Statutory Interpretation, Property Rights, and Boundaries: The Nature and Limits of Protection in Trademark Dilution, Trade Dress, and Product Configuration Cases

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Statutory Interpretation, Property Rights, and Boundaries: The Nature and Limits of Protection in Trademark Dilution, Trade Dress, and Product Configuration Cases

by Gary Myers

The scope and limits of intellectual property rights, unlike rights in real and personal property, are often difficult to define or ascertain. This problem, which in its general contours has frequently been recognized and debated, presents a particularly serious challenge in present times because courts and legislatures are broadly interpreting or expanding the subject matter of intellectual property rights. Intellectual property is playing a growing role as businesses in the service, information, and technology fields become increasingly important to our economy. This form of growth is unsurprising and probably desirable. At the same time, however, the traditional rules governing particular areas of intellectual property are in flux. For example, in patent law, parties are now successfully seeking patent claims on “business methods”, which were previously thought by many to be ineligible for patent protection.1 In the right of publicity arena, some courts are interpreting state common law rights of publicity to allow potential relief for imitators who merely conjure up the images of celebrities.2

The growth of intellectual property litigation is perhaps nowhere more dramatic than in trademark law. The two areas in which trademark claims have dramatically increased in the last decade are in the protection of trade dress and in the doctrine of

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1. State Street Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368, 1375-77 (Fed. Cir. 1998) (holding that language and structure of Patent Act do not support “business methods” exception, and therefore that business methods are subject to the same analysis as any patent subject matter). As Robert Merges suggests, for better or worse, change is afoot in patent law (as it is in trademark law as well, one might note):

   “Now I’ll give you something to believe” [the White Queen remarked.] “I’m just one hundred and one, five months and a day.” “I can’t believe that!” said Alice. “Can’t you?” the Queen said in a pitying tone. “Try again, draw a long breath and shut your eyes.” Alice laughed. “There’s no use trying,” she said, “one can’t believe impossible things.” “I daresay you haven’t had much practice,” said the Queen. “When I was your age, I always did it for half-an-hour a day. Why sometimes I’ve believed as many as six impossible things before breakfast.”

   The White Queen would be right at home in the U.S. patent system today. First software, once thought too purely mathematical, and now business “methods” or concepts, once thought too abstract, have become perfectly acceptable subject matter for patents. For better or for worse, whole new landscapes have been opened to the possibility of patents. Robert P. Merges, As Many as Six Impossible Patents Before Breakfast: Property Rights For Business Concepts and Patent System Reform, 14 BERKELEY TECH. L.J. 577 (1999).

trademark dilution. The expansion in the trade dress field stems in substantial part from the Supreme Court's 1992 decision in Two Pesos, Inc. v. Taco Cabana, Inc.\(^3\) In this landmark case, the Supreme Court addressed whether the trade dress of a restaurant is protectable under section 43(a) of the Lanham Act if it is deemed to be inherently distinctive, even absent proof of secondary meaning.\(^4\) At trial, the jury found that the plaintiff was the owner of non-functional trade dress in its restaurant, that the trade dress was inherently distinctive, and that no secondary meaning had been established. The Court held that there was no textual basis in the Lanham Act for treating trade dress in a manner different from other types of trademarks. Thus, the Court agreed that the trade dress in question could be analyzed under the traditional spectrum of distinctiveness, as would any mark, and is protectable if it has inherent or, in the case of descriptive trade dress has acquired distinctiveness. The Court reaffirmed, however, that only non-functional trade dress features are eligible for trademark protection.

With regard to the substantive impact of trademark dilution theory, traditionally a trademark owner was required to prove a likelihood of confusion in order to obtain relief under federal or state trademark law. In other words, the trademark plaintiff was required to prove that the defendant's use of a mark was "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person."\(^5\) In practical effect, the requirement of proof of confusion meant that weak trademarks were given limited protection, dissimilar marks were not barred from use even in the same product or service market, and that the trademark claim was less likely to succeed if a similar mark was being used in a particular product or service market that was far removed from the plaintiff's market. In the large majority of cases, this standard worked a desirable balance between the rights of trademark owners and the rights of those who wished to use what for lack of a better term could be called non-confusingly similar marks.

There were some instances, however, in which the result under this standard might be undesirable. The classic hypothetical examples are "DuPont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, [and] Bulova gowns."\(^6\) In each of these instances, even though the ordinary consumer would not be confused — i.e., would not believe that the plaintiff trademark owner was the source or sponsor of the

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3. 505 U.S. 763 (1992). The Court defined trade dress as follows: "The 'trade dress' of a product is essentially its total image and overall appearance. It involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques." Id. at 764 n.1 (quoting John H. Harland Co. v. Clarke Checks, Inc., 711 F.2d 966, 980 (11th Cir. 1983)).

4. "Secondary meaning is used generally to indicate that a mark or dress 'has come through use to be uniquely associated with a specific source.' To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." Id. at 766 n.4 (quoting Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1983)).

5. 15 U.S.C. § 1125(a)(1)(A)(1994). This section 43(a) standard is fairly similar to the standard for infringement of registered trademarks and to the common law unfair competition standard.

defendant's goods or services – there was still some damage done to the distinctive quality of the plaintiff’s brand name. Over time, if these uses were allowed, the term “Kodak” would no longer automatically bring to mind the maker of film and other photographic products. To address this problem, many states enacted trademark dilution statutes, which allowed relief when a distinctive or famous trademark was blurred or tarnished by the use of a substantially similar or identical mark, even in the absence of a showing of consumer confusion or direct competition in the plaintiff’s market. In late 1995, Congress enacted the federal Trademark Dilution Act, which made the dilution doctrine a matter of federal trademark law.

Since 1995, courts have struggled to interpret the meaning and scope of the Trademark Dilution Act, just as they had previously struggled with the state dilution statutes, which were found in more than half of the states. Although the Trademark Dilution Act offered some promise of uniform federal treatment of trademark dilution claims, it too has become a classic illustration of the “boundaries” problem in intellectual property law. Courts have had difficulty in determining which trademarks are eligible for protection from dilution. They have also struggled with the standard for infringement, which requires determining what dilution means, and what it is not. They have struggled in determining what defenses or limits exist on the scope of dilution claims.

Litigation concerning the subject matter and extent of protection available for trademarks and trade dress has increased considerably in recent years, particularly as trademark owners have become aware of the broad range of features that can be protected as trade dress and of the generous protections that the Supreme Court accorded to trade dress in *Two Pesos*. Similarly, there has been an increase in litigation regarding dilution claims. The following table illustrates the dramatic nature of the increase in both areas. The chart shows reported decisions in which substantial trade dress or trademark dilution claims were presented, whether under federal or state law or both.⁷

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It is not surprising that litigation in these fields has increased, as parties test the boundaries and limits of trade dress and dilution claims.

There is no complete solution to the line-drawing problem in trade dress and trademark dilution cases. There will always be uncertainty as to the scope of protection available for trade dress and as to whether a trademark has been impermissibly diluted, as there has been under the likelihood of confusion standard.

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⁷ The search was conducted using Westlaw and was limited to reported decisions that presented trade dress questions of sufficient substance to warrant mention in the Westlaw headnotes and synopsis. It is intended only as a rough measure of the growth in litigation in these fields.
It is clear from the case law and commentary that there is a need for limiting principles in these cases. These limiting principles should, however, be consistent with the language and purpose of the Lanham Act and the Federal Trademark Dilution Act, with the common law, and with Supreme Court precedent in the field of trademarks in particular and intellectual property in general.

This article therefore suggests that any trademark doctrines used to address and perhaps limit the expansion of trademark law must comport with three fundamental rules of interpretation. First, courts must look to the plain language of the Lanham Act and the Trademark Dilution Act. Although this point may appear to be obvious, courts and commentators have in many instances ignored important limiting language in these statutes or have suggested interpretive approaches that are plainly inconsistent with the text or overall structure of these statutes. Second, in cases of ambiguity or where the statutes do not address the question presented, courts should take into consideration the common law background and overall statutory context in which these laws must operate. By drawing upon traditional common law principles and structural guideposts in trademark and unfair competition law, courts can reach reasoned conclusions regarding some of the uncertainties raised by the expansion of trademark law. A third interpretive method, which in many ways is derived from the first two, is to assess the Supreme Court’s reasoning in intellectual property cases generally, including but not limited to other trademark cases, and to apply that reasoning to delineate the boundaries of trademark protection. Only if these doctrinal constraints prove to be insufficient will the ultimate limits on trademark law may come into consideration, either as a result of the interplay between trademark and patent policy or as a matter of substantive constitutional limits on Congress’ Article I power to regulate the field.

In suggesting this paradigm for analyzing trademark questions, this article does not purport to develop a new theory of statutory interpretation in general, or even a new approach to trademark cases. It is striking, however, how rarely lower courts and commentators have focused on methods of interpretation in resolving the difficult questions presented by the expansion of trademark law in the last decade. Thus, the purpose of this article is to apply the approach the Supreme Court has used in such cases as Two Pesos, Inc. v. Taco Cabana, Inc.8 Qualitex Co. v. Jacobson Products Co.,9 and Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.10 to some of the knotty questions in the areas of trade dress and trademark dilution. The article also takes into account the Supreme Court’s recently announced decision in Wal-Mart Stores, Inc. v. Samara Brothers, Inc.11 This approach will not be helpful in resolving all unsettled questions in these areas, but it can move the debate toward the truly vexing areas of concern.

The approach suggested here is by no means the only plausible one. Some would suggest a resort to legislative history, which unfortunately is relatively sparse,
particularly with regard to the scope of section 43(a) of the Lanham Act. Some would have Congress amend the Lanham Act and revise or repeal the Trademark Dilution Act. This article, however, takes the view that the basic landscape in trademark law is unlikely to change in the near future. Congress has only recently enacted the Trademark Dilution Act, and there seems to be little movement to amend it dramatically, let alone repeal it. There have been several recently enacted amendments to the Lanham Act addressing functionality that make great sense and are consistent with the principles suggested here, as will be discussed below. Moreover, the Supreme Court in Two Pesos, Qualitex, Park 'n' Fly, and Samara has recently set forth rules that will allow trade dress claims to be asserted with considerable success. Thus, this article takes no position on the question of whether trade dress or dilution law is a good thing in principle. Rather, it suggests ways in which trade dress and dilution law can be constrained in a manner that allows legitimate claims to proceed while at the same time delineating workable boundaries and limits on the scope of these theories.

This article begins, in Part I, with a discussion of the proposed interpretive method for resolving some of the boundary problem in trademark law. Part II describes the growth in protection for trade dress and applies the suggested interpretive method to define the nature and extent of protection for trade dress, including product configurations. The principal doctrinal constraints are the doctrine of functionality, the requirement of distinctiveness or secondary meaning, and the requirement of consumer confusion. Part III briefly addresses the history and enactment of the Trademark Dilution Act, highlights the boundary problems that have developed in trademark dilution cases, and suggests some solutions, focusing on limiting the scope of marks covered by the Trademark Dilution Act, defining the test for dilution more carefully, and recognizing the statutory defenses and limits on dilution claims. Part IV addresses the interplay between trade dress and dilution protection. It is in this area that trademark law faces its greatest challenge. The analytical approach proposed here provides a method of identifying cases in which a “trade dress dilution” claim can be asserted. Such claims will be rare and carefully identified under this approach, thus avoiding some if not all cases in which trade dress dilution claims might be viewed as providing the equivalent of a perpetual design or utility patent for product configurations. The central point of this article is that courts should be guided by the essential nature of marks as source indicators and information signifiers. By following this approach, courts can set defensible boundaries on trademark claims while at the same time protecting the legitimate interests of trademark owners.

12. See J. Thomas McCarthy, Lanham Act § 43(a): The Sleeping Giant is Now Wide Awake, 59 LAW & CONTEMP. PROBS., Spring 1996, at 45, 46 (noting the dearth of legislative history in connection with section 43(a), under which most trade dress cases have been litigated).

13. See infra notes 186-89 & 199 and accompanying text.
I. BOUNDARIES IN INTELLECTUAL PROPERTY: A PROPOSED APPROACH FOR TRADEMARKS

Trademark principles can be derived from three main sources. The first and most important source is the language and structure of the Lanham Act and the Trademark Dilution Act. These statutory sources, in cases where they are clear, control the determination of the boundaries of trademark protection. Second, any interpretation to be used in a trade dress or trademark dilution case should be consistent with the approach the Supreme Court has used in its recent trademark decisions, and with the Court’s approach in intellectual property cases generally. Third, courts should look to the common law background of unfair competition and trademark law and to the overarching purposes the Lanham Act and the Trademark Dilution Act.

A. STATUTORY LANGUAGE AND STRUCTURE

The language and structure of the Lanham Act and Trademark Dilution Act should be the starting point in the analysis of any trademark question, just as courts generally should refer to the text of a statute as the starting point for interpretation.14 "There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes.15" Thus, for example, the Supreme Court in Park 'N Fly interpreted the Lanham Act's incontestability provisions to preclude a "descriptiveness" defense when the plaintiff’s mark is incontestable. The statutes listed the specific grounds upon which an incontestable mark remains open to challenge, which did not include descriptiveness.

As a general matter, the Lanham Act is written in broad and sweeping terms and suggests that marks should generally be analyzed in the same manner regardless of their type. A trademark is defined as follows: "A ‘trademark’ includes any word, name, symbol, or device, or any combination thereof” used by any person “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."16 Under section 1052, “[n]o mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal nature on account of its nature” unless certain clearly specified prohibitions and limitations come into play.17 The Court recognized this point in Two Pesos. The Trademark Dilution Act, in particular, specifically addresses several interpretive questions, and courts should pay close attention to the language of that statute. The Supreme Court’s recent decisions in the trademark area, which are discussed in the

next section, provide further guidance on the use of statutory principles in trademark cases.

B. SUPREME COURT PRECEDENT: THE TRADEMARK DECISIONS

The Supreme Court has decided four landmark cases involving trademark law in the last fifteen years. This article will make use of these decisions — *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.* 18 *Two Pesos, Inc. v. Taco Cabana, Inc.*, 19 *Qualitex Co. v. Jacobson Products Co.*, 20 and *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.* 21 — to provide a conceptual approach to trade dress and dilution questions and perhaps to provide boundaries for trademark claims that should resolve most of the concerns regarding the field's recent expansion. In *Two Pesos*, the Court granted certiorari to address "whether the trade dress of a restaurant may be protected under § 43(a) of the Trademark Act of 1946 (Lanham Act), based on a finding of inherent distinctiveness, without proof that the trade dress has secondary meaning." 22 Taco Cabana operated Mexican fast-food restaurants in Texas. Its trade dress consisted of "a festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme using top border paint and neon stripes. Bright awnings and umbrellas continue the theme." 23 Two Pesos entered the Texas market later, opening restaurants that were deliberately and strikingly similar to the overall appearance of a Taco Cabana location. Taco Cabana brought suit. The jury addressed five specific issues and found that Taco Cabana had ownership of trade dress in its restaurants, that the trade dress was not functional, that it was inherently, and that the defendant had caused a likelihood of consumer confusion as to the source or association of the restaurants' goods and services. Thus, the defendant was found liable for trademark infringement, and the Fifth Circuit affirmed. 24

The Court granted certiorari to address a split in the circuits concerning whether trade dress could be found to be inherently distinctive, as could any ordinary word or symbolic trademark. This approach would allow protection without any showing of secondary meaning. Unlike the Fifth Circuit, some circuits had held that unregistered marks, including trade dress, were protectable only upon a showing of secondary meaning. 25 The Court held that inherently distinctive trade dress is in fact protectable under section 43(a) without a showing that it has acquired secondary meaning. The

18. 120 S. Ct. 1339 (2000).
23. *Id.* at 765 (quoting *Two Pesos, Inc. v. Taco Cabana, Inc.*, 932 F.2d 1113, 1117 (5th Cir. 1991)).
24. *Id* at 765-67.
Court noted that "the Lanham Act was intended to make 'actionable the deceptive and misleading use of marks' and 'to protect persons engaged in . . . commerce against unfair competition.'"\(^{26}\) The Court observed that "[m]arks are often classified in categories of generally increasing distinctiveness." As set forth by Judge Friendly in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, marks may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.\(^{27}\) Significantly, the Court noted that the use of these classifications was not disputed by the parties.\(^{28}\) Under traditional trademark law, of course, the last three of these categories are deemed inherently distinctive, while descriptive marks are protected only upon a showing of secondary meaning, and generic terms are not protectable under any circumstances.

Addressing the central question of whether trade dress should be analyzed differently than other marks for purposes of protectability, the Court found that "[t]here is no persuasive reason to apply to trade dress a general requirement of secondary meaning which is at odds with the principles generally applicable to infringement suits under § 43(a)."\(^{29}\) The Court noted that inherently distinctive trademarks are unique and have built-in informational value, even absent any evidence of further consumer recognition. To require proof of secondary meaning in the case of inherently distinctive trade dress would, the Court observed, make the trade dress vulnerable to usurpation until and unless it attains that level of actual market recognition.\(^{30}\)

Indeed, as the Court recognized, there is no strong public interest in allowing imitation of inherently distinctive trade dress, because by definition a wide range of alternative trade dress options remain available. Recall again that trade dress must also be non-functional to be protectable. Given this precondition, there is no economic justification for allowing competitors to imitate inherently distinctive trade dress. They can and should simply select and develop their own unique market identity.

To hold otherwise regarding analysis of trade dress, the Court continued, would be inconsistent with the broad language of the Lanham Act, which entitled any mark "by which the goods of the applicant may be distinguished from the goods of others" to be registered and protected, unless it is otherwise precluded from registration by other specific statutory provisions.\(^{31}\) Further, the plain language of the Lanham Act allows registration and protection for inherently distinctive marks without a showing of secondary meaning, as only descriptive marks are required to overcome this additional hurdle:

The Fifth Circuit was quite right in *Chevron*, and in this case, to follow the *Abercrombie* classifications consistently and to inquire whether trade dress for which protection is claimed under § 43(a) is inherently distinctive. If it is, it is capable of identifying

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27. *See id.* (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976)).
28. *Id.*
29. *Id.* at 769.
30. *Id.* at 770.
31. *Id.* (quoting 60 Stat. 428).
products or services as coming from a specific source and secondary meaning is not required. This is the rule generally applicable to trademarks, and the protection of trademarks and trade dress under § 43(a) serves the same statutory purpose of preventing deception and unfair competition. There is no persuasive reason to apply different analysis to the two. It would be a different matter if there were textual basis in § 43(a) for treating inherently distinctive verbal or symbolic trademarks differently from inherently distinctive trade dress. But there is none.\footnote{32}

Looking beyond the language of the Lanham Act, the Court proceeded to note that allowing distinctive trade dress to be protected furthers the general purposes of the statute, which include protecting the goodwill of producers, enabling consumers to make informed selections from among competitors, promoting competition, and encouraging high quality products by securing rewards for marketplace reputation.\footnote{33} Thus the Court recognized the economic benefits of trademark protection and found no reason to deny these protections in the case of distinctive trade dress. Finally, the Court noted that imposing a requirement that secondary meaning be shown could actually have anticompetitive effects, as smaller firms (perhaps like Taco Cabana itself) are less likely to be able to make massive investments in obtaining the kind of consumer recognition that would be needed to show secondary meaning.\footnote{34}

In *Qualitex*, the manufacturer of dry cleaning and laundry press pads sued a competitor, alleging that the defendant’s imitation of the green-gold color of the plaintiff’s pads constituted trademark infringement and unfair competition. The plaintiff had used the color scheme since the 1950s and had obtained a federal trademark registration for the color. The Ninth Circuit overturned a judgment for the plaintiff on the ground that the green-gold color of the plaintiff’s press pad was not subject to trademark protection and registration. The Court thus had an opportunity to resolve a split among the circuits concerning whether a color alone can be registered as a trademark under the Lanham Act. It had long been established that a color scheme could be a component of a registered trademark, such as the red and white colors of the Coca-Cola trademark. This issue of whether a color by itself was protectable presented a somewhat more difficult question.\footnote{35} Justice Breyer, writing for a unanimous Supreme Court, concluded that no special legal rule precludes color alone from serving as trademark and that the green-gold color of a manufacturer of

\footnotesize{32. Id. at 774.  
34. Id. at 775. Justices Scalia and Thomas concurred in the judgment, concluding that the language of section 43(a) and its common law background plainly supported the proposition that inherently distinctive trade dress was protectable without a showing of secondary meaning. Id. at 776 (Scalia, J., concurring); id. at 785-86 (Thomas, J., concurring). Justice Stevens, relying on the legislative purpose, also concurred. Id. at 776-85 (Stevens, J., concurring).  
35. Perhaps the two most prominent prior decisions were NutraSweet Co. v. Stadt Corp., 917 F.2d 1024, 1028 (7th Cir. 1990) (case involved blue color of NutraSweet package), which held that color alone could not be trademarked, and In re Owens-Coming Fiberglas Corp., 774 F.2d 1116, 1128 (Fed. Cir. 1985), which held that Owens-Coming was entitled to register the color pink for its fiberglass insulation products.}
dry cleaning press pads could in itself be registered as a source-indicating trademark.\footnote{36}

The Court began its analysis by focusing, quite naturally, on the universe of marks eligible for protection in light of the language of the Lanham Act and its common law underpinnings.

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.” 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?\footnote{37}

Thus, if a color alone is capable of identifying and distinguishing the trademark owner’s goods, it is eligible for registration under the Lanham Act. Significantly, the Court noted that a color-only mark will not automatically be distinct, i.e., will not be fanciful, arbitrary, or suggestive. Once it has secondary meaning, however, a color can have source-indicating capability, as would other descriptive marks.\footnote{38} As Justice Breyer observed, a color mark can reduce consumer search costs and provide information in the same manner as any other type of mark.\footnote{39} Protecting color marks can encourage the creation of quality products and deter free riding by producers of inferior goods.\footnote{40} Accordingly, “[i]t 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.”\footnote{41} On the facts of the case, it was undisputed that the plaintiff’s green-gold pads did have secondary meaning and wide market recognition, and were therefore entitled to protection.\footnote{42}

The Court then addressed a number of possible objections to providing trademark protection to color-only marks. The first of these is that it would allow trademark owners to monopolize the functional aspects of a product. The Court discussed the functionality doctrine in some detail, a discussion which will be summarized later in this article, and concluded that this doctrine provided a sufficient bulwark against attempts to circumvent limited-term patents and other impermissible efforts to

\footnote{37}{Id. at 162 (citing Registration No. 696,147 (Apr. 12, 1960); Registration Nos. 523,616 (Apr. 4, 1950) & 916,522 (July 13, 1971); In re Clarke, 17 U.S.P.Q.2d 1238, 1240 (TTAB 1990)).}
\footnote{38}{Id. at 162-63.}
\footnote{39}{Id. at 164 (quoting 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.01(2), AT 2-3 (3D ED. 1994)).}
\footnote{41}{Id.}
\footnote{42}{Id. at 166.}
trademark functional features of products. The Court also rejected the defendant's argument that deciding whether a color mark has been infringed presents unusually difficult factual issues, noting that courts are sufficiently equipped to address difficult infringement questions and have done so in other contexts involving trademarks.

These observations have important implications for the protectability of product configurations, which present the same doctrinal challenges. The teachings of Qualitex are, first, that factual difficulties in applying trademark doctrine to any type of mark must somehow be overcome directly (and not by creating a new taxonomy) and, second, that courts must avoid the danger of protecting functional designs by careful application of the functionality doctrine.

In Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., the plaintiff operated long-term airport parking lots under the “Park 'N Fly” name. It had registered the mark in 1969 and, pursuant to the Lanham Act, had sought and obtained “incontestable” status upon five years of continuous use and unchallenged (or unsuccessfully challenged) registration. The defendant opened a long-term airport parking services in Portland, Oregon, using the name “Dollar Park and Fly.” The plaintiff brought suit, seeking an injunction barring the defendant’s use of that name, and the defendant counter-claimed, seeking to cancel the plaintiff’s mark on the ground that it is generic or alternatively descriptive and unenforceable.

The lower court found that the mark was not generic and rejected the “merely descriptive” challenge because the mark was incontestable. The Ninth Circuit disagreed on the latter point, following its (rather nonsensical) rule that incontestability does provide a defense against the cancellation of marks, but cannot not be used offensively to enjoin others from using descriptive terms. The Supreme Court disagreed and concluded that descriptiveness was not a defense of any sort in a trademark action involving an incontestable federally registered trademark.

Beginning with the language of the Lanham Act, the Court noted that the statute distinguishes generic marks (which are never entitled to protection) from descriptive ones, which are entitled to protection upon a showing of secondary meaning. Although the statute allows a mark to be challenged on the ground that it is or has become generic at any time, or if certain other enumerated grounds can be shown, descriptiveness is not one of those grounds. The Court stated:

43. Id. at 164-65.
44. Id. at 167 (“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); ‘Chercol’ and ‘Syrocot’ (cough syrup); ‘Cyclone’ and ‘Tornado’ (wire fences); and ‘Mattres’ and ‘I-800-Mattres’ (mattress franchisor telephone numbers).”).
46. Section 33(b) of the Lanham Act states that “registration shall be conclusive evidence of the registrant’s exclusive right to use the registered mark,” subject to enumerated defenses and limitations in sections 15 and 33(b) itself. 15 U.S.C. § 1115(b).
47. Park N' Fly, 469 U.S. at 192.
48. Id.
49. Id. at 194-96.
One searches the language of the Lanham Act in vain to find any support for the offensive/defensive distinction applied by the Court of Appeals. The statute nowhere distinguishes between a registrant’s offensive and defensive use of an incontestable mark. On the contrary, § 33(b)’s declaration that the registrant has an “exclusive right” to use the mark indicates that incontestable status may be used to enjoin infringement by others. A conclusion that such infringement cannot be enjoined renders meaningless the “exclusive right” recognized by the statute. Moreover, the language in three of the defenses enumerated in § 33(b) clearly contemplates the use of incontestability in infringement actions by plaintiffs.\(^\text{30}\)

Turning to the policies underpinning trademark law, Justice O’Connor found no reason to part from the plain meaning of the statute. “The incontestability provisions, as the proponents of the Lanham Act emphasized, provide a means for the registrant to quiet title in the ownership of his mark. The opportunity to obtain incontestable status by satisfying the requirements of § 15 thus encourages producers to cultivate the goodwill associated with a particular mark.”\(^\text{31}\)

The Supreme Court’s most recent decision in the trademark field is Wal-Mart Stores, Inc. v. Samara, Inc.\(^\text{32}\) The plaintiff Samara manufactured seersucker children’s garments. Wal-Mart contracted with a supplier for a large quantity of children’s seersucker garments to be sold under Wal-Mart’s house brand, “Small Steps.” Wal-Mart based its design on samples of Samara’s garments, making some alterations. Samara brought suit under both copyright and trade dress theories, and prevailed at trial on both claims. Wal-Mart appealed the judgment on the ground that Samara’s clothing designs were not distinctive for purposes of the Lanham Act and there was insufficient evidence of consumer confusion.\(^\text{33}\) The plaintiff did not claim secondary meaning in its clothing line, and hence the validity of its trade dress claim hinged on whether its clothing could qualify as inherently distinctive.

Justice Scalia began his analysis by noting the broad scope of marks that are protectable under the Lanham Act, based either upon inherent distinctiveness or upon a showing of secondary meaning, a distinction that has clear support in the language of the statute.\(^\text{34}\) He then noted that Qualitex indicates that color-only marks are

50. Id. at 196 (citing 15 U.S.C. §§ 1052, 1064).
51. Id. at 198 (citing Hearings on H.R. 82 before the Subcommittee of the Senate Committee on Patents, 78th Cong., 2d Sess. 21 (1944) (remarks of Rep. Lanham); id., at 21, 113 (testimony of Daphne Robert, ABA Committee on Trade Mark Legislation); Hearings on H.R. 102 and H.R. 86 before the Subcommittee on Trade-Marks of the House Committee on Patents, 77th Cong., 1st Sess. 73 (1941) (remarks of Rep. Lanham)). Justice O’Connor rejected the dissent’s argument that allowing descriptive marks to become incontestable would allow monopolization of descriptive words. She noted that if a term becomes generic (as opposed to merely descriptive), it can be cancelled at any time on that ground; that the fair use defense allows nontrademark use of descriptive terminology; and that incontestable marks can be challenged if they are used in an anticompetitive way. Id. at 201-02. “At bottom, the dissent simply disagrees with the balance struck by Congress in determining the protection to be given to incontestable marks.” Id.
52. 120 S. Ct. 1339 (2000).
53. 165 F.3d 120, 123-24 (2d Cir. 1999), rev’d, 120 S. Ct. 1339 (2000). The court also affirmed the copyright award. Id. at 132.
54. 120 S. Ct. 1339 (2000).
eligible for trademark protection only upon a showing of secondary meaning, and found that a similar approach must be followed with regard to product configurations:

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 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. 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.

The Court was clearly concerned with the potentially anticompetitive consequences of allowing protection for trade dress based on inherent distinctiveness. Justice Scalia then distinguished Two Pesos, noting that it addressed trade dress but not product configurations. He acknowledged that the distinction between these two can be unclear. Indeed the restaurant décor in Two Pesos itself cannot neatly be characterized as trade dress; Justice Scalia acknowledged that the décor might constitute “some tertium quid that is akin to product packaging.”

Prior to the decision in Samara, some commentators had suggested the Supreme Court cases discussed in this article did not provide guidance for the questions plaguing the courts in resolving trade dress and trademark dilution disputes. Michael Landau suggested, for example, that there is inconsistency between the Two Pesos rule that marks are analyzed in the same manner and the language in Qualitex that color marks require a showing of secondary meaning and do not qualify as inherently

55. Id. at 5.
56. Id. at 6.
distinctive. It may well be that a color standing alone is ordinarily descriptive under the traditional trademark taxonomy and thus will not qualify as inherently distinctive. Although there may have been some inconsistency in these decisions with regard to the specific topic of color-alone marks, the Court’s opinions do provide guidance for current trademark debates.

Read together, the Supreme Court’s trademark cases can be read to provide several guiding principles for trademark law. The first principle is that any mark capable of distinguishing the source of the goods or services in question is potentially eligible for protection under the Lanham Act. It should not matter whether the mark is a word, a symbol, a color, product packaging, product configuration, the overall appearance of the goods or of the establishment providing the service. The same rules apply, the same rights adhere, and the same limits are effective. What matters, the Court tells us in *Qualitex*, is the source-indicating capability of the mark, not its ontological status. This principle is one that courts and commentators seem predisposed to ignore, yet it is quite clearly grounded in the language and structure of the Lanham Act, which entitles any mark “by which the goods of the applicant may be distinguished from the goods of others” to be registered and protected, unless it is otherwise precluded from registration by other specific statutory provisions. The Court has found no reason to treat ordinary trade dress claims any differently than any other kind of trademark case.

The Supreme Court’s decision is *Samara* very likely reached the correct result, though it was probably unnecessary to establish such a bright-line rule. Certainly the particular product configuration at issue in that case seemed quite ordinary (generic or at best descriptive). Yet, the Court did not really engage in this inquiry, instead deeming all product configurations ineligible for protection as inherently distinctive marks. Congress is quite capable of establishing carve-outs and other special categories of trademarks. Indeed it did so explicitly in the Lanham Act. The statute identifies descriptive marks as eligible for protection only upon a showing of secondary meaning, unlike marks that have inherent distinctiveness. The statute also precludes certain types of marks from protection entirely, including marks that are

57. Michael B. Landau, *Reconciling Qualitex with Two Pesos: Ambiguity and Inconsistency from the Supreme Court*, 3 UCLA ENT. L. REV. 219 (1996) (arguing that the Court’s treatment of color marks in *Qualitex* is inconsistent with *Two Pesos* and has resulted in differing interpretations regarding the analysis of marks consisting of a color alone). See also infra notes 87-91.

58. 514 U.S. at 162-63.


60. See id. at 770 (“There is no persuasive reason to apply to trade dress a general requirement of secondary meaning which is at odds with the principles generally applicable to infringement suits under §43(a).”).
scandalous, deceptive, disparaging, functional, and so forth. Congress has made specific exceptions to laws of general applicability in other fields of intellectual property as well, such as the patent law exemption for the use of medical procedures in the course of treatment.

The interpretive rule suggested here has been followed, with some consistency, by the courts in other areas of intellectual property law. Thus, for example, when faced with the question of whether a genetically-engineered microorganism, i.e., a living bacterium, could be a patentable product, the Supreme Court in *Diamond v. Chakrabarty* looked to the language of the Patent Act, which, like the Lanham Act, is cast in broad terms. Finding no reason to carve out an exception for this type of subject matter, the Court held that the microorganism could indeed be patented. Although Congress is free to draft legislation to exclude particular subject matter from eligibility for patent protection, it was not the province of the judiciary to create its own exceptions. The Federal Circuit took the same approach in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, holding that the language and structure of the Patent Act do not support a “business methods” exception, and therefore that business methods are subject to the same analysis as any patentable subject matter. There is no reason to believe the courts would or should depart from the interpretive approach they applied in the patent cases when resolving trademark issues, particularly given the broad wording of both statutory schemes.

In determining whether a mark is eligible for protection under the Lanham Act, it is necessary to categorize it according to its source-indicating capability. There are two ways to look at this question in a manner consistent with the statutes and case law. One would require that the mark be categorized in the fanciful-arbitrary-suggestive-descriptive-generic spectrum, drawn from the Second Circuit’s Abercrombie decision. In the case of some marks, particularly colors and product configurations, an analysis making use of these categories may be somewhat awkward, as this approach is somewhat ill-suited to non-verbal marks. Nonetheless, courts should try. If a court encounters difficulty making use of the traditional Abercrombie factors, the Supreme Court’s decision in *Two Pesos* does seem to leave some room for a slightly broader approach. The Court did state that “[m]arks are often classified in categories of generally increasing distinctiveness,” and the use of these categories was not specifically in issue in *Two Pesos*.

A somewhat broader approach would focus, however, on the same fundamental inquiry as would be used under the traditional approach – does the trade dress in question, by its nature, serve as a source identifier? Some trade dress will be found inherently distinctive, such as the restaurant decor, layout, color scheme, and external and internal appearance in *Two Pesos* itself. Some trade dress will be descriptive, like

64. 149 F.3d 1368, 1375-77 (Fed. Cir. 1998).
65. 505 U.S. at 768 (emphasis added).
the green-gold cleaning pads in Qualitex, and thus must attain secondary meaning in order to be protectable. These are cases where the trade dress is simply not sufficiently distinctive to be inherently capable of source indication, but by its nature and context it can become a source-identifier in the marketplace. Other trade dress will be generic and unprotectable, such as trade dress involving a common clothing or jewelry feature. This broader approach retains the three dispositive categories that the Court in Two Pesos mandates, without necessarily forcing courts to slice the baloney too thin by further breaking down marks into categories of suggestive, arbitrary, and fanciful. These categories have limited legal significance, at least as to whether a mark is entitled to protection ab initio. This broader approach remains faithful to the structure of the Lanham Act, which clearly requires that marks be categorized as generic, descriptive, or inherently distinctive.

C. TRADEMARK POLICY

The Lanham Act had two general purposes, according to the Senate Report: “One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.” The Report indicated that the Act would further serve “to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed.” The House Report indicates that an important goal of the Act was to provide uniform nationwide relief for trademarks, which were increasingly used on a national if not global scale. Finally, Representative Lanham, the bill’s namesake and sponsor,

66. See infra notes 120-42 and accompanying text.
67. The other point at which it becomes important to categorize a mark as to its inherent distinctiveness is in the analysis of likelihood of confusion. In that analysis, courts must determine the degree of strength a mark possesses, as measured by its inherent and acquired distinctiveness. See, e.g., Jellibeans, Inc. v. Skating Clubs of Ga., Inc., 716 F.2d 833, 840 (11th Cir. 1983) (“[T]he more distinctive plaintiff’s mark, the stronger it is considered, and the more protection it is accorded from confusingly similar marks.”); see also W.W.W. Pharmaceutical Co. v. Gillette Co., 984 F.2d 567, 572 (2d Cir. 1993) (in likelihood of confusion analysis, courts look to inherent and acquired distinctiveness); Blockbuster Entertainment Group v. Layleco, Inc., 869 F. Supp. 505, 509-510 (E.D. Mich. 1994) (same).
68. S. REP. NO.79-1333, at 3 (1946).
69. Id. at 4.
70. H.R. REP. NO. 76-944, at 4 (1939) (indicating purpose of Act is to provide national protection for marks and noting that protection of trademarks was formerly “entirely a State matter,” with the result that trademark rights “in one State may differ widely from the rights which [that person] enjoys in another”).

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stated: "The purpose of [the Act] is to protect legitimate business and the consumers of the country." Thus, the legislative history identifies three principal goals for trademark law - prevention of consumer confusion and deception, protection of good will against free riding, and providing a nationwide system of rights for all marks.

Some would look to later congressional action, seeking an indication of legislative acquiescence in the courts' interpretation of the statute. Thus, the Trademark Law Revision Act of 1988, among other things, broadened the language of § 43(a) to make it clear that the provision prohibits any confusingly similar trade dress or trademark generally, without a requirement of "falsity," protects unregistered marks (as trade dress often will be), and encompasses non-functional trade dress and product configurations. Congress also recognized that, since being enacted, section 43(a) "has been widely interpreted as creating, in essence, a federal law of unfair competition. For example, it has been applied to cases involving the infringement of unregistered marks, violations of trade dress and certain nonfunctional configurations of goods and actionable false advertising claims." There is also an indication that, in maintaining a very broad definition of a mark, Congress quite deliberately intended it to encompass all forms of trade dress, including product configurations.

It is now fairly clear that section 43(a) essentially codified the common law torts of trademark infringement and passing off. It is also clear, as the Court has recognized, that trademarks of all kinds serve important social and economic functions. As Judge Easterbrook has suggested, "[t]rademarks help consumers to select goods." They provide information to consumers regarding the identity of producers, they reduce search costs, and they encourage and reward the development of consistently high-quality products. Finally, they prevent free riding by competitors upon the good will of established trademarks. Merely descriptive terms, on the other hand, are in the public domain and are unprotectable absent secondary meaning.

71. 92 CONG. REC. 7524 (1946).
72. See generally Tiger v. Western Investment Co., 221 U.S. 286, 309 (1911) ("When several acts of Congress are passed touching the same subject-matter, subsequent legislation may be considered to assist in the interpretation of prior legislation upon the same subject."); Red Lion Broadcasting Co. v. FCC, 395 U.S. 367, 380-381 (1969).
75. Id. (emphasis added).
76. The Senate Report for the 1988 amendments provides that the words "symbol or device" were retained in the definition of trademark "so as not to preclude the registration of colors, shapes, sounds or configurations where they function as trademarks." Id. at 44.
77. See Two Pesos, 505 U.S. at 785-86 (Thomas, J., concurring); Inwood Labs., Inc. v. Ives Lab., Inc., 456 U.S. 844, 861 n.2 (1982) (White, J., concurring).
To permit the monopolization of common terms would allow "a free ride on the language."\textsuperscript{80} So long as trademarks are properly constrained in scope, then, they serve quite legitimate and important functions. Certainly there is little disagreement that traditional trademark law prevents deception and furthers efficient markets. Although there is less agreement on whether trade dress and dilution claims are efficient, these legal theories serve the same general functions. In other words, if a mark truly is source-identifying, its ontological status is irrelevant. Hence protection for trade dress should encompass not only product packaging but also product configurations in appropriate circumstances. Although the Court in \textit{Samara} need not have established a per se prohibition on protection of product configurations absent a showing of secondary meaning, its prophylactic rule still leaves open the quite real possibility that a product configuration does serve as a source-identifier (i.e., has secondary meaning in the market). The precise economic rationale for dilution theory is somewhat more difficult to ascertain, though once again there is a strong argument that the owner of a famous mark (which carries greater source-indicating and information-bearing capacity and selling power than ordinary marks) is entitled to maximize its value and is in the best position to determine the nature and extent of use of those marks.

The social costs of excessive or unbounded trademark protection can be significant. David Lange has observed that trademark owners "are subject to natural pressures to expand the boundaries of their interests, even at the risk of appearing silly or rapacious and not infrequently at the cost of expropriatory incursions into the public domain."\textsuperscript{81} Landes and Posner, in their 1987 article,\textsuperscript{82} noted that there are four types of costs associated with property rights, including trademark rights. These costs include the transaction costs of transferring rights, the danger of rent-seeking behavior, the cost of protecting and enforcing rights, and — in the case of public goods such as intellectual property — the cost of preventing the full use of that information by others.\textsuperscript{83} To apply these considerations to trade dress and dilution law, the transaction costs and enforcement costs associated with trademark dilution and trade dress claims are probably similar to those costs that would be incurred in ordinary trademark cases. It might be argued that these expanded areas of possible trademark protection present particularly high costs given the wide range of possible dilution and trade dress claims that might be asserted and the costliness of detecting and litigating potential violations. One indication that dilution and trade dress laws do in

\textsuperscript{80} Id.
\textsuperscript{81} David Lange, \textit{Recognizing the Public Domain}, 44 LAW & CONTEMP. PROBS. 147, 168 (Autumn 1981).
\textsuperscript{83} Landes & Posner, supra note 82, at 266-68.
fact generate substantial costs is the sheer volume of litigation involving these two types of claims.84

The other two costs that Landes and Posner identified may also be pertinent to dilution and trade dress cases. First, there is a very real danger that parties will engage in rent-seeking behavior by asserting a monopoly on a particular distinctive mark (in a dilution situation) or on a product configuration (in a trade dress case). There will be a strong incentive to assert such claims regularly and vigorously, as there may be a significant reward involved in establishing that a particular mark is famous and thus worthy of protection from dilution or in obtaining a trademark right to a product configuration. Having successfully asserted these claims, the trademark owner may be able to obtain damages or injunctive relief, or a favorable settlement involving a license fee, from those found to be infringing. Moreover, trademark owners will have an incentive to assert claims over even arguably functional product configurations, as a successful trademark claim on these features would provide them with a real and lasting advantage in the marketplace. As Justice Scalia suggested in *Samara*, courts should be cognizant of these dangers in setting the boundaries of trademark protection, although it may be difficult to distinguish vigorous trademark enforcement from improper incursions on the public domain.

The fourth cost of intellectual property protection in the Landes-Posner analysis deals with the marginal cost of reproducing the information once it has been created. The standard economic analysis would suggest that public goods are costly to create and difficult to appropriate in the absence of property rights. Once the information has been created, it is inexhaustible. In other words, the use by one or one thousand or one million other persons will not diminish the ability of others to make use of the public good. On one level, this analysis seems more closely suited to copyrights and patents, but trademarks may also display the characteristics of public goods, particularly with regard to trade dress and product configurations. The counter to this view is that overuse of a widely recognized trademark may undercut its informational value, and that the trademark owner is therefore entitled to control its use and to prevent overexposure. Viewed in this manner, a trademark is not a classic public good and hence the rationale for permitting access to trademarks is not as strong as in the case of patents and copyrights.

The problem of boundaries in intellectual property law, then, is the problem of balancing the costs and benefits of allowing trademark protection in a given situation. Courts must determine when a valuable trademark, which provides consumers with information and reduces search costs, is being infringed and distinguish those cases from situations in which the trademark owner is asserting rights to the underlying product itself, raising dangers of monopolization, or rights in gross, totally removed from the good will and brand recognition to which it is entitled. The question is whether traditional trademark doctrine offers sufficiently precise doctrinal tools to accomplish this balancing.

84. *See supra* note 8 and accompanying text. Oddi discusses at some length the costs and benefits of product configuration protection in his recent article. Oddi, *supra* note 82, at 111-29 (concluding that such protection is more costly and less beneficial than ordinary marks).
II. THE BOUNDARIES OF TRADE DRESS PROTECTION

A. EXPANDED PROTECTION FOR TRADE DRESS

Particularly since the Supreme Court's decision in Two Pesos, a wide and growing variety of trade dress cases have been brought, covering an array of different product packaging, as well as products and product features. At least until Two Pesos, there had been some question concerning whether trade dress can be registered on the principal register, or whether it is protected solely under section 43(a) and any state law counterparts. This issue seems to have been resolved by implication in Two Pesos's holding that trade dress questions are analyzed in the same manner as other trademarks under the Lanham Act.85

The product packaging cases, of which there are many, are relatively uncontroversial.86 This lack of controversy may reflect the fact that there are clearly many packaging choices available to competitors and ordinarily no plausible claim that the packaging serves functional purposes. Product packaging is largely an extension of ordinary trademarks found on products such as logos and brand names. Thus, not only is the name Coca-Cola protectable, but so is the red-and-white swirl packaging of its producer's cans and the distinctive shape of the old-fashioned Coke bottle.

Much more controversial are decisions involving product configurations or designs. A large number of decisions have addressed the nature and extent of

85. Compare Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 868 (8th Cir. 1994) (plurality opinion) ("Trade dress may now be registered on the Principal Register of the PTO. The trade dress at issue in this case was so registered."); Kohler Co. v. Moen Inc., 12 F.3d 632 (7th Cir. 1993) (faucet's shape registrable as a trademark); Application of Mogen David Wine Corp., 328 F.2d 925 (C.C.P.A. 1964) (shape of bottle registrable as trademark) with Vornado Air Circulation Systems, Inc. v. Duracraft Corp., 58 F.3d 1498, 1499 n.1 (10th Cir. 1995) ("One does not register a product's trade dress—it overall look or image—but trade dress is protected under section 43(a) of the Lanham Act.") (citation omitted); Vision Sports, Inc. v. Melville Corp., 888 F.2d 609, 613 (9th Cir. 1989) (trade dress protection provides broader protection for aspects of packaging and product design that are not registerable as trademarks).

86. The following is a sampling of recent cases: Continental Plastic Containers v. Owens Brockway Plastic Prods., Inc., 141 F.3d 1073 (Fed. Cir. 1998) (plastic fruit juice bottles); Carillon Importers, Ltd. v. Frank Pesce Int'l Group, Ltd., 112 F.3d 1125 (11th Cir. 1997) (upholding injunction involving trade dress infringement of vodka bottles); Tools USA & Equip. Co. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654 (4th Cir. 1996) (successful claim for infringement of mail order company's catalog trade dress); Denbicare U.S.A., Inc. v. Toys "R" Us, Inc., 84 F.3d 1143 (9th Cir. 1996) (unsuccessful claim involving packaging of reusable diapers); Conopco, Inc. v. May Dep't Stores Co., 46 F.3d 1556 (Fed. Cir. 1994) (no likelihood of confusion in packaging of hand lotion); Tone Bros., Inc. v. Sysco Corp., 28 F.3d 1192 (Fed. Cir. 1994) (holding that fact issues were presented regarding distinctiveness of spice containers); Paddington Corp. v. Attiki Importers & Distrbs., Inc., 996 F.2d 577 (2d Cir. 1993) (trade dress claim for "Ouzo" packaging); George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532 (2d Cir. 1992) (trade dress of metal polishing cleaners was infringed); Mexican Food Specialties, Inc. v. Festida Foods, Ltd., 953 F. Supp. 1831 (E.D. Mich. 1997) (packaging of tortillas protected as trade dress); Benjamin Moore & Co. v. Talon Paints Prods., Inc., 917 F. Supp. 331 (D.N.J. 1996) (paint packaging trade dress may be infringed by competitor); see also Stephen W. Boney, Inc. v. Boney Servs., Inc., 127 F.3d 821 (9th Cir. 1997) (no infringement of grocery store trade dress).
In assessing the protection available for product configurations as trade dress.\footnote{87} Kohler Co. v. Moen Inc., 12 F.3d 632 (7th Cir. 1993) (faucet design entitled to trade dress protection); International Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819 (9th Cir. 1993) (no likelihood of confusion in trade dress of audio speakers); Big Top U.S.A., Inc. v. Wittern Group, 998 F.Supp. 30 (D. Mass. 1998) (no likelihood of confusion as to giant-sized vending machines that dispense gumballs); Lanier v. Bandwagon, Inc., 983 F. Supp. 292 (D. Mass. 1997) (back scratcher not entitled to trade dress protection); Foamation, Inc. v. Wedeward Enters., Inc., 970 F. Supp. 676 (E.D. Wis. 1997) (novelty cheese wedge hats not protected as trade dress); Pebble Beach Co. v. Tour 18 I, Ltd., 942 F. Supp. 1513 (S.D. Tex. 1996) (defendant liable for trade dress infringement as to one hole of golf course); Central Tools, Inc. v. Products Eng’g Corp., 936 F. Supp. 58 (D.R.I. 1996) (trade dress in tools has acquired secondary meaning and was non-functional, but defendant’s products did not create likelihood of confusion); St. Paul Furniture Mfg. Co. v. Bergman, 935 F. Supp. 1180 (D. Kans. 1996) (fact issues presented regarding trade dress infringement claim involving roll-top door on gun cabinet); Sassafras Enters., Inc. v. Roshco, Inc., 915 F. Supp. 1 (N.D. Ill. 1996) (stoneware pizza set trade dress not protectable because of lack of inherent or acquired distinctiveness); Health O Meter, Inc. v. Terraillon Corp., 873 F. Supp. 1160 (N.D. Ill. 1995) (split-mat platform design for professional scales is protectable trade dress, but ‘J’-shaped product configuration was not protectable); Fasa Corp. v. Playmates Toys, Inc., 869 F. Supp. 1334 (N.D. Ill. 1994) (fact issues presented in trade dress claim involving futuristic role-playing games); Banff Ltd. v. Limited, Inc., 869 F. Supp. 1103 (S.D.N.Y. 1994) (fact issues presented on distinctiveness and functionality of sweater design); Great Am. Audio Corp. v. Metacom, Inc., 938 F.2d 16 (2d Cir. 1995) (trade dress claim involving toy school bus in which tapes can be played). See also Gasser Chair Co. v. Infantini Chair Mfg. Corp. 1998 WL 231180 (Fed. Cir. 1998) (citation limited by circuit rule) (overall appearance of chairs); Thomas & Betts Corp. v. Paudnit Corp., 138 F.3d 1026 (7th Cir. 1998) (fact issues presented on claim involving cable ties); Sunbeam Prods., Inc. v. West Bend Co., 123 F.3d 246 (5th Cir. 1997) (successful claim for infringement of plaintiff’s stand mixer); Forschner Group, Inc. v. Arrow Trading Co., 124 F.3d 402 (2d Cir. 1997) (use of red color on “Swiss Army” knives was not protectable as trade dress); Oddzon Prods., Inc. v. Just Toys, Inc., 122 F.3d 1396 (Fed. Cir. 1997) (no likelihood of confusion as to trade dress on toys); Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373 (2d Cir. 1997) (vacating injunction in case involving trade dress of commercial outdoor furniture); Epic Metals Corp. v. Souliere, 99 F.3d 1034 (11th Cir. 1997) (design of composite steel floor deck, including dovetail-shaped ribs, was functional and not protectable as trade dress); Insty*Bit, Inc. v. Poly-Tech Indus., Inc., 95 F.3d 663 (8th Cir. 1997) (fact issues presented as to confusion and functionality in case involving infringement of trade dress in quick-change drill chucks and accessories); Dorr-Oliver, Inc. v. Fluid-Quip, Inc., 94 F.3d 376 (7th Cir. 1996) (no likelihood of confusion as to “clamshell” design of corn stalk washers); TEC Eng’g Corp. v. Budget Molders Supply, Inc., 82 F.3d 542 (1st Cir. 1996) (remanding for findings on distinctiveness and confusion in case involving industrial conveyor trade dress); Jurgens v. CBK, Ltd., 80 F.3d 1566 (Fed. Cir. 1996) (windsock duck decoys); L & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258 (2d Cir. 1996) (inherent distinctiveness or secondary meaning in mission-style furniture); EFS Mktg., Inc. v. Russ Berrie & Co., 76 F.3d 487 (2d Cir. 1996) (no trade dress protection in troll dolls); Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996 (2d Cir. 1995) (squirrel and leaf designs on sweaters were not protectable as trade dress); Elmer v. ICC Fabricating, Inc., 67 F.3d 1571 (Fed. Cir. 1995) (no protectable trade dress in vehicle-mounted advertising signs); Fabrication Enters., Inc. v. Hygienic Corp., 64 F.3d 53 (2d Cir. 1995) (fact issue presented regarding functionality of color-coding system for elastic exercise bands); Tough Traveler, Ltd. v. Outbound Prods., Inc., 60 F.3d 964 (2d Cir. 1995) (delay precluded injunctive relief in trade dress case involving child carriers); Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498 (10th Cir. 1995) (spiral configuration of fan grill, which was subject of utility patent, was functional and thus unprotected as trade dress); Jeffrey Millstein, Inc. v. Gregor, Lawlor, Roth, Inc., 58 F.3d 27 (2d Cir. 1995) (greeting cards with cut-out animals, people, or objects were not entitled to trade dress protection); Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260 (Fed. Cir. 1995) (furniture design trade dress was inherently distinct and was infringed); Stuart Hall Co. v. Ampad Corp., 51 F.3d 780 (8th Cir. 1995) (remanding for consideration of claim involving project planner and notebook trade dress); Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431 (3d Cir. 1994) (Grecian-style plastic planters not distinctive and lacking in secondary meaning).
growth of trade dress protection, the most important doctrinal development has been judicial recognition that the overall design and appearance of the product itself, that is, the product configuration – not just the product’s accompanying packaging – is eligible for federal trademark protection. Thus, claims are asserted for such things as the design and appearance of stand mixers, faucets, nylon luggage, Rubik’s Cubes, books, and plastic planters – though not always successfully.88

Commentators have leveled a number of criticisms regarding the application of trademark and trade dress protection to product configurations. Mark Lemley has lamented the expansion of trade dress protection in this field: “What started as an exceptional doctrine for cases in which the risk to goodwill was evident has expanded into a trademark doctrine of general applicability, one that virtually any manufacturer can invoke to secure additional protections for its products. In the process, the link between product configuration and consumer source identification has all but disappeared.”89 Lemley traces the problem to the Two Pesos holding that trade dress (including product configurations) can be protected if inherently distinctive. He views the use of the Abercrombie categories to product designs as “frequently nonsensical,” but briefly recognizes that rejecting such an approach may be inconsistent with Two Pesos.90 The problem, as will be discussed below, is that rejecting at least some version of these categories is inconsistent with both Two Pesos and the Lanham Act’s language and structure itself. Lemley also underestimates the extent to which the requirement that trademark plaintiffs prove a likelihood of confusion has served as a constraint on the over-extension of trade dress protection.

Theodore Davis has suggested that trade dress protection should be “thin” or limited, and draws an analogy to the “thin” copyright available for factual compilations.91 Thus Davis would apply the strictures and mandate of the copyright decision

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88. Sunbeam Prods., Inc. v. West Bend Co., 123 F.3d 246 (5th Cir. 1997) (stand mixer found to have secondary meaning and to have been infringed); Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1454 (3d Cir. 1994) (plastic garden planters held to be inherently distinctive and lacking in secondary meaning); LeSportsac, Inc. v. K-Mart Corp., 754 F.2d 71 (2d Cir. 1985) (luggage protectable as trade dress); Ideal Toy Corp. v. Plawner Toy Corp., 685 F.2d 78 (3d Cir. 1982) (Rubik’s Cube).
90. Id. at 1701 n.78 (noting that some courts have rejected these categories and stating that “[w]hile this approach makes sense, it is arguably inconsistent with Two Pesos, where the Supreme Court held that the same standards applied to trade dress as to word marks.”).
91. Theodore H. Davis, Jr., Copying in the Shadow of the Constitution: The Rational Limits of Trade Dress Protection, 80 MINN. L. REV. 595 (1996). Jay Dratler, on the other hand, has suggested that trade dress protection for product configurations fills a distinct gap in federal protection for industrial designs. Jay Dratler, Jr., Trademark Protection for Industrial Designs, U. ILL. L. REV. 887 (1988) [hereinafter, Dratler]. Dratler’s argument is quite consistent with developments that have occurred since his article was written, as has been suggested here. He argues that properly defined protection for product configurations does not conflict with patent law or policy. Id. at 889; see also Jay Dratler, Jr., Trade Dress Protection for Product Configurations: Is There a Conflict with Patent Policy?, 24 AM. INTELL. PROP. L. ASSN. Q.J. 427 (1996).
in *Feist Publications, Inc. v. Rural Telephone Service Co.* to the trade dress field. To Davis, the doctrine of functionality has constitutional significance in that it avoids a conflict between the perpetual protection available for trade dress and the limited-time protection authorized and provided for in utility patents. Davis suggests that the Supreme Court has given little guidance on this subject. Yet the functionality doctrine has been reaffirmed in Court's *Two Pesos-QUALITEX-Park ’N Fly* trilogy, and is firmly established both in common law trademark doctrine and now (after his article was written) in the statutory scheme. The functionality doctrine can and should be applied rigorously in trade dress cases, particularly those involving product configurations, as a matter of substantive trademark law. Thus the constitutional conflict with limited-term utility patents is avoided, a result which avoids the problem Davis correctly identifies. A number of other articles have been written criticizing the development of trade dress law as applied to product designs, either on the ground that they are per se unprotectable or that they should be subject to a different analytical framework.

Significantly, the Seventh Circuit, in *Kohler Co. v. Moen, Inc.*, which involved plumbing fixtures, held that bestowing trade dress protection on product configurations did not pose an impermissible conflict with the Patent Clause of the Constitution. The court noted that trademark protection is not as extensive as the protection provided by design patents, particularly given the requirement of consumer confusion, and that different aspects of a product's design and appearance can simultaneously be given protection under different statutory schemes. The Fifth Circuit, in *Sunbeam Products, Inc. v. West Bend Co.*, held that the Mixmaster stand mixer had secondary meaning and was infringed. The court rejected the defense

92. 499 U.S. 340 (1991). In that case, the Supreme Court held that the white pages telephone directory lacked sufficient creativity to meet the requirements of an original work of authorship for purposes of copyrightability.

93. Davis, *supra* note 91, at 646 (noting that trade dress law lacks the clear line of demarcation the Supreme Court set forth for copyright law); *id.* at 649-50 ("Despite the absence of express guidance from the Supreme Court, therefore, courts can and should recognize that, just as the Constitution restricts the ability of copyright owners to protect public domain elements of their works, it concomitantly restricts the ability of trade dress owners to do the same.").

94. See Margreth Barrett, *Trade Dress Protection for Product Configurations and the Federal Right to Copy*, 20 Hastings Comm. & Ent. L.J. 471, 507-10 (1998) (arguing that *Two Pesos* fails to address anticompetitive concerns in product configuration cases and endorsing Second and Third Circuit view that product configurations are analyzed differently than other marks); Melissa R. Gleiberman, Note, *From Fast Cars to Fast Food: Overbroad Protection of Trade Dress under Section 43(a) of the Lanham Act*, 45 Stan. L. Rev. 2037 (1993) (arguing that protection for industrial designs under section 43(a) is overly broad, and should be limited to designs that have secondary meaning, even after *Two Pesos*; proposing that an industrial design statute should be enacted to provide exclusive protection for product designs); Bradley K. Groff, *Bare-Fisted Competition or Palming Off?: Protection for Product Design as Trade Dress Under the Lanham Act*, 23 Am. Intell. Prop. L. Assn. Q.J. 65 (1995) (arguing that protection of product designs is beyond scope of Lanham Act); Oddi, *supra* note 82, at 128-29 (concluding that trademark protection for product configurations is more costly and less beneficial than protection for ordinary marks); David Welkowitz, *Trade Dress and Patent — The Dilemma of Confusion*, 30 Rutgers L.J. 289, 290, 367 (1999) (arguing that section 43(a) should not protect product configurations).

95. 12 F.3d 632, 638-39 (7th Cir. 1993) (citing other decisions).

96. 123 F.3d 246 (5th Cir. 1997).
argument that such protection for the product design provided a "permanent patent," as only the overall appearance of the mixer was protectable, not individual functional elements, which could be freely copied. The court noted that providing trade dress protection furthers important policies of protecting good will and preventing confusion, which had been shown to be implicated on the facts of the case.

B. SOME LIMITING PRINCIPLES

Under the common law, trademark protection exists for the primary purpose of preventing consumer confusion as to the source of goods or services. In providing this protection, courts protect the owner of a trademark and the public from the encroachment of confusingly similar marks. The Lanham Act, by its express language and purpose, serves a similar fundamental function.\footnote{See Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 162 (1995) (indicating that "the statutory definition of a trademark . . . requires that a person 'us[e]' or 'inten[de]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" (alterations in original) (quoting 15 U.S.C. § 1127)); Star Fin. Servs., Inc. v. Aastar Mortgage Corp., 89 F.3d 5, 9 (1st Cir.1996) ("The purpose of trademark laws is to prevent the use of the same or similar marks in a way that confuses the public about the actual source of the goods or service.").} Indeed, section 43(a) of the Lanham Act in particular provides for a federal common law of unfair competition.\footnote{See Milton Handler, A Personal Note on Trademark and Unfair Competition Law Before the Lanham Act, 59 SPG-LAW & CONTEMP. PROBS. 5, 9 (1996).} Traditional trademark and trade dress law thus encourages production of products of high quality "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."\footnote{See Qualitex, 514 U.S. at 164.} More importantly for our purposes, trademark and trade dress protection serves to protect both the trademark or trade dress owner and the public by avoiding confusion or mistake.

Three traditional trademark doctrines can serve as a constraining influence on trade dress claims — a careful assessment of the distinctiveness of the trade dress, a strict functionality test, and a real weighing of the likelihood of consumer confusion.\footnote{Compare RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 16, cmt. b (1995) ("Rigorous application of the requirements of distinctiveness and nonfunctionality is necessary in order to avoid undermining the carefully circumscribed statutory regimes for the protection of useful and ornamental designs under federal patent and copyright law."). See also Jay Dratler, Jr., Trademark Protection for Industrial Designs, 87 U. ILL. L. REV. 887, 938-62 (1998)(endorsing, prior to Two Pesos, use of trademark protection for industrial designs, constrained by distinctiveness and nonfunctionality requirements); Lemley, supra note 89, at 1714 (suggesting briefly that distinctiveness and functionality doctrines can limit product configuration claims).} 1. Distinctiveness

The most important doctrinal constraint on trademark law is the requirement of distinctiveness. The conceptual underpinning of this doctrine is quite important — only marks that are capable of identifying a particular source of goods or services are
eligible for the protections of the Lanham Act. By careful classification of marks, courts can prevent the usurpation of common terms, ordinary packaging methods, or standard product configurations—each of these being unprotected and not indicative of any particular source in the market. At the same time, when a word or symbol or product packaging serves a source-indicating and informative function, it is entitled to protection a priori. The principal question that has plagued the courts in addressing trade dress claims is the manner in which the distinctiveness of product configurations should be analyzed. Ordinarily, courts assess the distinctiveness—and hence the degree of protectability—by making use of the five categories set forth in Abercrombie & Fitch Co. v. Hunting World, Inc.: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, and (5) fanciful. Generic marks are not protectable, as they typically consist of the name of a product category or type, such as Washington apples; descriptive marks, which to some degree describe a characteristic of the product, are protectable only if they have attained sufficient recognition to have secondary meaning, such as Holiday Inn hotels; suggestive, arbitrary, and fanciful marks are inherently protectable without any showing of secondary meaning, such as the coined term “Exxon.” The Supreme Court’s Two Pesos decision endorsed the application of these categories to trade dress cases generally, as discussed above.

The question that divided the lower courts, prior to Samara, is how to apply this approach to cases involving product configurations that are claimed as the trademark owner’s trade dress. Most trademarks are word marks or symbols, which are more readily amenable to categorization under the Abercrombie approach. The Supreme Court’s Two Pesos decision held that trade dress must also be analyzed for inherent distinctiveness. If the trade dress is inherently distinctive, as it was found to be on the facts of Two Pesos itself, then the Court held that it is entitled to protection without a showing of secondary meaning.

Commentators have suggested analytical approaches that are somewhat inconsistent with the Supreme Court’s guidance in Two Pesos. One commentator, for example, has argued that product configurations should receive no trademark protection at all, and that Congress instead should enact an industrial design statute. The Second and Third Circuits have applied a different analytical approach to product configuration cases. The Third Circuit, in Duraco Products, Inc. v. Joy Plastic Enterprises, was the first to diverge from Abercrombie when it decided that the “trademark taxonomy, carefully and precisely crafted through a long succession of cases to accommodate the particularities of trademarks, does not fit the quite different considerations applicable to product configurations.” The case involved plastic garden planters in the shape of Grecian urns. The court decided that the holding of Two Pesos was limited to trade dress consisting of product packaging, not product configuration, because a restaurant’s décor was analogous to product packaging. Duraco set forth a new and entirely different test for assessing product configuration
trade dress: in order to be protected, it must be "(i) unusual and memorable; (ii) conceptually separable from the product; and (iii) likely to serve primarily as a designator of origin of the product."\textsuperscript{106}

The Second Circuit has also concluded that the distinctiveness of product configurations should be analyzed differently than the rest of trademark and trade dress law. In Knitwaves, Inc. v. Lollytogs, Ltd.,\textsuperscript{107} the court found that squirrel and leaf artwork designs on a children's sweater were not inherently distinctive because the designs were primarily aesthetic and "not primarily intended as source identification." The court agreed with the Third Circuit view that Abercrombie did not apply to product configuration cases, as the categorical approach "make[s] little sense when applied to product features."\textsuperscript{108} The Second Circuit, however, did not adopt the Third Circuit's "wholly-new, multi-pronged test." Instead it "simply asked whether the design was likely to be understood as an indicator of the product's source."\textsuperscript{109} In addition, the Second Circuit requires that the design of a product must have been "primarily intended as source identification."\textsuperscript{110}

Some commentators have also suggested that the standard trademark taxonomy is ill-suited to trade dress cases generally and that a different analytical framework should be used, in effect endorsing the Second and Third Circuit views.\textsuperscript{111} This approach, however, is inconsistent with the language and general tenor of Two Pesos, which rejected the view that particular types of marks should be analyzed differently than an ordinary word or symbolic mark. More directly, this approach has no basis in the language or structure of the Lanham Act, which entitles all source-indicating marks to the same protections. Despite the Court's holding in Samara, the establishment of special per se rules for product configuration cases is arguably unfounded, absent a specific carve-out by Congress.\textsuperscript{112}

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\bibitem{106} Id. at 1449.
\bibitem{107} 71 F.3d 996, 1007-08 (2d Cir. 1995).
\bibitem{108} Id.
\bibitem{109} See Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 378 (2d Cir.1997) (dealing with configuration of outdoor furniture); see Knitwaves, 71 F.3d at 1008; L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258, 265 (2d Cir. 1996) (no secondary meaning or inherent distinctiveness in mission-style furniture). But see Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 784-85 (8th Cir. 1995) (rejecting "memorability" test in favor of traditional trademark analysis); Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1263-64 (Fed. Cir. 1995) (upholding jury's finding of inherent distinctiveness of line of furniture, applying Two Pesos without extended discussion).
\bibitem{111} See, e.g., Barrett, supra note 94, at 507-08 (endorseing approach of Second and Third Circuits); Oddi, supra note 82, at 147-48 (suggesting that Two Pesos analysis should not apply to product configurations).
\bibitem{112} Graeme Dinwoodie recognizes that Two Pesos at least implicitly rejects these approaches, but contends that the standard trademark taxonomy should not be applied in product configuration cases. Graeme B. Dinwoodie, \textit{Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress},
In fact, courts seem to have been quite able to use the traditional trademark analysis of distinctiveness in product design litigation in a manner that provides workable boundaries. In *Ashley Furniture Industries, Inc. v. Sangiacomo N.A., Ltd.*, the Fourth Circuit applied the traditional trademark analysis and concluded that the plaintiff's furniture trade dress might be protectable and inherently distinctive. The product configuration involved a neo-Roman design, the features of which included "the high-gloss polyester Carmelstone and Goatskin finishes, off white moldings on the night stands, dresser and armoire, classic columns and fluting on the headboard and mirror, and arched tops on the mirror and headboard frames." It was shown never to have been used in the bedroom furniture field and to be unique and distinctive, and the court overturned the lower court's ruling that the trade dress was not distinctive as a matter of law.

Giant gum ball machines were at issue in *Big Top USA, Inc. v. Wittern Group,* and the court found them to be sufficiently distinctive to qualify as trade dress. These were not just any gum ball machines. They were big, and had particular distinctive elements including a circus theme, large red ball, volcano shape, musical accompaniment, animal figures, and shape of base. In a carefully written opinion, the court found these overall elements to be distinctive, although other aspects of the product were functional. Nevertheless, the plaintiff ultimately failed to show a likelihood of consumer confusion.

A child carrier was found to have inherent distinctiveness in *Tough Traveler, Ltd. v. Outbound Products,* in that it had unusual zipper placements (diagonal in part), unusual size and shape pouches, a triangular stand, a hinged frame, and other features. Ultimately, however, the plaintiff did not prevail because it could not show a likelihood of consumer confusion.

The *Abercrombie* approach can also be used effectively to identify cases of descriptive product configurations. In *Pebble Beach Co. v. Tour 181 Ltd.*, the Fifth Circuit noted that the trade dress of a golf hole may be generic if it connotes golf holes generally, but where the plaintiff adds an unusual or unexpected feature, such as a lighthouse, it becomes descriptive. As a descriptive trade dress, the court found that the golf hole had secondary meaning in that it was well known in the field, had

75 N.C. L. Rev. 471 (1997). Dinwoodie argues that *Two Pesos* and *Qualitex* offer no "significant guidance" on the distinctiveness inquiry, id. at 480, but he does suggest that product configurations should be placed on an equal footing with other marks, id. at 602-03. He criticizes both the *Abercrombie* approach and the approach of the Second and Third Circuits, and suggests instead an inquiry into whether "consumers will identify the product by reference to the features claims as trade dress?" Id. at 603-605 (focusing on nature of design, context in which it is perceived by purchasers, and nature of product).

113. 187 F.3d 363, 377 (4th Cir. 1999).
114. Id. at 374.
115. Id. See also *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 936 (7th Cir. 1989) (greeting cards consisting of particular combinations of colors, handwriting, borders, and slogans found to be distinctive).
117. Id.
119. Id. at 217.
120. 155 F.3d 526, 541 (5th Cir. 1998).
substantial sales, advertising, and publicity, and was deliberately imitated by the defendant.121

This approach can also identify generic product configurations. In Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.,122 the Second Circuit held that the claimed greeting card trade dress, which consisted of common and functional elements, including die-cutting, photographs, and blank white interiors, was generic. In other words, no one is entitled to a monopoly on greeting cards consisting of cut-out shapes and photographs of people, animals, and objects. It should be noted that the Second Circuit did not use its own Knitwaves analysis in the case, and instead used the traditional approach. The idea that industry-wide use of a product design can render it generic was reaffirmed in Indonesian Imports, Inc. v. Old Navy, Inc.,123 in which the court held that the plaintiff's claims trade dress in a handbag known as "The Sak" was generic. The Sak's claimed trade dress was an ambiguous combination of woven nylon cord in various colors and a specific bag shape. One might say that the court held that "The Sak" gets the boot. Similarly, a shiny back scratcher that contracted for convenient carrying and that was sold in clear bags did not measure up to the distinctiveness standard, as the court found that the back scratcher was either generic or descriptive (and lacking any secondary meaning).124

Finally, in Sunrise Jewelry Manufacturing Corp. v. Fred S.A.,125 the Federal Circuit held that a registered trade dress consisting of a "metallic nautical rope design" for clocks, watches, and jewelry could be cancelled on the ground that it was generic. Competitors can freely use trade dress that is or has become generic.126 Sunrise is an interesting case, because it shows that the application of general trademark law to all types of marks (including trade dress and product configurations) can be a two-edged sword. The trademark owner in that case sought to prevent cancellation of its product design mark on the ground that trade dress and product designs – unlike other marks – could not be cancelled on grounds of being generic. The Federal Circuit actually bothered to write an opinion holding that, in fact, any mark can be cancelled on this ground, even trade dress marks.127

Trade dress cases generally have also successfully categorized the trade dress in question under traditional analysis. Thus, for example, the packaging of Klondike bars has been found to be inherently distinctive.128

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122. 58 F.3d 27, 33-34 (2d Cir. 1995).
123. 1999 WL 179680, at *5-6 (N.D. Cal. 1999).
125. 175 F.3d 1322, 1325-26 (Fed. Cir. 1999).
127. Sunrise, 175 F.3d at 1325-26.
Gemmy Industries Corp.,\textsuperscript{129} the Second Circuit noted that trade dress which consists of standard or customary product shapes or images is generic. Nevertheless, the court on the facts found that the plaintiff's packaging trade dress for toy banks in the shape of toilets, was inherently distinctive. The court noted that its \textit{Knitwaves} analysis applied only to product configuration cases, and not to packaging cases. In another case under New York law, the packaging on a "family" of inexpensive novelty items such as manicure kits, key chains, and credit card holders was found to be descriptive and lacking in secondary meaning.\textsuperscript{130}

At the other end of the spectrum, a grape leaf design was held to be generic as an emblem in the wine industry.\textsuperscript{131} Packaging lemon-lime soda in green cans or bottles is common and generic.\textsuperscript{132} Black-color cosmetic compacts were found to be common and generic.\textsuperscript{133} Red covers are generic for dictionaries.\textsuperscript{134} And finally, no one has a monopoly on the idea of a colonial-style candle store, as the overall appearance and features of such a store are in part generic.\textsuperscript{135}

Despite the Court's view in \textit{Samara}, a standard trademark analysis, rigorously applied, could quite readily address each of the cases in which courts have attempted to fashion idiosyncratic approaches for product configuration cases. The fall motif consisting of squirrels and leaves on the sweater design in \textit{Knitwaves} is a generic clothing feature, in the same manner that cut-out photos are generic in the greeting card industry (as was held in \textit{Jeffrey Milstein}) and nautical rope designs are generic when used on clocks, watches, and jewelry (as was held in \textit{Sunrise Jewelry}). Similarly, the floating feel of the furniture in \textit{Landscape Forms, Inc. v. Columbia Cascade Co.},\textsuperscript{136} which consisted principally of curved three-inch tubing, is possibly generic or most likely descriptive and was not shown to have secondary meaning. In \textit{Duraco}, the Third Circuit could quite readily have concluded that the concept of a Grecian urn for garden planters is also either generic or descriptive and lacking in secondary meaning.\textsuperscript{137} These are factual issues that should be resolved as they would in any trademark case, by focusing on whether the mark functions as a source indicator.

Ironically, the Second Circuit's idiosyncratic approach to the question of distinctiveness can lead to protection of marks that might not qualify under the traditional trademark taxonomy. One of the principal flaws in the Second Circuit
approach is its emphasis on the manufacturer’s subjective intent in designing its trade dress, which that circuit has repeatedly identified as an important consideration. As Graeme Dinwoodie has observed, a focus on the intent of the designer completely misperceives the proper focus—which must be on consumer perception of the design in the marketplace. His criticism is quite correct, and was highlighted in the Second Circuit’s recent decision in Samara Brothers, Inc. v. Wal-Mart Stores, Inc., which the Supreme Court recently reversed. The Court could have quite simply concluded that the Second Circuit misapplied the distinctiveness standard, as the clothing designs were descriptive or generic.

Applying its Knitwaves approach, which focuses on “whether the design was likely to be understood as an indicator of the product’s source,” the Second Circuit focused nearly exclusively on one piece of evidence—the intent of the clothing designer. The court then found the loosely defined trade dress to be distinctive, though it appeared to involve a vague and quite basic combination of quite common features that were not even used consistently across Samara’s product line, as the dissent persuasively demonstrated. Significantly, the Second Circuit in Samara applied its own taxonomy, which ostensibly is meant to restrict the number of product designs eligible for trademark protection, to a design that should and quite possibly would have been found to be descriptive and unprotected under the traditional trademark approach suggested here. This anomaly demonstrates the fallacy of the Second Circuit’s focus on the intent of the designer or manufacturer, rather than on the proper classification of the mark based on its degree of recognition in the marketplace. No doubt the Supreme Court’s concern regarding the potential for anticompetitive usurpation of product configurations was presented in stark relief by the Second Circuit’s absurd result. It is thus not entirely surprising that it adopted a blanket underserviced by the Second Circuit’s approach.
prohibition on the protection of product configurations absent a showing of secondary meaning.

In sum, courts can and have successfully employed the traditional trademark categories in assessing trade dress claims, including those involving product configurations. The case law and statutory scheme of the Lanham Act mandate that marks be categorized in accordance with their source-indicating capacity. Although it is unclear whether courts must adhere strictly to the Abercrombie “spectrum of distinctiveness,” the Lanham Act itself requires all marks to be classified in one of three outcome determinative ways. Marks that are generic or functional are not entitled to trademark protection under any circumstances. This fundamental rule preserves competition in the marketplace by insuring that all firms have access to common terms that identify products or services themselves and to the functional features of the products. Marks that are descriptive are not entitled to trademark protection unless they have attained secondary meaning. This traditional trademark rule, particularly when combined with the fair use defense, preserves the ability of firms to use descriptive terms unless they have come to signify a source. Finally, marks that are inherently distinctive are automatically eligible for trademark protection. Providing immediate protection for these marks does not hinder competition, as there is a potentially infinite number of such marks available. Indeed, the Court Two Pesos recognized that such a rule may foster competition because small businesses frequently do not have the resources to establish secondary meaning in the short run. The Supreme Court’s decision in Samara prematurely dismissed the possibility that a product configuration could be shown to be inherently distinctive by making use of traditional trademark analysis. Nonetheless, product configurations that do have source-indicating capacity can still be protected as trademarks upon a showing of secondary meaning. The Court’s prophylactic rule, though inconsistent with the language and structure of the Lanham Act, will quell some litigation regarding product configurations while still leaving room for protection upon a showing of secondary meaning.

2. Functionality

An important doctrine, drawn from the common law, that serves as a limiting principle in trade dress cases is the doctrine of functionality. Although it now has a statutory pedigree, by virtue of the 1998 Trademark Amendments,143 the doctrine of functionality also has a long history in the common law of trademarks. As the Supreme Court indicated in Two Pesos, Inc. v. Taco Cabana, Inc., in order for trademarks or trade dress to be protected under the Lanham Act, it must not be

143. Pub. L. 105-330 expressly incorporated the functionality doctrine in the Lanham Act. As to burdens of proof, “[i]n a civil action for trade dress infringement . . . 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.” Id. (codified at 15 U.S.C. § 1125(a)(3)).
functional. The Court in *Qualitex* recognized that "[t]he 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." Thus, as a matter of accepted trademark doctrine, "the functionality doctrine marks the boundaries of trade dress protection." In other words, the functionality doctrine serves as the line of demarcation between the sphere of trademark protection — which is limited to non-functional aspects of a product or service — and utility patent protection, which offers a temporary monopoly on the underlying useful article itself. Were trademark law to encompass the functional aspects of a product or service, it would in effect provide a perpetual monopoly on those elements, creating a conflict with the entire system of patent protection and potentially exceeding the scope of congressional power, in light of the Patent & Copyright Clause. That Clause provides Congress the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." In effect, the doctrine of functionality is a way to prevent what Milton Handler described as the ability of latecomers to "share in the good will of a product but not in the good will of the producer."

These general principles are largely undisputed. Their application to the trade dress arena, on the other hand, is the subject of considerable debate. There is also disagreement regarding the precise definition of functionality. Further, the courts have not agreed on whether it is the trademark owner/plaintiff's burden to show that its claimed mark is non-functional, or whether the defendant must prove functionality as an affirmative defense, though Congress has now provided guidance on this issue.

The Court has had several occasions to discuss the definition of functionality, but has never formulated a precise definition. In *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, the Court was not squarely presented with a functionality issue, but nonetheless stated that a functional aspect of a product is one that "is essential to the use or purpose of the article or... affects the cost or quality of the article." *Qualitex* reiterated that a product feature is non-functional if it is not "essential to the
use or purpose of the article" and does not "affect the cost or quality of the article."\textsuperscript{153} The court further indicated that the functionality issue turns in part on whether granting protection to a mark "would permit one competitor . . . to interfere with legitimate (non-trademark-related) competition through actual or potential exclusive use of an important product ingredient."\textsuperscript{154}

Lower courts and commentators have struggled to define functionality. According to McCarthy, "functional" features or designs should be defined as those that are driven by practical, engineering-type considerations such as making the product work more efficiently, with fewer parts and longer life, or with less danger to operators, or be shaped so as to reduce expenses of delivery or damage in shipping.\textsuperscript{155} Chief Judge Posner, in \textit{W. T. Rogers Co. v. Keene},\textsuperscript{156} noted that the functionality doctrine "is intended to screen out from the protection of trademark law certain design features even if they have become so far identified with the manufacturer of a particular brand that consumers may be confused about the origin of the good if another producer is allowed to adopt the feature." To permit trademark protection on functional features would result in "a product monopoly, and not a product monopoly for a term of years as under the patent laws but forever."\textsuperscript{157} Thus, the factual question to be is resolved is "whether the feature for which trademark protection is sought is something that other producers . . . would have to have to have as part of the product in order to be able to compete effectively in the market . . . or whether it is the kind of merely incidental feature which gives the brand some individual distinction but which producers of competing brands can readily do without."\textsuperscript{158} According to the First Circuit's decision in \textit{I.P. Lund}: "The crucial inquiry is into the effect that granting protection will have on the opportunity of others to compete."\textsuperscript{159}

The burden of proof presents an important question that can have important consequences for trademark law and for competition. Henry Maine once stated that substance is secreted in the interstices of procedure\textsuperscript{160} — the burden of proof matters. It matters for several reasons. First, as always, in a close case the fact-finder may rely on the burden of proof to resolve an issue. Second, the burden of proof is a way in which to allocate the risk of court error, whatever its source, including evidentiary shortcomings.

Courts had been split on whether the plaintiff/trademark owner must prove that its mark is non-functional, or whether the defendant must establish functionality as an affirmative defense. The First, Third, Fifth, Sixth, Eighth, Ninth, and Eleventh

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\item 153. \textit{Qualitex}, 514 U.S. at 165 (quoting \textit{Inwood Labs.}, 456 U.S. at 850 n. 10).
\item 154. \textit{Id.} at 170.
\item 155. \textit{McCarthy, supra note 147.}
\item 156. 778 F.2d 334, 338 (7th Cir.1985).
\item 157. \textit{Id.} at 339.
\item 158. \textit{Id.}
\item 160. \textit{Henry Maine, Dissertations on Early Law and Custom} 389 (1886) ("So great is the ascendancy of the law of actions in the infancy of courts of justice, that substantive law has at first the look of being gradually secreted in the interstices of procedure.").
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Circuits had held that the plaintiff bears the burden on the issue, while the Second, Seventh, and Tenth Circuits had found the burden rests with the defendant. Although most circuits had addressed the burden of proof issue, it is striking that they often did so with little attention to the language and structure of the Lanham Act, to common law principles, or to the policy considerations inherent in this determination. Perhaps the best policy discussion of the question can be found in the First Circuit’s decision in *I.P. Lund Trading ApS v. Kohler Co.* There, the court found that considerations of policy warranted the imposition of the burden of proof on the plaintiff:

We hold that the party alleging trademark infringement and dilution bears the burden of proving non-functionality of those elements of the physical object that the plaintiff claims constitute the mark and for which the plaintiff is seeking protection. Several rationales support the burden being placed on those seeking protection, here the plaintiff. Functionality, or, more precisely, a showing of non-functionality of the elements for which protection is sought, is an essential component of the protection the law gives to trademarks and trade dress. A showing of non-functionality is essential because the doctrine prevents trademarks from limiting legitimate competition. Put differently, “functionality” plays an important role in preventing a constitutional problem between the Lanham Act and patent law. Moreover, Congress did not intend to provide Lanham Act protection to functional aspects of products, and thus it would be anomalous if the burden were not placed on the party seeking protection. Such an assignment of the burden of proof ensures that trademarks serve their intended purpose of identifying product sources.

The First Circuit also highlighted the danger of court error, noting that trademark owners might attempt to seek protection for functional elements of their products in the hope that the defendants will fail to overcome the burden of proving functionality. The court’s concern seems well-placed, as the trademark owner would have a strong incentive to invest resources in litigation if it thought that it could secure patent-like rights in a functional component of its product. In effect, placing the burden of proof on the plaintiff reduces the chance that trademark owners will engage in rent-seeking behavior.


162. *Computer Care v. Service Sys. Enters.*, Inc., 982 F.2d 1063, 1068 (7th Cir. 1992) (holding that defendants bear the burden of proof of functionality); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 520 (10th Cir. 1987) (same); *LeSportsac, Inc. v. K-Mart Corp.*, 754 F.2d 71, 75-76 (2d Cir. 1985) (same).

163. 163 F.3d 27, 37 (1st Cir. 1998).

164. *Id.* at 37-38.

165. *Id.* at 38.
Although the First Circuit's approach correctly identifies important policy considerations that warrant placing the burden of proof on the plaintiff, the approach suggested here would first require analyzing the overall statutory scheme and common law background in trademark law. This analysis, which courts had not used in resolving the burden of proof question, strongly suggests the following resolution: unless the trade dress is registered and has become incontestable, the plaintiff should bear the burden of proof on the issue of functionality. Congress has now made this first point clear (at least prospectively) in the 1998 amendments, as mentioned above. Ordinarily, a trademark owner bears the burden of proof of the validity of its mark. The Lanham Act provides that federal registration of a mark is prima facie evidence of its validity. Thus, even if a mark is registered, the burden remains on the plaintiff to show that it is valid, but the plaintiff has the benefit of a prima facie showing by virtue of the Lanham Act. If a mark has become incontestable, however, the range of grounds upon which the mark can be challenged is narrowed considerably. Nonetheless, even an incontestable mark can be challenged on ground of functionality. At this point, however, the burden of proof falls squarely on the defendant. Placing the burden on the defendant at this point seems fair, given that the mark has been successfully registered and defended for at least five years.

The functionality doctrine serves as an important bulwark against undue expansion of trademark protection, particularly in the trade dress area. A commonly raised scenario involves a functional feature that has attained secondary meaning through the success of the product—and perhaps by virtue in part of a patent monopoly. The functionality doctrine would suggest that, despite the recognition of origin and other indicia of secondary meaning with regard to the product, the functional elements of that product cannot be trademarked. For example, suppose the trademark owner is the first to invent and market a particular shape of faucet or stove. The seller may even possess patents on some aspects of the product configuration. Given the monopoly the firm has on the faucet or stove design, it is likely that consumers will come to recognize many product features of the faucet or stove as having originated with the firm. Nonetheless, the firm is not entitled to perpetual trademark or trade dress protection for the functional features in the product design. Thus, once the patent expires, competitors are free to imitate all functional features of the product, so long as they do not also imitate the non-functional trademark features.

166. See, e.g., id. at 37 ("The Lanham Act itself provides no guidance on the issue, and the caselaw contains little discussion of the rationale for allocating the burden of proof to plaintiffs or defendants.").
170. Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 165 (1989) ("For almost one hundred years, it has been well established that in the case of an expired patent, federal patent laws do create a federal right to 'copy and use.'").
precisely the result the Federal Circuit reached in *Elmer v. ICC Fabricating, Inc.*,\(^{171}\) in which it held that the plaintiff's vehicle-mounted advertising signs, which were also the subject of utility and design patents, consisted of primarily functional and unprotected elements. The alleged trade dress features of the signs made it aerodynamic, allowed drivers to see through them, and maximized visibility to the public.

Theodore Davis has suggested that the doctrine of functionality is not only consistent with the Lanham Act, but that it would in any case be constitutionally mandated – providing potentially perpetual protection for functional aspects of trade dress would directly conflict with the “limited times” requirements of the Patent Clause.\(^{172}\) Davis is very likely correct to suggest that such a constitutional problem would arise and probably would be decisive, yet the courts have adhered to the non-functionality requirement in language and generally (though not always) in spirit. Davis notes that there may be just such a constitutional conflict, however, if trademark owners are permitted to obtain trade dress protection for functional features that are combined into an overall design that is primarily non-functional.\(^{173}\) In this situation, Davis argues persuasively, the copyist is liable only if it takes non-functional elements, separate and apart from any functional features.\(^{174}\)

Welkowitz argues more fundamentally that the functionality doctrine is ill-defined and does not serve as a sufficient constraint on the assertion of trademark claims involving product configurations.\(^{175}\) Although this concern is a valid one, the results in actual, litigated cases have generally not borne out the validity of this perceived danger. The doctrine is frequently invoked, and quite often successfully so, particularly in product configuration cases. There are difficult and close cases, such as *W.T. Rogers*, which involved hexagonal-shaped stacked office trays (“in boxes”). The court ultimately determined that fact issues were presented as to whether the design served a functional purpose, even if that purpose was largely aesthetic, or whether it was a source-identifier. Judge Posner concluded that the functionality determination should hinge on whether the feature is necessary to allow effective competition in the market or whether it is an incidental feature. Posner suggests that even an aesthetic design feature can well be functional if it is necessary in order to allow effective competition.\(^{176}\)

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171. 67 F.3d 1571, 1578-81 (Fed. Cir. 1995). *See also* Vomado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498 (10th Cir. 1995) (patent law prohibits trade dress protection on product configuration that involves a “significant inventive aspect” and that is subject of a utility patent). Compare Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 288-91 (7th Cir. 1998) (no per se prohibition on trademark protection for nonfunctional aspects of product that were disclosed but not claimed in an expired utility patent); Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512, 516-17 (9th Cir. 1989) (nonfunctional aspects of product protectable even after expiration of utility patent).


173. *Id.* at 627, 637-52.

174. *Id.* at 652.


176. 778 F.2d at 345-48.
3. Likelihood of Consumer Confusion

The third doctrinal constraint on trade dress claims is the requirement that the plaintiff show a likelihood of consumer confusion. This requirement is embedded in the common law background and statutory framework of the Lanham Act, and most trade dress owners will not be able to claim protection under the Dilution Act as they will probably be unable to make the requisite showing of fame. Thus, a careful weighing of the likelihood of confusion factors is both necessary and desirable. Contrary to the view expressed by some commentators, the required showing of consumer confusion does serve as an important limitation on trade dress claims, particularly those involving product configurations. The case of L.A. Gear, Inc. v. Thom McAn Shoe Co., illustrates the point. In that case, the court addressed design patent and trade dress claims involving a line of athletic shoes. The Federal Circuit upheld the design patent claim but overturned the trade dress claim on the ground that there was an insufficient showing of a likelihood of confusion. Significantly, the court viewed the presence of the defendant's source-indicating labels and trademarks as dispelling any potential confusion that the similarity of the shoe designs would otherwise cause, particularly when combined with the different sales channels in which the products were sold. In quite a number of instances, any potential confusion attributable to the similarity of trade dress and product configurations, like those in L.A. Gear, will indeed be dispelled by prominent labelling and by the difference in sales channels.

A careful assessment of the likelihood of confusion is essential. One important difficulty is the weight to be accorded to evidence that the alleged infringer "intentionally" copies the plaintiff's mark. Courts should avoid giving too much weight to this factor. If the mark involved consists of a product configuration, courts should be wary of assuming that imitation is undesirable. In particular, if a court has erroneously found a product configuration to be source indicating or where this conclusion is at least doubtful, then according too much weight to this factor in the confusion analysis will lead to overprotection. In the copyright context, the Supreme

177. See Lemley, supra note 89, at 1701; Welkowitz, supra note 94, at 321-30.
178. 988 F.2d 1117 (Fed. Cir. 1993).
179. Id. at 1130-35. As this case illustrates, contrary to the view expressed by Klieger and others, trade dress protection is not coextensive with design patent protection. See Robert N. Klieger, Trademark Dilution: the Whittling Away of the Rational Basis for Trademark Protection, 58 U. Pitt. L. Rev. 789 (1997). The confusion element places a real and quite demanding burden upon the plaintiff.
180. Moreover, quite a few cases have found no likelihood of confusion in product configuration cases. See, e.g., International Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819 (9th Cir. 1993) (no likelihood of confusion in trade dress of audio speakers); Versa Prods. Co. v. Bifold Co., 50 F.3d 189 (3d Cir. 1995) (reversing finding of confusion as to design of control valves for oil-drilling rigs); Oddzon Productions, Inc. v. Just Toys, Inc., 122 F.3d 1396 (Fed. Cir. 1997) (no likelihood of confusion as to trade dress on toys); Big Top U.S.A., Inc. v. Wittern Group, 1998 WL 84582, at *53-54 (D. Mass. 1998) (no likelihood of confusion as to giant-sized vending machines that dispense gum balls); Central Tools, Inc. v. Products Eng'g Corp., 936 F. Supp. 58 (D.R.I. 1996) (trade dress in tools has acquired secondary meaning and was non-functional, but defendant's products did not create likelihood of confusion); Dor-Oliver, Inc. v. Fluid-Quip, Inc., 94 F.3d 376 (7th Cir. 1996) (no likelihood of confusion as to "clamshell" design of corn starch washers).
Court in *Campbell v. Acuff-Rose Music, Inc.* 181 and *Harper & Row v. Nation Enterprises* 182 has cautioned against giving excessive weight to any one factor in a balancing test, in those cases with regard to the fair use analysis.

Courts analyzing whether there is a likelihood of confusion should take into account this cautionary note. The Second Circuit’s decision in *Samara Brothers, Inc. v. Wal-Mart Stores, Inc.*, 183 recently reversed by the Supreme Court, again illustrates the problem. Compounding the court’s erroneous intent-based analysis of the distinctiveness of Samara’s seersucker garments, the court held that Wal-Mart’s “intentional” copying of the Samara style gave rise to a presumption of consumer confusion. 184 Although it is true that the court was reviewing a jury finding of confusion, it made no effort whatsoever to determine whether there was sufficient evidence to support a showing under the eight-factor likelihood of confusion analysis; instead, the court focused solely on the fact that Wal-Mart’s buyers intended to copy the Samara look. This point begs the question, particularly given the dubious finding of distinctiveness, and demonstrates a failure to engage in the type of balancing that the confusion analysis mandates and the Supreme Court in *Campbell* and *Harper & Row* found to be necessary in the copyright context. The court thus failed to distinguish between a deliberate effort to imitate (and confuse) and a deliberate effort to compete. 185

### III. THE TRADEMARK DILUTION ACT AND THE GROWTH OF DILUTION DOCTRINE

#### A. THE DILUTION STATUTE

The second principal area of expansion in trademark law is in the field of trademark dilution. Commentators have made a variety of arguments in criticizing the dilution theory. Milton Handler has suggested that the addition of a federal remedy for dilution will lead to excessive litigation, and that state dilution remedies should be constrained or narrowly interpreted. 186 Mark Lemley describes dilution as the “most obvious example of doctrinal creep in trademark law,” noting instances in which its precepts have been misapplied. 187 Robert Klieger has argued that the Trademark Dilution Act fails to focus on the concept of consumer protection (i.e., the avoidance of purchaser confusion) and instead provides “trademark rights in gross for at least some marks,” which he views as a threat to efficiency and consumer

183. 165 F.3d 120 (2d Cir. 1998), rev’d, 120 S. Ct. 1339 (2000).
184. Id. at 127 (“‘Consumer confusion’ may be proved directly by evidence of actual consumer confusion or indirectly by a showing that the copier intended to deceive consumers as to the source of the goods. Intentionally deceptive conduct thus serves as a proxy for actual consumer confusion, raising a rebuttable legal presumption that the actor’s intent to confuse will be successful.”).
185. Id. at 127 (quoting George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532, 1536 (2d Cir. 1992)).
Klieger offers two proposed solutions to the problem he perceives, one an unrealistic solution at least at this point and the other a troubling one for statutory interpretation: "Unless these state statutes and the Federal Trademark Dilution Act are repealed or read into obscurity by the courts, trademark law's historic balance between free and fair competition will falter, undermining market efficiency and consumer welfare."  

To the extent the scholarly criticism reflects dissatisfaction with the mere existence of dilution claims, the reality is that dilution theories are here to stay. The concept of dilution has gained growing legislative acceptance since Frank Schechter proposed it in 1927. Schechter recognized the informational and signaling value of trademarks, and noted that a trademark owner can suffer harm when its marks are used by others, even in the absence of competition or consumer confusion. Schechter suggested that a trademark owner suffers cognizable harm whenever there is "a gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use on non-competing goods. The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used." Massachusetts adopted the first trademark dilution statute in 1947, and about half the states eventually followed suit. The Model State Trademark Act and Restatement (Third) of Unfair Competition both contained provisions for dilution.

The push for federal legislation strengthened as the number of states enacting dilution provisions grew. There was a clear trend toward state endorsement of dilution theories, and the continuing existence of a patchwork of protection for trademarks warranted federal action. According to the House Report, a "federal dilution statute is necessary because famous marks ordinarily are used on a nationwide basis and dilution protection is currently only available on a patch-quilt system of protection, in that only approximately 25 states have laws that prohibit

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188. Klieger, supra note 179, at 789-90.
191. Id. at 825. See L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 30 (1st Cir. 1987) ("Anti-dilution statutes have developed to fill a void left by the failure of trademark infringement law to curb the unauthorized use of marks where there is no likelihood of confusion between the original use and the infringing use.").
President Clinton signed the federal Trademark Dilution Act of 1995 into law on January 16, 1996. The Trademark Dilution Act created a new provision, commonly known as section 43(c) of the Lanham Act. This provision makes the following actionable: "The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection."

In order to prevail under the Trademark Dilution Act, the plaintiff must prove four elements: (1) it owns a famous mark; (2) the defendant has made a commercial use of a mark in interstate or foreign commerce; (3) the defendant's use of the mark began after the mark became famous; and (4) the defendant's use of a mark causes dilution of the distinctive quality of the plaintiff’s mark by diminishing its capacity to identify and distinguish goods and services.

Thus, today famous marks are entitled to federal protection against dilution under section 43(c). Moreover, the Trademark Dilution Act did not preempt state dilution statutes, although the impact and remaining role of these states laws is beyond the scope of this article. In some respects it is troubling that Congress did not preempt state dilution statutes when it enacted the Act, as this action would have fostered uniformity and prevented expansive interpretations of state dilution law. Although Congress did provide that a party owning a federally registered mark has a complete defense to a state-law dilution action by a senior or other user, nothing in the language of the statute can reasonably be interpreted as preempting the state statutes.

The difficult question is how to interpret the Trademark Dilution Act in a manner that is consistent with its language and purpose, while at the same time preserving competition, maintaining low barriers to entry into markets, and offering some guidance or certainty in the application of the new law. There has been perhaps inevitable uncertainly in the early years of the Federal Trademark Dilution Act, as courts have struggled to ascertain its scope. Jerre Swann and Theodore Davis contended that an antidilution statute was unnecessary, as the common law could preclude uses that dilute distinctive marks. Some commentators, of course, have
taken a favorable view of dilution theory, often viewing trademarks as a form of property entitled to protection from encroachment, even in the absence of competition or confusion.\textsuperscript{200}

Although commentators have criticized the expansion of trademark law, particularly in the areas of dilution and protection for trade dress, this expansion is to some degree quite consistent with the statutory language of the Lanham Act, as it has been interpreted by the Supreme Court, and of the Trademark Dilution Act. Thus, barring congressional action, the search for boundaries and limits in trademark law should focus on the statutory language, the overall purposes and common law background of the statutory schemes, and principles of interpretation that the Court has used in its trademark jurisprudence, as well as in intellectual property cases generally. By applying these fundamental principles, overly expansive claims involving trademark dilution and trade dress infringement can be constrained, while allowing the courts to carry out the intent of Congress. Further, by grounding trademark dilution and trade dress claims in these fundamental principles, the courts can avoid impinging on the spheres of copyright and patent law. Thus, this article suggests a middle ground between those who argue for drastic measures to constrain trademark dilution and trade dress cases and those who seek to expand these doctrines aggressively.

B. FAMOUS MARKS, STATUTORY INTERPRETATION, AND THE PURPOSE OF DILUTION THEORY

There are several areas in which fundamental principles can provide guidance and boundaries in trademark dilution cases, particularly in assessing what constitutes a famous mark eligible for protection under the Trademark Dilution Act and in determining what the requisite showing should be for trademark dilution. There are at least two ways in which trademark dilution law should have more clearly delineated boundaries than are found in some recent decisions. First, the scope of trademarks eligible for protection under the Trademark Dilution Act should be more strictly limited to marks that have become famous. Second, there is a need for a better definition of what constitutes dilution.

Trademark dilution presents a difficult challenge because there really is scant case law addressing dilution, in contrast to trademark infringement law generally, which has a long common law history. Prior to the 1995 Trademark Dilution Act, dilution law was primarily a creature of state legislation, not common law precedent. Yet, Frank Schechter's seminal article suggests the basic premise of trademark dilution as protecting against "a gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use on non-competing goods. The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation.

\textsuperscript{200} Rudolf Callman, Unfair Competition without Competition? The Importance of the Property Concept in the Law of Trade-Marks, 95 U. Pa. L. REV. 443 (1947); Rose, supra note 79, at 682-730 (property rationales for dilution claims).
from the particular product in connection with which it has been used.\footnote{201}{Id. at 825.} As Schechter suggests, it is distinctive or unique marks that are entitled to protection against dilution, and the degree of protection afforded depends on its market recognition. Thus, fundamental principles can be discerned from the origin and purpose of the trademark dilution theory.

State dilution statutes protect highly distinctive marks, although a wider array of marks may fall within their ambit than under federal law. The Illinois statute protects famous marks and is largely identical to the federal provision.\footnote{202}{765 ILL. COMP. STAT. 1036/6 & 65 (West 2000).} The New York dilution statute, in contrast, states:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.\footnote{203}{N.Y. GEN. BUS. LAW § 368-d (McKinney/Gould/Consol. 1999).}

The California dilution statute is written even more expansively, and hence appears to protect a broader class of marks than the federal law.\footnote{204}{CAL. BUS. & PROF. CODE § 14330 (West 1999) ("Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.").} Thus, although not every state dilution statute is so limited, state dilution laws predominantly protect famous marks. For example, in \textit{Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.},\footnote{205}{875 F.2d 1026 (2d Cir. 1989).} the Second Circuit rejected a dilution claim asserted by the owners of the Lexis legal research database against the then-nascent Lexus division of Toyota. The court noted that the “plaintiff’s mark must possess a distinctive quality capable of dilution.”\footnote{206}{Id. (citing \textit{Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.}, 42 N.Y.2d 538, 399 N.Y.S.2d 628, 369 N.E.2d 1162 (1971)).} The court held that the requirement of distinctiveness would be met only in the case of a strong mark, either in terms of uniqueness or acquired secondary meaning. “In sum, the statute protects a trademark’s ‘selling power.’”\footnote{207}{Id.} Crucially, the court found that, under New York law, dilution claims cannot be asserted based on “selling power in a limited geographical or commercial area.”\footnote{208}{Id. Compare the analysis under federal law, infra notes 210-229 and accompanying text.}

Applying the New York law’s distinctiveness requirement, the Second Circuit concluded that Mead’s Lexis brand name was recognizable only among lawyers and accountants, in contrast to only one percent recognition of the mark among the general public. Without broader market recognition, there was no danger that consumers would associate the defendant’s automobiles with the plaintiff, and hence
there was no selling power in the plaintiff's brand name which might be diluted by the defendant's mark.\textsuperscript{209}

The Trademark Dilution Act explicitly limits its remedies to cases of "dilution of famous marks" and to the "owner of a famous mark."\textsuperscript{210} Given the difference in language between the federal law and the law in many states, including New York and certainly California, it is clear that only a narrow segment of marks will qualify for federal protection. The statute specifically identifies eight non-exclusive factors to be considered in evaluating whether a mark is famous:

In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to--

(A) the degree of inherent or acquired distinctiveness of the mark;
(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
(C) the duration and extent of advertising and publicity of the mark;
(D) the geographical extent of the trading area in which the mark is used;
(E) the channels of trade for the goods or services with which the mark is used;
(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
(G) the nature and extent of use of the same or similar marks by third parties; and
(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.\textsuperscript{211}

In assessing how to apply this test, courts in dilution cases should take some guidance from Supreme Court interpretation of other multiple-factor tests in intellectual property statutes. The most obvious example is the four-factor fair use test in copyright law.\textsuperscript{212} The Court's decisions in \textit{Campbell v. Acuff-Rose Music},

\textsuperscript{209} Id. at 1030-31.
\textsuperscript{210} 15 U.S.C. § 1025(c).
\textsuperscript{211} 15 U.S.C. § 1125(c).
\textsuperscript{212} 17 U.S.C. § 107 provides as follows:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, \textsuperscript{1} for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include--

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
(2) the nature of the copyrighted work;
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
(4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

\textsuperscript{1} Includes, among other things, the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the portion used, and the effect of the use upon the potential market for or value of the copyrighted work.
Inc.\textsuperscript{213} and Harper & Row v. Nation Enterprises\textsuperscript{214} offer some guidance in this regard. In both cases, the Court held that a careful balancing of the facts of each case is required to determine whether a particular use is fair. For example, in Campbell, the Court stated: "The task is not to be simplified with bright-line rules, for the statute . . . calls for case-by-case analysis. Nor may the four statutory factors be considered in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright."\textsuperscript{215} Thus, in the copyright context, the Court specifically rejected any evidentiary presumptions, or short-cuts, in the fair use analysis — in Campbell rejecting a presumption that all commercial uses are unfair and in Harper & Row refusing to presume that all news reporting constitutes fair use (or that all commercial uses are unfair).\textsuperscript{216}

Courts should analyze the eight factors in section 43(c) of the Lanham Act in the same manner as the Court has suggested in its copyright jurisprudence. Thus, courts should engage in a careful case-by-case analysis of each claim that a trademark is famous, at least where that issue is disputed by the parties. This task is not particularly onerous. In fact, it is much less so than the copyright fair use analysis, because every fair use case is different (even if it involves the same plaintiff and the same copyrighted work), whereas a trademark — once adjudicated to be famous — is likely to continue to remain famous absent abandonment, or a substantial change in market circumstances or consumer perception, or genericide. Similarly, a mark that is found to not qualify as famous would probably not be famous in later litigation, unless circumstances have changed, such as dramatically enhanced market recognition.

The determination of what constitutes a famous mark under the Trademark Dilution Act is guided by the express language of the Act, principally its eight-factor standard. It is in some ways striking that courts have not consistently and explicitly applied these factors in their discussions of famous marks. Although any multi-factor analysis will present difficulties in application, courts should at least explain how the factors lead to the result being announced. A review of cases decided since the 1995 Trademark Dilution Act took effect reveals that courts have not consistently followed this case-by-case balancing approach in assessing whether a mark is famous and thus entitled to protection against dilution. Although some courts have followed the mandated approach, others have emphasized one or two factors or have failed to discuss the issue in any depth. In TeleTech Customer Care Management, Inc. v. TeleTech Co.,\textsuperscript{217} the court found the "TeleTech" mark "probably" famous based on a brief and unpersuasive discussion, including mention of hundreds of thousands in advertising dollars, recognition and sales in the telephone-internet service industry, listing on NASDAQ, use since 1982, and federal registration. The court in

\begin{itemize}
\item \textsuperscript{213} 510 U.S. 569 (1994).
\item \textsuperscript{214} 471 U.S. 539 (1985).
\item \textsuperscript{215} Campbell, 510 U.S. at 577.
\item \textsuperscript{216} Id. at 578-82; Harper & Row, 471 U.S. at 560-63.
\item \textsuperscript{217} 977 F. Supp. 1407, 1413 (C.D. Cal. 1997). \textit{See also} Johnson Publ'g Co. v. Willitts Designs Int'l, Inc., 1998 WL 341618, at *7 (N.D. Ill. 1998) (finding Ebony magazine to be a famous mark, no doubt correctly, but with limited discussion and analysis, particularly given evidence of third-party uses).
\end{itemize}
Interpretation of the Federal Trademark Dilution Act of 1995

Intermatic, Inc. v. Toeppen,\(^\text{218}\) found that the Intermatic mark was famous based primarily on its inherent distinctiveness, registration, and fifty years of use.

Commentators have criticized a number of other decisions that found a mark famous.\(^\text{219}\) In Wawa Inc. v. Haaf,\(^\text{220}\) the court addressed whether the Wawa mark, under which a chain of convenience stores in five middle Atlantic states operates, was a famous mark. Wawa had a stronger case than the commentary would suggest. It operated over 500 stores in its regional market, had a $6 million advertising budget, owned an incontestable registered mark, and had been in operation for 90 years; the defendants opened their “HAHA” convenience store in the same market area, as there were 10 Wawa stores in the general vicinity.\(^\text{221}\) Moreover, although the court did not rely on this fact, Wawa is a fairly distinctive term for a convenience store and was not used by third parties in other markets. Some cases that have been the subject of criticism have either been overruled or otherwise should have limited precedential impact.\(^\text{222}\)

On the other hand, the court in Breuer Electric Manufacturing Co. v. Hoover Co.\(^\text{223}\) held that the Tornado mark, used in the commercial floor cleaning business, did not have sufficient recognition outside its narrow market area to be deemed a famous mark for purposes of federal law. This decision harks back to the Mead Data Central case, which similarly held that the Lexis mark was not sufficiently recognizable outside the field of legal research to preclude the use of Lexus on luxury automobiles.

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219. See Lemley, supra note 89, at 1698-99 (arguing that courts “have been quite willing to conclude that a local favorite, or a rather obscure company, is ‘famous’” and noting that “marks such as Intermatic, Gazette, Dennison, Nailtiques, TeleTech, Wedgewood (for new homes, not china), Papal Visit 1999, and Wawa have been declared famous”); see also Lori Krafte-Jacobs, Comment, Judicial Interpretation of the Federal Trademark Dilution Act of 1995, 66 U. Cin. L. Rev. 659, 669-70 (1998) (generally criticizing courts’ failure to analyze famousness of marks and summarizing cases that failed to do so).


221. Id. at 1-4.

222. Lemley, supra note 89, at 1698-99 & n.50, was correct as to the Dennison district court ruling, which was later reversed on appeal. Avery Dennison Corp. v. Sumpton, 189 F.3d 868 (9th Cir. 1999) (weighing factors and concluding that Avery and Dennison marks are not famous, given that they are surnames and are used in narrow markets, and have only moderate recognition; significant third-party use was also shown). Lemley and Krafte-Jacobs correctly note that the Gazette case failed to analyze fame properly. That case was also an ordinary trademark infringement case, and the court appears to have confused the two concepts in holding that the plaintiff’s family of Gazette newspapers in Maryland was diluted. See Gazette Newspapers, Inc. v. The New Paper, Inc., 934 F. Supp. 688 (D. Md. 1996) (holding that Gazette is descriptive term for newspaper; finding secondary meaning, trademark infringement, and dilution). See Lemley, supra note 89, at 1698-99 & n.50; Krafte-Jacobs, supra note 219, at 609 n.324. The case of Wedgewood Homes, Inc. v. Lund, 659 P.2d 377, 381 (Ore. 1983) (Wedgewood home builders), involved a state dilution statute that was interpreted as not requiring national fame, and hence it has little bearing on the federal claim. Compare Lemley, supra note 89, at 1698-99 & n.50.

223. 48 U.S.P.Q.2d 1705 (N.D. Ill. 1998). See also Michael Caruso & Co. v. Esefan Enters., 994 F. Supp. 1454, 1463 (S.D. Fla. 1998) (holding that Bongo mark for apparel has not been used sufficiently and is undermined by third-party uses, rendering it not famous); S Indus., Inc. v. Diamond Multimedia Sys., Inc., 1998 WL 21661 (N.D. Ill. 1998) (holding that Stealth mark, used in computer video business, was not famous, given limited amount and length of use and other factors).
That case, decided under New York's dilution statute, recognizes the need to identify marks which truly have selling power. As the First Circuit has recognized, "a great deal more" is required to show that a mark is famous than would be required to establish the secondary meaning required for ordinary infringement protection.224 Thus, some courts have erred in nearly equating the two concepts. As the Ninth Circuit has observed, "[d]ilution is a cause of action invented and reserved for a select class of marks - those marks with such powerful consumer associations that even non-competing uses can impinge on their value."225

Several rules of interpretation can be inferred from the statutory language of the Trademark Dilution Act. First, a trademark may be eligible for protection based on either its inherent distinctiveness or its acquired distinctiveness (secondary meaning) or, presumably, both. Thus, a mark that initially was descriptive but which has become well known and has acquired substantial secondary meaning, such as "Greatest Show on Earth" or "Holiday Inn," might be entitled to very limited protection from dilution, although the best case can be made for coined terms such as Wawa and Intermatic.226 Second, the duration and extent of use is a factor, which may explain some why marks such as those in the Intermatic decision may be entitled to protection, even if they are not household names.227 Third, the extent of advertising and publicity clearly is an important factor. Fourth, courts should consider the geographic area in which the plaintiff's mark is used. Accordingly, a mark that is used on a nationwide, or world-wide, basis is more likely to be entitled to protection, although strikingly there is no per se rule against protection for regional or localized marks. Rather, the geographic scope of the mark is simply a factor in the analysis, to be balanced with the others. Thus, in WAWA, the court balanced this factor against the plaintiff's otherwise strong showing of fame, whereas the Star Markets court found a lack of fame in light of the plaintiff's one-state market and other factors. Fifth, the extent of third-party use is certainly significant, as a strong

224. Lund, 163 F.3d at 47.

225. Avery Dennison, 189 F.3d 868. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, comment e (1995) ("A trademark is sufficiently distinctive to be diluted by a nonconfusing use if the mark retains its source significance when encountered outside the context of the goods or services with which the mark is used by the trademark owner.").


227. In contrast, when a fairly common term has been used as a mark in only one state, albeit quiet successfully, it does not qualify as famous. See, e.g., Star Mkt., Inc. v. Texaco, Inc., 950 F. Supp. 1030 (D. Hi. 1996) (holding that Star Markets, a successful grocery chain located only in Hawai'i, was not famous under the Dilution Act, and thus cannot prevent use of Texaco Star Marts, given that mark involves common term, has been used by third parties in other markets, was unregistered and has only been used in local area). A number of decisions have rejected dilution protection in cases of fairly common marks that have been in use for short periods of time. See, e.g., King of the Mountain Sports, Inc. v. Chrysler Corp., 968 F. Supp. 568, 577-78 (D. Colo. 1997) (holding that hunting apparel maker's "King of the Mountain" mark was not shown to have sufficient use outside narrow market, nor sufficient recognition, to qualify as famous); Genovese Drug Stores, Inc. v. TGC Stores, Inc., 939 F. Supp. 340, 349-50 (D. N.J. 1996) (holding that drug store's "We'll take good care of you" mark was not famous, given limited use for nine years and common nature of slogan).
argument can be made that a mark does not have unique selling power if it is widely used by others, as in the Columbia University, Sports Authority, and Clue cases.\textsuperscript{228} Finally, courts should consider whether the mark has been registered under federal law. Once again, it is important to note that this factor is one among many, and the statute in no respect indicates that a mark is famous merely because it is registered. Conversely, it is possible for a mark to be famous, but unregistered.\textsuperscript{229}

By following these fundamental principles of interpretation, courts should be able to address one of the major criticisms leveled against the Trademark Dilution Act—that all manner of marks are being accorded broad protection against dilution, even those that are not truly famous. On the other hand, the criticisms of some commentators—those who wish to impose per se rules or presumptions against protection of certain types of marks—are clearly inconsistent with the language and purpose of the statute. Although there is nothing wrong with taking this viewpoint, it is necessary to acknowledge that this view is not at all consistent with the express language of the Trademark Dilution Act and that the argument should be addressed to Congress, or labeled as a generalized discussion of what the law should be.

C. DEFINING THE CONCEPT OF DILUTION: ALL IS NOT SWEETNESS AND LIGHT

A second major area of debate regarding trademark dilution is the question of what constitutes infringement of a famous mark by dilution. In other words, what is the boundary or protected realm of famous marks. Not every use of a famous mark necessarily dilutes that mark. On this issue, there is relatively little statutory guidance, as the Act itself merely states that “[t]he owner of a famous mark shall be entitled . . . to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark . . . .”\textsuperscript{230}

Giving meaning to trademark dilution theory is an important step in resolving the uncertain boundaries of this relatively new claim. There are at least two approaches. A majority of courts apply a “likelihood of dilution” analysis, frequently focusing on the so-called “Sweet factors,” named after Judge Sweet’s concurring opinion in Mead

\textsuperscript{228} Trustees of Columbia Univ. v. Columbia Healthcare Corp., 964 F. Supp. 733, 750 (S.D.N.Y. 1997) (no dilution of the distinctiveness of Columbia University mark by defendant Columbia in the health-care field, given third party use of the same or similar marks); Sports Authority, Inc. v. Abercrombie & Fitch, Inc., 965 F. Supp. 925, 941 (E.D. Mich.1997) (Sports Authority’s trademark for “authority” has been diminished by third party use and was “not so famous as to deserve protection under the federal dilution statute”); Hasbro, Inc. v. Clue Computing, Inc., 66 F.Supp.2d 117, 132 (D. Mass. 1999)(finding that Hasbro “has failed to establish that its [Clue] mark, which is a common word that numerous third parties use, is famous and thus entitled to protection from dilution”); Star Markets, 950 F. Supp. at 1035-36 (noting third-party uses of Star Market weighs against fame of plaintiff’s mark).

\textsuperscript{229} Congress explicitly allowed for the protection of both registered and unregistered marks under section 43(c), just as the other provisions of section 43 are applicable to both. See 15 U.S.C. § 1125 (protecting any mark).

\textsuperscript{230} 15 U.S.C. § 1125(c) (emphasis added).
Others explicitly or implicitly require a showing of actual dilution. The Fourth Circuit, for example, in *Ringling Brothers-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, required a showing that the marks are sufficiently similar to cause a mental association and further that this association will cause actual harm to the plaintiff. A blurring claim requires a showing that the defendant’s use of a substantially similar mark causes the plaintiff’s mark to lose its ability to serve as a unique indicator or identifier of the plaintiff’s product or service, i.e., to lose its selling power. Tamishment claims require a showing that a famous mark is improperly associated with an inferior or offensive product or service. In both instances, there is a showing of harm to the ability of a famous mark to indicate a source and provide information as a result of being associated with an unlicensed use.

An important question in assessing whether dilution has occurred is whether the so-called Sweet factors developed in *Mead Data Central* provide the appropriate conceptual framework. These factors are: (1) the similarity of the marks; (2) the similarity of the product markets covered by the marks; (3) the sophistication of consumers; (4) the defendant’s predatory intent; (5) the renown of the senior mark; and (6) the renown of the junior mark. Courts and commentators are divided regarding whether these factors appropriately and correctly define the boundary of dilution claims. There is a strong argument that these factors too closely resemble the ordinary likelihood-of-confusion analysis and fail to recognize the conceptual difference between trademark infringement’s focus on confusion of purchasers and dilution theory’s focus on harm to the selling power of the mark.

It is important to require a strong showing of some actual harm through either blurring or tarnishment. Thus, a claim by a trademark owner that any use of the same or similar mark will constitute blurring should be rejected, though courts have done

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231. *See, e.g., Mead Data Central, 875 F.2d at 1031; Porsche Cars N. Am., Inc. v. Manny's Porshop, Inc., 972 F. Supp. 1128, 1132 (N.D. Ill. 1997) (noting likelihood of dilution standard and suggesting that "even innocuous use[s]" are prohibited).


233. *See Ringling Bros., 170 F.3d at 452; Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1326 n.7 (9th Cir. 1998). An example of tarnishment is the use of "Enjoy Cocaine" on a poster, which also makes use of the Coca-Cola script and coloring. Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972). Cf. Toys "R" Us, Inc. v. Feinberg, 26 F.Supp.2d 639, 644 (S.D.N.Y. 1998) (holding that use of "Guns Are Us," "Guns are We," and "gunsareus.com" are sufficiently distinct as not to tarnish or cause association with Toys "R" Us brand name).

234. See, e.g., Lynda J. Oswald, "Tarnishment" and "Blurring" Under the Federal Trademark Dilution Act of 1993, 36 AM. BUS. L. J. 255, 285-98 (1999) (arguing only the first Sweet factor is relevant to blurring analysis); Welkowitz, *supra* note 94, at 358-66; see also Patrick M. Bible, *Defining and Quantifying Dilution under the Trademark Dilution Act of 1995: Using Survey Evidence to Show Actual Dilution*, 70 U. COLO. L. REV. 295, 311 (1999) ("[d]espite reliance on the test by many courts, the factors do not adequately isolate the harm caused by dilution from the harm in a typical 'likelihood of confusion' case and, to some extent, completely misapply the dilution concept"; suggesting that the similarity of products and predatory intent factors are inappropriate).

235. *See supra* note 229 (citing criticisms of Oswald and Bible).
so only inconsistently. There should be a demanding requirement of similarity, as any significant alteration of the mark will dispel any association and any harm to the selling power of the mark, as in Ringling Brothers. The similarity of markets issue might have some bearing, as consumers are more likely to make an association between say, an automobile mark used in connection with the sale of car polish as compared to diapers, although courts must recognize that even the latter case can still be actionable upon a proper showing. Consumer sophistication seems irrelevant, as does predatory intent (which is specifically addressed in the statutory remedy provision) and the renown of the defendant's mark. The renown of the plaintiff's mark also appears to be a necessary condition for relief, and thus adds little to the analysis.

What should be required is a showing that consumers in fact have or will make an association between the plaintiff's famous mark and that of the defendant, and that this association has or will undermine the mark's selling power and presence in the marketplace. Further, it is important to give full consideration to the three defenses Congress incorporated into section 43(c): fair use in comparative advertising, noncommercial uses, and news reporting and commentary. Courts generally have accorded due recognition of these defenses, for example, allowing a former Playboy "Playmate of the Year" to identify herself as such and permitting (at least under trademark law) a parody of the O.J. Simpson trial involving Dr. Seuss, entitled "The Cat Not in the Hat."

The control element is significant in both blurring and tarnishment cases, in that allowing another party to use a famous mark places the control of that use in the hands of a party that has not substantially invested in that mark and may not maximize its value. To recover, however, it is important to establish that consumers in fact will make the harmful mental association. In other words, proof of actual dilution is necessary. This requirement is quite consistent with the language of the Dilution Act, which differs from some state statutes that focus on a likelihood of dilution, such as the New York statute. Such a requirement serves to limit

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240. See supra note 220 and accompanying text. A number of commentators have noted this distinction, though with differing views on its significance. See Bible, supra note 234, at 311 (1999) (actual dilution should be required); Krafte-Jacobs, supra note 219, at 667-68 (dilution required); Klieger, supra note 179, at 840 (arguing that a likelihood of dilution requirement is more consistent with purpose of dilution statute).
dilution claims and avoid providing rights in gross or a monopoly on language.\textsuperscript{241} Thus, requiring proof of actual dilution through blurring or tarnishment of a famous mark is consistent with both the statutory language and the overall purpose of dilution theory in the scheme of federal protection for trademarks. The plaintiff can prevail under a dilution theory only if it can show harm to its selling power. And this type of harm will not be clear in every case, as some uses might not diminish the plaintiff's selling power. Hence the Fourth Circuit in \textit{Ringling Brothers} held that Utah's use of the phrase "The Greatest Snow on Earth" does not dilute the plaintiff circus' slogan, the "Greatest Show on Earth."\textsuperscript{242} Significantly in that case, the defendant's use of its slogan actually enhanced the recognition (and thus selling power) of the plaintiff's slogan.\textsuperscript{243} Although this requirement will make it more difficult for trademark owners to prevail in dilution cases, it is an important limiting principle that seems compelled by the statutory language. The statute requires a showing that actual dilution has or will occur, and accordingly a "likelihood of dilution" will not suffice.

\textsuperscript{241} See \textit{Ringling Bros.}, 170 F.3d at 452-56. The court later noted that some uses will not cause harm, "whether for lack of exposure, general consumer disinterest in both marks' products, or other reasons." \textit{Id.} at 460.

\textsuperscript{242} \textit{Ringling Bros.}, 170 F.3d at 462-63.

\textsuperscript{243} See \textit{id.} at 463 (noting that plaintiff's slogan was recognized by 46% in Utah, where the defendant had advertised its slogan, but only 41% elsewhere in the country). Similarly, a court found that a bar may use the phrase "The Greatest Bar on Earth" without causing dilution of the circus mark. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp., 937 F. Supp. 204, 210-14 (S.D.N.Y. 1996) (holding that use of common phrase to promote bar does not violate Dilution Act, using a "likelihood of dilution" standard). Ringling Brothers' problem is that its phrase is simply too common to be protected from highly disparate (and non-identical) uses by bars and travel departments.
IV. DILUTION OF TRADE DRESS: STATUTORY INTERPRETATION, BOUNDARIES, AND PROPERTY RIGHTS

A. THE APPLICABILITY OF DILUTION THEORY TO TRADE DRESS AND PRODUCT CONFIGURATIONS

Last year, the Journal of Intellectual Property Law had a clever idea for a symposium issue. The topic was "The Worst Intellectual Property Opinion Ever Written."244 One of the nominees, suggested by Paul Heald, was Sunbeam Products, Inc. v. West Bend Co.245 In that case, the plaintiff Sunbeam claimed that the defendant had unlawfully copied the trade dress of its Mixmaster stand mixer. The lower court found that the plaintiff's design was distinctive and non-functional, and that it was entitled to protection on the ground that there was a likelihood of consumer confusion created by the defendant's sale of a similar mixer. What rankled Heald was the court's dictum that the plaintiff's design was also entitled to protection under the Federal Trademark Dilution Act as a famous mark.246 The district court's decision could quite reasonably be criticized for reaching an issue that was unnecessary to the resolution of the case. Indeed, the Fifth Circuit wisely chose not to address the dilution question. Heald's criticism, however, is more fundamental. In his view, the decision "is dangerous not only because of its ultimately unhealthy holding, but because of the unobtrusive and insidious manner in which it threatens to infect the corpus of intellectual property law."247

The issue Heald raises is an important one regarding the interaction of the two major bodies of trademark law discussed here, trade dress protection and trademark dilution. Can trade dress qualify for protection under the Dilution Act? Heald suggests that the answer is that it cannot and that if it did the result would be, to use his term, "cancerous."248 This article addresses primarily the first of his objections. Heald may well be correct that the application of dilution concepts to trade dress will threaten the boundaries of trademark law, potentially exceeding Congress' power or conflicting with patent law policies. Given the interpretive rules set forth here, however, there is no statutory or decisional basis on which to establish a per se bar to protection of trade dress under the Dilution Act.

First, Heald concedes, as he must, that there in nothing in the language of either the Lanham Act or the Trademark Dilution Act that precludes protection for trade dress against dilution.249 His argument is that the legislative purpose of the Dilution Act was merely to federalize state dilution law, and "no state ever applied its dilution

244. 5 J. INTELL. PROP. L. 397 (1998).
246. Heald, supra note 245, at 415-16.
247. Id. at 416.
248. Id. at 415 (the result illustrates the "broader cancer of over-expansive intellectual property rights").
249. Id. at 418-19.
statute to protect product configuration." He dismisses the legislative history's silence on the issue as the result of the fact that Frank Schechter's 1927 article and other discussions of dilution had not raised the possibility, and so there was no reason to include language to preclude it. His principal basis for barring such protection, however, is on a construction of the federal law generally. He suggests that allowing product configurations to have protection against dilution would conflict with design patent law. Although most of the force of his argument is drawn from the Sears-Compco-Bonito Boats line of cases, these cases all dealt with federal patent law preemption of state law and hence are not directly on point (as Heald acknowledges). He views the application of dilution law to product configurations as such a radical departure from the prior balance struck by Congress that it cannot be assumed — "Given the history of the statute and the interpretive rationales provided by a long line of preemption and registration cases preceding it, the word 'mark' in 15 U.S.C. § 1125(c) cannot possibly have been intended by Congress to include product configurations. If 'mark' is construed as suggested herein, then the federal patent and trademark laws will continue to rest comfortably together, as Congress undoubtedly intended."

Although Heald's view that dilution law should not protect product configurations is perhaps sound as a matter of general policy, it has no basis in the language and structure of the Dilution Act and the Lanham Act, and little basis in the overall intellectual property scheme Congress has enacted. Under the interpretive approach set forth here, the per se disqualification of source-identifying, non-functional, famous trade dress from the benefits of the Trademark Dilution Act does not pass muster. Like other distinctions that have met ignominious fates before the Supreme Court — that a color alone cannot serve as a trademark in Qualitex, or that trade dress cannot be inherently distinctive but rather must be proven to have secondary meaning in Two Pesos — there is little basis for a product configuration carve-out in the Dilution Act. It is probably a good idea not to have litigation over the dilution of product configurations, and perhaps Congress should enact just such a limitation. The Supreme Court's ruling in Samara provides some new support for Heald's position, given the Court's concern regarding the competitive implications of protecting product configurations. Nonetheless, Samara does allow for protection of source-identifying product configurations upon a showing of secondary meaning, and it does not address whether that configuration can ever attain a sufficient level of recognition for protection under the Dilution Act.

Although Heald correctly observes that there appear to be no reported product configuration trade dress dilution cases prior to enactment of the Trademark Dilution Act late in 1995, he seems to understate the extent to which product packaging trade

250. Id. at 419.
251. Id. at 419-20.
252. Id. at 425.
253. Id. at 429.
254. 120 S. Ct. 1339 (2000).
dress was litigated and sometimes protected. Thus, Heald's argument that congressional intent can be divined from its understanding of state dilution law is unpersuasive. It can be argued, instead, that the notion that dilution law could apply to trade dress in general was fairly well established and that the further extension of it to product configurations in particular under either state law or the new federal dilution law was quite clearly foreseeable. The failure of Congress to preclude such protection under the Dilution Act can therefore justify application of that Act to any trade dress that satisfies the Act's demanding prerequisites.

More fundamentally, it can also be argued that foreseeability does not matter when the statute is written in broad terms. For example, in *Diamond v. Chakrabarty*, the Supreme Court looked to the broad language of the Patent Act in rejecting a claim that Congress did not foresee that the patent laws might be construed to apply to a genetically engineering microorganism: "Our obligation is to take statutes as we find them, guided, if any ambiguity appears, by the legislative history and statutory purposes. . . . This Court frequently has observed that a statute is not to be confined to the 'particular [applications] . . . contemplated by the legislators.'"

The *Sears-Compco-Bonito Boats* objection to trade dress protection for product configurations is a serious and troubling one. A number of commentators have highlighted the potential conflict between the broad notion of this line of decisions—a federal right to copy—and the restriction of the right to copy that results when the dilution concept is applied to product configurations. Indeed some courts and commentators believed, even prior to enactment of the Dilution Act, that ordinary trademark protection already posed such a conflict. Rochelle Dreyfuss, among

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255. Heald acknowledges only two preexisting lower court opinions, which he states assumed without discussion that state dilution law applied to trade dress, and he incorrectly states that New York's dilution law did not recognize such a claim (relying on a 1983 district court opinion). *Id.* at 417-18 & nn.18-20. In fact, New York dilution law did protect trade dress, and quite explicitly so, before the late-1995 enactment of the Federal Trademark Dilution Act. See Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260 (Fed. Cir. 1995) (addressing successful trade dress dilution claim under New York law; 1994 published lower court opinion, including jury verdict, see 851 F. Supp. 532 (S.D.N.Y. 1994), for one opinion); Merriam-Webster, Inc. v. Random House, Inc., 35 F.3d 65 (2d Cir. 1994) (unsuccessful trade dress dilution claim involving dictionaries, under New York law; failed on grounds of lack of sufficient distinctiveness, but court did note that trade dress was capable of protection under state dilution act); Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033 (2d Cir. 1992) (unsuccessful trade dress dilution claim, under New York law, which failed on grounds of lack of sufficient distinctiveness); NutraSweet Co. v. Stadt Corp., 917 F.2d 1024 (7th Cir. 1990) (unsuccessful trade dress dilution claim under New York law, which failed because court held that color-only marks were not entitled to protection); Tetra Sales v. T.F.H. Publications, Inc., 839 F.2d 881 (2d Cir. 1988) (trade dress dilution claim, under New York law, based on trade dress of pet books); Ben Berger & Son, Inc. v. American Motorist Ins. Co., 36 U.S.P.Q.2d 1105 (S.D.N.Y. 1995) (insurance coverage litigation discussing trade dress dilution claim). There was also an unsuccessful product configuration dilution case tried before a judge in mid-1995. See Judith Ripka Designs, Ltd. v. Preville, 935 F. Supp. 237, 239 (S.D.N.Y. 1996) (under New York dilution statute, line of "ancient inspired" jewelry was not inherently distinctive and lacked secondary meaning).


257. *Id.*

258. See Gleiberman, *supra* note 94, at 2058-62; Welkowitz, *supra* note 94, at 299. Some courts have also expressed this view. Stormy Clime Ltd. v. Progroup, Inc., 809 F.2d 971, 977-78 (2d Cir. 1987) (noting concern); Ferrari S.p.A. v. Roberts, 944 F.2d 1235, 1248 (6th Cir. 1991) (same) (Kennedy, J.,
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others, has expressed concern regarding the general scope of trade dress protection and with the potential conflict with the Supreme Court's patent preemption decisions.²⁵⁹

Although commentators frequently rely on the Sears-Compco-Bonito Boats line of decisions, these cases have only limited applicability to the issue of Lanham Act protection for product configurations. As several courts and commentators have argued or acknowledged, the principal import of these decisions involves preemption of patent-like protections under state law.²⁶⁰ This view seems correct. In Sears, the Court addressed a claim by Stiffel that Sears' version of Stiffel's pole lamp had infringed its federal patents and constituted unfair competition under state law. The patents were found to be invalid but Stiffel prevailed on its state law claim. The Court held that "[a]n unpatented article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so."²⁶¹ Similarly, the Court in Compco held that state unfair competition law could not preclude copying of functional aspects of the plaintiff's fluorescent lighting system. To permit such relief would "interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain."²⁶²

The Court in Bonito Boats had occasion to clarify the scope of the preemptive sweep of the prior decisions. Justice O'Connor, writing for a unanimous Court, noted that "the broadest reading of Sears would prohibit the States from regulating the deceptive simulation of trade dress or the tortious appropriation of private information."²⁶³ Significantly, the Court rejected that interpretation even as to state law: "while Sears speaks in absolutist terms, its conclusion that the States may place some conditions on the use of trade dress indicates an implicit recognition that all state regulation of potentially patentable but unpatented subject matter is not ipso facto preempted by the federal patent laws."²⁶⁴ Rather, Sears prohibits the states from offering patent-like protection for unpatented products or designs.²⁶⁵ Throughout this discussion, the Court makes it clear that its focus is on the potential interference of state law protections upon the federal patent scheme; thus Florida's prohibition on direct-mold copying of boat hulls was found to be preempted.²⁶⁶ Justice O'Connor (dissenting).


²⁶⁰. See, e.g., Ferrari S.p.A. v. Roberts, 944 F.2d 1235, 1241 (6th Cir. 1991); Welkowitz, supra note 94, at 300-04 (noting that these cases involved preemption of state law but contending that they nonetheless provide the lynchpin for evaluating possible encroachments upon federal patent law from other federal statutes).

²⁶¹. Sears, 376 U.S. at 231.

²⁶². Compco, 376 U.S. at 237.


²⁶⁴. Id.

²⁶⁵. Id. at 156-57.

²⁶⁶. Id. at 156-57, 167-68.

concluded: "It is for Congress to determine if the present system of design and utility patents is ineffective in promoting the useful arts in the context of industrial design."\textsuperscript{267}

These decisions, thus, do allow room for \textit{federal} protection of various kinds, including a specific statute governing industrial design and a general trade dress protection law (which can encompass product configurations that have secondary meaning and are thus source identifying). The real difficulty, then, is not with the \textit{Sears-Compco-Bonito Boats} line of decisions, as these decisions acknowledge that Congress is free to regulate in this area. The conflict will be presented by the argument that trademark law protection impermissibly provides potentially perpetual protection for product designs in violation of the Patent Clause's "limited times" provision.

It should be noted that, as a practical matter, few successful cases of product configuration dilution are likely to arise, as the product configuration (or any trade dress for that matter) must be proven to be protectable based on acquired distinctiveness (and on ground of either inherent or acquired distinctiveness in the case of trade dress) and to be non-functional simply in order to receive protection under the Lanham Act. Thus Kendall-Jackson's grape leaves, the Sak, Whimsicality's costumes (including bumble bees, jack o'lanterns, frogs, turtles, ladybugs, and lions), and the cover of Sports Traveler magazine all failed to meet the threshold requirement of distinctiveness.\textsuperscript{268} So did the mission-style furniture in \textit{L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co.}\textsuperscript{269}

To receive the further protections of the Dilution Act, the trade dress must be famous and must be diluted in some fashion by the defendant's actions. It is probably rare indeed to find examples of product configurations that are well-known enough to be famous, and this article suggests that courts should enforce that standard rigorously. In \textit{Hershey Foods Corp. v. Mars, Inc.},\textsuperscript{270} which involved a claim of dilution of product packaging trade dress (not a product configuration), the court held that the plaintiff's peanut candy wrapper consisting of orange, brown, and yellow colors was not famous, even though survey evidence showed that 94 percent of consumers recognized the trade dress with the brand name obscured.

\textsuperscript{267} \textit{Id}. at 168.

\textsuperscript{268} Each of these cases included trade dress dilution claims. \textit{See Kendall-Jackson, 150 F.3d} at 1045 (trade dress dilution claim fails because grape leaf is generic); Indonesian Imports, Inc. \textit{v. Old Navy, Inc.}, 1999 WL 179680, at *7 (N.D. Cal. 1999) ("The Sak" trade dress is generic); Whimsicality, Inc. \textit{v. Battat}, 27 F. Supp.2d 456, 460-64 (S.D.N.Y. 1998) (trade dress dilution and infringement claims fail as costume manufacturer failed to show that costumes were distinctive); \textit{Sports Traveler, Inc. v. Advance Magazine Publishers, Inc.}, 25 F. Supp. 2d 154 (S.D.N.Y. 1998) (magazine cover neither inherently distinctive nor shown to have secondary meaning).

\textsuperscript{269} 79 F.3d 258 (2d Cir. 1996) (applying Second Circuit's approach and finding trade dress not protected and hence rejecting dilution claim).

\textsuperscript{270} 998 F. Supp. 500, 514-20 (M.D. Pa. 1998). The packaging was Reese's peanut butter cups. Product packaging trade dress can be found to be famous and capable of protection under the Dilution Act. The influential case of \textit{Clinique Laboratories, Inc. v. Dep Corp.}, 945 F. Supp. 547, 561-62 (S.D.N.Y. 1996), held that Clinique's trade dress was entitled to protection as a famous mark and that a competitor's imitation of its packaging constituted dilution. The trade dress consisted of packaging for Clinique's Basique line of skin care products.

Further, most cases where the configuration has been found to be protectable (i.e., source indicating) and non-functional should be resolved under the traditional rules of trademark law, upon a showing of likelihood of confusion, as in the Fifth Circuit’s Mixmaster decision in Sunbeam. The defendant’s trade dress must also be substantially similar to that of the plaintiff. In the few cases that might remain, the plaintiff will be obligated to show that there is some real blurring or tarnishment, either of which result in dilution of the mark’s selling power.

The case law on the subject bears this point out. In Nabisco, Inc. v. PF Brands, Inc., the court found that Nabisco’s “Goldfish” crackers were inherently distinctive and famous marks. The goldfish shape was also a federally registered, incontestable trademark. The defendant marketed “CatDog” dog food, which included cheese crackers in the shape of goldfish. The court noted that the presence of Nabisco’s goldfish-shaped crackers in the pet food mix would blur or weaken the immediate recognition of the plaintiff’s mark.

Another good illustration of the use of dilution theory in a product configuration case is Liquid Glass Enterprises, Inc. v. Porsche A. G., in which the court held that the use of Porsche trademark and trade dress (including an image of the automobile itself) in magazine and video advertisements for car polish constituted actionable dilution. The defendant conceded that the Porsche mark and trade dress were famous, but argued that no dilution had taken place. Although there was a naked woman “discreetly” shown taking a shower in a scene in the defendant’s video, the court did not reach the issue of whether this association was tarnishing. It found sufficient dilution through blurring, in that recurring uses of Porsche imagery would blur its distinct presence in the market.

The case of Ferrari S.p.A. v. Roberts provides a good illustration of a weak trademark infringement case that would be a good candidate for analysis under dilution theory. In that case, Ferrari sought to prevent the sale of fiberglass kits that replicated the exteriors of two limited-edition Ferrari vehicles, the Daytona Spyder and the Testarossa. The defendant sold these kits to consumers, who obviously knew they were not buying the real deal, and the kits would then be installed onto the chassis of another vehicle. The kits did not bear the Ferrari name or logos. Given the fame and distinctiveness of the Ferrari designs, there is a strong argument that it should be able to prevent this type of use. And indeed dilution theory provides a

271. 123 F.3d at 259-60 & n.28 (finding trademark infringement and declining to reach dilution claim).
274. Samara now precludes protection for a product configuration based on inherent distinctiveness, see supra notes 52-57, but Nabisco undoubtedly could establish secondary meaning and hence still receive trademark protection under present law.
275. Id. at 209-10.
277. Id. at 404.
better avenue for this relief, as there is some argument that consumer confusion is really quite unlikely on these facts.\textsuperscript{278}

An important decision in this area of trade dress law is \textit{I.P. Lund Trading ApS v. Kohler Co.}\textsuperscript{279} In that case, the plaintiff sold a kitchen and bathroom faucet under the name VOLA. It was a distinctive product design that was widely recognized in the high-end faucet mark and which was sufficiently unusual as to be on display in the Museum of Modern Art's design collection. Kohler, the defendant, began producing a similar faucet under its Falling Water brand.\textsuperscript{280} The plaintiff pursued both trade dress infringement and dilution claims for its faucet design. The lower court concluded that the faucet (though not inherently distinctive) was protectable as trade dress because it had acquired secondary meaning, but found no likelihood of confusion. As to the dilution claim, the court found that the VOLA faucet was famous and that Kohler's version had diluted its identity in the marketplace.\textsuperscript{281}

The First Circuit addressed a number of important trade dress issues. As to fame, the court held that showing trade dress to be famous for purposes of the Dilution Act requires a much greater showing of source-indicating ability than is required in an ordinary infringement case. The court also rejected use of the "Sweet" factors for determining whether dilution had occurred, instead focusing on whether consumers "will perceive the [parties'] products as essentially the same."\textsuperscript{282} Applying these standards, the court found that the plaintiff's faucet design did not meet the demanding fame threshold and that no dilution had been shown.\textsuperscript{283} This case demonstrates the difficult course that a trademark holder must navigate in order to assert dilution claims for product configurations. Finally, the \textit{Pebble Beach} golf course case, discussed above, included a trade dress dilution claim as well as an ordinary infringement claim. The defendant's challenge to all of the plaintiff's claims focused on the protectability of the trade dress, which the court found to be descriptive but protected on the basis of strong secondary meaning. The defendant did not appeal the finding that the plaintiff's trade dress was sufficiently famous to support a dilution claim.\textsuperscript{284} Whether or not it would meet this standard, the Fifth Circuit did not need to address the merits of the dilution claim, as the plaintiff was able to obtain limited relief under traditional trade dress infringement principles.

As these cases illustrate, traditional trademark doctrine can sufficiently address most trade dress cases under a standard infringement analysis. So long as courts carefully apply the fame threshold and the dilution standard in those few cases where these issues are presented, the fundamental policies of the Dilution Act can be

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\textsuperscript{278} Dreyfuss, \textit{supra} note 255, at 134 (persuasively arguing that consumer confusion was not likely in \textit{Ferrari} even though the court had upheld a finding of confusion for purposes of the plaintiff's section 43(a) claim).

\textsuperscript{279} 163 F.3d 27 (1st Cir. 1998).

\textsuperscript{280} \textit{Id.} at 32.

\textsuperscript{281} \textit{Id.} The plaintiff had not sought design patent protection. \textit{Id.}

\textsuperscript{282} \textit{Id.} at 33.

\textsuperscript{283} \textit{Id.} at 46-50.

\textsuperscript{284} \textit{Pebble Beach}, 155 F.3d at 546 n.15.
implemented without any serious threat to competition or to intellectual property policy.

B. ADDRESSING THE REMAINING AREAS OF DOUBT

There are two real areas of concern in the application of dilution law to product configurations. The first is the case of a firm with a famous mark consisting of a non-functional product configuration. The firm brings suit against a competitor who has imitated this product configuration, claiming both ordinary infringement and dilution. If the plaintiff fails to prevail on its infringement claim because it could not establish a likelihood of consumer confusion, can it circumvent this failing by asserting that dilution theory fills the gap and provides a remedy? In other words, can the plaintiff argue that even in the absence of confusion, there would be blurring or tarnishment? The tarnishment case is not particularly problematic, because by definition it would require a showing of some sort of unsavory association or harm to the plaintiff's reputation. This additional element will rarely be provable. If it is shown, the plaintiff should be entitled to relief under present law; one could view this showing of tarnishment as akin to the "extra element" courts require of state law claims to avoid preemption under federal patent or copyright law.\footnote{But what if the claim is dilution by blurring - that the mere fact that the defendant is selling a product with a similar product configuration dilutes the plaintiff's famous mark. Such a claim, if permitted on this basis, would not only be an end-run around the confusion requirement of traditional trademark law, but it would indeed give rise to design patent-type protection for product configurations. This problem can be avoided by a careful understanding and rigorous application of the concept of dilution. Dilution is not simply a trademark infringement case where the plaintiff cannot show confusion. If it were, there would be little need for infringement claims as to any mark that qualifies for protection from dilution. In other words, dilution law is not simply a short-cut around the confusion requirement of traditional trademark and unfair competition law. Rather, it requires a showing of some impermissible harm to the selling power of a mark. Courts could well conclude that the owner of a famous product configuration who is unable to show consumer confusion when faced with a competitor's replica or close imitation of its product design is precluded from circumventing the confusion requirement by asserting that the defendant's action nonetheless is actionable under dilution theory. Such an

\footnote{Cases in which a competitor makes use of a mark in an unfavorable way for purposes of commercial advertising (but not in truthful comparative advertising) might fall into this category. Compare Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 41, 44 (2d Cir. 1994) (upholding state dilution claim as to competitor's use of animated version of Deere's leaping deer logo, which "looks over its shoulder, jumps through the logo frame (which breaks into pieces and tumbles to the ground), hops to a pinging noise, and, as a two-dimensional cartoon, runs, in apparent fear, as it is pursued by the Yard-Man lawn tractor and a barking dog" in defendant's commercial); see also Eveready Battery Co. v. Adolph Coors Co., 765 F. Supp. 440 (N.D. Ill. 1991) (beer manufacturer's spoof of Energizer Bunny trademark; relief under Lanham Act and state dilution statute denied). A similar claim may thus arise as to source-indicating configurations.}
approach has not been taken to date, but it may be one way to avoid the potential for
design patent-type protection for trademarked product configurations.

The benefit of this approach is that it does permit application of dilution law to
famous product configurations where the plaintiff can satisfy all of the elements
required by the Dilution Act. The trademark owner could assert dilution claims
involving non-competing but commercial uses of its trade dress, such as a car polish
advertisement that makes use of Porsche automobiles or pet food that contains
goldfish-shaped crackers. This preserves the ability of the trademark owner to protect
the selling power of its mark and to control commercial uses of it even in the absence
of confusion—which is certainly the fundamental purpose of the Dilution Act. When
the trademark owner’s claim is against a competitor, on the other hand, its failure to
show consumer confusion casts doubt upon the validity of its dilution claim. In order
to prevail, it would be required to show tarnishment, which could quite possibly exist
even in the absence of confusion, or some other element of dilution that this author,
at least, cannot presently anticipate. There would be no per se prohibition of product
configuration dilution claims, even against competitors, but the trademark owner
must persuade the court that it not merely seeking to avoid non-confusing copying of
its product design. In other words, it must show something more than mere
competition. This approach, once again, avoids conflict with the design patent
scheme because the trademark holder is required to make a particularized showing
of dilution by tarnishment or blurring, as well as to meet the other requirements of the
Dilution Act. Specifically, the trademark owner will be required to establish the fame
of its mark, that the mark is non-functional, and that the defendant’s mark will cause
actually. None of these elements are prerequisites for recovery in a patent case.

In viewing the landscape of trademark and trade dress protection, there is a second
area of serious concern. Suppose a company obtains a design patent on a novel and
ornamental design feature of a product. The design might be the appearance of a
faucet, running shoe, or oven, to take three examples. During and—more importantly
—upon the expiration of the design patent’s fourteen year term, the company asserts
that the ornamental design is also entitled to protection as trade dress under the
Lanham Act. Can the company ride both horses?

The analytical approach discussed here does not provide a complete resolution of
this question, in part because the problem involves the interplay between trademark
law and design patent law, rather than any inherent shortcoming in trademark law
itself. Presumably the company in question has developed a product configuration
that is sufficiently distinctive to quality for protection under design patent law; this
distinctive design will likely have acquired distinctiveness sufficient to satisfy
Samara’s requirement of secondary meaning for product configurations. Similarly,
in order to obtain design (as opposed to utility) patent protection, the design must be
non-functional. Thus, it would presumably be non-functional for purposes of

286. See 35 U.S.C. § 171 (allowing design patent protection for new, original, nonobvious, and
ornamental designs); Avia Group Int’l. v. L.A. Gear Cal., Inc., 853 F.2d 1557 (Fed. Cir. 1988)
(ornamental design of running shoes are non-functional and entitled to design patent protection).
trademark law as well. Thus, any confusingly similar designs would theoretically be actionable under trademark law, even upon the expiration of the patent.

There is some question regarding how frequently this scenario will occur, particularly because design patents are relatively uncommon, difficult and costly to obtain, and hard to enforce in light of the fact that they are often invalidated by the courts. Yet the possibility is quite real. There are a number of possible resolutions. One would be for the court to consider allowing relief under trademark law, which would mean a form of potentially perpetual protection for the design would subsist. The court would then have to consider whether such a result would pose a conflict with statutory patent law (though not a "preemption" problem) or a constitutional clash with the Patent and Copyright Clause’s "limited times" provision. Alternatively, the court could view the company as having elected to take advantage of design patent protection and thus to have waived or implicitly relinquished any trade dress protection for those features contained in its design patent claims. Finally, the court could view trade dress protection as having been forfeited as a result of the operation of the fundamental patent law tenet that the claimed subject matter of an expired patent falls into the public domain. Under the last approach, which seems to be the better one, those features that are part of the design patent claim would fall into the public domain upon expiration of the design patent, in accordance with traditional patent principles. This approach is also consistent with the rule of statutory interpretation that constitutional conflicts should be avoided when it is possible to interpret a statute to avoid the conflict.

V. CONCLUSION

The expansion in trademark law engendered by the Supreme Court’s Two Pesos decision and by Congress’ enactment of the Federal Trademark Dilution Act presents serious challenges to trademark doctrine and theory. This article has suggested that

287. See Welkowitz, supra note 94, at 293-95 (summarizing problems with design patent protection). For an illustration, see Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1263-64 (Fed. Cir. 1995) (upholding trademark claim as to design of line of furniture and noting that plaintiff had abandoned design patent claim below in light of invalidity of patent).


289. Thus, the Supreme Court’s decisions in Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964), Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964); and Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989) have no direct application. Indeed, the Court in Compco noted, in finding state law preempted, that a design “can be copied at will” if it “is not entitled to a design patent or other federal statutory protection.” 376 U.S. at 158. See also Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 286 (7th Cir. 1998) (patent preemption cases have “no effect on the scope of federal trademark or unfair competition law”); Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 204 n.13 (3d Cir. 1995) (Lanham Act can protect trade dress, including product configurations, as preemption rules of Sears and Compco are inapplicable to federal statutory claim); Ives Labs. hyp., Inc. v. Darby Drug Co., 601 F.2d 631, 642 (2d Cir. 1979) (“The Court, it can be strongly argued, had no need to be concerned with marking out the boundaries of a federal tort over which it had complete control and which Congress could contract if the courts were pressing it further than that body desired.”).

any solutions to these challenges must be grounded in the language of the Lanham Act and the Dilution Act, in the framework the Court has adopted for trademarks in *Samara*, *Two Pesos*, *Qualitex*, and *Park 'N Fly*, and in traditional trademark law and policy.

Several interpretive principles can be derived from the statutes and from the Supreme Court’s decisions. First, there is little basis in the trademark statutes or in trademark policy for legal rules that differentiate among various types of marks. Thus, trade dress can be analyzed in the same manner as other marks, and may be deemed to be inherently distinctive upon a proper showing by the trademark owner, as the Court recognized in *Two Pesos*. Similarly, there is no basis for a per se rule against trademarks for a color standing alone, as the Court concluded in *Qualitex*. Although *Samara* indicates that color marks and product configurations cannot qualify as inherently distinctive, this view can be seen in part as an empirical assumption that colors and product configurations rarely, if ever, could be deemed inherently distinctive. Second, the case law and statutory scheme of the Lanham Act mandate that marks be categorized in accordance with their source-indicating capacity. Although some have questioned whether courts must adhere strictly to the *Abercrombie* ‘spectrum of distinctiveness,’ the Lanham Act itself requires all marks to be classified in one of three outcome determinative ways. Marks that are generic or functional are not entitled to trademark protection under any circumstances. This fundamental rule preserves competition in the marketplace by insuring that all firms have access to common terms that identify products or services themselves and to the functional features of the products themselves. Marks that are descriptive are not entitled to trademark protection unless they have attained secondary meaning. This traditional trademark rule, particularly when combined with the fair use defense, preserves the ability of firms to use descriptive terms unless they have come to signify a source. *Samara* holds that product configurations should always be deemed to fall into this category and must be shown to have secondary meaning in order to receive protection. Finally, marks that are inherently distinctive are automatically eligible for trademark protection. Providing immediate protection for these marks does not hinder competition, as there is a potentially infinite number of such marks available, and indeed *Two Pesos* recognized that such a rule may foster competition because small businesses frequently do not have the resources to establish secondary meaning in the short run.

By applying this framework to the trade dress and dilution fields, it is possible to establish some boundaries for trademark protection. In the trade dress field, adoption of this approach mandates that all trade dress claims, including those involving product configurations, be scrutinized to assure that only non-functional aspects of the product are given trademark protection. The functionality doctrine thus serves as the line of demarcation between the trademark and utility patent spheres.

The second fundamental constraint on trade dress protection is the analysis of distinctiveness that the Lanham Act mandates. Here, some courts and commentators have suggested that trade dress generally or product configurations specifically should be analyzed using a different framework than is used for other marks. Although *Samara* endorses this approach as to product configurations, trade dress generally is still governed by *Two Pesos*. Therefore, courts should attempt to make
use of the Abercrombie categories, and in any case must determine if the trade dress is (1) inherently distinctive (and automatically eligible for protection), (2) descriptive (and protected only upon a showing of secondary meaning), or (3) generic or functional (and hence ineligible for trademark protection under any circumstances). Further, even though Samara precludes a finding of inherent distinctiveness in product configuration cases, the distinctiveness inquiry must be done quite carefully in these cases so as to avoid instances where a trademark owner is able to usurp common features of a product design as trademarks. Such features should be classified as generic and ineligible for trademark protection.

The third constraint on trade dress protection is that the plaintiff must show a likelihood of consumer confusion in order to obtain relief. This requirement is embedded in the common law background and statutory framework of the Lanham Act, and most trade dress owners will not be able to claim protection under the Dilution Act as they will probably be unable to make the requisite showing of fame. Thus, a careful weighing of the likelihood of confusion factors is both necessary and desirable. A common error that some courts make in assessing whether a consumer confusion is likely is to give excessive weight to the defendant’s “intentional” copying of a mark. If the mark involved consists of a product configuration, courts should be wary of assuming that imitation is undesirable. In particular, if a court has erroneously found a product configuration to be source indicating (i.e., to have secondary meaning) or where this conclusion is at least doubtful, then according too much weight to this factor in the confusion analysis will lead to overprotection. In the copyright context, the Supreme Court in Campbell v. Acuff-Rose Music, Inc. and Harper & Row v. Nation Enterprises has cautioned against giving excessive weight to any one factor in a fair use balancing test. Similarly, courts analyzing whether there is a likelihood of confusion should take into account this cautionary note. Samara recognizes that courts must be particularly vigilant in protecting competition in product configuration cases.

Trademark dilution requires a similar focus on statutory language and trademark policy. Dilution law does indeed dramatically expand the scope of protection for marks that qualify as famous under the Dilution Act. Although some courts and commentators are reluctant to accord such protections, the courts are bound to do so unless there is a sound constitutional or statutory basis on which to decline such protection. The Dilution Act may turn out to be misguided, but this concern must be addressed to Congress. Nonetheless, courts in some cases have failed to give sufficient consideration to the limitations built into the Dilution Act itself. First, Congress made it quite clear that only famous marks are eligible for protection under the Act and established an eight-factor test for determining fame. In this respect, the federal Dilution Act differs from at least some of state dilution statutes, and this difference has great meaning. Unless the fame of a mark is clear and undisputed, courts should engage in a careful analysis and balancing of these factors. Again, the Court’s copyright decisions in the fair use area provide some guidance, particularly the admonitions in Campbell and Harper & Row that courts must engage in real balancing of the statutory factors. By engaging in a careful analysis of whether a mark is famous, courts can identify the relatively small class of marks that have
particular recognition in the marketplace, which is the keystone for the Dilution Act's expansive protections.

Second, the Act requires a showing of dilution. Most courts have not paid sufficient attention to the implications of this statutory language, which is quite different from the language of some of its state law counterparts. Requiring a showing of actual dilution, as the statutory language mandates, rather than a likelihood of dilution, as many courts have held, gives proper consideration to the express language of the Dilution Act. It also serves as a way to cabin the tendency of some courts to provide what appears to be protection for marks “in gross”.

The framework suggested here provides further guidance with regard to the controversial interplay between trade dress protection and the Dilution Act. Although some have suggested that trade dress generally or product configurations in particular are per se ineligible for the heightened protections that the Dilution Act accords to famous marks, there is no basis for this conclusion in the language of either the Lanham Act or the Dilution Act. This argument seems to contradict the fundamental teaching of Two Pesos, which squarely rejected non-textual distinctions among marks. Congress is capable of establishing carve-outs, as it did with various types of descriptive marks, which are singled-out for analysis of secondary meaning. It is also capable of establishing absolute bars to trademark registration, as it did for scandalous or disparaging marks, flags, deceptive marks, and various other marks specifically precluded from registration. As the Court found in Park 'N Fly, when Congress identifies specific bases for challenging a mark, its omission of other grounds implies something – that the omitted grounds are not a basis for challenge, or in this instance, for differing treatment.

In order to receive protection under the Dilution Act, a product configuration must be shown to be non-functional and distinctive (through acquired distinctiveness). As has been suggested, these threshold inquiries should be made carefully. The mark must then also be famous, which requires yet another level of scrutiny. As a practical matter, if a competitor closely imitates the plaintiff’s famous, source-identifying, and non-functional product configuration, it is likely that the plaintiff will be able to obtain relief under traditional trademark infringement doctrine. That is, the plaintiff should be able to show a likelihood of confusion. Dilution theory serves to fill the gap in the rare case where use of the plaintiff’s famous mark does not cause confusion, but does dilute the selling power of the famous mark. In the context of product configurations, these cases will be rare indeed. They will typically involve either a commercial use that tarnishes the famous mark, in which case there may be no likelihood of confusion but there is most certainly dilution (and quite real harm to the selling power of the mark), or a commercial use that in some other way dilutes the mark or interferes with the trademark owner’s control over the use of the mark’s selling power. These cases do not seem troubling as a matter of trademark policy, and in any case they are quite clearly permitted by the statutory schemes of the Lanham Act and Dilution Act.

What remains is the question whether providing product configurations with the protections of the Dilution Act somehow conflicts with the policies of design patent law or with the Constitution. The framework presented here suggests that no conflict will be presented in the vast majority of cases. First, as most have recognized, a
careful analysis of non-functionality and acquired distinctiveness should avoid any conflict with federal policy as to utility patents. Second, in most cases in which the product configuration has been found to be eligible for trademark protection, courts can engage in the usual inquiry into the likelihood of consumer confusion. Although some believe that even this form of protection is too similar to the rights provided holders of design patents, the better argument is that there is no conflict in this realm, as most courts and some commentators have concluded. Third, most product configurations will not qualify for protection under the Dilution Act, but those few famous ones that make the grade are entitled to its protections. Although some would then look to the Supreme Court's patent preemption cases—Sears, Compco, and Bonito Boats—as a basis for restricting or barring such claims, these cases speak only indirectly to the question. Certainly there is nothing in their holdings that precludes Congress, as opposed to the states, from providing protection for industrial designs. Indeed, Bonito Boats explicitly recognized that this responsibility and power rests with Congress. Although Congress has not enacted a specific industrial design statute per se, it did enact the Trademark Dilution Act and made it applicable to all marks, registered or unregistered, that qualify as famous.

Accordingly, there is no basis in trademark law or dilution law for precluding protection against dilution for famous product configurations. If such a limit is to be found, it must be based on avoidance of a conflict with patent policy in general, a question for which Sears, Compco, and Bonito Boats do provide general guidance, or avoidance of a constitutional conflict with the "limited times" provision of the Patent Clause. Both of these questions arise, however, if and only if the dilution claim truly involves patent-like protection for famous product configurations. Most cases will not involve such a claim, as they will involve some commercial use of the mark that blurs the mark's selling power or tarnishes its reputation in the marketplace. A careful showing of either of these elements should obviate any concern that the court is providing patent-like protection to the plaintiff. This conclusion would hold even if the plaintiff holds current or expired utility patents.

The only cases in which the issue is truly presented will be where the plaintiff brings suit against a competitor but has failed to establish a likelihood of confusion with regard to the defendant's imitation of its product configuration, or the case of plaintiff that held an expired design patent and seeks to extend its monopoly through trademark law. A complete resolution of these cases is beyond the scope of this article, but courts certainly might seek to avoid a direct conflict with design patent law or the Patent Clause by declining to provide protection in either instance. The analysis presented here suggests that the first type of case will rarely take place, but when it does it must be addressed with due regard to patent law and to the limits on congressional power embodied in the Patent Clause. With regard to an expired design patent, there is a strong argument that the plaintiff in such a situation should not be entitled to continue to receive a monopoly on such a design once patent law has dictated that it should fall into the public domain. Thus, to avoid a conflict with express patent law and policy, courts can decline to provide protection in this case as well.

Much of the scholarly commentary regarding trade dress and dilution theory has been critical of the expansion of these doctrines. These arguments may have validity,
but they quite simply reflect disagreement "with the balance struck by Congress in
determining the protection to be given," to borrow the Court's terminology in Park
'n Fly.\(^2\) Given the present state of trademark law, the constraints on trade dress and
dilution protection can and must come predominantly from the language and structure
of the statutory scheme and from the Lanham Act's common law foundations.
Congress is certainly free to reassess and modify the statutes at any time. Fortunately,
there already exists a sound theoretical and doctrinal basis for addressing most of the
boundary problems in trade dress and dilution cases. By focusing on the extent to
which the source-indicating capacity, informational value, and selling power of a
mark are truly implicated, courts can distinguish between legitimate competition and
impermissible free riding.

\(^{291}\) 469 U.S. at 201-02.