the patent expires the monopoly created by it expires, too, and the right to make the article—including the right to make it in precisely the shape it carried when patented—passes to the public."¹²⁰ In light of these principles, Justice Black concluded that, just as a state

could not . . . extend the life of a patent beyond its expiration date or give a patent on an article which lacked the level of invention required for federal patents . . . it cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws.¹²¹

Justice Black conceded that a state "may, in appropriate circumstances, require that goods . . . be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source," and that it "may protect businesses in the use of their trademarks, labels, or distinctive dress . . . so as to prevent others . . . from misleading purchasers . . ."¹²² In light of federal patent law, however, a "[s]tate may not prohibit the copying of an unpatented . . . article . . . or award damages for such copying."¹²³ Justice Black reached the same conclusion in *Compco*, finding irrelevant the fact that the plaintiff's design had acquired secondary meaning.¹²⁴

The Court nevertheless appeared to back away somewhat from the rules announced in *Sears* and *Compco* in a handful of subsequent decisions. In *Goldstein v. California*,¹²⁵ for example, the Court held that the Copyright Act did not preempt a state law forbidding the copying of uncopyrighted sound recordings.¹²⁶ The Court distinguished *Sears* and *Compco* on the ground that, in those cases, the state law at issue "disturbed the careful balance which

116. *Sears*, 376 U.S. 229-30, 140 U.S.P.Q. (BNA) at 527.

117. *Id.* at 230, 140 U.S.P.Q. (BNA) at 527.

118. *Id.*, 140 U.S.P.Q. (BNA) at 527.

119. *Id.*, 140 U.S.P.Q. (BNA) at 527.

120. *Id.*, 140 U.S.P.Q. (BNA) at 527.

121. *Sears*, 376 U.S. at 231, 140 U.S.P.Q. (BNA) at 529; *see also id.* at 231-32, 140 U.S.P.Q. (BNA) at 528 (stating that to allow a State "by use of its law of unfair competition to prevent the copying of an article which represents too slight an advance to be patented would be to permit the State to block off from the public something which the federal law has said belongs to the public").

122. *Id.* at 232, 140 U.S.P.Q. (BNA) at 528.

123. *See id.* at 232-33, 140 U.S.P.Q. (BNA) at 528.

124. *See Compco*, 376 U.S. at 238, 140 U.S.P.Q. (BNA) at 531.

125. 412 U.S. 546 (1973), 178 U.S.P.Q. (BNA) 129.

126. *See id.* at 571, 178 U.S.P.Q. (BNA) at 139. Federal copyright protection was extended to sound recordings while *Goldstein* was pending. *See id.* at 551-52, 178 U.S.P.Q. (BNA) at 132.

Congress had drawn" between encouraging innovation and ensuring competition, whereas in the present case "Congress ha[d] drawn no balance; rather, it has left the area unattended, and no reason exists why the State should not be free to act."¹²⁷ Similarly, in *Kewanee Oil Co. v. Bicron Corp.*,¹²⁸ the Court held that the Patent Act did not preempt state trade secret law.¹²⁹ The Court reasoned that state laws protecting nonpatentable trade secrets did not conflict with federal patent policy, for much the same reason that state laws protecting noncopyrightable sound recordings did not conflict with federal copyright law,¹³⁰ and that, on balance, the extension of trade secret protection to patentable secrets did not conflict because the relative weakness of trade secret protection poses "no reasonable risk of deterrence from patent application by those who can reasonably expect to be granted patents."¹³¹ Not surprisingly, both opinions elicited vigorous dissents from Justice Douglas (Justice Black was by then deceased), who argued that the majority's position could not be reconciled with *Sears* and *Compco*.¹³²

To add to the doctrinal confusion, in 1989 the Court held in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*¹³³ that the Patent Act *did* preempt a state law forbidding the use of a direct molding process to copy unpatentable boat hulls.¹³⁴ On the one hand, the Court rejected a broad reading of *Sears* and *Compco* as standing for the proposition that states may place *no* conditions upon the use of trade dress¹³⁵ and reaffirmed its holding in *Kewanee Oil*.¹³⁶ At the same time, however, the Court emphasized that

a state law that substantially interferes with the enjoyment of an unpatented utilitarian or design conception which has been freely disclosed by its author to the public at large impermissibly contravenes the ultimate goal of public disclosure and use which is the centerpiece of federal patent policy.¹³⁷

127. *Id.* at 569-70, 178 U.S.P.Q. (BNA) at 138.

128. 416 U.S. 470, 181 U.S.P.Q. (BNA) 673 (1974).

129. *See id.* at 491-93, 181 U.S.P.Q. (BNA) at 681-82.

130. *See id.* at 482-89, 181 U.S.P.Q. (BNA) at 678-81.

131. *Id.* at 489-91, 181 U.S.P.Q. (BNA) at 681.

132. *See id.* at 495-99, 181 U.S.P.Q. (BNA) at 683-84 (Douglas & Brennan, JJ., dissenting); *Goldstein*, 412 U.S. at 572-75, 178 U.S.P.Q. (BNA) at 139-40 (Douglas, Brennan, & Blackmun, JJ., dissenting).

133. 489 U.S. 141, 9 U.S.P.Q.2d (BNA) 1847 (1989).

134. *See id.* at 168, 9 U.S.P.Q.2d (BNA) at 1859.

135. *See id.* at 154, 9 U.S.P.Q.2d (BNA) at 1854.

136. *See id.* at 155-56, 9 U.S.P.Q.2d (BNA) at 1854.

137. *Id.* at 156-57, 9 U.S.P.Q.2d (BNA) at 1854; *see also id.* at 155-56, 9 U.S.P.Q.2d (BNA) at 1853-54 (stating that key is extent to which state protection "conflict[s] with the federal policies of encouragement of patentable invention and the prompt disclosure of such innovations").

On balance, the Court concluded that the Florida statute at issue went too far, by providing "patent-like protection to intellectual creations which would otherwise remain unprotected as a matter of federal law."¹³⁸

Notwithstanding the Court's effort in *Bonito Boats* to reconcile the *Sears/Compco* line of cases, many commentators have found little logic or reason in the distinctions the Court has made in these cases.¹³⁹ Others argue that the Court severely limited *Sears* and *Compco*, noting that the Court, in dicta, contrasted the Florida statute at issue with the common-law tort of unfair competition, stating:

With some notable exceptions, including the interpretation of the Illinois law of unfair competition at issue in *Sears* and *Compco*, the common-law tort of unfair competition has been limited to protection against copying of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source.¹⁴⁰

Taken at face value, the statement might seem to suggest that a state *could* provide protection for *nonfunctional* trade dress disclosed in a utility patent, thus limiting *Sears* and *Compco* to cases in which states attempt to protect functional aspects of products. Seizing upon this language, the *Restatement (Third) of Unfair Competition* suggests that "[t]he recognition of state trademark rights in distinctive, nonfunctional product features may . . . be permissible notwithstanding the contrary conclusion in *Compco*."¹⁴¹

Yet others contend that the case law really can be reconciled, and that *Sears* and *Compco* remain good law. Professor Heald, for example, has argued with some force that the cases can be squared in the following manner.

138. 489 U.S. at 156-57, 9 U.S.P.Q.2d (BNA) at 1854. Congress, however, had the last word. See Vessel Hull Design Protection Act, Pub. L. No. 105-304, 112 Stat. 2860, 2905 (1998) (affording boat hull manufacturers with protection against direct molding).

139. See, e.g., John Shepard Wiley, Jr., *Bonito Boats: Uninformed but Mandatory Innovation Policy*, 1989 SUP. CT. REV. 283; K. David Crockett, *The Salvaged Dissents of Bonito Boats v. Thunder Craft*, 13 GEO. MASON L. REV. 27 (1990); S. Stephen Hilmy, Note, *Bonito Boats' Resurrection of the Preemption Controversy: The Patent Leverage Charade and the Lanham Act "End Around"*, 69 TEX. L. REV. 729 (1991).

140. *Bonito Boats*, 489 U.S. at 157-58, 9 U.S.P.Q.2d (BNA) at 1855 (citations omitted). But see *Compco*, 376 U.S. at 236, 140 U.S.P.Q. (BNA) at 530 (noting that appellate court had "observed that 'several choices of ribbing were apparently available to meet the functional needs of the product'" (quoting *Day-Brite Lighting, Inc. v. Compco Corp.*, 311 F.2d 26, 30, 136 U.S.P.Q. (BNA) 17, 20 (7th Cir. 1962), *rev'd*, 376 U.S. 234, 140 U.S.P.Q. (BNA) 528 (1964))); *id.* at 238, 140 U.S.P.Q. (BNA) at 531 ("That an article copied from an unpatented article could be made in some other way, that the design is 'nonfunctional' and not essential to the use of either article . . . may be relevant evidence in applying a State's law requiring such precautions as labeling," but does not "furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling." (citing *Kellogg*, 305 U.S. at 120)).

141. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. c (1995).

First, if state and federal laws conflict with respect to the “*criteria* for protection of a particular type of creation,” the “court is relatively well-placed to determine the existence of a direct conflict between the state and federal schemes.”¹⁴² In Heald’s view, this rule is consistent with the result in *Sears* and *Compco*, in which “the criteria of Illinois’ unfair competition protection imposed no substantive requirements and thus was radically different from its federal patent counterpart.”¹⁴³ It is also at least arguably consistent with *Bonito Boats*, in which the state law “endow[ed] the original boat manufacturer with rights against the world, similar in scope and protection to the rights accorded a federal patentee . . . without the careful protection of high standards of innovation and limited monopoly contained in the federal scheme.”¹⁴⁴ On the other hand, when “a state statute extends protection to a *type of creation* not eligible for protection under federal law,” a court may be justified in concluding that congressional silence evidences no intent to preempt, particularly where the state law is arguably consistent with the efficiency goals of federal law.¹⁴⁵ Reasoning that the trade secret law at issue in *Kewanee* and the state copyright law at issue in *Goldstein* are largely consistent with federal policy, Heald concludes that the distinctions the Court has drawn in these cases are largely correct.¹⁴⁶

C. *Vornado, Zip Dee, and Thomas & Betts*

To the extent that they are still good law, *Sears* and *Compco* resolve the question of whether federal patent law preempts state unfair competition laws that purport to confer exclusive rights in product features disclosed in patents. The Supreme Court, however, has never addressed the issue of whether patent law or policy prevents the use of the federal Lanham Act to achieve the same end, and the proper resolution of this issue under the *Sears/Compco* line of cases can be difficult to discern. On the one hand, the Court was careful to craft its opinions in the *Sears/Compco* line of cases so as to demonstrate that

142. Paul Heald, *Federal Intellectual Property Law and the Economics of Preemption*, 76 IOWA L. REV. 959, 968 (1991).

143. *Id.* at 972.

144. *Id.* at 984 (quoting *Bonito Boats*, 489 U.S. at 159, 9 U.S.P.Q.2d (BNA) at 1855). Heald notes, however, that one can plausibly argue “that antimolding statutes do not offer protection substantially similar to patent law” because, among other things, the state laws, unlike patent law, prohibit only one form of copying; and because, contrary to the Court’s analysis, the state laws might work to spur innovation in boat design and replication techniques. *Id.* at 984-86. Heald nevertheless concludes that *Bonito Boats* was correctly decided, because the state law, unlike patent and trade secret law, does not attempt “to offset the public cost of granting property rights by requiring the protected creation to benefit the public in some way.” *Id.* at 987.

145. *Id.* at 968.

146. *See id.* at 967-88.

the conflicts at issue arose between federal and state law.¹⁴⁷ On the other hand, the cases also contain statements suggesting that the Court might find such efforts based on federal unfair competition law equally invalid.¹⁴⁸ Reflecting the confusion generated by these cases, three recent decisions have each adopted different approaches to the issue of whether product features disclosed in utility patents are protectable under the Lanham Act.¹⁴⁹

The first of the three is *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*¹⁵⁰ In 1988, the plaintiff Vornado Air Circulation Systems, Inc. (Vornado) began selling a household fan that employed a spiral grill.¹⁵¹ The following year, Vornado's founders applied for a patent, claiming "a fan with multiple features, including the spiral grill."¹⁵² After the patent issued in 1990, Vornado "advertised its grill as the 'Patented AirTensity™ Grill,'" even though the grill by itself was not patentable.¹⁵³ Later that year, the defendant

147. See *Bonito Boats*, 489 U.S. at 156-57, 9 U.S.P.Q.2d (BNA) at 1854 ("A state law that substantially interferes with the enjoyment of an unpatented utilitarian or design conception . . . impermissibly contravenes the ultimate goal of public disclosure and use which is the centerpiece of federal patent policy."); *Kewanee Oil*, 416 U.S. at 481, 181 U.S.P.Q. (BNA) at 678 (stating that "that which is in the public domain cannot be removed therefrom by action of the States"); *Compco*, 376 U.S. at 237, 140 U.S.P.Q. (BNA) at 530 (stating that "when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article"); *id.* at 238, 140 U.S.P.Q. (BNA) at 530 (stating that "if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will"); *Sears*, 376 U.S. at 231-32, 140 U.S.P.Q. (BNA) at 528 ("To allow a State by use of its law of unfair competition to prevent the copying of an article which represents too slight an advance to be patented would be to permit the State to block off from the public something which federal law has said belongs to the public.").

148. See *Bonito Boats*, 489 U.S. at 152, 9 U.S.P.Q.2d (BNA) at 1852 ("We have long held that after the expiration of a federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law."); *id.* at 156, 9 U.S.P.Q.2d (BNA) at 1854 ("[I]deas once placed before the public without the protection of a valid patent are subject to appropriation without significant restraint."); *Compco*, 376 U.S. at 237-38, 140 U.S.P.Q. (BNA) at 530 (stating that, under federal patent law, fixture at issue was "in the public domain and can be copied in every detail by whoever pleases"); *Sears*, 376 U.S. at 230, 140 U.S.P.Q. (BNA) at 527 ("[W]hen the patent expires the monopoly created by it expires, too, and the right to make the article—including the right to make it in precisely the shape it carried when patented—passes to the public.").

149. The three cases discussed in the text above are not the only ones in which the patent/trademark problem has arisen. See *supra* notes 7, 9 (listing other cases); Geremia, *supra* note 6, at 804 n.166; see also *infra* notes 253-65 and accompanying text (discussing analogous problem involving ostensible conflict between design patent and federal trademarks laws). The three cases discussed above, however, clearly demonstrate three very distinct approaches to the problem.

150. 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995).

151. See *id.* at 1500, 35 U.S.P.Q.2d (BNA) at 1333.

152. *Id.*, 35 U.S.P.Q.2d (BNA) at 1333.

153. *Id.*, 35 U.S.P.Q.2d (BNA) at 1333. According to the court, the plaintiff "touted the grill as a 'true achievement in aerodynamic efficiency,' 'the result of determinant ergonomic design,' with '[u]nique AirTensity™ vortex action,' accomplishing 'a high degree of safety and functionality.'" *Id.*, 35 U.S.P.Q.2d (BNA) at 1333. The grill itself was not patentable, however, because similar grills had been in use earlier this century and, in at least one instance, had been the subject of a (long-

Duracraft Corp. (Duracraft) began marketing a fan that incorporated a spiral grill similar to the one found on Vornado's more expensive model, but that did not infringe Vornado's patent.¹⁵⁴ Vornado sued, claiming that the defendant had infringed its trade dress in violation of section 43(a) of the Lanham Act.¹⁵⁵ The district court agreed, concluding that the grill was not functional; that the design of the grill was inherently distinctive; and that consumers were likely to be confused as to the origin of the defendant's goods.¹⁵⁶

On appeal, the Tenth Circuit conceded the possibility that a product feature may be nonfunctional for purposes of federal trademark law (and therefore at least *prima facie* protectable as a trademark) and yet at the same time serve as part of a patentable invention.¹⁵⁷ As noted above, a feature is generally considered functional under trademark law if it is necessary for competitors to copy the feature in order to effectively compete.¹⁵⁸ The utility

expired) utility patent. *See id.*, 35 U.S.P.Q.2d (BNA) at 1333.

154. *See id.* at 1500-01, 35 U.S.P.Q.2d (BNA) at 1333-34. An accused device literally infringes if it incorporates all of the limitations of a patented invention. *See Laitrim Corp. v. Rexnord, Inc.*, 939 F.2d 1533, 1535, 19 U.S.P.Q.2d (BNA) 1367, 1369 (Fed. Cir. 1991). A device infringes under the doctrine of equivalents if it "contain[s] elements identical or equivalent to each claimed element of the patented invention." *See Warner-Jenkinson Co. v. Hilton-Davis Chem. Co.*, 520 U.S. 17, 40, 41 U.S.P.Q.2d (BNA) 1865, 1875 (1997).

155. *See Vornado*, 58 F.3d at 1501, 35 U.S.P.Q.2d (BNA) at 1334.

156. *See id.* at 1501-02, 35 U.S.P.Q.2d (BNA) at 1334-35.

157. *See id.* at 1506-07, 35 U.S.P.Q.2d (BNA) at 1339. The court also noted the possibility, at the time the opinion was written, that the former patentee might register the feature as its trademark; that the feature might later become functional, in light of the changing nature of the marketplace; but that, by that time, the mark might no longer be subject to challenge on functionality grounds, because five years after registration a mark is eligible to become "incontestable." *See id.* at 1510 n.20, 35 U.S.P.Q.2d (BNA) at 1342 n.20; *see also* 15 U.S.C. § 1065 (1994) (stating that, subject to specified conditions, "the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable"). The term incontestability is misleading, because the Lanham Act itself spells out over twenty possible grounds for challenging an incontestable mark. *See Park 'N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 206, 224 U.S.P.Q. (BNA) 327, 335 (1985) (Stevens, J., dissenting). Until recently, the statute did not expressly state that an incontestable mark could be challenged on the ground of functionality. An amendment enacted last October, however, clarifies that it can be, and so this ground for the *Vornado* court's decision is no longer good law. *See Trademark Law Treaty Implementation Act*, Pub. L. No. 105-330, § 201 (a) (4), 112 Stat. 3064, 3070 (1999).

158. *See supra* notes 68-72 and accompanying text. *See also Vornado*, 58 F.3d at 1507, 35 U.S.P.Q.2d (BNA) at 1339:

If competitors need to be able to use a particular configuration in order to make an equally competitive product, it is functional, but if they do not, it may be nonfunctional. The availability of equally satisfactory alternatives for a particular feature, and not its inherent usefulness, is often the fulcrum on which Lanham Act functionality analysis turns.

I should note that not everyone agrees that product features are functional only when

requirement in patent law,¹⁵⁹ on the other hand, only means that the invention works—not that it works better than other alternatives¹⁶⁰—which means that it is possible for a nonfunctional feature to serve as part of a patented invention. When this happens, does the public's "right to copy" upon expiration of the patent trump the owner's rights under trademark law, or may the owner assert trademark rights in the nonfunctional feature?

The court began its analysis by citing the litany of cases discussed in the preceding subsection for the propositions that "patent law creates a federal right to copy and use product features that are in the public domain, whether under an expired patent or for lack of patentability in the first place,"¹⁶¹ and that "[w]hen asked to balance the concerns of patent law against those of unfair competition law with respect to the copying of product shapes, the Supreme Court has ruled repeatedly over the years that the right to copy must

competitors need access to them in order to compete. See *supra* note 68 (discussing different views of functionality); see also 1 MCCARTHY, *supra* note 6, § 7.68 (arguing that utility patent disclosing utilitarian advantages of product feature is strong evidence of functionality, regardless of competitive need); Falk, *supra* note 8, at 842-43 (arguing that exclusive focus on competitive need ignores Supreme Court's dictum in *Inwood Laboratories* that feature is functional if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article" (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, 34 U.S.P.Q.2d (BNA) 1161, 1163-64 (1995) (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10, 214 U.S.P.Q. (BNA) 1, 4 n.10 (1982))))). Falk's reading of the relevant case law is certainly plausible. In *Qualitex*, the Court stated that "[i]t 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," and that "[i]f a product's functional features could be used as trademarks . . . a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever . . ." 514 U.S. at 164-65, 34 U.S.P.Q.2d (BNA) at 1163 (citing *Kellogg*, 305 U.S. at 119-20). The Court then provided, as an example of functionality, a hypothetical case involving a patented light bulb with a "special illumination-enhancing shape." *Id.* at 165, 34 U.S.P.Q.2d (BNA) at 1163. Even if the public has come to identify that shape with a single manufacturer, the Court stated, "the manufacturer may not use that shape as a trademark, for doing so, after the patent had expired, would impede competition . . . by frustrating competitors' legitimate efforts to produce an equivalent illumination-enhancing bulb." *Id.*, 34 U.S.P.Q.2d (BNA) at 1163. On the other hand, in this example and in the definition of functionality that follows it the Court clearly stressed the competitive harm aspect—thus perhaps allowing the inference that a feature that is disclosed in a patent but that is not necessary for competition would not be deemed functional. See *id.*, 34 U.S.P.Q.2d (BNA) at 1163-64 (defining functional feature as one that 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") (emphasis added). In any event, for reasons discussed *supra* at notes 29-37 and accompanying text, I agree with the *Vornado* court that the functionality inquiry *should* focus upon competitive harm, rather than upon a formalistic analysis of whether a feature is or is not disclosed in a patent.

159. See 35 U.S.C. § 101.

160. See *supra* note 34 and accompanying text.

161. *Vornado*, 58 F.3d at 1503, 35 U.S.P.Q.2d (BNA) at 1336.

prevail.”¹⁶² Thus, while conceding that “in none of the prior cases did the [Supreme] Court apply federal unfair competition law under section 43(a) of the Lanham Act,”¹⁶³ the court nevertheless found “it impossible to ignore the clear and continuing trend they collectively manifest in favor of the public’s right to copy.”¹⁶⁴ The court also made sure to cite *Graham v. John Deere Co.*,¹⁶⁵ a Warren Court patent case involving nonobviousness, for the proposition that patents “create monopolies to reward inventors who invent ‘things which are worth to the public the embarrassment of an exclusive patent.’”¹⁶⁶

At the same time, the court was willing to recognize that the Lanham Act also serves some valid public policies, among them the prevention of public confusion.¹⁶⁷ Observing, however, that the Lanham Act “has never provided absolute protection against all consumer confusion,” the court suggested that the “degree of consumer confusion that may arise from the copying of configurations that are significant parts of patented inventions is, at best, a peripheral concern of section 43(a) of the Lanham Act.”¹⁶⁸ Moreover, the court stated that it could find nothing in the legislative history of the 1988 amendments to the Lanham Act (which revised section 43(a)) to indicate that Congress had intended for section 43(a) to protect all nonfunctional and distinctive product configurations.¹⁶⁹

162. *Id.* at 1504, 35 U.S.P.Q.2d (BNA) at 1337.

163. *Id.* at 1505, 35 U.S.P.Q.2d (BNA) at 1337.

164. *Id.*, 35 U.S.P.Q.2d (BNA) at 1338.

165. 383 U.S. 1, 148 U.S.P.Q. (BNA) 459 (1966).

166. *Vornado*, 58 F.3d at 1507, 35 U.S.P.Q.2d (BNA) at 1340 (quoting *Graham*, 383 U.S. at 9, 148 U.S.P.Q. (BNA) at 464 (quoting Thomas Jefferson, author of the 1793 Patent Act)); *see also id.* at 1508, 35 U.S.P.Q.2d (BNA) at 1340 (stating that “patent law seeks the invention and the passing into the public domain of even what trade dress law would consider nonfunctional inventions,” and that “trade dress protection can directly interfere with the public’s ability to practice patented inventions after the patents have expired,” thus “undermin[ing] the principle that ideas in the public domain should stay there”).

167. *See id.* at 1508, 35 U.S.P.Q.2d (BNA) at 1340.

168. *Id.* at 1509, 35 U.S.P.Q.2d (BNA) at 1341. The court suggested that any “consumer confusion resulting from the copying of product features is, in some measure, a self-fulfilling prophecy,” in that if “useful product configurations are protected as identifiers, consumers will come to rely on them for that purpose, but if copying is allowed, they will depend less on product shapes and more on labels and packaging.” *Id.*, 35 U.S.P.Q.2d (BNA) at 1341.

169. *See id.* at 1505-06, 35 U.S.P.Q.2d (BNA) at 1339-40.

The court nevertheless was unwilling to conclude that *all* product features disclosed in patents are automatically beyond the scope of section 43(a). For reasons that are not entirely clear, the court decided to qualify its holding, stating:

We hold that where a disputed product configuration is part of a claim in a utility patent, and the configuration is a described, significant inventive aspect of the invention, *see* 35 U.S.C. § 112, so that without it the invention could not fairly be said to be the same invention, patent law prevents its protection as trade dress, even if the configuration is nonfunctional.¹⁷⁰

Without defining what it meant by “significant inventive aspect,” the court concluded that Vornado’s grill was such a component, noting that (1) the grill was an element of the patent claims;¹⁷¹ (2) Vornado had described the grill “as providing ‘an optimum air flow’”;¹⁷² and (3) Vornado had “sought and received a reissue patent that expanded its claims with respect to the grill.”¹⁷³

A second perspective on the patent/trademark problem is presented in *Zip Dee, Inc. v. Dometic Corp.*,¹⁷⁴ a district court opinion from the Northern District of Illinois. At one time or another the plaintiff, Zip Dee, Inc. (Zip Dee) had owned four different patents relating to recreational vehicles (RVs).¹⁷⁵ Patent No. 3,324,869 (the ‘869 Patent) claimed an RV awning that included a metal casing that would cover the awning when the awning was rolled up.¹⁷⁶ Patent No. 4,576,192 (the ‘192 Patent) included an independent claim for an improved awning and casing assembly, as well as two dependent claims that specifically included a casing made of interconnected metal plates.¹⁷⁷ Patent No. 4,195,877 (the ‘877 Patent) claimed an exterior room for a trailer, and disclosed as part of the inventor’s best mode a slatted awning

170. *Id.* at 1510, 35 U.S.P.Q.2d (BNA) at 1342.

171. *Vornado*, 58 F.3d at 1510, 35 U.S.P.Q.2d (BNA) at 1342.

172. *Id.*, 35 U.S.P.Q.2d (BNA) at 1342.

173. *Id.*, 35 U.S.P.Q.2d (BNA) at 1342. Earlier in the opinion, the court also had stated that “[t]he inventive aspect of Vornado’s spiral grill was that the point of maximum lateral spacing between the curved vanes was moved inboard from the grill’s outer radius, so that it was at the impeller blade’s point of maximum power.” *Id.* at 1500.

174. 931 F. Supp. 602 (N.D. Ill. 1996).

175. *See id.* at 613-16.

176. *See id.* at 613.

177. *See id.* at 613-14. A dependent claim incorporates by reference a previous (independent) claim and adds an additional limitation or limitations to that claim. *See* 37 C.F.R. § 1.75(c) (1998); 3 CHISUM, *supra* note 9, § 8.06[5], at 8-154. The claims section of a patent application typically begins with a broad independent claim, followed by one or more dependent claims that further narrow the scope of the patented invention. If the broad independent claim is later invalidated, the inventor may still have a valid patent on one or more of the narrower dependent claims. *See Zip Dee*, 931 F. Supp. at 615.

cover, “usually made of metal.”¹⁷⁸ Patent No. 4,634,172 (the ‘172 Patent) included an independent claim for a flexible hinge rain sealing mechanism—one element of which was described as “[a] flexible connector for connecting a metal awning cover to a vehicle”—and a dependent claim that included a slatted cover.¹⁷⁹ The ‘172 Patent also disclosed the slatted metal cover as the inventor’s preferred embodiment.¹⁸⁰ Zip Dee also owned a federal trademark registration for the “overall configuration of a slatted cover for an awning on a recreation vehicle.”¹⁸¹ In 1993, Zip Dee filed suit against Dometic Corporation (Dometic) for patent and trademark infringement, arising out of the latter’s marketing of a competing brand of RV awning with a slatted metal covering.¹⁸² On a motion for summary judgment, Dometic argued that Zip Dee was precluded from asserting trademark rights in a feature that had been disclosed in several patents as described above, and in any event, that the slatted metal cover was functional in the trademark sense.¹⁸³

Like the Tenth Circuit in *Vornado*, the court began by noting the potential conflict between patent and trademark law: on the one hand, distinctive attributes such as product configurations can “assist[] consumers in identifying the source of goods”;¹⁸⁴ on the other, cases such as *Bonito Boats* suggest that “the public has a federal right to copy and use the patented product once the patent has expired.”¹⁸⁵ These goals may contradict one another when a person claims trademark rights in the configuration of a patented invention, and—as the Tenth Circuit had stated in *Vornado*—this conflict is only partially resolved by the functionality doctrine.¹⁸⁶ Citing *Kellogg* and *Singer*, however, the court concluded that “because there is a federal right to copy and use an invention upon expiration of a utility patent, trademark law cannot be used to provide a permanent monopoly on the same invention,” and that this “principle must apply irrespective of whether the subject of the expired patent is functional in the trademark sense.”¹⁸⁷

The court nevertheless noted that the configuration at issue presented “a complicating wrinkle,” in that Zip Dee was not seeking trademark protection for the invention disclosed in any of its four patents, but rather for a single

178. See *Zip Dee*, 931 F. Supp. at 616.

179. *Id.*

180. See *id.*

181. *Id.* at 605.

182. See *id.* at 605-06.

183. See *Zip Dee*, 931 F. Supp. at 606.

184. *Id.* at 606-07.

185. *Id.* at 607.

186. See *id.* at 607-08.

187. *Id.* at 608-09.

feature—a slatted metal casing—that served only as the preferred embodiment of two of those patents, and as a limitation included in dependent claims of two others.¹⁸⁸ The court therefore described the “precise issue” as “whether a product configuration that played some role . . . in a patented invention but that was not the invention itself can be the subject of a product configuration trademark.”¹⁸⁹ While expressing some dissatisfaction with the vagueness of the *Vornado* court’s “significant inventive aspect” standard for resolving this issue, the court suggested that *Vornado* embodied “a valuable notion,” namely, “whether the granting of a trademark (and thus of an indefinite monopoly) on a product configuration that is claimed or otherwise disclosed as part of an invention covered by a utility patent would prevent the invention itself from being copied and used by the public,” thus resulting in “an unlawful extension of the term of the patent monopoly.”¹⁹⁰ To resolve the potential conflict, therefore, the court should consider “whether the product configuration is functional *within the context* of the utility patent,” that is, “whether, after the patent has expired, the previously-patented invention could be practiced competitively without employing the disputed product configuration.”¹⁹¹ If the configuration is *either* functional within the context of the utility patent, *or* functional in the trademark sense, the defendant must be free to copy that feature.¹⁹²

The court concluded that there remained a genuine issue of material fact as to whether Zip Dee’s four patents could be “practiced competitively” without use of a slatted metal casing.¹⁹³ With regard to the ‘869 and ‘877 Patents, the fact that the casing was disclosed as part of the best mode did not prove the lack of a genuine issue as to whether it was necessary for the competitive practice of the invention.¹⁹⁴ With regard to the ‘192 and ‘172 Patents, the court distinguished the inclusion of a product configuration as part of an independent claim from the inclusion within a dependent claim.¹⁹⁵ When the feature is disclosed in an independent claim, the court asserted, “[i]t

188. See *Zip Dee*, 931 F. Supp. at 609.

189. *Id.* at 609.

190. *Id.* at 611 & n.16.

191. *Id.* at 611.

192. See *id.* at 611-12.

193. See *Zip Dee*, 931 F. Supp. at 612-16.

194. See *id.* at 613, 616. The “best mode” requirement set forth at 35 U.S.C. § 112 requires the inventor to disclose her preferred embodiment of the invention, if any, as of the time of the patent application. See 3 CHISUM, *supra* note 9, § 7.05[2], at 7-244. It does not require the inventor to disclose what may be objectively the best mode of practicing the invention; nor is the inventor required to disclose any better embodiments discovered after the application is filed. See *id.* § 7.05[1], at 7-193; § 7.05[2], at 7-245.

195. See *Zip Dee*, 931 F. Supp. at 613-16.

is no great trick to build up secondary meaning” in the feature because “the normal forces of competition are kept from utilizing that configuration” during the patent term.¹⁹⁶ In such a case, “the patent itself serves as the springboard for converting a legislatively-created 17 year monopoly into a court-enforced permanent monopoly—an impermissible result.”¹⁹⁷ Where the feature is disclosed only in a dependent claim, however, others enjoy the right to use the feature “in every possible way except in conjunction with . . . the patent’s independent claim.”¹⁹⁸ As long as this opportunity to use the feature in other contexts is “meaningful,” the court reasoned, the patentee will have a difficult time establishing that the configuration has established secondary meaning; but where the patentee nevertheless can establish such source identification, it “would not necessarily be ascribable to the existence of the patent.”¹⁹⁹ If, on the other hand, the opportunity to use the feature “has not been meaningful in a realistic sense because of the very existence of the patent, the policy underpinning of patent protection . . . would be frustrated by an extension of the monopoly for the indefinite future.”²⁰⁰ Finding a genuine issue of material fact on the issue of whether the slatted metal casing was functional within the meaning of the patent—as well as on the issue of whether it was functional in the trademark sense—the court denied Dometic’s motion for summary judgment.²⁰¹

A third approach is illustrated by the Seventh Circuit’s recent decision in *Thomas & Betts Corp. v. Panduit Corp.*²⁰² In 1965, the plaintiff Thomas & Betts Corporation (T & B) obtained a patent on a two-piece cable tie used for bundling wire.²⁰³ For many years since then, T & B marketed a two-piece tie with an oval head under the trademark TY-RAP.²⁰⁴ Although the oval head is not an element of any of the patent claims,²⁰⁵ the head was disclosed in the body of the patent, possibly as the inventor’s preferred embodiment.²⁰⁶

196. *Id.* at 615.

197. *Id.*

198. *Id.* at 615.

199. *Id.*

200. *Zip Dee*, 931 F. Supp. at 615.

201. *See id.* at 612-18.

202. 138 F.3d 277, 46 U.S.P.Q.2d (BNA) 1026 (7th Cir.), *cert. denied*, 119 S. Ct. 336 (1998).

203. *See id.* at 282, 46 U.S.P.Q.2d (BNA) at 1028-29.

204. *See id.*, 46 U.S.P.Q.2d (BNA) at 1029.

205. *See id.* at 289-91, 46 U.S.P.Q.2d (BNA) at 1034-36 (reciting patent claims and finding that district court erred, as a matter of law, in concluding that oval head was element of patent claims).

206. *Compare id.* at 282, 46 U.S.P.Q.2d (BNA) at 1029 (stating that TY-RAP “is essentially identical” to cable tie “disclosed in the . . . patent”), *with id.* at 290 n.5, 46 U.S.P.Q.2d (BNA) at 1036 n.5 (declining to decide whether oval head was part of best mode). *See also* *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 1409 (N.D. Ill. 1996) (holding that feature disclosed as best

Twelve years after the patent expired, Panduit Corporation (Panduit) began marketing a similar cable tie under the name BARB-TY, prompting T & B to file suit for trade dress infringement under section 43(a) of the Lanham Act.²⁰⁷ The district court granted summary judgment for Panduit, reasoning that "the subject of an expired utility patent which is disclosed as the 'best mode' in the patent cannot be the subject of trademark protection."²⁰⁸ The Seventh Circuit reversed.²⁰⁹

On appeal, the court began its discussion of the patent/trademark problem by stating that, although there is an "undeniable tension' between trademark protection of product configurations and patent law,"²¹⁰ courts have a duty to regard each of two apparently conflicting federal statutes as "capable of coexistence . . . absent a clearly expressed congressional intention to the contrary."²¹¹ With this duty in mind, the court distinguished *Singer*, *Kellogg*, *Sears/Compco*, and *Bonito Boats* on the ground that those cases all involved conflicts between federal patent law and state unfair competition law.²¹² In a

mode of practicing invention cannot be subject to trademark protection), *rev'd*, 138 F.3d 277, 46 U.S.P.Q.2d (BNA) 1026 (7th Cir. 1998).

207. See *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 282, 46 U.S.P.Q.2d (BNA) 1026, 1029.

208. See *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 1409 (N.D. Ill. 1996), *rev'd*, 138 F.3d 277, 46 U.S.P.Q.2d (BNA) 1026 (7th Cir. 1998). The district court had initially entered a preliminary injunction against Panduit, which was reversed on appeal. See *Thomas & Betts Corp. v. Panduit Corp.*, 34 U.S.P.Q.2d (BNA) 1545 (N.D. Ill. Dec. 19, 1994), *rev'd*, 65 F.3d 654, 36 U.S.P.Q.2d (BNA) 1065 (7th Cir. 1995). The district court thereafter granted Panduit's motion for summary judgment on all counts of the complaint, including claims not only for trade dress infringement but also for cancellation of Panduit's BARB-TY mark and for trademark dilution. See *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 46 U.S.P.Q.2d (BNA) 1010 (N.D. Ill. 1996), and 940 F. Supp. 1337 (N.D. Ill. 1996), *rev'd*, 138 F.3d 277, 46 U.S.P.Q.2d (BNA) 1026 (7th Cir. 1998). On appeal, T & B pursued only the claims for trade dress infringement under § 43(a) of the Lanham Act and for cancellation of Panduit's BARB-TY mark. See 138 F.3d at 283, 46 U.S.P.Q.2d (BNA) at 1029.

209. See *Thomas & Betts*, 138 F.3d at 302, 46 U.S.P.Q.2d (BNA) at 1045. The reversal came as something of a surprise, because on the earlier appeal from the issuance of the preliminary injunction the court had suggested, in a rather extended bit of dicta, that *Vornado* was correctly decided. See *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 657-60, 36 U.S.P.Q.2d (BNA) at 1069-70 (7th Cir. 1995); see also 138 F.3d at 289 n.4, 46 U.S.P.Q.2d (BNA) at 1034 n.4 (noting that discussion of *Vornado* in earlier opinion was "purely dicta"). Moreover, the same panel of judges heard both appeals, though Judge Cummings wrote the opinion in the first appeal and Judge Bauer in the second.

210. 138 F.3d at 285, 46 U.S.P.Q.2d (BNA) at 1031 (quoting *Merchant & Evans, Inc. v. Roosevelt Bldg. Prods. Co.*, 963 F.2d 628, 638, 22 U.S.P.Q.2d (BNA) 1730, 1738 (3d Cir. 1992)).

211. *Id.*, 46 U.S.P.Q.2d (BNA) at 1031 (quoting *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1018 (1984) (citations omitted)).

212. See *id.* at 285-88, 46 U.S.P.Q.2d (BNA) at 1031-33. The court also distinguished *Singer* on the ground that, in that case, "the machines' shapes were dictated by patents covering the machines' various components," whereas in *Thomas & Betts* the oval-shaped head "was not driven by the cable tie's components." *Id.* at 286, 46 U.S.P.Q.2d (BNA) at 1032. This finding is a little

case involving the federal Lanham Act, by contrast, “[t]he correct rule of law to be applied . . . is no different from that which applies in any other trademark infringement context.”²¹³ The only safeguard needed “against an impermissible extension of a patent monopoly by a trademark” the court asserted, “is the functionality doctrine.”²¹⁴ The court suggested, however, that the disclosure of a feature in a utility patent is at least “‘some evidence’ of functionality, and . . . must be taken into consideration in determining functionality.”²¹⁵

One might have expected the court’s analysis of the patent/trademark problem to have ended there. Unfortunately, it did not, and the remainder of the opinion to some extent muddies what otherwise would appear to be a clear rule that the disclosure of a feature in a utility patent is a matter of no consequence (other than as “some evidence” of functionality) for purposes of determining liability under the Lanham Act. The court went on to distinguish *Vornado* on the ground that, even under the holding of that case, the cable tie at issue here was not a significant inventive aspect of the invention.²¹⁶ This finding in itself would not be so troubling, but for the court’s further statement that

*because the oval shape of the head is not part of the claims of the patent, the appropriate test to apply in determining whether Panduit’s cable ties infringe on T & B’s rights in the oval shape is that which applies in any other trade dress (or trademark) infringement case.*²¹⁷

difficult to square, however, with the trial court’s language in *Singer*. See *Singer Mfg. Co. v. June Mfg. Co.*, 41 F. 208, 213 (C.C.N.D. Ill. 1889), *rev’d on other grounds*, 163 U.S. 169 (1896) (stating “rule . . . that, if the manufacturer of a patented machine adopts a peculiar style or form in which to embody” his invention, such form “although not strictly essential to the operation of the mechanical device covered by the patents” nevertheless passes to the public upon expiration of the patent). I can find nothing in the Supreme Court’s opinion in that case to support the Seventh Circuit’s point either. Of greater interest, however, is another Supreme Court case the Seventh Circuit distinguished, *Scott Paper Co. v. Marcalus Manufacturing Co.*, 326 U.S. 249, 67 U.S.P.Q. (BNA) 193 (1945). In *Scott Paper*, the Court had written that the patentee may not “secure . . . a continuation of his monopoly by resorting to the trademark law and registering as a trademark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent, whether or not such matter describes essential elements of the invention or claims.” 326 U.S. at 256, 67 U.S.P.Q. (BNA) at 196-97. As the Seventh Circuit noted, however, this passage is pure dictum. The issue in *Scott Paper* was whether one who assigns a patent but then continues to make and use the patented invention, prompting an infringement action by the assignee, is estopped from arguing that the patent is invalid because the invention at issue is identical to an earlier, expired patent. See *Thomas & Betts*, 138 F.3d at 286-87, 46 U.S.P.Q.2d (BNA) at 1032 (citing *Scott Paper*, 326 U.S. at 250, 67 U.S.P.Q. (BNA) at 194).

213. See *Thomas & Betts*, 138 F.3d at 288, 46 U.S.P.Q.2d (BNA) at 1033.

214. *Id.*, 46 U.S.P.Q.2d (BNA) at 1033.

215. *Id.* at 289, 46 U.S.P.Q.2d (BNA) at 1034.

216. See *id.* at 289, 46 U.S.P.Q.2d (BNA) at 1034.

217. *Id.* at 290-91, 46 U.S.P.Q.2d (BNA) at 1036 (emphasis added).

Does the court's use of the word "because" mean that, if a feature *is* disclosed in the claims portion of the patent, a different test applies? Probably not, in light of other statements in the opinion, but that word "because" no doubt will lead some litigants within the Seventh Circuit to seize upon an apparent ambiguity.²¹⁸

In addition, in a later portion of the opinion reviewing the district court's finding that the non-inherently distinctive cable tie lacked secondary meaning, the court concluded that secondary meaning attributable to the existence of patent rights does not "count":

We believe that evidence which shows that the association between the trade dress and the manufacturer is caused by something other than the expired patent is required. . . .

In summary . . . when a trade dress sought to be protected was formerly contained in a patent, evidence establishing secondary meaning must also show that any connection between the trade dress of the product and its producer does not primarily stem from the expired patent.²¹⁹

In the present case, however, the court believed the evidence to be sufficient for the trier of fact to find the existence of secondary meaning,²²⁰ including secondary meaning not attributable to the patent.²²¹ The court also found

218. The sentences directly preceding the one quoted above state:

T & B also argues that the district court erred in finding that the oval-shaped head was part of the "best mode" set forth (as required) in the Schwester patent, and also erred as a matter of law when it determined that the "best mode" contained in an expired patent could be copied without interference from the Lanham Act. Since our previous discussion addresses these concerns, we need not reach their merits here.

In summary, we find that the district court's legal conclusion that the disclosure of a feature in an expired patent (whether as the "best mode" or otherwise) automatically precludes trademark protection is erroneous.

138 F.3d at 290, 46 U.S.P.Q.2d (BNA) at 1035-36 (footnote omitted). These sentences suggest that the disclosure of the feature *anywhere* in the patent does not preclude federal trademark protection—but they do not necessarily compel that interpretation. Could such disclosure *sometimes*—if not "automatically" and not in this particular case—preclude trademark protection?

219. *See id.* at 294, 46 U.S.P.Q.2d (BNA) at 1038-39.

220. *See id.* at 291-96, 46 U.S.P.Q.2d (BNA) at 1036-40.

221. *See id.* at 294, 46 U.S.P.Q.2d (BNA) at 1038. Specifically, the court stated that Such evidence need not take the form of explicit testimony from consumers stating that "I care that X produced this product," however [sic] circumstantial evidence showing that the connection is independent of the patent is sufficient. As we discuss below, T & B did present such evidence by showing that it produced its oval-headed ties for over ten years between the time its monopoly ended and the time that any other manufacturer began making such ties.

Id.

sufficient evidence on the issues of likelihood of confusion and nonfunctionality, and therefore reversed the entry of summary judgment.²²²

IV. SO WHERE'S THE CONFLICT?

If the traditional characterization of patents as monopolies were accurate, the extension of trademark protection to features disclosed in utility patents would indeed be troubling. An advocate of the Black/Douglas view would want to prevent the patentee from enjoying her monopoly in perpetuity, in derogation of the "bargain" to which she agreed when she submitted her patent application. Thus, in order to ensure that others will be able to practice the invention upon expiration of the patent, a supporter of the traditional view would, at a minimum, restrict the patentee from exercising trade dress rights in features that are in some way essential to the practice of the invention,²²³ at least once the patent has expired.²²⁴ Depending on the strength of the monopoly characterization, one might argue further that the patentee should be precluded from claiming trade dress protection in any feature disclosed anywhere in the patent, and that this bright-line rule should apply whether the patent is expired or in force.²²⁵ For that matter, a broad reading of *Sears* and *Compco* might suggest that there should be no trademark protection for product configurations at all, whether disclosed in a utility patent or not.²²⁶

222. See *id.* at 296-300, 302, 46 U.S.P.Q.2d (BNA) at 1040-46. The court also reversed the entry of summary judgment on the issue of whether Panduit's BARB-TY mark should be cancelled. See *id.* at 300-02, 46 U.S.P.Q.2d (BNA) at 1044-46.

223. See *Vornado*, 58 F.3d at 1510, 35 U.S.P.Q.2d (BNA) at 1342 (holding that patentee may not exercise trade dress rights in "significant inventive aspect" of invention); *Zip Dee*, 931 F. Supp. at 615 (holding that patentee may not exercise trade dress rights in features disclosed in independent claims); Dratler, *supra* note 6, at 531 (arguing that "subject matter claimed in an expired patent should not by itself be eligible for trade dress protection") (emphasis added); Jenkins, *supra* note 6, at 357 (arguing in favor of *Vornado* approach, on ground that allowing trade dress protection would "cheat the public out of a bargained-for exchange in the patent contract"); *Recent Case*, *supra* note 6, at 1461 (arguing that *Vornado* formulation is vague, and recommending instead that patentee be precluded from exercising trade dress rights in "essential" limitations, i.e., "limitations that are essential for patentability").

224. Using the analytical framework the Supreme Court developed in *Kewanee Oil* with regard to potential conflicts between patent and trade secret law, Dratler argues that the exercise of trade dress rights *before* the patent has expired does not conflict with patent policy, inasmuch as patent law would preclude anyone else from practicing the invention during that period of time anyway. See Dratler, *supra* note 6, at 533-39. Dratler also argues that the exercise of trade dress rights with respect to features that are merely disclosed, but not claimed, in a patent does not necessarily conflict with patent policy. See *id.* at 539-55.

225. Professor Mohr advocates this view, on the ground, among others, that anything else allows the patentee to obtain more than she has bargained for. See Mohr, *supra* note 6, at 415-29; see also Fischer, *supra* note 6, at 59; Geremia, *supra* note 6, at 805-15.

226. See, e.g., *Sears*, 376 U.S. at 231, 140 U.S.P.Q. (BNA) at 528 (suggesting that, because states cannot "give a patent on an article which lacked the level of invention required for federal

The flaw in this reasoning is that the Black/Douglas view of patents is, as we have seen, almost certainly false.²²⁷ Consequently, a patentee ordinarily will be unable to enjoy monopoly rights in any meaningful sense, regardless of whether or not she asserts trademark rights in the product configurations disclosed in her patent application. At the same time, if consumers have come to associate a particular configuration with a unique source, a rule preventing the patentee from asserting trademark rights in that feature risks increasing consumer search costs, as discussed above.²²⁸ Of course, in the rare case in which the exercise of exclusive rights to an invention *would* confer monopoly power, the deadweight loss attributable to the monopoly may outweigh the decrease in search costs.²²⁹ In such cases, however, the features making up the invention necessarily will be functional, in the sense that competitors need access to them in order to compete, and therefore will not be protectable under trademark law anyway.²³⁰ Put another way, if competitors do not need access

patents," they "cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws"). As noted above, some judges have argued that product configurations are not subject to trademark protection for this reason. *See supra* note 64.

227. *See supra* notes 29-37 and accompanying text. I am tempted to characterize it as "patently" false, but that would be a really bad pun.

228. *See supra* text accompanying note 78.

229. True monopolies are economically inefficient, in that the monopolist produces a smaller quantity and charges a higher price per unit, thus reducing aggregate social welfare. This reduction in social welfare is referred to as the "deadweight loss." *See* RICHARD A. POSNER, *ECONOMIC ANALYSIS OF LAW* § 9.3, at 277-78 (4th ed. 1992).

230. I am not suggesting that functionality exists only when a monopoly in a specific product market would otherwise exist. Following the Supreme Court's dictum in *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 165, 34 U.S.P.Q.2d (BNA) 1161, 1163 (1995) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10, 214 U.S.P.Q. (BNA) 1, 4 n.10 (1982)), I suggest only that a feature is functional when it puts a competitor at a "significant non-reputation-related disadvantage," and that the requisite disadvantage may fall short of an utter inability to compete. Thus, a feature may be functional in some cases in which the exclusive access to that feature would give rise only to supracompetitive, but not monopoly, profits. It is beyond the scope of this paper to estimate exactly how "significant" the disadvantage (or how "supracompetitive" the profit) must be in order for the feature to qualify as functional. Suffice it to say, however, that if exclusive access to a feature gives rise to a true monopoly the feature is necessarily functional; and that where exclusive access does not put competitors at a significant disadvantage, we ought not to be concerned at all, regardless of whether the feature happens to have been disclosed in an expired patent.

At the same time, however, I am suggesting that the courts should reject the view that a product feature is functional merely *because* it is disclosed in a utility patent. *See* 1 MCCARTHY, *supra* note 6, §§ 7.68, 7.89 (arguing that, if utility patent that discloses utilitarian advantage of feature, feature is most likely functional); Falk, *supra* note 8, at 841-43 (arguing that, under proper understanding of *Inwood*, feature may be functional if it serves useful purpose). Under this definition of functionality, a product feature disclosed within the claims of a utility patent would be functional by definition, and therefore incapable of serving as a valid trademark. As the text below suggests, however, if patents are not monopolies, there is little to recommend this rule other than its relative ease of application. *See infra* notes 238-39 and accompanying text.

to a feature in order to compete, allowing the patentee to exert exclusive rights in that feature from now until Judgment Day will not confer any monopoly power and—assuming the validity of the consumer-search-cost theory on which trademark law is based—will instead bestow some limited benefits on consumers. For these reasons, trade dress disclosed in a utility patent should be capable of serving as a trademark, as long as it is both distinctive and nonfunctional; any other rule serves only to elevate form over substance.²³¹

231. Or, to put it yet another way, if competitors' inability to practice the invention disclosed in an expired patent would put them at a serious competitive disadvantage, the features disclosed in the invention should be viewed as functional and therefore non-trademarkable. On the other hand, if there are adequate (or better) alternatives available to competitors, why should anyone care if the former patentee is the only one who can lawfully practice the invention? Cf. Opderbeck, *supra* note 8, at 38 ("If the 'art' is not necessary to compete in the marketplace, the complementary policy against marketplace confusion operates to protect configurations that serve primarily to identify source."). Recall too that one infringes a trademark only by using it in connection with the sale of goods or services, and only if there is a likelihood of confusion. See *supra* notes 40-45, 48-50 and accompanying text; see also Roger D. Blair & Thomas F. Cotter, *An Economic Analysis of Seller and User Liability in Intellectual Property Law* (unpublished manuscript, on file with authors). Someone who practices the formerly patented invention in a manner that does not give rise to a likelihood of confusion would not be infringing the former patentee's trade dress rights; neither would someone who uses it in a private, noncommercial way, such as a research scientist or engineer, or who uses it only to produce some *other* good, which is then sold to the public without any indication of how it was made. Cf. Dratler, *supra* note 6, at 555-65 (noting that trademark infringement involves consideration of many more factors than does patent infringement).

In response to the argument presented in the text above and in the preceding paragraph, one might argue that we should care if the former patentee is the only one who can lawfully practice the invention, because allowing her to exercise patent-like rights *ad infinitum* undermines the premise upon which patent law is based—namely that the inventor receives exclusive rights for a period of time in exchange for agreeing to dedicate the invention to the public at the end of that period—even if the patent confers no monopoly power. See e-mail message from Joseph J. Fischer, Majesco Biologicals, Inc., to Thomas F. Cotter, Feb. 3, 1999 (on file with author) (arguing that the rule advocated in this article upsets the patent bargain); Letter from Graeme Dinwoodie, Professor of Law, University of Cincinnati College of Law, to Thomas F. Cotter, Feb. 22, 1999 (on file with author) (arguing that "a social cost (of undermining the patent bargain or discouraging resort to the patent system) ensues from not recognizing a 'right to copy' of some sort even where copying is not necessary to compete"). This argument has greater force, in my view, when directed towards the extension of antidilution rights to product configurations, because this form of protection, which extends to the use of the configuration on dissimilar goods and is intended to protect the trademark owner from competition, comes much closer than does protection against infringement to conferring patent-like rights. See *infra* notes 273-78 and accompanying text; see also Paul Heald, *Sunbeam Products, Inc. v. The West Bend Co.: Exposing the Malign Application of the Federal Dilution Statute to Product Configurations*, 5 J. INTEL. PROP. 415, 420-29 (1998) (arguing against extension of antidilution rights to product configurations, on the ground that protection against dilution, as opposed to protection against infringement, confers patent-like rights without corresponding public benefit). As I noted at the outset, however, my proposal is directed principally to the perceived conflict between patent rights and trademark infringement rights, as opposed to trademark dilution rights. See *supra* note 3.

A student note published in the *Harvard Law Review* comes close to recognizing the point I make in the text above, before retreating to the patent-as-monopoly position. The commentator recognizes that, "[f]rom an economic perspective, one could argue that courts should recognize trade

There are, I recognize, several possible counterarguments to my conclusion that the functionality doctrine, if properly applied, prevents any real conflict between patent and federal trademark law. As we have seen, one potential problem is that some of the language of cases such as *Sears* and *Compco* seems to suggest that the Court would not allow state or federal unfair competition law to trump the "right to copy" that it views as emanating from federal patent law.²³² On the other hand, none of these cases specifically addresses the protection of product features under federal unfair competition law.²³³ In addition, as the court noted in *Thomas & Betts*, a court will normally try to read two apparently conflicting federal statutes in such a way as to allow both to coexist.²³⁴ For the reasons discussed above, a rule

dress rights in all product features deemed nonfunctional irrespective of utility patent protection because such rights, unlike patent monopolies, do not create any deadweight losses." *Recent Case*, *supra* note 6, at 1462 n.36. The commentator then proceeds to argue, however, that "[r]ecognizing trade dress rights for an *essential* limitation of a claimed invention" would be undesirable because, *inter alia*, "society would not have borne the deadweight losses attributable to the utility patent but for the essential claim limitations because the patent would not otherwise have issued," and that for this reason "the product feature is ultimately functional, at least during the patent term, because without it the inventor would not have obtained a patent monopoly." *Id.* The commentator fails to recognize that, if patents are not monopolies, there is no deadweight loss.

232. See *supra* note 148 and accompanying text; see also Geremia, *supra* note 6, at 792-99.

233. See *supra* note 147 and accompanying text.

234. 138 F.3d at 285; see also Dratler, *supra* note 6, at 465 (arguing that "trade symbol law . . . should stand on equal footing with patent and copyright law"); Perez, *supra* note 6, at 407-08 (arguing that "the Lanham Act and the Patent Act truly stand on equal ground"); Prowda, *supra* note 6, at 1354 (arguing that *Vornado* "offers a judge-made preference to patent remedies over trademark rights"). One student commentator has argued, however, that *Compco* stands for the proposition that the Patent and Copyright Clause creates a constitutional right to copy from the public domain, and that this right therefore trumps any contrary right based upon the Lanham Act. See Geremia, *supra* note 6, at 796-97 (citing *Compco*, 376 U.S. at 237, 140 U.S.P.Q. (BNA) at 530). Although there is language in *Compco* that is susceptible to this interpretation, the full text of the relevant paragraph of the opinion is not entirely free from ambiguity, inasmuch as it manages to cite *Sears* (which appears to have been decided on supremacy grounds, see 376 U.S. at 229-31, 140 U.S.P.Q. (BNA) at 527-28), the Patent and Copyright Clause, and the Patent Act all in one fell swoop:

Today we have held in *Sears, Roebuck & Co. v. Stiffel Co.*, . . . that when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.

Compco, 376 U.S. at 237, 140 U.S.P.Q. (BNA) at 530. Dratler also suggests that the argument that the Patent and Copyright Clause creates a constitutional right to copy anything in the public domain is "much too facile." Dratler, *supra* note 6, at 462. For one thing, Dratler reasons that *Bonito Boats* shows that the constitutional right to copy "impacts only laws that purport to address the same goal as the patent and copyright laws—providing financial incentives for innovation," and that "[t]he purposes of trade symbol law . . . have little to do with providing incentives for innovation." *Id.* at 463. Dratler also notes that federal trade symbol law "draws its constitutional authority from the Commerce Clause," and that "the penumbra of negative implications from the Copyright Clause falls less darkly over an independent . . . central source of federal power than it falls over state laws

restricting the exercise of trade dress rights to nonfunctional attributes—but otherwise allowing those rights to be asserted as to features disclosed in utility patents—gives voice both to federal trademark law’s concern about consumer confusion *and* to federal patent law’s implicit antimonopoly mandate.²³⁵ Moreover, as noted above, some of the language in *Bonito Boats* suggests that, even in a case involving *state* unfair competition law, the Court might read *Sears* and *Compco* as restricting the assertion of trademark rights in functional attributes only.²³⁶ *A fortiori*, the assertion of federal trade dress rights in nonfunctional attributes ought to pass constitutional and statutory muster.²³⁷

A second potential difficulty with recognizing trade dress rights in product configurations disclosed in utility patents is that courts may not be sufficiently vigilant in enforcing trademark law’s distinctiveness and functionality requirements, with the result that patentees will acquire trade dress rights in features that consumers either do not associate with a unique source, or to which competitors need access in order to compete. For example, at least one commentator has argued that the *Vornado* court should have viewed the grill fan at issue in that case as functional and dismissed the plaintiff’s claim on that ground.²³⁸ Perhaps the fact that the court did not do so suggests that

explicitly designated by the Constitution as subordinate to federal power.” *Id.* at 464. Indeed, if we were to read cases like *Singer*, *Kellogg*, *Sears*, and *Compco* as standing for the proposition that there is a constitutional right to copy anything that is not protected by patent or copyright law, then even traditional trademark law (as well as the trade secret law upheld in *Kewanee Oil*) would be unconstitutional. *Cf.* Dratler, *supra* note 6, at 464 (making similar point concerning securities and food and drug laws); see also Theodore H. Davis, Jr., *Copying in the Shadow of the Constitution: The Rational Limits of Trade Dress Protection*, 86 TRADEMARK REP. 223, 237, 244-48 (1996) (arguing that *Compco* was decided on basis of Patent and Copyright Clause, and that according federal trademark protection to functional product features is therefore unconstitutional, but not necessarily concluding that all features disclosed in utility patents are functional).

235. See *supra* notes 227-31 and accompanying text.

236. See *supra* notes 140-41 and accompanying text.

237. *Cf.* Perez, *supra* note 6, at 407 (arguing, in response to claim that “federal trade dress law should . . . be preempted on the basis that it ‘merely federalizes’ the state common law of trademarks and unfair competition, thereby creating the same conflicts with patent law principles,” that Lanham Act and state common law differ in various respects).

238. See Dratler, *supra* note 6, at 549-50 & n.401 (noting that *Vornado* itself had touted the supposed utilitarian advantages of its grill fan both in its patent application (thus possibly giving rise to an estoppel) and in its advertising (thus providing evidence of functionality)). Another famous example of a case in which arguably too much protection was afforded to a common style of trade dress is *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992), in which the jury concluded that the plaintiff’s trade dress, described below, was both distinctive and nonfunctional:

[A] festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings, and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme

another doctrine is needed in addition to distinctiveness and functionality, in order to prevent courts from expanding the scope of trade dress protection beyond the point at which it increases social wealth. Several commentators have suggested that a bright-line rule precluding all or some features disclosed in utility patents from serving as trademarks would be preferable to a more open-ended approach.²³⁹

The problem is that these concerns, to the extent they are valid, argue against the recognition of trademark rights in product configurations generally (or perhaps in all forms of trade dress, including product packaging), not just those features that happen to be disclosed in utility patents.²⁴⁰ Given the lack of relevant empirical evidence, a refusal to recognize trademark rights in trade dress altogether may not be a bad idea: since no one really knows if the benefits to consumers, in terms of reduction of search costs, outweigh the costs imposed by incorrect decisions, it may well be the case that, on balance, the protection of trade dress reduces social wealth.²⁴¹ For better or worse,

using top border paint and neon stripes. Bright awnings and umbrellas continue the theme. *Id.* at 765, 23 U.S.P.Q.2d (BNA) at 1082. I have never been to a Two Pesos restaurant, so perhaps this description does not do justice to the restaurant's actual trade dress. Nevertheless, as described, the trade dress does not sound terribly different from what you would expect to find at a typical Mexican restaurant.

239. See Dratler, *supra* note 6, at 519 (arguing that, "[t]o the extent . . . variants of functionality doctrine are based upon general, unvarnished competitive policy, they are doomed to uncertainty and controversy"); *id.* at 533-55 (recommending modified bright-line rule); Fischer, *supra* note 6, at 59 (recommending bright-line rule against trademarking features disclosed in patents); Geremia, *supra* note 6, at 786-87 (noting unpredictability of functionality and likelihood of confusion tests); *id.* at 805-15 (recommending bright-line rule "that the subject matter of a patent inures to the public upon expiration of the patent"); Jenkins, *supra* note 6, at 358 (recommending bright-line rule "such as the *Vornado* principle"); Mohr, *supra* note 6, at 415-29 (recommending bright-line rule forbidding trade dress rights in features disclosed anywhere in patent); *Recent Case*, *supra* note 6, at 1461 (recommending bright-line rule "deny[ing] trade dress protection for essential limitations," that is, "those limitations necessary to satisfy the statutory requirements" of novelty, utility, and nonobviousness).

240. The *Harvard Law Review* comment alludes to this point—that concerns over incorrect decisions "appl[y] to all trade dress cases"—but argues that "[t]he right to copy is even more robust when the copied product was previously patented but the patent has expired." *Recent Case*, *supra* note 6, at 1462 n.36 (quoting *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 658, 36 U.S.P.Q.2d (BNA) 1065, 1068 (7th Cir. 1995)). Unfortunately, the argument assumes its own conclusion, namely that it should be more difficult to trademark features disclosed in utility patents than other, equally distinctive and nonfunctional, trade dress.

241. Or it may be the case that we should consider limiting the availability of trade dress protection in various respects, perhaps by "beefing up" the functionality and distinctiveness requirements, or by routinely imposing the "English rule" on attorney's fees as a way of discouraging the assertion of weak claims. *Cf.* 15 U.S.C. § 1117(a) (1994) (authorizing court, as in patent cases, to award attorney's fees only "in exceptional cases"). Another possibility, suggested recently by one of my seminar students, is to overrule *Two Pesos* and require once again that trade dress owners demonstrate secondary meaning, even for inherently distinctive trade dress. See Mark A. Adams, *Trademark and Trade Dress Protection: The Need for Differentiation in Treatment* (unpublished

however, the prevailing wisdom has resulted in a general rule that distinctive and nonfunctional product configurations can serve as trademarks, notwithstanding the potential error and litigation costs.²⁴² These costs favor an exemption from the general rule for trade dress that is disclosed in utility patents, only if the costs are expected to be higher in this context than in others. Until someone comes forward with evidence, however—or at least a strong theoretical reason—for assuming this to be the case, the objection appears to have little force.

A third possible drawback, noted by the court in *Thomas & Betts*²⁴³ and by some commentators,²⁴⁴ is that it is relatively easy for a patentee to develop secondary meaning in a non-inherently distinctive product configuration, given that patent law provides her with the exclusive right to the invention of which the configuration is a part for a period of up to twenty years.²⁴⁵ As some see it, this period of exclusive rights gives the patentee/trade dress owner an unfair advantage over other competitors.²⁴⁶ Worse yet, if the trade dress is inherently distinctive, the patentee is not required to prove secondary meaning at all.²⁴⁷ Thus, after enjoying up to twenty years of exclusive patent rights (or even before the patent rights have expired), the patentee may succeed immediately to trademark rights, either because the dress is inherently distinctive or has acquired the requisite secondary meaning during the patent term. In either case, no one has ever been able to use the subject configuration without the patentee's consent, thus provoking the question whether this result can possibly be consistent with federal patent policy.

Once again, however, a resort to first principles suggests that there should be little cause for concern. As discussed above, the state confers trademark rights primarily in order to reduce consumer search costs and to provide an

manuscript, on file with author). Adams argues that the use of confusingly similar trade dress is relatively unlikely to influence consumer purchasing decisions, as long as a nonconfusing trademark is used along with it; and that this factor, along with the potential for error costs and the arguably finite number of "good" product configurations available to competitors, weighs in favor of requiring the trade dress owner to clear some hurdles in addition to those faced by the owners of more traditional marks. *See id.*

242. As noted above, however, the argument is sometimes made that federal patent policy should preclude trademark protection for product configurations altogether, whether the configuration is disclosed in a patent or not. *See supra* note 64.

243. 138 F.3d at 294.

244. *See* Mohr, *supra* note 6, at 425; *Recent Case*, *supra* note 6, at 1462 n.36.

245. *See* 35 U.S.C. § 154(a)(2).

246. *See* sources cited *supra* note 244.

247. *See supra* text accompanying notes 56-58, 65. *But see supra* note 66 (noting some authority suggesting that product configuration, unlike product packaging, is usually not inherently distinctive).

incentive for producers to maintain quality control.²⁴⁸ If distinctive and nonfunctional trade dress in fact generally serves these purposes, there seems to be little point in worrying about how the trade dress became distinctive, as long as it was done lawfully.²⁴⁹ As is the case in antitrust law, the primary focus of intellectual property law should be upon the maximization of social wealth, not upon the well-being of competitors.²⁵⁰ Inquiring into the reasons for the development of secondary meaning, out of concern for “fairness” to those competitors, therefore seems to me a pointless (and, I would imagine, often futile) exercise. At the same time, neither the Patent and Trademark Office nor the courts should infer the existence of secondary meaning in a product configuration disclosed in a utility patent merely from the owner’s exclusive and continuous use thereof for five years, as they are permitted (but not required) to do under section 2(f) of the Lanham Act.²⁵¹ To hold otherwise really *would* make it too easy for patent owners to acquire federal trademark rights, thus providing a reason for concluding that error costs are likely to be greater in this context than in others.²⁵²

A fourth objection is based upon the potential conflict between federal trademark and *design* patent law, a topic I have not addressed to this point. To obtain a design patent, an applicant must demonstrate that his design is “new, original and ornamental.”²⁵³ A feature is “ornamental” if it is not “functional,” that is, if the design is not “dictated by” the use or purpose of the article.²⁵⁴ Design patents last for fourteen years²⁵⁵ and, in a manner analogous to utility patents, confer upon the patentee the right to exclude others from making, using, or selling the design during that period of time.²⁵⁶

248. See *supra* text accompanying notes 78-79.

249. I have no particular quarrel with the various doctrines that refuse to recognize rights where a mark has been used unlawfully—such as the rule conferring rights upon the first *lawful* user of a mark, and the rule allowing cancellation of a registration obtained by fraud, see 15 U.S.C. § 1064(3)—as long as the social benefit gained from enforcing the violated legal norm outweighs the benefits otherwise attributable to exclusive use of the mark. As the text above indicates, however, I do question a rule that would deny enforceable rights to one who has developed secondary meaning through the lawful use of a patent.

Note also that the trade dress owner’s rights differ in various respects from the patent owner’s rights, as discussed *infra* at notes 273-78 and accompanying text. According trade dress rights to the former patentee therefore is *not* functionally equivalent to the creation of perpetual patent rights.

250. See, e.g., Thomas F. Cotter, *Intellectual Property and the Essential Facilities Doctrine*, 44 ANTITRUST BULL. (forthcoming 1999).

251. See 15 U.S.C. § 1052(f).

252. Cf. *supra* notes 239-41 and accompanying text.

253. See 35 U.S.C. § 171.

254. *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123, 25 U.S.P.Q.2d (BNA) 1913, 1917 (Fed. Cir. 1993) (citations omitted).

255. See 35 U.S.C. § 173.

256. See *id.* § 171 (“The provisions of this title relating to patents for inventions shall apply to

Because features protected by a design patent are *necessarily* nonfunctional, permitting trade dress rights to inhere in those features does in a sense threaten to create perpetual design protection; it seems quite probable that a feature of a commercially successful product that is protected by a design patent will acquire sufficient distinctiveness to qualify for trademark rights during the fourteen-year period of exclusive rights. Perhaps, then, there is something amiss with my proposal, to the extent it suggests that section 43(a) of the Lanham Act extends into perpetuity the term of protection of a commercially successful design patent.²⁵⁷

There are several responses to this dilemma, however. One possibility would be to restrict my proposal exclusively to the assertion of trademark rights in features disclosed in *utility* patents, although this approach begs the question of why utility and design patent conflicts should be treated differently. A second response is that the scope of trademark and patent rights are sufficiently different that conferring trademark rights in a product configuration disclosed in a design patent is not necessarily the equivalent of granting perpetual patent rights.²⁵⁸ As Judge Posner has noted, for example, "The trademark owner has an indefinite term of protection . . . but in an infringement suit must also prove secondary meaning and likelihood of confusion, which the owner of a design patent need not do; there is therefore no necessary inconsistency between the two modes of protection."²⁵⁹ Whether these distinctions are quite as meaningful as Judge Posner seems to think is open to question, however. For one thing, as suggested above, it may not be all that difficult to prove secondary meaning in a design that has been the subject of a commercially successful design patent.²⁶⁰ Furthermore, a

patents for designs, except as otherwise provided."); *see also* *L.A. Gear*, 988 F.2d at 1124, 25 U.S.P.Q.2d (BNA) at 1918 ("Design patent infringement requires a showing that the accused design is substantially the same as the claimed design. The criterion is deception of the ordinary observer, such that one design would be confused with the other . . .").

257. *Cf.* Melissa R. Gleiberman, Note, *From Fast Cars to Fast Food: Overbroad Protection of Product Trade Dress Under Section 43(a) of the Lanham Act*, 45 STAN. L. REV. 2037, 2062 (1993) (arguing that recognition of trade dress rights in designs effectively confers perpetual design patent protection); Ronald J. Horta, Note, *Without Secondary Meaning, Do Product Design Trade Dress Protections Function as Infinite Patents?*, 27 SUFFOLK U. L. REV. 113, 132 (1993) (similar); Laba, *supra* note 6, at 1682 (similar).

258. *Cf. infra* notes 269-78 and accompanying text (making similar point with regard to utility patents).

259. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337, 228 U.S.P.Q. (BNA) 145, 145-46 (7th Cir. 1985); *see also* Dratler, *supra* note 6, at 558-60 (noting differences between design patent law and trademark law). Posner's observation regarding secondary meaning must be qualified in light of the Supreme Court's subsequent decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992). *See supra* text accompanying note 65.

260. *See supra* text accompanying notes 243-45.

person claiming infringement of a design patent must prove something rather similar to likelihood of confusion, as the Federal Circuit recently observed:

[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.²⁶¹

Of course, a design patent prohibits *any* unauthorized use of an infringing design, whereas the law of trademark infringement prohibits only those uses that are likely to cause confusion as to source, sponsorship, or affiliation.²⁶² If the only practical use for a given design, however, is in connection with a particular useful article (such as a lamp), the former patentee and the alleged infringer necessarily will both be using the design in connection with the same type of merchandise, thus increasing the likelihood of confusion as to source.²⁶³ The Federal Circuit nevertheless generally approves of the recognition of trade dress rights in features disclosed in design patents, for essentially the reasons suggested by Judge Posner.²⁶⁴ Moreover, as discussed below, there may be other ways to dispel confusion short of forbidding the defendant from using the design altogether, in which case the plaintiff's trademark rights *are* considerably more limited than his analogous design (or utility) patent rights.²⁶⁵

A third possible response to the design patent argument is to recognize that the word "functional" can mean different things in different settings. As noted above, in the law of design patents, a design is functional (and therefore not protectable) if it serves a utilitarian purpose, regardless of whether competitors need access to the feature or not.²⁶⁶ Under the trademark law doctrine of aesthetic functionality, on the other hand, even a purely ornamental feature can be "functional" in the sense of being necessary for

261. *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511, 528 (1872), *quoted in L.A. Gear*, 988 F.2d at 1124, 25 U.S.P.Q.2d (BNA) at 1918.

262. *See supra* note 39 and accompanying text; *see also* Dratler, *supra* note 6, at 558-60 (noting that question of design patent infringement is considered "without reference to other aspects of the commercial marketplace"). *But see infra* notes 272, 274 (discussing additional complications arising under law of trademark *dilution*).

263. Recall that one of the factors courts consider in determining whether there is a likelihood of confusion for purposes of trademark law is whether the defendant uses the mark in connection with goods or services similar to those marketed by the plaintiff. *See supra* note 39; *see also* Dratler, *supra* note 6, at 591 (noting that, in some cases involving design copying, a design "by its nature [will be] applicable to no other products, and the products, channels of distribution and advertising, and customers of the plaintiff and defendant" will be the same).

264. *See* 1 CHISUM, *supra* note 9, § 1.04[6], at 1-239 to 1-242 (collecting cases).

265. *See infra* notes 276-77 and accompanying text.

266. *See supra* text accompanying note 254.

competition, and therefore not appropriable as a trademark.²⁶⁷ It is therefore entirely possible for a design to be nonfunctional for design patent purposes and, at the same time, aesthetically functional for purposes of trademark law. To the extent that the logic of my proposal extends to design patents, then, it suggests that one may assert trade dress rights in aesthetically nonfunctional features only. This limitation should reduce the number of design patents that in effect obtain perpetual rights, because over the fourteen-year period of design patent protection a given design may come to be seen as standard or essential to competition in a given industry.

The principal weakness of this last response is that some circuits have rejected the doctrine of aesthetic functionality; and that, even in those that have adopted it, the doctrine can be vague and unpredictable in its application.²⁶⁸ Perhaps, though, my proposal suggests an additional reason why courts *should* adopt the aesthetic functionality doctrine, and why courts and commentators should work to make the doctrine more predictable: to avoid the twin dangers of, on the one hand, allowing standard designs to facilitate the creation of (real) monopolies; and, on the other, of acquiescing in competitors' uses of nonessential designs that will confuse consumers as to source, sponsorship, or affiliation. In short, my analysis suggests that the aesthetic functionality doctrine serves a purpose—to my knowledge, until now unrecognized—of reconciling what otherwise could be a real conflict between design patent and federal trademark policy.

A fifth (and somewhat analogous) argument against my proposal is that its logic suggests that Congress (or for that matter, the States) should be allowed to extend the patent term in perpetuity, as long as access to the patented invention is not necessary for others to compete. Yet one gets the distinct impression that this conclusion simply *can't* be right, so that maybe there is something wrong with my proposal as well. The proposal, however, does not lead inexorably to this result. For one thing, from a doctrinal standpoint, Congress is limited by the language of the Patent and Copyright Clause to grant exclusive rights to inventors only for "a limited time."²⁶⁹ Granting inventors perpetual rights in their inventions would clearly be unconstitutional, even for inventions that have no market value. In addition,

267. See *supra* note 71 and accompanying text.

268. See, e.g., 1 MCCARTHY, *supra* note 6, § 7:80 (discussing "[u]neven use of the aesthetic functionality theory in the modern courts"); Erin M. Harriman, *Aesthetic Functionality: The Disarray Among Modern Courts*, 86 TRADEMARK REP. 276 (1996); Mitchell M. Wong, Note, *The Aesthetic Functionality Doctrine and the Law of Trade Dress Protection*, 83 CORNELL L. REV. 1116, 1118 (1998) ("The bench has offered no clear response, and consequently, this 'aesthetic functionality' problem remains one of the most troublesome issues in trademark law") (footnote omitted).

269. U.S. CONST. art I, § 8, cl. 8.

if we view the patent system as a means for inducing the optimal level of amount and disclosure of innovation,²⁷⁰ there is no reason inherent to the patent system for providing rights of any greater duration than is reasonably necessary to achieve these goals.²⁷¹ The recognition of trade dress rights in distinctive and nonfunctional features disclosed in patents, however, is unlikely to have any effect upon innovation policy; instead, it (arguably) serves two entirely independent public purposes, lowering consumer search costs and inducing quality control.²⁷² The presence of these very different policy considerations suggests that no conflict exists between trademark and patent policy, provided that (as will be the case by definition, as long as the trade dress at issue is nonfunctional) there is no monopoly problem to worry about.

Finally, as discussed above, trademark infringement rights and patent rights are not altogether "similar in scope and protection."²⁷³ Trademark infringement law requires the plaintiff to demonstrate both a commercial use on the part of the defendant and a likelihood of confusion, as well as (in some cases) the existence of secondary meaning, whereas the Patent Act outlaws *any* unauthorized use of a patented invention during the patent term.²⁷⁴ At

270. See *supra* note 81 and accompanying text.

271. Of course, no one really knows how long the optimal patent term is. See, e.g., Louis Kaplow, *The Patent-Antitrust Intersection: A Reappraisal*, 97 HARV. L. REV. 1815, 1823-45 (1984). It is nevertheless reasonable to infer that, in most cases at least, the present value, to a person inventing a patentable invention today, of an additional term of protection twenty years hence is probably quite low. If so, a patent term extension would provide little if any additional incentive to invent or disclose. In addition, it would risk reducing social wealth with regard to those patents that still *do* have value twenty years from now, by increasing the transaction costs incurred by those who will wish to use the invention at that time.

272. See *supra* text accompanying notes 78-79. As noted above, however, the antidilution cause of action primarily serves a third purpose, namely to protect the commercial magnetism or selling power of a mark. See *supra* text accompanying note 80. To the extent that this purpose operates largely to assist the owners of famous marks in maintaining their market shares, it is more difficult to reconcile with federal patent policy than are the more traditional purposes of trademark law. See *supra* note 232. On the other hand, Theodore Davis may be correct in noting that "[i]n the product configuration context . . . the parties' 'marks' inevitably will be used for the identical products and this congruence of use leaves the utility of the 'classic' treatment of dilution subject to question." Davis, *supra* note 49, at 127. In other words, a dilution claim may be largely a throwaway in the present context, if the defendant likely would be using the subject configuration on the same product for which the plaintiff uses it; dilution claims are more valuable when the defendant's use occurs in connection with a *different* product or service, such that confusion as to source is unlikely. See *supra* notes 48-50 and accompanying text.

273. Heald, *supra* note 142, at 984 (arguing for preemption of state law endowing owner with rights "similar in scope and protection to the rights accorded a federal patentee").

274. See *supra* note 231; Dratler, *supra* note 6, at 555-65; Jay Dratler, Jr., *Trademark Protection for Industrial Designs*, 1988 U. ILL. L. REV. 887, 928-29. Of course, in the present context there is a high probability that the defendant will be using the configuration on the same product as that in connection with which the plaintiff uses it, thereby increasing the likelihood of

least some uses of features disclosed in expired utility patents therefore may not run afoul of the Lanham Act.²⁷⁵ Moreover, as Professor Dratler notes, federal trademark law authorizes the court to impose flexible remedies to avoid confusion, including, when appropriate, the use of another's trade symbol with an appropriate disclaimer²⁷⁶ (as the Supreme Court ultimately

confusion. *But see supra* note 231 (noting that some uses nevertheless will escape trademark liability). To illustrate, suppose that the patent claimed an invention comprising limitations X, Y, and Z, and that upon expiration of the patent the patentee asserts trade dress rights in that same combination. A defendant who sells a product comprising limitations X, Y, and Z may be liable for trademark infringement, because the plaintiff and the defendant would be using the same trade dress in connection with the same product. *See supra* note 39 (discussing likelihood of confusion factors). Moreover, suppose that the former patentee claims trade dress rights in limitation Y only, as used in connection with the combination X, Y, and Z. Once again, a defendant who sells a product comprising limitations X, Y, and Z might be liable for trademark infringement, because he is using limitation Y on the same product that is being sold by the former patentee.

Now suppose that the defendant uses limitation Y in connection with some other product, comprising limitations A, Y, and C. This combination would not have infringed the patent, unless A and C are substantially the equivalent of X and Z. *See Warner-Jenkinson Co. v. Hilton-Davis Chem. Co.*, 520 U.S. 17, 40, 41 U.S.P.Q.2d (BNA) 1865, 1875 (1997) (discussing doctrine of equivalents). The dissimilarity of the products also may dispel any likelihood of confusion (although we cannot be certain of this, because similarity of products is not necessarily required to find likelihood of confusion). There might be a possibility of trade dress dilution, however, arising in connection with the use of limitation Y on a dissimilar product, if limitation Y has become a "famous" mark. In this sense, trademark infringement law and, even more so, trademark dilution law present the possibility of asserting rights that are in one respect even broader in scope (as well as longer-lasting) than those available under patent law. A complete analysis of these further complications as arising in connection with trade dress dilution rights, however, is beyond the scope of this article.

275. *See supra* note 231.

276. *See Dratler, supra* note 6, at 569-71, 574-79. Perhaps in some cases the use of a disclaimer, along with a nonconfusing verbal mark, will be sufficient to prevent purchasers from becoming confused by the use of similar trade dress.

A disclaimer may not always be sufficient to dispel the possibility of third-party confusion, however, unless it is practical to place the disclaimer on the product itself and not only on its packaging. *See id.* at 576-79, 590. Third-party (or post-sale) confusion may arise when, for example, the knowing purchaser of a counterfeit watch gives it away as a gift: the fact that the purchaser is not confused does not preclude the possibility that the recipient will be. *See id.* at 577 n.488; *see also* 3 MCCARTHY, *supra* note 6, § 23:7. Many courts therefore recognize post-sale confusion as giving rise to liability under the Lanham Act. *See* 3 MCCARTHY, *supra* note 6, § 23:7; RESTATEMENT (THIRD) OF COMPETITION § 20 cmt. b (1995); Dratler, *supra* note 6, at 577 n.488. Whether post-sale confusion really poses a threat to the typical trademark owner's interests, however, is in my view questionable. *Cf.* Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 964 (1993) (suggesting that, while there are good reasons to condemn the sale of counterfeit watches, third-party confusion may not be one of them, because "few people notice—or are confused by—the brand of a wristwatch"); *id.* at 971-72 (suggesting that, if reliance upon fake watch causes knowing purchaser to be late for meetings, "[m]ost third-party observers normally would not know or care whether [the] timepiece is accurate," but rather "they'll assume you're the kind of inconsiderate clod who keeps others waiting at meetings"). If courts are willing to approach claims of post-sale confusion with some skepticism, perhaps orders allowing the defendant to use the plaintiff's product configuration along with an appropriate disclaimer will be sufficient in most cases to dispel any likelihood of confusion.

required in *Singer* and *Kellogg*).²⁷⁷ By contrast, a remedy of this nature would never be appropriate in a patent case. Given these differences between the exclusive rights granted by the two bodies of law, the recognition of trademark rights in trade dress disclosed in utility patents is not functionally (no pun intended) the same as the creation of perpetual patent rights.²⁷⁸

CONCLUSION

No one can reasonably dispute that writers such as William Blackstone, Thomas Jefferson, Hugo Black, and William O. Douglas have all made significant contributions to the development of the American legal system and, in the case of the latter two in particular, to our understandings of civil liberties and the Bill of Rights. But their contributions to the law of intellectual property rest on weaker ground, and modern economic analysis suggests that their equation of patents with monopolies, though grounded in long-standing historical tradition, was naive. The Seventh Circuit's recent decision in *Thomas & Betts* suggests that perhaps this equation is at long last on its way toward being laid to rest.

In any event, as cases such as *Thomas & Betts*, *Vornado*, and *Zip Dee* suggest, the issue of whether federal trademark rights may subsist in product configurations disclosed in utility patents has become a hotly contested one, and the resolution of this issue in the Supreme Court cannot be far off. For the reasons discussed above, I conclude that the recognition of federal trademark rights in these circumstances (or at least a right against trademark infringement, if not dilution) presents no real conflict with either patent law or policy, as long as courts restrict the assertion of trade dress rights to

277. See *supra* notes 97-98, 105 and accompanying text.

278. For these reasons, I reject Professor Dratler's conclusion that granting trademark rights in trade dress claimed in a patent conflicts with patent law. See Dratler, *supra* note 6, at 521-33.

A final point worth considering is whether the choice of rule might have an effect on what the patent applicant chooses to disclose in her patent application. For example, a rule precluding patentees from asserting trade dress rights in features disclosed in their patents might encourage them to refrain from disclosing too much, in order to preserve their interest in developing trade dress rights. A rule allowing them to assert trade dress rights, on the other hand, might encourage them to be more forthcoming. See Mohr, *supra* note 6, at 428 (suggesting that, under his proposed rule, an inventor would have to choose up front whether to keep secret those embodiments the disclosure of which is not required under the Patent Act, if she wanted to preserve her right to claim trade dress rights in such embodiments later). It is not clear to me, however, that either rule is very likely to induce much strategic behavior on the part of patent applicants. For one thing, patent law already requires the inventor to disclose how to practice the invention, as well as her preferred embodiment of it, if any. See 35 U.S.C. § 112 (1994). In addition, the inventor typically will file her patent application before (or shortly after) the product has reached the market. See *id.* § 102(b). At that stage, it may be quite difficult to predict which embodiments will be the most effective trade dress (in terms of evoking favorable consumer reactions and so on). But see Davis, *supra* note 49, at 105-06 (discussing possibility of strategic behavior).

distinctive and nonfunctional features. Rigorous enforcement of the functionality doctrine, however, is a necessary prerequisite for preventing the use of trademark law as an “end run” around the limited patent term guaranteed by the Patent Act and the Constitution.

At the same time, nothing that I have suggested herein proves that the benefit, in terms of lower consumer search costs, of extending trademark rights to product configurations necessarily outweighs the costs of erroneous decisions and increased litigation, or that providing any remedy more significant than a disclaimer is necessary to capture the bulk of these benefits, such as they are. What I have suggested is that, if we are going to recognize trademark rights in trade dress generally—as the modern trend suggests we are wont to do—then there is no compelling reason to stop short of recognizing trademark rights in product configurations disclosed in utility patents. Any other result is simply the product of an empty formalism at odds with the reality that, contrary to popular belief, most patents are not really monopolies in any economically meaningful sense.