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## Thomas & Betts Corp. v. Panduit Corp.-Toward a Coherent View of Trade Dress Protection for Product Configurations

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## NOTES

### **THOMAS & BETTS CORP. V. PANDUIT CORP.—TOWARD A COHERENT VIEW OF TRADE DRESS PROTECTION FOR PRODUCT CONFIGURATIONS**

#### I. INTRODUCTION

A basic purpose of both trademark and patent law is to promote free trade and fair competition. However, they accomplish these goals in different ways. Patent law grants a limited monopoly to an inventor for twenty years, thus providing incentives to invent.<sup>1</sup> When the patent expires, the invention enters the public domain, and anyone is free to copy the invention and manufacture, market, or sell it.<sup>2</sup> Trademark law, on the other hand, protects a manufacturer's goodwill in his or her business by granting exclusive rights to the trademark, in essence an eternal monopoly, provided that the trademark is used continuously and not abandoned.<sup>3</sup>

Trademark protection is not limited to words. A product's design, packaging, shape, or configuration may also receive protection under a category of trademark protection known as trade dress.<sup>4</sup> Trade dress was originally limited to the wrapping and packaging of a product, but has since been expanded to include the shape of a product, known as product configuration.<sup>5</sup>

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<sup>1</sup> 35 U.S.C. § 154(a)(2) (1994).

<sup>2</sup> *Scott Paper Co. v. Marcalus Mfg.*, 326 U.S. 249, 255, 67 U.S.P.Q. (BNA) 193, 196 (1945) (stating that "upon the expiration of the patent the public [is] free to use the invention").

<sup>3</sup> 15 U.S.C. § 1127 (1994); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198, 224 U.S.P.Q. (BNA) 327, 331 (1985) (stating that "[t]he Lanham Act provides national protection of trademarks in order to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers").

<sup>4</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992).

<sup>5</sup> *Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1439, 32 U.S.P.Q.2d (BNA) 1724, 1729 (3d Cir. 1994).

Numerous cases in recent years have struggled with the relationship between patent and trademark law in the context of trade dress.<sup>6</sup> Usually the functionality doctrine, a condition to receiving trademark protection, prevents patented items from receiving trademark or trade dress protection.<sup>7</sup> However, when trade dress protection is sought for a product configuration, the functionality doctrine does not always prevent patented configurations from receiving trademark protection. Thus a conflict between patent and trademark law arises.<sup>8</sup> When this occurs, the key issue is whether Lanham Act protection should be available after a product configuration has received patent protection and the patent expires. If Lanham Act protection is available, the next question is whether the decision to grant this protection should be based on the normal Lanham Act requirements or whether these requirements should be modified to account for the unique circumstances product configurations present.

A holding that product configurations are protectable both by patent and by trademark law would have a significant effect on manufacturers and consumers. If manufacturers receive trademark protection for a patented product configuration, they receive an exclusive right to that configuration forever,<sup>9</sup> in contrast to the twenty years of protection that patent law provides.<sup>10</sup> This would defeat the patent law goals of fostering competition and encouraging invention.

In deciding whether patented product configurations should be given trade dress protection, courts have relied upon the traditional factors for determining trade dress protection: a showing of distinctiveness, lack of functionality, and likelihood of confusion.<sup>11</sup> Federal appellate courts, however, are split on the treatment of these criteria, the extent of the conflict between patent and

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<sup>6</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 36 U.S.P.Q.2d (BNA) 1065 (7th Cir. 1995) (*Panduit II*); *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995); *Duraco Prods.*, 40 F.3d at 1431; *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 29 U.S.P.Q.2d (BNA) 1241 (7th Cir. 1993).

<sup>7</sup> *Vornado*, 58 F.3d at 1498.

<sup>8</sup> *Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 608 (N.D. Ill. 1996).

<sup>9</sup> 15 U.S.C. § 1127 (1994).

<sup>10</sup> 35 U.S.C. § 154(a)(2) (1994).

<sup>11</sup> See, e.g., *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 291, 46 U.S.P.Q.2d (BNA) 1026, 1036 (7th Cir. 1998) (*Panduit IV*).

trademark law, and how these conflicts should be resolved.<sup>12</sup>

This Note examines *Thomas & Betts Corp. v. Panduit Corp.*, a recent decision of the Seventh Circuit which addresses these issues and makes important strides towards developing a coherent view of trade dress protection for formerly patented product configurations.<sup>13</sup> Part II provides an overview of trademark, trade dress, and patent protection. Part III discusses the conflict that arises between patent and trademark law in product configuration cases and examines how different courts have dealt with this overlap. Part IV reviews the history of *Thomas & Betts Corp. v. Panduit Corp.* and Part V analyzes the Seventh Circuit's decision in this case. Part VI argues that the Seventh Circuit correctly decided this case in a manner that satisfies the purposes of both patent and trademark law, and that its approach will help guide courts facing these issues in the future.

## II. BACKGROUND

This section provides an overview of patent and trademark law. Readers familiar with this area of the law may wish to forego this discussion and proceed to Section III.

### A. THE PURPOSES AND SCOPE OF PATENT LAW

Patent protection in the United States is set forth in the Constitution, which authorizes Congress to award exclusive rights for limited times to authors and inventors for "their respective writings and discoveries."<sup>14</sup> Patent law is exclusively governed by federal law, which is codified in Title 35 of the United States Code.<sup>15</sup> The Supreme Court has identified three policies that the Patent Act serves:

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<sup>12</sup> *Versa Prods. Co., Inc. v. BiFold Co.*, 50 F.3d 189, 33 U.S.P.Q.2d (BNA) 1801 (3d Cir. 1995); *Duraco Prods. v. Joy Plastic Enters.*, 40 F.3d 1431, 32 U.S.P.Q.2d (BNA) 1724 (3d Cir. 1994); *Kohler Co., v. Moen Inc.*, 12 F.3d 632, 29 U.S.P.Q.2d (BNA) 1241 (7th Cir. 1993).

<sup>13</sup> *Panduit IV*, 138 F.3d at 277.

<sup>14</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>15</sup> 35 U.S.C. §§ 1-376 (1994).

First, patent law seeks to foster and reward invention; second, it promotes disclosure of inventions to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of the public.<sup>16</sup>

Patent law provides incentives to create new products by offering inventors the exclusive right to manufacture and sell a new invention.<sup>17</sup> A patent gives the owner the right to prevent others from selling, manufacturing, or using the claimed invention for twenty years from the date the patent application was filed.<sup>18</sup> The information in a patent application is disclosed and available to the public. When the patent expires, others have unrestricted rights to copy the patented invention.<sup>19</sup> By giving inventors this limited monopoly, patent law seeks to stimulate economic activity by “embody[ing] a careful balance between the need to promote invention and the recognition that imitation and refinement through imitation are necessary to invention and constitute the lifeblood of a competitive economy.”<sup>20</sup>

To receive a patent, an inventor must show that the invention is (1) useful,<sup>21</sup> (2) novel,<sup>22</sup> (3) nonobvious,<sup>23</sup> and (4) described by the applicant in a way that others can make and use it.<sup>24</sup> The

<sup>16</sup> *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262, 201 U.S.P.Q. (BNA) 1, 4 (1979).

<sup>17</sup> *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-151, 9 U.S.P.Q.2d (BNA) 1847, 1852 (1989) (noting that the “federal patent system . . . embodies a carefully crafted bargain for encouraging the creation and disclosure of new, useful, and nonobvious advances in technology and design in return for the exclusive right to practice the invention for a period of years”).

<sup>18</sup> 35 U.S.C. § 154(a)(2) (1994). The owner of a patent owns a negative right as it is “the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States.” *Id.* Before the current law, a patent protected the owner for seventeen years. *Id.* § 154(a)(1).

<sup>19</sup> *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 186-87 (1933).

<sup>20</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 1406, 46 U.S.P.Q.2d (BNA) 1010, 1015 (N.D. Ill. 1996) (*Panduit III*) (citing *Bonito Boats, Inc.* 489 U.S. at 146).

<sup>21</sup> 35 U.S.C. § 101 (1994).

<sup>22</sup> 35 U.S.C. § 102 (1994).

<sup>23</sup> 35 U.S.C. § 103 (1994 & Supp. 1996).

<sup>24</sup> 35 U.S.C. § 112 (1994).

utility doctrine requires that a patentable invention be “capable of performing the functions for which it was intended and capable of producing good and satisfactory results which are beneficial to the arts and to the country.”<sup>25</sup> Under the novelty requirement, the product must not have been invented previously and the knowledge of the invention must not have been available to the public.<sup>26</sup> The nonobviousness requirement mandates that a claimed invention represent an extension of what was already known, and must not have been obvious to a person having ordinary skill in the pertinent art as it existed when the invention was made.<sup>27</sup>

Patent prosecution, the process for obtaining a patent, requires that the inventor give the patent office a full description of the invention, known as the specification.<sup>28</sup> The specification must “contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains . . . to make and use [it]” and should explain the best mode of using the invention as well.<sup>29</sup> Furthermore, the specification must contain one or more claims which point out and distinctively claim “the subject matter which the applicant regards as his invention.”<sup>30</sup> Although drawings are often submitted in addition to the written description, the patent only protects what is described in the claim.<sup>31</sup>

## B. THE PURPOSES AND SCOPE OF TRADEMARK LAW

1. *Introduction.* Unlike patent protection, which is set forth in the Intellectual Property Clause of the United States Constitu-

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<sup>25</sup> See, e.g., 35 U.S.C. § 101 (1994) (requiring a “new and useful process, machine, manufacture or composition of matter” to receive patent protection).

<sup>26</sup> 35 U.S.C. § 102 (1994). If an invention was described in a printed publication in the United States or a foreign country, or patented in the United States or a foreign country, it is not eligible for a patent. *Id.*

<sup>27</sup> 35 U.S.C. § 103 (1994 & Supp. 1996); see also *Graham v. John Deere Co.*, 383 U.S. 1, 14, 148 U.S.P.Q. (BNA) 459, 465 (1966) (stating that “[p]atentability is to depend . . . upon the nonobvious nature of the subject matter sought to be patented to a person having ordinary skill in the pertinent art”).

<sup>28</sup> 35 U.S.C. § 112 (1994).

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> 35 U.S.C. § 113 (1994).

tion,<sup>32</sup> trademark laws are based upon the Congressional power to regulate interstate commerce under the Commerce Clause.<sup>33</sup> Today, trademark law is codified in the Lanham Act, which was first enacted in 1946.<sup>34</sup>

A trademark is "any word, name, symbol, or device, or any combination thereof used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown."<sup>35</sup> Well known trademarks include the word "Tide" for laundry detergent, the slogan "Coke is it," and the CBS logo. Trademarks can also take more unusual forms such as color<sup>36</sup> or smell.<sup>37</sup> These less conventional marks are protected because they develop secondary meaning, or, in other words, the public comes to associate them with a particular producer.

Like patent law, trademark law promotes economic activity; however, it does so by granting exclusive rights in a mark for as long as it is used.<sup>38</sup> Trademarks protect consumers by allowing them to identify the source of a product and to "distinguish among competing producers."<sup>39</sup> This allows consumers to spend less time searching for goods and to make informed choices on whether to purchase a product.<sup>40</sup> By allowing consumers to identify the source of particular goods and by indicating that goods with the same trademark are of the same quality, trademarks encourage manufacturers to maintain the quality of the goods they produce "by securing to the producer the benefits of good reputation."<sup>41</sup>

<sup>32</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>33</sup> U.S. CONST. art. I, § 8, cl. 3.

<sup>34</sup> 15 U.S.C. §§ 1051-1127 (1994).

<sup>35</sup> 15 U.S.C. § 1127 (1994).

<sup>36</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 34 U.S.P.Q.2d (BNA) 1161 (1995) (holding that green-gold pads for dry cleaning presses could receive trademark protection).

<sup>37</sup> *In re Clarke*, 17 U.S.P.Q.2d (BNA) 1238, 1240 (TTAB 1990) (protecting the scent of sewing thread and yarn).

<sup>38</sup> See, e.g., 15 U.S.C. §§ 1051, 1114, 1127 (1994) (discussing trademark owners' registration of their marks, actions for infringement, and definitions, respectively).

<sup>39</sup> *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198, 224 U.S.P.Q. (BNA) 327, 331 (1985).

<sup>40</sup> 1 J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.10[2], at 2-3 (3d ed. 1994).

<sup>41</sup> *Park 'N Fly, Inc.*, 469 U.S. at 198.

Furthermore, trademarks protect manufacturers by giving a cause of action to those whose trademarks have been infringed, thus preventing fraud and deception in commerce.<sup>42</sup>

2. *Trade Dress Protection.* In addition to words, names, and symbols, the appearance of a product's container and the product itself can receive trademark protection.<sup>43</sup> This type of protection, a subset of trademark law, is known as trade dress and is included in the protection of the Lanham Act.<sup>44</sup> Trade dress is protected because, like a trademark, it can identify the source of a product.

Trade dress was initially limited to the packaging or wrapping of goods, but the definition has been judicially expanded to include "the total image of a product . . . includ[ing] features such as size [or] shape . . .".<sup>45</sup> Trade dress "includes the design and appearance of the product as well as that of the container and all elements making up the total visual image by which the product is presented to customers."<sup>46</sup> Examples of trade dress include the decor of a restaurant,<sup>47</sup> the shape of a Coca-Cola bottle,<sup>48</sup> and the shape of a book.<sup>49</sup>

To be protected, trade dress must be distinctive and nonfunctional.<sup>50</sup> Furthermore, to prove trade dress infringement, a plaintiff must show that the similar trade dress of the two products will cause confusion in the minds of the public as to their source.<sup>51</sup> The following subparts of this Note discuss these requirements.

<sup>42</sup> 15 U.S.C. § 1114 (1994).

<sup>43</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992).

<sup>44</sup> See MCCARTHY, *supra* note 40, § 7.25[5] ("If trade dress satisfies the federal standards of trademark or service mark protection as identifying and distinguishing a product or service, then it is registrable.").

<sup>45</sup> *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980, 219 U.S.P.Q. (BNA) 515, 528 (11th Cir. 1983). This expanded notion of trade dress was adopted statutorily in 1980 when Congress amended the Lanham Act. *Two Pesos, Inc.*, 505 U.S. at 763.

<sup>46</sup> *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 31, 35 U.S.P.Q.2d (BNA) 1284, 1288 (2d Cir. 1995).

<sup>47</sup> *Two Pesos*, 505 U.S. at 763 (holding the decor of a Mexican franchise restaurant was protectable trade dress).

<sup>48</sup> United States Trademark Reg. No. 696,147 (August 12, 1960).

<sup>49</sup> *Harlequin Enters., Ltd. v. Gulf & Western Corp.*, 644 F.2d 946, 210 U.S.P.Q. (BNA) 1 (2d Cir. 1981) (enjoining the copying of the cover of a romance novel).

<sup>50</sup> *Two Pesos*, 505 U.S. at 769.

<sup>51</sup> *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1182, 10 U.S.P.Q.2d (BNA) 1001, 1006-7 (7th Cir. 1989).



a. *Distinctiveness and Secondary Meaning.* A plaintiff in a trade dress infringement case must prove its mark is "capable of distinguishing the [plaintiff's] goods from those of others."<sup>52</sup> Trade dress is considered distinctive if the good is either inherently distinctive or if it has acquired distinctiveness through secondary meaning.<sup>53</sup> The classic formulation, first applied by Judge Friendly in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, classifies marks at four levels of distinctiveness: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary and fanciful.<sup>54</sup> A generic mark cannot serve as a trademark or as protectable trade dress because it does not distinguish the goods of one manufacturer from those of another.<sup>55</sup> An example of a generic mark would be calling an automobile "car" or a computer "computer." Suggestive marks are those that require "imagination, thought and perception to reach a conclusion as to the nature of the goods."<sup>56</sup> Examples of suggestive marks include "Greyhound" for a bus line and "Roach Motel" for roach poison. Arbitrary or fanciful marks "bear no relationship to the products or services to which they are applied."<sup>57</sup> Examples of arbitrary or fanciful marks include Ivory for soap, Kodak for cameras, and Xerox for copy machines. Both suggestive and arbitrary or fanciful marks are considered inherently distinctive and thus entitled to protection because "their intrinsic nature serves to identify a particular source of a product."<sup>58</sup>

A descriptive mark "conveys an immediate idea of the ingredients, qualities or characteristics" of the goods but does not identify

<sup>52</sup> *Two Pesos*, 505 U.S. at 768.

<sup>53</sup> *Id.* at 769.

<sup>54</sup> 537 F.2d 4, 9, 189 U.S.P.Q. (BNA) 759, 764 (2d Cir. 1976).

<sup>55</sup> See, e.g., *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 10 U.S.P.Q.2d (BNA) 1748 (2d Cir. 1989) (holding that marks that were once valid trademarks can become generic over time if the owner of the mark abandons it or fails to adequately protect it); 15 U.S.C. § 1127 (1994 & Supp. 1996) (when this happens, the owner loses the trademark rights in the mark).

<sup>56</sup> *Stix Prods., Inc. v. United Merchants & Mfrs., Inc.*, 295 F. Supp. 479, 488, 160 U.S.P.Q. (BNA) 777, 785 (S.D.N.Y. 1968).

<sup>57</sup> *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 791, 217 U.S.P.Q. (BNA) 988, 994 (5th Cir. 1983).

<sup>58</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 23 U.S.P.Q.2d (BNA) 1081, 1083 (1992).

its source.<sup>59</sup> Descriptive marks are not inherently distinctive because “[w]hen used to describe a product, they do not inherently identify a particular source.”<sup>60</sup> Descriptive marks, however, may become distinctive through secondary meaning.<sup>61</sup> Secondary meaning is acquired when a mark or configuration of a product has come to be “uniquely associated with a specific source” through use.<sup>62</sup> Examples of descriptive marks include “Alo” in referring to products containing gel from the aloe vera plant<sup>63</sup> and “Vision Center” in referring to a business offering eyecare products and services.<sup>64</sup>

The Supreme Court has explained that to “establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than to identify the product itself.”<sup>65</sup> To establish secondary meaning “consumers must . . . care that the product comes from a particular producer . . . and must desire the product with the particular feature because it signifies that producer” but do not have to be able to name that producer.<sup>66</sup> Evidence that a descriptive mark has achieved secondary meaning can be shown through direct consumer testimony, surveys, length and manner of use, amount and manner of advertising, volume of sales, place in the market and proof of intentional copying.<sup>67</sup>

<sup>59</sup> *Stix Prods., Inc.*, 295 F. Supp. at 488; descriptive marks include those that 1) seemingly describe the product or services they identify, 2) seemingly describe the geographical location from which the goods or services come from, or 3) constitute a person's name. 15 U.S.C. § 1052(e)-(f) (1994).

<sup>60</sup> *Two Pesos*, 505 U.S. at 769.

<sup>61</sup> *Id.*

<sup>62</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. e (Tentative Draft No. 2, 1990).

<sup>63</sup> *Aloe Creme Labs., Inc. v. Mislan, Inc.*, 423 F.2d 845, 165 U.S.P.Q. (BNA) 37 (5th Cir. 1970).

<sup>64</sup> *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 202 U.S.P.Q. (BNA) 333 (5th Cir. 1979).

<sup>65</sup> *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 851 n.11, 214 U.S.P.Q. (BNA) 1, 4 (1982); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. e (1995) (“Secondary meaning exists only if a significant number of prospective purchasers understand the term, when used in connection with a particular kind of good . . . as an indication of association with a particular . . . entity.”).

<sup>66</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 659, 36 U.S.P.Q.2d (BNA) 1065, 1069 (7th Cir. 1995) (*Panduit II*).

<sup>67</sup> *Echo Travel, Inc. v. Travel Assocs., Inc.*, 870 F.2d 1264, 1267, 10 U.S.P.Q.2d (BNA) 1368, 1371 (7th Cir. 1989).

While trademarks identify the product and are usually attached or affixed to it, a product configuration is the product itself.<sup>68</sup> For this reason, establishing secondary meaning for product configurations has caused some confusion. A product configuration must serve a source-identifying function to acquire secondary meaning.<sup>69</sup> If consumers merely consider it a functional part of the product it cannot acquire secondary meaning.<sup>70</sup>

In *Two Pesos, Inc. v. Taco Cabana, Inc.*, the Supreme Court held that the Lanham Act protects trade dress in the same manner in which it protects trademarks.<sup>71</sup> Specifically, the Supreme Court held that "trade dress that is inherently distinctive is protectable under § 43(a) without a showing that it has acquired secondary meaning."<sup>72</sup> The Court held that a showing of secondary meaning is only required for protection of descriptive marks.<sup>73</sup> Inherently distinctive marks are protectable regardless of whether they have acquired secondary meaning.<sup>74</sup>

The Supreme Court was silent as to whether its holding in *Two Pesos* extended to product configurations, or whether it only applied to trade dress in the traditional sense. A number of courts<sup>75</sup> and the Restatement (Third) of Unfair Competition<sup>76</sup> have construed *Two Pesos* as including product configurations within its treatment of trade dress. Under this analysis, a product configuration would be distinctive if it was suggestive, arbitrary or fanciful, or distinctive with secondary meaning. If a configuration was suggestive, arbitrary or fanciful, it could be protected without a showing of secondary meaning.

<sup>68</sup> For example, the slogan "Coke is It" is a trademark while the shape of a Coke bottle is trade dress.

<sup>69</sup> See *Panduit II*, 65 F.3d at 657 ("Trade dress protection only extends to the role of such [product] features as signifier of source; when competitors are barred from duplicating features whose value to consumers is intrinsic and not exclusively as a signifier of source, competition is unduly hindered.")

<sup>70</sup> *Id.* at 658.

<sup>71</sup> 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992).

<sup>72</sup> *Id.* at 767.

<sup>73</sup> *Id.* at 763.

<sup>74</sup> *Id.*

<sup>75</sup> See, e.g., *Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 606 (N.D. Ill. 1996) (citing *Two Pesos* as allowing product configurations to be trademarked "if the manufacturer can show that the configuration . . . has acquired distinctiveness through secondary meaning . . .").

<sup>76</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 (1995).

However, several other courts have interpreted the *Two Pesos* decision narrowly, holding that its treatment of trade dress did not apply to product configurations and that secondary meaning must always be shown for product configurations.<sup>77</sup>

In *Duraco Products, Inc. v. Joy Plastic Enterprises*, the Third Circuit rejected the notion that *Two Pesos* applied to product configurations and introduced a stricter test for determining distinctiveness.<sup>78</sup> In *Duraco*, the plaintiff, the manufacturer of a plant pot in the shape of a grecian urn, sought a preliminary injunction to prevent the defendant from manufacturing a similar product.<sup>79</sup> The plaintiff argued that the design of the product served a source-identifying function.<sup>80</sup> The Third Circuit refused to use the traditional four-part classification system of *Abercrombie*,<sup>81</sup> giving two reasons why it should not apply to product configurations: (1) product configurations bear a different relationship to the product than do trademarks,<sup>82</sup> and (2) it cannot be assumed, as it can with a trademark or with trade dress, that a product configuration will serve a source-identifying function to consumers.<sup>83</sup>

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<sup>77</sup> See *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 996, 36 U.S.P.Q.2d (BNA) 1737 (2d Cir. 1995) (holding the *Abercrombie* test is inappropriate in product configuration cases); *Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1450, 32 U.S.P.Q.2d (BNA) 1724, 1739 (3d Cir. 1994) ("Protecting a product configuration without a showing of secondary meaning . . . would risk seriously transgressing the . . . patent laws."); *Kohler v. Moen, Inc.* 12 F.3d 632, 641 n.11, 29 U.S.P.Q.2d (BNA) 1241, 1248 (7th Cir. 1993) ("The only distinction courts make between trade dress generally and product configuration cases in particular is to require . . . secondary meaning [in the latter cases] because a product's shape is never inherently distinctive.").

<sup>78</sup> *Duraco*, 40 F.3d at 1431.

<sup>79</sup> *Id.* at 1433.

<sup>80</sup> *Id.* at 1434.

<sup>81</sup> *Id.* at 1440.

<sup>82</sup> *Id.* at 1440-41 (noting that a product configuration is different from a trademark in that it is not a

symbol according to which one can relate the signifier (the trademark, or perhaps the packaging) to the signified (the product). Being constitutive of the product itself and thus having no such dialectical relationship to the product, the product's configuration cannot be said to be 'suggestive' or 'descriptive of the product,' or 'arbitrary' or 'fanciful' in relation" to [the product]).

<sup>83</sup> *Duraco*, 40 F.3d at 1441 (stating that "one cannot automatically conclude from a product feature or configuration . . . that . . . it functions primarily to denote the product's source").

In *Duraco*, the Third Circuit introduced a stricter test for a product to be found inherently distinctive. The *Duraco* test requires that the product configuration be: (1) unusual and memorable, (2) capable of being conceptually separated from the product itself, and (3) likely to serve primarily a source-identifying function rather than a utilitarian function.<sup>84</sup>

In *Knitwaves, Inc. v. Lollytogs, Ltd.*,<sup>85</sup> a case involving designs on children's sweaters, the Second Circuit reached a similar conclusion. The plaintiff claimed that its designs were inherently distinctive trade dress and sought to enjoin the defendant from manufacturing similar sweaters.<sup>86</sup> The Second Circuit held that the four-part *Abercrombie* test was inappropriate in product configuration cases because its application "would have the unwelcome . . . result of treating a class of product features as 'inherently distinctive,' and thus eligible for trade dress protection, even though they were never intended to serve a source-identifying function."<sup>87</sup>

The Second Circuit in *Knitwaves* did not adopt the *Duraco* test, instead holding that the appropriate test for determining whether a product configuration could receive trade dress protection was whether the feature is "likely to serve primarily as a designator of origin of the product."<sup>88</sup> According to the court, the most important factor in determining whether a feature serves to designate the origin of the product is the intent of the producer in adopting the feature.<sup>89</sup> If the primary purpose of a configuration was to identify the source of the product rather than to serve a functional or aesthetic purpose, the configuration could be found to be inherently distinctive.<sup>90</sup> Since the sweater designs were intended to be aesthetic, and not to identify their source, the Second Circuit held that they did not qualify for trade dress protection.<sup>91</sup>

<sup>84</sup> *Id.* at 1449.

<sup>85</sup> *Knitwaves, Inc. v. Lollytogs, Ltd.* 71 F.3d 996, 36 U.S.P.Q.2d (BNA) 1737 (2d Cir. 1995).

<sup>86</sup> *Id.*

<sup>87</sup> *Id.* at 1007.

<sup>88</sup> *Id.* at 1008 (citing *Duraco*, 40 F.3d at 1449).

<sup>89</sup> *Id.*

<sup>90</sup> *Knitwaves*, 71 F.3d at 1008.

<sup>91</sup> *Id.* at 1009.

*b. Likelihood of Confusion.* If a configuration is distinctive, a plaintiff must satisfy the likelihood of confusion test to be eligible for trade dress protection.<sup>92</sup> This test is met by showing that consumers will be likely to mistake the plaintiff's product with a product having a similar trade dress, which is manufactured by the defendant.<sup>93</sup> Deliberate copying by one party can be evidence of likelihood of confusion,<sup>94</sup> as can the defendant's intent to confuse the public as to the source of the product.<sup>95</sup>

In applying the likelihood of confusion test, courts consider a number of factors which vary from circuit to circuit. The factors include: (1) substantial similarity of trade dress, (2) the strength of the owner's trade dress, (3) the area in which the mark is used and the manner in which it is used, (4) the degree of care consumers use when making a purchase, including purchase price, (5) evidence of actual confusion, (6) the defendant's intent to pass off its product as that of the plaintiff, (7) whether the goods are advertised through the same media, and (8) the relationship of the goods in the mind of the public because of similar functions.<sup>96</sup> However, "[n]one of these factors considered alone is dispositive of the matter, and the weight each is to be accorded varies from case to case."<sup>97</sup>

In *Versa Products Co. v. BiFold Co.*, the Third Circuit held that the likelihood of confusion test should be applied differently in cases involving product configurations.<sup>98</sup> In *Versa*, the plaintiff

<sup>92</sup> *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1182, 10 U.S.P.Q.2d (BNA) 1001, 1006 (7th Cir. 1989); see 15 U.S.C. § 1114(1) (1994) (stating the test for whether the use of a mark qualifies as infringement is whether it is used without the registrant's consent in a manner which in commerce is "likely to cause confusion, or to cause mistake, or to deceive").

<sup>93</sup> See *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348, 204 U.S.P.Q. (BNA) 808, 813 (9th Cir. 1979) (stating that "when the goods produced by the alleged infringer compete with those of the trademark owner, infringement will be found if the marks are sufficiently similar that confusion can be expected").

<sup>94</sup> *Clamp Mfg. Co. v. Enco Mfg. Co.*, No. CV 82-4352, 1987 U.S. Dist. LEXIS 13427, at \*5 (C.D. Cal. Aug. 14, 1987), *aff'd*, 870 F.2d 512, 10 U.S.P.Q.2d (BNA) 1226 (9th Cir. 1989).

<sup>95</sup> *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1385, 1 U.S.P.Q.2d (BNA) 1779, 1783 (9th Cir. 1987).

<sup>96</sup> See, e.g., *AMF*, 599 F.2d at 348-49 (reciting eight relevant factors).

<sup>97</sup> *Meridian Mutual Ins. Co. v. Meridian Ins. Group, Inc.*, 128 F.3d 1111, 1115, 44 U.S.P.Q.2d (BNA) 1545, 1547 (7th Cir. 1997).

<sup>98</sup> 50 F.3d 189, 201-02, 33 U.S.P.Q.2d (BNA) 1801, 1808-09 (3d Cir. 1995).

manufactured and sold valves used in offshore oil drilling rigs.<sup>99</sup> The plaintiff claimed that the shape and design of the valves were non-functional, distinctive, and that the defendant's marketing of a similar valve created a likelihood of confusion.<sup>100</sup> After the district court ruled for the plaintiff, the Third Circuit reversed, holding that the district court misapplied the likelihood of confusion test.<sup>101</sup>

Specifically, the Third Circuit held that substantial similarity does not indicate a likelihood of confusion in product configuration cases.<sup>102</sup> The court reasoned that consumers are not likely to rely on product configurations to indicate the source of a product because "they can generally look to the packaging, trademarks, and advertising used to market the product, which are typically much less ambiguous . . . [and thus consumers] are much less likely, to rely on a product configuration as an indicator of the product's source."<sup>103</sup>

Another factor that the Third Circuit held should be treated differently in product configuration cases was the defendant's intent to pass off its product as that of the plaintiff.<sup>104</sup> In trademark cases, courts treat evidence of a defendant's intent to confuse as indicating that the defendant caused actual confusion because this strict interpretation serves a deterrent function.<sup>105</sup> In product configuration cases, the *Versa* court held that this deterrent function is not appropriate if the defendant properly labeled his product because "unless very narrowly tailored, deterrents to copying of product designs—as opposed to product packaging or trademarks—would inhibit even fair competition, thus distorting the Lanham Act's purpose."<sup>106</sup> The Third Circuit held that a defendant's intent to confuse can only be used to find a likelihood of confusion if clear and convincing evidence shows that the

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* at 193-94.

<sup>101</sup> *Id.* at 201-02.

<sup>102</sup> *Id.* at 202 (stating that "[u]nlike in trademark or trade dress cases . . . a finding of substantial similarity of trade dress in a product configuration does not by itself strongly suggest a likelihood of confusion").

<sup>103</sup> *Versa*, 50 F.3d at 202-03.

<sup>104</sup> *Id.* at 205.

<sup>105</sup> *Id.* at 206-07.

<sup>106</sup> *Id.* at 207.

defendant intended to mislead, and if the labeling and marketing are both misleading as well.<sup>107</sup>

c. *Functionality*. A defendant may argue his production of an allegedly infringing product is permitted by "showing that what the plaintiff claim[ed] as its trade dress is functional."<sup>108</sup> The functionality doctrine, an affirmative defense,<sup>109</sup> was created by courts<sup>110</sup> to avoid the potential conflict between patent and trademark and to safeguard against products receiving both patent and trademark protection.<sup>111</sup> The functionality doctrine requires that trade dress be nonfunctional in order to receive protection. It prevents distinctive trade dress from receiving protection when its shape is dictated by its function, or if its purpose is to contribute functional advantages to the product.

In most instances the functionality doctrine prevents formerly patented configurations from receiving trademark protection for the same reason they did not receive patent protection: because they are useful. However, trade dress will not be deemed functional solely because it serves a utilitarian purpose.<sup>112</sup> To be considered functional, trade dress must provide an advantage that is not "practically available through the use of alternative designs."<sup>113</sup> Courts determine whether functionality exists in a number of ways,<sup>114</sup> but "the availability of equally satisfactory alternatives

<sup>107</sup> *Id.* at 208.

<sup>108</sup> *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1503, 35 U.S.P.Q.2d (BNA) 1332, 1335 (10th Cir. 1995).

<sup>109</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 297, 46 U.S.P.Q.2d (BNA) 1026, 1041 (7th Cir. 1998) (*Panduit IV*).

<sup>110</sup> *In re Mogen David Wine Corp.*, 328 F.2d 925, 932, 140 U.S.P.Q. (BNA) 575, 581 (C.C.P.A. 1964).

<sup>111</sup> 1 J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7.26[1] at 7-113 (3d ed. 1994) (noting that the functionality doctrine is based on the policy decision that "if a configuration is functional, then everyone has the right to use the configuration for its functional purpose, subject only to such exclusive right for a limited time as may exist under the patent law").

<sup>112</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 17 cmt. a (1995).

<sup>113</sup> *See id.* § 17; *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 850 n.10, 214 U.S.P.Q. (BNA) 1, 4 (1982) (holding a product feature is functional and ineligible for trademark protection if "it is essential to the use or purpose of the article or if it affects the cost or quality of the article").

<sup>114</sup> These include (1) whether protecting it would put competitors at a disadvantage, *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1501, 35 U.S.P.Q.2d (BNA) 1332, 1334 (10th Cir. 1995), (2) whether the feature received patent protection,



for a particular feature, and not its inherent usefulness, is often the fulcrum on which Lanham Act functionality analysis turns.”<sup>115</sup> For this reason, the functionality doctrine will bar a feature that is “costly to design around or do without” from receiving trade dress protection.<sup>116</sup> For example, suppose a manufacturer receives a patent for an invention with a unique shape. In most cases, the manufacturer would not be successful in claiming trade dress protection in the product upon expiration of the patent because granting it would prevent others from copying the invention. Trade dress protection would be granted only in situations in which competing manufacturers could utilize the inventive aspect of the invention using a different shape.

### III. THE OVERLAP BETWEEN PATENT AND TRADEMARK LAW WHEN A PRODUCT CONFIGURATION IS INVOLVED

#### A. INTRODUCTION

The discussion above has shown that patent law promotes economic activity by giving incentives to inventors and by granting the public the right to copy an invention upon expiration of a patent. Trademark law, by prohibiting copying of elements which identify a product's source, promotes economic activity by protecting the goodwill of manufacturers and avoiding consumer confusion. If trade dress protection was available for previously patented product configurations, the goals of patent and trademark law may conflict. Others would be precluded from manufacturing the product, thus giving the trademark holder an unlimited monopoly for the manufacture of a useful product.<sup>117</sup> Manufacturers of patented product configurations would be able to charge higher

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Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 300, 46 U.S.P.Q.2d (BNA) 1026, 1042 (7th Cir. 1998) (*Panduit IV*), and (3) whether advertising touts functional features of the design, *id.*

<sup>115</sup> *Vornado*, 58 F.3d at 1507.

<sup>116</sup> Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 659, 36 U.S.P.Q.2d (BNA) 1065, 1069 (7th Cir. 1995) (*Panduit II*).

<sup>117</sup> *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 256, 67 U.S.P.Q. (BNA) 193, 196-97 (1945) (holding that a “patentee may not . . . secure . . . a continuation of his monopoly by resorting to the trademark law and registering as a trademark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent”).

prices. This would decrease competition because other manufacturers would be unable to manufacture the patented product.

When faced with these issues, courts must first determine whether there should be a *per se* prohibition on patented product configurations receiving trade dress protection. If courts decide there should not be such a *per se* prohibition, they must then determine whether the traditional rules for trade dress protection should apply or whether a different approach should be taken. Some courts have used traditional tests to deal with this issue.<sup>118</sup> Other courts suggest trade dress protection should be available for nonfunctional configurations but that different tests should be used to determine distinctiveness,<sup>119</sup> functionality,<sup>120</sup> or likelihood of confusion.<sup>121</sup>

In most instances, the functionality doctrine prevents Lanham Act protection of functional trade dress.<sup>122</sup> However, when Lanham Act protection is sought for product configurations disclosed in or claimed in an expired patent, the functionality doctrine will not always preclude formerly patented configurations from receiving trade dress protection.<sup>123</sup> This is because “a product need not be better than other alternatives or essential to competition;” it only needs to be useful (serve an identifiable beneficial purpose) to meet patent law’s usefulness requirement.<sup>124</sup> But to meet trademark’s functionality requirement, competitors must not need “a particular configuration in order to make an equally competitive product.”<sup>125</sup> Thus, “there is a gap between ‘functionality’ and ‘usefulness’ through which some products could fall.”<sup>126</sup>

<sup>118</sup> Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 46 U.S.P.Q.2d (BNA) 1026 (7th Cir. 1998) (*Panduit IV*).

<sup>119</sup> See, e.g., Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 36 U.S.P.Q.2d (BNA) 1737 (2d Cir. 1995). See also *supra* text accompanying notes 85-91; Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 32 U.S.P.Q.2d (BNA) 1724 (3d Cir. 1994). See also *supra* text accompanying notes 77-84.

<sup>120</sup> Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995).

<sup>121</sup> Versa Prods. Co. v. BiFold Co., 50 F.3d 189, 33 U.S.P.Q.2d (BNA) 1801 (3d Cir. 1995). See *supra* text accompanying notes 98-107.

<sup>122</sup> See *supra* Part II.B.2.c.

<sup>123</sup> Vornado, 58 F.3d at 1506.

<sup>124</sup> *Id.* at 1506-07.

<sup>125</sup> *Id.* at 1507.

<sup>126</sup> Zip Dee, Inc. v. Dometic Corp., 931 F. Supp. 602, 608 (N.D. Ill. 1996).

## B. CASES DEALING WITH TRADEMARK PROTECTION FOR FORMERLY PATENTED PRODUCT CONFIGURATIONS

Courts are split on the issue of whether product configurations that formerly received patent protection should also receive trademark protection. This part reviews three cases dealing with this issue.

1. *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*<sup>127</sup> In *Vornado*, the manufacturer of a household fan submitted a patent application that claimed a fan with multiple features, including the spiral configuration of the grill covering the fan, which Vornado said produced "optimum air flow."<sup>128</sup> A patent was issued for the fan.<sup>129</sup> Duracraft began manufacturing a fan with a similar spiral grill and Vornado sued for intentional copying of the trade dress of their spiral grill design, an element of their valid utility patent.<sup>130</sup> In its patent application, Vornado argued the grill was useful because it served an "identified, beneficial purpose"<sup>131</sup> but, in seeking trade dress protection, Vornado argued the spiral configuration did not affect the air flow and thus was nonfunctional.<sup>132</sup>

The district court held the grill design was nonfunctional because the air flow produced was no different from that produced by a normal fan, and because the spiral grill was not necessary to make use of the patented features of the fan.<sup>133</sup> Because the spiral configuration was deemed nonfunctional and met the distinctiveness and secondary meaning requirements, the district court held it was protectable trade dress.<sup>134</sup>

The Tenth Circuit reversed, holding that "where a disputed product configuration is part of a claim in a utility patent, and the configuration is a described, significant inventive aspect of the

<sup>127</sup> 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995).

<sup>128</sup> *Id.* at 1500.

<sup>129</sup> *Id.*

<sup>130</sup> *Id.* at 1501.

<sup>131</sup> *Id.* at 1507.

<sup>132</sup> *Vornado*, 58 F.3d at 1498.

<sup>133</sup> *See id.* (stating that "the spiral grill was functional in a lay sense but not in a legal sense").

<sup>134</sup> *Id.*

invention . . . patent law prevents its protection as trade dress, even if the configuration is nonfunctional.”<sup>135</sup> A significant inventive aspect is part of an invention described in the patent specification such that “without it the invention could not fairly be said to be the same invention.”<sup>136</sup> By introducing this significant inventive aspect rule, the Tenth Circuit expressed the belief that “functionality is really not a foolproof method of patrolling the line between the patent and trademark laws.”<sup>137</sup>

The significant inventive aspect rule adds an additional requirement to the functionality doctrine. While the functionality doctrine allows nonfunctional product configurations to receive trade dress protection, the significant inventive aspect rule does not permit nonfunctional product configurations to receive trade dress protection if they are a significant inventive aspect of the invention.<sup>138</sup> Because Vornado’s patent claim included the spiral configuration of the grill, and because the specification gave a detailed explanation of what the spiral configuration supposedly did, the Tenth Circuit concluded that the grill was a significant inventive aspect of the invention and was therefore not protectable as trade dress.<sup>139</sup>

2. *Zip Dee, Inc. v. Dometic Corp.*<sup>140</sup> In this case, Zip Dee, an awning manufacturer sued Dometic, claiming Dometic copied Zip Dee’s patented awning. After Zip Dee’s patent expired, Dometic began manufacturing a similar awning. The inventive aspect of Zip Dee’s awning was not its shape but its slatted metal cover which protected the awning when it was not in use.<sup>141</sup> Zip Dee argued that consumers used the slatted awning cover to identify their

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<sup>135</sup> *Id.* at 1510.

<sup>136</sup> *Id.*

<sup>137</sup> *Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 608 (N.D. Ill. 1996).

<sup>138</sup> *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1510, 35 U.S.P.Q.2d (BNA) 1332, 1342 (10th Cir. 1995). Critics have charged the significant inventive aspect rule does not “comport with the Supreme Court’s strong affirmation of the right to copy from expired patents” because it places this additional limit on nonfunctional product configurations receiving trade dress protection. Todd R. Geremania, *Protecting the Right to Copy: Trade Dress Claims for Configurations in Expired Utility Patents*, 92 NW. U. L. REV. 779, 807 (1998).

<sup>139</sup> *Vornado*, 58 F.3d at 1510.

<sup>140</sup> 931 F. Supp. 602 (N.D. Ill. 1996).

<sup>141</sup> *Id.* at 605.

awnings and therefore it sought a “product configuration trademark so that it can bar others from using slatted covers on their . . . awnings.”<sup>142</sup> Dometic argued Zip Dee should not be given trade dress protection because this would be contrary to the purposes of patent law and because the slatted awning cover was functional.<sup>143</sup> Thus, the issue was whether a product configuration that was part of a patented invention, but was not the invention, could receive trade dress protection.<sup>144</sup>

The *Zip Dee* court reviewed *Vornado* at length and clarified its significant inventive aspect test, stating the correct inquiry was “whether the product configuration is functional *within the context* of the utility patent.”<sup>145</sup> The court then stated the rule as follows:

Where a disputed product configuration is claimed as part of an invention covered by a utility patent, and where that product configuration is something that other persons seeking to copy or otherwise use the invention would have to include as part of the product to be able to compete effectively in the market in such copying or use, then the product configuration cannot be trademarked after the patent expires, even if the configuration is nonfunctional in the more general trademark sense.<sup>146</sup>

Thus, after the patent has expired the appropriate inquiry is whether the “previously-patented invention could be practiced competitively without employing the disputed product configuration.”<sup>147</sup> The district court held an inventor’s right to exclude others from copying during the patent term determined the right to copy the product configuration once the patent expired.<sup>148</sup> The court held that the policies of patent law require that trade dress protection be denied to a product configuration claimed in a utility

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<sup>142</sup> *Id.* at 609.

<sup>143</sup> *Id.* at 606.

<sup>144</sup> *See id.* (discussing Dometic’s two related arguments).

<sup>145</sup> *Zip Dee*, 931 F. Supp. at 611.

<sup>146</sup> *Id.* at 611.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

patent if (1) the product configuration is functional for purposes of patent law's utility requirement and (2) if it is needed by competitors to compete.<sup>149</sup>

The judge denied summary judgment for Dometic, holding a right to copy existed because this configuration was not protected by the patent.<sup>150</sup>

3. *Kohler Co. v. Moen, Inc.*<sup>151</sup> Kohler, a faucet manufacturer, challenged the Patent and Trademark Office's decision that a competing manufacturer, Moen, could register a faucet design as a trademark. Kohler admitted that Moen's faucet design was not functional and acknowledged that Moen was entitled to protection if product configurations were entitled to protection under the Lanham Act.<sup>152</sup> The district court held that trade dress rights under the Lanham Act are distinct, separate, and do not interfere with federal patent rights.<sup>153</sup> On appeal the Seventh Circuit held that allowing Moen to obtain trade dress protection for its faucet did not "create a monopoly in the use of the product's shape."<sup>154</sup> The court went on to hold that "a product's different qualities can be protected simultaneously, or successively, by more than one of the statutory means for protection of intellectual property."<sup>155</sup>

#### IV. *THOMAS & BETTS CORP V. PANDUIT CORP.*

##### A. FACTS

The two parties are the largest manufacturers of cable ties in the United States.<sup>156</sup> Cable ties are thin nylon belts used to bundle wires.<sup>157</sup> Cable ties have either a one-piece or two-piece locking

<sup>149</sup> *Id.* at 611-12.

<sup>150</sup> *Zip Dee*, 931 F. Supp. at 618.

<sup>151</sup> 12 F.3d 632, 29 U.S.P.Q.2d (BNA) 1241 (7th Cir. 1993).

<sup>152</sup> *Id.* at 633.

<sup>153</sup> *Id.* at 638.

<sup>154</sup> *Id.* at 636.

<sup>155</sup> *Id.* at 638.

<sup>156</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 655, 36 U.S.P.Q.2d (BNA) 1065, 1066 (7th Cir. 1995) (*Panduit II*).

<sup>157</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 282, 46 U.S.P.Q.2d (BNA) 1026, 1028 (7th Cir. 1998) (*Panduit IV*).

mechanism.<sup>158</sup> In 1965 Thomas & Betts Corporation (T&B) received a patent on a two-piece cable tie, the Schwester patent.<sup>159</sup> The patent disclosed "a two-piece cable tie with an oval head, metal barb and transverse slot."<sup>160</sup> The oval head was not part of the claimed invention, although it was drawn and described in the specification.<sup>161</sup> The Schwester patent expired in 1982, and a related patent expired in 1986.<sup>162</sup> Today, T&B manufactures a two-piece cable tie with an oval head under the trademark 'TY-RAP' that is almost identical to the one disclosed in the Schwester Patent.<sup>163</sup>

T&B was the sole producer of the two-piece cable tie until 1994, when Panduit Corporation (Panduit) began marketing a substantially similar two-piece cable tie under the trade name 'BARB-TY'.<sup>164</sup> T&B sought permanent and temporary injunctions against Panduit's making the BARB-TY, alleging trade dress infringement and unfair competition under both the Lanham Act and state law.<sup>165</sup>

The key issue was whether the Lanham Act limited Panduit's right to copy the oval head of T&B's cable tie. T&B claimed its two-piece tie was distinctive because of its oval head and that "the proper way to harmonize the Patent Act with the Lanham Act is to recognize a right under the Lanham Act to grant trademark protection to product configurations which are part of a patent by applying traditional tests of likelihood of confusion, functionality and distinctiveness."<sup>166</sup> Based on *Kohler*, T&B argued that the oval head should receive trade dress protection because the public policy of the Lanham Act allowed "successive application of the Lanham Act, following expiration of its patent."<sup>167</sup>

<sup>158</sup> *Id.* at 282.

<sup>159</sup> U.S. Patent No. 3,186,047 (1965).

<sup>160</sup> *Panduit II*, 65 F.3d at 656.

<sup>161</sup> *Panduit IV*, 138 F.3d at 282.

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> *Id.*

<sup>165</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 34 U.S.P.Q.2d (BNA) 1545 (N.D. Ill. 1994) (*Panduit I*).

<sup>166</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 1407, 46 U.S.P.Q.2d (BNA) 1010, 1016 (N.D. Ill. 1996) (*Panduit III*).

<sup>167</sup> *Id.*

First, Panduit argued trade dress protection for T&B's oval head tie was unavailable because it would be contrary to the right to copy granted by patent law.<sup>168</sup> Persuasive support for Panduit's position comes from the Supreme Court's opinion in *Scott Paper*:

the patentee may not exclude the public from participating in that good will [built up while the patent was in effect] or secure, to any extent, a continuation of his monopoly by resorting to the trademark law and registering as a trademark any particular descriptive matter appearing in the specifications, drawings or claims of the expired patent, whether or not such matter describes essential elements of the invention or claims.<sup>169</sup>

Second, Panduit argued the oval head was functional and therefore not entitled to trade dress protection.<sup>170</sup> Third, Panduit argued, relying on *Vornado*, that even if the oval head was nonfunctional and had acquired secondary meaning "it still cannot be protected trade dress if it was disclosed in an expired patent."<sup>171</sup> Finally, Panduit argued that the Lanham Act and Patent Act could be reconciled by allowing T&B to obtain Lanham Act protection for the packaging and advertising of the oval head tie but not for its shape.<sup>172</sup>

#### B. DISTRICT COURT - PRELIMINARY INJUNCTION<sup>173</sup>

In the Federal District Court for the Northern District of Illinois, the parties agreed to have the case heard by a magistrate judge as

<sup>168</sup> *Id.*

<sup>169</sup> *Scott Paper Co. v. Marcalus Co.*, 326 U.S. 249, 256, 67 U.S.P.Q. (BNA) 193, 196-197 (1945).

<sup>170</sup> *Panduit III*, 935 F. Supp. at 1404.

<sup>171</sup> *Panduit II*, 65 F.3d at 659.

<sup>172</sup> *Panduit III*, 935 F. Supp. at 1407 ("Panduit argues that the way to harmonize the Patent Act and [t]he Lanham Act upon the expiration of the patent is to allow T & B to obtain Lanham Act protection with respect to the packaging and advertising of the product, but not for the physical shape of the product and its oval head.").

<sup>173</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 34 U.S.P.Q.2d (BNA) 1545 (N.D. Ill. 1994) (*Panduit I*).



opposed to a jury.<sup>174</sup> The district court ruled in T&B's favor, granting a preliminary injunction against Panduit's selling or marketing its two-piece oval-headed cable tie based upon its conclusion that T&B had established a likelihood of success on the merits.<sup>175</sup> The district court found that T&B's cable tie was not inherently distinctive but that it had acquired secondary meaning which it defined as "an association in the mind of the consumer between the trade dress of a product and a particular producer."<sup>176</sup> The court found T&B's oval-headed tie had acquired secondary meaning because of T&B's advertising, T&B's survey indicating customers associated the oval head with T&B, and because T&B had been the sole manufacturer of an oval-headed cable tie for thirty years.<sup>177</sup>

#### C. SEVENTH CIRCUIT - MOTION TO STAY PRELIMINARY INJUNCTION<sup>178</sup>

Panduit moved to stay the preliminary injunction pending an appeal on the merits.<sup>179</sup> The Seventh Circuit, rejecting this motion, upheld the preliminary injunction.<sup>180</sup>

#### D. SEVENTH CIRCUIT - OVERTURNING OF PRELIMINARY INJUNCTION<sup>181</sup>

On appeal, the Seventh Circuit held that the district court applied the wrong legal standard with regard to secondary meaning.<sup>182</sup> To prove its cable ties had secondary meaning, the Seventh Circuit held T&B would have to prove "that in the minds of consumers the primary significance of the oval head is to identify

<sup>174</sup> *Id.*

<sup>175</sup> *Id.*

<sup>176</sup> *Id.* at 1555.

<sup>177</sup> *Id.* at 1555-56.

<sup>178</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 34 U.S.P.Q.2d (BNA) 1607 (7th Cir. 1994).

<sup>179</sup> *Id.*

<sup>180</sup> *Id.*

<sup>181</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 36 U.S.P.Q.2d (BNA) 1065 (7th Cir. 1995) (*Panduit II*).

<sup>182</sup> *Id.* at 661.

the TY-RAP as a T&B product.<sup>183</sup> Using this standard, the court held none of the evidence, including T&B's advertising,<sup>184</sup> a customer survey commissioned by T&B,<sup>185</sup> and Panduit's intentional copying of the two-piece tie and oval head,<sup>186</sup> supported a finding of secondary meaning. Because the Seventh Circuit found no basis upon which the district court could have found secondary meaning, it reversed the granting of the preliminary injunction and remanded the case to the district court.<sup>187</sup>

The Seventh Circuit distinguished *Vornado*, noting its holding only applied to product features that are claimed in a patent application.<sup>188</sup> While the spiral grill configuration was a required element in one of *Vornado*'s patent claims, T&B's oval head was disclosed in the Schweser patent but was not specifically claimed.<sup>189</sup> The Seventh Circuit criticized the *Vornado* court's reliance on whether a feature is claimed in a patent as not necessarily being "a good indicator of its relative importance to the invention as a whole."<sup>190</sup> The Seventh Circuit concluded that all that could be inferred from the fact that the shape of the oval head was not included as an element of the claim was that it was not independently patentable.<sup>191</sup>

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<sup>183</sup> *Id.*

<sup>184</sup> *Id.* at 662 (holding that advertising that "touts a product feature for its desirable qualities and not primarily as a way to distinguish the producer's brand . . . undermines" a finding of secondary meaning and instead supports "the inference that consumers consider the claimed trade dress a desirable feature of the product and not primarily a signifier of source").

<sup>185</sup> *Id.* The court found T&B's customer survey was defective because it did not separate the oval head from the clearly non-protectable elements of the cable tie. *Id.*

<sup>186</sup> *Id.* at 663 (noting "[c]opying is only evidence of secondary meaning if the defendant's intent in copying is to confuse consumers and pass off his product as the plaintiff's").

<sup>187</sup> *Panduit II*, 65 F.3d at 664.

<sup>188</sup> *Id.* at 659.

<sup>189</sup> *Id.* at 659-60.

<sup>190</sup> *Id.* at 660 (noting that because additional elements in a patent applicant's claim narrow the claim and because patent applicants seek to draw their claims as broadly as possible, applicants include as few specific elements in their claim as possible).

<sup>191</sup> *Id.*

E. DISTRICT COURT - MOTION FOR SUMMARY JUDGMENT<sup>192</sup>

In two separate rulings, the district court granted Panduit's motion for summary judgment, introducing a bright line rule that a product configuration "disclosed as the 'best mode' in [a] patent" can be copied and cannot be protected as trade dress under the Lanham Act.<sup>193</sup> The court held that because the oval-shaped head of T&B's cable tie was disclosed in its patent, it could not receive trade dress protection.<sup>194</sup> Absent this bright line rule, the court reasoned, competitors would be hesitant to copy previously patented inventions for fear of being sued, contrary to the purposes of the Patent Act.<sup>195</sup> The district court stated that T&B knew the best mode disclosed in its patent application would enter the public domain after the patent expired and the benefits of the disclosed patent would be available for competitors to copy.<sup>196</sup> For this reason, allowing T&B trade dress protection for its oval-headed tie would be "unsound public policy . . . and would defeat the expectations of the public and the parties."<sup>197</sup> The court felt that "[a]nything less than a strict rule that the 'best mode' disclosed in a patent can be copied would defeat these expectations" and cause confusion.<sup>198</sup>

The district court concluded that the functionality test creates "needless fact questions and lead[s] to unnecessary litigation which would stifle companies from utilizing products coming off patent."<sup>199</sup> In making its decision, the district court<sup>200</sup> relied upon the Supreme Court's statement in *Bonito Boats* that:

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<sup>192</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399, 46 U.S.P.Q.2d (BNA) 1010 (N.D. Ill. 1996) (*Panduit III*); *Thomas & Betts Corp. v. Panduit Corp.*, 940 F. Supp. 1337 (N.D. Ill. 1996).

<sup>193</sup> *Panduit III*, 935 F. Supp. at 1409.

<sup>194</sup> *Id.* at 1408.

<sup>195</sup> *Id.*

<sup>196</sup> *Id.*

<sup>197</sup> *Id.*

<sup>198</sup> *Id.*

<sup>199</sup> *Panduit III*, 935 F. Supp. at 1409. However, this opinion notes that the functionality analysis is appropriate where product configurations are not covered by an expired utility patent and that in this particular case T&B can still seek trade dress protection for its packaging. *Id.* at 1410.

<sup>200</sup> *Id.* at 1407-08.

[T]he plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy [the] plaintiff's goods slavishly down to the minutest detail: but he may not represent himself as the plaintiff in their sale.<sup>201</sup>

The rule introduced by the district court is stricter than *Vornado's* significant inventive aspect rule. The *Vornado* rule prohibits trade dress protection for a nonfunctional product configuration that is claimed in a patent if the configuration is a significant inventive aspect of the invention.<sup>202</sup> The rule introduced by the district court would deny trade dress protection for any product configuration that was merely disclosed in a patent.<sup>203</sup> The district court distinguished *Vornado* by noting it applies to "situations where components of an invention covered by an expired utility patent were being copied," not the situation T&B presents of whether "a feature . . . not specifically claimed in the patent, can receive trademark protection upon the expiration of the utility patent."<sup>204</sup>

The district court distinguished *Kohler* because, while it allows trademark protection for product configuration, *Kohler* does not deal with patents. In situations where there is no patent, the court held that application of the functionality doctrine was appropriate since the conflict with patent law was not present.

Despite its holding, the district court analyzed the factors necessary to determine whether a question of fact existed as to whether T&B should receive trade dress protection for its cable tie.<sup>205</sup>

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<sup>201</sup> *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157, 9 U.S.P.Q.2d (BNA) 1847, 1855 (1989) (quoting *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F.299, 301 (2d Cir. 1917) (L. Hand, J.)).

<sup>202</sup> *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1510, 35 U.S.P.Q.2d (BNA) 1332, 1342 (10th Cir. 1995).

<sup>203</sup> *Panduit III*, 935 F. Supp. at 1399.

<sup>204</sup> *Id.* at 1407.

<sup>205</sup> *Id.* at 1411.

1. *Functionality.* Panduit argued that the oval head was functional 1) because of T&B's advertising, 2) because there are only a limited number of alternate designs available for the two-piece cable tie, and 3) because if T&B was given protection, Panduit would not be able to compete effectively.<sup>206</sup> The court held that the oval-headed tie was functional as a matter of law and therefore protection was unavailable.<sup>207</sup> The court reached this conclusion based on the fact that the oval head was mentioned in the patent claim, the fact that T&B's advertisements touted the head as a utilitarian aspect of the cable tie, and because there was no evidence of an alternate way for Panduit to build a two-piece cable tie.<sup>208</sup>

2. *Secondary Meaning.* The district court found that T&B's two-piece oval-headed ties had not acquired secondary meaning. First, T&B's advertising touted features of the ties that did not encourage consumers to identify the ties with T&B, thus creating "an inference against secondary meaning."<sup>209</sup> Second, a customer survey commissioned by T&B was flawed and showed that only thirty percent of those surveyed recognized the ties as T&B's product, a percentage low enough for the court to rule as a matter of law that the oval head had not acquired secondary meaning.<sup>210</sup> Third, testimony from consumers did not support an inference of secondary meaning because "it does not establish that the primary significance of the oval head is to identify the source of the product."<sup>211</sup> Finally, evidence that Panduit copied T&B's cable tie did not show secondary meaning because there was no evidence that Panduit intended to confuse, especially since Panduit's ties were labeled with their name.<sup>212</sup>

3. *Likelihood of Confusion.* Based on the application of three likelihood of confusion factors, the district court found that consumers would not be confused by Panduit's tie because each tie

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<sup>206</sup> *Id.*

<sup>207</sup> *Id.* at 1413.

<sup>208</sup> *Panduit III*, 935 F. Supp. at 1413.

<sup>209</sup> *Id.* at 1414.

<sup>210</sup> *Id.* at 1414-16.

<sup>211</sup> *Id.* at 1416.

<sup>212</sup> *Id.* at 1416-17.

had Panduit's "corporate name embossed on it."<sup>213</sup> The district court disregarded evidence showing there was still confusion, holding "[i]t is not the province of this court to make sure that every purchaser be alerted to the corporate name on each tie before they decide to purchase it."<sup>214</sup>

T&B appealed the granting of summary judgment for Panduit and the case returned to the Seventh Circuit.

#### V. ANALYSIS OF THE SEVENTH CIRCUIT'S OPINION IN *THOMAS & BETTS CORP. V. PANDUIT CORP.*<sup>215</sup>

The Seventh Circuit rejected the bright line rule adopted by the district court, holding there is "no *per se* prohibition against features disclosed in a patent receiving trademark protection after the patent has expired" and that the functionality doctrine is capable of dealing with the tension between patent law and trademark protection of product configurations.<sup>216</sup> Like the district court, the Seventh Circuit held that the oval head was not claimed by T&B in its patent and distinguished *Vornado* on these grounds.<sup>217</sup> The *Vornado* court "did not refuse trademark protection because there is a blanket prohibition against a feature of an invention disclosed in a patent becoming a trademark" but because, without this configuration, "the invention could not fairly be said to be the same invention."<sup>218</sup>

Having ruled that there should be no *per se* prohibition against trademark protection, the Seventh Circuit critiqued the District Court's application of the traditional tests and discussed their proper application.

#### A. FUNCTIONALITY

The Seventh Circuit held that the questions of whether the oval head in T&B's cable tie was functional and whether there were

<sup>213</sup> *Panduit III*, 935 F. Supp. at 1417.

<sup>214</sup> *Id.*

<sup>215</sup> *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 46 U.S.P.Q.2d (BNA) 1026 (7th Cir. 1998) (*Panduit IV*).

<sup>216</sup> *Id.* at 288.

<sup>217</sup> *Id.*

<sup>218</sup> *Id.*

alternative designs that would have allowed Panduit to compete with T&B were not matters that should have been decided on a motion for summary judgment.<sup>219</sup> The court held that “material questions of fact exist regarding whether T&B’s advertisements tout functional aspects of the *oval shape* of the head or rather of *other aspects* of the head which could exist regardless of its shape.”<sup>220</sup>

#### B. SECONDARY MEANING

The Seventh Circuit court noted that when a product receives patent protection, consumers will identify the configuration with a particular source because of the extended period of time during which such an association can arise without competition from other manufacturers.<sup>221</sup> When this occurs, “evidence establishing secondary meaning must . . . show that any connection between the trade dress of the product and its producer does not primarily stem from the expired patent” because “[t]his ensures that there is a true connection between the producer and the product in the minds of consumers.”<sup>222</sup>

The fact that “T&B continuously and exclusively”<sup>223</sup> produced the cable ties for ten years after the patent expired, and before Panduit’s cable ties entered the market, was evidence that “any consumer connection between oval-headed cable ties and T&B was not related to its former monopoly status.”<sup>224</sup> For this reason, the Seventh Circuit held that the district court erred in finding that no material questions of fact were presented with regard to secondary meaning.

The court agreed with the district court that advertising which touts the functional features of a product, as opposed to its source, weighs against a finding of secondary meaning and “instead supports the inference that consumers consider the claimed trade

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<sup>219</sup> *Id.* at 299.

<sup>220</sup> *Panduit IV*, 138 F.3d at 292 (emphasis in original text).

<sup>221</sup> *Id.* at 294.

<sup>222</sup> *Id.*

<sup>223</sup> *Id.* at 295.

<sup>224</sup> *Id.* at 294. The court noted that “[u]nder the Lanham Act, five years’ use weighs strongly in favor of secondary meaning.” *Id.* at 295.

dress a desirable feature rather than an indicator of source.”<sup>225</sup> However, the fact that T&B ran advertisements showing the oval head without discussing the functional advantages of the two-piece tie and produced affidavits showing that for some consumers “the primary significance of the oval-shaped head is to denote T&B as the manufacturer”<sup>226</sup> supported the conclusion that the ties had acquired secondary meaning. For this reason, the Seventh Circuit held that whether T&B’s advertisements created secondary meaning raised a question of material fact that could not be decided on summary judgment.<sup>227</sup>

Finally, the Court held the district court erred in its determination that the fact that only thirty percent of people surveyed recognized the oval head tie demanded a conclusion that there was no secondary meaning as a matter of law.<sup>228</sup>

### C. LIKELIHOOD OF CONFUSION

The Seventh Circuit also found that the district court’s application of the likelihood of confusion test was incorrect because it did not consider each of the elements that compose the test.<sup>229</sup> The Seventh Circuit held the stamping of each company’s names on their ties presented a question of fact as to whether this would prevent consumer confusion due to the small size of the embossed name.<sup>230</sup> Furthermore, the Seventh Circuit held that the district court erred in disregarding an affidavit in which a T&B employee testified as to actual confusion over the ties, and that this presented an issue for the finder of fact.<sup>231</sup> Finally, the court reaffirmed that “post-sale confusion can precipitate a cause of action for trademark infringement.”<sup>232</sup>

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<sup>225</sup> *Panduit IV*, 138 F.3d at 292.

<sup>226</sup> *Id.* at 292-93.

<sup>227</sup> *Id.* at 292.

<sup>228</sup> *Id.* at 295.

<sup>229</sup> *Id.* at 296.

<sup>230</sup> *Panduit IV*, 138 F.3d at 296.

<sup>231</sup> *Id.*

<sup>232</sup> *Id.* at 297.



VI. THE SEVENTH CIRCUIT'S OPINION—A WORKABLE STANDARD  
FOR TRADE DRESS PROTECTION OF PRODUCT CONFIGURATIONS  
IN EXPIRED UTILITY PATENTS

The decision of the Seventh Circuit in this case raises two questions: 1) Should there be a *per se* prohibition on product configurations receiving trade dress protection after their patent protection has expired? 2) If not, how should the three factors for trade dress protection be applied?

A. SHOULD THERE BE A *PER SE* PROHIBITION?

The district court argued that not having a *per se* prohibition would put competitors under a threat of unpredictable trade dress litigation because they will never be sure when their copying constitutes infringement.<sup>233</sup> Under the district court's approach, a configuration would be ineligible for trade dress protection if it were disclosed in an expired patent application. While this approach adds certainty, it goes too far in absolutely barring any part of a patented product from receiving trade dress protection. The answer is not to prohibit this protection but to refine the tests for a previously patented product configuration to receive trade dress protection, and to carefully apply these tests in a manner consistent with the purposes of patent and trademark law.

The Seventh Circuit correctly rejected a *per se* prohibition and applied the tests for functionality, secondary meaning, and likelihood of confusion in a practical manner. The court's application of these factors, while leaving open the possibility that a previously patented product configuration could receive trade dress protection, imposed a gauntlet of requirements to meet in order for previously patented product configurations to receive trade dress protection.

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<sup>233</sup> Thomas & Betts Corp. v. Panduit Corp., 935 F. Supp. 1399, 1408-09, 46 U.S.P.Q.2d (BNA) 1010, 1012 (N.D. Ill. 1996) (*Panduit III*).

B. IF NO *PER SE* PROHIBITION, HOW SHOULD THE THREE FACTORS BE APPLIED?

1. *Functionality*. While the district court's *per se* rule eliminated use of the functionality doctrine, the Seventh Circuit held it was appropriate to use the test in these cases. The Seventh Circuit's approach focuses on realistic factors, such as whether use of the oval head was necessary to compete and whether not using the oval head would affect competitors' costs.

By focusing on these practical concerns, the Seventh Circuit showed how the functionality doctrine can be used to discern whether a product configuration is truly functional. Furthermore, by rejecting the unclear significant aspect rule of *Vornado*, the Seventh Circuit based the functionality determination on practical concerns that the finder of fact will be able to determine with some consistency. Its practical and broad interpretation of what functionality means to manufacturers serves the purposes of both trademark and patent protection and should be emulated by future courts.

2. *Secondary Meaning*. The Seventh Circuit held that an association between the product and its manufacturer that occurred during the time the configuration was protected by patent does not indicate secondary meaning because such an association would not be a "true connection."<sup>234</sup> This standard will serve to greatly limit the instances in which previously patented product configurations will receive trade dress protection. Under its holding manufacturers will have to establish that secondary meaning arose after patent protection expired. The requirements the Seventh Circuit introduced for secondary meaning, while stringent, will help to ensure that trade dress protection is only granted for formerly patented product configurations when it is truly warranted.

3. *Likelihood of Confusion*. Like its test for secondary meaning, the Seventh Circuit's test for likelihood of confusion is a practical one. It focuses on whether a product configuration will cause actual confusion and implicitly rejects the holding of the *Versa* court that consumers are not likely to rely on a configuration to indicate source. The Seventh Circuit required that courts apply all

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<sup>234</sup> *Panduit IV*, 138 F.3d at 294.

of the likelihood of confusion factors, not just some of them.<sup>235</sup> Furthermore, the Seventh Circuit broadened the reach of the likelihood of confusion factors by holding that "post-sale confusion can precipitate a cause of action for trademark infringement," thus allowing the likelihood of confusion factors to be applied after the product is unwrapped and being used.<sup>236</sup>

Despite the fact that both companies stamped each individual tie with the corporation's name, the Seventh Circuit held that a question of fact existed as to whether this prevented confusion.<sup>237</sup> Combined with the fact that courts may consider post-sale confusion, this holds significant implications for trade dress protection of product configurations. If post-sale confusion can be considered and stamping the name of the manufacturer on the product itself is not necessarily sufficient to avoid confusion, then the likelihood of confusion bar has been lowered. This is a positive development because it focuses on the practical effects of the parties' actions and does not make *per se* pronouncements that would deny courts the flexibility to rule based on actual confusion.

## VII. CONCLUSION

Disregarding the case law and considering only the purposes of patent and trademark law, it does not seem contrary to the purposes of either that a nonfunctional configuration of a patented invention should receive trade dress protection, as long as it has acquired secondary meaning, competitors are able to utilize the invention through alternative designs, and likelihood of confusion is likely to result from competitors manufacturing a similar product. Under these conditions, competitors are able to copy the invention after the patent has expired, the inventor reaps the rewards for the goodwill identified with the configuration, and consumers benefit because the configuration will still serve to indicate source.

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<sup>235</sup> *Id.* at 296.

<sup>236</sup> *Id.* at 297.

<sup>237</sup> *See id.* at 297 (noting these ties are sold in bulk and many distributors break up large packages and repackage them for sale in smaller quantities).

Returning to the case law, courts have struggled with this issue, perhaps because the cases in which both forms of protection should be allowed come along so rarely. Further, in the majority of cases the potential for abuse, in the form of a patent holder obtaining a monopoly via trade dress protection, is great. The holding of the Seventh Circuit that there is no *per se* prohibition against a previously patented product configuration receiving trade dress protection should serve as a guide to future courts that are faced with this issue. Its opinion correctly avoids the siren song of a *per se* prohibition. This holding, however, is tempered by the strict manner in which the court applies the traditional tests for trade dress protection. As a result, only rarely will trade dress protection be available for previously patented product configurations.

R. LAWTON JORDAN III

