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DESIGN PROTECTION: AN OVERVIEW

Ralph S. Brown*

INTRODUCTION

The dominant concern of the law protecting designs of useful articles has been to keep design and utility separated. The easy recognition of exclusive rights in design, especially when that recognition flows from copyright, creates pressure for recognition of exclusive rights in the articles to which the design is applied, thus inhibiting imitation. Yet our system, in the interest of enhancing competition, allows and indeed encourages imitation, unless the imitated object is entitled to be immunized from copying by qualifying for a copyright, or for a patent, or for protection from competition that is legally considered unfair.1

* Thanks to Professors Robert Denicola and Robert Gorman for help with suggestions; special thanks to Professor Craig Joyce for a close critical reading. Simeon E. Baldwin Professor of Law Emeritus, Yale Law School; Visiting Professor of Law, New York Law School.

1. The leading judicial authority for the assertions in this paragraph is Kellogg Co. v. National Biscuit Co., 305 U.S. 111, reh'g denied, 305 U.S. 674 (1938). Kellogg was privileged to use both the name “Shredded Wheat,” because it was held to be generic, and the shape and appearance of the biscuits, because they were the subject of patents that had expired and because they were functional. “Kellogg Company was free to use the pillow-shaped form, subject only to the obligation to identify its product lest it be mistaken for that of the plaintiff.” 305 U.S. at 120. The Shredded Wheat case has slipped into undeserved obscurity, despite a magisterial opinion by Justice Brandeis.

The teachings of the Shredded Wheat case were carried forward in Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, reh'g denied, 376 U.S. 973 (1964) and the companion case of Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, reh'g denied, 377 U.S. 913 (1964), references to which will recur frequently in this Article.
To exemplify: Suppose that I market an orange-juice squeezer that effectively extracts juice, and that, thanks to a sleek design that I have made or bought, has an appearance pleasing to buyers of squeezers. I am not likely to accept with equanimity the display on an adjoining shelf of a squeezer that looks like mine and works like mine, especially if the price is lower. But ordinarily I would have no legal redress against the competitor. What he is doing is the purest form of competition, so long as he does not confuse the public by masquerading as me. As for my orange squeezer, I cannot get a patent and thus bar the competitor, because my squeezer, though efficient, is neither novel nor inventive. Nor can I get a design patent—for the ornamental design of a useful object—for similar reasons: my design, though attractive, is not distinctive enough to satisfy the Patent Office that I have made a significant advance in the art of designing orange squeezers.

What about copyright? The competitor, we may assume, has baldly copied my design; so my chance of stopping him looks more promising. I assert that my design is a sculptural work, entitled to copyright.

Here the dissonance between protected design and free competition in useful articles becomes clamorous. Unlike patent, copyright law has no requirement of novelty or merit. But it tries hard to preclude people from tying up the usefulness of a useful object by way of preventing copying of its overall shape. Perversely, some critics might say, if I concealed my orange squeezer inside a replica of a Mayan pyramid, then I could have a copyright on that antifunctional

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2. This example is inspired by the “Mighty OJ” litigation. See infra note 154 and accompanying text.

3. There is another form of competition where the rival tries to make his product appear different from and better than mine, whether it really is or not. This is what economists call “imperfect competition” or “monopolistic competition.” See E. Chamberlin, The Theory of Monopolistic Competition (8th ed. 1962); J. Robinson, The Economics of Imperfect Competition (2d ed. 1969). It is the primary thesis of this Article that there is no general duty to differentiate, except to avoid confusion or deception.

4. A modicum of creativity may be required. See I M. Nimmer, Nimmer on Copyright § 2.01[B](1986). Generally, all that a copyright claimant need show is that she originated the work, i.e., did not herself copy it. See id. at § 2.01[A].
shape.\textsuperscript{5} Or I could apply a decal of a bathing beauty to its surface. My competitor would have to avoid the pyramid and the picture; but that is all (and he must in every case label his squeezer with \textit{his} name or mark clearly enough to avoid confusion).

The preceding paragraphs engrave on the head of a pin the central elements of our law on the relationship of design to function. Other systems exhibit deviations. For example, in Italian law, it is said that under some circumstances, "slavish imitation" is prohibited; differentiation can be compelled.\textsuperscript{6}

English law accepts the full protection of functional design by way of copyright in engineering drawings of parts of machines. Making the three-dimensional parts without permission infringes the copyrighted drawings.\textsuperscript{7} In a great case decided by the House of Lords in 1986, the Law Lords did create a "spare parts exception" for car owners; they would no longer be obliged to buy replacement exhaust pipes only from the auto manufacturer.\textsuperscript{8} But the underlying position, that copyright in drawings of everything from "bolts to bed-pans"\textsuperscript{9} creates a monopoly in objects that follow the drawings, is unimpaired. Furthermore, the government intends to perpetuate it in an impending statutory revision.\textsuperscript{10}

Other European countries do not go as far as the British do in barring competitors from copying useful articles. The variations in law and practice are intriguing, but they cannot be explored here.\textsuperscript{11} I am going to stay parochially within our own system.


\textsuperscript{7} For a thorough analysis of the English law, see C. Fellner, supra note 6, at chs. 1-4, 8.

\textsuperscript{8} British Leyland Motor Corp. v. Armstrong Patents Co., 2 W.L.R. 400, 1 All E.R. 850 (1986).

\textsuperscript{9} See C. Fellner, supra note 6, at 31.

\textsuperscript{10} Great Britain Board of Trade, Intellectual Property and Innovation, 1986, Cmd. No. 9712, at 20-21 (a "White Paper" stating that the government's program will propose 10-year protection against copying, as to both aesthetic and functional aspects). A similar proposal is afoot in the United States. See infra note 271 and accompanying text.

\textsuperscript{11} See C. Fellner, supra note 6, at ch. 6.
Decelerating from this speedy survey, this Article will now further develop, in Part I, the copyright position. Part II offers a brief consideration of design patents. Part III will criticize the rapid expansion in the last decade of protection of the shape and appearance of goods by way of unfair competition applications, notably Section 43(a) of the Lanham Act. Part IV will give attention to the other side of the debate: arguments that copiers of designs should be curbed because they are free-riders who discourage enterprise and innovation. Part V will resurrect the case for a separate statute affording fairly extensive, but short-term, protection to ornamental designs of useful objects.

I. Copyright in Designs on or of Useful Objects

The copyright approach to designs and useful articles concentrates on tests for copyrightability. These have developed, as one would expect, through cases, regulations and statutes. I will review these developments sequentially, using as a context the views of Nimmer and other commentators.

A. Nimmer's View

Professor Nimmer's contribution to this topic is, naturally, found in a substantial section of his magisterial Treatise. Like everything he wrote, his views deserve respectful attention, even if one emerges with some disagreement. Nimmer was quite critical of the way the cases had gone in the aftermath of *Mazer v. Stein*. When, in that 1954 case, the Supreme Court decided that a statuette of a Balinese dancer was eligible for copyright, even though intended for use as a lamp base, a mild upheaval occurred. The prevailing position until then had been that the design of useful objects was outside the sphere of copyright. The Copyright Office had yielded only so far as to accept, by a regulation of 1949, "works of artistic craftsmanship, insofar as their form but not their mechanical or utilitarian aspects are concerned, such as artistic jewelry,

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14. See id.
enamels, glassware, and tapestries . . .”17 The Office did not, however, resist the longer step of Mazer v. Stein, and indeed encouraged it in a brief amicus curiae.18 However, the immediate outpouring of useful articles that claimed shelter as copyrightable “works of art” led to second thoughts. The regulations were buttressed in 1956 so that copyright would be denied to an article if its “sole intrinsic function . . . is its utility.”19 “Sole” seemed to leave the door open rather wide to a large category of objects of mixed artistic and utilitarian appeal. Thus, in the General Revision, further constrictions were made in the definitions section of the statute itself. “Useful article” became “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”20 That is, “an” took the place of “sole.”

That definition, which must be read in conjunction with the definition of “useful article” just quoted, stands as follows:

Pictorial, graphic, and sculptural works21 include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints, and art reproductions, maps, globes, charts, technical drawings, diagrams, and models. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.22

Of most importance, this definition imbedded in the statute the “separability” test first introduced to the regulation in 1959:23 that the design of a useful article, to qualify for copyright, must be capable of separate identification and independent existence.

17. 37 C.F.R. § 202.8(a) (1949).
19. 37 C.F.R. § 202.10(c) (1956).
21. These words took the place of “works of art” in the old statute, 17 U.S.C.A § 5(g) (1909).
23. 37 C.F.R. § 202.10(c) (1959).
The leading case on separability, which incurred Nimmer's disapproval, was *Esquire v. Ringer*, in which the Register of Copyrights was upheld by the District of Columbia Circuit in denying copyright to "the overall shape or configuration of a utilitarian object"—an outdoor floodlight of clean contemporary design. Judge Gesell in the District Court favored registration, in part to avoid discrimination against abstract forms. Judge Leventhal of the Court of Appeals in his concurring opinion neatly summed up the issue:

> Form follows function, is the credo of one school of art. Yet the overall legislative policy against monopoly for industrial design sustains the Copyright Office in its effort to distinguish between the instances where the aesthetic element is conceptually severable and the instances where the aesthetic element is inextricably interwoven with the utilitarian aspect of the article.

Nimmer believed that the "conceptual" separability of the design had been neglected. He accordingly took an approving view of the next major case, *Kieselstein-Cord v. Accessories by Pearl*, in which the design of highly ornamental belt buckles passed muster with the Copyright Office and the Second Circuit. "This case," said Judge Oakes, "is on a razor's edge of copyright law. It involves belt buckles, utilitarian objects which as such are not copyrightable. But these are not ordinary buckles; they are sculptured designs cast in precious metals—decorative in nature and used as jewelry is, principally for ornamentation."

But in 1985 the designer lost again in *Barnhart v. Economy Cover Corporation*. Here the subject was torsos—mannequins in female and male form, one pair nude, the other in blouse and shirt. The designer pointed out that she had sculpted the originals, and that they were traditional in sub-

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25. 591 F.2d at 800 (illustrated in R. Brown & R. Denicola, *Cases on Copyright* 142 (4th ed. 1985)).
27. 591 F.2d at 807.
28. 632 F.2d 989 (2d Cir. 1980) (illustrations at 995).
29. Id. at 990.
30. 773 F.2d 411 (2d Cir. 1985) (illustrations at 425–26).
ject matter. How, she must have asked, did they differ from the Balinese maiden in Mazer? The court (distinguishing Kieselstein rather than Mazer) found that "the features claimed to be aesthetic or artistic . . . are inextricably entwined with the utilitarian feature, the display of clothes." Judge Newman, in a powerful dissent, drew a fine line: he would award copyright to the nude forms, reversing defendant's summary judgment below, and remand for trial on the clothed forms, to see whether they would support a conception other than simply that of a mannequin.

After reviewing these and other cases, Nimmer found that lines were being drawn in an unintelligible way. It is fair to say that, apart from the simple case of a pasted-on pattern, he found the requirement of separability itself to be incomprehensible. If you took away the utilitarian lamp base in Mazer, you also took away the Balinese figure. Nimmer thought that conceptual separability could be found in various ways. If this led to copyright in a "myriad of industrial forms," to Nimmer it was "not clear that the result is undesirable." Competitors could be required to design around the protected models. "Unless and until special design legislation is adopted," Nimmer concluded, "if the choice is full copyright protection or none at all, it may be that the former alternative is preferable."

Where I take major issue with the master becomes a matter of more or less. I do not accept his intimation that the choice is all or nothing. The statute does require lines to be drawn. A fairly clear legislative intent was stated in the authoritative House Report that accompanied the General Revision:

> Although the shape of an industrial product may be aesthetically satisfying and valuable, the Committee's intention is not to offer it copyright protection under the bill. Unless the shape of an automobile, airplane, ladies' dress, food processor, television set, or any other industrial product contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted under the bill. Even if the three-dimensional

31. Id. at 419.
32. Id. at 426.
33. M. Nimmer, supra note 4, § 2.08[B][3], at 2-96.5.
34. Id. at 2-96.6–2-96.7.
design contains some such element (for example, a carving on the back of a chair or a floral relief design on silver flatware), copyright protection would extend only to that element, and would not cover the over-all configuration of the utilitarian article as such.\(^{35}\)

Now it may seem uncultured for Congress to lay such emphasis on applied design, rather than on integral design. But the protection of basic form does tend to protect basic function; and that, as is often observed, is too much to extract from a statutory monopoly that lasts, on average, seventy-five years, and that is obtained with only a minimal display of creativity or originality. The way to get protection for the lighting fixtures in *Esquire*, it seems to me, was to see if they would qualify for a design patent, which would protect that designer's visual expression of the article's function, so long as the design did not hinder others from carrying out the same operation.

B. *Denicola's View*

Before summing up the scope of copyright, one should consider another able examination of the management of design problems by copyright, published by Professor Denicola in 1983.\(^{36}\) His analysis took account of the leading cases through *Esquire* and *Kieselstein*. He is critical, as others have been, of the statutory definition that requires the design of a useful article to be separately identifiable and “capable of independent existence” in order to be eligible for copyright. For one thing, as Nimmer observed, it is hard to apply. Sometimes the test seems to exclude more than is probably intended. “The pattern dyed into a bolt of cloth or painted on a china cup cannot be physically detached from the object itself,”\(^{37}\) Denicola argues. But that is not the test although it is, I grant, a familiar way of talking about it. (“Can the design be ‘peeled off’?”, one asks.) Surely such

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35. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 55 (1976). The quoted passage is an example of Nimmer’s wry observation in the Preface to the comprehensive 1978 revision of his great treatise: “At times it almost seems that it [the House Report] was intended to reverse the conventional canon of construction, so that reference is to be made to the terms of the statute only when the legislative report is ambiguous.” M. NIMMER, supra note 4, at vii.


37. Id. at 730.
patterns can be identified and can have an "independent existence" on paper. As an example of under-exclusion, he advances the cabinet for a television set, which is easily separable from the electronic wonders inside. But Denicola is confident that the cabinet would not support copyright. I agree, though I am not sure why. Perhaps I would say that the cabinet is, in statutory language, "An article that is normally a part of a useful article" and accordingly "is considered a 'useful article.'"\textsuperscript{39}

Denicola's dissatisfactions take diverse forms. They do not depend on such fine points as the examples given, nor are they limited to more substantial dissents, as from Esquire's reiterated assertion that "overall shape and configuration" cannot be copyrighted. He is dissatisfied with Kieselstein for still a different reason: because it remits the judgment of artistic worth to "consumer taste."\textsuperscript{40} This is not the direction of the statute. Beyond all such discomforts, at bottom he deplores the lack of a normative model for separating applied art from industrial design.\textsuperscript{41}

It is significant that Denicola, after an illuminating examination of the real-life practice of industrial design, accepts that it is highly responsive to the functions of the article designed. He accordingly concedes that to allow a capacious statutory monopoly, on the easy terms that copyright offers, would be bad policy.\textsuperscript{42} He proposes to avoid the unsatisfactory constraints that follow literal-minded application of the statute to a completed object by directing attention to the process of creating the design, as a helpful perspective from which to determine separability. He finds it compatible with both the terms and goals of the statute if "copyright is reserved to product features and shapes that reflect even in their utilitarian environment the unconstrained aesthetic perspective of the artist."\textsuperscript{43} One marked advantage of such an approach would be its welcome to copyright of abstract designs, if they flow from "the independent perspective of the artist" rather than "the more

\textsuperscript{38} Id.
\textsuperscript{40} Denicola, supra note 36, at 733–34.
\textsuperscript{41} Id. at 743.
\textsuperscript{42} Id. at 726–27.
\textsuperscript{43} Id. at 748.
integrated approach of the designer,”—integrated, that is, by the industrial designer’s necessary concentration on function, which includes “ease of operation, maintenance, cost of upkeep, storage, cost of manufacturing, packing, shipping, display, safety, fail-safe operations . . .”

I have no quarrel with Denicola’s aspirations for the criteria which should guide the Copyright Office and then the courts in making their judgments. I do have qualms about the practicality of the criteria. How are we to verify the impulses that guided a designer’s hand? Must we take her testimony in every disputed case? How otherwise could we know whether the light fixtures in Esquire had an inspiration that was primarily artistic in intent (we are, I gather, forbidden to evaluate the artistic quality of the result), or whether the designer’s primary purpose was to shed better light? We would not, I suppose, have much trouble with Kieselstein. Patently, the “Winchester” buckle is not a cost-effective way to keep one’s pants up; and the designer considers himself an artistic jeweller. Uncertainty surfaced again in a case that followed Kieselstein in time but not in result, Norris Industries v. I.T. & T. In Norris, copyright was denied for plaintiff’s wire spoke design which functioned only as a wheel cover, not to hold the wheel together. Probably the designer meant to produce something “classy,” evocative of the authentic wire wheels that are associated with elegant cars of the 1930s. Is the result applied art or industrial design? Was the process artistic in intent or simply an amiable fraud, like putting a Rolls-Royce emblem on a V-W beetle?

One thread that connects Esquire, Kieselstein, and Norris is that in each of these cases the outcome supports the administrative decision of the Copyright Office—to allow copyright in Kieselstein and to deny it in Esquire and Norris. Barnhart, the mannequin case, breaks the thread. There the Copyright Office accepted the mannequins as “sculpture”—

44. Id. at 747.
45. Id. at 740 (quoting R. LOEWY, INDUSTRIAL DESIGN 18 (1979)).
but under hurried circumstances. The plaintiff asked for expedited consideration of her belated application because she wanted to launch the infringement action. She got it the same day.49

How would the Barnhart mannequins fare under the Denicola approach? Again, it is hard to predict. Judge Mansfield's opinion tells us that they were designed as mannequins and that their immediate success at a trade show convinced the designer (in her words) "that my forms were being purchased not only for their function but for their artistically sculptured features."50 The critical phrase is "artistically sculptured." Those are just the words that might sway Denicola, J., to find a copyrightable creation. They did not move a majority of the Court of Appeals. I am with the majority. The mannequins in Barnhart—I have seen them—are flimsy styrofoam shells. Frontal photographs create a solid sculptural impression that is quite lacking in the objects themselves.

Denicola's valiant attempt to find a normative theory that can operate within the constraints of the statute may fail, in the end, because of the ambiguities of reconstructing the designer's purpose. It seems to leave too much room for self-serving declarations of aesthetic aims, even if such declarations could be deflated by cross-examination or simple skepticism.51 The larger value of his essay lies, for my

50. Id. In Brandir Int'l, Inc. v. Cascade Pacific Lumber Co., Copyright L. Dec. (CCH) ¶ 26,017 (S.D.N.Y. 1986), plaintiff asserted that his bicycle rack, which defendant copied, was conceived as a piece of "minimalist sculpture." Judge Haight said that it didn't matter; it was being sold as a bicycle rack. Barnhart controlled. This, according to the court, is the configuration of the rack:

51. Professor Denicola authorized me to include two of his helpful marginal comments on a draft version of this passage. On the practicality of applying his
purposes, in its reasoned recognition that copyright must keep a wall between applied art and industrial design. The wall as it stands may be poorly built. But I do not find anything in Denicola to suggest a significant shift toward or away from copyright; he mainly aspires to make the wall less serpentine.

C. Brown’s View

My own view is that the Copyright Office has done well in sticking closely to the basic position expressed by the Register in a 1961 Report which launched the General Revision effort.52 The Report said:

We do not believe that it would be appropriate to extend the copyright law to industrial designs as such. In this area there is a delicate balance between the need for protection on the part of those who originate and invest in a design, and the possible effect of protection, if overextended, in restraining competition.53

Accordingly, the Report (while fully accepting Mazer v. Stein) contended that

[c]opyright would not extend to the following cases:

A copyrighted drawing of a chair, used to manufacture chairs of that design;

A copyrighted scale model of an automobile, used to manufacture automobiles of that design;

A copyrighted technical drawing showing the construction of a machine, used to manufacture the machine;

A copyrighted picture of a dress, used to manufacture the dress.54

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53. Id.
54. Id. at 14. Whether a drawing or picture or model will sustain copyright in the object that is portrayed is not the same as asking whether the object itself can have copyright. But the point of these examples is surely to stress that even if the drawings, etc. as such could have a copyright (and they could), the useful article
The application of the 1976 Copyright Act has been generally faithful to these fundamentals. A design cannot support a statutory monopoly in the production of the useful article that embodies the design. *Mazer v. Stein* and the statute allow copyright in the artistic and ornamental features of designs; but the statute requires some level of separability. Hard line-drawing problems result. Some recognition of conceptual separability seems necessary to avoid confining *Mazer* to only the most obvious of tacked-on, two-dimensional decorations. The only legislative authority for the injection of conceptual separability is its fleeting mention in the House Report already quoted: "some element that, physically or conceptually, can be identified . . . ." 55 The *Esquire* court was dismissive of "this isolated reference." 56 But conceptual separability is now surely established as a responsible criterion. Of prime significance, in my opinion, is its recognition in Copyright Office practice. The 1984 Compendium of Copyright Office Practices 57 pays substantial attention to "conceptual separability." It is defined as "features which can be visualized on paper, for example, or as free-standing sculpture, as another example, independent of the shape of the useful article, i.e., the artistic features can portrayed could not. The Copyright Act of 1976 itself is oddly timid on this point. See 17 U.S.C. § 113(b), on "Scope of exclusive rights in pictorial, graphic, and sculptural works":

This title does not afford, to the owner of copyright in a work that portrays a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those afforded to such works under the law, whether title 17 or the common law or statutes of a State, in effect on December 31, 1977, as held applicable and construed by a court in an action brought under this title.

See also H.R. Rep. No. 1476, supra note 35, at 105. The application of the constraining definition in § 101, has far outrun this copout. Fortunately, no one seems to pay any attention to § 113. Why state law as of Dec. 31, 1977, or any other time, should measure important rights under a preemptive statute is almost incomprehensible. Professor Reichman explains that § 113 was the result of pressure on the Register during the period 1962 to 1965, from Disney and others interested in maximizing the reach of copyright. See Reichman, *Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to the Copyright Act of 1976*, 1983 DUKE L.J. 1143, 1207-08 [hereinafter Reichman, Domestic and Foreign].

be imagined separately and independently from the useful article without destroying the basic shape of the useful article." 58

The acceptance of "imagined separately" seems to me especially striking as an anticipation of Judge Newman's dissent in *Barnhart*, where he defined the concept as one "that can be entertained in the mind without simultaneously perceiving the forms as mannequins at all." 59 To be sure, the majority rejected this test as "so ethereal as to amount to a 'non-test,'" and as creating a "bottomless pit." 60 But the drafter of the Compendium has a powerful ally in Judge Newman.

The Compendium goes on, however, to reinforce the position that the Office took in *Esquire*. It rejects the approach of analogizing the general shape of a useful article to works of modern sculpture: "the fact that a lighting fixture might resemble abstract sculpture would not transform the lighting fixture into a copyrightable work." 61

In addition, the main ground for the decision in *Esquire* is reiterated in the paragraph on "physical separability," which takes as given that "the overall shape of a useful article is not copyrightable," with the result that "the test of physical separability is not met by the mere fact that the housing of a useful article is detachable from the working parts of the article." 62 So much for the television set's cabinet. 63

I have quoted parts, not all, of the relevant paragraphs of the Compendium, but my selections are, I believe, fairly representative of the whole. Either part or whole is of course subject to criticism as going too far or not far enough toward copyrightability. The Office is clearly not hostile to conceptual separability; it indeed is placed before physical separability in the Compendium. Disconcerting though it may be to wind up supporting the status quo, I submit that the

58. *Id.* at ¶ 5.03, ch. 500, at 11.
60. *Id.* at 419 n.5.
61. *COMPENDIUM*, supra note 57, ¶ 5.05.03, ch. 500, at 12.
62. *Id.* at ¶ 505.04.
cases thus far and the stated positions of the Copyright Office make good sense of the statute and of the policies underlying it.64

II. Design Patents

Patents for "any new, original and ornamental design for an article of manufacture"65 are a venerable institution, first available in 1842.66 They are generally compatible with the policy considerations that undergird this survey. Of modest duration—fourteen years67—they defer competitive imitation but do not preclude it. The courts appear to have been alert to knock down claimants with design patents that attempted to capture "primarily functional" features of the article.68 A recent example from the Federal Circuit reversed a preliminary injunction in favor of a patentee be-

64. In an overview of this sort, one must move so far so fast that it is not possible to do justice to the complex and subtle analyses of Professor Reichman in his two mammoth articles on design protection: Reichman, Domestic and Foreign, supra note 54; Reichman, Design Protection After the Copyright Act of 1976: A Comparative View of the Emerging Interim Models, 31 J. Copyright Soc'y 267 (1984) [hereinafter Reichman, Copyright Act]. Wholly apart from the intensive comparative materials (covering the major European systems, but not Great Britain), Reichman's account constitutes a play-by-play examination of the legislative and judicial developments in this country. He discloses an ebb and flow of protection over time, in response to a melange of influences and pressures, at which my stark presentation of recent leading cases does not even hint. For one thing, the Second Circuit cases have as backdrop the renewed willingness of that court to demand, with respect to familiar artifacts, "more than trivial" creativity in order to validate a derivative copyright. See Durham Indus., Inc. v. Tomy Corp., 630 F.2d 905 (2d Cir. 1980) (Disney figures); L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, cert. denied, 429 U.S. 857 (1976); see also Reichman, Copyright Act, supra, at 315-20, 342-50. On the legislative side, Reichman richly develops the responses of the Copyright Office to Mazer v. Stein, 347 U.S. 201, reh'g denied, 347 U.S. 949 (1954), aimed at keeping design protection via copyright under control until the grand solution of the General Revision could come into place, a solution that was expected to include a design protection chapter. See infra notes 235-39; Reichman, Domestic and Foreign, supra note 54, at 1174-1213. Reichman regards the failure to achieve comprehensive short-term protection for designs of useful articles as a "mutilation" since it left us with the separability test in § 101 but with no haven for the designs excluded from it. Reichman, Copyright Act, supra, at 350.

cause the "invention"—a plastic container for a dimmer light switch—necessarily followed the contours of the switch that it enclosed. It was "primarily functional," not "primarily ornamental."  

Finally, the award of a design patent signifies that the Patent Office believes that the design has merit, that it is ornamental and novel, and above all, that it represents a distinct inventive step in advance of the prior art in the particular field and is thus, in patent lingo, non-obvious.

Yet despite these seeming credentials, design patent remains a Cinderella who never goes to the ball.

There are several reasons why design patents are held in low esteem. First, the process that certifies their worth is expensive and time-consuming. The Patent and Trademark Office (PTO) fees come to $300. It is essential to hire a patent solicitor to draft the claims and specifications. And when, after waiting up to two years, you get a design patent, detect an infringer, and bring suit, seven times out of ten your patent will be held invalid, if validity is an issue. In the three out of ten that are held valid, only half will be found to have been infringed. That at least was the situation for the period 1964–83. Now that all patent appeals go to the Court of Appeals for the Federal Circuit, patentees may fare better.

69. Power Controls Corp. v. Hybrinetics, Inc., 806 F.2d 234 (Fed. Cir. 1986). Design patents sometimes issue and are then invalidated (for want of ornamentality) on articles that are concealed in use. A vivid example is a septic tank. See C & M Fiberglass Septic Tanks, Inc. v. T & N Fiberglass Mfg. Co., 214 U.S.P.Q. (BNA) 159 (D. S.C. 1981). In such cases the patentee is probably trying to capture some functional attribute.

70. 806 F.2d at 239.

71. Non-obvious to a "designer of ordinary capability who designs articles of the type presented in the application." In re Nalbandian, 661 F.2d 1214, 1216 (C.C.P.A. 1981). See Judge Rich's dissent, id. at 1218, arguing that patent standards are not suited to industrial designs and vigorously promoting a design protection bill. See infra notes 255–80 and accompanying text.

Reichman believes that the non-obviousness requirement could and should have had a more relaxed application, thus validating more design patents and making them more useful to designers. See Reichman, Domestic and Foreign, supra note 54, at 1223–24; Reichman, Copyright Act, supra note 64, at 298–333. He perceived some movement in that direction in the 1970s. See Reichman, Copyright Act, supra note 64, at 298–333.


73. Id.
If anyone knows why so few contested design patent cases succeed, I have not found the explanation. To be sure, utility patents have hard going too—validity is denied in about half the cases where it is challenged.^{74} It seems plausible to surmise that weak patents are attacked. Good ones collect royalties. Another probable reason is the often subjective nature of the judgment whether the design meets the statutory standards. The Patent Office examiners see it one way; a trial judge another; an appellate bench another. As the Eighth Circuit once asked, "Are six eyes better than two?"^{75}

Still, between 4000 and 5000 design patents are issued each year (from almost twice that many applications).^{76} Somebody must think they are worth having.^{77}

If a statute were to be enacted giving short-term, copyright-like protection to designs (an old idea that this Article will cautiously endorse), design patents might no longer be useful. Twenty years ago a Presidential Commission on the Patent System concluded that another form of protection should be devised and design patents abandoned^{78}

### III. Design Protection Via Unfair Competition

If the flow of reported decisions is any guide to the pace of activity in the real world, unfair competition law appears to be overtaking both copyright and design patent as a source of protection for designs. How can this be? Once again: to imitate and copy another's goods is not a legal wrong unless the victim of copying has a legal right that has


^{75} Frito-Lay, Inc. v. So Good Potato Chip Co., 540 F.2d 927, 931 (8th Cir. 1976) (not a design patent case, but a pertinent observation).

^{76} Lindgren, supra note 72, at 205. "The Copyright Office registers 7,000-8,000 applied designs annually." The Industrial Innovation and Technology Act: Hearing on S. 791 Before the Subcomm. on Patents, Copyrights and Trademarks, of the Senate Comm. on the Judiciary, 100th Cong., 1st Sess. (March 26, 1987) (statement of Ralph Oman, Register of Copyrights).

^{77} The subsistence of copyright is no bar to a design patent. In re Yardley, 493 F.2d 1389, 1394 (C.C.P.A. 1974). But the Copyright Office refuses registration once a design patent has issued. 37 C.F.R. § 202.10(a) (1986).

been invaded. The main sources of such a right are copyright and patent. But a seller also has a right against competitors who create a likelihood of confusion by making their goods appear to be those of the first seller. This is the beating heart of unfair competition.

The classic way of passing off one’s goods as those of another is to use a distinctive trademark, name, or symbol that is confusingly like the other’s. Confusion can also be created by excessive similarity in what is variously called “trade dress,” “dress of goods,” or, in England, “get-up.” These terms usually refer to packaging and labelling devices. But in recent years unfair competition law has made the leap from packaging to the configuration and design of what is being sold. Configuration (which is like “overall shape” in copyright discourse) and design (which is at once our generic term and also denotes ornamentation) have to be distinctive of a particular source to be considered for protection. Similarity in appearance by itself is not enough. Configuration and design must come to be recognized as a badge of a seller. Before they can be protected they must ordinarily acquire what the law calls “secondary meaning,” which is a “connection in the consumer’s mind between the mark and the product’s producer, whether that producer is known or unknown.”

Furthermore, when protection is sought for trade dress, or beyond that for the appearance of the article itself, we have to separate the “non-functional” aspects of the dress or design from the “functional” ones. Functional features cannot qualify as trademarks.

All this is elementary unfair competition doctrine and it runs parallel to the copyright rules examined in Part I. The barrier to protection of functional features in unfair competition law is akin to the ban on copyright for useful articles. Conversely, non-functional elements of design, which can achieve trade symbol protection, are cousins to the separable elements of design that can claim copyright.

Elemental though these trade symbol rules may be, they are undergoing erosion. Three tendencies may account for this. First, the favored vehicle for access to the federal courts in the last fifteen years, Section 43(a) of the Lanham Act, is

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being read expansively. Second, some courts are very relaxed in perceiving secondary meaning in trade dress and design. Indeed, the influential Second Circuit finds in New York law no requirement of secondary meaning in such cases, a position that I will in due course deprecate. Third, some judges take a generous view of what design features they will classify as "non-functional," thus making them capable of source identification and trademark status. We will examine these developments in reverse order, commencing with functionality.

A. Functionality

1. Supreme Court Approaches

How do we tell whether a design element is functional or non-functional? There was a brief period when it could be said that the Supreme Court had almost demolished the distinction. In the twin Sears \(^81\) and Compco \(^82\) cases, a unanimous Supreme Court held that, with respect to articles unprotected by copyright or patent, the states could not ban copying under the guise of curbing unfair competition. All that state law could require was adequate labelling so as to minimize confusion of source. Furthermore, in Compco, Justice Black wrote:

That an article copied from an unpatented article could be made in some other way, that the design is "non-functional" and not essential to the use of either article, that the configuration of the article copied may have a "secondary meaning" which identifies the maker to the trade, or that there may be "confusion" among purchasers as to which article is which or as to who is the maker, may be relevant evidence in applying a State's law requiring such precautions as labeling; however, and regardless of the copier's motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.\(^83\)

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\(^83\) Id. at 238.
Sears and Compco, alas, have had a hard life. In Goldstein v. California 84 the Court held that the states could prevent the duplication of performances on phonograph records, thus authorizing a species of state copyright in works that Congress had previously refused to protect. The Court in Goldstein asserted that it was reaffirming Sears-Compco, 85 which it described as declaring a freedom to copy "mechanical configurations which did not possess the qualities required for the granting of a federal design or mechanical patent." 86 The Court went on to say that "[i]n regard to mechanical configurations, Congress had balanced the need to encourage innovation and originality of invention against the need to insure competition in the sale of identical or substantially identical products." 87 Neither the Court nor anyone else has further clarified the meaning of "mechanical configuration." But the phrase sounds rather like the shape of a useful object, does it not? If the Court was limiting the full reach of Sears-Compco 88 in order to validate its blessing of state intervention against record piracy, what it preserved is at the very core of this inquiry—whether and when the configuration of useful objects is open to copying. In Sears, pole lamps, and in Compco, certain fluorescent lighting fixtures, were made free as the air to copiers, so long as the copiers did not deceive customers about whose goods they were getting.

Meanwhile, the Court's attempt in Compco to do away with the endless fuss about what was functional in a design was curtly dismissed as dictum by the Eighth Circuit in TESCO. 89 That court then galloped off, as though Compco had never happened, and found that the profile of a hopper truck for transporting grain was not functional, that to buy-

85. Id. at 571.
86. Id. at 569.
87. Id.
ers of such trucks the shape signified the plaintiff as source, and that such buyers might buy a costly truck from Fruehauf, the giant imitator, when they meant to buy from the little plaintiff—a likely story! At least the little fellow was triumphant. But for the first time after Sears, the shape of the article itself was protected, as distinct from its “dress.”

After TESCO, the federal courts resumed fussing about functionality with renewed zest. The more functionality could be circumscribed, the more design features would be non-functional and protectable. One narrow definition emerged from the tangle of litigation aimed at the unauthorized substitution by pharmacists of generic pills for more expensive brand-name remedies. The question was, could the makers of generic pills be forbidden to imitate the colors of the brand-name products? The generic people said that color was functional. Consumers of the pills, assumed to be elderly and set in their ways, would not accept the generic pills, even when they were what the doctor ordered, if they did not bear the familiar colors of brand-name products.

Outcomes were mixed in the lower courts; the Supreme Court considered but did not resolve the matter in Inwood Laboratories, Inc. v. Ives Laboratories, Inc. But its intervention

90. TESCO anticipates the “reverse confusion” found in Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., 561 F.2d 1365 (10th Cir. 1977), cert. dismissed, 434 U.S. 1052 (1978), where plaintiff, a small tire distributor, was overwhelmed by Goodyear’s heavily promoted appropriation of its “Bigfoot” trademark to the extent that plaintiff was thought to be the copier. The TESCO opinion asserts a misappropriation rationale as well as passing off. 536 F.2d at 1220. On remand, the trial court, while awarding TESCO 20% of Fruehauf’s profits from the copies in TESCO’s sales area, allowed Fruehauf to continue to use the disputed profile! Comment, Product Simulation in the Eighth Circuit, 57 NEB. L. REV. 91, 139 (1978).

91. See Note, The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act, 82 COLUM. L. REV. 77 (1982). The author of the Note, now Professor Litman, organizes the cases effectively. She correctly emphasizes the importance of establishing secondary meaning, as anterior to the consideration of functionality. But then, if I read her right, she subordinates functionality to confusion. If there is a likelihood of confusion, even functional features can be protected. That is not the way I read Sears-Compco (which she does take seriously, unlike many judges nowadays). She also makes no marked distinction between dress of goods (packaging and display) and the configuration of the useful article, a distinction which I regard as vital. On the other hand, she is alert to the possibilities of remedies less severe than a flat proscription of copying.

did provide the occasion for a tight definition of functionality. A footnote to the Court's opinion says: "In general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." My unease with this definition centers on the word "essential." Of course an essential feature is functional. But any implication that only essential features are functional is misleading, and indeed is undercut by the rest of the definition; a feature is functional if it "affects the cost or quality." That part of the formulation is also, in my view, too narrow. Justice White was closer to an acceptable shorthand when, in a concurring opinion, he quoted approvingly from the Court of Appeals: "A functional characteristic is 'an important ingredient in the commercial success of the product,' and, after expiration of a patent, it is no more the property of the originator than the product itself. . . . Reproduction of a functional attribute is legitimate competitive activity." It is not necessary for an expired patent to be part of the scenario. Sears and Compco clearly teach that the non-existence or invalidity of a patent leave the same freedom to copy. But neither case was cited at all.

The Court's dictum in Inwood Laboratories is one of several competing views of the meaning of functionality. A complete canvass would take one through most of the circuit courts of appeal. At the risk of incompleteness, I will focus selectively on recent decisions from the Second, Third, Seventh, Ninth, and Federal Circuits.

where I misattributed the Court's dictum to Justice White, who took a different view. See infra note 94 and accompanying text.

93. 456 U.S. at 850 n.10.

94. Id. at 863 (citation omitted). The language that Justice White quoted from Ives Laboratories v. Darby Drug Co., 601 F.2d 631, 643 (2d Cir. 1979), was itself part of a quotation from Pagliero v. Wallace China Co., 198 F.2d 339, 343 (9th Cir. 1952).


96. The only issue that the Court decided in Inwood was that the Second Circuit had misapplied the "clearly erroneous" test in reversing the District Court. 456 U.S. at 858.
2. Second Circuit Approach

As I write, the controlling Second Circuit precedent is *LeSportsac, Inc. v. K-Mart Corp.* 97 There the plaintiff produced a successful line of lightweight luggage. Defendant, said the court, "apparently admits" copying the general getup of the bags, which are "made of parachute nylon and trimmed in cotton carpet tape with matching cotton-webbing straps. The zippers used to open and close the bags are color coordinated with the bags themselves, and usually are pulled with hollow rectangular metal sliders." 98 While there were repetitive logos on both parties' bags, alike in their overall appearance, different names were used. Plaintiff used the name "Sportsac," while defendant's logo read "di paris sac." The court quickly declared that the "design of [a] product itself may function as its packaging, serving to distinguish it from other products, and hence be protectable trade dress under § 43(a)." 99 This step the Circuit had already taken in two other cases, one involving toy cars, the other paperback book covers on competing lines of "romances." 100

The court in *LeSportsac* endorsed the *Inwood* dictum, as it had earlier done in the toy car case, where Judge Oakes explained that a "design feature 'affecting the cost or quality of an article' is one that permits the article to be manufactured at a lower cost . . . or one which constitutes an improvement

97. 754 F.2d 71 (2d Cir. 1985).
98. Id. at 74.
99. Id. at 75.
100. See Warner Bros. v. Gay Toys, 658 F.2d 76 (2d Cir. 1981); Harlequin Enterprises Ltd. v. Gulf & Western Corp., 644 F.2d 946 (2d Cir. 1981). Since luggage is usually displayed and sold without any packaging, the court in *LeSportsac* was doubtless correct in assimilating the design of the product itself to its trade dress. The same was true in the paperback case. Would not the toy car be sold in a box, even though it would be displayed bare? The *Sears-Compco* emphasis on adequate labelling as an adequate remedy against confusion got some attention in *LeSportsac*, although without any citation of those cases. K-Mart sought to have the preliminary injunction modified to permit it to sell its stock (90,000) of its "di paris" bags with a prominent hang tag showing K-Mart as the source. The court said that the tags were too easily removable, and that the equities would have been different "had K-Mart placed the proposed tags on the bags when they were first offered for sale." *LeSportsac*, 754 F.2d at 80.

Cf. *LeSportsac, Inc. v. Dockside Research Inc.*, 478 F. Supp. 602 (S.D.N.Y. 1979) where, with copious quotation from *Sears-Compco*, the court denied a preliminary injunction against an imitator of the same bags who (1) did not imitate LeSportsac's logo; (2) had its own sewn-in label; and (3) used hang tags.
in the operation of the goods.” 101 The trial court in LeSportsac found the overall design non-functional; K Mart could easily have altered its elements, without increasing its costs. K Mart had argued that the design was still functional because it was “an important ingredient in the commercial success of the product”—the same formulation that Justice White quoted; another panel had recently used that test to deny relief in a case involving the appearance of sofas. 102 But that case had also found that the sofa cushions fit together better because of the design, so that there was authentic mechanical functionality in the design. 103

LeSportsac thus distinguished the sofa case 104 and repudiated the “commercial success” test—but not entirely. The court adverted to the possibility that “aesthetic appeal” might be an “essential feature” of the design. If it was, still another kind of functionality would be present and if the case went to trial (as is typical in this field, the present appeal was from the grant of a preliminary injunction), the factfinder would have to answer this question:

Are consumers likely to purchase a LeSportsac bag rather than that of a competitor principally because they find LeSportsac’s particular combination of design features aesthetically pleasing, or will they buy principally because the product features serve to identify or distinguish the goods as genuine LeSportsac products? If the latter, the LeSportsac look primarily serves a legitimate trademark purpose—identifying the source of the product—and should be eligible for protection even though it is also an important ingredient in the product’s commercial success. 105

103. Id. at 20.
104. 754 F.2d at 77.
105. Id. at 78 (citations omitted). Cf. Industria Arredamenti, supra note 102, where the court said:

[T]he overall design which Craig has copied ... makes the sofa attractive to buyers despite enormously expensive price tags ... Our patent laws provide limited protection for new and useful inventions, but, beyond the protection of the patent laws, the general policy of our law is to favor competition. Early comers may not exclude latecomers. One may not welcome new competition, but one may not legally complain of it. There is a minute exception, of course, for one may not appropriate another’s trademark. That exception,
A very recent case in the Second Circuit merits mention. In Stormy Clime, Ltd. v. Progroup, Inc., a preliminary injunction was vacated because, Judge Newman wrote, the trial court did not give sufficient weight to functional aspects of the raincoats in dispute, nor to the defendant's clear identification of itself. In contrast, the plaintiff's raincoat "conspicuously avoid[ed] distinctive external markings other than its shingled look." On the one hand, the court, endorsing the Inwood dictum, followed LeSportsac rather than Charles Craig. On the other hand, Judge Newman, with a bow to Sears-Compco, observed that unlimited trademark protection could "undermine the objectives of the patent laws."

3. Seventh Circuit Approach

The competing roles of appearance as function and appearance as identification are of central contentious importance. In the Seventh Circuit, Judge Posner recently turned his formidable powers to the functionality problem. In Rogers v. Keene, the question was whether the shape of plastic stacking letter trays could serve as a trademark. The ends of the trays had this profile:

which the court describes as "hexagonal." Rogers had made them since 1969; they were popular enough, in competition with stodgy rectangular trays, to sell a million a year. Rogers never sought a design patent; and did not even give the trays a trade name until Keene, who had been a sales representa-

however, tends to enhance competition and to keep it fair. The newcomer may produce and sell identical goods, so long as he does not use another's figurative label. The design of the sofa here is not just a label; it is a principal characteristic of the sofa.

725 F.2d at 20.
106. 809 F.2d 971 (2d Cir. 1987).
107. Id. at 979 n.1.
108. Id. at 977-78.
tive for Rogers, copied the Rogers tray and became a rival. Rogers brought a § 43(a) action, had a jury trial, and came to grief because the jury answered "no" to a special verdict question that asked if the end panels were non-functional.

Judge Posner found that the instructions to the jury were defective, as were those proposed by the plaintiff. In the course of correcting the errors, he made a most acute analysis of the relevance of attractive appearance to functionality. He found a close enough connection so that he could intone at one point, "Beauty is function." More precisely, he wrote (I cannot effectively condense this substantial passage):

To summarize our earlier discussion of functionality, the jury has to determine whether the feature for which trademark protection is sought is something that other producers of the product in question would have to have as part of the product in order to be able to compete effectively in the market—in other words, in order to give consumers the benefits of a competitive 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.

A feature can be functional not only because it helps the product achieve the objective for which the product would be valued by a person indifferent to matters of taste, charm, elegance, and beauty, but also because it makes the product more pleasing to people not indifferent to such things. But the fact that people like the feature does not by itself prevent the manufacturer from being able to use it as his trademark. He is prevented only if the feature is functional, as defined above, that is, only if without it other producers of the product could not compete effectively. If it is nonfunctional, it can be trademarked even though it is pleasing.

On the one hand, the design feature is functional if a rival needs it in order to "compete effectively." On the other, it is non-functional if it is "merely incidental" and "gives the brand some individual distinction . . . which producers of competing brands can readily do without." It seems to me that there is a considerable undistributed middle between these two statements. This passage was supposed to guide the trial judge in framing "a proper

110. Id. at 343.
111. Id. at 346.
instruction.” It would be that judge’s job “to put our thoughts into words that will communicate effectively to lay persons.”112 If I were a juror who had heard a paraphrase of the quoted passage, I would agree with Judge Posner’s observation earlier in the opinion that “[O]ur legal system often gives the very difficult cases to juries to decide.”113 It is in a way comforting to know that the new trial never occurred. The importance of the opinion for my thesis (even if the critical test as set forth is imprecise) lies in its recognition that appearance can indeed be functional.114 And the concluding sentence of the opinion conveys a powerful message:

What Rogers may fear of course is not the loss of an identifying mark but the loss of a competitive advantage stemming from the exclusive possession of a popular design; but to protect the intellectual property that consists not of an identifying mark but of a pleasing design a manufacturer must seek the aid of the design-patent law, with its stringent requirements and its 14-year limitation, and not the aid of the trademark laws.115

If Rogers had been able to get a design patent in 1969, it would have expired in 1983—the same year that Keene copied the tray.116

4. Ninth Circuit Approach

The Ninth Circuit is the home ground of “aesthetic” functionality; and the influential source, from 1952, is Pagliero v. Wallace China Co.117 Wallace tried to prevent a competitor from copying four designs for hotel china. The

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112. Id.
113. Id. at 340.
114. In an otherwise thorough review of the recent precedents, Judge Posner cited neither the Inwood dictum nor Sears-Compco.
116. In Vaughan Mfg. Co. v. Briak Int’l, 814 F.2d 346 (7th Cir. 1987), defendant copied every detail of the appearance of plaintiff’s folding picnic table. In holding the copied features non-functional, the court quoted Rogers but followed LeSportsac, Inc. v. K-Mart Corp., 754 F.2d 71 (2nd Cir. 1985). The opinion is flawed in three respects: It made (1) no reference to the fact that a utility patent on the table had expired in 1950; (2) no reference to Sears-Compco; and (3) no finding of likelihood of confusion (defendant’s table bore a different name). The trial court’s decision, 228 U.S.P.Q. 456 (N.D. Ill. 1985), aff’d, 814 F.2d 346 (7th Cir. 1987), took account of all these elements; and the injunction forbade copying only of the details of color and fittings that were specified as arbitrary and non-functional.
117. 198 F.2d 339 (9th Cir. 1952).
court, anticipating Sears-Compco, held that even if Wallace could show secondary meaning:

If the particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a patent or copyright . . . . [F]rom the standpoint of the purchaser, china satisfies a demand for the aesthetic as well as for the utilitarian . . . . It seems clear that these designs are not merely indicia of source. 118

After Mazer v. Stein, designs like Wallace's would clearly be eligible for copyright; but that does not affect the Circuit's position in unfair competition that appearance may be functional and imitable. The defendant tried to push that position much too far in the Vuitton case. 119 Vuitton imprints its famous registered trademark all over the surface of its prestigious luggage. The defendant persuaded a trial judge that the Vuitton trademark was invalid (for a silly reason) 120 and that the defendant was free to sell indistinguishable replicas of the luggage. All this got short shrift on appeal. The Vuitton mark, the court held, is valid and is a powerful source indicator: "The policy expressed in Pagliero and the cases decided under it is aimed at avoiding the use of a trademark to monopolize a design feature which, in itself and apart from its identification of source, improves the usefulness or appeal of the object it adorns." 121 This and other cases 122 establish that the Pagliero teaching is alive and well in the Ninth Circuit.

118. Id. at 343-44.
120. Defendant argued that the Vuitton fleur-de-lis had been the symbol of French royalty and was accordingly a "national insignia," in which trademark is barred by 15 U.S.C. § 1052(b).
121. 644 F.2d at 774.
122. In Fuddruckers, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837 (9th Cir. 1987), the court remarked that "This case expands the boundaries of trade dress infringement. . . . [A] restaurant's decor, menu, layout and style of service may acquire the source distinguishing aspects of protectable trade dress such that their imitation is likely to cause consumer confusion." Id. at 841. See Unital, Ltd. v. Sleepco Mfg., 627 F. Supp. 285 (W.D. Wash. 1985); Famolare, Inc. v. Melville Corp., 472 F. Supp. 738 (D. Haw. 1979), aff'd mem., 652 F.2d 62 (9th Cir. 1981). Accord Fabrica, Inc. v. El Dorado Corp., 697 F.2d 890, 895 (9th Cir. 1983); cf. Audio Fidelity v. High Fidelity Recordings, 283 F.2d 551 (9th Cir. 1960) ("aesthetic functionality" copying privilege doesn't apply to packaging, only to the product itself). But see First Brands Corp. v. Fred Meyer, Inc., 809 F.2d 1378, 1382 n.3 (9th Cir. 1987) (dictum that "'aesthetic' functionality test has been limited, Vuitton, 644 F.2d at 773, if not rejected, Fabrica, 697 F.2d at 895 . . . .")
5. Federal Circuit Approach

The Federal Circuit reaches the functionality issue in appeals from a denial of registration of a trademark by the Patent and Trademark Office. Both in its current and previous incarnation, as the Court of Customs and Patent Appeals, the court has occasion to consider denials that are based on functionality grounds. In what was apparently intended as a major statement by the court’s doyen, Judge Giles Rich, he said that the “public policy involved in this area of the law is not the right to slavishly copy articles which are not protected by patent or copyright, but the need to copy those articles, which is more properly termed the right to compete effectively.” The court rather unreasonably puts the burden on the PTO to show that competitors do not need to copy the configuration to compete effectively. Only rarely does the Federal Court discuss the Sears-Compco privilege to copy.

In actual consequence, the Federal Circuit and the PTO have been reasonably cautious about allowing trademarks to be registered for configurations, either of a container or

126. But see Litton Systems v. Whirlpool Corp., 728 F.2d 1423, 1448 (Fed. Cir. 1984). Consideration of these problems in the Federal Circuit is obscured by a regrettable bit of jargon. The court insists on talking about “de facto functionality” and “de jure functionality,” defined in the leading Morton-Norwich case as follows:

[I]f the designation “functional” is to be utilized to denote the legal consequence, we must speak in terms of de facto functionality and de jure functionality, the former being the use of “functional” in the lay sense, indicating that although the design of a product, a container, or a feature of either is directed to performance of a function, it may be legally recognized as an indication of source. De jure functionality, of course, would be used to indicate the opposite—such a design may not be protected as a trademark.

671 F.2d at 1337 (emphasis in original). 1, for one, find these labels unhelpful and confusing. I earnestly hope that they gain no wider currency.
127. The Haig & Haig Pinch bottle was the first container shape to achieve registration on the Principal Register. Ex parte Haig & Haig, Ltd., 118 U.S.P.Q. 229 (BNA) (Comm'r Pat. 1958). For other examples see 1 J.T. McCarthy, Trademarks & Unfair Competition, supra note 123, § 7.31 and § 7.34 (buildings). The House of Lords recently emphatically refused registration of the Coca-
of the useful article itself.\textsuperscript{128} Parsimony of this sort is appropriate, for registration carries with it a significant bundle of rights.\textsuperscript{129}

Professor Oddi, in a useful recent examination of the CCPA and Federal Circuit decisions, concludes that the court has little use for aesthetic functionality, however described.\textsuperscript{130} He points chiefly to the \textit{DC Comics} case, which allowed the registration of drawings of Superman and Batman as trademarks for dolls representing the same well-known figures.\textsuperscript{131} This is surely tantamount to saying that the figures are trademarks of themselves. The function of a Superman doll is to be a Superman doll. Its only utility is as a Superman doll. For the present, an unauthorized Superman doll probably infringes the copyright in the character Superman.\textsuperscript{132} Copyrights eventually expire. What the court has done in \textit{DC Comics}, since trademarks can last forever, is to safeguard Superman from ever facing the rough-and-tumble of the public domain, which might undo even Superman.\textsuperscript{133}

The Federal Circuit occasionally confronts unfair competition issues in patent appeals from the district courts to which Section 43(a) claims are pendent. In these cases, if it denies the patent claim, it defers to the unfair competition

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\item Cola bottle shape as a trademark. \textit{In re Coca-Cola Co.}, 1 W.L.R. 695 (1986). It was admitted to the Register here in 1960. \textit{See} \textsc{McCarthy}, supra, at 263.
\item If on the Principal Register, that is. \textit{See} 2 J.T. \textsc{McCarthy}, supra note 123, at § 19.5. Admission to the Supplemental Register signifies very little, except as an aid to registration abroad. It confers no substantive rights. Id. at § 19.8.
\item \textit{In re DC Comics}, 689 F.2d 1042 (C.C.P.A. 1982). The three opinions in this case (two concurring, by Judges Rich and Nies) further snarl a tangle of issues about descriptiveness and functionality. The TTAB thought that the marks were necessarily descriptive of what they portrayed and incapable of serving as trademarks. The court found them capable of serving as trademarks. Judge Nies thought that if they were descriptive, secondary meaning must be shown. But she joined in reversing the Board because it had precluded trademark capacity. The Board also considered the drawings \textit{"commercially functional"—in the Pagliero sense of being \texttt{"an important ingredient in the commercial success of the product."}} Judge Baldwin, for the court, and Judge Rich firmly rejected any such approach.
\item \textit{Cf.} Detective Comics v. Bruns Publications, 111 F.2d 432 (2d Cir. 1940) (comic book character found to infringe Superman trademark).
\item Judge Nies, to her credit, recognized this problem but said it \textit{"must await resolution in an appropriate case."} \textit{DC Comics}, 689 F.2d at 1052–53 n.6.
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\end{footnotesize}
law of the circuit from which the case came. It has accordingly respected the Ninth Circuit privilege to copy design appearance features, while at the same time unnecessarily denigrating the Ninth Circuit cases as "unclear."\textsuperscript{134}

Another Federal Circuit case from the Eighth Circuit is truly noteworthy. Litton complained that the appearance of its microwave ovens was unfairly copied by Whirlpool. The court found a design patent valid but not infringed and, through Judge Nichols, actually applied the teachings of \textit{Sears-Compco}. He correctly observed that, "No Supreme Court case . . . limits the effect of the \textit{Sears-Compco} doctrine with respect to factual situations similar to those at issue in the \textit{Sears} and \textit{Compco} cases."\textsuperscript{135} Even if Litton could establish likelihood of confusion, all that state law could require was adequate labelling; and Whirlpool had conspicuously displayed its name on its oven.\textsuperscript{136}

6. Third Circuit Approach

I end this tour by returning to the Third Circuit. A very recent case there reinforces the proposition that aspects of appearance of goods can be functional and are then incapable of appropriation.\textsuperscript{137} Plaintiffs, through a joint venture, are the originators of the "Care Bear" family—familiar teddy bears distinguished by "tummy graphics," such as "two hearts touching" or a "wishing star." Plaintiffs explained in a "licensing manual" that "each Care Bear wears a symbol on its tummy which best explains its chosen mission." The examples given are meant to convey "Romantic Feelings" and "Wishes and Hope."\textsuperscript{138} The district court (correctly) "concluded that 'tummy graphics' are functional. In essence, the district judge found that tummy graphics do not merely make Care Bears more appealing to the eye; they contribute to the effectiveness and performance of Care Bears as plush toy teddy bears."\textsuperscript{139}

\begin{flushright}
136. \textit{Id.} at 1446.
138. \textit{Id.} at 1143.
139. \textit{Id.} at 1142.
\end{flushright}
Care Bears, promoted with enormous advertising outlays, were an enormous success. Defendant Dan-Dee moved in with "The Goodtime Gang" of teddy bears, also with tummy graphics. Plaintiff got a preliminary injunction forbidding Dan-Dee from selling pastel-colored teddy bears with white stomachs bearing design graphics likely to be confused with those used by plaintiff. Defendant retreated to a "New Goodtime Gang" composed of stuffed animals other than bears. Plaintiff countered with Care Bear Cousins, and got a broader injunction, under which Dan-Dee was held in contempt for copying both a dog and a bear. The trial court, finding that plaintiff's products had acquired secondary meaning, emphasized the overall similarity of the competing products.\textsuperscript{140}

Since teddy bears are in the public domain and "tummy graphics" are functional, it is hard to see how such an injunction could stand. The Court of Appeals, imposing stiff restrictions on itself as to the scope of review of a preliminary injunction, accepted that the plaintiff was entitled to some protection against confusion even as to functional features, and that Dan-Dee had to try to modify its design. But, the court concluded, "If it is not feasible for Dan-Dee to design a teddy bear with tummy graphics which creates no likelihood of confusion, Dan-Dee may not be prohibited from marketing a teddy bear with tummy graphics, but it may be required to take reasonable steps to minimize the confusion."\textsuperscript{141} The obvious step would be simply to insist on clear labelling of origin by both parties.

A much more straightforward opinion in another recent Section 43(a) case in the Third Circuit permitted copying of the appearance of dishtowels with a "window-pane" design and weave that made the towels "strong, durable, and compatible with contemporary kitchen decor."\textsuperscript{142} In a concise opinion affirming a finding of aesthetic functionality that disposed of the case, Judge Hunter concluded,

"It may seem anomalous that the law will not protect the producer of a successful product from an admitted copier. Nevertheless, the functionality doctrine protects con--

\textsuperscript{141} 807 F.2d at 1149.
sumers—and producers—from the monopoly that would result if a producer could protect those features that, in effect, provide the product with its essential characteristics.143

Doctrinally, both the Care Bear and the dishtowel cases relied on Keene Corp. v. Paraflex Industries,144 a Section 43(a) case decided in 1981, in which the subject matter, outdoor lighting features of modern design, is the same as that in the notable copyright case of Esquire v. Ringer.145 The trial court in Keene had required the copier, in order to avoid confusion, to affix a metal plate reading, “Not a Product of Keene Corporation.”

In a troubled opinion by Judge Sloviter “on the scope and meaning of the doctrine of aesthetic functionality,”146 the Court of Appeals refused to enjoin the copying. The court said that it could not accept “the broad view” associated with Pagliero

which relates the doctrine to the commercial desirability of the feature at issue without consideration of its utilitarian function. Such an approach provides a disincentive for development of imaginative and attractive design. The more appealing the design, the less protection it would receive.

Instead, the inquiry should focus on the extent to which the design feature is related to the utilitarian function of the product or feature. When the design itself is not significantly related to the utilitarian function of the product, but is merely arbitrary, then it is entitled to protection as a design trademark if it has acquired the distinctiveness necessary to achieve a secondary meaning.147

But, the court observed, part of the function of a wall-mounted fixture “includes its architectural compatibility with the structure or building on which it is mounted. Thus its design configuration, rather than serving merely as an arbitrary expression of aesthetics, is intricately related to its function.”148 To permit successive designers of such fix-

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143. Id. at 783.
144. 653 F.2d 822 (3d Cir. 1981).
146. 653 F.2d at 823.
147. Id. at 825.
tures to monopolize their designs could stifle competition. Therefore, no injunction could issue.

The Third Circuit seems to have arrived at a workable and sensible accommodation in the lighting fixture and dishtowel cases. However, to suggest that a competitor must try to design around the conventional "tummy graphics" of the Care Bears surely inhibits competition. The plaintiff's marketing device should not be immune from all risk of confusion by those who cannot distinguish a "Care Bear" from a "Goodtime Gang."149

B. Diluting Secondary Meaning

Source identification is still the bedrock of unfair competition. Most cases routinely repeat that non-functional trade dress must acquire secondary meaning—a connection with a source—before it can serve as a trademark. There are three seeming encroachments on this rule, although only the second of them is possibly lethal. First, the Second Circuit keeps stating that New York law protects trade dress without a showing of secondary meaning. This is not necessarily so. Second, there is a notion at large called "secondary meaning in the making." It should be stamped out. Third, there is a move toward assimilating the rules for trade dress protection with those long established for words and symbols. An "inherently distinctive" trade dress could gain the same immediate protection as an arbitrary trademark. It would not be necessary to wait for secondary meaning to ripen. There is nothing wrong with this trend if the standards for instant protection are kept high.

1. New York Law—No Showing of Secondary Meaning Necessary?

The repetitive incantation by the Second Circuit that in trade dress cases New York unfair competition law requires no showing of secondary meaning150 is troublesome from

149. The Fifth Circuit has taken an avowedly narrow view of functionality in a § 43(a) packaging case, declining to define functionality in terms of commercial success or marketing effectiveness. Sicilia di R. Biebow & Co. v. Cox, 732 F.2d 417 (5th Cir. 1984) (appearance and configuration of squeezable bottles for lemon juice).

150. The beginning of this assertion is probably found in Flexitized, Inc. v. National Flexitized Corp., 335 F.2d 774 (2d Cir. 1964), which concerned a de-
the outset because it creates a misfit with Section 43(a). When, as is routinely the case, a plaintiff alleges a breach of Section 43(a), which gets him into federal court, and then adds a state unfair competition claim, the Second Circuit is staunch enough in asserting that Section 43(a) requires a showing of secondary meaning. It does not say much for the consistency of the system if a plaintiff who cannot show any source connection for his getup can nevertheless win under state law because of a disembodied likelihood of confusion.

The rationale advanced in the leading Perfect Fit case, where the plaintiff did not establish secondary meaning and therefore was dependent on the looser New York standard, is a plausible one: "[M]onopolization is not a problem in the realm of trade dress, because the possible varieties of advertising display and packaging are virtually endless." Fair enough, as long as the subject is "advertising display and packaging." Endless variation is possible; and if we are truly talking about display and packaging there is no reason why a second comer should be free to closely copy my packaging if mine is distinctive and if it is non-functional and if I am not trying to appropriate descriptive or generic symbols and if imitation makes confusion likely.

The "Mighty OJ" litigation affords a cautionary example of what happens if these relaxed ideas are extended from trade dress to the appearance of the product itself. It is the real life source of the hypothetical orange juice squeezer case with which I began this essay. The plaintiff, Metro Kane, did not give the squeezer its "high-tech" design; she

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153. Id. at 953.

imported it from Mexico as her only product. Rowoco copied it. Rowoco, we are told, makes 1800 kitchen gadgets, and therefore gets more shelf space. What was worse, from the plaintiff’s point of view, was that Rowoco sold its copy cheaper.

In a Section 43(a) case augmented by state unfair competition counts, Judge Sweet, in the first round, denied a preliminary injunction, relying chiefly on Charles Craig, the functional sofa case. The Second Circuit remanded for reconsideration in light of LeSportsac, which had just come down. Judge Sweet duly reconsidered and concluded that the appealing design of the Mighty OJ was entirely aesthetic and was therefore non-functional. Plaintiff made some attempt to show secondary meaning; but the court said that was unnecessary under the New York rules. Alternatively, the plaintiff claimed secondary meaning in the making, of which more shortly. A companion case against distributors of the squeezers was appealed. The Court of Appeals upheld the preliminary injunction without a publishable opinion. The litigation ended there.

Professor McCarthy has shown that the supposed New York rule dispensing with secondary meaning is kept going chiefly through its reiteration by the Second Circuit. Furthermore, the New York precedents antedate Sears-Compco, and should be re-examined for their fidelity to whatever Sears-Compco now requires. But the outcome of

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157. Another case that got caught between Charles Craig, 725 F.2d 18, and LeSportsac, 754 F.2d 71, was Morex, S.P.A. v. Design Institute America, 779 F.2d 799 (2d Cir. 1985). Design Institute’s “etagere,” “a shelf unit,” was copied by Morex. The trial court held that the design was functional, following Charles Craig. The per curiam remand held that even if this finding was erroneous after LeSportsac, a finding of no secondary meaning still disposed of the § 43(a) claim. But on the New York unfair competition claim, a remand was necessary. Perhaps the design wasn’t functional; perhaps there was a likelihood of confusion. The trial court had required Morex to identify itself with a hang tag and in advertising. Perhaps that would not suffice either.
159. They are marshalled in Flexitized Inc. v. National Flexitized Corp., 335 F.2d 774 (2d Cir. 1964), decided only five months after Sears-Compco.
Mighty OJ protects the design of an article from copying, despite ample differences in the packaging of the two products, and despite plaintiff’s inability to establish secondary meaning.

2. Secondary Meaning in the Making

As for secondary meaning in the making, it is a solecism. If there is no association between the product and a source, it has never been good enough to say: “I hope to achieve secondary meaning, so protect me now.” Judge Sweet, invoking the new-fangled notion, placed it in the context of “intentional, deliberate attempts to capitalize on a distinctive product.” That is indeed what Rowoco was doing. It is what a copier is privileged to do unless the “distinctive” or “highly distinctive” features have created some association with a specific source. Judge Sweet, noting that standard ways of attempting to prove secondary meaning include evidence of large advertising outlays and large sales, observed sympathetically that “it is difficult to imagine

160. “[S]uch labelling may be ineffective when a small distinctive item is casually considered by prospective customers.” Metro Kane Imports v. Federated Dep’t Stores, 625 F. Supp. 313, 318 (S.D.N.Y. 1985).
161. 625 F. Supp. at 316–17, is the nearest thing to a holding based on secondary meaning in the making. It collects, at 316, earlier dicta in the Southern District. Cf. A.J. Canfield Co. v. Concord Beverage Co., 629 F. Supp. 200 (E.D. Pa. 1985), aff’d, 808 F.2d 291 (3d Cir. 1986) (collects other dicta but refuses to rely on secondary meaning in the making); Black & Decker Mfg. Co. v. Ever-Ready Appliance Mfg. Co., 684 F.2d 546, 550 (8th Cir. 1982) (“We are directed to no case which actually applies [this] theory and we decline to adopt it.”). Although the Court of Appeals’ statement of April 22, 1985, affirming jurisdiction of the District Court on the Lanham Act claim, in Metro Kane Imports, states that it “shall not be reported, cited or otherwise used in unrelated cases,” in this academic setting I must observe that the statement did refer to “secondary meaning in the making” as a possible basis for Lanham Act jurisdiction.
162. See 1 J.T. McCarthy, supra note 123, at 704.
163. 625 F. Supp. at 316. This kind of language is familiar in copying cases where the court is moving toward relief for the seller who has been copied. A more forceful attack hems in the copier by making deliberate copying probative of the existence of secondary meaning: “We hold that evidence of intentional, direct copying establishes a prima facie case of secondary meaning sufficient to shift the burden of persuasion to the defendant on that issue.” M. Kramer Mfg. Co. v. Andrews, 783 F.2d 421, 448 (4th Cir. 1986) (trade dress of video game). The copier is then brought to his knees by another inference, that intentional copying establishes likelihood of confusion. Id. at 448 n.24. The coup de grace is to combine these inferences; see 2 J.T. McCarthy, supra note 123, at 688: “The problem with this short-circuiting of the double-inference approach is that there may have been several other motivations for defendant’s imitation.”
164. 625 F. Supp. at 317.
how any moderate-sized producer entering a market could expend the substantial resources necessary to uphold a finding of secondary meaning. . . ."165 Even less could a small, one-product enterprise like Metro Kane, in a narrow market, mount a consumer survey of any consequence, as another way of establishing secondary meaning.166 It inescapably does take time and money to build up recognition as the source of a product.

The Mighty OJ litigation, with its emphasis on intentional copying and secondary meaning in the making, obviated the need for time and money, and by so doing helped the little fellow. But the goal of unfair competition law is to check unfair competition, not to help small business. Slack doctrine leads to the creation of monopolies, large and small, without the safeguards that attend the statutory monopolies of copyright and patent. The Mighty OJ could not have qualified for a design copyright on its overall shape and appearance.167 It might have been novel enough to earn a design patent. If so, that would be a legitimate route to a monopoly limited in time, as Judge Posner suggested in the letter-tray case.168 A judicially-bestowed freedom from competition, unsupported by likely deception of consumers, is not.

3. "Inherent Distinctiveness"

The third modification to the secondary meaning requirement stems from a plausible move to bring trade dress into the doctrinal mainstream of trademark law. Four categories of marks or would-be marks are conventionally identified: (1) arbitrary or fanciful marks (like "Kodak" for cameras and "Ivory" for soap) which are immediately protectable on use; (2) marks that are suggestive of attributes or qualities of the product (like "Coppertone" for suntan lotion), which are also protected, but not so vigorously as the first category; (3) descriptive marks, not protected until and unless secondary meaning links the mark to the first user;

166. Id.
167. See supra note 62 and accompanying text.
168. W.T. Rogers Co. v. Keene, 778 F.2d 334 (7th Cir. 1985).
and (4) generic names of the product or service, incapable of attaining exclusive trademark significance.

The 1981 *Chevron Chemical* case held that trade dress—packaging—could be distinctive enough to be treated like an arbitrary mark.\(^\text{169}\) Judge Rubin, in a refreshing review of the development of Section 43(a), analogized trade dress to verbal trademarks. He reasonably concluded that: “[I]f the features of the trade dress sought to be protected are arbitrary and serve no function either to describe the product or assist in its effective packaging, there is no reason to require a plaintiff to show consumer connotations associated with such arbitrarily selected features.”\(^\text{170}\)

The Eleventh Circuit recently took a long leap forward. In a case about the packaging of ice-cream bars, it held that suggestive elements in the packaging, such as a polar bear figure, could add up to something inherently distinctive as part of an overall distinctive packaging ensemble, and that an inquiry into secondary meaning was unnecessary.\(^\text{171}\) Judge Wisdom said, “We hold that the mainly suggestive Klondike trade dress merits at least moderate protection.”\(^\text{172}\) In an alarming footnote, he added that such dress deserved “[g]reater protection than one composed of generic or descriptive elements.”\(^\text{173}\) This goes too far. Unless the overall ensemble achieves remarkable distinction, it seems to me beyond the limits of respectable trademark discourse to speak at all of protecting descriptive elements, without going back to a requirement of secondary meaning. And generic elements aren’t protectable under any theory. Perhaps the court’s indulgence to the plaintiff in the ice-cream bar case can be explained by the extra-judicial consideration that the plaintiff, Ambrit, was a regional producer who distributed through nationally-operating Kraft. Kraft ditched Ambrit when it decided to market its own six-packs of ice cream bars and then adopted packaging as close to plaintiff’s as it could get. The equities favored Ambrit.


\(^{170}\) *Id.* at 702.

\(^{171}\) *Ambrit, Inc. v. Kraft, Inc.*, 805 F.2d 974 (11th Cir. 1986) (Judge Wisdom sitting by designation from the Fifth Circuit).

\(^{172}\) *Id.* at 982. *cf.* *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 716 F.2d 854 (11th Cir. 1983) (no inherent distinctiveness in “V” pattern on athletic shoes).

\(^{173}\) 805 F.2d at 983 n.40.
A year earlier, Judge Posner had cautiously accepted the *Chevron* approach—that intrinsic distinctiveness in trade dress would be recognized without a secondary meaning inquiry—in a case about an advertising display in the Yellow Pages.\(^{174}\) Despite this acceptance, the court found no such distinctiveness on the facts. However, the Eleventh Circuit failed even to cite Judge Posner’s illuminating opinion, perhaps because of the different subject matter of the cases.

These recent cases that attempt to recast the rationale of trade dress recognition all concern packaging or advertising. There the development should rest. To say that the overall design of a useful article is “inherently distinctive” of a particular source just by examining it and perhaps dissecting it, seems to me an impermissible exercise of intuitive judging. It substitutes an impression that the design is outstanding, or eccentric, or clever, or something, for the proofs of association with a source, gained in the marketplace, that add up to a showing of secondary meaning. Furthermore, such a short-cut subordinates the functionality inquiry, which is indispensable in appraising a design.

4. State Law Short-Cutting of Secondary Meaning is Preempted

The way to control all these strains that denigrate secondary meaning is to pay closer attention to the constraints on state law that flow from *Sears-Compco* and to the preemptive effect of Section 301 of the Copyright Act. The supposed New York rule eliminating the need to show secondary meaning in trade dress cases is especially vulnerable to such analysis.

As we have already observed, when one examines the New York precedents,\(^{175}\) they antedate *Sears-Compco*, and should be re-examined for their fidelity to *Sears-Compco*.\(^{176}\)

What we find running through the New York and other cases\(^{177}\) that forbid copying without adequate demonstration

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\(^{174}\) See Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc., 781 F.2d 604 (7th Cir. 1986).

\(^{175}\) The principal source is Santa’s Workshop, Inc. v. Sterling, 2 A.D.2d 262, 153 N.Y.S.2d 839 (1956), aff’d, 3 N.Y.2d 757, 143 N.E.2d 529 (1957) (trade name not trade dress at issue).

\(^{176}\) See supra notes 159–60 and accompanying text.

\(^{177}\) See, e.g., Truck Equip. Serv. Co. v. Fruehauf Corp., 536 F.2d 1210, 1220 (8th Cir. 1976), cert. denied., 429 U.S. 861 (1976) (truck design); Flexitized, Inc. v.
of secondary meaning and confusion of source is the ambiguous tort of misappropriation. Misappropriation has no precise meaning; it is broadly defined as "the unauthorized taking of the results of another's efforts. . . ." Misappropriation gained some respectability from the famous 1918 case of International News Service v. Associated Press where INS, barred from the Western front in World War I, lifted AP's uncopyrighted news and was enjoined from doing so. Its legitimacy and reach have been debated ever since.

I will not here enlarge that debate. When courts condemn misappropriation of a design, they are trying to condemn copying. Unless the shape or appearance of the object is protected by copyright or patent, Sears-Compco, as we have seen, forbids the states to prevent copying; they can only act to prevent buyers from deception as to source.

In tandem with the liberating force of Sears-Compco runs the preemptive force of the Copyright Act. The copyright statute preempts any attempt to create by state law rights within the general scope of copyright subject matter. Design is within the copyright subject matter of "pictorial, graphic, and sculptural works." Therefore, state law cannot forbid the copying of designs.


179. 248 U.S. 215 (1918).


181. Cf. Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979), which was almost literally a dress of goods case. Plaintiffs successfully claimed § 43(a) trademark rights in design aspects of their uniforms, and confusion of sponsorship through their copying in a "gross and revolting sex film." 604 F.2d at 202. The court said that Sears-Compco did not apply in a trademark infringement action where the plaintiff does not assert exclusive rights to the sale of a product but merely to a mark indicating its origin or sponsorship. . . . Sears-Compco did not redefine the permissible scope of the law of trademarks insofar as it applies to origin and sponsorship.


The syllogism is in fact not quite so simple. Statutory preemption has another face. It does not reach activities violating rights that are not equivalent to rights conferred by the statute. There is consensus that "deceptive trade practices such as passing off and false representations" are not equivalent to the statutory rights to copy, perform, etc. Accordingly, they are not preempted. Without proof of passing off or false representations, can a plaintiff rely on state misappropriation law—or any state law—to enjoin one who deliberately copies the Mighty OJ? After some uncertainty because of bizarre turns in the legislative history of Section 301, courts are now firmly following the position of the authoritative House Report on the general revision of the copyright law, except in its 1976 version, that misappropriation is "nothing more than copyright protection under another name. . . ." To avoid preemption, state law must remain anchored in deceptive trade practices. That means, with respect to those non-functional aspects of design that alone are entitled to protection, likelihood of confusion must be established either by demonstrating a marked degree of "inherent distinctiveness," or of old-fashioned secondary meaning, and further that confusion is not dispelled by clear labelling.

Due attention to the combined preemptive reach of Sears-Compco and of Section 310 would go far to eliminate

185. M. NIMMER, supra note 4, at § 1.01[B][1] n.47. The quoted phrase is from a catalog of non-preempted "activities" that was deleted from § 301(b) just before its enactment, see infra note 186; it is nevertheless recognized that passing off is not preempted. See Warner Bros. v. American Broadcasting Co., 720 F.2d 231, 247 (2d Cir. 1983); M. NIMMER, supra note 4.
186. For a brief period during the lengthy course of the general revision (1961-76), "misappropriation" was included in the catalog of activities that could be non-equivalent and non-preempted. It is very likely that the last minute deletion of the entire catalog was an act of overkill aimed only at excising misappropriation. The best account of the whole affair, with full analysis of the cases and context, is Abrams, supra note 178; see also Fetter, Copyright Revision and the Preemption of State "Misappropriation" Law, 25 BULL. COPYRIGHT SOC'Y 367 (1978).
189. For a bold argument that Sears-Compco has a more pervasive reach than § 301, so that in many cases it is unnecessary to thread the intricacies of § 301 to
misfits between state law and Section 43(a), so long as Section 43(a) itself follows the classic contours of unfair competition law. The next question we address is whether and why Section 43(a) is getting out of hand.

C. The Primacy of Section 43(a)

There are three sources of law for unfair competition relief: (1) state law, still mostly judge-made common law; (2) the Lanham Act, creating federal rights in registered trademarks; and (3) what we are coming to treat as though it is the Lanham Act, Section 43(a).

Section 301(d) of the Copyright Act makes clear that “rights or remedies under any other Federal statute” are not limited by that Act. According to, no statutory preemptive force constrains the working of federal trademark law as it bears on design imitation. But, as we have seen, the main body of that law, that is, all of the Lanham Act except Section 43(a), has shown little warmth toward trademarks for designs of articles. The action in recent years all comes from Section 43(a); and it is painfully clear that in practice decisions applying Section 43(a) are free of copyright limits, and luxuriate with little constraint by Sears-Compco. We are becoming accustomed to reading that Section 43(a) expansively “creates a federal cause of action for unfair competition.” Courts and recent commentators have lost sight of Judge Rubin’s tart observation in Chevron that it was anomalous “for Congress to enact an entire statute, forty-five sections in length, to define and protect trademarks by federal law and then in a

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192. See supra note 127.
passing reference to enact as federal the entire common law of unregistered marks and unfair competition.”

Indeed, if we take a fresh look at the language of Section 43(a), it is remarkable that it can sustain its proliferation of application. What it makes actionable are: “a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same.” That is all. We accept as old hat that until 1963 “false designation of origin” meant only geographical origin; and that “false description or representation” initially curbed only false advertising. It is now commonplace that these phrases have come to encompass much of common-law trademark law.

Still, the key word is “false.” A designation, description, or representation is not actionable unless it is false. In the area of design protection, where is the falsehood if I copy the shape, appearance, or ornamentation of an article that is already on the market? If I falsely advertise or suggest that I designed the article myself, that is an easy case; it does not bulk large in the law reports.

My copy may lead to confusion; but there is no falsehood in that either. My copy can be false only if it denotes or connotes that it came from another source. If there is no passing off, copying does not violate Section 43(a). In the generic pill case, Judge Friendly’s characteristically penetrating dissection of Sears-Compco and Section 43(a) pointed out that the Supreme Court was not attempting to address Section 43(a) (which anyway in 1964 was still only adolescent).

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196. See 2 J.T. McCarthy, supra note 123, at 345, identifying Federal-Mogul-Bower Bearings, Inc. v. Azoff, 313 F.2d 405 (6th Cir. 1963) as signalling “a whole new dimension of § 43(a).”


198. For contrasting views of the proper scope of Section 43(a), compare Germain, Unfair Trade Practices Under Section 43(a) of the Lanham Act; You’ve Come a Long Way, Baby—Too Far, Maybe?, 49 Ind. L. Rev. 84 (1973) with Bauer, supra note 194.


200. I do not believe that any of the cases disavow this proposition; they just get a little careless about adhering to it and occasionally flirt with the siren songs of misappropriation. See, e.g., TESCO, 536 F.2d at 1213.
DESIGN PROTECTION

"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."\(^{201}\) As we have seen, the Supreme Court muffed an opportunity to construe Section 43(a) in the same litigation\(^{202}\); and it is rather unrealistic to expect Congress to concern itself with fine-tuning that statute.

But Sears-Compco still offers vital guidance to the proper application of Section 43(a). In Sears, Justice Black wrote for a unanimous Court:

Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods.\(^{203}\)

Attention must be paid. At a minimum, in framing injunctions, more attention should be paid to the remedial potential of requiring better labelling by the defendant. Section 43(a) does not say, "Thou shalt not copy." It says, "Thou shalt not use a false designation of origin." In several of the cases we have looked at, a direction that the defendant must clearly identify itself should have sufficed.\(^{204}\) The plaintiff should also identify itself. A seller who does not adopt and affix a trademark, who in fact relies solely on the appearance of her goods for source identification (the letter tray in Rogers\(^ {205}\) and the Mighty Of\(^{206}\) spring to mind)

\(^{201}\) Ives Laboratories, Inc. v. Darby Drug Co., 601 F.2d 631, 642 (2d Cir. 1979) (affirming denial of preliminary injunction).


\(^{203}\) 376 U.S. at 232.


\(^{205}\) 778 F.2d 334.

\(^{206}\) Metro Kane, 618 F.Supp. 273. See also Bose Corp. v. Linear Design Labs. Inc., 467 F.2d 304 (2d Cir. 1972) (affirming denial of preliminary injunction). Bose deliberately marketed its pentagonal speakers "without affixing its name,
does not have a distinctive identifier, and understandably has trouble establishing secondary meaning—in the making, or any other kind.

IV. FREE RIDERS AND LEVEL PLAYING FIELDS

The whole body of law that we have looked at is two-faced. One face recognizes that *homo sapiens* thrive on imitation and so does the economy. The other looks with distaste on copiers. They reap where they have not sown; they compete unfairly. Behind the distaste is a more rational concern that easy copying discourages originality. Judge Sloviter wisely wrote in the *Keene* case, “As our ambience becomes more mechanized and banal, it would be unfortunate if we were to discourage use of a spark of originality which could transform an ordinary product into one of grace.”

Many of the decisions, notably Judge Posner’s in *Rogers v. Keene*, try to strike a balance between competitive copying and untamed free-riding. His view of effective competition recognizes that free-riding copiers may diminish investment in socially useful innovation. If the product is one that requires substantial investment, whether of capital or of talent, the investment may not be made if the prospect of profit, cloudy at best, is made more risky by the likelihood that competitors will enter, drive prices down to their marginal costs, and leave the originator with no return on her sunk costs, and with no hope of profits that will balance the risk of failure.

207. This section is taken with very little change from Brown, *Copyright and its Upstart Cousins: Privacy, Publicity, Unfair Competition*, 33 J. COPYRIGHT SOC’Y 301, 313-20 (1986). Parts of the preceding section are also traceable to that lecture, which was written and delivered at the invitation of the Copyright Society of the U.S.A., as the 16th Donald C. Brace Memorial Lecture, May 1, 1986.

208. *Cf.* B. KAPLAN, *AN UNHURRIED VIEW OF COPYRIGHT* 2 (1967): “[I]f man has any ‘natural’ rights, not the least must be a right to imitate his fellows, and thus to reap where he has not sown.”


210. 778 F.2d 334 (7th Cir. 1985).

211. Consider these sagacious observations by an experienced practitioner, Lloyd McAulay, Esq., of the New York City bar, quoted with his permission from a letter of May 21, 1986:
What I have just said is nothing more than a restate-
ment of the mainstream justification of the constitu-
tional provision for copyrights and patents. The constitu-
tionally favored device for promoting investment in "science and
useful arts" is a statutory monopoly of limited duration. But
suppose that there is no statutory monopoly. Are there
then other circumstances in which a court may address the
free-rider phenomenon in relatively dispassionate economic
terms?

The copyright laws themselves suggest one approach.
Our copyright law has qualified its straight-out monopoly
grant by creating compulsory licenses in certain markets,
especially phonograph records and cable TV. In their
spheres, compulsory licenses leave the author with a right to

Large institutions have all sorts of de facto and de jure rights
which constitute partial monopolies. Access to financing, access to
markets, ownership of a productive plant, control of substantial
amounts of know how, the accretion of a skilled work force, public
reputation give the established institution enormous advantage over
a new entrant into a field. Often, the only edge that a new entrant
has over the established institution is the intellectual proprietary
right. The patent, the copyright, the trade secret and the novel
industrial design are what justify the investment in a new business.
If a new entrant establishes a new business, a new product line or a
new service and established competitors are free to copy, then the
new entrant is inhibited from starting.

Obviously there are other considerations to take into account.
A major if not the major consideration that cuts the other way relates
to product design and trademarks. In the case of a trademark or in
the case of the way in which a product looks, massive advertising
which is available to established institutions builds customer accept-
ance of a product based on the trademark or based on the way the
product looks. That advantage stems from financial muscle as op-
posed to innovation. It should not get the same degree of legal pre-
ferment as does other innovation. That is probably why the guiding
rule in the trademark law is not to protect the proprietor of the
trademark but rather to protect the customer from confusion. By
contrast, the guiding rule in patent and copyright law is to protect
the innovator on the assumption that providing such protection will
foster investment in innovation.

For the story of an innovative company that has succeeded although "giant
consumer-products companies trampled little Minnetonka's innovation with simi-
lar products of their own," see Greenhouse, Minnetonka's Struggle to Stay One Step
Ahead, N.Y. Times, Dec. 28, 1986, at F8 (novel but unprotected products included
liquid soap and toothpaste in a pump dispenser).

212. See Brown, Eligibility for Copyright Protection: A Search for Principled Standards,
70 MINN. L. REV. 579, 592 (1985).
213. See Note, The Socialization of Copyright: The Increased Use of Compulsory Licenses,
remuneration, not a right to exclude. They let their benefi-
ciaries have a ride, but not a free ride.

Return to the situation where an innovator has no statu-
tory rights and seeks judicial protection against free riders. Assume that a court modestly accepts that it should not cre-
ate intellectual property rights that the legislature withholds. Can it nevertheless try to create "a level playing field"? Per-
haps the court can decline to insulate the innovator from competition, but will make his competitors contribute to the development costs that he incurred. Then, with everyone starting from about the same financial starting-blocks and with a level playing field and with no free riders, the competitive race will be to the swift.

One more familiar economic metaphor from the sport-
ing arena should be noted: the originator will have had a head start. That is often the only advantage our system grants to an originator and it is often enough. But a head start confers an advantage confined to those who succeed and thus is perceptible only by hindsight.

In principle, to diminish free-riding while encouraging competition would be manifestly preferable to unlegislated monopolies which are the usual outcome of a successful claim against unprivileged copying. But there are difficulties in framing and administering such a proposal, and the trans-
action costs may be excessive.

A vivid illustration is provided by a 1985 Second Circuit decision, where Judge Winter, for the panel, proposed a cost-equalizing arrangement. The plaintiff, Legi-Tech, produced an electronic database of pending bills in state legislatures and other related materials, such as reports of relevant campaign contributions. New York's Legislative Bill Drafting Commission had developed a similar computerized database consisting chiefly of texts of all legislation introduced in the New York legislature. The Commission has uniquely prompt access to new bills. Its service, available by subscription to the public, or that part of the public with appropriate computer terminals, would of course be of great value to Legi-Tech. But the Commission, viewing Legi-Tech as a deadly competitor, denied Legi-Tech access to its Legislative Reference Service and the legislature backed it up.

Legi-Tech sought relief from the federal courts. It got none in the trial court from Judge Minor (now raised to the Court of Appeals). He was deaf to the first amendment arguments of Legi-Tech and protective of what he called the state's "natural monopoly on computer supplied legislative information."215

For the Court of Appeals, Judge Winter declared that, "There is nothing natural about the alleged monopoly in the instant case . . . . The evils inherent in allowing government to create a monopoly over the dissemination of public information in any form seem too obvious to require extended discussion."216 But the court was troubled by the Commission's fears that Legi-Tech could undercut the Commission's rate and make its service uneconomical.

Legi-Tech is not a copyright case. The information in the Commission's database was safeguarded only by an electronic barrier. Judge Winter was willing to make the Commission lower that barrier. Noting an assurance from Legi-Tech that it did not expect to subscribe at the same rates that ordinary users pay, he wrote:

To the extent that concession means that Legi-Tech is willing to pay the true cost to Legislative Reference Service (LRS) of its subscription, namely the revenue LRS will lose as a consequence of Legi-Tech's retransmission of LRS materials, we believe that LRS may not decline to offer subscription rights to Legi-Tech.217

The Commission grumbled about the difficulty of arriving at a rate; but the court, observing the ubiquity of rate-setting "in far more complex situations than this," thought that cooperation between the parties would lead to "a reasonable price."218

"A reasonable price"—what could be more reasonable? Setting "reasonable royalties" is not unknown in patent litigation.219 But the parties in this case had great difficulty in

216. 766 F.2d at 733.
217. Id. at 736.
218. Id.
arriving at a rate, and the proper measure of such a price is far from clear.

Consider the implications of the court’s prescription, that Legi-Tech should pay for its access “the revenue LRS will lose as a consequence of Legi-Tech’s retransmission of LRS materials.” That plunges us into considerations of average versus marginal costs and revenues, prefaced by cost allocations which may be complicated. The Commission’s costs must in large part be those incurred in carrying out its public functions. As a public entity, how are its prices arrived at? It has had a monopoly on the business of rapid access to new bills; do its prices reflect that advantage? Next, what happens when other disseminators of legislative information come along? The court did not have to, and did not, reach beyond this case to describe the pricing process if additional electronic publishers want to buy LRS’s information and repackage it in a variety of forms.

Perhaps this situation, with its mix of public and private interests, is too slippery to grasp for a first cast at extracting some compensation from free-riders. Let us return to our more familiar setting, the copying of designs of useful objects. Again, assume that no copyright or design patent protection is available. There may be no copyright or patent because the object hasn’t enough originality, like the Uncle Sam bank in *Batlin v. Snyder*, or because the object is considered primarily useful, like the store-window mannequins in *Barnhart*.

The originator in cases like this has a litany of grievances. First, he doesn’t want his object ripped off at all. But if he can’t stop imitators, he’s still understandably peeved if a competitor shaved costs by using a copy of his object from which to make a mold. Worse, the competitor may go to the fabricator, somewhere in the outer reaches of Taiwan, and get a few thousand dozens run off from the very mold for which the first fellow paid. This may look like a short free ride; but the free-rider’s cost advantage—no designer fees,

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220. An interim rate permitted Legi-Tech to embark on limited licensing (information from Terence Leahy, Esq., of counsel for Legi-Tech).
no mold expense—may take all the fun and most of the profit out of the mannequin business.

This kind of grievance has festered enough to erupt into legislation in three states that thus far have enacted "plug mold" statutes. The name comes from the California prototype, which is clumsily drafted. It speaks of using the "original manufactured item . . . as a plug for the making of the mold . . . ." Here are the key sections of the Michigan version, which does not assume that everyone knows what a "plug" is. It reads as follows:

Sec. 1. As used in this act, "direct molding process" means any manufacturing process in which an original product is used as a pattern for making a mold which mold is used to manufacture copies of that product.

Sec. 2. (1) A person shall not manufacture for the purpose of sale, by use of a direct molding process, a product manufactured by another person without the permission of that other person.

These statutes do not seem to address the situation in which the copier has made use of another person's actual mold.

In a recent case that came to the Federal Circuit from California, Judge Rich determined what the statute does mean. He deduced that you can't directly use another's

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I have no information about the legislative history of the Michigan or Tennessee statutes. The California statute was apparently introduced at the behest of a manufacturer of "spas," who represented that an original mold cost from $20,000 to $40,000. If one of the products was then used to make another mold—the trade jargon for this is "splashing"—it would cost these copiers only $1-3,000, and very little time. California Legislative Counsel suggested that substantial mold cost difference would also obtain for boats. After the bill was passed, the Patent Law Association of San Francisco asked Gov. Brown to veto it, on the ground that it probably was preempted by 17 U.S.C. § 301 and by Sears-Compco. The Association's President said, "I believe it passed unnoticed by any of the intellectual property attorney associations in the State." (These gleanings are from materials kindly supplied me by Gary A. Clark, Esq. and William C. Schubert, Esq., counsel in Interpart Corp. v. Italia, 777 F.2d 678 (Fed. Cir. 1985). A set of these materials is on file in the offices of UCLA Law Review).


226. Interpart Corp. v. Italia, 777 F.2d 678 (Fed. Cir. 1985)(rear-view mirror). The only other reported case applying the Plug Mold statutes appears to be Metro Kane Imports, Ltd. v. Rowoco, Inc., 618 F. Supp. 273 (S.D.N.Y. 1985), which, with little discussion, based its preliminary injunction in part on a California state
object to make a mold. You have to model the object itself. Then you can make a mold and compete—or rip off, depending on one’s point of view—without violating the “plug mold” statute.

Judge Rich explained that the statutes are intended to protect an originator against “unscrupulous” competitors—by which he means imitators. But if it is “unscrupulous” to buy a rear-view mirror and make a mold directly from it, is it any less unscrupulous to hire somebody to handcraft a copy and then make a mold? That is what the defendant did in the mannequin case. Perhaps there is no difference in commercial morality. But there is in law. As so often happens, the design patent on the rear-view mirror was held invalid. It wasn’t inventive. There was no copyright. Therefore, the mirror was in the public domain—unless the “plug mold” statute, state unfair competition law, or Section 43(a) had been violated. The court, after a quick survey of Ninth Circuit law, correctly held that there was no federal or state unfair competition breach because the defendant clearly indicated the source of its mirrors, “both on the box and on the mirrors themselves.” This is a rare instance of proper attention to the teaching of Sears-Compco.

Judge Rich briefly considered whether Sears-Compco preempted the plug mold statute and found, contrary to the trial court, no “clash” with patent law. California law for-
bade only one mode of copying, by direct molding from the object. This, Judge Rich said, California could condemn as unfair competition. Whether there had in fact been a "plug mold" violation was a murky question that required a remand.

To return to the proposition that free-rider imitators should somehow pay their way. The "plug mold" laws attempt to impose costs on the imitator that diminish his advantage over the originator. But their method is clumsy and wasteful of resources. They say, "You can copy this object; but you have to repeat some of the expense that the originator bore. You have to do the work of making a duplicate original model, just as he did."

That is essentially what the copyright cases say about directories and other compilations. When the law uncomfortably draws these sweat works into the bosom of copyright, it doesn't banish competition. It says, "Go trudge the streets yourself and you too can then publish a directory." This sounds virtuous and avoids the free-ride; but with the waste of a lot of time and shoe-leather.231

At least the privilege to go do it yourself makes it possible for more than one directory to exist; the second one may be better than the first. There is another analogy in the new Chip Mask Act, with its extraordinary reverse engineering privilege.232 Under that new law, a competitor, at considerable expense, can take apart the protected computer chip and borrow extensively from what he finds, provided his result improves on the first chip.233

The "plug mold" and the Chip Mask statutes, and the state of the copyright law as it relates to directories and compilations all draw back from the full sweep of protection that designers seek and often obtain.

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231. See generally Gorman, Fact or Fancy? The Implications for Copyright, 29 J. COPYRIGHT Soc'y 560 (1982).


In summary, there are several possible solutions beyond copyright and design patent to the kind of free-riding that sometimes arouses moral indignation and arguably saps the initiative of innovators. The first and most common is the acceptance of judge-made monopolies, i.e., injunctions against imitation, in the name of unfair competition. We have seen in Part III that these monopolies are often accomplished by stretching beyond recognition both the state law of trade symbols as limited by *Sears-Compco*, and the federal law of unfair competition that Congress set loose in Section 43(a).

A second way to rein in free riders is by cost sharing, which calls to mind compulsory licensing in copyright law. We looked at the intriguing *Legi-Tech* case, where Judge Winter proposed a cost-sharing remedy in order to balance the important access claims of the plaintiff against the state’s fear that it would not recoup its compilation costs.

Cost sharing is, I think, compatible with economic efficiency and with notions of fairness that should be recognized. But it will not be easy to delineate the correct contours of such a remedy. Even if we were willing to settle for rough justice, the problem may become too complicated for practical administration, as successive imitators come along and market shares shift. And of course it will not satisfy monopoly seekers.

A third device is compulsory reinvestment. This is a fancy label for making the imitator do the spadework over again. It also faintly echoes the copyright doctrine that allows independent creation of the same work. The directory and chip mask analogies recognize less than total rights in the originator in the expectation that the imitator may come up with a better version. But the simple restriction of the “plug mold” laws is nothing more than an inefficient roadblock; it raises costs for imitators and does nothing for consumers if all the market wants is the exact same thing only cheaper.

The fourth and hardest thing is to do nothing. Let the free riders ride. This is often a good thing; for consumers, such a good thing (so long as they are not misled) that I will

234. M. Nimmer, *supra* note 4, at § 2.01[A].
not take space to defend it. It does require judges to be deaf to complaints that "It isn't fair."

Fifth is the notion that something must be done to nurture these interests at the outer edge of copyright and unfair competition law; a little statutory monopoly may not be so bad. In the last section of this overview, I will review a familiar proposal for such a statute.

V. Time for a Design Protection Statute?

There have been sporadic attempts to enact a federal design protection statute ever since 1914.235 Beginning in 1957, a bill has been introduced in probably every Congress, in a form closely resembling the current model.236 The bill has the distinction of having passed the Senate five times, three standing alone and twice as Title II of the general copyright revision.237 But when enactment of the copyright revision was imminent in 1976, the House Committee “deleted” Title II. It did so on three grounds: first, that it was not really a copyright law; second, that decision had not been taken as to what agency should administer it (the current bills provide that the Copyright Office will); and third, that protection of typeface designs was still an open question. The whole subject was remitted to the next Congress;238 and there it has sat. The common supposition has been that Congressman Kastenmeier, the longtime chairman of the House Judiciary Subcommittee, lacked interest.239

But observers of this quiet corner of the law became alert when the Chairman dropped a resounding footnote. In the course of a scholarly discussion of the parsimonious principles that should govern sui generis legislation related to copyright, he observed that the chip mask law had breached a wall that had stood against such tailor-made amendments, and that “[i]t now might be easier for protection of indus-

235. See Reichman, Domestic & Foreign, supra note 54, at 1188–90.
238. Id. at 50.
239. Reichman, Domestic & Foreign, supra note 54, at 1262 n.644.
trial designs of useful objects to follow, bearing in mind the dangers of false analogies.\textsuperscript{240}

With due respect for the 1976 putdown of the Design Protection bill as "not truly . . . copyright protection," it sets up a right that is acquired like copyright, administered like copyright, and enforced like copyright.

Until 1985, the bill had emphasized that it was for the "Protection of Ornamental Designs of Useful Articles" (that was its title).\textsuperscript{241} The right was conferred upon "the author or other proprietor of an original ornamental design of a useful article."\textsuperscript{242} In the 1985\textsuperscript{243} and 1987 versions, a subtle and baleful change of language has occurred. The title is now "Protection of Industrial Designs of Useful Articles." "Ornamental" is also dropped from the statement of the right; it is now available for the "original design of a useful article, which design is intended to make the article attractive or distinct in appearance to the purchasing or using public . . . ."\textsuperscript{244} "Ornamental" has effectively disappeared.\textsuperscript{245} I will shortly criticize this shift, which is also reflected in the language of Chairman Kastenmeier's footnote.

The bill excludes "staple or commonplace" designs.\textsuperscript{246} Another important exclusion, which echoes the first Copyright Office regulation that reined in \textit{Mazer v. Stein}, bars pro-


\textsuperscript{242} H.R. REP. NO. 379, 100th Cong., 1st Sess. § 1001(a) (1987) (the bill is proposed as Chapter 10 of U.S.C. Title 17, Copyrights; thus the "10" prefix to each section number).


\textsuperscript{244} H.R. REP. NO. 379, 100th Cong., 1st Sess. § 1001(a) (1987) (emphasis supplied).

\textsuperscript{245} It still turns up in the statement of purpose of the House version ("to provide for protection of ornamental designs of useful articles"). There are also "vestigial references" in § 1027 and § 1028. \textit{The Industrial Innovation and Technology Act: Hearings on S. 791 Before the Subcomm. on Patents, Copyrights and Trademarks, of the Senate Comm. on the Judiciary, 100th Cong., 1st Sess.} (March 26, 1987) (Statement of Ralph Oman, Register of Copyrights) (this statement is a valuable analysis of the current bill and its shortcomings) [hereinafter Statement of Ralph Oman].

"Original" has the same meaning as in copyright law: "A design is 'original' if it is the independent creation of an author who did not copy it from another source." \textit{Id.} at § 1003(b)(3). Contrast the enactment clause of S. 791, which states that "This Act may be cited as the 'Industrial Innovation and Technology Act of 1987.'" The bill may encourage innovation, but it assuredly does not require it.

\textsuperscript{246} \textit{Id.} at § 1002(b).
tection of a design "dictated solely by a utilitarian function of the article that embodies it."247 Another exclusion repeats verbatim pivotal Section 102(b) of the Copyright Act. It denies protection for "any idea, procedure, process, system, method of operation, concept, principle, or discovery."248 Still another excludes "three-dimensional features of apparel."249 This exclusion has no basis in any discernible principle. It was added in 1966 to help still the vociferous opposition of retailers to the bill.250 The modes of securing protection are reminiscent of the 1909 Copyright Act. Either publication with notice (a D in a circle) or registration, set the ten-year duration going.251

Omission of the statutory notice is not divestive; but it does deprive one of money remedies against a copier who has not been given written warning.252

On the other hand, registration in the Copyright Office within a year after the design is made public is essential.253 All the Office does is "determine whether or not the application relates to a design which on its face appears to be subject to protection under this chapter."254 There is no search of prior art, no judgment about obviousness. To counteract this easy acquisition, there is a novel administrative opportunity for anyone injured to seek to have a registration cancelled.255 This provision has a counterpart in the Trademark Act256 but not in copyright.

Nothing is said about judicial review of denials of registration or of cancellation; but "[i]n any action involving a design for which protection is sought under this chapter," the court may order registration or cancellation.257

247. Id. at § 1002(d).
248. Id. at § 1002(g).
249. Id. at § 1002(e).
252. Id. at § 1007.
253. Id. at § 1009(a).
254. Id. at § 1012(a).
255. Id. at § 1012(c).
Copying is infringement. Remedies are akin to those of copyright: injunction, damages, profits and confiscation of infringing copies. Arbitration, generally supervised by the Register of Copyrights, is encouraged.

Rights under the patent law are not affected, except that grant of a design patent ends registered design protection. The subsistence of copyright is not affected either. Common law rights in an unregistered design are unaffected, and, in a provision that I shall argue needs narrowing, the law does not annul or limit "any trademark rights or right to be protected against unfair competition."

These are the highlights of thirty-five sections and twenty-eight pages of large print. The ensemble seems to be about 95% copyright. It differs from existing copyright law notably by dispensing with any requirement of separability of design and by accepting overall shape and appearance as appropriate for protection. These characteristics of current copyright law, however, are not among copyright's essentials. As we have seen, they are at best an uneasy compromise. The Design Protection statute also differs from current copyright law in that, while fixation of the design on or in an object is required, fixation does not suffice to invest protection; publication and registration are necessary.

A major difference between the bill and copyright law is the short duration—ten years. Until recently the proposed term was only five years, renewable for a second five-year term. The very brief renewable term has the advantage, as did the old two terms of copyright, of clearing out

258. *Id.* at § 1018(d).
259. *Id.* at § 1021.
260. *Id.* at § 1022(a).
261. *Id.* at § 1022(b).
262. *Id.* at § 1022(c).
263. *Id.* at § 1020(d).
264. *Id.* at § 1028.
265. *Id.* at § 1027.
266. *Id.* at § 1029(2).
designs that have had their day (or were stillborn); but nothing else good can be said about a two-term scheme.\textsuperscript{270}

There are, in my view, four flaws in the present bill. The first is that the transformations in coverage from "ornamental design" to "industrial design" is a fatal distortion of the purpose that has infused this measure for many years. Second, the exclusion of functional designs only when they are "dictated solely by a utilitarian function" is too narrow. Third, the preservation of unfair competition remedies is too broad. Fourth, the cumulative provisions that permit co-existence of design copyright are too generous.

The first and fatal flaw came to light when hearings were held on the current version in March, 1987. The most vigorous support for it came from original parts manufacturers. It is quite clear that they expect to be able to register purely utilitarian objects on the strength of design gimmicks that make the article "distinct in appearance" even if it will never be seen once it is installed. Such an invisible article could not qualify for a design patent even if it were novel and inventive. Now a fuel injector nozzle would get ten years' protection from copying just because it was distinct from other nozzles.

This is a bald piece of protectionism, aimed of course at the Japanese and other competitors in the replacement parts market. The Copyright Office has opposed it and suggested a return to earlier language that will heal the battered spirit of the measure.\textsuperscript{271} If that is not accomplished, the bill should be consigned to an auto parts junkyard.


\textsuperscript{271} See Statement of Ralph Oman, supra note 245. The recommended language comes from the Willis bill of 1957, H.R. REP. No. 8873, 85th Cong., 1st Sess., and would replace § 1001(a). It reads as follows (and should be used):

(a) The author of an original ornamental design of a useful article, or his legal representatives or assigns, may secure the protection provided by this Act upon complying with and subject to the provisions hereof.

An ornamental design of a useful article, hereinafter referred to as "design," is a design of the article that includes features of shape, pattern, configuration, or ornamentation intended to give the article an attractive, artistic, or distinctive appearance and not merely utilitarian or functional in purpose.
The "solely . . . utilitarian" language perhaps comes from Copyright Office regulations that attempted to close the floodgates after Mazer v. Stein opened them to designs intended for use on useful articles.272 "Solely" will make it easier for sellers of all manner of essentially mechanical devices, automobile exhaust pipes for example, to assert that the engineer-designer had made them a little bit "attractive or distinct in appearance."273

Is there a better place to draw a line that has to be drawn? I would suggest that the old Court of Customs and Patent Appeals, in passing on the allowability of design patents, had a workable test—still used—when it barred designs that were primarily functional.274 This is a critical matter that needs to be further explored in hearings and elsewhere. I do not pretend to be sure what the mot juste will be. But I am confident that "solely" is not it. Too much machinery and too many operating functions will creep in.

I am also confident that the drafters have opened the barn door to (genteel) horse thieves when they preserve "any trademark rights or right to be protected against unfair competition." If Part III of this essay tells us anything, it is that unfair competition has become a pretty loose concept.

It is fair enough to say that the originator of either a registered or unregistered design should be free to enforce any regulated trademark rights, especially for registered marks. But the unconfined reference to "unfair competition" opens too many doors.275 In view of the leanings of

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A leading proponent of the current version argues that the bill has always protected a design that is "ornamental or distinct in appearance," and that distinctiveness alone should suffice. See W.S. Thompson (Patent Counsel, Caterpillar, Inc.), Comments on Ralph Oman Statement, May 12, 1987. This should come as a surprise, not only to the surviving draftsman of the 1975 bill, Judge Giles S. Rich of the Federal Court of Appeals (see his statement at the March 26, 1987 hearing), but to anyone who has had a long acquaintance with the bill).

274. See supra notes 68-69 and accompanying text.
275. See supra note 185. When the statutory ten years have expired, will the registered design fall into the public domain? That would be the normal expectation; but one can be certain that owners of a design with staying power are not going to let it go quietly. The obvious gambit will be an assertion that the design has acquired secondary meaning during its term and that it is non-functional. A copier will be back in the courts on the same old issues and the pressures will be just as intense as they are now in all other segments of intellectual property, namely to seek refuge in the one segment that has no inevitable durational limits.
some courts toward indulging misappropriation claims, one can imagine a designer, after the ten-year term has expired, trying to convince a court that the design shouldn't slip into the public domain, and that a burst of copying is unfair competition. One way to build a fence around unfair competition would be to substitute the clause that was meant to be part of Section 301 of the Copyright Act\textsuperscript{276} and say that there is no annulment of "trademark rights, or rights against deceptive trade practices such as passing off and false representation."

I am arguing that a design protection law should have some preemptive effect, even if the drafters recoil from inserting an explicitly preemptive section. If and when a design protection bill comes close to passage, we will once again see the sorry spectacle of special interests clamoring for more than the bill gives. If that something is only the continued recognition of a design patent, no harm in that. Design patents are supposed to reward a significant level of creativity; and they are hard to get. The draft bill recognizes this superiority when it provides that conferral of patent terminates a registered design. If I were the lawgiver, design patents themselves would be terminated (when existing ones expire, of course). But that is not important; we can leave Cinderella sitting by the ashes.\textsuperscript{277}

However—and this is the crux of the fourth flaw that I see—it is an entirely different matter to allow full copyright to continue to be available for designs that meet copyright criteria. This the current bill does. In so doing it runs afoul of three main arguments for comprehensive design legislation. Argument one asserts that large categories of deserving designs are now unprotected. Argument two is that copyright is "inappropriate for the protection of such de-

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\textsuperscript{276} 17 U.S.C. § 301 (1982).

\textsuperscript{277} Cf. Reichman, Copyright Act, supra note 64, at 384, arguing that there is a niche for "tough protection" of design patent along with the "soft protection" of design copyright.
signs. The term of protection is too long for the majority of designs. The scope of copyright protection is too broad. . . .” Thus the Senate Committee stated in endorsing Title II in 1975.278 It might have added: copyrights are too easy to get. Argument three should be: since copyright protection as it stands serves only in part the public interest in encouraging the creation of pleasing designs, a scheme of encouragement for all pleasing designs ought to suffice for all designers.

In my ideal commonwealth the owner of an original design would have to take design registration or nothing.279 I cannot think of any persuasive reason, once a design statute is in place, why designers of textile patterns, for example, should get copyright, with its minimal level of required creativity, its casual notice and registration requirements, and its extended duration, while other designers of modern lighting fixtures, for example, must be able to show that their designs are not “staple or commonplace,” must register, and then have only a ten-year term of protection (which I do believe is quite long enough).

I would not of course expropriate existing copyrights. But I would rewrite Section 113 of the Copyright Act and

279. When serious attention came to be paid to enacting a design law in 1960, the version then before the Congress would have had this effect. But interests favored by copyright, notably Disney with its priceless stable of animated animals, set up an outcry typified by Waldheim, Don’t Maim Our Copyrights!, 7 Bull. Copyright Soc’y 160 (1960) (author a Disney lawyer); and over the next few years the Copyright Office (which supported the design bill) made a slow retreat from the principle of keeping the two realms separate. The complicated story can be picked out of Reichman, Domestic and Foreign, supra note 54, at 1187, 1192, 1196, 1200.

Even if the unselective standards for copyright in artistic works, supposedly mandated by Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903), and Alfred Bell & Co. v. Catalda Fine Arts, 191 F.2d 99 (2d Cir. 1951), require recognition of cartoon figures and the like, copyright protection can and should be confined to their use in media such as books, movies, and broadcasting, that do not traffic in useful articles.

One more ambiguity that should be settled: Toys should be explicitly defined as “useful articles.” The unfair competition cases seem to accept that they are; but the copyright cases are divided. Compare Gay Toys, Inc. v. Buddy L Corp., 703 F.2d 970 (6th Cir. 1983) (toys not useful articles) with Durham Indus. v. Tomy Corp., 630 F.2d 905 (2d Cir. 1980) (games are useful articles). The position of dolls is more deeply ambiguous. Do not dolls have a function “that is not merely to portray the appearance of the article”? 17 U.S.C. § 101 (1982) (definition of “useful article”). H.R. Rep. No. 379, 100th Cong., 1st Sess. § 1001(b)(1) (1987), has the same definition of “useful article.”
the definition of "pictorial, graphic, and sculptural works" in
Section 101 so that design protection of useful articles
would be remitted entirely to the new law, which would be
chapter 10 of Title 17. I would preserve for copyright only
the 1949 extension of protection to "works of artistic crafts-
manship insofar as their form but not their mechanical or
utilitarian aspects are concerned."280

CONCLUSION

Through most of this article I have defended, indeed
extolled, the privilege to copy useful articles that are not
protected by patent or copyright. The chief obligation of
the copier, derived from the neglected teaching of the
Supreme Court in the Sears-Compco decisions, should be that
of labelling the copy as clearly as possible so as to minimize
confusion by consumers who have a preference for the first
source of the article. This is a traditional and rightful mis-
sion of the law of unfair competition. But, as that body of
law expands, due especially to overly generous readings of
Section 43(a) of the Lanham Act, some courts are banning
copiers outright, and are thus creating little monopolies that
have no statutory boundaries.

Part of the renewed impetus for this movement toward a
view of copying as unprivileged, as a kind of misappropria-
tion, probably comes from vague notions of fairness. These
notions have a rational economic foundation in the observa-
tion that the copier is a free rider, unburdened by the costs
that a design originator incurs in creating the design and in
creating a market for the product. The prospect of being
overtaken by the free rider, it seems reasonable to say, di-
minishes investment in innovation. After reviewing a variety
of devices for correcting this tilt against the innovator, I tilt,
though with no great enthusiasm, toward an encompassing
scheme of short-term exclusive rights in designs, so long as
the right does not capture the operation, the physical func-
tion, of the article.

280. There was only limited experience with this regulation before it was swal-
lowed up by the capacious maw of Mazer v. Stein in 1954. Consult Milch, Protection
for Utilitarian Works of Art: The Design Patent Copyright Conundrum, 10 COLUM. J.L.
& ARTS 211 (1986) (extensive consideration of full copyright protection for works of
artistic craftsmanship combined with short-term design protection for useful
objects).
What we now have is a too easy protection of some designs through copyright. Other designs come into design patent, which, as coldly viewed by the courts, is too hard. The courts shield still other designs in unfair competition cases, but erratically. A design protection statute occupying almost all the field would make the field more level. Perhaps, if it can be purged of its protectionist dross, its time has come.