

CHAPTER FIVE

Subject Matter: Requirements for Trademark Protection



1.) Use as a Mark in Commerce

For each intellectual property right that we look at in this course, the first, crucial, question is: what subject matter does it cover? Look back at the “subject matter” row in the chart in the Introduction. Notice how differently the subject matter of each right is defined, how each subject matter design tells you something about the goals that property regime was supposed to serve. Trademark subject matter is defined, in part, by the way the producer uses it and the consumer perceives it as a symbol. Copyrightable subject matter is defined, in part, in terms of qualities of the content produced – original expression, fixed in a tangible medium. Patentable subject matter is defined, in part, in terms of the relationship of the innovation to the field of technology as understood by its practitioners at the time.

How does trademark law define its subject matter? The easiest way to state the foundational requirements for both registered and unregistered trademarks is to say that we require “use as a mark in commerce.” But this simple phrase conceals some complexities. What do we mean by *use in commerce*? What do we mean by use *as a mark*? It turns out that the latter phrase contains two requirements. The first focuses on the actions of the producer. The source company must actually be using the putative mark as a mark, something connected (physically where possible, but also cognitively) to a particular good or service. The key here is that the source company must be using the mark *as a mark*, as a source identifier, rather than just as a slogan, mission statement or favorite turn of phrase. The second focuses on the interaction between the consumer and the mark. It is the requirement of *distinctiveness*. Even if the producer is clearly trying to use the mark as a mark, is it capable of functioning as a mark? Can it distinguish this source for goods or services from others in the minds of consumers? Is it a source identifier or really a functional characteristic of the product? We will deal with these requirements in turn.

Use in Commerce

As always, it is good to start with some of the statutory definitions. Develop the habit of going to the definitions section of an intellectual property statute first when you seek to understand the field, not just after you think you see an ambiguity. You will not regret it.

§ 1127—Construction and definitions

In the construction of this chapter, unless the contrary is plainly apparent from the context: . . .

. . . The word “commerce” means all commerce which may lawfully be regulated by Congress. . . .

. . . The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

- (1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

Notice how the first definition of “commerce” above is very broad. If commerce is anything that Congress can regulate under the Commerce Clause then almost anything could be commerce. Even after *Lopez* and *Morrison*, the Federal government’s ability to regulate actual economic activity is a sweeping one. Then notice how the second clause quoted, defining *use* in commerce, is narrower.

The following cases and materials will explore how broadly or narrowly the Federal system defines “use in commerce.” One note before we begin. We are considering “use in commerce” as a requirement for trademark protection. But “use in commerce” also plays another role—as one of the requirements for *infringement*. We will come back to that requirement in the section of the casebook on *infringement*—to *infringe*, I must be using your mark in commerce. Should the definition of “use in commerce” required to get a mark be the same as that required to *infringe* it? We will return to that question later.

Use in Commerce: Free and Open Source Software

The following case deals with whether or not free distribution of an open source email program on the internet constituted use in commerce. The software was offered under the GNU “General Public License” or “GPL” which we will consider later in the course. The GPL gives users the rights freely to copy and to modify the program, but if they redistribute modified versions of the program, they must do so under the same license—preserving the open qualities of the program for future users. Could the developer of the open source software called Coolmail, distributed freely online, claim a trademark over it? Was this a use in commerce?

Planetary Motion, Inc. v. Techsplosion, Inc.

261 F.3d 1188 (11th Cir. 2001)



RESTANI, Judge.

...

Under the Lanham Act, the term “use in commerce” is defined in relevant part as follows:

the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. . . . [A] mark shall be deemed to be in use in commerce . . . on goods when (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such

placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce. . . .
15 U.S.C. § 1127.

The district court found that because the statute is written in the disjunctive (i.e., “sale or transport”), Darrah’s wide distribution of the Coolmail software over the Internet, even absent any sales thereof, was sufficient to establish ownership rights in the “CoolMail” mark. Appellants contend that “transport in commerce” alone—here, Darrah’s free distribution of software over the Internet “with no existing business, no intent to form a business, and no sale under the mark”—is insufficient to create trademark rights. Appellants’ argument lacks merit.

The parties do not make clear the two different contexts in which the phrase “use in commerce” is used. The term “use in commerce” as used in the Lanham Act “denotes Congress’s authority under the Commerce Clause rather than an intent to limit the [Lanham] Act’s application to profit making activity.” Because Congress’s authority under the Commerce Clause extends to activity that “substantially affects” interstate commerce, the Lanham Act’s definition of “commerce” is concomitantly broad in scope: “all commerce which may lawfully be regulated by Congress.” Nevertheless, the use of a mark in commerce also must be sufficient to establish ownership rights for a plaintiff to recover against subsequent users under section 43(a). The court in *Mendes* set forth a two part test to determine whether a party has established “prior use” of a mark sufficient to establish ownership:

[E]vidence showing, first, adoption, and, second, use in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark, is competent to establish ownership, even without evidence of actual sales.

Under the “totality of circumstances” analysis, a party may establish “use in commerce” even in the absence of sales. Similarly, not every transport of a good is sufficient to establish ownership rights in a mark. To warrant protection, use of a mark “need not have gained wide public recognition,” but “[s]ecret, undisclosed internal shipments are generally inadequate.” In general, uses that are de minimis may not establish trademark ownership rights.

We find that, under these principles, Darrah’s activities under the “Coolmail” mark constitute a “use in commerce” sufficiently public to create ownership rights in the mark. First, the distribution was widespread, and there is evidence that members of the targeted public actually associated the mark Coolmail with the Software to which it was affixed. Darrah made the software available not merely to a discrete or select group (such as friends and acquaintances, or at a trade show with limited attendance), but to numerous end-users via the Internet. Third, the mark served to identify the source of the Software. The “Coolmail” mark appeared in the subject field and in the text of the announcement accompanying each release of the Software, thereby distinguishing the Software from other programs that might perform similar functions available on the Internet or sold in software compilations. The announcements also apparently indicated that Darrah was the “Author/Maintainer of Coolmail” and included his e-mail address. The user manual also indicated that the Software was named “Coolmail.”

[S]oftware is commonly distributed without charge under a GNU General Public License. The sufficiency of use should be determined according to the customary practices of a particular industry. That the Software had been distributed pursuant to a GNU General Public License does not defeat trademark ownership, nor does this in any way compel a finding that Darrah abandoned his rights in trademark. Appellants

misconstrue the function of a GNU General Public License. Software distributed pursuant to such a license is not necessarily ceded to the public domain and the licensor purports to retain ownership rights, which may or may not include rights to a mark.

Appellants also rely on *DeCosta v. Columbia Broad. Sys.* (1st Cir. 1975), to argue that Darrah is an eleemosynary individual and therefore unworthy of protection under unfair competition laws. The *DeCosta* court did not hold that the absence of a profit-oriented enterprise renders one an eleemosynary individual, nor did it hold that such individuals categorically are denied protection. Rather, the *DeCosta* court expressed “misgivings” of extending common law unfair competition protection, clearly available to eleemosynary organizations, to eleemosynary individuals. The court’s reluctance to extend protection to eleemosynary individuals was based on an apparent difficulty in establishing a line of demarcation between those eleemosynary individuals engaged in commerce and those that are not. But as the sufficiency of use to establish trademark ownership is inherently fact-driven, the court need not have based its decision on such a consideration. Common law unfair competition protection extends to non-profit organizations because they nonetheless engage in competition with other organizations. See *Girls Clubs of Am., Inc. v. Boys Clubs of Am., Inc.* (2d Cir. 1988). Thus, an eleemosynary individual that uses a mark in connection with a good or service may nonetheless acquire ownership rights in the mark if there is sufficient evidence of competitive activity.

Here, Darrah’s activities bear elements of competition, notwithstanding his lack of an immediate profit-motive. By developing and distributing software under a particular mark, and taking steps to avoid ceding the Software to the public domain, Darrah made efforts to retain ownership rights in his Software and to ensure that his Software would be distinguishable from other developers who may have distributed similar or related Software. Competitive activity need not be fueled solely by a desire for direct monetary gain. Darrah derived value from the distribution because he was able to improve his Software based on suggestions sent by end-users. Just as any other consumers, these end-users discriminate among and share information on available software. It is logical that as the Software improved, more end-users used his Software, thereby increasing Darrah’s recognition in his profession and the likelihood that the Software would be improved even further.

In light of the foregoing, the use of the mark in connection with the Software constitutes significant and substantial public exposure of a mark sufficient to have created an association in the mind of public.

Questions:

- 1.) Many of the virtual “goods” you receive online—apps, email programs, downloaded browsers—are distributed without charge. Of that group, a subset is not even “advertising supported,” they are simply distributed for the use of others. Some of them are also “free” in the larger GPL sense that users are permitted to modify and redistribute them. How does *Planetary Motion* apply the requirement of use in commerce to such activities? Do you agree?
- 2.) Much of the court’s analysis focuses on whether a widespread association in the mind of the public is created. Why? Does this collapse the “use in commerce” requirement into the “use as a mark” requirement, the requirement of cognitive association between the good and the mark?
- 3.) What are the benefits of describing “use in commerce” so broadly? What are the potential harms? Does your listing of the potential harms depend on whether the same

definition of “use in commerce” is used in both establishing and infringing a trademark?

4.) One of the arguments used against Darrah was that he was an individual engaged in eleemosynary (or charitable) activity, and therefore that his use was not a use in commerce. The court noted that charitable or non-profit *organizations* were routinely granted trademarks—presumably on the ground that this constituted “commerce” that Congress could regulate. But it also felt that non-profit individuals could still acquire marks if there were suitable evidence of competitive activity. Why should we care about “competitive activity” when it comes to granting charitable or non-profit organizations or individuals trademark rights? Because of Justice Pitney’s vision of unfair competition—the danger that others will benefit from your labor in doing good, perhaps being able to raise funds for their charity because of goodwill you have generated? Because it means that trademarks are still fulfilling a function of efficiently communicating with the consumer—or in this case the donor? If I want to give to the Red Cross or Amnesty International or Occupy Wall St, does it help me that those organizations can get trademarks?

Use in commerce was only the first requirement for trademark protection (both for registration and for common law protection). The second is use *as a mark*, a concept that requires us to analyze both whether the mark is actually being used by the producer to identify itself as the source of a product, and whether it is distinctive enough to do so.

2.) Use as a Mark: Source Identification Function

a.) Actions of the Source

MicroStrategy Inc. v. Motorola, Inc. 245 F.3d 335 (4th Cir. 2001)



DIANA GRIBBON MOTZ, Circuit Judge.

... In June 2000, Motorola held a business summit of its marketing officers to determine how to market more effectively its services and products on a worldwide basis. The company decided to develop a new brand, which would cut across its various business interests, to establish a more cohesive corporate identity. In early July, Motorola contacted three advertising agencies, inviting each to compete in creating this new brand. The company met with all three agencies during the week of August 7, 2000. One agency, Ogilvy & Mather, suggested the use of “Intelligence Everywhere” as a trademark and global brand for Motorola products. Ogilvy & Mather also represented that its attorneys had conducted a trademark search for “Intelligence Everywhere,” which revealed no conflicting use of the phrase as a trademark.

Motorola selected Ogilvy & Mather as its agency and began its normal procedures for clearing “Intelligence Everywhere” as a trademark. In-house trademark counsel for Motorola performed and commissioned various trademark searches for “Intelligence Everywhere” and turned up no conflicting trademark uses of the phrase. On October 5, 2000, in-house counsel informed Motorola management that no conflicting marks had been found and that the phrase was available for use as a mark in the United States and throughout the world. However, in-house counsel also informed Motorola management that a Canadian

company, Cel Corporation, had registered the domain name “intelligenceeverywhere.com” and further investigation revealed that Cel might be using the name as a trademark on some products. A month later, Motorola obtained Cel’s rights to “Intelligence Everywhere.”

On October 19, 2000, Motorola filed an intent-to-use application with the United States Patent and Trademark Office for the registration of the trademark “Intelligence Everywhere,” indicating its intent to use this mark on a vast array of its products and services. On December 10, 2000, Motorola registered the domain name “intelligenceeverywhere.com” with Network Solutions, Inc. in Herndon, Virginia.

On January 8, 2001, MicroStrategy, a producer of communication software, notified Motorola that MicroStrategy had been using “Intelligence Everywhere” as a trademark since “at least as early as 1998.” MicroStrategy further stated that the mark had obtained common law protection, and that Motorola’s intended use of the mark would constitute unlawful infringement. Motorola responded by expressing its belief that its use of the mark would not violate state or federal law and its intent to continue using the mark. MicroStrategy then submitted its own application to the United States Patent and Trademark Office seeking to register the trademark, “Intelligence Everywhere.”

On February 13, 2001, MicroStrategy filed this action in the United States District Court for the Eastern District of Virginia, raising claims of trademark infringement, trademark dilution, and cybersquatting. MicroStrategy moved the court for a preliminary injunction to prevent Motorola’s intended use of the mark. Such an injunction would have prevented Motorola from launching its planned global advertising campaign around the “Intelligence Everywhere” mark, otherwise scheduled to begin the week of March 19, 2001. On February 23, 2001, the district court heard oral argument and denied the motion for a preliminary injunction.

... MicroStrategy then moved this court for expedited consideration of that appeal. We granted the request and, after receiving briefs from the parties, heard oral argument on the matter on March 15, 2001. Immediately following argument, we issued a written order, which affirmed the district court’s judgment denying the injunction. We explain here our reasons for that order. . . .³

³ Although MicroStrategy makes only the general argument noted in text with respect to irreparable harm, Motorola has offered evidence detailing the particulars of the harm it would suffer if a preliminary injunction was granted. For example, Motorola has submitted affidavits explaining that it has previewed the “Intelligence Everywhere” mark to its “key customers,” and has told those customers that the mark would be the basis of a “joint co-marketing and advertising campaign with Motorola,” to be launched the week of March 19, 2001 to coincide with three international technology trade shows. An injunction would assertedly cause Motorola incalculable harm to its “reputation and good will within the industry” and “negatively impact key business ventures.” Motorola has submitted evidence as to print and television advertisements, new packaging, and website redesign—all featuring the “Intelligence Everywhere” mark—that it has developed for the same mid-March campaign to accompany the three trade shows. The company has also outlined its financial investment in developing the “Intelligence Everywhere” mark, which as of February 20, 2001 totaled more than \$24 million. Undoubtedly, Motorola incurred some of these expenses after it received notification of MicroStrategy’s claim in January 2001, but not even MicroStrategy contends that Motorola had not spent substantial sums on its global campaign prior to any notice from MicroStrategy. Moreover, the record clearly demonstrates that, after conducting an extensive trademark search and carefully evaluating MicroStrategy’s claims, Motorola believed that MicroStrategy had no valid claim to the “Intelligence Everywhere” mark. It seems entirely reasonable for Motorola, considering its significant sunk costs, to continue preparations for its campaign in face of what it viewed as a meritless claim. The dissent’s contrary contention, that Motorola acted in bad faith, assumes that MicroStrategy’s claim to the mark was not only valid, but clearly valid; to adopt this view is to have already adjudicated MicroStrategy’s ownership of the mark in its favor. Not only is this an inappropriate starting place, but, as we explain above, an insupportable conclusion. Of course, we make no “contention that ‘bad faith’ infringement can only be proved” when a mark is “clearly valid”; rather, we merely suggest that the dissent’s contention—that Motorola has acted in bad faith and the balance of harm weighs in

. . . [W]e turn to the question of whether MicroStrategy has demonstrated substantial likelihood of success on the merits in its trademark infringement claim. For a plaintiff to prevail on a claim of trademark infringement, the plaintiff must first and most fundamentally prove that it has a valid and protectable mark. The district court held that MicroStrategy had failed to show a likelihood of success on this critical, initial burden. The court reasoned that although the record demonstrated that MicroStrategy had registered approximately 50 marks, it failed to register “Intelligence Everywhere” as a mark and, therefore, did not qualify for protection under 15 U.S.C. § 1114(1). With respect to MicroStrategy’s claim under the common law of Virginia, the court concluded that “a careful review” of the record did “not reveal” that MicroStrategy used the term “Intelligence Everywhere” to “identif[y] MicroStrategy as a source of goods or services.”

Of course, as MicroStrategy points out, a mark need not be registered to garner federal trademark protection. Rather, “it is common ground that § 43(a) of the Lanham Act, 15 U.S.C. § 1125 protects qualifying unregistered trademarks.” *Two Pesos, Inc. v. Taco Cabana, Inc.* (1992). But § 43(a) of the Lanham Act, like Virginia common law, does require that in order to obtain trademark protection “a designation must be proven to perform the job of identification: to identify one source and distinguish it from other sources. . . . Not every single word [or] phrase . . . that appears on a label or in an advertisement qualifies as a protectable mark.” If a purported mark fails to identify its source, it is not protectable-under state or federal law. See also 15 U.S.C. § 1127 (1994) (“‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods”). As the Sixth Circuit recently put it, “a plaintiff must show that it has actually used the designation at issue as a trademark; thus the designation or phrase must be used to ‘perform[]’ the trademark function of identifying the source of the merchandise to the customers.” *Rock and Roll Hall of Fame v. Gentile Prods.* (6th Cir. 1998).

After careful examination of the 252 pages of MicroStrategy documents that the company has submitted in support of its motion for preliminary injunction, we agree with the district court: MicroStrategy has failed to demonstrate that it has likely used “Intelligence Everywhere” to identify MicroStrategy as the source of its goods or services.

MicroStrategy has offered 24 documents (not including duplicates of press releases), dating from March 1999 through early 2001, in which it has used the term “Intelligence Everywhere.” These include two annual reports, several press releases, brochures, sales presentations, a product manual, a business card, and newspaper articles. Although most of these documents contain several pages of densely printed material and some are quite lengthy, typically each refers only once to “Intelligence Everywhere,” and that reference follows no particular design or sequence, i.e., sometimes it’s on the cover, sometimes not, most often “Intelligence Everywhere” appears in the midst of text. Use of a trademark to identify goods and services and distinguish them from those of others “does not contemplate that the public will be required or expected to browse through a group of words, or scan an entire page in order to decide that a particular word, separated from its context, may or may not be intended, or may or may not serve to identify the product.” Yet that is precisely the sort of examination one is forced to employ even to find the term “Intelligence Everywhere” in many of MicroStrategy’s materials.

Moreover, MicroStrategy has not used any “constant pattern” or design to highlight “Intelligence Everywhere.” A trademark need not be “particularly large in size or appear

MicroStrategy’s favor-is based on the insupportable view, given the record at this preliminary stage, that MicroStrategy has proved its asserted mark clearly valid.

in any particular position on the goods, but it must be used in such a manner that its nature and function are readily apparent and recognizable without extended analysis or research and certainly without legal opinion.” Unlike certain MicroStrategy trademarks, e.g., “Intelligent E-Business,” MicroStrategy has not consistently placed “Intelligence Everywhere” on a particular part of the page, or in a particular type, or labeled it with “TM,” or consistently used a distinctive font, color, typeset or any other method that makes “its nature and function readily apparent and recognizable without extended analysis.” . . .

On its business card and elsewhere, MicroStrategy characterizes “Intelligence Everywhere” as the company “mission,” “vision,” “effort,” “motto,” or “dream.” Although in the proper context, a mission statement, like a slogan, can serve as a trademark, a company mission statement or slogan is certainly not by definition a trademark. Rather, mission statements, like “[s]logans often appear in such a context that they do not identify and distinguish the source of goods or services. In such cases, they are neither protectable nor registrable as trademarks.” So it is here. MicroStrategy has not demonstrated that it has used the mission statement to identify and distinguish the source of its products or services. If anything, the phrase has been used to advertise MicroStrategy’s goods, without identifying the source of those goods. Unless used in a context whereby they take on a dual function, advertisements are not trademarks. . . .

For these reasons, MicroStrategy has at this juncture utterly failed to provide a basis for a court to find the probability of its trademark usage, let alone trademark infringement by Motorola. Rather, MicroStrategy has presented a record of limited, sporadic, and inconsistent use of the phrase “Intelligence Everywhere.” Obviously, this does not constitute “a clear and strong case” of likelihood of success on the merits. Of course, MicroStrategy may yet prevail on its infringement claim at trial. But the company has not demonstrated that this is likely, let alone that the district court abused its discretion in refusing to grant the requested preliminary injunction. The judgment of the district court is therefore *AFFIRMED*.

NIEMEYER Circuit Judge, dissenting. . . .³

. . . [W]hile MicroStrategy has not consistently used the mark in all of its corporate documents, the record certainly does reflect that MicroStrategy has used the mark consistently as a trademark with respect to its “Broadcaster” software. On the cover of the software user’s manual, which is distributed with the software, the mark is set out in prominent, highlighted text. Moreover, every MicroStrategy business card features the mark, set off with quotation marks, in initial capital letters, with the TM signal next to it. Either of these consistent uses alone could be enough to establish the adoption of “Intelligence Everywhere” as a mark, and together, they provide MicroStrategy with considerable evidence to present at trial on the first element of its infringement claim.

If it is able to establish this element, MicroStrategy is almost certain to prevail on the other elements of its infringement claim. Despite the district court’s contrary conclusion, it cannot seriously be contended that MicroStrategy’s use of “Intelligence Everywhere” is descriptive rather than suggestive. The phrase does not impart information

³ That the district judge and two members of this court have been impressed by the amount spent on a trademark by a potential infringer, a theoretically irrelevant factor, would seem to indicate that companies wishing to escape infringement liability will best be served by heeding the advice of Martin Luther, that if you sin, “sin boldly” (*pecca fortiter*). Letter from Luther to Melanchthon (1521), in *Epistolæ* (1556). The majority’s suggestion, albeit ambiguous, that “bad faith” infringement can only be proved in a case where a claim to a mark is “not only valid, but clearly valid,” is simply an inaccurate statement of what is required to recover profits, actual damages, and attorney fees under 15 U.S.C. § 1117(a).

about MicroStrategy or its products directly—the hallmark of a descriptive mark—but instead “requires some operation of the imagination to connect” the meaning of the phrase to MicroStrategy and its products, the very definition of a suggestive mark. A potential customer faced solely with the slogan would be unable to describe precisely what product or services were offered by MicroStrategy, unlike in the cases of marks held to be descriptive, e.g., “After Tan post-tanning lotion, 5 Minute glue, King Size men’s clothing, and the Yellow Pages telephone directory.”

Because the district court applied the controlling legal standards improperly and, in addition, considered irrelevant factors in determining the relative harms to the parties, I would reverse its ruling and remand for entry of a preliminary injunction pending trial. I would also direct the district court to conduct that trial expeditiously so as to minimize any harm that might be caused by further delay. For these reasons, I respectfully dissent.

Questions:

1.) Why does the majority mention that Motorola hired Ogilvy & Mather, which conducted a trademark search, and that it purchased the rights to “Intelligence Everywhere” and “intelligenceeverywhere.com” from the Cel Corporation? Is the court merely seeking to show that Motorola acted in good faith or is it implicitly referring back to one of the functions of the trademark system?

2.) Of what relevance are the amounts of money Motorola had spent on its upcoming ad campaign? Are you persuaded by the dissent’s nicely snarky invocation of Martin Luther—claiming that the majority is effectively telling those who might use the marks of others, “if you sin, sin boldly”?

b.) Nature of the Mark: Distinctiveness and Functionality

Abercrombie & Fitch Co. v. Hunting World, Inc.

537 F.2d 4 (2d Cir. 1976)



FRIENDLY, Circuit Judge.

This action in the District Court for the Southern District of New York by Abercrombie & Fitch Company (A&F), owner of well-known stores at Madison Avenue and 45th Street in New York City and seven places in other states, against Hunting World, Incorporated (HW), operator of a competing store on East 53rd Street, is for infringement of some of A&F’s registered trademarks using the word ‘Safari’. It has had a long and, for A&F, an unhappy history. On this appeal from a judgment which not only dismissed the complaint but canceled all of A&F’s ‘Safari’ registrations, including several that were not in suit, we relieve A&F of some of its unhappiness but not of all.

I.

The complaint, filed in January, 1970, after describing the general nature of A&F’s business, reflecting its motto “The Greatest Sporting Goods Store in the World,” alleged as follows: For many years A&F has used the mark ‘Safari’ on articles “exclusively offered and sold by it.” Since 1936 it has used the mark on a variety of men’s and women’s

outer garments. Its United States trademark registrations include:

Trademark	Number	Issued	Goods
Safari	358,781	7/26/38	Men's and Women's outer garments, including hats.
Safari Mills	125,531	5/20/19	Cotton Piece goods.
Safari	652,098	9/24/57	Men's and Women's outer garments, including shoes.
Safari	703,279	8/23/60	Woven cloth, sporting goods, apparel, etc.

A&F has spent large sums of money in advertising and promoting products identified with its mark 'Safari' and in policing its right in the mark, including the successful conduct of trademark infringement suits. HW, the complaint continued, has engaged in the retail marketing of sporting apparel including hats and shoes, some identified by use of 'Safari' alone or by expressions such as 'Minisafari' and 'Safariland'. Continuation of HW's acts would confuse and deceive the public and impair "the distinct and unique quality of the plaintiff's trademark." A&F sought an injunction against infringement and an accounting for damages and profits.

HW filed an answer and counterclaim. This alleged, *inter alia*, that "the word 'safari' is an ordinary, common, descriptive, geographic, and generic word" which "is commonly used and understood by the public to mean and refer to a journey or expedition, especially for hunting or exploring in East Africa, and to the hunters, guides, men, animals, and equipment forming such an expedition" and is not subject to exclusive appropriation as a trademark. HW sought cancellation of all of A&F's registrations using the word 'Safari' on the ground that A&F had fraudulently failed to disclose the true nature of the term to the Patent Office. . . .

II.

It will be useful at the outset to restate some basic principles of trademark law, which, although they should be familiar, tend to become lost in a welter of adjectives.

The cases, and in some instances the Lanham Act, identify four different categories of terms with respect to trademark protection. Arrayed in an ascending order which roughly reflects their eligibility to trademark status and the degree of protection accorded, these classes are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. The lines of demarcation, however, are not always bright. Moreover, the difficulties are compounded because a term that is in one category for a particular product may be in quite a different one for another, because a term may shift from one category to another in light of differences in usage through time, because a term may have one meaning to one group of users and a different one to others, and because the same term may be put to different uses with respect to a single product. In various ways, all of these complications are involved in the instant case.

A generic term is one that refers, or has come to be understood as referring, to the genus of which the particular product is a species. At common law neither those terms which were generic nor those which were merely descriptive could become valid trademarks[.] . . . While, as we shall see, the Lanham Act makes an important exception with respect to those merely descriptive terms which have acquired secondary meaning, it offers no such exception for generic marks. The Act provides for the cancellation of a registered mark if at any time it "becomes the common descriptive name of an article or substance," § 14(c). This means that even proof of secondary meaning, by virtue of which

some “merely descriptive” marks may be registered, cannot transform a generic term into a subject for trademark. [N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification, it cannot deprive competing manufacturers of the product of the right to call an article by its name. We have recently had occasion to apply this doctrine of the impossibility of achieving trademark protection for a generic term. The pervasiveness of the principle is illustrated by a series of well known cases holding that when a suggestive or fanciful term has become generic as a result of a manufacturer’s own advertising efforts, trademark protection will be denied save for those markets where the term still has not become generic and a secondary meaning has been shown to continue. A term may thus be generic in one market and descriptive or suggestive or fanciful in another.

The term which is descriptive but not generic stands on a better basis. Although § 1052 forbids the registration of a mark which, when applied to the goods of the applicant, is “merely descriptive,” § 2(f) removes a considerable part of the sting by providing that “except as expressly excluded in paragraphs (a)–(d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce” and that the Commissioner may accept, as prima facie evidence that the mark has become distinctive, proof of substantially exclusive and continuous use of the mark applied to the applicant’s goods for five years preceding the application.” As indicated in the cases cited in the discussion of the unregistrability of generic terms, “common descriptive name” refers to generic terms applied to products and not to terms that are “merely descriptive.” In the former case any claim to an exclusive right must be denied since this in effect would confer a monopoly not only of the mark but of the product by rendering a competitor unable effectively to name what it was endeavoring to sell. In the latter case the law strikes the balance, with respect to registration, between the hardships to a competitor in hampering the use of an appropriate word and those to the owner who, having invested money and energy to endow a word with the good will adhering to his enterprise, would be deprived of the fruits of his efforts.

The category of “suggestive” marks was spawned by the felt need to accord protection to marks that were neither exactly descriptive on the one hand nor truly fanciful on the other. Having created the category the courts have had great difficulty in defining it. Judge Learned Hand made the not very helpful statement:

“It is quite impossible to get any rule out of the cases beyond this: That the validity of the mark ends where suggestion ends and description begins.”

Another court has observed, somewhat more usefully, that:

“A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.”

Also useful is the approach taken by this court in *Aluminum Fabricating Co. of Pittsburgh v. Season-All Window Corp.*, that the reason for restricting the protection accorded descriptive terms, namely the undesirability of preventing an entrant from using a descriptive term for his product, is much less forceful when the trademark is a suggestive word since, as Judge Lumbard wrote:

“The English language has a wealth of synonyms and related words with which to describe the qualities which manufacturers may wish to claim for their products and the ingenuity of the public relations profession supplies new words and slogans as they are needed.”

If a term is suggestive, it is entitled to registration without proof of secondary meaning. Moreover, as held in the *Season-All* case, the decision of the Patent Office to register a mark without requiring proof of secondary meaning affords a rebuttable presumption that the mark is suggestive or arbitrary or fanciful rather than merely descriptive.

It need hardly be added that fanciful or arbitrary terms enjoy all the rights accorded to suggestive terms as marks—without the need of debating whether the term is “merely descriptive” and with ease of establishing infringement.

In the light of these principles we must proceed to a decision of this case.

III.

We turn first to an analysis of A&F’s trademarks to determine the scope of protection to which they are entitled. We have reached the following conclusions: (1) applied to specific types of clothing ‘safari’ has become a generic term and ‘minisafari’ may be used for a smaller brim hat; (2) ‘safari’ has not, however, become a generic term for boots or shoes; it is either “suggestive” or “merely descriptive” and is a valid trademark even if “merely descriptive” since it has become incontestable under the Lanham Act; but (3) in light of the justified finding below that ‘Camel Safari,’ ‘Hippo Safari’ and ‘Safari Chukka’ were devoted by HW to a purely descriptive use on its boots, HW has a defense against a charge of infringement with respect to these on the basis of “fair use.” We now discuss how we have reached these conclusions.

It is common ground that A&F could not apply ‘Safari’ as a trademark for an expedition into the African wilderness. This would be a clear example of the use of ‘Safari’ as a generic term. What is perhaps less obvious is that a word may have more than one generic use. The word ‘Safari’ has become part of a family of generic terms which, although deriving no doubt from the original use of the word and reminiscent of its milieu, have come to be understood not as having to do with hunting in Africa, but as terms within the language referring to contemporary American fashion apparel. These terms name the components of the safari outfit well-known to the clothing industry and its customers: the ‘Safari hat’, a broad flat-brimmed hat with a single, large band; the ‘Safari jacket’, a belted bush jacket with patch pockets and a buttoned shoulder loop; when the jacket is accompanied by pants, the combination is called the ‘Safari suit’. Typically these items are khaki-colored.

This outfit, and its components, were doubtless what Judge Ryan had in mind when he found that “the word ‘safari’ in connection with wearing apparel is widely used by the general public and people in the trade.” The record abundantly supports the conclusion that many stores have advertised these items despite A&F’s attempts to police its mark. In contrast, a search of the voluminous exhibits fails to disclose a single example of the use of ‘Safari’, by anyone other than A&F and HW, on merchandise for which A&F has registered ‘Safari’ except for the safari outfit and its components as described above.

What has been thus far established suffices to support the dismissal of the complaint with respect to many of the uses of ‘Safari’ by HW. Describing a publication as a “Safariland Newsletter” containing bulletins as to safari activity in Africa, was clearly a generic use which is nonenjoinable, see *CES Publishing Co. v. St. Regis Publications, Inc.* A&F also was not entitled to an injunction against HW’s use of the word in advertising goods of the kind included in the safari outfit as described above. And if HW may advertise a hat of the kind worn on safaris as a safari hat, it may also advertise a similar hat with a smaller brim as a minisafari. Although the issue may be somewhat closer, the principle against giving trademark protection to a generic term also sustains the denial of an injunction against HW’s use of ‘Safariland’ as a name of a portion of its store devoted at least in part to the sale of

clothing as to which the term ‘Safari’ has become generic.

A&F stands on stronger ground with respect to HW’s use of ‘Camel Safari’, ‘Hippo Safari’ and Chukka ‘Safari’ as names for boots imported from Africa. As already indicated, there is no evidence that ‘Safari’ has become a generic term for boots. Since, as will appear, A&F’s registration of ‘Safari’ for use on its shoes has become incontestable, it is immaterial (save for HW’s contention of fraud which is later rejected) whether A&F’s use of ‘Safari’ for boots was suggestive or “merely descriptive.”

HW contends, however, that even if ‘Safari’ is a valid trademark for boots, it is entitled to the defense of “fair use” within § 33(b)(4) of the Lanham Act, 15 U.S.C. § 1115(b)(4). That section offers such a defense even as against marks that have become incontestable when the term charged to be an infringement is not used as a trademark “and is used fairly and in good faith only to describe to users the goods and services of such party, or their geographic origin.”

Here, Lee Expeditions, Ltd., the parent company of HW, has been primarily engaged in arranging safaris to Africa since 1959; Robert Lee, the president of both companies, is the author of a book published in 1959 entitled “Safari Today—The Modern Safari Handbook” and has, since 1961, booked persons on safaris as well as purchased safari clothing in Africa for resale in America. These facts suffice to establish, absent a contrary showing, that defendant’s use of ‘Safari’ with respect to boots was made in the context of hunting and traveling expeditions and not as an attempt to garner A&F’s good will. The district court here found the HW’s use of ‘Camel Safari’, ‘Hippo Safari’, and ‘Safari Chukka’ as names for various boots imported from Africa constituted “a purely descriptive use to apprise the public of the type of product by referring to its origin and use.” The court properly followed the course sanctioned by this court in *Venetianaire Corp. of America v. A&P Import Co.*, by focusing on the “use of words, not on their nature or meaning in the abstract.” When a plaintiff has chosen a mark with some descriptive qualities, he cannot altogether exclude some kinds of competing uses even when the mark is properly on the register. We do not have here a situation similar to those in *Venetianaire* and *Feathercombs, Inc.*, in both of which we rejected “fair use” defenses, wherein an assertedly descriptive use was found to have been in a trademark sense. It is significant that HW did not use ‘Safari’ alone on its shoes, as it would doubtless have done if confusion had been intended.

We thus hold that the district court was correct in dismissing the complaint.

IV.

We find much greater difficulty in the court’s broad invalidation of A&F’s trademark registrations. Section 37 of the Lanham Act, 15 U.S.C. § 1119, provides authority for the court to cancel those registrations of any party to an action involving a registered mark. The cases cited above establish that when a term becomes the generic name of the product to which it is applied, grounds for cancellation exist. . . . [C]ancellation may be decreed at any time if the registered mark has become “the common descriptive name of an article or substance.” The whole of Registration No. 358,781 thus was properly canceled. With respect to Registration No. 703,279 only a part has become generic and cancellation on that ground should be correspondingly limited. . . .

. . . The generic term for A&F’s ‘safari cloth Bermuda shorts’, for example, is ‘Bermuda shorts’, not ‘safari’; indeed one would suppose this garment to be almost ideally unsuited for the forest or the jungle and there is no evidence that it has entered into the family for which ‘Safari’ has become a generic adjective. The same analysis holds for luggage, portable grills, and the rest of the suburban paraphernalia, from swimtrunks and raincoats to belts and scarves, included in these registrations. HW alleged that these registrations were

procured by fraud, a claim which, if successful, would deny incontestability to A&F's marks, see § 14(c), 15 U.S.C. § 1064(c). But these allegations seem to have meant no more than that HW believed the terms to be merely descriptive and hence unregistrable, and that the Patent Office must have been duped into registering them in the first place without proof of secondary meaning. However, we regard these terms as suggestive rather than "merely descriptive." Moreover, even if they were the latter, assuming that the person filing the applications made the required allegation that "no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive," see § 1(a)(1), 15 U.S.C. § 1051(a)(1), there is nothing to show that such statements were knowingly false when made.

So much of the judgment as dismissed the complaint is affirmed; so much of the judgment as directed cancellation of the registrations is affirmed in part and reversed in part, and the cause is remanded for the entry of a new judgment consistent with this opinion. No costs.

Zatarain's, Inc. v. Oak Grove Smokehouse, Inc.

698 F.2d 786 (5th Cir. 1983)



GOLDBERG, Circuit Judge.

This appeal of a trademark dispute presents us with a menu of edible delights sure to tempt connoisseurs of fish and fowl alike. At issue is the alleged infringement of two trademarks, "Fish-Fri" and "Chick-Fri," held by appellant Zatarain's, Inc. ("Zatarain's"). . . .

Throughout this litigation, Zatarain's has maintained that the term "Fish-Fri" is a suggestive mark automatically protected from infringing uses by virtue of its registration in 1962. Oak Grove and Visko's assert that "fish fry" is a generic term identifying a class of foodstuffs used to fry fish; alternatively, Oak Grove and Visko's argue that "fish fry" is merely descriptive of the characteristics of the product. The district court found that "Fish-Fri" was a descriptive term identifying a function of the product being sold. Having reviewed this finding under the appropriate "clearly erroneous" standard, we affirm.

We are mindful that "[t]he concept of descriptiveness must be construed rather broadly." Whenever a word or phrase conveys an immediate idea of the qualities, characteristics, effect, purpose, or ingredients of a product or service, it is classified as descriptive and cannot be claimed as an exclusive trademark. Courts and commentators have formulated a number of tests to be used in classifying a mark as descriptive.

A suitable starting place is the dictionary, for "[t]he dictionary definition of the word is an appropriate and relevant indication 'of the ordinary significance and meaning of words' to the public." Webster's Third New International Dictionary 858 (1966) lists the following definitions for the term "fish fry": "1. a picnic at which fish are caught, fried, and eaten; . . . 2. fried fish." Thus, the basic dictionary definitions of the term refer to the preparation and consumption of fried fish. This is at least preliminary evidence that the term "Fish-Fri" is descriptive of Zatarain's product in the sense that the words naturally direct attention to the purpose or function of the product.

The "imagination test" is a second standard used by the courts to identify descriptive terms. This test seeks to measure the relationship between the actual words of the mark and the product to which they are applied. If a term "requires imagination, thought

and perception to reach a conclusion as to the nature of goods,” it is considered a suggestive term. Alternatively, a term is descriptive if standing alone it conveys information as to the characteristics of the product. In this case, mere observation compels the conclusion that a product branded “Fish-Fri” is a prepackaged coating or batter mix applied to fish prior to cooking. The connection between this merchandise and its identifying terminology is so close and direct that even a consumer unfamiliar with the product would doubtless have an idea of its purpose or function. It simply does not require an exercise of the imagination to deduce that “Fish-Fri” is used to fry fish. Accordingly, the term “Fish-Fri” must be considered descriptive when examined under the “imagination test.”

A third test used by courts and commentators to classify descriptive marks is “whether competitors would be likely to need the terms used in the trademark in describing their products.” A descriptive term generally relates so closely and directly to a product or service that other merchants marketing similar goods would find the term useful in identifying their own goods. Common sense indicates that in this case merchants other than Zatarain’s might find the term “fish fry” useful in describing their own particular batter mixes. While Zatarain’s has argued strenuously that Visko’s and Oak Grove could have chosen from dozens of other possible terms in naming their coating mix, we find this position to be without merit. As this court has held, the fact that a term is not the only or even the most common name for a product is not determinative, for there is no legal foundation that a product can be described in only one fashion. There are many edible fish in the sea, and as many ways to prepare them as there are varieties to be prepared. Even piscatorial gastronomes would agree, however, that frying is a form of preparation accepted virtually around the world, at restaurants starred and unstarred. The paucity of synonyms for the words “fish” and “fry” suggests that a merchant whose batter mix is specially spiced for frying fish is likely to find “fish fry” a useful term for describing his product.

A final barometer of the descriptiveness of a particular term examines the extent to which a term actually has been used by others marketing a similar service or product. This final test is closely related to the question whether competitors are likely to find a mark useful in describing their products. As noted above, a number of companies other than Zatarain’s have chosen the word combination “fish fry” to identify their batter mixes. Arnaud’s product, “Oyster Shrimp and Fish Fry,” has been in competition with Zatarain’s “Fish-Fri” for some ten to twenty years. When companies from A to Z, from Arnaud to Zatarain’s, select the same term to describe their similar products, the term in question is most likely a descriptive one.

The correct categorization of a given term is a factual issue; consequently, we review the district court’s findings under the “clearly erroneous” standard of Fed.R.Civ.P. 52. The district court in this case found that Zatarain’s trademark “Fish-Fri” was descriptive of the function of the product being sold. Having applied the four prevailing tests of descriptiveness to the term “Fish-Fri,” we are convinced that the district court’s judgment in this matter is not only not clearly erroneous, but clearly correct.

2. Secondary Meaning

Descriptive terms are not protectable by trademark absent a showing of secondary meaning in the minds of the consuming public. To prevail in its trademark infringement action, therefore, Zatarain’s must prove that its mark “Fish-Fri” has acquired a secondary meaning and thus warrants trademark protection. The district court found that Zatarain’s evidence established a secondary meaning for the term “Fish-Fri” in the New Orleans area. We affirm.

The existence of secondary meaning presents a question for the trier of fact, and a

district court's finding on the issue will not be disturbed unless clearly erroneous. The burden of proof rests with the party seeking to establish legal protection for the mark—the plaintiff in an infringement suit. The evidentiary burden necessary to establish secondary meaning for a descriptive term is substantial.

In assessing a claim of secondary meaning, the major inquiry is the consumer's attitude toward the mark. The mark must denote to the consumer "a single thing coming from a single source," to support a finding of secondary meaning. Both direct and circumstantial evidence may be relevant and persuasive on the issue.

Factors such as amount and manner of advertising, volume of sales, and length and manner of use may serve as circumstantial evidence relevant to the issue of secondary meaning. While none of these factors alone will prove secondary meaning, in combination they may establish the necessary link in the minds of consumers between a product and its source. It must be remembered, however, that "the question is not the extent of the promotional efforts, but their effectiveness in altering the meaning of [the term] to the consuming public."

Since 1950, Zatarain's and its predecessor have continuously used the term "Fish-Fri" to identify this particular batter mix. Through the expenditure of over \$400,000 for advertising during the period from 1976 through 1981, Zatarain's has promoted its name and its product to the buying public. Sales of twelve-ounce boxes of "Fish-Fri" increased from 37,265 cases in 1969 to 59,439 cases in 1979. From 1964 through 1979, Zatarain's sold a total of 916,385 cases of "Fish-Fri." The district court considered this circumstantial evidence of secondary meaning to weigh heavily in Zatarain's favor.

In addition to these circumstantial factors, Zatarain's introduced at trial two surveys conducted by its expert witness, Allen Rosenzweig. In one survey, telephone interviewers questioned 100 women in the New Orleans area who fry fish or other seafood three or more times per month. Of the women surveyed, twenty-three percent specified Zatarain's "Fish-Fri" as a product they "would buy at the grocery to use as a coating" or a "product on the market that is especially made for frying fish." In a similar survey conducted in person at a New Orleans area mall, twenty-eight of the 100 respondents answered "Zatarain's 'Fish-Fri'" to the same questions.

The authorities are in agreement that survey evidence is the most direct and persuasive way of establishing secondary meaning. The district court believed that the survey evidence produced by Zatarain's, when coupled with the circumstantial evidence of advertising and usage, tipped the scales in favor of a finding of secondary meaning. Were we considering the question of secondary meaning *de novo*, we might reach a different conclusion than did the district court, for the issue is close. Mindful, however, that there is evidence in the record to support the finding below, we cannot say that the district court's conclusion was clearly erroneous. Accordingly, the finding of secondary meaning in the New Orleans area for Zatarain's descriptive term "Fish-Fri" must be affirmed. . . .

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The "Spectrum of Distinctiveness"

As *Abercrombie* explains, in order for a mark to be registrable, it must be distinctive. It lays out four categories of marks, from strongest to weakest. Only the first two are inherently distinctive.

1.) **Fanciful or arbitrary** marks are protectable. Fanciful marks are invented words such as Kodak or Pantene. (This category can also include obsolete or scientific terms that are unfamiliar to the ordinary consumer.) Arbitrary marks are existing words or names that

have no relationship to the product, such as “Apple” for computers, or “Starbucks” for coffee. (Starbuck was the mate on the *Pequod*, the whaler in the novel *Moby Dick*.)

2.) **Suggestive** marks are also protectable. They suggest—but do not directly describe—a quality or characteristic of the underlying product. Connecting the mark with the product requires some cognitive or imaginative effort. Examples of suggestive marks provided by the PTO are “Quick N’ Neat” for piecrust (do you agree?) and “Glance-A-Day” for calendars.

3.) **Descriptive** marks are not protectable unless they acquire distinctiveness, because granting exclusive rights over mere descriptions would impede the ability of others to describe similar items. Building upon the PTO’s examples above, “Flaky Round Piecrust” for piecrust or “365-Day Calendar” for calendars would be merely descriptive. As you may gather from these examples, however, the line between suggestive and descriptive can be difficult to draw. *Zatarain’s* usefully lays out some guidelines for doing so.

A descriptive mark can be eligible for protection if it acquires distinctiveness through “secondary meaning.” This occurs when the consuming public connects the mark with the source of the product, rather than simply with the product itself. An example of a descriptive mark that has acquired secondary meaning is “Holiday Inn.”

While merely descriptive marks are not eligible for registration on the main trademark register, which is called the “Principal Register,” they can be registered on the “Supplemental Register” if they are used in commerce and capable of acquiring distinctiveness. Unlike the Principal Register, the Supplemental Register does not convey the presumption of validity, constructive notice of ownership, or right to enjoin others from using the mark. However, it does offer actual notice and the right to use the ® symbol, and prevent later registration of confusingly similar marks. The PTO’s normal practice is to assume that marks gain secondary meaning after five years on the Supplemental Register, at which point they become eligible for the Principal Register.

4.) **Generic** terms for products are never registrable under the Lanham Act. The public retains the right to use these basic terms for goods and services. “Apple” for apples or “Hammer” for hammers would be generic. Over time, some arbitrary marks become so widely used to describe particular products that they become generic words (this is referred to as genericity or genericide)—examples include “Escalator” and “Thermos.”

PROBLEM 5-1

1.) **Go into your kitchen or bathroom and do a “trademark audit.” List at least 10 products and classify them according to the four categories above. [Those who do not have at least 10 products in their home may be reported to the authorities for insufficient consumerism.]**

2.) **Find a product—in or out of your house—that a.) has the ® symbol indicating a registered mark and b.) seems descriptive. Go to the USPTO Trademark Search Page <http://tmsearch.uspto.gov/> (The site is not that user-friendly, but repays with interest the time spent mastering it. Hint: click the TSDR button and the “Documents” tab to see the details.) Did the PTO agree with you? How was the mark registered?**

3.) **Are the following terms generic? Google? Rollerblades? (As in “I need to buy**

some new Rollerblades before I start practicing law in L.A.” “Scotch tape” (As in “Do you have any Scotch Tape? I need to wrap my Mother’s Day present.) Kleenex? Purell? Is Coke generic for all cola drinks? For all sodas? (If you are from the American South?)

.....

Note: Survey evidence in trademark cases

Consumer perception is at the heart of trademark law. The cases you’re currently reading focus on whether consumers will see a term or product feature as a distinctive “source-identifier.” Subsequent chapters will ask the questions: Is there a likelihood of confusion? Will the defendant’s mark blur the distinctiveness of a famous mark or tarnish its reputation? Did misleading advertisements materially affect purchasing decisions? The answers to all of these lies in the mind of the relevant purchaser.

So how do we peer into the consumer’s mind? One way is through surveys. You just saw an example in *Zatarain’s*, where survey evidence was used to suggest that “Fish-Fri” had obtained secondary meaning in the New Orleans area. And you’ll see a discussion of surveys in upcoming cases involving Levi’s jeans, Starbucks, and Papa John’s. Trademark litigants hire experts to design their surveys, and the methodology is contentious—parties employ different approaches that yield divergent results, and courts may disregard survey evidence on grounds of bias or other flaws, both because of the initial survey design and because of problems in the way the survey was conducted.

Compare the following methods for assessing whether “Teflon” is a generic term for non-stick coating. (These examples are based on the opposing surveys in *E. I. DuPont de Nemours & Co. v. Yoshida International, Inc.* (E.D.N.Y. 1975), the case holding that “Teflon” was not generic, and was infringed by “Eflon” for a nylon zipper. They have been simplified for purposes of comparison.) The first example uses the “Thermos” method from *American Thermos Products Co. v. Aladdin Industries, Inc.* (2d Cir. 1963) (holding that “thermos” in lower-case was generic for vacuum-insulated containers, but preserving trademark rights in capitalized “Thermos”). The second uses what became called the “Teflon” method after the *DuPont* court endorsed its approach.

#1 The “Thermos” survey method

- Respondents (in the actual case, the group conducting the survey believed the relevant group was “adult women”) are asked: “Are you familiar with substances that manufacturers sometimes apply to the surfaces of certain products in order to prevent things from sticking to them?” 90% say yes.
- Those who answered “yes” are then asked: “What name or names are those substances called?” Over 80% say “Teflon.” They are also asked: “What name or names would you use to describe those substances to a store clerk or friend?” Over 70% say “Teflon.”

The defendant argues that this shows “Teflon” is generic.

#2 The “Teflon” survey method

- Respondents are first given this brief introduction to the difference between trademarks and generic terms: “By brand name, I mean a word like Chevrolet which is made by one company; by common name, I mean a word like automobile which is made by a number of different companies.”
- Respondents are then asked whether a range of eight terms, including “Teflon,”

is a brand name or a common name, with the option of answering “don’t know.” Here are the results (the remainder in each category answered “don’t know”). The plaintiff argues that the numbers below show “Teflon” is not generic.

NAME	BRAND/%	COMMON/%
STP	90	5
THERMOS	51	46
MARGARINE	9	91
TEFLON	68	31
JELLO	75	25
REFRIGERATOR	6	94
ASPIRIN	13	86
COKE	76	24

Both of these methods are accepted by courts, though the “Teflon” format is more widely accepted. *See McCarthy on Trademarks and Unfair Competition* § 12:16. (Of course, litigants will customize the general methodology to the facts at hand.) Which approach do you think is more persuasive in answering the key question in genericity cases: whether, in the mind of the consumer, the primary significance of the mark is the *producer*, or the underlying *product itself*? Look at the “Thermos” questions—if I walk into Bed, Bath and Beyond and ask for “Teflon” pans, does that tell you anything about whether I’m referring to DuPont’s brand, or to non-stick coating generally? If you’re representing the owner of an especially famous mark, what concerns might you have about a “Thermos” survey? As for the “Teflon” survey, the *DuPont* court opined that “the responses of the survey reveal that the public is quite good at sorting out brand names from common names.” Do you agree?

Returning to one of the questions in Problem 5-1, the Ninth Circuit recently confirmed that “Google” is not generic for internet search engines. *Elliott v. Google* (9th Cir. 2017). In that case, Elliott (the challenger to the “Google” mark) used a “Thermos” survey, while Google conducted a “Teflon” survey. (Why? Do you agree with that tactical judgment by the lawyers?) The “Thermos” survey asked: “If you were going to ask a friend to search for something on the Internet, what word or phrase would you use to tell him/her what you want him/her to do?” Over half of the respondents answered by using “google” as a verb, and Elliott argued that this showed “Google” was generic, on the theory that verb use constitutes generic use. (Do you agree? The court did not, and further found that this approach failed to link the mark to the relevant good or service—“Google” for “internet search engines.”) In Google’s “Teflon” survey, the majority of respondents classified “Refrigerator,” “Margarine,” “Browser,” and “Website” as common names, while the following percentages suggested strong brand recognition for “Google” and other familiar marks:

NAME	BRAND/%	COMMON/%
AMAZON	96.51	2.99
GOOGLE	93.77	5.25
YAHOO!	93.52	5.99
COKE	89.53	6.73

Do you find these results persuasive? In order to answer, would you need to know what

percentage of consumers use only Google as a search engine, or would that be irrelevant? How would you design a survey to determine whether “Google” is generic? The goal of survey evidence is to replace the judge or jury’s subjective hunches about trademarks with empirical evidence that goes to the source-identification function of the mark. Do you think that goal can ever be fully achieved?

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Abercrombie and *Zatarain’s* focused on *verbal* marks. The cases that follow focus on the protectability of *non-verbal* marks such as color and trade dress (generally, product packaging or design), where *functionality* becomes an important consideration.

Qualitex Co. v. Jacobson Products Co., Inc.
514 U.S. 159 (1995)



Justice BREYER delivered the opinion of the Court.

The question in this case is whether the Lanham Trademark Act of 1946 permits the registration of a trademark that consists, purely and simply, of a color. We conclude that, sometimes, a color will meet ordinary legal trademark requirements. And, when it does so, no special legal rule prevents color alone from serving as a trademark.

I.

The case before us grows out of petitioner Qualitex Company’s use (since the 1950’s) of a special shade of green-gold color on the pads that it makes and sells to dry cleaning firms for use on dry cleaning presses. In 1989 respondent Jacobson Products (a Qualitex rival) began to sell its own press pads to dry cleaning firms; and it colored those pads a similar green-gold. In 1991 Qualitex registered the special green-gold color on press pads with the Patent and Trademark Office as a trademark. Qualitex subsequently added a trademark infringement count, 15 U.S.C. § 1114(1), to an unfair competition claim, § 1125(a), in a lawsuit it had already filed challenging Jacobson’s use of the green-gold color.

Qualitex won the lawsuit in the District Court. But, the Court of Appeals for the Ninth Circuit set aside the judgment in Qualitex’s favor on the trademark infringement claim because, in that Circuit’s view, the Lanham Act does not permit Qualitex, or anyone else, to register “color alone” as a trademark.

The courts of appeals have differed as to whether or not the law recognizes the use of color alone as a trademark. Therefore, this Court granted certiorari. We now hold that there is no rule absolutely barring the use of color alone, and we reverse the judgment of the Ninth Circuit.

II.

The Lanham Act gives a seller or producer the exclusive right to “register” a trademark, 15 U.S.C. § 1052, and to prevent his or her competitors from using that trademark, § 1114(1). Both the language of the Act and the basic underlying principles of trademark law would seem to include color within the universe of things that can qualify as a trademark. The language of the Lanham Act describes that universe in the broadest of terms. It says that trademarks “includ[e] any word, name, symbol, or device, or any combination

thereof.” § 1127. Since human beings might use as a “symbol” or “device” almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive. The courts and the Patent and Trademark Office have authorized for use as a mark a particular shape (of a Coca-Cola bottle), a particular sound (of NBC’s three chimes), and even a particular scent (of plumeria blossoms on sewing thread). If a shape, a sound, and a fragrance can act as symbols why, one might ask, can a color not do the same?

A color is also capable of satisfying the more important part of the statutory definition of a trademark, which requires that a person “us[e]” or “inten[d] to use” the mark

“to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 U.S.C. § 1127.

True, a product’s color is unlike “fanciful,” “arbitrary,” or “suggestive” words or designs, which almost *automatically* tell a customer that they refer to a brand. *Abercrombie & Fitch v. Hunting World* (Friendly, J.). The imaginary word “Suntost,” or the words “Suntost Marmalade,” on a jar of orange jam immediately would signal a brand or a product “source”; the jam’s orange color does not do so. But, over time, customers may come to treat a particular color on a product or its packaging (say, a color that in context seems unusual, such as pink on a firm’s insulating material or red on the head of a large industrial bolt) as signifying a brand. And, if so, that color would have come to identify and distinguish the goods—*i.e.* “to “indicate” their “source”—much in the way that descriptive words on a product (say, “Trim” on nail clippers or “Car-Freshner” on deodorizer) can come to indicate a product’s origin. In this circumstance, trademark law says that the word (*e.g.*, “Trim”), although not inherently distinctive, has developed “secondary meaning.” Again, one might ask, if trademark law permits a descriptive word with secondary meaning to act as a mark, why would it not permit a color, under similar circumstances, to do the same?

We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained “secondary meaning” and therefore identifies and distinguishes a particular brand (and thus indicates its “source”). In principle, trademark law, by preventing others from copying a source-identifying mark, “reduce[s] the customer’s costs of shopping and making purchasing decisions” for it quickly and easily assures a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product. The law thereby “encourage[s] the production of quality products,” and simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer’s inability quickly to evaluate the quality of an item offered for sale. It is the source-distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve these basic purposes. See Landes & Posner, *Trademark Law: An Economic Perspective*, 30 *J. Law & Econ.* 265, 290 (1987). And, for that reason, it is difficult to find, in basic trademark objectives, a reason to disqualify absolutely the use of a color as a mark.

Neither can we find a principled objection to the use of color as a mark in the important “functionality” doctrine of trademark law. The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature. It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time,

35 U.S.C. §§ 154, 173, after which competitors are free to use the innovation. If a product's functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity). See *Inwood Laboratories, Inc.* (White, J., concurring in result) ("A functional characteristic is 'an important ingredient in the commercial success of the product,' and, after expiration of a patent, it is no more the property of the originator than the product itself"). Functionality doctrine therefore would require, to take an imaginary example, that even if customers have come to identify the special illumination-enhancing shape of a new patented light bulb with a particular manufacturer, the manufacturer may not use that shape as a trademark, for doing so, after the patent had expired, would impede competition—not by protecting the reputation of the original bulb maker, but by frustrating competitors' legitimate efforts to produce an equivalent illumination-enhancing bulb (trademark law cannot be used to extend monopoly over "pillow" shape of shredded wheat biscuit after the patent for that shape had expired). This Court consequently has explained that, "[i]n general terms, a product feature is functional," and cannot serve as a trademark, "if it is essential to the use or purpose of the article or if it affects the cost or quality of the article," that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage. Although sometimes color plays an important role (unrelated to source identification) in making a product more desirable, sometimes it does not. And, this latter fact—the fact that sometimes color is not essential to a product's use or purpose and does not affect cost or quality—indicates that the doctrine of "functionality" does not create an absolute bar to the use of color alone as a mark.

It would seem, then, that color alone, at least sometimes, can meet the basic legal requirements for use as a trademark. It can act as a symbol that distinguishes a firm's goods and identifies their source, without serving any other significant function. See U.S. Dept. of Commerce, Patent and Trademark Office, Trademark Manual of Examining Procedure (approving trademark registration of color alone where it "has become distinctive of the applicant's goods in commerce," provided that "there is [no] competitive need for colors to remain available in the industry" and the color is not "functional"). Indeed, the District Court, in this case, entered findings (accepted by the Ninth Circuit) that show Qualitex's green-gold press pad color has met these requirements. The green-gold color acts as a symbol. Having developed secondary meaning (for customers identified the green-gold color as Qualitex's), it identifies the press pads' source. And, the green-gold color serves no other function. (Although it is important to use *some* color on press pads to avoid noticeable stains, the court found "no competitive need in the press pad industry for the green-gold color, since other colors are equally usable.") Accordingly, unless there is some special reason that convincingly militates against the use of color alone as a trademark, trademark law would protect Qualitex's use of the green-gold color on its press pads.

III.

Respondent Jacobson Products says that there are four special reasons why the law should forbid the use of color alone as a trademark. We shall explain, in turn, why we, ultimately, find them unpersuasive.

First, Jacobson says that, if the law permits the use of color as a trademark, it will produce uncertainty and unresolvable court disputes about what shades of a color a competitor may lawfully use. Because lighting (morning sun, twilight mist) will affect

perceptions of protected color, competitors and courts will suffer from “shade confusion” as they try to decide whether use of a similar color on a similar product does, or does not, confuse customers and thereby infringe a trademark. Jacobson adds that the “shade confusion” problem is “more difficult” and “far different from” the “determination of the similarity of words or symbols.”

We do not believe, however, that color, in this respect, is special. Courts traditionally decide quite difficult questions about whether two words or phrases or symbols are sufficiently similar, in context, to confuse buyers. They have had to compare, for example, such words as “Bonamine” and “Dramamine” (motion-sickness remedies); “Huggies” and “Dougies” (diapers); “Cheracol” and “Syrocol” (cough syrup); “Cyclone” and “Tornado” (wire fences); and “Mattres” and “1-800-Mattres” (mattress franchisor telephone numbers). Legal standards exist to guide courts in making such comparisons. We do not see why courts could not apply those standards to a color, replicating, if necessary, lighting conditions under which a colored product is normally sold. Indeed, courts already have done so in cases where a trademark consists of a color plus a design, *i.e.*, a colored symbol such as a gold stripe (around a sewer pipe), a yellow strand of wire rope, or a “brilliant yellow” band (on ampules).

Second, Jacobson argues, as have others, that colors are in limited supply. Jacobson claims that, if one of many competitors can appropriate a particular color for use as a trademark, and each competitor then tries to do the same, the supply of colors will soon be depleted. Put in its strongest form, this argument would concede that “[h]undreds of color pigments are manufactured and thousands of colors can be obtained by mixing.” But, it would add that, in the context of a particular product, only some colors are usable. By the time one discards colors that, say, for reasons of customer appeal, are not usable, and adds the shades that competitors cannot use lest they risk infringing a similar, registered shade, then one is left with only a handful of possible colors. And, under these circumstances, to permit one, or a few, producers to use colors as trademarks will “deplete” the supply of usable colors to the point where a competitor’s inability to find a suitable color will put that competitor at a significant disadvantage.

This argument is unpersuasive, however, largely because it relies on an occasional problem to justify a blanket prohibition. When a color serves as a mark, normally alternative colors will likely be available for similar use by others. See, *e.g.*, *Owens-Corning* (pink insulation). Moreover, if that is not so—if a “color depletion” or “color scarcity” problem does arise—the trademark doctrine of “functionality” normally would seem available to prevent the anticompetitive consequences that Jacobson’s argument posits, thereby minimizing that argument’s practical force.

The functionality doctrine, as we have said, forbids the use of a product’s feature as a trademark where doing so will put a competitor at a significant disadvantage because the feature is “essential to the use or purpose of the article” or “affects [its] cost or quality.” *Inwood*. The functionality doctrine thus protects competitors against a disadvantage (unrelated to recognition or reputation) that trademark protection might otherwise impose, namely their inability reasonably to replicate important non-reputation-related product features.

For example, this Court has written that competitors might be free to copy the color of a medical pill where that color serves to identify the kind of medication (*e.g.*, a type of blood medicine) in addition to its source. (“[S]ome patients commingle medications in a container and rely on color to differentiate one from another”); see also J. Ginsburg, D. Goldberg, & A. Greenbaum, *Trademark and Unfair Competition Law* (noting that drug color cases “have more to do with public health policy” regarding generic drug

substitution “than with trademark law”). And, the federal courts have demonstrated that they can apply this doctrine in a careful and reasoned manner, with sensitivity to the effect on competition. Although we need not comment on the merits of specific cases, we note that lower courts have permitted competitors to copy the green color of farm machinery (because customers wanted their farm equipment to match) and have barred the use of black as a trademark on outboard boat motors (because black has the special functional attributes of decreasing the apparent size of the motor and ensuring compatibility with many different boat colors). See *Deere & Co. v. Farmhand, Inc.*; *Brunswick Corp. v. British Seagull Ltd.*; see also *Nor-Am Chemical v. O.M. Scott & Sons Co.* (blue color of fertilizer held functional because it indicated the presence of nitrogen). The Restatement (Third) of Unfair Competition adds that, if a design’s “aesthetic value” lies in its ability to “confe[r] a significant benefit that cannot practically be duplicated by the use of alternative designs,” then the design is “functional.” The “ultimate test of aesthetic functionality,” it explains, “is whether the recognition of trademark rights would significantly hinder competition.”

The upshot is that, where a color serves a significant nontrademark function—whether to distinguish a heart pill from a digestive medicine or to satisfy the “noble instinct for giving the right touch of beauty to common and necessary things,” G. K. Chesterton, *Simplicity and Tolstoy* 61 (1912)—courts will examine whether its use as a mark would permit one competitor (or a group) to interfere with legitimate (nontrademark-related) competition through actual or potential exclusive use of an important product ingredient. That examination should not discourage firms from creating aesthetically pleasing mark designs, for it is open to their competitors to do the same. But, ordinarily, it should prevent the anticompetitive consequences of Jacobson’s hypothetical “color depletion” argument, when, and if, the circumstances of a particular case threaten “color depletion.”

Third, Jacobson points to many older cases—including Supreme Court cases—in support of its position. In 1878, this Court described the common-law definition of trademark rather broadly to “consist of a name, symbol, figure, letter, form, or device, if adopted and used by a manufacturer or merchant in order to designate the goods he manufactures or sells to distinguish the same from those manufactured or sold by another.” Yet, in interpreting the Trademark Acts of 1881 and 1905, which retained that common-law definition, the Court questioned “[w]hether mere color can constitute a valid trade-mark,” and suggested that the “product including the coloring matter is free to all who make it.” Even though these statements amounted to dicta, lower courts interpreted them as forbidding protection for color alone.

These Supreme Court cases, however, interpreted trademark law as it existed *before* 1946, when Congress enacted the Lanham Act. The Lanham Act significantly changed and liberalized the common law to “dispense with mere technical prohibitions,” S.Rep. No. 1333, 79th Cong., 2d Sess., 3 (1946), most notably, by permitting trademark registration of descriptive words (say, “U-Build-It” model airplanes) where they had acquired “secondary meaning.” See *Abercrombie & Fitch Co.* (Friendly, J.). The Lanham Act extended protection to descriptive marks by making clear that (with certain explicit exceptions not relevant here)

“nothing . . . shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce.” 15 U.S.C. § 1052(f).

This language permits an ordinary word, normally used for a nontrademark purpose (e.g., description), to act as a trademark where it has gained “secondary meaning.” Its logic would appear to apply to color as well. . . .

Fourth, Jacobson argues that there is no need to permit color alone to function as a trademark because a firm already may use color as part of a trademark, say, as a colored circle or colored letter or colored word, and may rely upon “trade dress” protection, under § 43(a) of the Lanham Act, if a competitor copies its color and thereby causes consumer confusion regarding the overall appearance of the competing products or their packaging, see 15 U.S.C. § 1125(a). The first part of this argument begs the question. One can understand why a firm might find it difficult to place a usable symbol or word on a product (say, a large industrial bolt that customers normally see from a distance); and, in such instances, a firm might want to use color, pure and simple, instead of color as part of a design. Neither is the second portion of the argument convincing. Trademark law helps the holder of a mark in many ways that “trade dress” protection does not. See 15 U.S.C. § 1124 (ability to prevent importation of confusingly similar goods); § 1072 (constructive notice of ownership); § 1065 (incontestable status); § 1057(b) (prima facie evidence of validity and ownership). Thus, one can easily find reasons why the law might provide trademark protection in addition to trade dress protection.

IV.

Having determined that a color may sometimes meet the basic legal requirements for use as a trademark and that respondent Jacobson’s arguments do not justify a special legal rule preventing color alone from serving as a trademark (and, in light of the District Court’s here undisputed findings that Qualitex’s use of the green-gold color on its press pads meets the basic trademark requirements), we conclude that the Ninth Circuit erred in barring Qualitex’s use of color as a trademark. For these reasons, the judgment of the Ninth Circuit is
Reversed.

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

529 U.S. 205 (2000)



Justice SCALIA delivered the opinion of the Court.

In this case, we decide under what circumstances a product’s design is distinctive, and therefore protectible, in an action for infringement of unregistered trade dress under § 43(a) of the Trademark Act of 1946 (Lanham Act), 60 Stat. 441, as amended, 15 U.S.C. § 1125(a).

I

Respondent Samara Brothers, Inc., designs and manufactures children’s clothing. Its primary product is a line of spring/summer one-piece seersucker outfits decorated with appliqués of hearts, flowers, fruits, and the like. A number of chain stores, including JCPenney, sell this line of clothing under contract with Samara.

Petitioner Wal-Mart Stores, Inc., is one of the nation’s best known retailers, selling among other things children’s clothing. In 1995, Wal-Mart contracted with one of its suppliers, Judy-Philippine, Inc., to manufacture a line of children’s outfits for sale in the 1996 spring/summer season. Wal-Mart sent Judy-Philippine photographs of a number of garments from Samara’s line, on which Judy-Philippine’s garments were to be based; Judy-Philippine duly copied, with only minor modifications, 16 of Samara’s garments, many of which contained copyrighted elements. In 1996, Wal-Mart briskly sold the so-called knockoffs, generating more than \$1.15 million in gross profits. . . .

After sending cease-and-desist letters, Samara brought this action in the United States District Court for the Southern District of New York against Wal-Mart, Judy-Philippine, Kmart, Caldor, Hills, and Goody's for copyright infringement under federal law, consumer fraud and unfair competition under New York law, and—most relevant for our purposes—infringement of unregistered trade dress under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). All of the defendants except Wal-Mart settled before trial.

After a weeklong trial, the jury found in favor of Samara on all of its claims. Wal-Mart then renewed a motion for judgment as a matter of law, claiming, *inter alia*, that there was insufficient evidence to support a conclusion that Samara's clothing designs could be legally protected as distinctive trade dress for purposes of § 43(a). The District Court denied the motion, and awarded Samara damages, interest, costs, and fees totaling almost \$1.6 million, together with injunctive relief. The Second Circuit affirmed the denial of the motion for judgment as a matter of law, and we granted certiorari.

II

. . . In addition to protecting registered marks, the Lanham Act, in § 43(a), gives a producer a cause of action for the use by any person of “any word, term, name, symbol, or device, or any combination thereof . . . which . . . is likely to cause confusion . . . as to the origin, sponsorship, or approval of his or her goods. . . .” 15 U.S.C. § 1125(a). It is the latter provision that is at issue in this case.

The breadth of the definition of marks registrable under § 2, and of the confusion-producing elements recited as actionable by § 43(a), has been held to embrace not just word marks, such as “Nike,” and symbol marks, such as Nike's “swoosh” symbol, but also “trade dress”—a category that originally included only the packaging, or “dressing,” of a product, but in recent years has been expanded by many courts of appeals to encompass the design of a product. See, e.g., *Ashley Furniture Industries, Inc. v. Sangiacomo* (bedroom furniture); *Knitwaves, Inc. v. Lollytogs* (sweaters); *Stuart Hall Co., Inc. v. Ampad Corp.* (notebooks). These courts have assumed, often without discussion, that trade dress constitutes a “symbol” or “device” for purposes of the relevant sections, and we conclude likewise. “Since human beings might use as a ‘symbol’ or ‘device’ almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive.” *Qualitex Co. v. Jacobson Products Co.* This reading of § 2 and § 43(a) is buttressed by a recently added subsection of § 43(a), § 43(a)(3), which refers specifically to “civil action[s] for trade dress infringement under this chapter for trade dress not registered on the principal register.” 15 U.S.C. A. § 1125(a)(3).

The text of § 43(a) provides little guidance as to the circumstances under which unregistered trade dress may be protected. It does require that a producer show that the allegedly infringing feature is not “functional,” see § 43(a)(3), and is likely to cause confusion with the product for which protection is sought, see § 43(a)(1)(A), 15 U.S.C. § 1125(a)(1)(A). Nothing in § 43(a) explicitly requires a producer to show that its trade dress is distinctive, but courts have universally imposed that requirement, since without distinctiveness the trade dress would not “cause confusion . . . as to the origin, sponsorship, or approval of [the] goods,” as the section requires. Distinctiveness is, moreover, an explicit prerequisite for registration of trade dress under § 2, and “the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).” *Two Pesos, Inc. v. Taco Cabana, Inc.*

In evaluating the distinctiveness of a mark under § 2 (and therefore, by analogy, under § 43(a)), courts have held that a mark can be distinctive in one of two ways. First, a

mark is inherently distinctive if “[its] intrinsic nature serves to identify a particular source.” In the context of word marks, courts have applied the now-classic test originally formulated by Judge Friendly, in which word marks that are “arbitrary” (“Camel” cigarettes), “fanciful” (“Kodak” film), or “suggestive” (“Tide” laundry detergent) are held to be inherently distinctive. See *Abercrombie & Fitch Co. v. Hunting World, Inc.* Second, a mark has acquired distinctiveness, even if it is not inherently distinctive, if it has developed secondary meaning, which occurs when, “in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.” *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.* (1982).*

The judicial differentiation between marks that are inherently distinctive and those that have developed secondary meaning has solid foundation in the statute itself. Section 2 requires that registration be granted to any trademark “by which the goods of the applicant may be distinguished from the goods of others”—subject to various limited exceptions. 15 U.S.C. § 1052. It also provides, again with limited exceptions, that “nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce”—that is, which is not inherently distinctive but has become so only through secondary meaning. § 2(f), 15 U.S.C. § 1052(f). Nothing in § 2, however, demands the conclusion that every category of mark necessarily includes some marks “by which the goods of the applicant may be distinguished from the goods of others” without secondary meaning—that in every category some marks are inherently distinctive.

Indeed, with respect to at least one category of mark—colors—we have held that no mark can ever be inherently distinctive. See *Qualitex*. In *Qualitex*, petitioner manufactured and sold green-gold dry-cleaning press pads. After respondent began selling pads of a similar color, petitioner brought suit under § 43(a), then added a claim under § 32 after obtaining registration for the color of its pads. We held that a color could be protected as a trademark, but only upon a showing of secondary meaning. Reasoning by analogy to the *Abercrombie & Fitch* test developed for word marks, we noted that a product’s color is unlike a “fanciful,” “arbitrary,” or “suggestive” mark, since it does not “almost automatically tell a customer that [it] refer[s] to a brand,” and does not “immediately . . . signal a brand or a product ‘source.’” However, we noted that, “over time, customers may come to treat a particular color on a product or its packaging . . . as signifying a brand.” Because a color, like a “descriptive” word mark, could eventually “come to indicate a product’s origin,” we concluded that it could be protected upon a showing of secondary meaning.

It seems to us that design, like color, is not inherently distinctive. The attribution of inherent distinctiveness to certain categories of word marks and product packaging derives from the fact that the very purpose of attaching a particular word to a product, or encasing it in a distinctive packaging, is most often to identify the source of the product. Although the words and packaging can serve subsidiary functions—a suggestive word mark (such as “Tide” for laundry detergent), for instance, may invoke positive connotations in the consumer’s mind, and a garish form of packaging (such as Tide’s

* The phrase “secondary meaning” originally arose in the context of word marks, where it served to distinguish the source-identifying meaning from the ordinary, or “primary,” meaning of the word. “Secondary meaning” has since come to refer to the acquired, source-identifying meaning of a non-word mark as well. It is often a misnomer in that context, since non-word marks ordinarily have no “primary” meaning. Clarity might well be served by using the term “acquired meaning” in both the word-mark and the non-word-mark contexts—but in this opinion we follow what has become the conventional terminology.

squat, brightly decorated plastic bottles for its liquid laundry detergent) may attract an otherwise indifferent consumer's attention on a crowded store shelf—their predominant function remains source identification. Consumers are therefore predisposed to regard those symbols as indication of the producer, which is why such symbols “almost automatically tell a customer that they refer to a brand,” and “immediately . . . signal a brand or a product ‘source.’” And where it is not reasonable to assume consumer predisposition to take an affixed word or packaging as indication of source—where, for example, the affixed word is descriptive of the product (“Tasty” bread) or of a geographic origin (“Georgia” peaches)—inherent distinctiveness will not be found. That is why the statute generally excludes, from those word marks that can be registered as inherently distinctive, words that are “merely descriptive” of the goods. § 1052(e)(1), or “primarily geographically descriptive of them,” § 1052(e). In the case of product design, as in the case of color, we think consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs—such as a cocktail shaker shaped like a penguin—is intended not to identify the source, but to render the product itself more useful or more appealing.

The fact that product design almost invariably serves purposes other than source identification not only renders inherent distinctiveness problematic; it also renders application of an inherent-distinctiveness principle more harmful to other consumer interests. Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness. How easy it is to mount a plausible suit depends, of course, upon the clarity of the test for inherent distinctiveness, and where product design is concerned we have little confidence that a reasonably clear test can be devised. Respondent and the United States as amicus curiae urge us to adopt for product design relevant portions of the test formulated by the Court of Customs and Patent Appeals for product packaging in *Seabrook Foods v. Bar-Well Foods* (1977). That opinion, in determining the inherent distinctiveness of a product's packaging, considered, among other things, “whether it was a ‘common’ basic shape or design, whether it was unique or unusual in a particular field, [and] whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods.” Such a test would rarely provide the basis for summary disposition of an anticompetitive strike suit. Indeed, at oral argument, counsel for the United States quite understandably would not give a definitive answer as to whether the test was met in this very case, saying only that “[t]his is a very difficult case for that purpose.”

It is true, of course, that the person seeking to exclude new entrants would have to establish the nonfunctionality of the design feature, see § 43(a)(3), 15 U.S.C. A. § 1125(a)(3)—a showing that may involve consideration of its esthetic appeal, see *Qualitex*. Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle. That is especially so since the producer can ordinarily obtain protection for a design that is inherently source identifying (if any such exists), but that does not yet have secondary meaning, by securing a design patent or a copyright for the design—as, indeed, respondent did for certain elements of the designs in this case. The availability of these other protections greatly reduces any harm to the producer that might ensue from our conclusion that a product design cannot be protected under § 43(a) without a showing of secondary meaning.

Respondent contends that our decision in *Two Pesos* forecloses a conclusion that product-design trade dress can never be inherently distinctive. In that case, we held that the trade dress of a chain of Mexican restaurants, which the plaintiff described as “a festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings and murals,” could be protected under § 43(a) without a showing of secondary meaning. *Two Pesos* unquestionably establishes the legal principle that trade dress can be inherently distinctive, but it does not establish that product-design trade dress can be. *Two Pesos* is inapposite to our holding here because the trade dress at issue, the décor of a restaurant, seems to us not to constitute product design. It was either product packaging—which, as we have discussed, normally is taken by the consumer to indicate origin—or else some *tertium quid* that is akin to product packaging and has no bearing on the present case.

Respondent replies that this manner of distinguishing *Two Pesos* will force courts to draw difficult lines between product-design and product-packaging trade dress. There will indeed be some hard cases at the margin: a classic glass Coca-Cola bottle, for instance, may constitute packaging for those consumers who drink the Coke and then discard the bottle, but may constitute the product itself for those consumers who are bottle collectors, or part of the product itself for those consumers who buy Coke in the classic glass bottle, rather than a can, because they think it more stylish to drink from the former. We believe, however, that the frequency and the difficulty of having to distinguish between product design and product packaging will be much less than the frequency and the difficulty of having to decide when a product design is inherently distinctive. To the extent there are close cases, we believe that courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning. The very closeness will suggest the existence of relatively small utility in adopting an inherent-distinctiveness principle, and relatively great consumer benefit in requiring a demonstration of secondary meaning. . . .

We hold that, in an action for infringement of unregistered trade dress under § 43(a) of the Lanham Act, a product’s design is distinctive, and therefore protectible, only upon a showing of secondary meaning. The judgment of the Second Circuit is reversed, and the case is remanded for further proceedings consistent with this opinion. *It is so ordered.*

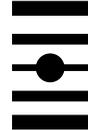
Questions:

- 1.) Wal-Mart told its supplier to rip off this poor designer’s offerings. They did. They profited. And the Supreme Court is fine with that? Why?
- 2.) The Supreme Court here sets up a different test for product *design* trade dress than for product packaging trade dress. The former is registrable only on proof of secondary meaning. Why?
- 3.) Why does the Supreme Court rule as it does in *Wal-Mart*? Is this not a classic example of free-riding on the part of the defendants, once Samara has come up with an appealing design? The Court says,

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

Do you agree? Is the court offering an empirical prediction? (“If surveyed, most consumers would agree that most designs are not source identifying but rather serve to make the product more appealing or useful.”) Or is it offering a per se rule designed to facilitate imitation and competition—at least in the realms of color and design—in order to drive prices down, even if consumers do regard the designs as source identifying?

Jessica Litman, The Exclusive Right to Read
13 CARDOZO ARTS & ENT. L.J. 29 (1994)



Imagine for a moment that some upstart revolutionary proposed that we eliminate all intellectual property protection for fashion design. No longer could a designer secure federal copyright protection for the cut of a dress or the sleeve of a blouse. Unscrupulous mass-marketers could run off thousands of knock-off copies of any designer’s evening ensemble, and flood the marketplace with cheap imitations of *haute couture*. In the short run, perhaps, clothing prices would come down as legitimate designers tried to meet the prices of their free-riding competitors. In the long run, though, as we know all too well, the diminution in the incentives for designing new fashions would take its toll. Designers would still wish to design, at least initially, but clothing manufacturers with no exclusive rights to rely on would be reluctant to make the investment involved in manufacturing those designs and distributing them to the public. The dynamic American fashion industry would wither, and its most talented designers would forsake clothing design for some more remunerative calling like litigation. And all of us would be forced either to wear last year’s garments year in and year out, or to import our clothing from abroad.

Or, perhaps, imagine that Congress suddenly repealed federal intellectual property protection for food creations. Recipes would become common property. Downscale restaurants could freely recreate the signature chocolate desserts of their upscale sisters. Uncle Ben’s would market Minute Risotto (microwavable!); the Ladies’ Home Journal would reprint recipes it had stolen from Gourmet Magazine. Great chefs would be unable to find book publishers willing to buy their cookbooks. Then, expensive gourmet restaurants would reduce their prices to meet the prices of the competition; soon they would either close or fire their chefs to cut costs; promising young cooks would either move to Europe or get a day job (perhaps the law) and cook only on weekends. Ultimately, we would all be stuck eating Uncle Ben’s Minute Risotto (eleven yummy flavors!!) for every meal.

But, I’m boring you, you tell me; you’ve heard all of this before. It’s the same argument motion picture producers make about why we need to extend the duration of copyright protection another 20 years; the same argument software publishers make about what will happen if we permit other software publishers to decompile and reverse-engineer their software products; the same argument database proprietors make about the huge social cost of a failure to protect their rights in their data. Perhaps the most important reason why we have intellectual property protection is our conclusion that incentives are required to spur the creation and dissemination of a sufficient number and variety of intellectual creations like films, software, databases, fashions and food.

Of course, we don’t give copyright protection to fashions or food. We never have.

Questions:

1.) If this is true, what are we debating in this course? What does Litman's argument add to the discussions of intellectual property theory in the first chapter? To the Supreme Court's analysis in *Wal-Mart*?

2.) Litman is talking about copyright protection – there is very little for fashion. One can copyright the design on the fabric, but not the cut of the dress. In *Wal-Mart*, Justice Scalia emphasizes that *trademark* also offers little in the way of design protection. Certainly, a manufacturer can cover the object with its trademarked logo. That is one reason why bags, clothes and the like have become billboards for the Vuitton or Gucci symbol. The trademark is protected even if the design of the bag or scarf on which it rests is not. But so long as one does not copy the mark, one can imitate designs freely without interference from either copyright or trademark law. Why, then, have the horrors Litman describes not come about? What forms of “exclusion” continue to function in the worlds of fashion and food? Forms of emulation? Types of exclusivity for which intellectual property is not necessary (or is wielded in a different way)? Demand for “authenticity” in which the availability of knockoffs is actually a positive, not a negative thing? Credit economies with different methods for disciplining those who take and do not give back? Are there limiting principles to these types of mechanisms? When are they likely to work well or work badly?

For further reading on these subjects, see Christine Cox and Jennifer Jenkins, “Between the Seams, A Fertile Commons,” in *Ready To Share: Fashion and the Ownership of Creativity* (Norman Lear Center 2005); Kal Raustiala & Christopher Sprigman, “The Piracy Paradox: Innovation and Intellectual Property in Fashion Design,” 92 *Virginia Law Review* 8 (2006); Kal Raustiala & Christopher Sprigman, *The Knockoff Economy: How Imitation Sparks Innovation* (2012).

Traffix Devices, Inc. v. Marketing Displays, Inc.

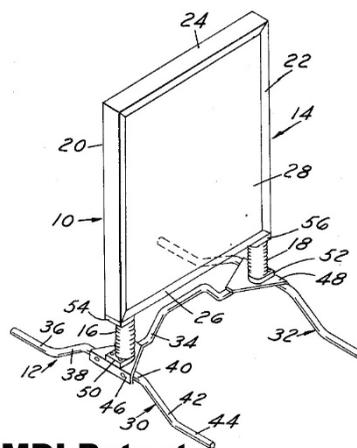
532 U.S. 23 (2001)



Justice KENNEDY delivered the opinion of the Court.

Temporary road signs with warnings like “Road Work Ahead” or “Left Shoulder Closed” must withstand strong gusts of wind. An inventor named Robert Sarkisian obtained two utility patents for a mechanism built upon two springs (the dual-spring design) to keep these and other outdoor signs upright despite adverse wind conditions. The holder of the now-expired Sarkisian patents, respondent Marketing Displays, Inc. (MDI), established a successful business in the manufacture and sale of sign stands incorporating the patented feature. MDI's stands for road signs were recognizable to buyers and users (it says) because the dual-spring design was visible near the base of the sign.

This litigation followed after the patents expired and a competitor, Traffix Devices, Inc., sold



MDI Patent

Patent drawing from USPTO record.

sign stands with a visible spring mechanism that looked like MDI's. MDI and Traffix products looked alike because they were. When Traffix started in business, it sent an MDI product abroad to have it reverse engineered, that is to say copied. Complicating matters, Traffix marketed its sign stands under a name similar to MDI's. MDI used the name "WindMaster," while Traffix, its new competitor, used "WindBuster."

MDI brought suit under the Trademark Act of 1946, as amended, 15 U.S.C. § 1051 et seq., against Traffix for trademark infringement (based on the similar names), trade dress infringement (based on the copied dual-spring design) and unfair competition. Traffix counterclaimed on antitrust theories. After the United States District Court for the Eastern District of Michigan considered cross-motions for summary judgment, MDI prevailed on its trademark claim for the confusing similarity of names and was held not liable on the antitrust counterclaim; and those two rulings, affirmed by the Court of Appeals, are not before us.

I

We are concerned with the trade dress question. The District Court ruled against MDI on its trade dress claim. After determining that the one element of MDI's trade dress at issue was the dual-spring design, it held that "no reasonable trier of fact could determine that MDI has established secondary meaning" in its alleged trade dress. In other words, consumers did not associate the look of the dual-spring design with MDI. As a second, independent reason to grant summary judgment in favor of Traffix, the District Court determined the dual-spring design was functional. On this rationale secondary meaning is irrelevant because there can be no trade dress protection in any event. In ruling on the functional aspect of the design, the District Court noted that Sixth Circuit precedent indicated that the burden was on MDI to prove that its trade dress was nonfunctional, and not on Traffix to show that it was functional (a rule since adopted by Congress, see 15 U.S.C. § 1125(a)(3)), and then went on to consider MDI's arguments that the dual-spring design was subject to trade dress protection. Finding none of MDI's contentions persuasive, the District Court concluded MDI had not "proffered sufficient evidence which would enable a reasonable trier of fact to find that MDI's vertical dual-spring design is non-functional." Summary judgment was entered against MDI on its trade dress claims.

The Court of Appeals for the Sixth Circuit reversed the trade dress ruling. The Court of Appeals held the District Court had erred in ruling MDI failed to show a genuine issue of material fact regarding whether it had secondary meaning in its alleged trade dress, and had erred further in determining that MDI could not prevail in any event because the alleged trade dress was in fact a functional product configuration. The Court of Appeals suggested the District Court committed legal error by looking only to the dual-spring design when evaluating MDI's trade dress. Basic to its reasoning was the Court of Appeals' observation that it took "little imagination to conceive of a hidden dual-spring mechanism or a tri or quad-spring mechanism that might avoid infringing [MDI's] trade dress." The Court of Appeals explained that "[i]f Traffix or another competitor chooses to use [MDI's] dual-spring design, then it will have to find some other way to set its sign apart to avoid infringing [MDI's] trade dress." It was not sufficient, according to the Court of Appeals, that allowing exclusive use of a particular feature such as the dual-spring design in the guise of trade dress would "hinde[r] competition somewhat." Rather, "[e]xclusive use of a feature must 'put competitors at a significant non-reputation-related disadvantage' before trade dress protection is denied on functionality grounds." ([Q]uoting *Qualitex Co. v. Jacobson Products Co.* (1995)). In its criticism of the District Court's ruling on the trade

dress question, the Court of Appeals took note of a split among Courts of Appeals in various other Circuits on the issue whether the existence of an expired utility patent forecloses the possibility of the patentee's claiming trade dress protection in the product's design. To resolve the conflict, we granted certiorari.

II

It is well established that trade dress can be protected under federal law. The design or packaging of a product may acquire a distinctiveness which serves to identify the product with its manufacturer or source; and a design or package which acquires this secondary meaning, assuming other requisites are met, is a trade dress which may not be used in a manner likely to cause confusion as to the origin, sponsorship, or approval of the goods. In these respects protection for trade dress exists to promote competition. As we explained just last Term, see *Wal-Mart Stores v. Samara Brothers* (2000), various Courts of Appeals have allowed claims of trade dress infringement relying on the general provision of the Lanham Act which provides a cause of action to one who is injured when a person uses "any word, term name, symbol, or device, or any combination thereof . . . which is likely to cause confusion . . . as to the origin, sponsorship, or approval of his or her goods." 15 U.S.C. § 1125(a)(1)(A). Congress confirmed this statutory protection for trade dress by amending the Lanham Act to recognize the concept. Title 15 U.S.C. § 1125(a)(3) provides: "In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional." This burden of proof gives force to the well-established rule that trade dress protection may not be claimed for product features that are functional. And in *WalMart*, we were careful to caution against misuse or over-extension of trade dress. We noted that "product design almost invariably serves purposes other than source identification."

Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying. As the Court has explained, copying is not always discouraged or disfavored by the laws which preserve our competitive economy. Allowing competitors to copy will have salutary effects in many instances. "Reverse engineering of chemical and mechanical articles in the public domain often leads to significant advances in technology."

The principal question in this case is the effect of an expired patent on a claim of trade dress infringement. A prior patent, we conclude, has vital significance in resolving the trade dress claim. A utility patent is strong evidence that the features therein claimed are functional. If trade dress protection is sought for those features the strong evidence of functionality based on the previous patent adds great weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection. Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device.

In the case before us, the central advance claimed in the expired utility patents (the Sarkisian patents) is the dual-spring design; and the dual-spring design is the essential feature of the trade dress MDI now seeks to establish and to protect. The rule we have explained bars the trade dress claim, for MDI did not, and cannot, carry the burden of overcoming the strong evidentiary inference of functionality based on the disclosure of

the dual-spring design in the claims of the expired patents.

The dual springs shown in the Sarkisian patents were well apart (at either end of a frame for holding a rectangular sign when one full side is the base) while the dual springs at issue here are close together (in a frame designed to hold a sign by one of its corners). As the District Court recognized, this makes little difference. The point is that the springs are necessary to the operation of the device. The fact that the springs in this very different-looking device fall within the claims of the patents is illustrated by MDI's own position in earlier litigation. In the late 1970's, MDI engaged in a long-running intellectual property battle with a company known as Winn-Proof. Although the precise claims of the Sarkisian patents cover sign stands with springs "spaced apart," the Winn-Proof sign stands (with springs much like the sign stands at issue here) were found to infringe the patents by the United States District Court for the District of Oregon, and the Court of Appeals for the Ninth Circuit affirmed the judgment. . . . In light of this past ruling—a ruling procured at MDI's own insistence—it must be concluded the products here at issue would have been covered by the claims of the expired patents.

The rationale for the rule that the disclosure of a feature in the claims of a utility patent constitutes strong evidence of functionality is well illustrated in this case. The dual-spring design serves the important purpose of keeping the sign upright even in heavy wind conditions; and, as confirmed by the statements in the expired patents, it does so in a unique and useful manner. As the specification of one of the patents recites, prior art "devices, in practice, will topple under the force of a strong wind." The dual-spring design allows sign stands to resist toppling in strong winds. Using a dual-spring design rather than a single spring achieves important operational advantages. For example, the specifications of the patents note that the "use of a pair of springs . . . as opposed to the use of a single spring to support the frame structure prevents canting or twisting of the sign around a vertical axis," and that, if not prevented, twisting "may cause damage to the spring structure and may result in tipping of the device." In the course of patent prosecution, it was said that "[t]he use of a pair of spring connections as opposed to a single spring connection . . . forms an important part of this combination" because it "forc[es] the sign frame to tip along the longitudinal axis of the elongated ground-engaging members." The dual-spring design affects the cost of the device as well; it was acknowledged that the device "could use three springs but this would unnecessarily increase the cost of the device." These statements made in the patent applications and in the course of procuring the patents demonstrate the functionality of the design. MDI does not assert that any of these representations are mistaken or inaccurate, and this is further strong evidence of the functionality of the dual-spring design.

III

In finding for MDI on the trade dress issue the Court of Appeals gave insufficient recognition to the importance of the expired utility patents, and their evidentiary significance, in establishing the functionality of the device. The error likely was caused by its misinterpretation of trade dress principles in other respects. As we have noted, even if there has been no previous utility patent the party asserting trade dress has the burden to establish the nonfunctionality of alleged trade dress features. MDI could not meet this burden. Discussing trademarks, we have said "'[i]n general terms, a product feature is functional,' and cannot serve as a trademark, 'if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.'" Expanding upon the meaning of this phrase, we have observed that a functional feature is one the "exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage." The Court of

Appeals in the instant case seemed to interpret this language to mean that a necessary test for functionality is “whether the particular product configuration is a competitive necessity.” This was incorrect as a comprehensive definition. As explained in *Qualitex* and *Inwood*, a feature is also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device. The *Qualitex* decision did not purport to displace this traditional rule. Instead, it quoted the rule as *Inwood* had set it forth. It is proper to inquire into a “significant non-reputation-related disadvantage” in cases of aesthetic functionality, the question involved in *Qualitex*. Where the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature. In *Qualitex*, by contrast, aesthetic functionality was the central question, there having been no indication that the green-gold color of the laundry press pad had any bearing on the use or purpose of the product or its cost or quality.

The Court has allowed trade dress protection to certain product features that are inherently distinctive. *Two Pesos*. In *Two Pesos*, however, the Court at the outset made the explicit analytic assumption that the trade dress features in question (decorations and other features to evoke a Mexican theme in a restaurant) were not functional. The trade dress in those cases did not bar competitors from copying functional product design features. In the instant case, beyond serving the purpose of informing consumers that the sign stands are made by MDI (assuming it does so), the dual-spring design provides a unique and useful mechanism to resist the force of the wind. Functionality having been established, whether MDI’s dual-spring design has acquired secondary meaning need not be considered.

There is no need, furthermore, to engage, as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose. Here, the functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual-spring design is not an arbitrary flourish in the configuration of MDI’s product; it is the reason the device works. Other designs need not be attempted.

Because the dual-spring design is functional, it is unnecessary for competitors to explore designs to hide the springs, say by using a box or framework to cover them, as suggested by the Court of Appeals. The dual-spring design assures the user the device will work. If buyers are assured the product serves its purpose by seeing the operative mechanism that in itself serves an important market need. It would be at cross-purposes to those objectives, and something of a paradox, were we to require the manufacturer to conceal the very item the user seeks.

In a case where a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs, a different result might obtain. There the manufacturer could perhaps prove that those aspects do not serve a purpose within the terms of the utility patent. The inquiry into whether such features, asserted to be trade dress, are functional by reason of their inclusion in the claims of an expired utility patent could be aided by going beyond the claims and examining the patent and its prosecution history to see if the feature in question is shown as a useful part of the invention. No such claim is made here, however. MDI in essence seeks protection for the dual-spring design alone. The asserted trade dress consists simply of the dual-spring design, four legs, a base, an upright, and a sign. MDI has pointed to nothing arbitrary about the components of its device or the way they are assembled. The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity. The Lanham Act, furthermore, does not protect trade dress in a functional design simply because an investment has been made to encourage the public to associate a

particular functional feature with a single manufacturer or seller. The Court of Appeals erred in viewing MDI as possessing the right to exclude competitors from using a design identical to MDI's and to require those competitors to adopt a different design simply to avoid copying it. MDI cannot gain the exclusive right to produce sign stands using the dual-spring design by asserting that consumers associate it with the look of the invention itself. Whether a utility patent has expired or there has been no utility patent at all, a product design which has a particular appearance may be functional because it is "essential to the use or purpose of the article" or "affects the cost or quality of the article."

TraFFix and some of its *amici* argue that the Patent Clause of the Constitution, Art. I, § 8, cl. 8, of its own force, prohibits the holder of an expired utility patent from claiming trade dress protection. We need not resolve this question. If, despite the rule that functional features may not be the subject of trade dress protection, a case arises in which trade dress becomes the practical equivalent of an expired utility patent, that will be time enough to consider the matter. The judgment of the Court of Appeals is reversed, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.

Questions:

1.) As both *TrafFix* and *Qualitex* explain, functional aspects of a product can *never* be trademarked. How does *TrafFix* describe the test for functionality? How is that different than the Court of Appeals' definition of the concept? What philosophical differences do these positions reflect?

2.) What position does *TrafFix* take about the desirability of deliberate copying? What position does *Wal-Mart v. Samara* take on the same issue? Look back at the *INS* opinion. Who would be most likely to agree? Pitney, Holmes or Brandeis?
